

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934**

**Date of Report (Date of Earliest Event Reported) June 8, 2015**

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**Matador Resources Company**  
(Exact name of registrant as specified in its charter)

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**Texas**  
(State or other jurisdiction  
of incorporation)

**001-35410**  
(Commission  
File Number)

**27-4662601**  
(IRS Employer  
Identification No.)

**5400 LBJ Freeway, Suite 1500, Dallas, Texas**  
(Address of principal executive offices)

**75240**  
(Zip Code)

**Registrant's telephone number, including area code: (972) 371-5200**

**Not Applicable**  
(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

As previously disclosed, Mr. David F. Nicklin, age 66, retired as the Executive Director of Exploration of Matador Resources Company (the "Company") on March 31, 2015. On June 9, 2015, the Company entered into an amended and restated Independent Contractor Agreement with Mr. Nicklin and his consulting company, David F. Nicklin International Consulting, Inc. (the "Independent Contractor Agreement"). The Independent Contractor Agreement amends and restates Mr. Nicklin's prior consulting agreement with the Company and, in accordance with Mr. Nicklin's plans to retire, retains Mr. Nicklin as Consulting Geoscientist and Special Advisor to the Board of Directors of the Company. Pursuant to the Independent Contractor Agreement, Mr. Nicklin will be paid an annual retainer of \$150,000, payable in twelve equal monthly installments, and a daily rate of \$2,000 per day for each day that Mr. Nicklin provides services to the Company in excess of sixty days per year. The Independent Contractor Agreement is effective as of April 1, 2015 and continues on a month-to-month basis. The foregoing description is qualified in its entirety by reference to the full text of the Independent Contractor Agreement, which is filed as Exhibit 10.1 to this Current Report on Form 8-K (this "Current Report") and incorporated herein by reference.

On June 10, 2015, following the Company's Annual Meeting of Shareholders (the "Annual Meeting"), the Board of Directors of the Company appointed the Company's executive officers as set forth below. Such officers, who serve on the Company's executive committee, will share the responsibilities of the principal operating officer of the Company in light of the Company's growth. Information regarding the age, business experience and background of each executive officer of the Company is included in the Company's definitive proxy statement, which was filed with the Securities and Exchange Commission on April 29, 2015 and is incorporated herein by reference.

<b>Name</b>	<b>Office</b>
Joseph Wm. Foran	Chairman of the Board, Chief Executive Officer and Secretary
Matthew V. Hairford	President and Chair of the Operating Committee
David E. Lancaster	Executive Vice President, Chief Financial Officer and Assistant Secretary
Craig N. Adams	Executive Vice President - Land, Legal and Administration and Assistant Secretary
Ryan C. London	Executive Vice President and Head of Completions and Prospect Teams (Engineering and Geology)
Van H. Singleton, II	Executive Vice President - Land
Bradley M. Robinson	Vice President - Reservoir Engineering and Chief Technology Officer

At the Annual Meeting, as discussed below, the shareholders approved the Company's Amended and Restated 2012 Long-Term Incentive Plan (the "Plan"). A description of the terms and conditions of the Plan is included in the Company's definitive proxy statement, which was filed with the Securities and Exchange Commission on April 29, 2015 and is incorporated herein by reference and is qualified in its entirety by reference to the full text of the Plan, which is filed as Exhibit 10.2 to this Current Report.

**Item 5.07 Submission of Matters to a Vote of Security Holders.**

The Company held its Annual Meeting on June 10, 2015. On the April 15, 2015 record date, there were 78,307,729 shares of the Company's common stock outstanding with each such share being entitled to one vote per share of common stock.

A total of 70,493,642 shares of the Company's common stock were represented in person or by proxy at the Annual Meeting. The number of votes cast for, against or withheld, as well as abstentions and broker non-votes, as applicable, with respect to each matter is set forth below.

**Proposal 1: Election of Directors**

The shareholders elected Carlos M. Sepulveda, Jr., Margaret B. Shannon and George M. Yates as Class I directors of the Company for a three-year term expiring at the Annual Meeting of Shareholders in 2018, and until the election and qualification of such directors' respective successors or the earlier death, retirement, resignation or removal of such director.

<b>Nominee</b>	<b>Votes Cast For</b>	<b>Votes Withheld</b>	<b>Broker Non-Votes</b>
Carlos M. Sepulveda, Jr.	60,647,656	408,218	9,437,768
Margaret B. Shannon	60,667,914	387,960	9,437,768
George M. Yates	60,654,888	400,986	9,437,768

**Proposal 2: Approval of Amended and Restated 2012 Long-Term Incentive Plan**

The shareholders approved the Company's Amended and Restated 2012 Long-Term Incentive Plan.

Votes For	Votes Against	Votes Abstained	Broker Non-Votes
60,340,253	666,785	48,836	9,437,768

**Proposal 3: Advisory Vote on Executive Compensation**

The shareholders approved the non-binding advisory resolution approving the compensation of the Company's named executive officers.

Votes For	Votes Against	Votes Abstained	Broker Non-Votes
60,389,516	596,442	69,916	9,437,768

**Proposal 4: Proposal to Ratify the Appointment of KPMG LLP as the Company's Independent Registered Public Accounting Firm for the Year Ending December 31, 2015**

The shareholders ratified the appointment of KPMG LLP as the Company's independent registered public accounting firm for the year ending December 31, 2015.

Votes For	Votes Against	Votes Abstained
70,428,271	17,765	47,606

**Item 7.01 Regulation FD Disclosure.**

On June 8, 2015, the Company issued a press release announcing the closing of certain Delaware Basin joint ventures (the "Press Release"). A copy of the Press Release is furnished as Exhibit 99.1 to this Current Report. The Press Release is incorporated by reference into this Item 7.01, and the foregoing description of the Press Release is qualified in its entirety by reference to this exhibit.

The Company expects to make presentations concerning its business to potential investors. The materials to be utilized during the presentations are furnished as Exhibit 99.2 hereto and incorporated herein by reference.

The information furnished pursuant to this Item 7.01, including Exhibits 99.1 and 99.2, shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and will not be incorporated by reference into any filing under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference.

**Item 9.01 Financial Statements and Exhibits.****(d) Exhibits**

Exhibit No.	Description of Exhibit
10.1	Amended and Restated Independent Contractor Agreement by and among Matador Resources Company, David F. Nicklin and David F. Nicklin International Consulting, Inc., effective as of April 1, 2015.
10.2	Amended and Restated 2012 Long-Term Incentive Plan.
99.1	Press Release, dated June 8, 2015.
99.2	Presentation Materials.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**MATADOR RESOURCES COMPANY**

Date: June 11, 2015

By: /s/ Craig N. Adams  
Name: Craig N. Adams  
Title: Executive Vice President

## Exhibit Index

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10.2	Amended and Restated 2012 Long-Term Incentive Plan.
99.1	Press Release, dated June 8, 2015.
99.2	Presentation Materials.

**AMENDED AND RESTATED INDEPENDENT CONTRACTOR AGREEMENT**

This Amended and Restated Independent Contractor Agreement (“Agreement”) is made and entered into by and between Matador Resources Company, a Texas corporation (“Matador”), David F. Nicklin (“Consultant”) and David F. Nicklin International Consulting, Inc., a California corporation (“DFN International”), to be effective as of April 1, 2015.

**WITNESSETH:**

WHEREAS, Matador, Consultant and DFN International were parties to that certain Independent Contractor Agreement dated August 9, 2011, as amended December 1, 2011 and as further amended February 26, 2015 (as amended, the “Prior Agreement”);

WHEREAS, Matador, Consultant and DFN International desire to enter into this Agreement to amend and restate the Prior Agreement and to set forth the terms and conditions of Consultant’s and DFN International’s engagement with Matador; and

WHEREAS, Matador acknowledges that Consultant, through DFN International or otherwise, provides, and will continue to provide, consulting services to others;

NOW, THEREFORE, in consideration of the mutual premises and covenants herein contained, the parties hereto agree as follows:

1. Matador hereby enters into this Agreement with Consultant and DFN International to retain Consultant, through DFN International, as Consulting Geoscientist and Special Advisor to the Board of Directors, for the time and on the basis set forth herein. The parties agree that this Agreement amends and restates the Prior Agreement.

2. The term of this Agreement shall commence effective April 1, 2015 and shall continue on a month-to-month basis (the “Term”), unless earlier terminated in accordance with Paragraph 11 or extended by agreement in writing signed by Consultant, DFN International and Matador.

3. Throughout the Term of this Agreement, Consultant hereby acknowledges his fiduciary duties to Matador and accepts and agrees to devote his best efforts in the interests of Matador to the performance of the Services (as defined below). It is understood that Consultant and DFN International have and will continue to have other outside business endeavors, which endeavors shall not violate Consultant’s and/or DFN International’s duties and responsibilities hereunder, provided that during the Term of this Agreement, each of Consultant and DFN International agrees to disclose to Matador in writing all consulting arrangements that may pose actual or potential conflicts of interest. In addition, each of Consultant and DFN International agrees not to: (i) take for himself or itself opportunities that are discovered through the use of Matador property, information or position; (ii) use Matador property, information or position for personal gain; (iii) directly compete with Matador; or (iv) recommend or suggest Matador employees for positions with other companies.

4. Consultant shall report to Joseph Wm. Foran or his successor and/or such other personnel of Matador or its affiliated companies as designated from time to time by Mr. Foran or his successor, or by any of the executive officers of Matador.

5. This Agreement and DFN International’s services hereunder, through Consultant, shall involve the following services (the “Services”) during the Term:

- a. Provide geoscience advice to management and the Board of Directors;
- b. Serve as a technical “coach” to the Matador geoscience staff;
- c. Conduct monthly reviews of Matador’s technical program and its progress;
- d. Attend Prospect Committee meetings and assist in constructive critique during such meetings, reporting to Mr. Foran following such meetings;
- e. Attend Board of Directors meetings, upon Matador’s advance request; and
- f. Work on such other projects and provide such other specific services as are coordinated by Matador with Consultant.

Such Services shall be provided at Matador’s headquarters in Dallas, Texas, its office in Roswell, New Mexico or at locations otherwise agreed by Matador.

6. As compensation for the Services, Matador shall pay DFN International (i) a \$150,000 annual retainer, payable in 12 equal monthly installments; and (ii) \$2,000 per day for each day of Services provided to Matador in excess of 60 days per year. Matador agrees to reimburse Consultant and/or DFN International for all reasonable travel and lodging expenses incurred in accordance with Matador’s policies then in effect, which shall be payable by Matador, in arrears. Consultant is expected to work five days per month on average, but will use reasonable efforts to accommodate additional requests in regard to Board of Directors meetings, prospect reviews and high-level employee interviews.

7. During the Term, Matador may disclose to Consultant information which Matador considers confidential and proprietary. In addition, Matador considers Consultant’s efforts and Services hereunder to be confidential and proprietary information. Consultant agrees not to publish or disclose any such information, including information derived from or regarding the services provided to Matador under the Prior Agreement, to others without the prior written consent of Matador. In the event that Consultant and/or DFN International receives a request or are required (by deposition, interrogatory, request for documents, subpoena, civil investigative demand or similar process) to disclose all or any part of confidential and proprietary information received by such party, each of Consultant and DFN International agrees to promptly notify Matador in writing of any such request or requirement so that Matador may seek an appropriate protective order, or waive compliance with the provisions hereof. In the event no such protective order is granted or no such waiver is made by Matador, Consultant and/or DFN International, as the case may be, may only disclose that portion of the confidential information which such party is advised by counsel is legally required to be disclosed, and shall exercise reasonable efforts to obtain assurance that confidential treatment will be accorded such confidential information and neither Consultant nor DFN International shall be liable for such disclosure unless such disclosure was caused by or resulted from a previous disclosure by Consultant or DFN International not permitted by this Agreement. As to the above confidential disclosure to Consultant and/or DFN International by Matador and Consultant’s efforts and Services hereunder, the obligation of confidence shall extend from the termination of this Agreement but shall not apply to (a) information which Consultant or DFN International can show by documents was already in DFN International’s or Consultant’s possession prior to Matador’s disclosure thereof, (b) information that is or becomes known to the general public through no act of Consultant or DFN International or (c) information which Consultant and/or DFN International receives from a third party having the lawful right to disclose such information without breach of any obligation of confidentiality. Neither DFN International nor Consultant shall employ others to assist with the provision of Services covered by this Agreement. Upon termination of this Agreement, Consultant and DFN International shall surrender to Matador all of Consultant’s and DFN International’s work product and all data and information obtained by, utilized by or provided to Consultant and/or DFN International in furtherance of this Agreement and neither Consultant nor DFN International shall retain any such work product, information or data or any copies thereof. Notwithstanding anything to the contrary, each of Consultant and DFN International agrees that, during the term of this Agreement and for a period of one (1)

year from the date of termination of this Agreement, except on behalf of Matador, neither DFN International nor Consultant will acquire any interest, directly or indirectly, or conduct or have conducted on his behalf, or participate in any leasing, geological, geophysical, drilling or other exploration activity or otherwise compete with Matador, or cause or consult with any third party to do any of such activities or otherwise compete, as to the lands covered by any project(s) and matters which Consultant worked on or was exposed to as a consequence of the Services performed under this Agreement or the Prior Agreement, without the express written consent of Matador. Each of Consultant and DFN International (i) is aware that United States securities laws prohibit any person who has material, nonpublic information about a public company from purchasing or selling securities of that company, or from communicating that information to any other person under circumstances where it is reasonably foreseeable that such person is likely to purchase or sell those securities, (ii) is familiar with the Securities Exchange Act of 1934 (the "Exchange Act"), and (iii) shall not use, nor cause any third party to use, any information in contravention of the Exchange Act. Consultant shall be subject to Matador's Insider Trading Policy.

8. Consultant and DFN International agree to protect and hold Matador free and harmless against liability, damage, loss, expense, claim, action or proceeding arising in any way out of, in connection with, or resulting from the Services provided by Consultant, excepting those actions caused by or resulting from Matador's gross negligence or willful misconduct.

9. Matador shall indemnify Consultant and DFN International and hold Consultant and DFN International harmless against liability, damage, loss, expense, claim, action or proceeding arising in any way out of, in connection with or resulting from Matador's actions under this Agreement, excepting those actions caused by or resulting from Consultant's or DFN International's gross negligence or willful misconduct.

10. During the term of this Agreement, Consultant will be an independent contractor and Consultant shall not be an employee of Matador or of any of its affiliates, and Consultant will not represent himself as an employee of Matador or any of its affiliates to any party or parties. Consultant shall therefore render the Services on a consultancy basis as a professional, without any bond of employment. The parties confirm and assent that Consultant shall not be subject to any of Matador's employee benefits, but shall remain an eligible participant under Matador's long-term incentive plans. Consultant or DFN International shall provide all tools and equipment necessary for Consultant to perform the Services hereunder except that Matador may offer to provide certain equipment, software and/or tools for projects it assigns to Consultant and Consultant may elect at his sole discretion to utilize the equipment, software and/or tools for the performance of Services. The parties confirm and assent that DFN International and Consultant have the right of control on how Services provided hereunder are completed. DFN International or Consultant shall be responsible for the payment of all taxes associated with amounts received pursuant to this Agreement. DFN International or Consultant shall carry such insurance as such parties deem necessary or desirable and Matador shall not be liable to DFN International or Consultant for the premiums on any such insurance policies issued to DFN International or Consultant on their behalf. Matador shall not be required to carry for Consultant's benefit any worker's compensation or industrial or occupational disease insurance and Consultant specifically waives for himself and his agents, heirs and successors any claims or causes of action for any injury or accidental death rising out of the performance of the Services. It is not the intention of the parties hereto to create, expressly or impliedly, a partnership, association or joint venture, and any such partnership, association or joint venture status is hereby expressly denied. Upon reasonable prior written notice, Matador or its designated agents shall be permitted access to all books and records of Consultant reasonably related to the payments made hereunder and to the performance by Consultant of the Services hereunder, including for the purpose of auditing such books and records, all at the expense of Matador.



11. This Agreement may be terminated by either party at any time with not less than thirty (30) days prior written notice. In the event that Matador terminates this Agreement, Matador shall have no further obligation to pay DFN International hereunder except for Services completed by Consultant as of the effective date of termination by Matador. If DFN International and/or Consultant terminates this Agreement, DFN International shall be entitled to all compensation for Services completed by Consultant as of the effective date of termination by DFN International and/or Consultant, as the case may be. Neither termination nor completion of this Agreement referred to above shall affect Paragraphs 7, 8 and 9, which provisions shall survive the termination of this Agreement and remain operative and in full force and effect.

12. Except as otherwise agreed in writing by the parties hereto, all amounts paid to DFN International shall be paid in legal tender of the United States, and shall be by check or wire transfer.

13. This Agreement as to Consultant and DFN International is personal and may not be assigned or otherwise transferred by either such party. Matador, however, shall have the right to assign this Agreement to any of its affiliates or successors. This Agreement may not be amended except by written instrument signed by both parties, and no waiver shall be enforceable against any party unless evidenced by a written instrument signed by the party against which enforcement is sought.

14. Any controversy or claim arising out of or relating to this Agreement shall be settled by arbitration before a single arbitrator, which shall be in accordance with the Employment Arbitration Rules of the American Arbitration Association as such Rules shall be in effect on the date of delivery of demand of arbitration. The arbitrator, and not any federal, state, or local court or agency, shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, enforceability or formation of this Agreement including, but not limited to any claim that all or any part of this Agreement is void or voidable. The decision of the arbitrator shall be reduced to writing and shall be final, binding and conclusive; otherwise, the right to contest the determination shall cease and terminate and be of no further force and effect. Judgment upon any award made by the arbitrator may be enforced in any court having jurisdiction over the person or the assets of the party against whom the award is made. The site of arbitration shall be Dallas, Dallas County, Texas. The parties shall maintain the confidential nature of the arbitration proceeding and the award, including the hearing, except as may be necessary to prepare for or conduct the arbitration hearing on the merits, or as may be necessary in connection with a court application for a preliminary remedy, a judicial challenge to an award or its enforcement, or unless otherwise required by law or judicial decision.

15. Failure of either party hereto to insist upon or require strict compliance with any provision hereof shall not be considered a waiver of such provision or modification of this Agreement unless so specified in writing. The provisions of this Agreement are severable and the invalidity or unenforceability of one or more of the provisions herein shall not have any effect on the validity or enforceability of any other provision. This Agreement may be executed in counterparts, all of which, taken together, shall constitute one and the same original document.

**IN WITNESS WHEREOF**, each of Matador and DFN International has caused this Agreement to be executed on its behalf by its duly authorized corporate officer and Consultant has hereunto set his hand as of the date set forth underneath each respective signature below.

Signature and address for Notice:

**Address:**

**MATADOR RESOURCES COMPANY**

One Lincoln Centre  
5400 LBJ Freeway, Suite 1500  
Dallas, Texas 75240

By: /s/ Joseph Wm. Foran

Joseph Wm. Foran  
Chairman and CEO

Date: June 9, 2015

Signature and address for Notice:

**Address:**

**DAVID F. NICKLIN INTERNATIONAL CONSULTING, INC.**

37 Brindisi Lane  
Laguna Niguel, California 92629

By: /s/ David F. Nicklin

David F. Nicklin

Date: June 9, 2015

Signature and address for Notice:

**Address:**

**David F. Nicklin**

37 Brindisi Lane  
Laguna Niguel, California 92629

By: /s/ David F. Nicklin

David F. Nicklin

Date: June 9, 2015

## MATADOR RESOURCES COMPANY

## AMENDED AND RESTATED 2012 LONG-TERM INCENTIVE PLAN

The Matador Resources Company Amended and Restated 2012 Long-Term Incentive Plan (the “*Plan*”) was adopted by the Board of Directors of Matador Resources Company, a Texas corporation (the “*Company*”), on April 23, 2015 (the “*Board Approval Date*”), to be effective as of the date the Plan is approved by the Company’s shareholders (the “*Effective Date*”). This Plan amends, restates and replaces the Matador Resources Company 2012 Long-Term Incentive Plan adopted on by the Board on January 1, 2012 (and approved by the Company’s shareholders on June 7, 2012) in its entirety.

**ARTICLE 1  
PURPOSE**

The purpose of the Plan is to attract and retain the services of key Employees, key Contractors and Outside Directors and to provide such persons with a proprietary interest in the Company through the granting of Incentive Stock Options, Nonqualified Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Awards, Dividend Equivalent Rights and Other Awards, whether granted singly, or in combination, or in tandem, that will:

- (a) increase the interest of such persons in the Company’s welfare;
- (b) furnish an incentive to such persons to continue their services for the Company or its Subsidiaries; and
- (c) provide a means through which the Company may attract able persons as Employees, Contractors and Outside Directors.

With respect to Reporting Participants, the Plan and all transactions under the Plan are intended to comply with all applicable conditions of Rule 16b-3 promulgated under the Exchange Act. To the extent any provision of the Plan or action by the Committee fails to so comply, such provision or action shall be deemed null and void *ab initio*, to the extent permitted by law and deemed advisable by the Committee.

**ARTICLE 2  
DEFINITIONS**

For the purpose of the Plan, unless the context requires otherwise, the following terms shall have the meanings indicated:

2.1 “*Applicable Law*” means all legal requirements relating to the administration of equity incentive plans and the issuance and distribution of shares of Common Stock, if any, under applicable corporate laws, applicable securities laws, the rules of any exchange or inter-dealer quotation system upon which the Company’s securities are listed or quoted, and any other applicable law, rule or restriction.

2.2 “*Award*” means the grant of any Incentive Stock Option, Nonqualified Stock Option, Restricted Stock, SAR, Restricted Stock Unit, Performance Award, Dividend Equivalent Right or Other

Award, whether granted singly or in combination or in tandem (each individually referred to herein as an “*Incentive*”).

2.3 “*Award Agreement*” means a written agreement between a Participant and the Company which sets out the terms of the grant of an Award.

2.4 “*Award Period*” means the period set forth in the Award Agreement during which one or more Incentives granted under an Award may be exercised.

2.5 “*Board*” means the Board of Directors of the Company.

2.6 “*Board Approval Date*” is defined above in the introductory paragraph of the Plan.

2.7 “*Change in Control*” occurs upon a change in the Company’s ownership, its effective control or the ownership of a substantial portion of its assets, as follows:

(a) Change in Ownership. A change in ownership of the Company occurs on the date that any “Person” (as defined in Section 2.7(d) below), other than (i) the Company or any of its Subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, (iii) an underwriter temporarily holding stock pursuant to an offering of such stock or (iv) a corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of the Company’s stock, acquires ownership of the Company’s stock that, together with stock held by such Person, constitutes more than 50% of the total fair market value or total voting power of the Company’s stock. However, if any Person is considered to own already more than 50% of the total fair market value or total voting power of the Company’s stock, the acquisition of additional stock by the same Person is not considered to be a Change of Control. In addition, if any Person has effective control of the Company through ownership of 30% or more of the total voting power of the Company’s stock, as discussed in paragraph (b) below, the acquisition of additional control of the Company by the same Person is not considered to cause a Change in Control pursuant to this paragraph (a); or

(b) Change in Effective Control. Even though the Company may not have undergone a change in ownership under paragraph (a) above, a change in the effective control of the Company occurs on either of the following dates:

(i) the date that any Person acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such Person) ownership of the Company’s stock possessing 30% or more of the total voting power of the Company’s stock. However, if any Person owns 30% or more of the total voting power of the Company’s stock, the acquisition of additional control of the Company by the same Person is not considered to cause a Change in Control pursuant to this subparagraph (b)(i); or

(ii) the date during any 12-month period when a majority of members of the Board is replaced by directors whose appointment or election is not endorsed by a majority of the Board before the date of the appointment or election; provided, however, that any such director shall not be considered to be endorsed by the Board if his or her initial assumption of office occurs as a result of an actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) Change in Ownership of Substantial Portion of Assets. A change in the ownership of a substantial portion of the Company's assets occurs on the date that a Person acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such Person) assets of the Company, that have a total gross fair market value equal to at least 40% of the total gross fair market value of all of the Company's assets immediately before such acquisition or acquisitions. However, there is no Change in Control when there is such a transfer to (i) a shareholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock; (ii) an entity, at least 50% of the total value or voting power of the stock of which is owned, directly or indirectly, by the Company; (iii) a Person that owns directly or indirectly, at least 50% of the total value or voting power of the Company's outstanding stock; or (iv) an entity, at least 50% of the total value or voting power of the stock of which is owned by a Person that owns, directly or indirectly, at least 50% of the total value or voting power of the Company's outstanding stock.

(d) Definitions. For purposes of subparagraphs (a), (b) and (c) above:

(i) "Person" shall have the meaning given in Section 7701(a)(1) of the Code. Person shall include more than one Person acting as a group as defined by the Final Treasury Regulations issued under Section 409A of the Code.

(ii) "Affiliate" shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the 1934 Act.

(e) Interpretation. The provisions of this Section 2.7 shall be interpreted in accordance with the requirements of the Final Treasury Regulations under Section 409A of the Code, it being the intent of the parties that this Section 2.7 shall be in compliance with the requirements of said Code Section and said Regulations.

2.8 "**Claim**" means any claim, liability or obligation of any nature, arising out of or relating to this Plan or an alleged breach of this Plan, or an Award Agreement.

2.9 "**Code**" means the United States Internal Revenue Code of 1986, as amended, together with the published rulings, regulations and interpretations duly promulgated thereunder.

2.10 "**Committee**" is defined below in Section 3.1.

2.11 "**Common Stock**" means the common stock, par value \$0.01 per share, which the Company is currently authorized to issue or may in the future be authorized to issue, or any securities into which or for which the common stock of the Company may be converted or exchanged, as the case may be, pursuant to the terms of this Plan.

2.12 "**Company**" means Matador Resources Company, a Texas corporation, and any successor entity.

2.13 "**Contractor**" means any person, who is not an Employee, rendering *bona fide* services to the Company or a Subsidiary, with compensation, provided that such services are not rendered in connection with the offer or sale of securities in a capital raising transaction and do not directly or indirectly promote or maintain a market for the Company's securities.

2.14 “**Corporation**” means any entity that (i) is defined as a corporation under Section 7701 of the Code and (ii) is the Company or is in an unbroken chain of corporations (other than the Company) beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing a majority of the total combined voting power of all classes of stock in one of the other corporations in the chain. For purposes of clause (ii) hereof, an entity shall be treated as a “corporation” if it satisfies the definition of a corporation under Section 7701 of the Code.

2.15 “**Date of Grant**” means the effective date on which an Award is made to a Participant as set forth in the applicable Award Agreement.

2.16 “**Dividend Equivalent Right**” means the right of the holder thereof to receive credits based on the cash dividends that would have been paid on the shares of Common Stock specified in the Award if such shares were held by the Participant to whom the Award is made.

2.17 “**Effective Date**” is defined above in the introductory paragraph of the Plan.

2.18 “**Employee**” means a common law employee (as defined in accordance with the Regulations and Revenue Rulings then applicable under Section 3401(c) of the Code) of the Company or any Subsidiary of the Company.

2.19 “**Exchange Act**” means the United States Securities Exchange Act of 1934, as amended.

2.20 “**Executive Officer**” means an officer of the Company or a Subsidiary subject to Section 16 of the Exchange Act or a “covered employee” as defined in Section 162(m)(3) of the Code.

2.21 “**Exempt Shares**” means shares of Common Stock subject to an Award for which the Committee has accelerated vesting in accordance with Section 7.2. No more than ten percent (10%) of the shares of Common Stock that may be delivered pursuant to Awards may be shares designated as “Exempt Shares.”

2.22 “**Exercise Date**” is defined below in Section 8.3(b).

2.23 “**Fair Market Value**” means, as of a particular date, (a) if the shares of Common Stock are listed on any established national securities exchange, the closing sales price per share of Common Stock on the consolidated transaction reporting system for the principal securities exchange for the Common Stock on that date, or, if there shall have been no such sale so reported on that date, on the last preceding date on which such a sale was so reported; (b) if the shares of Common Stock are not so listed, but are quoted on an automated quotation system, the closing sales price per share of Common Stock reported on an automated quotation system on that date, or, if there shall have been no such sale so reported on that date, on the last preceding date on which such a sale was so reported; (c) if the Common Stock is not so listed or quoted, the mean between the closing bid and asked price on that date, or, if there are no quotations available for such date, on the last preceding date on which such quotations shall be available, as reported by the OTC Bulletin Board operated by the Financial Industry Regulation Authority, Inc. or the OTC Markets Group Inc., formerly known as Pink OTC Markets Inc.; or (d) if none of the above is applicable, such amount as may be determined by the Committee (acting on the advice of an Independent Third Party, should the Committee elect in its sole discretion to utilize an Independent Third Party for this purpose), in good faith, to be the fair market value per share of Common Stock. The determination of Fair Market Value shall, where applicable, be in compliance with Section 409A of the Code.

2.24 “**Full Value Award**” means any Award with a net benefit to the Participant, without regard to any restrictions such as those described in Section 6.4(b), equal to the aggregate Fair Market Value of the total shares of Common Stock subject to the Award. Full Value Awards include Restricted Stock and Restricted Stock Units, but do not include Stock Options and SARs.

2.25 “**Immediate Family Members**” is defined below in Section 15.7.

2.26 “**Incentive**” is defined below in Section 2.2.

2.27 “**Incentive Stock Option**” means an incentive stock option within the meaning of Section 422 of the Code, granted pursuant to this Plan.

2.28 “**Independent Third Party**” means an individual or entity independent of the Company having experience in providing investment banking or similar appraisal or valuation services and with expertise generally in the valuation of securities or other property for purposes of this Plan. The Committee may utilize one or more Independent Third Parties.

2.29 “**Nonqualified Stock Option**” means a nonqualified stock option, granted pursuant to this Plan, which is not an Incentive Stock Option.

2.30 “**Option Price**” means the price which must be paid by a Participant upon exercise of a Stock Option to purchase a share of Common Stock.

2.31 “**Other Award**” means an Award issued pursuant to Section 6.9 hereof.

2.32 “**Outside Director**” means a director of the Company or Subsidiary who is not an Employee or a Contractor.

2.33 “**Participant**” means an Employee, Contractor or Outside Director to whom an Award is granted under this Plan.

2.34 “**Performance Award**” means an Award hereunder of cash, shares of Common Stock, units or rights based upon, payable in, or otherwise related to, Common Stock pursuant to Section 6.7 hereof.

2.35 “**Performance Criteria**” is defined below in Section 6.10.

2.36 “**Performance Goal**” means any of the goals set forth in Section 6.10 hereof.

2.37 “**Plan**” is defined above in the introductory paragraph of the Plan.

2.38 “**Reporting Participant**” means a Participant who is subject to the reporting requirements of Section 16 of the Exchange Act.

2.39 “**Restricted Stock**” means shares of Common Stock issued or transferred to a Participant pursuant to Section 6.4 of this Plan which are subject to restrictions or limitations set forth in this Plan and in the related Award Agreement.

2.40 “**Restricted Stock Units**” means units awarded to Participants pursuant to Section 6.6 hereof, which are convertible into Common Stock at such time as such units are no longer subject to restrictions as established by the Committee.

2.41 “**Restriction Period**” is defined below in Section 6.4(b)(i).

2.42 “**SAR**” or “**Stock Appreciation Right**” means the right to receive an amount, in cash and/or Common Stock, equal to the excess of the Fair Market Value of a specified number of shares of Common Stock as of the date the SAR is exercised (or, as provided in the Award Agreement, converted) over the SAR Price for such shares.

2.43 “**SAR Price**” means the exercise price or conversion price of each share of Common Stock covered by a SAR, determined on the Date of Grant of the SAR.

2.44 “**Spread**” is defined below in Section 12.4(b).

2.45 “**Stock Option**” means a Nonqualified Stock Option or an Incentive Stock Option.

2.46 “**Subsidiary**” means (i) any Corporation in an unbroken chain of corporations beginning with the Company, if each of the corporations other than the last Corporation in the unbroken chain owns stock possessing a majority of the total combined voting power of all classes of stock in one of the other Corporations in the chain, (ii) any limited partnership, if the Company or any corporation described in item (i) above owns a majority of the general partnership interest and a majority of the limited partnership interests entitled to vote on the removal and replacement of the general partner and (iii) any partnership or limited liability company, if the partners or members thereof are composed only of the Company, any corporation listed in item (i) above or any limited partnership listed in item (ii) above. “**Subsidiaries**” means more than one of any such Corporations, limited partnerships, partnerships or limited liability companies.

2.47 “**Tenure Award**” means an Award hereunder of cash, shares of Common Stock, units or rights based upon, payable in, or otherwise related to, Common Stock that vests over time based upon the Participant’s continued employment with or service to the Company or its Subsidiaries.

2.48 “**Termination of Service**” occurs when a Participant who is (i) an Employee of the Company or any Subsidiary ceases to serve as an Employee of the Company and its Subsidiaries, for any reason; (ii) an Outside Director of the Company or a Subsidiary ceases to serve as a director of the Company and its Subsidiaries for any reason; or (iii) a Contractor of the Company or a Subsidiary ceases to serve as a Contractor of the Company and its Subsidiaries for any reason. Except as may be necessary or desirable to comply with applicable federal or state law, a “Termination of Service” shall not be deemed to have occurred when a Participant who is an Employee becomes an Outside Director or Contractor or vice versa. If, however, a Participant who is an Employee and who has an Incentive Stock Option ceases to be an Employee but does not suffer a Termination of Service, and if that Participant does not exercise the Incentive Stock Option within the time required under Section 422 of the Code upon ceasing to be an Employee, the Incentive Stock Option shall thereafter become a Nonqualified Stock Option. Notwithstanding the foregoing provisions of this Section 2.48, in the event an Award issued under the Plan is subject to Section 409A of the Code, then, in lieu of the foregoing definition and to the extent necessary to comply with the requirements of Section 409A of the Code, the definition of “Termination of Service” for purposes of such Award shall be the definition of “separation from service” provided for under Section 409A of the Code and the regulations or other guidance issued thereunder.

2.49 “**Total and Permanent Disability**” means a Participant is qualified for long-term disability benefits under the Company’s or Subsidiary’s disability plan or insurance policy; or, if no such plan or policy is then in existence or if the Participant is not eligible to participate in such plan or policy, that the Participant, because of a physical or mental condition resulting from bodily injury, disease or mental disorder, is unable to perform his or her duties of employment for a period of six (6) continuous months, as determined in good



faith by the Committee, based upon medical reports or other evidence satisfactory to the Committee; provided that, with respect to any Incentive Stock Option, Total and Permanent Disability shall have the meaning given it under the rules governing Incentive Stock Options under the Code. Notwithstanding the foregoing provisions of this Section 2.49, in the event an Award issued under the Plan is subject to Section 409A of the Code, then, in lieu of the foregoing definition and to the extent necessary to comply with the requirements of Section 409A of the Code, the definition of “Total and Permanent Disability” for purposes of such Award shall be the definition of “disability” provided for under Section 409A of the Code and the regulations or other guidance issued thereunder.

### **ARTICLE 3 ADMINISTRATION**

**3.1 General Administration; Establishment of Committee.** Subject to the terms of this Article 3, the Plan shall be administered by the Board or such committee of the Board as is designated by the Board to administer the Plan (the “**Committee**”). The Committee shall consist of not fewer than two persons. Any member of the Committee may be removed at any time, with or without cause, by resolution of the Board. Any vacancy occurring in the membership of the Committee may be filled by appointment by the Board. At any time there is no Committee to administer the Plan, any references in this Plan to the Committee shall be deemed to refer to the Board.

Membership on the Committee shall be limited to those members of the Board who are “outside directors” under Section 162(m) of the Code and “non-employee directors” as defined in Rule 16b-3 promulgated under the 1934 Act. The Committee shall select one of its members to act as its Chairman. A majority of the Committee shall constitute a quorum, and the act of a majority of the members of the Committee present at a meeting at which a quorum is present shall be the act of the Committee.

#### **3.2 Designation of Participants and Awards.**

(a) The Committee or the Board shall determine and designate from time to time the eligible persons to whom Awards will be granted and shall set forth in each related Award Agreement, where applicable, the Award Period, the Date of Grant and such other terms, provisions, limitations and performance requirements, as are approved by the Committee, but not inconsistent with the Plan. The Committee shall determine whether an Award shall include one type of Incentive or two or more Incentives granted in combination or two or more Incentives granted in tandem (that is, a joint grant where exercise of one Incentive results in cancellation of all or a portion of the other Incentive). Although the members of the Committee shall be eligible to receive Awards, all decisions with respect to any Award, and the terms and conditions thereof, to be granted under the Plan to any member of the Committee shall be made solely and exclusively by the other members of the Committee, or if such member is the only member of the Committee, by the Board.

(b) Notwithstanding Section 3.2(a), to the extent permitted by Applicable Law, the Board may, in its discretion and by a resolution adopted by the Board, authorize one or more officers of the Company to (i) designate one or more Employees as eligible persons to whom Awards will be granted under the Plan and (ii) determine the number of shares of Common Stock that will be subject to such Awards; provided, however, that the resolution of the Board granting such authority shall (x) specify the total number of shares of Common Stock that may be made subject to the Awards, (y) set forth the price or prices (or a formula by which such price or prices may be determined) to be paid for the purchase of the Common Stock subject to such Awards and (z) not authorize an officer to designate himself as a recipient of any Award.

3.3 **Authority of the Committee.** The Committee, in its discretion, shall (i) interpret the Plan, (ii) prescribe, amend and rescind any rules and regulations necessary or appropriate for the administration of the Plan, (iii) establish performance goals for an Award and certify the extent of their achievement and (iv) make such other determinations or certifications and take such other action as it deems necessary or advisable in the administration of the Plan. Any interpretation, determination, or other action made or taken by the Committee shall be final, binding and conclusive on all interested parties. The Committee's discretion set forth herein shall not be limited by any provision of the Plan, including any provision which by its terms is applicable notwithstanding any other provision of the Plan to the contrary.

The Committee may delegate to officers of the Company, pursuant to a written delegation, the authority to perform specified functions under the Plan. Any actions taken by any officers of the Company pursuant to such written delegation of authority shall be deemed to have been taken by the Committee.

With respect to restrictions in the Plan that are based on the requirements of Rule 16b-3 promulgated under the 1934 Act, Section 422 of the Code, Section 162(m) of the Code, the rules of any exchange or inter-dealer quotation system upon which the Company's securities are listed or quoted or any other Applicable Law, to the extent that any such restrictions are no longer required by Applicable Law, the Committee shall have the sole discretion and authority to grant Awards that are not subject to such mandated restrictions and/or to waive any such mandated restrictions with respect to outstanding Awards.

#### **ARTICLE 4 ELIGIBILITY**

Any Employee (including an Employee who is also a director or an officer), Contractor or Outside Director whose judgment, initiative and efforts contributed or may be expected to contribute to the successful performance of the Company is eligible to participate in the Plan; provided that only Employees of a Corporation shall be eligible to receive Incentive Stock Options. The Committee, upon its own action, may grant, but shall not be required to grant, an Award to any Employee, Contractor or Outside Director. Awards may be granted by the Committee at any time and from time to time to new Participants, or to then Participants, or to a greater or lesser number of Participants, and may include or exclude previous Participants, as the Committee shall determine. Except as required by this Plan, Awards need not contain similar provisions. The Committee's determinations under the Plan (including without limitation determinations of which Employees, Contractors or Outside Directors, if any, are to receive Awards, the form, amount and timing of such Awards, the terms and provisions of such Awards and the agreements evidencing same) need not be uniform and may be made by it selectively among Participants who receive, or are eligible to receive, Awards under the Plan.

#### **ARTICLE 5 SHARES SUBJECT TO PLAN**

5.1 **Number Available for Awards.** Subject to adjustment as provided in Articles 11 and 12, the maximum number of shares of Common Stock that may be delivered pursuant to Awards granted under the Plan is 8,700,000 shares, of which 100% may be delivered pursuant to Incentive Stock Options. Subject to adjustment pursuant to Articles 11 and 12, the maximum number of shares of Common Stock with respect to which Stock Options or SARs may be granted to an Executive Officer during any calendar year is 500,000 shares of Common Stock. Shares to be issued may be made available from authorized but unissued Common Stock, Common Stock held by the Company in its treasury or Common Stock purchased by the Company on the open market or otherwise. During the term of this Plan, the Company will at all times reserve and

keep available the number of shares of Common Stock that shall be sufficient to satisfy the requirements of this Plan.

**5.2 Restoration and Retention of Shares (“Share Counting”).** If any shares of Common Stock subject to an Award shall not be issued or transferred to a Participant and shall cease to be issuable or transferable to a Participant because of the forfeiture, termination, expiration or cancellation, in whole or in part, of such Award or for any other reason, the shares not so issued or transferred, or the shares so reacquired by the Company, as the case may be, shall no longer be charged against the limitation provided for in Section 5.1 and may be used thereafter for additional Awards under the Plan. The following additional parameters shall apply:

(a) To the extent an Award under the Plan is settled or paid in cash, shares subject to such Award will not be considered to have been issued and will not be applied against the maximum number of shares of Common Stock provided for in Section 5.1.

(b) If an Award may be settled in shares of Common Stock or cash, such shares shall be deemed issued only when and to the extent that settlement or payment is actually made in shares of Common Stock. To the extent an Award is settled or paid in cash, and not shares of Common Stock, any shares previously reserved for issuance or transfer pursuant to such Award will again be deemed available for issuance or transfer under the Plan, and the maximum number of shares of Common Stock that may be issued or transferred under the Plan shall be reduced only by the number of shares actually issued and transferred to the Participant.

(c) Notwithstanding the foregoing, (i) shares withheld or tendered to pay withholding taxes or the exercise price of an Award shall not again be available for the grant of Awards under the Plan and (ii) the full number of shares subject to a Stock Option or SAR granted that are settled by the issuance of shares shall be counted against the shares authorized for issuance under this Plan, regardless of the number of shares actually issued upon the settlement of such Stock Option or SAR.

(d) Any shares repurchased by the Company on the open market using the proceeds from the exercise of an Award shall not increase the number of shares available for the future grant of Awards.

## **ARTICLE 6 GRANT OF AWARDS**

### **6.1 In General.**

(a) The grant of an Award shall be authorized by the Committee and shall be evidenced by an Award Agreement setting forth the Incentive or Incentives being granted, the total number of shares of Common Stock subject to the Incentive(s), the Option Price (if applicable), the Award Period, the Date of Grant and such other terms, provisions, limitations and performance objectives, as are approved by the Committee, but (i) not inconsistent with the Plan, (ii) to the extent an Award issued under the Plan is subject to Section 409A of the Code, in compliance with the applicable requirements of Section 409A of the Code and the regulations or other guidance issued thereunder and (iii) to the extent the Committee determines that an Award shall comply with the requirements of Section 162(m) of the Code, in compliance with the applicable requirements of Section 162(m) of the Code and the regulations and other guidance issued thereunder. The Company shall execute an Award Agreement with a Participant after the Committee approves the issuance of an Award. Any Award granted pursuant to this Plan must be granted within ten (10) years of the Board Approval

Date. The Plan shall be submitted to the Company's shareholders for approval at the first shareholder meeting after the Board Approval Date and no Awards may be granted under the Plan prior to the Effective Date. The grant of an Award to a Participant shall not be deemed either to entitle the Participant to, or to disqualify the Participant from, receipt of any other Award under the Plan.

(b) If the Committee establishes a purchase price for an Award, the Participant must accept such Award within a period of thirty (30) days (or such shorter period as the Committee may specify) after the Date of Grant by executing the applicable Award Agreement and paying such purchase price.

(c) Any Award under this Plan that is settled in whole or in part in cash on a deferred basis may provide for interest equivalents to be credited with respect to such cash payment. Interest equivalents may be compounded and shall be paid upon such terms and conditions as may be specified by the grant.

**6.2 Option Price.** The Option Price for any share of Common Stock which may be purchased under a Nonqualified Stock Option for any share of Common Stock must be equal to or greater than the Fair Market Value of the share on the Date of Grant. The Option Price for any share of Common Stock which may be purchased under an Incentive Stock Option must be at least equal to the Fair Market Value of the share on the Date of Grant; if an Incentive Stock Option is granted to an Employee who owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the Code) more than ten percent (10%) of the combined voting power of all classes of stock of the Company (or any parent or Subsidiary), the Option Price shall be at least one hundred ten percent (110%) of the Fair Market Value of the Common Stock on the Date of Grant.

**6.3 Maximum ISO Grants.** The Committee may not grant Incentive Stock Options under the Plan to any Employee which would permit the aggregate Fair Market Value (determined on the Date of Grant) of the Common Stock with respect to which Incentive Stock Options (under this and any other plan of the Company and its Subsidiaries) are exercisable for the first time by such Employee during any calendar year to exceed \$100,000. To the extent any Stock Option granted under this Plan which is designated as an Incentive Stock Option exceeds this limit or otherwise fails to qualify as an Incentive Stock Option, such Stock Option (or any such portion thereof) shall be a Nonqualified Stock Option. In such case, the Committee shall designate which stock will be treated as Incentive Stock Option stock by causing the issuance of a separate stock certificate and identifying such stock as Incentive Stock Option stock on the Company's stock transfer records.

**6.4 Restricted Stock.** If Restricted Stock is granted to or received by a Participant under an Award (including a Stock Option), the Committee shall set forth in the related Award Agreement: (i) the number of shares of Common Stock awarded, (ii) the price, if any, to be paid by the Participant for such Restricted Stock and the method of payment of the price, (iii) the time or times within which such Award may be subject to forfeiture, (iv) specified Performance Goals of the Company, a Subsidiary, any division thereof or any group of Employees of the Company, or other criteria, which the Committee determines must be met in order to remove any restrictions (including vesting) on such Award and (v) all other terms, limitations, restrictions and conditions of the Restricted Stock, which shall be consistent with this Plan, to the extent applicable and in the event the Committee determines that an Award shall comply with the requirements of Section 162(m) of the Code, in compliance with the requirements of Section 162(m) of the Code and the regulations and other guidance issued thereunder and, to the extent Restricted Stock granted under the Plan is subject to Section 409A of the Code, in compliance with the applicable requirements of

Section 409A of the Code and the regulations or other guidance issued thereunder. The provisions of Restricted Stock need not be the same with respect to each Participant.

(a) **Legend on Shares.** The Company shall electronically register the Restricted Stock awarded to a Participant in the name of such Participant, which shall bear an appropriate legend referring to the terms, conditions and restrictions applicable to such Restricted Stock, substantially as provided in Section 15.9 of the Plan. No stock certificate or certificates shall be issued with respect to such shares of Common Stock, unless, following the expiration of the Restriction Period (as defined in Section 6.4(b)(i)) without forfeiture in respect of such shares of Common Stock, the Participant requests delivery of the certificate or certificates by submitting a written request to the Committee (or such party designated by the Company) requesting delivery of the certificates. The Company shall deliver the certificates requested by the Participant to the Participant as soon as administratively practicable following the Company's receipt of such request.

(b) **Restrictions and Conditions.** Shares of Restricted Stock shall be subject to the following restrictions and conditions:

(i) Subject to the other provisions of this Plan and the terms of the particular Award Agreements, during such period as may be determined by the Committee commencing on the Date of Grant or the date of exercise of an Award (the "**Restriction Period**"), the Participant shall not be permitted to sell, transfer, pledge or assign shares of Restricted Stock. Except for these limitations and the limitations set forth in Section 7.2 below, the Committee may in its sole discretion, remove any or all of the restrictions on such Restricted Stock whenever it may determine that, by reason of changes in Applicable Laws or other changes in circumstances arising after the date of the Award, such action is appropriate.

(ii) Except as provided in sub-paragraph (i) above or in the applicable Award Agreement, the Participant shall have, with respect to the Participant's Restricted Stock, all of the rights of a shareholder of the Company, including the right to vote the shares, and the right to receive any dividends thereon; provided, however, that the Participant shall not have the right to receive dividends on any Restricted Stock Award based on Performance Goals until the restriction lapses. Certificates for shares of Common Stock free of restriction under this Plan shall be delivered to the Participant promptly after, and only after, the Restriction Period shall expire without forfeiture in respect of such shares of Common Stock or after any other restrictions imposed on such shares of Common Stock by the applicable Award Agreement or other agreement have expired. Certificates for the shares of Common Stock forfeited under the provisions of the Plan and the applicable Award Agreement shall be promptly returned to the Company by the forfeiting Participant. Each Award Agreement shall require that each Participant, in connection with the issuance of a certificate for Restricted Stock, shall endorse such certificate in blank or execute a stock power in form satisfactory to the Company in blank and deliver such certificate and executed stock power to the Company.

(iii) The Restriction Period of Restricted Stock shall commence on the Date of Grant or the date of exercise of an Award, as specified in the Award Agreement, and, subject to Article 12 of the Plan, unless otherwise established by the Committee in the Award Agreement setting forth the terms of the Restricted Stock, shall expire upon satisfaction of the conditions set forth in the Award Agreement; such conditions may provide for vesting

based on such Performance Goals as may be determined by the Committee in its sole discretion.

(iv) Except as otherwise provided in the particular Award Agreement, upon Termination of Service for any reason during the Restriction Period, the nonvested shares of Restricted Stock shall be forfeited by the Participant. In the event a Participant has paid any consideration to the Company for such forfeited Restricted Stock, the Committee shall specify in the Award Agreement that either (i) the Company shall be obligated to, or (ii) the Company may, in its sole discretion, elect to, pay to the Participant, as soon as practicable after the event causing forfeiture, in cash, an amount equal to the lesser of the total consideration paid by the Participant for such forfeited shares or the Fair Market Value of such forfeited shares as of the date of Termination of Service, as the Committee, in its sole discretion shall select. Upon any forfeiture, all rights of a Participant with respect to the forfeited shares of the Restricted Stock shall cease and terminate, without any further obligation on the part of the Company.

**6.5 SARs.** The Committee may grant SARs to any Participant, either as a separate Award or in connection with a Stock Option. SARs shall be subject to such terms and conditions as the Committee shall impose, provided that such terms and conditions are (i) not inconsistent with the Plan, (ii) to the extent a SAR issued under the Plan is subject to Section 409A of the Code, in compliance with the applicable requirements of Section 409A of the Code and the regulations or other guidance issued thereunder and (iii) to the extent the Committee determines that a SAR shall comply with the requirements of Section 162(m) of the Code, in compliance with the applicable requirements of Section 162(m) of the Code and the regulations and other guidance issued thereunder. The grant of the SAR may provide that the holder may be paid for the value of the SAR either in cash or in shares of Common Stock, or a combination thereof. In the event of the exercise of a SAR payable in shares of Common Stock, the holder of the SAR shall receive that number of whole shares of Common Stock having an aggregate Fair Market Value on the date of exercise equal to the value obtained by multiplying (i) the difference between the Fair Market Value of a share of Common Stock on the date of exercise over the SAR Price as set forth in such SAR (or other value specified in the agreement granting the SAR), by (ii) the number of shares of Common Stock as to which the SAR is exercised, with a cash settlement to be made for any fractional shares of Common Stock. The SAR Price for any share of Common Stock subject to a SAR may be equal to or greater than the Fair Market Value of the share on the Date of Grant. The Committee, in its sole discretion, may place a ceiling on the amount payable upon exercise of a SAR, but any such limitation shall be specified at the time that the SAR is granted.

**6.6 Restricted Stock Units.** Restricted Stock Units may be awarded or sold to any Participant under such terms and conditions as shall be established by the Committee, provided, however, that such terms and conditions are (i) not inconsistent with the Plan, (ii) to the extent a Restricted Stock Unit issued under the Plan is subject to Section 409A of the Code, in compliance with the applicable requirements of Section 409A of the Code and the regulations or other guidance issued thereunder and (iii) to the extent the Committee determines that a Restricted Stock Unit award shall comply with the requirements of Section 162(m) of the Code, in compliance with the applicable requirements of Section 162(m) of the Code and the regulations and other guidance issued thereunder. The grant of a Restricted Stock Unit may provide that the holder may be paid for the value of the Restricted Stock Unit either in cash or in shares of Common Stock, or a combination thereof. Restricted Stock Units shall be subject to such restrictions as the Committee determines, including, without limitation, (a) a prohibition against sale, assignment, transfer, pledge, hypothecation or other encumbrance for a specified period; or (b) a requirement that the holder forfeit (or in the case of shares of Common Stock or units sold to the Participant, resell to the Company at cost) such shares or units in the event of Termination of Service during the period of restriction.

## 6.7 Performance Awards.

(a) The Committee may grant Performance Awards to one or more Participants. The terms and conditions of Performance Awards shall be specified at the time of the grant and may include provisions establishing the performance period, the Performance Goals to be achieved during a performance period and the maximum or minimum settlement values, provided that such terms and conditions are (i) not inconsistent with the Plan and (ii) to the extent a Performance Award issued under the Plan is subject to Section 409A of the Code, in compliance with the applicable requirements of Section 409A of the Code and the regulations or other guidance issued thereunder. If the Performance Award is to be in shares of Common Stock, the Performance Awards may provide for the issuance of the shares of Common Stock at the time of the grant of the Performance Award or at the time of the certification by the Committee that the Performance Goals for the performance period have been met; provided, however, if shares of Common Stock are issued at the time of the grant of the Performance Award and if, at the end of the performance period, the Performance Goals are not certified by the Committee to have been fully satisfied, then, notwithstanding any other provisions of this Plan to the contrary, the Common Stock shall be forfeited in accordance with the terms of the grant to the extent the Committee determines that the Performance Goals were not met. The forfeiture of shares of Common Stock issued at the time of the grant of the Performance Award due to failure to achieve the established Performance Goals shall be separate from and in addition to any other restrictions provided for in this Plan that may be applicable to such shares of Common Stock. Each Performance Award granted to one or more Participants shall have its own terms and conditions.

To the extent the Committee determines that a Performance Award shall comply with the requirements of Section 162(m) of the Code and the regulations and other guidance issued thereunder, and if it is determined to be necessary in order to satisfy Section 162(m) of the Code, at the time of the grant of a Performance Award (other than a Stock Option) and to the extent permitted under Section 162(m) of the Code and the regulations issued thereunder, the Committee shall provide for the manner in which the Performance Goals shall be reduced to take into account the negative effect on the achievement of specified levels of the Performance Goals which may result from enumerated corporate transactions, extraordinary events, accounting changes and other similar occurrences which were unanticipated at the time the Performance Goal was initially established. In no event, however, may the Committee increase the amount earned under such a Performance Award, unless the reduction in the Performance Goals would reduce or eliminate the amount to be earned under the Performance Award and the Committee determines not to make such reduction or elimination.

With respect to a Performance Award that is not intended to satisfy the requirements of Section 162(m) of the Code, if the Committee determines, in its sole discretion, that the established performance measures or objectives are no longer suitable because of a change in the Company's business, operations, corporate structure or for other reasons that the Committee deemed satisfactory, the Committee may modify the performance measures or objectives and/or the performance period.

(b) Performance Awards may be valued by reference to the Fair Market Value of a share of Common Stock or according to any formula or method deemed appropriate by the Committee, in its sole discretion, including, but not limited to, achievement of Performance Goals or other specific financial, production, sales or cost performance objectives that the Committee believes to be relevant to the Company's business and/or remaining in the employ of the Company or a Subsidiary for a specified period of time. Performance Awards may be paid in cash, shares of Common Stock,

or other consideration, or any combination thereof. If payable in shares of Common Stock, the consideration for the issuance of such shares may be the achievement of the performance objective established at the time of the grant of the Performance Award. Performance Awards may be payable in a single payment or in installments and may be payable at a specified date or dates or upon attaining the performance objective. The extent to which any applicable performance objective has been achieved shall be conclusively determined by the Committee.

(c) Notwithstanding the foregoing, in order to comply with the requirements of Section 162(m) of the Code, if applicable, no Participant may receive in any calendar year Performance Awards intended to comply with the requirements of Section 162(m) of the Code which have an aggregate value of more than \$10,000,000, and if such Performance Awards involve the issuance of shares of Common Stock, said aggregate value shall be based on the Fair Market Value of such shares on the time of the grant of the Performance Award. In no event, however, shall any Performance Awards not intended to comply with the requirements of Section 162(m) of the Code be issued contingent upon the failure to attain the Performance Goals applicable to any Performance Awards granted hereunder that the Committee intends to comply with the requirements of Section 162(m) of the Code.

**6.8 Dividend Equivalent Rights.** The Committee may grant a Dividend Equivalent Right to any Participant, either as a component of another Award or as a separate Award. The terms and conditions of the Dividend Equivalent Right shall be specified by the grant. Dividend equivalents credited to the holder of a Dividend Equivalent Right may be paid currently or may be deemed to be reinvested in additional shares of Common Stock (which may thereafter accrue additional dividend equivalents). Any such reinvestment shall be at the Fair Market Value at the time thereof. Dividend Equivalent Rights may be settled in cash or shares of Common Stock, or a combination thereof, in a single payment or in installments. A Dividend Equivalent Right granted as a component of another Award may provide that such Dividend Equivalent Right shall be settled upon exercise, settlement, or payment of, or lapse of restrictions on, such other Award, and that such Dividend Equivalent Right granted as a component of another Award may also contain terms and conditions different from such other Award.

**6.9 Other Awards.** The Committee may grant to any Participant other forms of Awards, based upon, payable in, or otherwise related to, in whole or in part, shares of Common Stock, if the Committee determines that such other form of Award is consistent with the purpose and restrictions of this Plan. The terms and conditions of such other form of Award shall be specified by the grant. Such Other Awards may be granted for no cash consideration, for such minimum consideration as may be required by Applicable Law, or for such other consideration as may be specified by the grant.

**6.10 Performance Goals.** Awards of Restricted Stock, Restricted Stock Units, Performance Awards and Other Awards (whether relating to cash or shares of Common Stock) under the Plan may be made subject to the attainment of Performance Goals relating to one or more business criteria, which, where applicable, shall be within the meaning of Section 162(m) of the Code and consist of one or more or any combination of the following criteria: earnings (either in the aggregate or on a per-share basis); net income; operating income; operating profit; cash flow; shareholder returns, including returns on assets, investment, invested capital and equity (and including income applicable to common shareholders or other class of shareholders); return measures (including return on assets, equity, or invested capital); total shareholder return (change in share price plus reinvestment of dividends into shares when declared, if any, from period to period); earnings before or after either, or any combination of, interest, taxes, depletion, depreciation, amortization or other non-cash items (EBITDA); adjusted EBITDA (as defined by the Committee); gross revenues; reduction in expense levels in each case, where applicable, determined either on a Company-wide



basis or in respect to any one or more Subsidiaries or business units thereof; economic value or economic value added™; market share or market share added; annual net income to Common Stock; earnings per share or growth in earnings per share; annual cash flow provided by operations; changes in annual revenues; strategic and operational business criteria, consisting of one or more objectives based on specified revenue, market penetration, geographic business expansion goals, objectively identified project milestones, production volume levels, cost targets, lease operating expenses, G&A expenses, finding and development costs, reserves or reserves added, reserve replacement ratio and goals relating to acquisitions or divestitures; or goals relating to specific environmental compliance measures and safety and accident rates (“**Performance Criteria**”).

For the Performance Criteria listed above, the Committee may designate whether a particular Performance Criteria is to be measured on a pre-tax basis or post-tax basis. In addition, certain Performance Criteria may be stated in reference to a production volume of measurement such as in per cubic feet equivalents or barrels of oil equivalents (e.g., per Mcfe, MMcfe, Bcfe, BOE, MBOE or MMBOE), including such production volume on a daily basis. Any Performance Criteria may be used to measure the performance of the Company as a whole or any business unit of the Company and may be measured relative to a peer group or index. Any Performance Criteria may include or exclude (i) extraordinary, unusual and/or non-recurring items of gain or loss, (ii) gains or losses on the disposition of a business, (iii) changes in tax or accounting regulations or laws, (iv) the effect of a merger or acquisition, as identified in the Company’s quarterly and annual earnings releases or (v) other similar occurrences. In all other respects, Performance Criteria shall be calculated in accordance with the Company’s financial statements, under generally accepted accounting principles or under a methodology established by the Committee prior to the issuance of an Award which is consistently applied and identified in the audited financial statements, including footnotes, or the Compensation Discussion and Analysis section of the Company’s annual report. However, to the extent Section 162(m) of the Code is applicable, the Committee may not in any event increase the amount of compensation payable to an individual upon the attainment of a Performance Goal.

**6.11 Tandem Awards.** The Committee may grant two or more Incentives in one Award in the form of a “tandem Award,” so that the right of the Participant to exercise one Incentive shall be canceled if, and to the extent, the other Incentive is exercised. For example, if a Stock Option and a SAR are issued in a tandem Award, and the Participant exercises the SAR with respect to one hundred (100) shares of Common Stock, the right of the Participant to exercise the related Stock Option shall be canceled to the extent of one hundred (100) shares of Common Stock.

**6.12 No Repricing of Stock Options or SARs.** The Committee may not “reprice” any Stock Option or SAR. For purposes of this Section 6.12, “reprice” means any of the following or any other action that has the same effect: (i) amending a Stock Option or SAR to reduce its exercise price or base price, (ii) canceling a Stock Option or SAR at a time when its exercise price or base price exceeds the Fair Market Value of a share of Common Stock in exchange for cash or a Stock Option, SAR, award of Restricted Stock or other equity award or (iii) taking any other action that is treated as a repricing under generally accepted accounting principles, provided that nothing in this Section 6.12 shall prevent the Committee from making adjustments pursuant to Article 11, from exchanging or cancelling Incentives pursuant to Article 12 or substituting Incentives in accordance with Article 14.

**6.13 Recoupment for Restatements.** Notwithstanding any other language in this Plan to the contrary, the Company may recoup all or any portion of any shares or cash paid to a Participant in connection with an Award, in the event of a restatement of the Company’s financial statements as set forth in the Company’s clawback policy, if any, approved by the Company’s Board from time to time.

**ARTICLE 7  
AWARD PERIOD; VESTING**

7.1 **Award Period.** Subject to the other provisions of this Plan, the Committee may, in its discretion, provide that an Incentive may not be exercised in whole or in part for any period or periods of time or beyond any date specified in the Award Agreement. Except as provided in the Award Agreement, an Incentive may be exercised in whole or in part at any time during its term. The Award Period for an Incentive shall be reduced or terminated upon Termination of Service. No Incentive granted under the Plan may be exercised at any time after the end of its Award Period. No portion of any Incentive may be exercised after the expiration of ten (10) years from its Date of Grant. However, if an Employee owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the Code) more than ten percent (10%) of the combined voting power of all classes of stock of the Company (or any parent or Subsidiary) and an Incentive Stock Option is granted to such Employee, the term of such Incentive Stock Option (to the extent required by the Code at the time of grant) shall be no more than five (5) years from the Date of Grant.

7.2 **Vesting.** The Committee, in its sole discretion, shall establish the vesting terms applicable to an Incentive, including whether all or any portion will not be vested until a date or dates subsequent to its Date of Grant, or until the occurrence of one or more specified events, provided that any such vesting terms shall not be inconsistent with the terms of the Plan, including, without limitation, this Section 7.2. If the Committee imposes conditions upon vesting, then subsequent to the Date of Grant, the Committee may, in its sole discretion, accelerate the date on which all or a portion of the Incentive may be vested, provided that any such acceleration must comply with the terms of the Plan, including, without, limitation, this Section 7.2. Except as otherwise provided herein, the Committee must grant all Full Value Awards in accordance with the following provisions: (i) all Full Value Awards that are Performance Awards must vest no earlier than one (1) year after the Date of Grant; (ii) all Full Value Awards granted by the Committee that constitute Tenure Awards must vest no earlier than on a pro rata basis over the three (3) year period commencing on the Date of Grant and (iii) the Committee may not accelerate the date on which all or any portion of a Full Value Award may be vested or waive the Restriction Period on a Full Value Award except (A) upon the Participant's death or Total and Permanent Disability; (B) upon a Change in Control or (C) upon a Termination of Service on or following a Change in Control. Notwithstanding the foregoing, the Committee may, in its sole discretion, grant Awards with more favorable vesting provisions than set forth in this Section 7.2, provided that the shares of Common Stock subject to such Awards shall be Exempt Shares.

**ARTICLE 8  
EXERCISE OR CONVERSION OF INCENTIVE**

8.1 **In General.** A vested Incentive may be exercised or converted, during its Award Period, subject to limitations and restrictions set forth in the Award Agreement.

8.2 **Securities Law and Exchange Restrictions.** In no event may an Incentive be exercised or shares of Common Stock be issued pursuant to an Award if a necessary listing or quotation of the shares of Common Stock on a stock exchange or inter-dealer quotation system or any registration under state or federal securities laws required under the circumstances has not been accomplished.

8.3 **Exercise of Stock Option.**

(a) **In General.** If a Stock Option is exercisable prior to the time it is vested, the Common Stock obtained on the exercise of the Stock Option shall be Restricted Stock which is subject to the applicable provisions of the Plan and the Award Agreement. If the Committee imposes conditions upon exercise, then subsequent to the Date of Grant, the Committee may, in its sole

discretion, accelerate the date on which all or any portion of the Stock Option may be exercised. No Stock Option may be exercised for a fractional share of Common Stock. The granting of a Stock Option shall impose no obligation upon the Participant to exercise that Stock Option.

(b) **Notice and Payment.** Subject to such administrative regulations as the Committee may from time to time adopt, a Stock Option may be exercised by the delivery of written notice to the Committee setting forth the number of shares of Common Stock with respect to which the Stock Option is to be exercised and the date of exercise thereof (the “**Exercise Date**”) which shall be at least three (3) days after giving such notice unless an earlier time shall have been mutually agreed upon. On the Exercise Date, the Participant shall deliver to the Company consideration with a value equal to the total Option Price of the shares to be purchased, payable as provided in the Award Agreement, which may provide for payment in any one or more of the following ways: (a) cash or check, bank draft or money order payable to the order of the Company, (b) Common Stock (including Restricted Stock) owned by the Participant on the Exercise Date, valued at its Fair Market Value on the Exercise Date, and which the Participant has not acquired from the Company within six (6) months prior to the Exercise Date, (c) by delivery (including by FAX) to the Company or its designated agent of an executed irrevocable option exercise form together with irrevocable instructions from the Participant to a broker or dealer, reasonably acceptable to the Company, to sell certain of the shares of Common Stock purchased upon exercise of the Stock Option or to pledge such shares as collateral for a loan and promptly deliver to the Company the amount of sale or loan proceeds necessary to pay such purchase price and/or (d) in any other form of valid consideration that is acceptable to the Committee in its sole discretion. In the event that shares of Restricted Stock are tendered as consideration for the exercise of a Stock Option, a number of shares of Common Stock issued upon the exercise of the Stock Option equal to the number of shares of Restricted Stock used as consideration therefor shall be subject to the same restrictions and provisions as the Restricted Stock so tendered.

Except as otherwise provided in [Section 6.4](#) hereof (with respect to shares of Restricted Stock) or in the applicable Award Agreement, upon payment of all amounts due from the Participant, the Company shall cause the Common Stock then being purchased to be registered in the Participant’s name (or the person exercising the Participant’s Stock Option in the event of his or her death), but shall not issue certificates for the Common Stock unless the Participant or such other person requests delivery of the certificates for the Common Stock, in writing in accordance with the procedures established by the Committee. The Company shall deliver certificates to the Participant (or the person exercising the Participant’s Stock Option in the event of his or her death) as soon as administratively practicable following the Company’s receipt of a written request from the Participant or such other person for delivery of the certificates. Notwithstanding the forgoing, if the Participant has exercised an Incentive Stock Option, the Company may at its option retain physical possession of the certificate evidencing the shares acquired upon exercise until the expiration of the holding periods described in Section 422(a)(1) of the Code. Any obligation of the Company to deliver shares of Common Stock shall, however, be subject to the condition that, if at any time the Committee shall determine in its discretion that the listing, registration or qualification of the Stock Option or the Common Stock upon any securities exchange or inter-dealer quotation system or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary as a condition of, or in connection with, the Stock Option or the issuance or purchase of shares of Common Stock thereunder, the Stock Option may not be exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not reasonably acceptable to the Committee.

(c) **Failure to Pay.** Except as may otherwise be provided in an Award Agreement, if the Participant fails to pay for any of the Common Stock specified in such notice or fails to accept delivery thereof, that portion of the Participant's Stock Option and right to purchase such Common Stock may be forfeited by the Participant.

8.4 **SARs.** Subject to the conditions of this Section 8.4 and such administrative regulations as the Committee may from time to time adopt, a SAR may be exercised by the delivery (including by FAX) of written notice to the Committee setting forth the number of shares of Common Stock with respect to which the SAR is to be exercised and the date of exercise thereof (the "**Exercise Date**") which shall be at least three (3) days after giving such notice unless an earlier time shall have been mutually agreed upon. Subject to the terms of the Award Agreement and only if permissible under Section 409A of the Code and the regulations or other guidance issued thereunder (or, if not so permissible, at such time as permitted by Section 409A of the Code and the regulations or other guidance issued thereunder), the Participant shall receive from the Company in exchange therefor in the discretion of the Committee, and subject to the terms of the Award Agreement:

(a) cash in an amount equal to the excess (if any) of the Fair Market Value (as of the Exercise Date, or if provided in the Award Agreement, conversion, of the SAR) per share of Common Stock over the SAR Price per share specified in such SAR, multiplied by the total number of shares of Common Stock of the SAR being surrendered;

(b) that number of shares of Common Stock having an aggregate Fair Market Value (as of the Exercise Date, or if provided in the Award Agreement, conversion, of the SAR) equal to the amount of cash otherwise payable to the Participant, with a cash settlement to be made for any fractional share interests; or

(c) the Company may settle such obligation in part with shares of Common Stock and in part with cash.

The distribution of any cash or Common Stock pursuant to the foregoing sentence shall be made at such time as set forth in the Award Agreement.

8.5 **Disqualifying Disposition of Incentive Stock Option.** If shares of Common Stock acquired upon exercise of an Incentive Stock Option are disposed of by a Participant prior to the expiration of either two (2) years from the Date of Grant of such Stock Option or one (1) year from the transfer of shares of Common Stock to the Participant pursuant to the exercise of such Stock Option, or in any other disqualifying disposition within the meaning of Section 422 of the Code, such Participant shall notify the Company in writing of the date and terms of such disposition. A disqualifying disposition by a Participant shall not affect the status of any other Stock Option granted under the Plan as an Incentive Stock Option within the meaning of Section 422 of the Code.

#### **ARTICLE 9 AMENDMENT OR DISCONTINUANCE**

Subject to the limitations set forth in this Article 9, the Board may at any time and from time to time, without the consent of the Participants, alter, amend, revise, suspend, or discontinue the Plan in whole or in part; provided, however, that no amendment for which shareholder approval is required either (i) by any securities exchange or inter-dealer quotation system on which the Common Stock is listed or traded or (ii) in order for the Plan and Incentives awarded under the Plan to continue to comply with Sections 162(m), 421 and 422 of the Code, including any successors to such Sections, or other Applicable Law, shall be

effective unless such amendment shall be approved by the requisite vote of the shareholders of the Company entitled to vote thereon. Any such amendment shall, to the extent deemed necessary or advisable by the Committee, be applicable to any outstanding Incentives theretofore granted under the Plan, notwithstanding any contrary provisions contained in any Award Agreement. In the event of any such amendment to the Plan, the holder of any Incentive outstanding under the Plan shall, upon request of the Committee and as a condition to the exercisability thereof, execute a conforming amendment in the form prescribed by the Committee to any Award Agreement relating thereto. Notwithstanding anything contained in this Plan to the contrary, unless required by law, no action contemplated or permitted by this Article 9 shall adversely affect any rights of Participants or obligations of the Company to Participants with respect to any Incentive theretofore granted under the Plan without the consent of the affected Participant.

#### **ARTICLE 10 TERM**

The Plan shall be effective from the Effective Date. Unless sooner terminated by action of the Board, the Plan will terminate on the tenth anniversary of the Effective Date, but Incentives granted before that date will continue to be effective in accordance with their terms and conditions.

#### **ARTICLE 11 CAPITAL ADJUSTMENTS**

In the event that any dividend or other distribution (whether in the form of cash, Common Stock, other securities or other property), recapitalization, stock split, reverse stock split, rights offering, reorganization, merger, consolidation, split-up, spin-off, split-off, combination, subdivision, repurchase, or exchange of Common Stock or other securities of the Company, issuance of warrants or other rights to purchase Common Stock or other securities of the Company, or other similar corporate transaction or event affects the fair value of an Award, then the Committee shall adjust any or all of the following so that the fair value of the Award immediately after the transaction or event is equal to the fair value of the Award immediately prior to the transaction or event: (i) the number of shares and type of Common Stock (or the securities or property) which thereafter may be made the subject of Awards, (ii) the number of shares and type of Common Stock (or other securities or property) subject to outstanding Awards, (iii) the number of shares and type of Common Stock (or other securities or property) specified as the annual per-Participant limitation under Section 5.1 of the Plan, (iv) the Option Price of each outstanding Award, (v) the amount, if any, the Company pays for forfeited shares of Common Stock in accordance with Section 6.4 and (vi) the number of or SAR Price of shares of Common Stock then subject to outstanding SARs previously granted and unexercised under the Plan, to the end that the same proportion of the Company's issued and outstanding shares of Common Stock in each instance shall remain subject to exercise at the same aggregate SAR Price; provided however, that the number of shares of Common Stock (or other securities or property) subject to any Award shall always be a whole number. Notwithstanding the foregoing, no such adjustment shall be made or authorized to the extent that such adjustment would cause the Plan or any Stock Option to violate Section 422 of the Code or Section 409A of the Code. Such adjustments shall be made in accordance with the rules of any securities exchange, stock market or stock quotation system to which the Company is subject.

Upon the occurrence of any such adjustment, the Company shall provide notice to each affected Participant of its computation of such adjustment which shall be conclusive and shall be binding upon each such Participant.

**ARTICLE 12**  
**RECAPITALIZATION, MERGER AND CONSOLIDATION**

12.1 **No Effect on Company's Authority.** The existence of this Plan and Incentives granted hereunder shall not affect in any way the right or power of the Company or its shareholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure and its business, or any Change in Control, or any merger or consolidation of the Company, or any issuance of bonds, debentures, preferred or preference stocks ranking prior to or otherwise affecting the Common Stock or the rights thereof (or any rights, options or warrants to purchase same), or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business or any other corporate act or proceeding, whether of a similar character or otherwise.

12.2 **Conversion of Incentives Where Company Survives.** Subject to any required action by the shareholders and except as otherwise provided by Section 12.4 hereof or as may be required to comply with Section 409A of the Code and the regulations or other guidance issued thereunder, if the Company shall be the surviving or resulting corporation in any merger, consolidation or share exchange, any Incentive granted hereunder shall pertain to and apply to the securities or rights (including cash, property or assets) to which a holder of the number of shares of Common Stock subject to the Incentive would have been entitled.

12.3 **Exchange or Cancellation of Incentives Where Company Does Not Survive.** Except as otherwise provided by Section 12.4 hereof or as may be required to comply with Section 409A of the Code and the regulations or other guidance issued thereunder, in the event of any merger, consolidation or share exchange pursuant to which the Company is not the surviving or resulting corporation, there shall be substituted for each share of Common Stock subject to the unexercised portions of outstanding Incentives, that number of shares of each class of stock or other securities or that amount of cash, property or assets of the surviving, resulting or consolidated company which were distributed or distributable to the shareholders of the Company in respect to each share of Common Stock held by them, such outstanding Incentives to be thereafter exercisable for such stock, securities, cash or property in accordance with their terms.

12.4 **Cancellation of Incentives.** Notwithstanding the provisions of Sections 12.2 and 12.3 hereof, and except as may be required to comply with Section 409A of the Code and the regulations or other guidance issued thereunder, in the event the acquiror or the surviving or resulting corporation does not agree to assume the Incentives, all Incentives granted hereunder may be canceled by the Company, in its sole discretion, as of the effective date of any Change in Control, merger, consolidation or share exchange, or any issuance of bonds, debentures, preferred or preference stocks ranking prior to or otherwise affecting the Common Stock or the rights thereof (or any rights, options or warrants to purchase same), or of any proposed sale of all or substantially all of the assets of the Company, or of any dissolution or liquidation of the Company, by either:

- (a) giving notice to each holder thereof or the holder's representative of its intention to cancel those Incentives for which the issuance of shares of Common Stock involved payment by the Participant for such shares, and permitting the purchase during the thirty (30) day period next preceding such effective date of any or all of the shares of Common Stock subject to such outstanding Incentives, including in the Board's discretion some or all of the shares as to which such Incentives would not otherwise be vested and exercisable; or
- (b) in the case of Incentives that are either (i) settled only in shares of Common Stock or (ii) at the election of the Participant, settled in shares of Common Stock, paying the holder thereof an amount equal to a reasonable estimate of the difference between the net amount per share payable

in such transaction or as a result of such transaction, and the price per share of such Incentive to be paid by the Participant (hereinafter the “*Spread*”), multiplied by the number of shares subject to the Incentive. In cases where the shares constitute, or would after exercise, constitute Restricted Stock, the Company, in its discretion, may include some or all of those shares in the calculation of the amount payable hereunder. In estimating the Spread, appropriate adjustments to give effect to the existence of the Incentives shall be made, such as deeming the Incentives to have been exercised, with the Company receiving the exercise price payable thereunder, and treating the shares receivable upon exercise of the Incentives as being outstanding in determining the net amount per share. In cases where the proposed transaction consists of the acquisition of assets of the Company, the net amount per share shall be calculated on the basis of the net amount receivable with respect to shares of Common Stock upon a distribution and liquidation by the Company after giving effect to expenses and charges, including but not limited to taxes, payable by the Company before such liquidation could be completed.

An Award that by its terms would be fully vested or exercisable upon a Change in Control will be considered vested or exercisable for purposes of Section 12.4(a) hereof.

### **ARTICLE 13 LIQUIDATION OR DISSOLUTION**

Subject to Section 12.4 hereof, in case the Company shall, at any time while any Incentive under this Plan shall be in force and remain unexpired, (i) sell all or substantially all of its property, or (ii) dissolve, liquidate or wind up its affairs, then each Participant shall be entitled to receive, in lieu of each share of Common Stock of the Company which such Participant would have been entitled to receive under the Incentive, the same kind and amount of any securities or assets as may be issuable, distributable, or payable upon any such sale, dissolution, liquidation or winding up with respect to each share of Common Stock of the Company. If the Company shall, at any time prior to the expiration of any Incentive, make any partial distribution of its assets, in the nature of a partial liquidation, whether payable in cash or in kind (but excluding the distribution of a cash dividend payable out of earned surplus and designated as such) and an adjustment is determined by the Committee to be appropriate to prevent the dilution of the benefits or potential benefits intended to be made available under the Plan, then the Committee shall, in such manner as it may deem equitable, make such adjustment in accordance with the provisions of Article 11 hereof.

### **ARTICLE 14 INCENTIVES IN SUBSTITUTION FOR INCENTIVES GRANTED BY OTHER ENTITIES**

Incentives may be granted under the Plan from time to time in substitution for similar instruments held by employees, independent contractors or directors of a corporation, partnership or limited liability company who become or are about to become Employees, Contractors or Outside Directors of the Company or any Subsidiary as a result of a merger or consolidation of the employing corporation with the Company, the acquisition by the Company of equity of the employing entity or any other similar transaction pursuant to which the Company becomes the successor employer. The terms and conditions of the substitute Incentives so granted may vary from the terms and conditions set forth in this Plan to such extent as the Committee at the time of grant may deem appropriate to conform, in whole or in part, to the provisions of the incentives in substitution for which they are granted.

**ARTICLE 15**  
**MISCELLANEOUS PROVISIONS**

15.1 **Investment Intent.** The Company may require that there be presented to and filed with it by any Participant under the Plan, such evidence as it may deem necessary to establish that the Incentives granted or the shares of Common Stock to be purchased or transferred are being acquired for investment and not with a view to their distribution.

15.2 **No Right to Continued Employment.** Neither the Plan nor any Incentive granted under the Plan shall confer upon any Participant any right with respect to continuance of employment by the Company or any Subsidiary.

15.3 **Indemnification of Board and Committee.** No member of the Board or the Committee, nor any officer or Employee of the Company acting on behalf of the Board or the Committee, shall be personally liable for any action, determination or interpretation taken or made in good faith with respect to the Plan, and all members of the Board and the Committee, each officer of the Company and each Employee of the Company acting on behalf of the Board or the Committee shall, to the extent permitted by law, be fully indemnified and protected by the Company in respect of any such action, determination or interpretation to the fullest extent provided by Applicable Law. Except to the extent required by any unwaivable requirement under Applicable Law, no member of the Board or the Committee (and no Subsidiary of the Company) shall have any duties or liabilities, including without limitation any fiduciary duties, to any Participant (or any Person claiming by and through any Participant) as a result of this Plan, any Award or any Claim arising hereunder and, to the fullest extent permitted under Applicable Law, each Participant (as consideration for receiving and accepting an Award) irrevocably waives and releases any right or opportunity such Participant might have to assert (or participate or cooperate in) any Claim against any member of the Board or the Committee and any Subsidiary of the Company arising out of this Plan.

15.4 **Effect of the Plan.** Neither the adoption of this Plan nor any action of the Board or the Committee shall be deemed to give any person any right to be granted an Award or any other rights except as may be evidenced by an Award Agreement or any amendment thereto, duly authorized by the Committee and executed on behalf of the Company, and then only to the extent and upon the terms and conditions expressly set forth therein.

15.5 **Compliance With Other Laws and Regulations.** Notwithstanding anything contained herein to the contrary, the Company shall not be required to sell or issue shares of Common Stock under any Incentive if the issuance thereof would constitute a violation by the Participant or the Company of any provisions of any law or regulation of any governmental authority or any national securities exchange or inter-dealer quotation system or other forum in which shares of Common Stock are quoted or traded (including without limitation Section 16 of the Exchange Act and Section 162(m) of the Code); and, as a condition of any sale or issuance of shares of Common Stock under an Incentive, the Committee may require such agreements or undertakings, if any, as the Committee may deem necessary or advisable to assure compliance with any such law or regulation. The Plan, the grant and exercise of Incentives hereunder, and the obligation of the Company to sell and deliver shares of Common Stock, shall be subject to all applicable federal and state laws, rules and regulations and to such approvals by any government or regulatory agency as may be required.

15.6 **Tax Requirements.** The Company or, if applicable, any Subsidiary (for purposes of this Section 15.6, the term “*Company*” shall be deemed to include any applicable Subsidiary), shall have the right to deduct from all amounts paid in cash or other form in connection with the Plan, any Federal, state,



local or other taxes required by law to be withheld in connection with an Award granted under this Plan. The Company may, in its sole discretion, also require the Participant receiving shares of Common Stock issued under the Plan to pay the Company the amount of any taxes that the Company is required to withhold in connection with the Participant's income arising with respect to the Award. Such payments shall be required to be made when requested by the Company and may be required to be made prior to the delivery of any certificate representing shares of Common Stock. Such payment may be made (i) by the delivery of cash to the Company in an amount that equals or exceeds (to avoid the issuance of fractional shares under (iii) below) the required tax withholding obligations of the Company; (ii) if the Company, in its sole discretion, so consents in writing, the actual delivery by the exercising Participant to the Company of shares of Common Stock that the Participant has not acquired from the Company within six (6) months prior to the date of exercise, vesting or conversion of the Award, as applicable, which shares so delivered have an aggregate Fair Market Value that equals or exceeds (to avoid the issuance of fractional shares under (iii) below) the required tax withholding payment; (iii) if the Company, in its sole discretion, so consents in writing, the Company's withholding of a number of shares to be delivered upon the exercise, vesting, or conversion of the Award, which shares so withheld have an aggregate fair market value that equals (but does not exceed) the required tax withholding payment; or (iv) any combination of (i), (ii) or (iii) or any other method consented to by the Company in writing. The Company may, in its sole discretion, withhold any such taxes from any other cash remuneration otherwise paid by the Company to the Participant. The Committee may in the Award Agreement impose any additional tax requirements or provisions that the Committee deems necessary or desirable.

15.7 **Assignability.** Incentive Stock Options may not be transferred, assigned, pledged, hypothecated or otherwise conveyed or encumbered other than by will or the laws of descent and distribution and may be exercised during the lifetime of the Participant only by the Participant or the Participant's legally authorized representative, and each Award Agreement in respect of an Incentive Stock Option shall so provide. The designation by a Participant of a beneficiary will not constitute a transfer of the Stock Option. The Committee may waive or modify any limitation contained in the preceding sentences of this Section 15.7 that is not required for compliance with Section 422 of the Code.

Except as otherwise provided herein, Awards may not be transferred, assigned, pledged, hypothecated or otherwise conveyed or encumbered other than by will or the laws of descent and distribution. Notwithstanding the foregoing, the Committee may, in its discretion, authorize all or a portion of a Nonqualified Stock Option or SAR to be granted to a Participant on terms which permit transfer by such Participant to (i) the spouse (or former spouse), children or grandchildren of the Participant ("**Immediate Family Members**"), (ii) a trust or trusts for the exclusive benefit of such Immediate Family Members, (iii) a partnership in which the only partners are (1) such Immediate Family Members and/or (2) entities which are controlled by Immediate Family Members, (iv) an entity exempt from federal income tax pursuant to Section 501(c)(3) of the Code or any successor provision or (v) a split interest trust or pooled income fund described in Section 2522(c)(2) of the Code or any successor provision, provided that (x) there shall be no consideration for any such transfer, (y) the Award Agreement pursuant to which such Nonqualified Stock Option or SAR is granted must be approved by the Committee and must expressly provide for transferability in a manner consistent with this Section and (z) subsequent transfers of transferred Nonqualified Stock Options or SARs shall be prohibited except those by will or the laws of descent and distribution.

Following any transfer, any such Award shall continue to be subject to the same terms and conditions as were applicable immediately prior to transfer, provided that for purposes of Articles 8, 9, 11, 13 and 15 hereof the term "**Participant**" shall be deemed to include the transferee. The events of Termination of Service shall continue to be applied with respect to the original Participant, following which, with respect to any Award that is a Nonqualified Stock Option and SAR, the Award shall be exercisable or convertible by the

transferee only to the extent and for the periods specified in the Award Agreement. The Committee and the Company shall have no obligation to inform any transferee of an Award of any expiration, termination, lapse or acceleration of such Award. The Company shall have no obligation to register with any federal or state securities commission or agency any Common Stock issuable or issued under an Award that has been transferred by a Participant under this [Section 15.7](#).

15.8 **Use of Proceeds.** Proceeds from the sale of shares of Common Stock pursuant to Incentives granted under this Plan shall constitute general funds of the Company.

15.9 **Legend.** Each certificate representing shares of Restricted Stock issued to a Participant shall bear the following legend, or a similar legend deemed by the Company to constitute an appropriate notice of the provisions hereof (any such certificate not having such legend shall be surrendered upon demand by the Company and so endorsed):

On the face of the certificate:

“Transfer of this stock is restricted in accordance with conditions printed on the reverse of this certificate.”

On the reverse:

“The shares of stock evidenced by this certificate are subject to and transferable only in accordance with that certain Matador Resources Company Amended and Restated 2012 Long-Term Incentive Plan, a copy of which is on file at the principal office of the Company in Dallas, Texas. No transfer or pledge of the shares evidenced hereby may be made except in accordance with and subject to the provisions of said Plan. By acceptance of this certificate, any holder, transferee or pledgee hereof agrees to be bound by all of the provisions of said Plan.”

The following legend shall be inserted on a certificate evidencing Common Stock issued under the Plan if the shares were not issued in a transaction registered under the applicable federal and state securities laws:

“Shares of stock represented by this certificate have been acquired by the holder for investment and not for resale, transfer or distribution, have been issued pursuant to exemptions from the registration requirements of applicable state and federal securities laws, and may not be offered for sale, sold or transferred other than pursuant to effective registration under such laws, or in transactions otherwise in compliance with such laws, and upon evidence satisfactory to the Company of compliance with such laws, as to which the Company may rely upon an opinion of counsel satisfactory to the Company.”

15.10 **Governing Law.** The Plan shall be governed by, construed and enforced in accordance with the laws of the State of Texas (excluding any conflict of laws, rule or principle of Texas law that might refer the governance, construction, or interpretation of this Plan to the laws of another state). A Participant’s sole remedy for any Claim shall be against the Company, and no Participant shall have any claim or right

of any nature against any Subsidiary of the Company or any shareholder or existing or former director, officer or Employee of the Company or any Subsidiary of the Company. Each Award Agreement shall require the Participant to release and covenant not to sue any Person other than the Company over any Claims. The individuals and entities described above in this Section 15.10 (other than the Company) shall be third-party beneficiaries of this Plan for purposes of enforcing the terms of this Section 15.10.

A copy of this Plan shall be kept on file in the principal office of the Company in Dallas, Texas

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IN WITNESS WHEREOF, the Company has caused this instrument to be executed as of June 10, 2015, by its Chief Executive Officer and Secretary pursuant to prior action taken by the Board.

**MATADOR RESOURCES COMPANY**

By: /s/ Joseph Wm. Foran

Name: Joseph Wm. Foran

Title: Chairman and CEO

Attest:

/s/ Craig N. Adams

Craig N. Adams, Assistant Secretary

**MATADOR RESOURCES COMPANY ANNOUNCES  
CLOSING OF DELAWARE BASIN JOINT VENTURES**

**DALLAS, Texas, June 8, 2015** -- Matador Resources Company (NYSE: MTDR) (“Matador” or the “Company”), an independent energy company engaged in the exploration, development, production and acquisition of oil and natural gas resources, with an emphasis on oil and natural gas shale and other unconventional plays and with a current focus on its Permian Basin operations in Southeast New Mexico and West Texas and its Eagle Ford operations in South Texas, today announced that on Friday, June 5, 2015 it completed the previously announced joint ventures with certain affiliates (the “HEYCO Affiliates”) of HEYCO Energy Group, Inc., the former parent company of Harvey E. Yates Company (“HEYCO”), before HEYCO’s merger with a wholly-owned subsidiary of Matador in February 2015 (the “HEYCO Merger”).

The HEYCO Affiliates contributed certain interests primarily in the same properties held by HEYCO, resulting in Matador acquiring additional working interests in properties acquired by it in the HEYCO Merger. Pursuant to the terms of the transaction, the HEYCO Affiliates contributed an aggregate of 1,899.6 net acres to two newly-formed entities in exchange for a 50% interest in each entity. Matador has agreed to contribute an aggregate of \$14.2 million in exchange for the other 50% interest in both entities. Matador’s contribution will be used to fund future capital expenditures associated with the interests being acquired as well as to fund other non-operated opportunities.

With the addition of these interests, the total acreage acquired in Lea and Eddy Counties, New Mexico in the HEYCO Merger and from the HEYCO Affiliates is approximately 59,100 gross (19,100 net) acres. In addition, Matador announced that it recently acquired an additional 2,610 gross (2,210 net) acres in Lea and Eddy Counties, New Mexico in unrelated transactions. Following these acquisitions, Matador’s acreage position in the Permian Basin in Southeast New Mexico and West Texas increased to approximately 155,500 gross (88,535 net) acres as of June 8, 2015.

Joseph Wm. Foran, Chairman and CEO of Matador, stated, “We are pleased to have successfully closed these joint ventures with the HEYCO Affiliates. The properties they are contributing are interests in primarily the same acreage formerly owned by HEYCO, increasing Matador’s working interests in many of the high-quality assets held by HEYCO in Lea and Eddy Counties, New Mexico.”

**About Matador Resources Company**

Matador is an independent energy company engaged in the exploration, development, production and acquisition of oil and natural gas resources in the United States, with an emphasis on oil and natural gas shale and other unconventional plays. Its current operations are focused primarily on the oil and liquids-rich portion of the Wolfcamp and Bone Spring plays in the Permian Basin in Southeast New Mexico and West Texas and the Eagle Ford shale play in South Texas. Matador also operates in the Haynesville shale and Cotton Valley plays in Northwest Louisiana and East Texas.

For more information, visit Matador Resources Company at [www.matadorresources.com](http://www.matadorresources.com).

**Forward-Looking Statements**

This press release includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. “Forward-looking statements” are statements related to future, not past, events. Forward-looking statements are based on current expectations and include any statement that does not directly relate to a current or historical fact. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as “could,” “believe,” “would,” “anticipate,” “intend,” “estimate,” “expect,” “may,” “should,” “continue,” “plan,” “predict,” “potential,” “project” and similar expressions that are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. Actual results and future events could differ materially from those anticipated in such statements, and such forward-looking statements may not prove to be accurate. These forward-looking statements involve certain risks and uncertainties, including, but not limited to, the following risks related to financial and operational performance; general economic

conditions; the Company's ability to execute its business plan, including whether its drilling program is successful; changes in oil, natural gas and natural gas liquids prices and the demand for oil, natural gas and natural gas liquids; its ability to replace reserves and efficiently develop current reserves; costs of operations; delays and other difficulties related to producing oil, natural gas and natural gas liquids; its ability to make acquisitions on economically acceptable terms; its ability to integrate acquisitions, including the HEYCO merger; availability of sufficient capital to execute its business plan, including from future cash flows, increases in its borrowing base and otherwise; weather and environmental conditions; and other important factors which could cause actual results to differ materially from those anticipated or implied in the forward-looking statements. For further discussions of risks and uncertainties, you should refer to Matador's SEC filings, including the "Risk Factors" section of Matador's most recent Annual Report on Form 10-K and any subsequent Quarterly Reports on Form 10-Q. Matador undertakes no obligation and does not intend to update these forward-looking statements to reflect events or circumstances occurring after the date of this press release, except as required by law, including the securities laws of the United States and the rules and regulations of the SEC. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. All forward-looking statements are qualified in their entirety by this cautionary statement.

**Contact Information**

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Investor Relations  
(972) 371-5225  
[mschmitz@matadorresources.com](mailto:mschmitz@matadorresources.com)



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# Investor Presentation

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*June 2015*

*NYSE: MTDR*

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## Disclosure Statements

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**Safe Harbor Statement** – This presentation and statements made by representatives of Matador Resources Company (“Matador” or the “Company”) during the course of this presentation include “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. “Forward-looking statements” are statements related to future, not past, events. Forward-looking statements are based on current expectations and include any statement that does not directly relate to a current or historical fact. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as “could,” “believe,” “would,” “anticipate,” “intend,” “estimate,” “expect,” “may,” “should,” “continue,” “plan,” “predict,” “potential,” “project” and similar expressions that are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. Actual results and future events could differ materially from those anticipated in such statements, and such forward-looking statements may not prove to be accurate. These forward-looking statements involve certain risks and uncertainties, including, but not limited to, the following risks related to Matador’s financial and operational performance: general economic conditions; Matador’s ability to execute its business plan, including whether Matador’s drilling program is successful; changes in oil, natural gas and natural gas liquids prices and the demand for oil, natural gas and natural gas liquids; Matador’s ability to replace reserves and efficiently develop its current reserves; Matador’s costs of operations, delays and other difficulties related to producing oil, natural gas and natural gas liquids; Matador’s ability to integrate the assets, employees and operations of Harvey E. Yates Company following its merger with one of Matador’s wholly-owned subsidiaries on February 27, 2015; Matador’s ability to make other acquisitions on economically acceptable terms; availability of sufficient capital to execute Matador’s business plan, including from its future cash flows, increases in Matador’s borrowing base and otherwise; weather and environmental conditions; and other important factors which could cause actual results to differ materially from those anticipated or implied in the forward-looking statements. For further discussions of risks and uncertainties, you should refer to Matador’s SEC filings, including the “Risk Factors” section of Matador’s most recent Annual Report on Form 10-K and any subsequent Quarterly Reports on Form 10-Q. Matador undertakes no obligation and does not intend to update these forward-looking statements to reflect events or circumstances occurring after the date of this presentation, except as required by law, including the securities laws of the United States and the rules and regulations of the SEC. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. All forward-looking statements are qualified in their entirety by this cautionary statement.

**Cautionary Note** – The Securities and Exchange Commission (SEC) permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable and possible reserves. Potential resources are not proved, probable or possible reserves. The SEC’s guidelines prohibit Matador from including such information in filings with the SEC.

**Definitions** – Proved oil and natural gas reserves are the estimated quantities of oil and natural gas that geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions. Matador’s production and proved reserves are reported in two streams: oil and natural gas, including both dry and liquids-rich natural gas. Where Matador produces liquids-rich natural gas, the economic value of the natural gas liquids associated with the natural gas is included in the estimated wellhead natural gas price on those properties where the natural gas liquids are extracted and sold. Estimated ultimate recovery (EUR) is a measure that by its nature is more speculative than estimates of proved reserves prepared in accordance with SEC definitions and guidelines and is accordingly less certain.





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## Company Summary

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# Matador History

## Predecessor Entities

### Foran Oil & Matador Petroleum

- Founded by Joe Foran in 1983 – most participants are still shareholders today
- Foran Oil funded with \$270,000 in contributed capital from 17 friends and family members; evolved into Matador Petroleum Corporation
- Sold Matador Petroleum Corporation to Tom Brown, Inc.<sup>(1)</sup> in June 2003 for an enterprise value of \$388 million in an all-cash transaction

## Matador Today

### Matador Resources Company Timeline

Matador has grown almost entirely through the drill bit, with a focus on unconventional reservoir plays



(1) Tom Brown acquired by Encana in 2004.



## Company Overview

<b>Exchange: Ticker</b>	NYSE: MTDR
<b>Shares Outstanding<sup>(1)</sup></b>	85.4 million common shares
<b>Share Price<sup>(2)</sup></b>	\$27.85/share
<b>Market Capitalization<sup>(1)(2)</sup></b>	\$2.4 billion

	<i>2014 Actual</i>	<i>2015 Guidance</i>	<i>% Change</i>
<b>Capital Spending</b>	\$610 million	\$350 million <sup>(3)</sup>	- 43%
<b>Total Oil Production</b>	3.3 million Bbl	4.1 to 4.3 million Bbl <sup>(4)</sup>	+ 27%
<b>Total Natural Gas Production</b>	15.3 Bcf	24.0 to 26.0 Bcf <sup>(3)</sup>	+ 63%
<b>Oil and Natural Gas Revenues</b>	\$367.7 million	\$270 to \$290 million <sup>(5)</sup>	- 24%
<b>Adjusted EBITDA<sup>(6)</sup></b>	\$262.9 million	\$200 to \$220 million <sup>(5)</sup>	- 20%

(1) Shares outstanding as reported in the Form 10-Q for the quarter ended March 31, 2015.

(2) As of June 8, 2015.

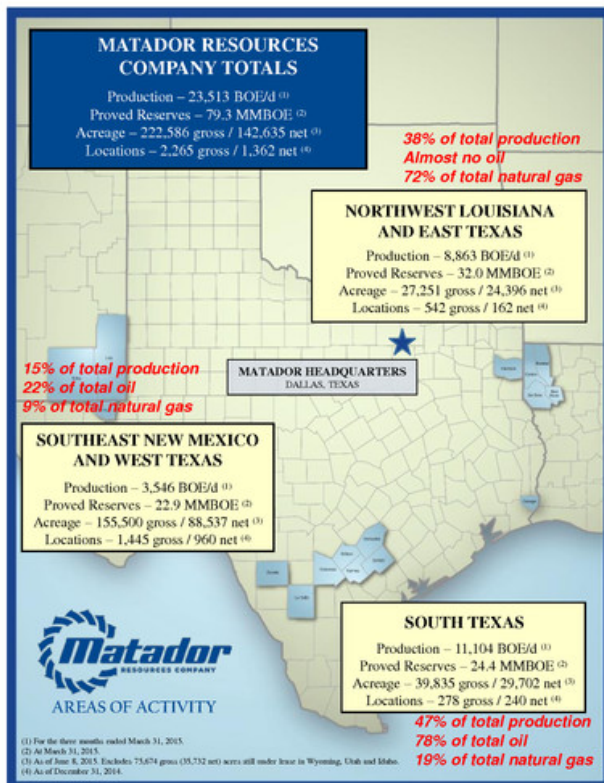
(3) As reaffirmed on May 6, 2015; does not include capital expenditures associated with the HEYCO transaction or two associated joint ventures.

(4) The Company raised its 2015 oil production guidance from 4.0 to 4.2 million Bbl to 4.1 to 4.3 million Bbl on May 6, 2015.

(5) Estimated 2015 oil and natural gas revenues and Adjusted EBITDA based on production guidance range as provided on May 6, 2015. Estimated average realized prices for oil and natural gas used in these estimates were \$50.00/Bbl (WTI oil price of \$55.00/Bbl less \$5.00/Bbl differentials and transportation costs) and \$3.00/Mcf (NYMEX Henry Hub natural gas price assuming regional differentials and uplifts from natural gas processing roughly offset), respectively, for the period April through December 2015.

(6) Adjusted EBITDA is a non-GAAP financial measure. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to our net income (loss) and net cash provided by operating activities, see Appendix.

# Matador Resources Company – Operations Overview



<b>Market Capitalization<sup>(1)</sup></b>	<b>\$2.4 billion</b>	
<b>Avg. Daily Production – Q1 2015<sup>(2)</sup></b>	<b>23,513 BOE/d</b>	↑ +98%**
Oil (% total)	11,206 Bbl/d (48%)	
Natural Gas (% total)	73.8 MMcf/d (52%)	
<b>Proved Reserves @ 3/31/2015</b>	<b>79.3 million BOE</b>	↑ +45%**
% Proved Developed	42%	
% Oil	41%	
<b>2015E CapEx<sup>(3)</sup></b>	<b>\$350 million</b>	
% Permian	~70%	
% Oil and Liquids	~96%	
<b>Gross Acreage<sup>(4)</sup></b>	<b>222,586 acres</b>	
<b>Net Acreage<sup>(4)</sup></b>	<b>142,635 acres</b>	↑ +46%*
<b>Engineered Drilling Locations<sup>(5)</sup></b>	<b>2,265 gross / 1,362 net</b>	↑ +139%**
Eagle Ford	278 gross / 240 net	
Permian	1,445 gross / 960 net	↑ +440%*
Haynesville/Cotton Valley	542 gross / 162 net	

\*Note: Represents increase as compared to each respective figure at or for the three months ended March 31, 2014.  
 \*\*Note: Represents increase as compared to each respective figure at or for the three months ended March 31, 2014.  
 (1) Market capitalization based on closing share price as of June 8, 2015 and shares outstanding as reported in the Form 10-Q for the quarter ended March 31, 2015.  
 (2) Average daily production for the three months ended March 31, 2015.  
 (3) 2015 estimated capital expenditures for operations only, does not include capital expenditures associated with the HEYCO transaction or two associated joint ventures.  
 (4) Presented as of June 8, 2015. Excludes 75,674 gross (35,732 net) acres still under lease in Wyoming, Utah and Idaho.  
 (5) Identified and engineered locations for potential future drilling, including specified production units and estimated lateral lengths, costs and well spacing using objective criteria for designation. Locations identified as of December 31, 2014, but including no locations at Twin Lakes and no locations associated with the HEYCO transaction or two associated joint ventures.



## Matador's Execution History – “Doing What We Say”

Matador continues to execute on its core strategy of acquiring great assets, developing a highly professional, committed workforce, maintaining a strong balance sheet and generating significant shareholder returns

	At IPO <sup>(1)</sup>		September 2013 Follow-On <sup>(8)</sup>		March 31, 2015 <sup>(10)</sup>
<b>Oil Production</b>	<ul style="list-style-type: none"> <li>414 Bbl/d of oil</li> <li>6% oil</li> </ul>	12x growth in oil production	<ul style="list-style-type: none"> <li>4,916 Bbl/d of oil</li> <li>46% oil</li> </ul>	128% growth in oil production	<ul style="list-style-type: none"> <li>11,206 Bbl/d of oil</li> <li>48% oil</li> </ul>
<b>Proved Reserves</b>	<ul style="list-style-type: none"> <li>27 MMBOE</li> <li>1.1 MMBbl of oil</li> <li>4% oil</li> </ul>	11x growth in oil reserves	<ul style="list-style-type: none"> <li>39 MMBOE</li> <li>12.1 MMBbl of oil</li> <li>31% oil</li> </ul>	2.7x growth in oil reserves	<ul style="list-style-type: none"> <li>79 MMBOE</li> <li>32.5 MMBbl of oil</li> <li>41% oil</li> </ul>
<b>PV-10<sup>(2)</sup> and Asset Coverage</b>	<ul style="list-style-type: none"> <li>\$155.2 million</li> <li>24% of PV-10 in Eagle Ford</li> <li>PV-10 / debt of 2.0x</li> </ul>	Over 3x growth in PV-10	<ul style="list-style-type: none"> <li>\$522.3 million</li> <li>90% of PV-10 in Eagle Ford</li> <li>PV-10 / debt of 2.1x</li> </ul>	Doubled PV-10	<ul style="list-style-type: none"> <li>\$1.07 billion</li> <li>50% of PV-10 in Eagle Ford</li> <li>PV-10 / debt of 2.5x</li> </ul>
<b>LTM Adjusted EBITDA<sup>(3)</sup></b>	\$50 million <sup>(4)</sup>	~200% growth	\$148 million	74% growth	\$257 million
<b>Leverage<sup>(5)</sup></b>	1.7x	Remained conservative	1.7x	Improved	1.6x <sup>(11)</sup>
<b>Acreage</b>	~7,500 net Permian acres	Over 4x growth in Permian acres	~32,900 net Permian acres	2.7x growth in Permian acres	~88,500 net Permian acres <sup>(12)</sup>
<b>Enterprise Value (“EV”)<sup>(6)</sup></b>	\$0.65 billion <sup>(7)</sup>	Doubled EV	\$1.2 billion <sup>(9)</sup>	133% EV growth	\$2.8 billion <sup>(13)</sup>

(1) Unless otherwise noted, at or for the nine months ended September 30, 2011.

(2) PV-10 is a non-GAAP financial measure. For a reconciliation of Standardized Measure (GAAP) to PV-10 (non-GAAP), see Appendix.

(3) Adjusted EBITDA is a non-GAAP financial measure. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to our net income (loss) and net cash provided by operating activities, see Appendix.

(4) For the twelve months ended December 31, 2011.

(5) Calculated as debt divided by LTM Adjusted EBITDA.

(6) Enterprise value equals market capitalization plus long-term debt.

(7) As of February 7, 2012 at time of IPO.

(8) Unless otherwise noted, at or for the three months ended June 30, 2013.

(9) As of September 1, 2013.

(10) Unless otherwise noted, at or for the three months ended March 31, 2015.

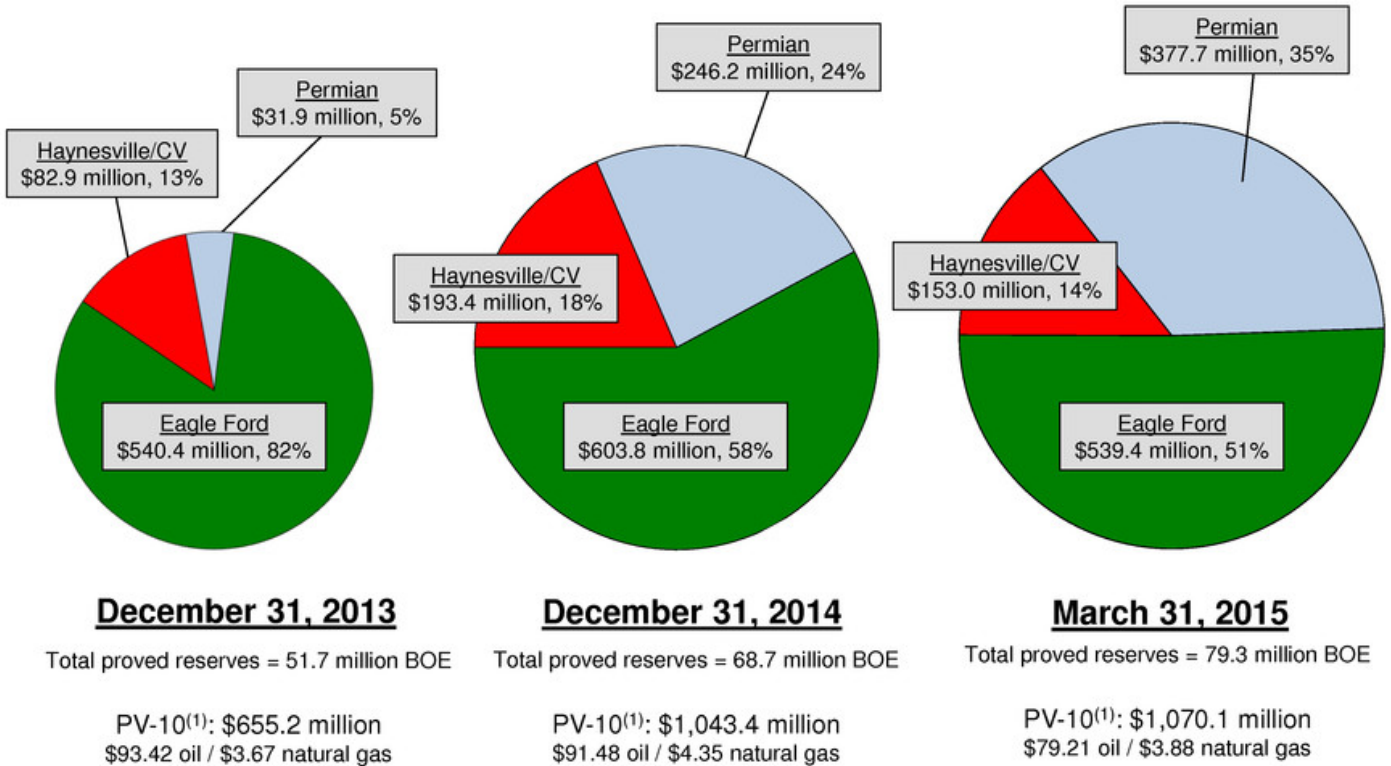
(11) Pro forma at March 31, 2015 after giving effect to the April 2015 offering of \$400 million of Senior Notes and the April 2015 equity offering.

(12) As of June 8, 2015.

(13) Market capitalization based on closing share price as of June 8, 2015 and shares outstanding as reported in the Form 10-Q for the quarter ended March 31, 2015.



## Oil and Natural Gas Proved Reserves and PV-10<sup>(1)</sup> Growth By Area



(1) PV-10 is a non-GAAP financial measure. For a reconciliation of Standardized Measure (GAAP) to PV-10 (non-GAAP), see Appendix.



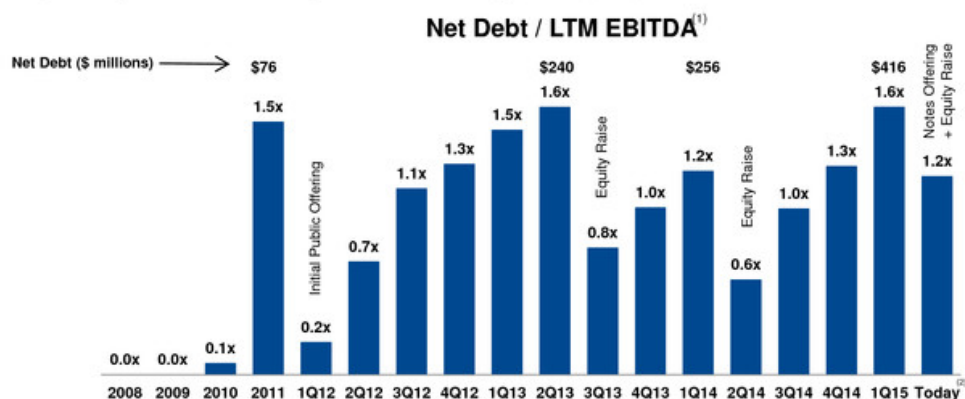
## Financial Strategy

- **Be prudent with our investors' capital**

- Reduced drilling program from 5 rigs at YE2014 to 2 rigs currently due to lower commodity prices, with primary focus on Permian (Delaware) Basin
- 2015E CapEx highest in Q1 2015 but falls quickly thereafter – second half of 2015 close to cash flow at \$55 per Bbl oil price
- Proven and experienced management team and Board of Directors have demonstrated ability to manage through industry cycles

- **Committed to maintaining strong, conservative balance sheet**

- Strong, conservative financial position with Net Debt/LTM Adjusted EBITDA<sup>(1)(2)</sup> of 1.2x
- Preserve and enhance liquidity through April 2015 equity and Senior Notes offerings – substantial liquidity to execute planned drilling program
- Target leverage at less than 2.0x Adjusted EBITDA<sup>(1)</sup>, though profile typically more conservative



- **Hedging program designed to protect cash flows and provide stability to drilling program**

- **Flexibility to manage liquidity and maintain conservative balance sheet**

- Most drilling is operated; low level of non-operated drilling obligations; few long-term drilling rig or service contract commitments
- Expectations of increased cash flow and borrowing base increases as proved reserves are added

(1) Adjusted EBITDA is a non-GAAP financial measure. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to our net income (loss) and net cash provided by operating activities, see Appendix.

(2) LTM Adjusted EBITDA at March 31, 2015 and Net Debt at May 6, 2015.



# Matador's Continued Production Growth

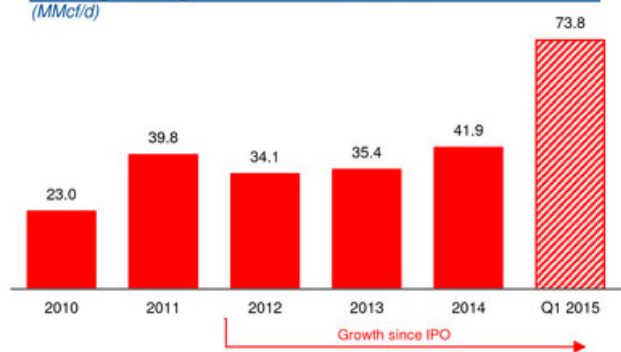
**Average Daily Oil Production**

(Bbl/d)



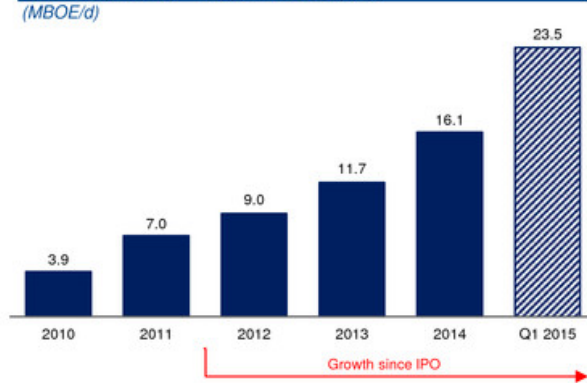
**Average Daily Natural Gas Production**

(MMcf/d)



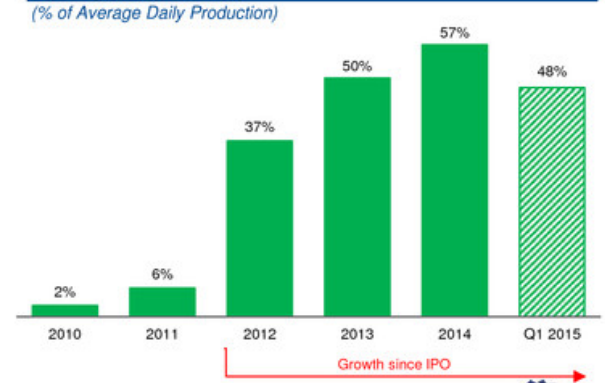
**Average Daily Total Production**

(MBOE/d)



**Oil Production Mix**

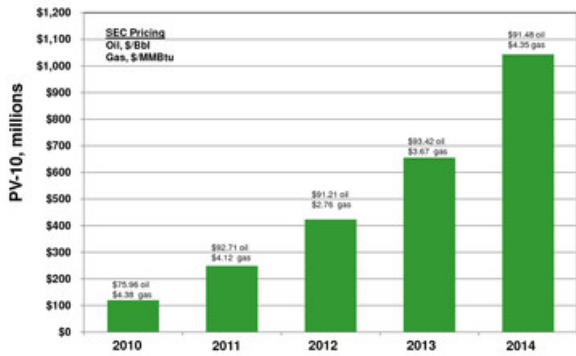
(% of Average Daily Production)





# Matador Has Experienced Strong Reserves and Adjusted EBITDA<sup>(1)</sup> Growth in Recent Years

## Growth in PV-10<sup>(2)</sup> Over Last 5 Years



## PV-10<sup>(2)</sup> per Share

(\$ per share)



## Proved PV-10<sup>(2)</sup> / YE 2014 Net Debt



## Adjusted EBITDA<sup>(1)</sup> per Share

(\$ per share)



(in thousands)	Shares <sup>(3)</sup>	PV-10 <sup>(2)</sup>	Adj. EBITDA <sup>(1)</sup>
2009	40,123	\$70,359	\$15,184
2010	41,037	\$119,869	\$23,635
2011	42,718	\$248,700	\$49,911
2012	53,957	\$423,200	\$115,923
2013	58,777	\$655,200	\$191,771
2014	70,229	\$1,043,400	\$262,943

Note: "Proved PV-10/YE 2014 Net Debt" analysis prepared by RBC Capital Markets. Average does not include Matador. Matador figures are pro forma at December 31, 2014 after giving effect to the recent HEYCO Merger, the April 2015 offering of \$400 million of Senior Notes and the April 2015 equity offering. Peer group chosen by RBC includes SFY, CRK, ROSE, SN, PVA, AREX, GDP, CWEL, JONE, BCEI, CRZO, PE, RSPP, FANG. Average does not include Matador. Source: Company filings, metrics pro forma for announced acquisitions. Market data as of April 2, 2015.

(1) Adjusted EBITDA is a non-GAAP financial measure. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to our net income (loss) and net cash provided by operating activities, see Appendix.

(2) PV-10 is a non-GAAP financial measure. For a reconciliation of Standardized Measure (GAAP) to PV-10 (non-GAAP), see Appendix.

(3) Weighted Average Basic Shares Outstanding.



## Previous Oil Price Declines Have Created Opportunities for Matador<sup>(1)</sup>

Comparison of Major Oil Corrections and Major Matador Turning Points Since 1980

Date	Event	% Change in Oil Price	Length of Oil Price Decline (in trading days)	% Increase in Oil Price – 1-Year Post-Low	
1986	Saudi Market Share War	-67.2%	82	79.0%	A number of Mesa's top technical staff join Matador I
1988	Oil Glut	-43.7%	295	58.4%	Matador I buys key waterflood properties and New Mexico natural gas acreage
1991	Global Recession / End of Gulf War	-57.2%	90	5.4%	First interests in Amaker-Tippett acquired; becomes Matador I's largest field
1998	Asian Crisis	-59.6%	484	134.5%	Unocal exchanges NM properties for Matador I's stock
2001	Global Recession	-53.1%	290	46.2%	Matador I shifts to unconventionals (Marlan Downey joins Board)
2008	Great Recession	-78.4%	119	134.8%	Matador II builds Eagle Ford position and drills first Haynesville wells
	<b>Average</b>	<b>-59.9%</b>	<b>227</b>	<b>76.4%</b>	
2014-2015	Current Dip <sup>(2)</sup>	-59.5%	~190	?	<b>MTDR and HEYCO join forces</b>

(1) Includes Matador Resources Company, Foran Oil and Matador Petroleum Corporation and other predecessor entities.

(2) Length of oil price decline in trading days using high of \$107.26 on June 20, 2014 and low of \$43.46 on March 17, 2015.



## Keys to Matador's Success Over Last 35 Years<sup>(1)</sup>

---

### ▪ People

- *We have a strong, committed technical and financial team in place, and we continue to make additions and improvements to our staff, our capabilities and our processes*
- *Board and Special Advisor additions have strengthened Board skills and stewardship*

### ▪ Properties

- *Matador's acreage positions and multi-year drilling inventory are significant and located in three of the industry's best plays – Permian, Eagle Ford and Haynesville*
- *Our property mix provides us with a balanced opportunity set for both oil and natural gas*

### ▪ Process

- *Continuous improvement in all aspects of our business leading to more efficient operations, improved financial results and increased shareholder value*
- *Gaining momentum as a successful publicly-held company*

### ▪ Execution

- *Increase total production by ~43%, with oil production expected to increase to ~4.2 million barrels and natural gas production expected to increase to ~25 Bcf in 2015*
- *Maintain quality acreage positions in the Permian, Eagle Ford and Haynesville – successfully integrate HEYCO acreage in Permian*
- *Reduce drilling and completion times and costs – improve operational efficiencies*
- *Maintain strong financial position and technical and administrative teams*

(1) Includes Matador Resources Company and its predecessor entities.



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## Permian Basin

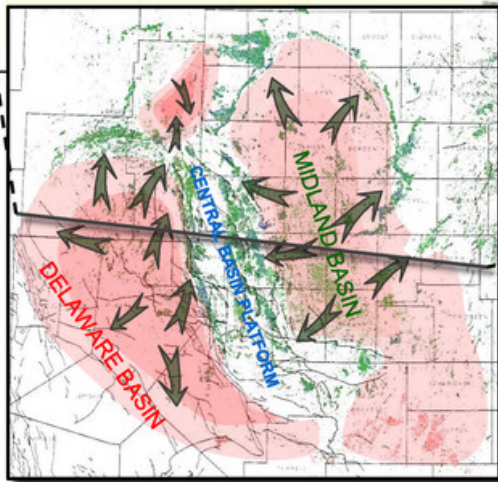
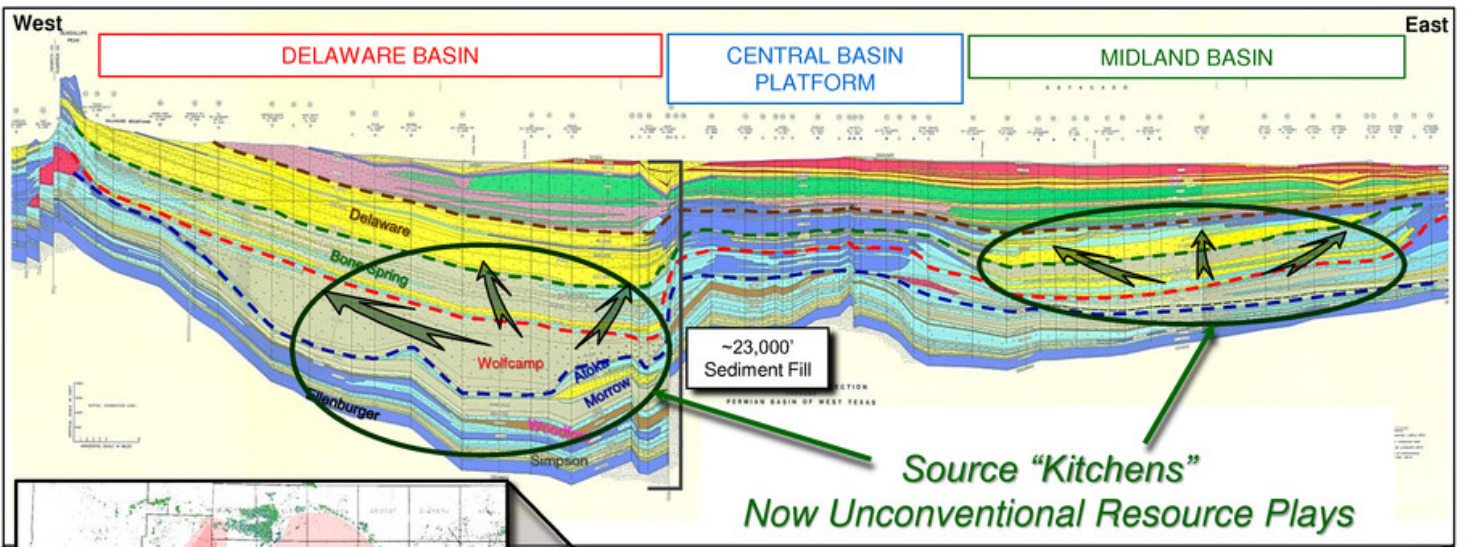
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*Southeast New Mexico and West Texas*

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# Delaware Basin – A “World Class” Hydrocarbon System

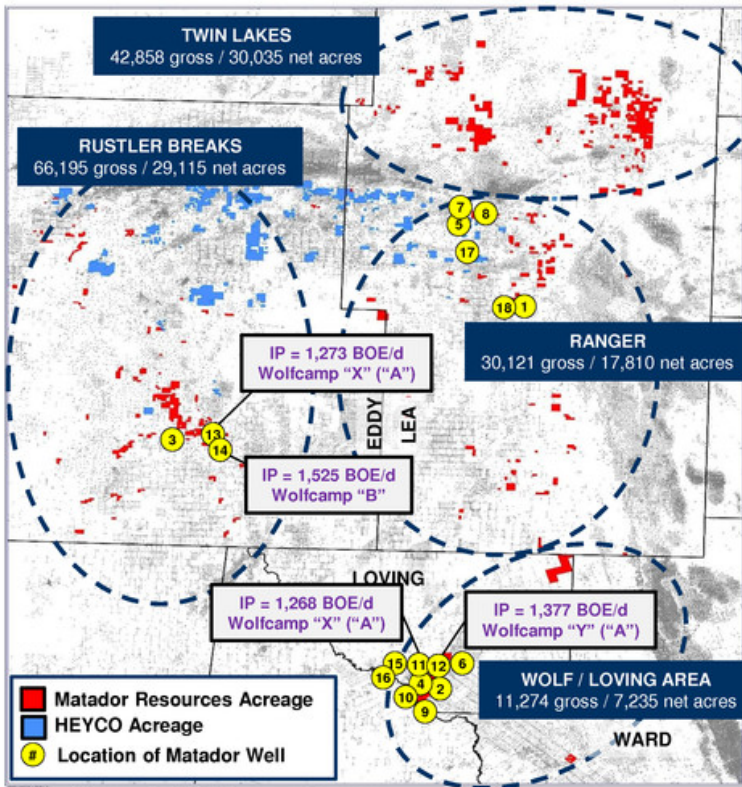


- 70,000 square mile area
- Up to 25,000 feet of multiple, stacked, petroleum systems
- Extensive drilling, coring and geological studies since 1920s
- >1,500 conventional reservoirs with cumulative production >1.0 million Bbl each
- Cumulative production from 1,500 conventional reservoirs, as of year 2000 (pre-horizontal drilling) >30.0 billion Bbl<sup>(1)</sup>

(1) Dutten et al. AAPG 2005



# Permian Basin Acreage Position and Recent Test Results



Note: All acreage at June 8, 2015. Some tracts not shown on map.  
 (1) As of April 28, 2015.  
 (2) Formerly the Ranger 33 State Com #1H.  
 (3) Formerly the Rustler Breaks 12-24-27 #1H.  
 (4) Formerly the Pickard State 20-18-34 #1H.  
 (5) Estimated ultimate recovery, thousands of barrels of oil equivalent.  
 (6) Flowing surface pressure.

## Successful performance of initial horizontal wells<sup>(1)</sup>

Well	Cumulative Production			Recent Production		EUR <sup>(2)</sup> (MBOE)
	Months	Oil Eq. (BOE)	%	Oil (Bbl/d)	Natural Gas (Mcf/d)	
1 Ranger State 33-20S-35E RN #121H <sup>(2)</sup> (2nd Bone Spring)	17	197,000	91%	250	200	650
2 Dorothy White #1H (Wolfcamp "A"/"X")	15.5	358,000	67%	400	1,100	1,050
3 Rustler Breaks 12-24S-27E #224H <sup>(4)</sup> (Wolfcamp "B")	12	170,000	42%	125	1,200	700
4 Norton Schaub #1H (Wolfcamp "A"/"X")	9	180,000	72%	400	1,200	750
5 Pickard State 20-18S-34E RN #121H <sup>(3)</sup> (2nd Bone Spring)	9	100,000	93%	250	120	500
6 Johnson 44-02S-B53 #204H (Wolfcamp "A"/"X")	7	179,000	64%	350	1,100	900
7 Pickard State 20-18-34 #2H (Wolfcamp "D")	10	47,500	85%	105	150	200
8 Jim Rolfe 22-18-34 RN State #131Y (3rd Bone Spring)	6.5	16,100	73%	40	100	65

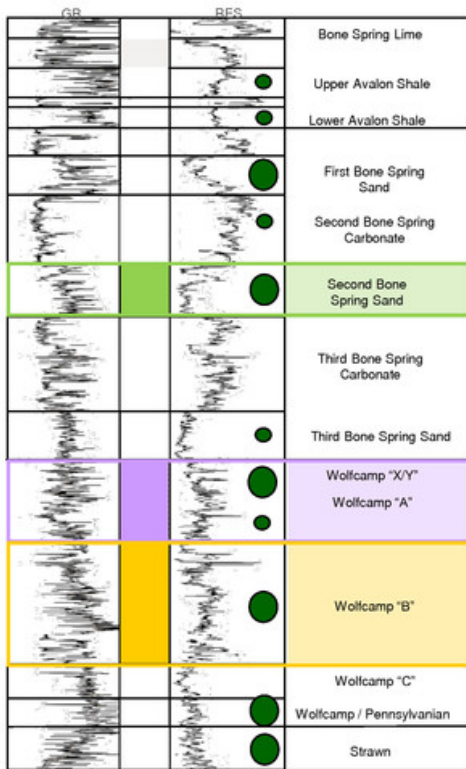
## Recent activity and 24-hour initial potential tests

Well	Date	Oil Eq. (BOE/d)	Oil (Bbl/d)	Natural Gas (Mcf/d)	%	p <sub>i</sub> <sup>(6)</sup> (psi)	Choke (inches)
9 Arno #1H (Wolfcamp "A"/"X")	Mid-Sept 2014	1,110	300	4,900	27%	4,100	28/64"
10 Norton Schaub 84-TTT-B33 WF #2010H (Wolfcamp "A")	Late Dec 2014	875	608	1,600	69%	2,600	28/64"
11 Barnett 90-TTT-B01-WF #201H (Wolfcamp "A"/"X")	Early Mar 2015	1,268	720	3,300	57%	3,225	28/64"
12 Barnett 90-TTT-B01-WF #205H (Wolfcamp "A"/"Y")	Mid-Feb 2015	1,377	738	3,800	54%	3,475	28/64"
13 Guitar 10-24S-28E RB #202H (Wolfcamp "A"/"X")	Early Apr 2015	1,273	1,008	1,600	79%	2,190	28/64"
14 Tiger 14-24S-28E RB #224H (Wolfcamp "B")	Early Apr 2015	1,525	650	5,300	43%	3,900	28/64"
15 Billy Burt 90-TTT-B33 WF #202H (Wolfcamp "A"/"X")	Early May 2015	1,028	683	2,100	66%	3,025	28/64"
16 Billy Burt 90-TTT-B33 WF #203H (Wolfcamp "A"/"X")	Flowing back after fracture treatment						
17 Cimarron 16-19S-34E RN #134H (3rd Bone Spring)	Early May 2015	804	754	303	94%	725	28/64"
18 Ranger State 33-20S-35E RN #122H (2nd Bone Spring)	Flowing back after fracture treatment						



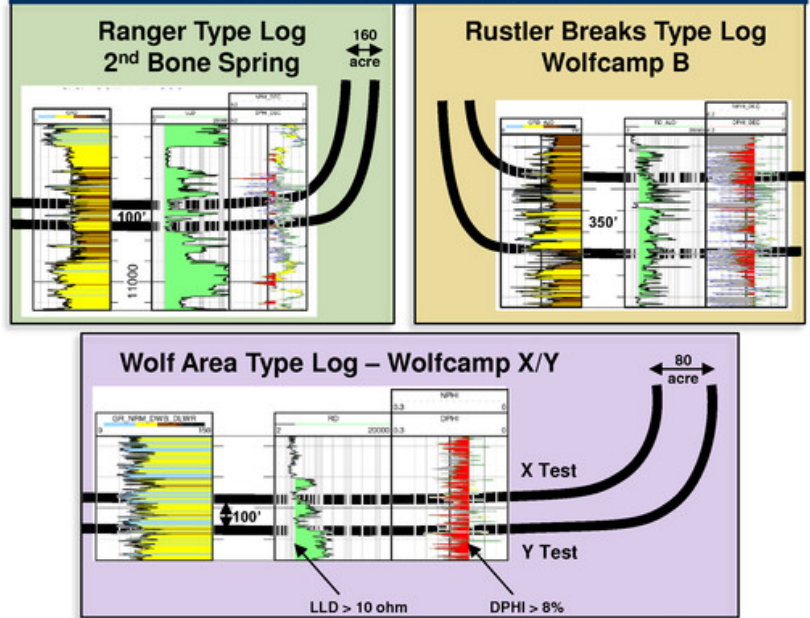
# 4,000 feet of Hydrocarbon Column Creates Opportunity

## INTER-Formational Stacked Pay



- Determining "Good, Better, Best" important as potential exceeds inter-formational stacked pay
- 2015 program will expand on intra-formational stacked pay tests performed in each asset area

## INTRA-Formational Stacked Pays Decoupled – Coupled – Micro-coupled



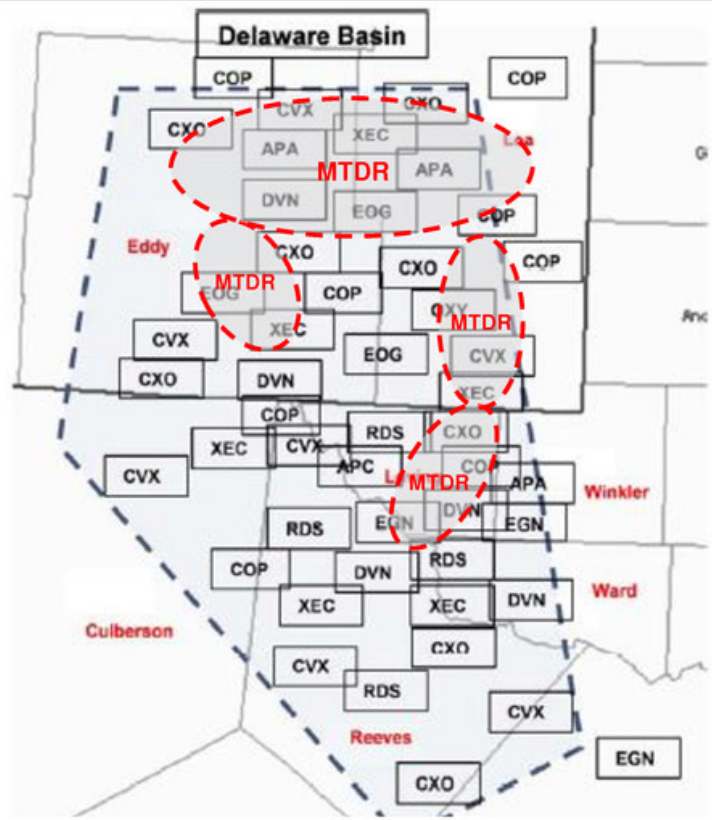
## Matador is a Significant Delaware Basin Player

- **Matador's 88,500 net acres place it among the largest operators in the Delaware Basin**

- Matador holds **largest** Delaware Basin acreage position **among small and mid-cap publicly traded energy companies**<sup>(1)</sup>
- Matador is the **second largest** operator in terms of the ratio of Delaware Basin acreage to enterprise value or market capitalization among all public traded energy companies

- **Key Operators in the Delaware Basin**<sup>(2)</sup>:

- Oxy 1,500,000 net acres
- Chevron 1,000,000 net acres
- Shell 618,000 net acres
- Cimarex 400,000 net acres
- EOG 307,000 net acres
- Anadarko 255,000 net acres
- Apache 230,000 net acres
- Conoco 150,000 net acres
- Energen 113,000 net acres
- **Matador 155,500 gross / 88,500 net acres**



Source: National Atlas, Company data, Goldman Sachs Global Investment Research.

(1) Based on an independent market analysis prepared by BMO Capital Markets in January 2015. Small and mid-cap publicly traded energy companies defined as those companies with an enterprise value between \$500 million and \$3.5 billion. Companies below \$100 million in market capitalization were excluded in determining the ratio of Delaware Basin acreage to market capitalization. Matador acreage at June 8, 2015.

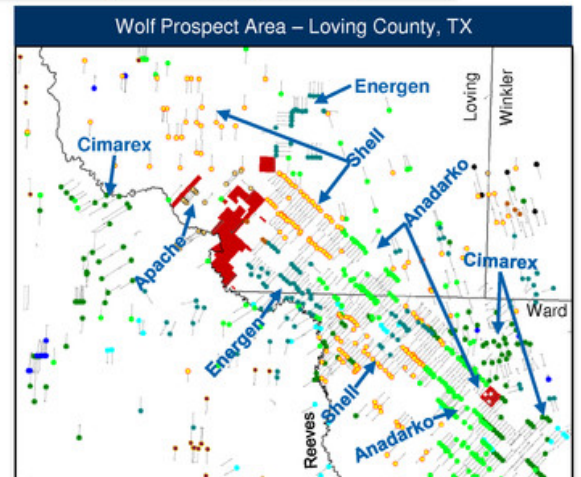
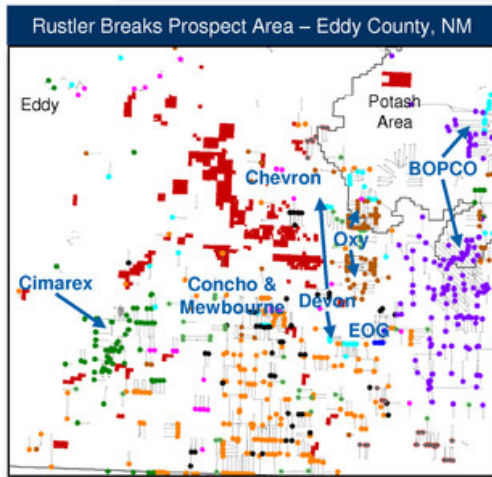
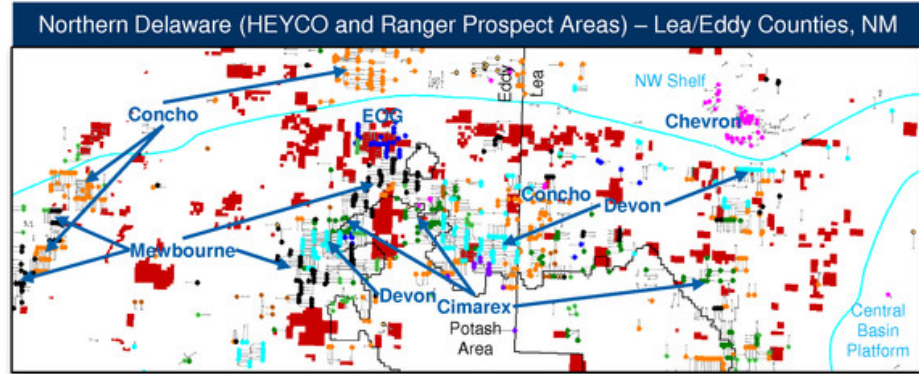
(2) Goldman Sachs Equity Research report dated April 1, 2015 (Singer).



# Matador's Acreage Among Other Significant Delaware Basin Activity

- Other Operators**
- CONCHO
  - CIMAREX
  - DEVON
  - EOG
  - MEWBOURNE
  - ANADARKO
  - BOPCO
  - SHELL
  - YATES
  - OXY
  - ENERGEN
  - CHEVRON
  - APACHE
  - RKI EXPLORATION
  - BHP BILLITON

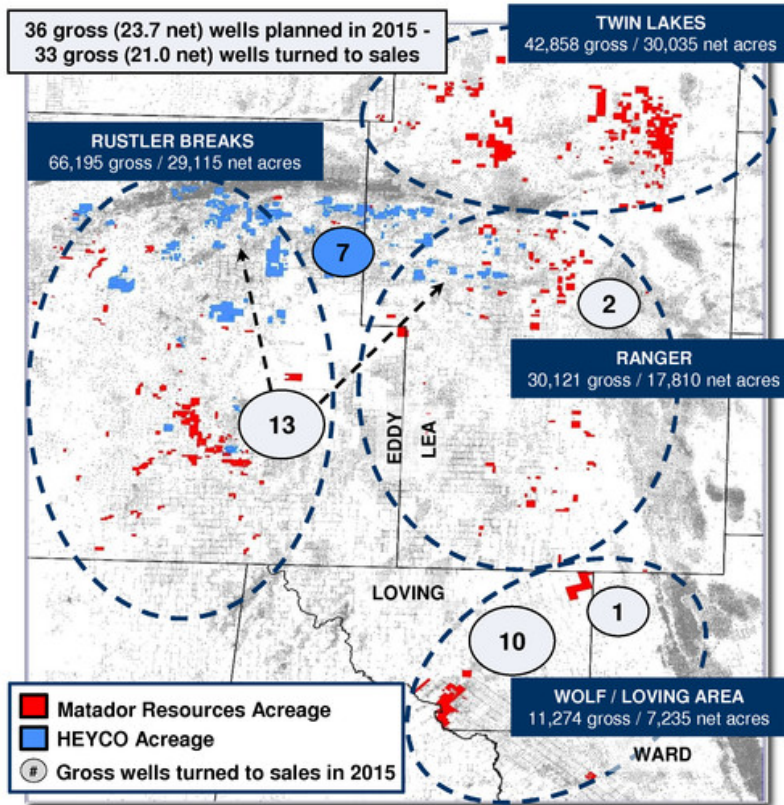
■ Matador Acreage



Note: Horizontal wells shown based upon publicly available data as of March 31, 2015. All Matador acreage at June 8, 2015.



# 2015 Permian Basin Drilling Plan



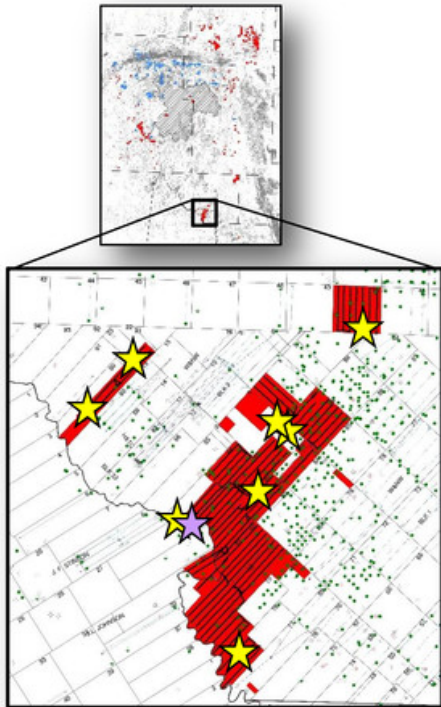
## 2015 Permian Basin Program

- Estimated capital expenditures of ~\$245 million, including ~\$32 million for land/seismic and facilities and ~\$38 million for midstream initiatives at Wolf
- 36 gross (23.7 net) wells planned for 2015, with 33 gross (21.0 net) wells turned to sales
- **Wolf/NE Loving Area**
  - 11 gross (9.4 net) wells testing primarily Wolfcamp "X/Y", including initial test of NE Loving acreage in Wolfcamp "A"
- **Rustler Breaks Area**
  - 13 gross (8.9 net) wells testing 2<sup>nd</sup> Bone Spring, Wolfcamp "X/Y" and Wolfcamp "B" targets
- **Ranger Area**
  - 2 gross (2.0 net) wells testing 2<sup>nd</sup> and 3<sup>rd</sup> Bone Spring
- **HEYCO Acreage**
  - 7 gross (0.7 net) non-operated wells testing 2<sup>nd</sup> and 3<sup>rd</sup> Bone Spring; also includes ~\$5 million for workovers
  - Will likely drill wells on HEYCO acreage in lieu of certain wells planned in Rustler Breaks area in latter half of 2015
- **Twin Lakes Area**
  - No tests at Twin Lakes area planned for 2015
  - Longer-term acreage; seeking JV partner

Note: All acreage at June 8, 2015. Some tracts not shown on map.



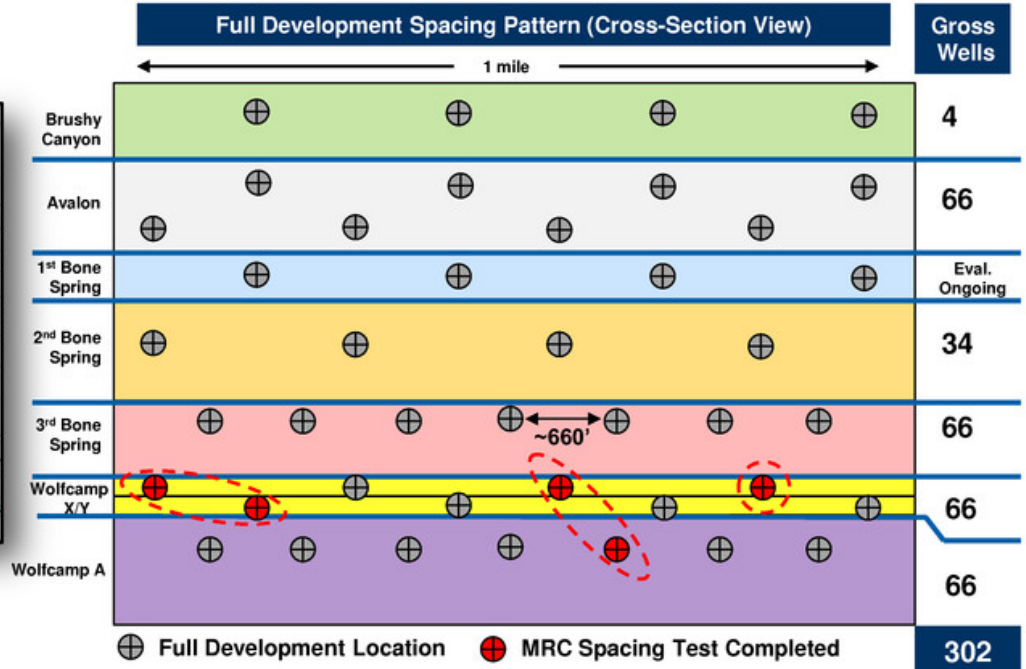
# Wolf Inventory – Multi-Pay Development Potential



- Matador Well Location
- Wolfcamp X/Y
- Wolfcamp A

Matador Acreage

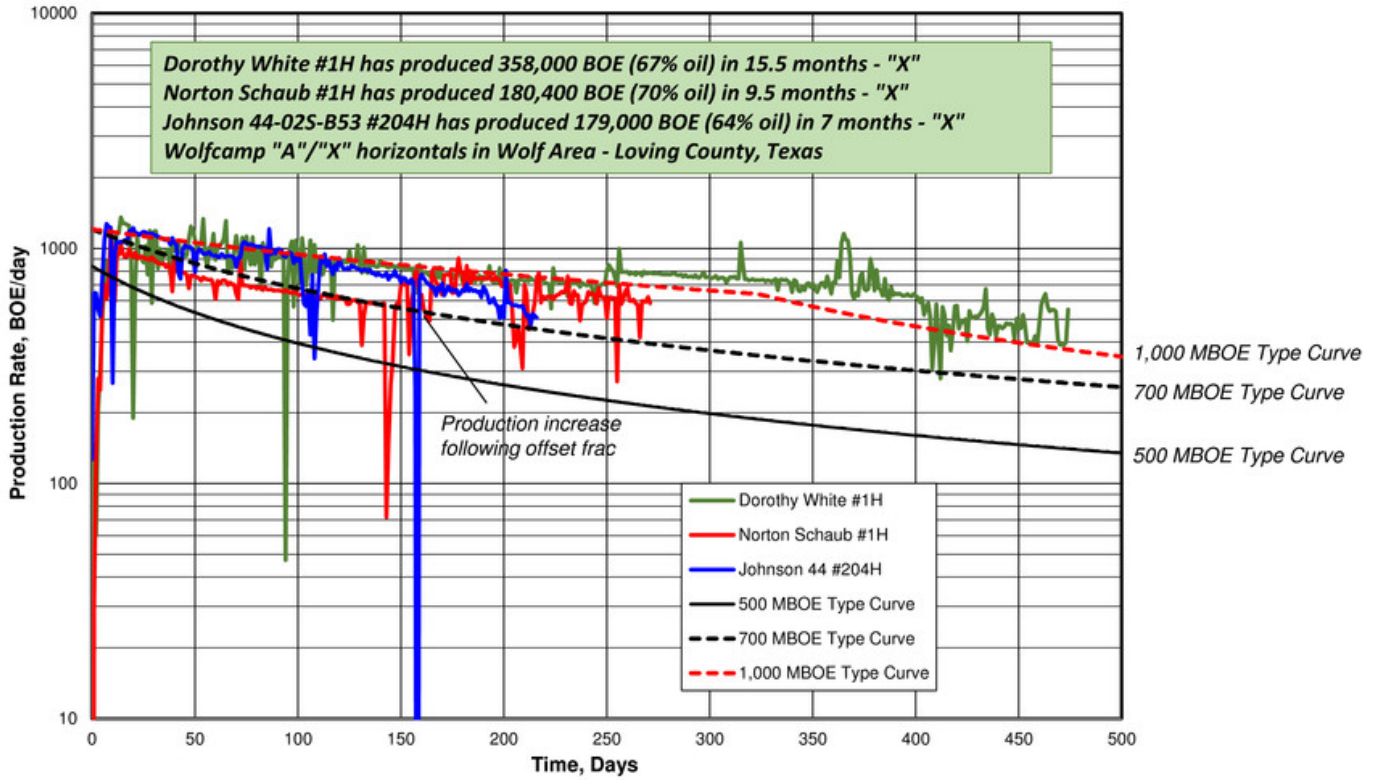
Development Well	D&C <sup>(1)</sup> CapEx	EUR <sup>(2)</sup> (MBOE)
Bone Spring	\$7 – \$8 million	450 – 600
Wolfcamp	\$8 – \$9 million	650 – 1,100



(1) Drilling and completion.  
 (2) Estimated ultimate recovery, thousands of barrels of oil equivalent.



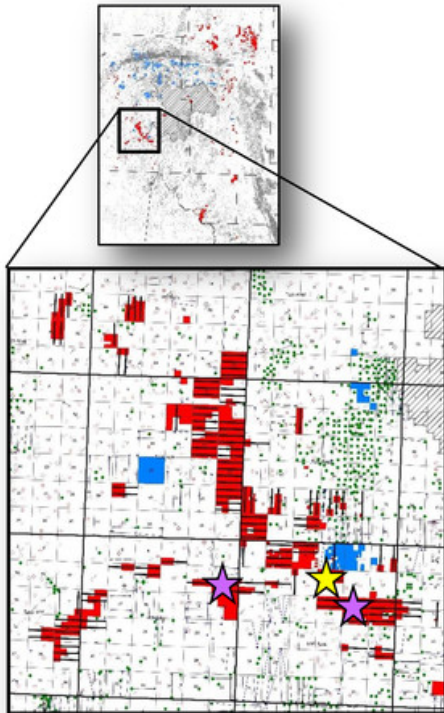
# Wolf Area Wolfcamp "A"/"X" Wells Performing Above Expectations



Note: Production as of April 28, 2015.



# Rustler Breaks Inventory – Multi-Pay Development Inventory

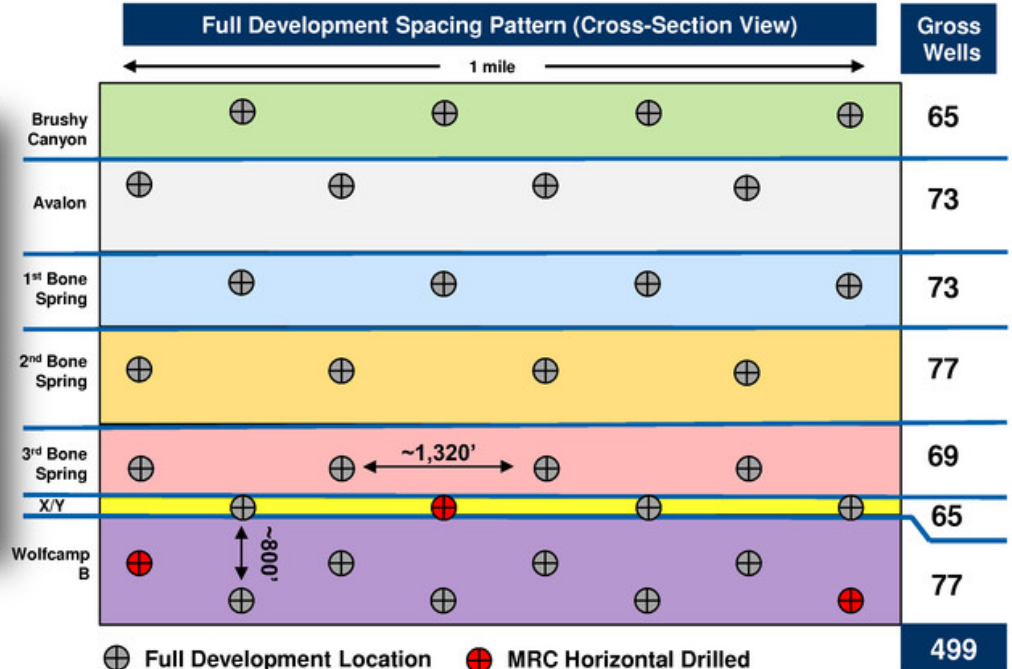


- Matador Well Location
- Matador X/Y
- Matador B

- HEYCO Acreage
- Matador Acreage

Development Well	D&C <sup>(1)</sup> CapEx	EUR <sup>(2)</sup> (MBOE)
Bone Spring	\$5.25 – \$6.25 million	350 – 650
Wolfcamp	\$7 – \$8 million	600 – 1,000

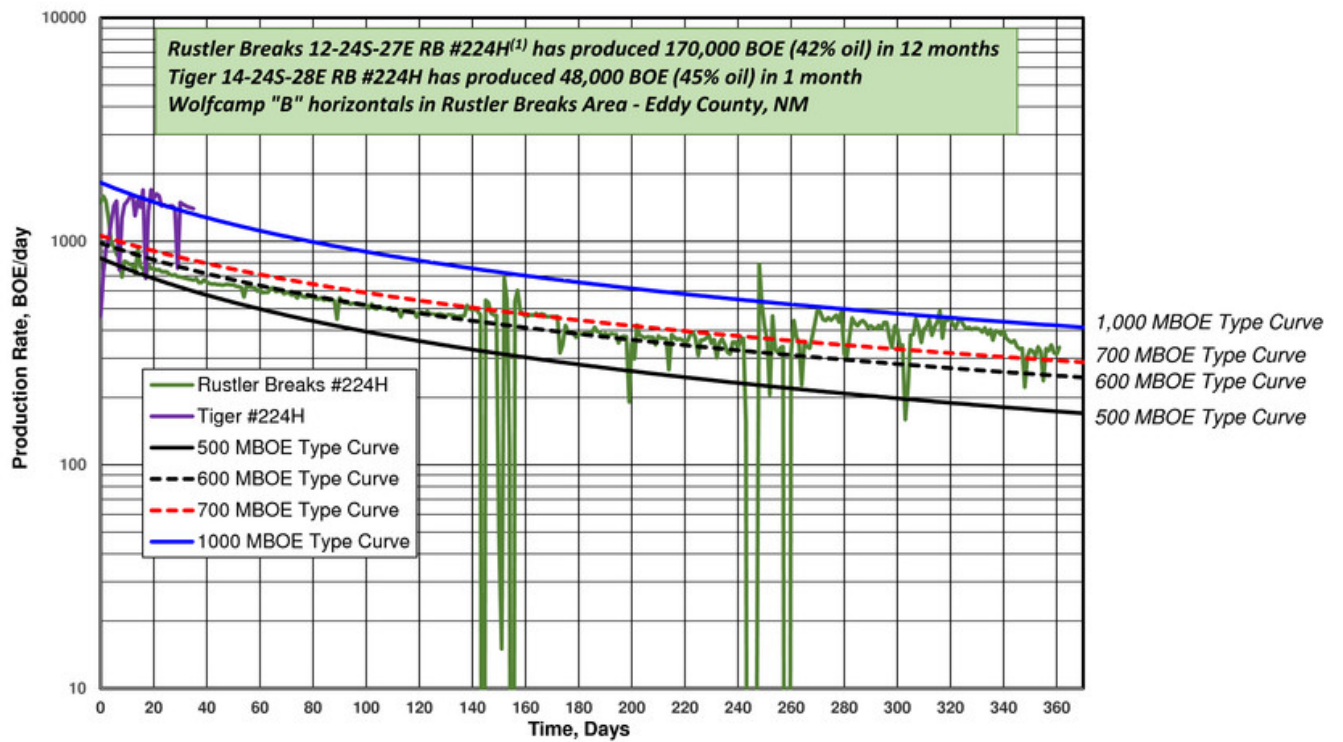


(1) Drilling and completion.  
 (2) Estimated ultimate recovery, thousands of barrels of oil equivalent.

For clarity only 160 ac. well slots shown



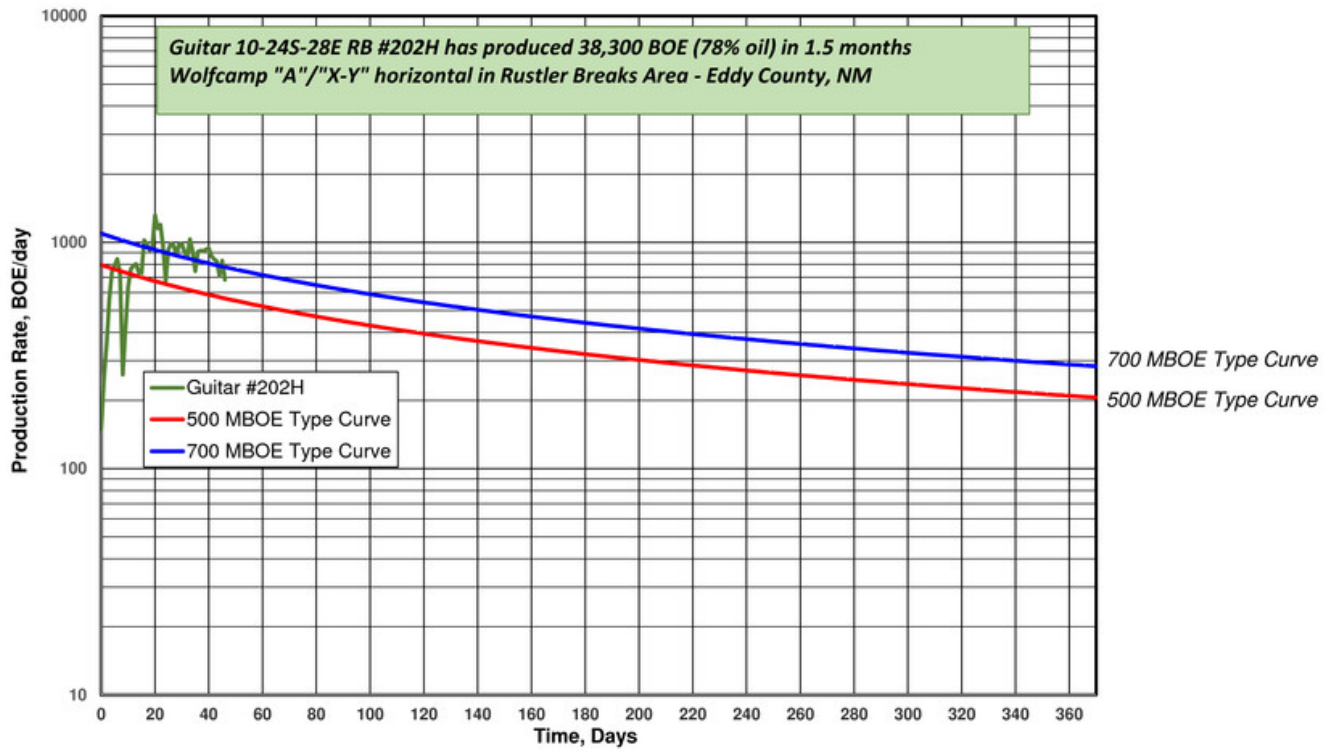
## Rustler Breaks Wolfcamp "B" Wells Performing Above Expectations



Note: Production as of April 28, 2015.  
 (1) Formerly the Rustler Breaks 12-24-27 #1H



# Rustler Breaks Wolfcamp "A" Well Off to Strong Start



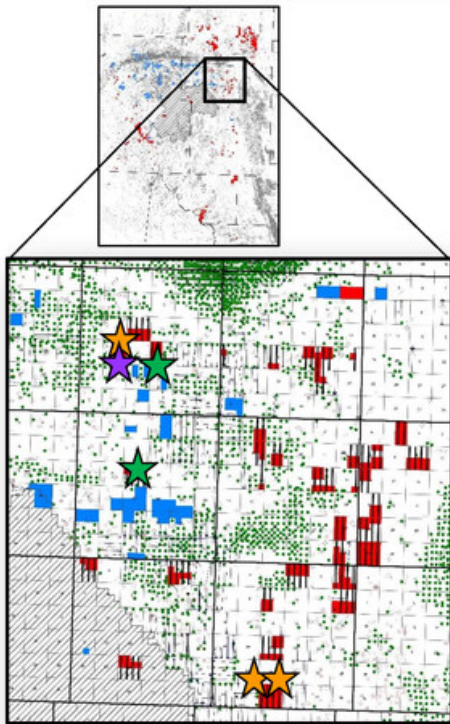
Note: Production as of April 28, 2015.



# Ranger Inventory – Multi-Well Development Potential

Development Well	D&C <sup>(1)</sup> CapEx	EUR <sup>(2)</sup> (MBOE)
Bone Spring	\$5.5 – \$6.5 million	400 – 600
Wolfcamp	\$8 – \$9 million	200 – 800*

\* Based on Volumetrics and 4-8% Recovery Factor



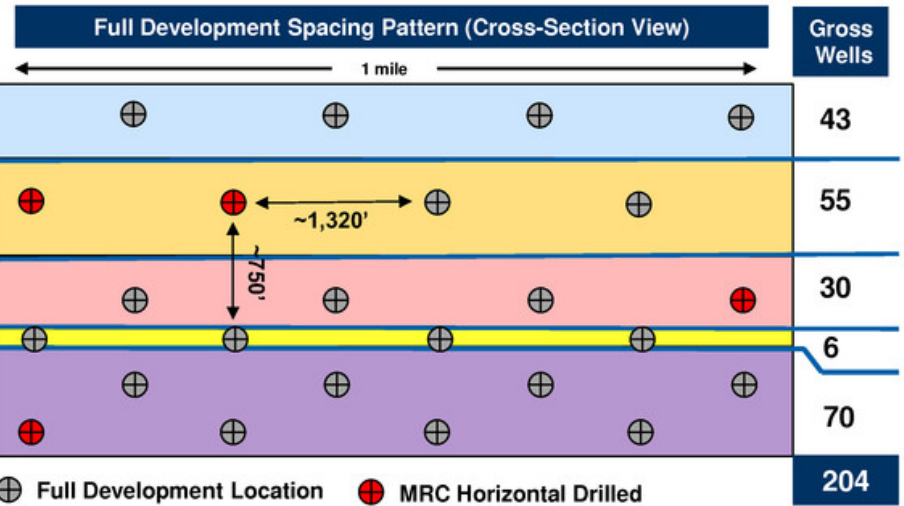
- Matador Well Location
- 2<sup>nd</sup> Bone Spring
- 3<sup>rd</sup> Bone Spring
- Wolfcamp D

- HEYCO Acreage
- Matador Acreage

(1) Drilling and completion.  
 (2) Estimated ultimate recovery, thousands of barrels of oil equivalent.

For clarity only 160 ac. well slots shown

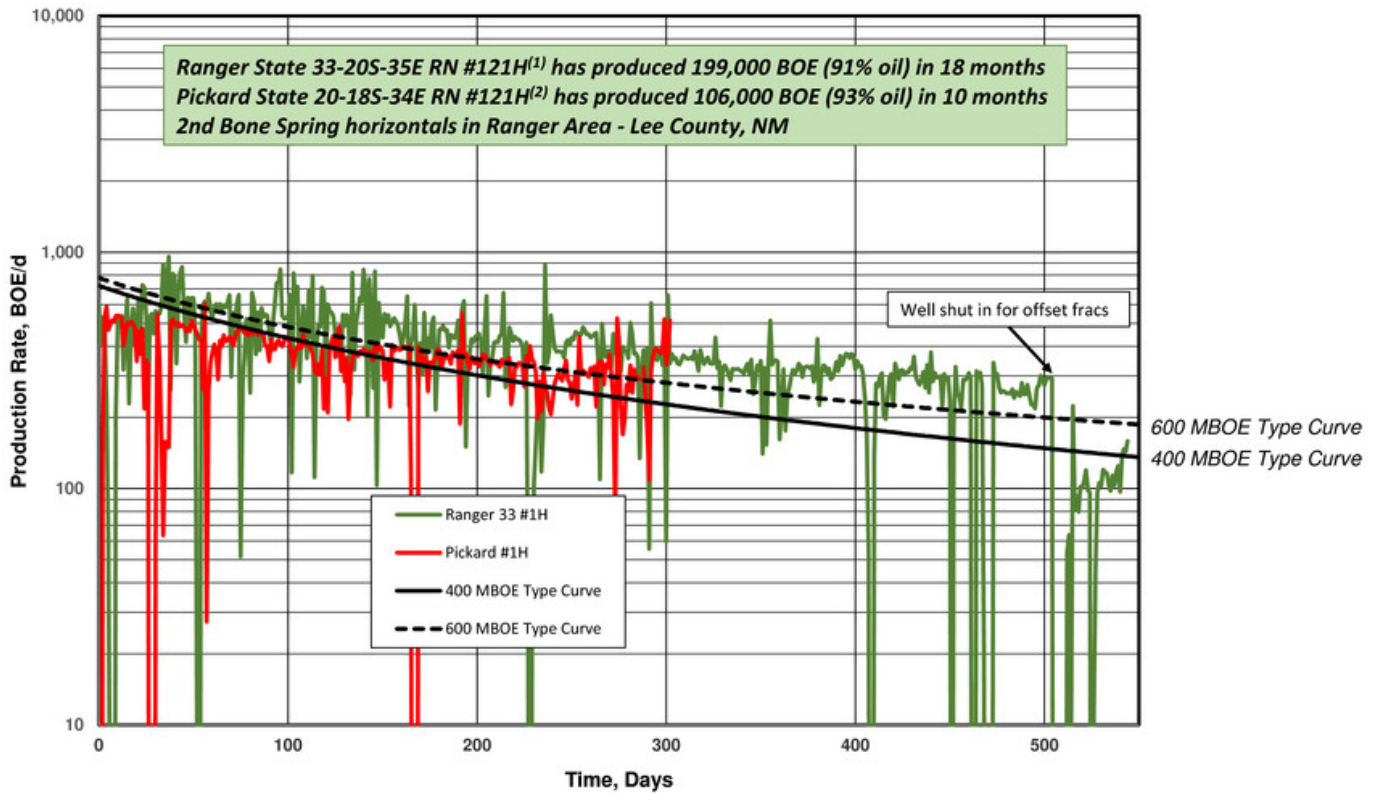


Full Development Location    MRC Horizontal Drilled





# Ranger Area Second Bone Spring Wells Performing Above Expectations



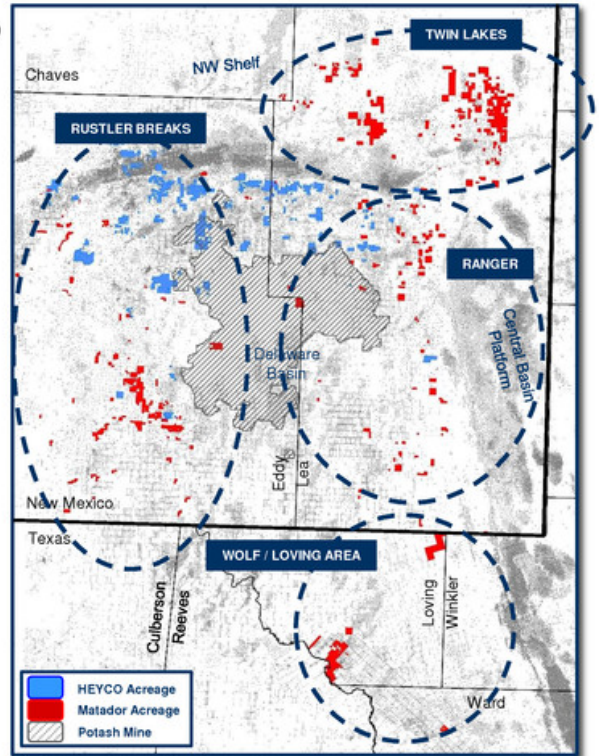
Note: Production as of May 17, 2015.  
 (1) Formerly the Ranger 33 State Com #1H.  
 (2) Formerly the Pickard State 20-18-34 #1H.



# Significant Delaware Basin Inventory

- Matador has identified 1,445 gross (960 net) locations<sup>(1)</sup>
- This inventory does not yet include the HEYCO properties or Twin Lakes locations

Formation	Gross Locations	Net Locations
Delaware Group	109	67
Avalon	160	112
1 <sup>st</sup> Bone Spring	146	96
2 <sup>nd</sup> Bone Spring	210	141
3 <sup>rd</sup> Bone Spring	224	148
Wolfcamp X/Y	152	104
Wolfcamp A	207	134
Wolfcamp B	92	62
Wolfcamp D	145	96
<b>TOTAL</b>	<b>1,445</b>	<b>960</b>



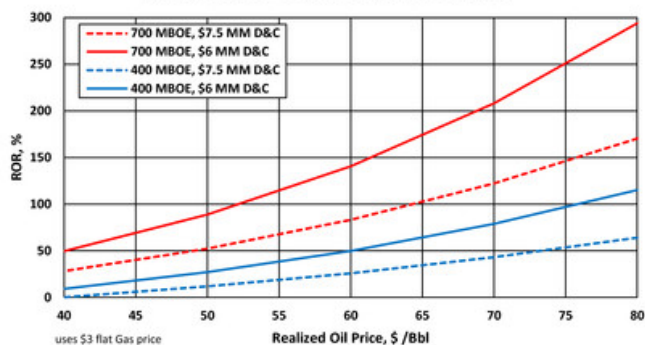
Note: All acreage at June 8, 2015. Some tracts not shown on map.

<sup>(1)</sup> Identified and engineered locations for potential future drilling, including specified production units and estimated lateral lengths, costs and well spacing using objective criteria for designation. Locations identified as of December 31, 2014, but including no locations at Twin Lakes and no locations associated with the HEYCO transaction or two associated joint ventures. Note: Inventory only includes wells with >30% working interest.

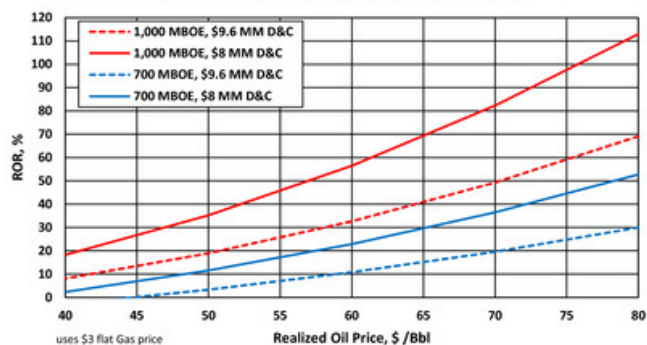


# Permian Basin Economics – Oil Price Sensitivities

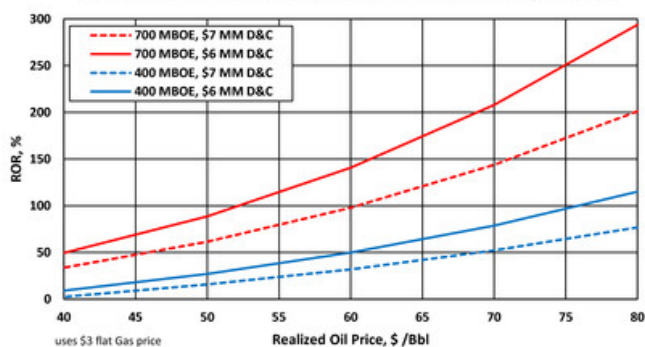
Ranger 33 400 - 700 MBOE ROR vs Oil Price



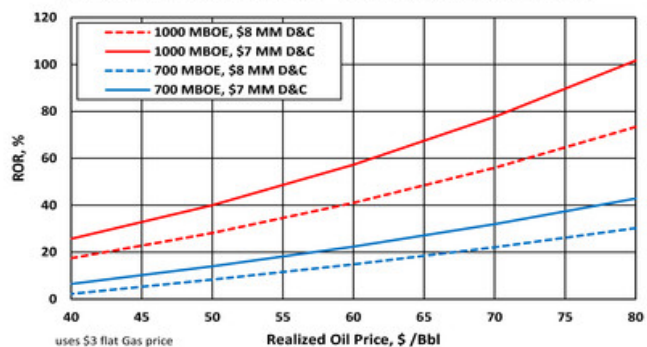
Dorothy White 700 - 1,000 MBOE ROR vs Oil Price



Rustler Breaks 2nd Bone Spring 400 - 700 MBOE ROR vs Oil Price



Rustler Breaks Wolfcamp B 700 - 1,000 MBOE ROR vs Oil Price



## Latest Technology: Simultaneous Operations (Sim-Ops) Capable Rigs

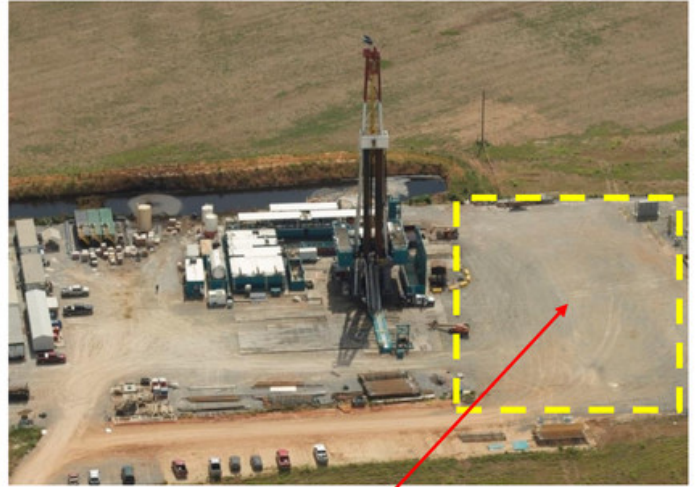
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**Conventional Drilling Configuration**



*Drilling rig must leave location  
prior to frac operations*

**Sim-Ops Capable with V-door turned 90°**



*Space available for frac  
operations while simultaneously  
drilling on the same pad*

## New Rig Improvements

---

- **7,500 psi Pressure Rating**

- Estimated reduction in drilling time of 15 to 20% in the lateral on Wolfcamp wells

- **Telescoping Flex-joint**

- Estimated reduction in drilling time of 12 to 18 hours per well

- **Integrated Mud-Gas Separator**

- Estimated savings of 50% compared to rental separator

- **BOP Test Stump**

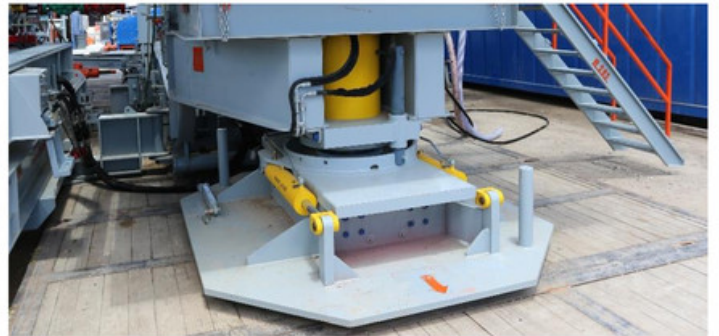
- Estimated reduction in drilling time of 12 hours per well

- **Walking System & V-door turned 90°**

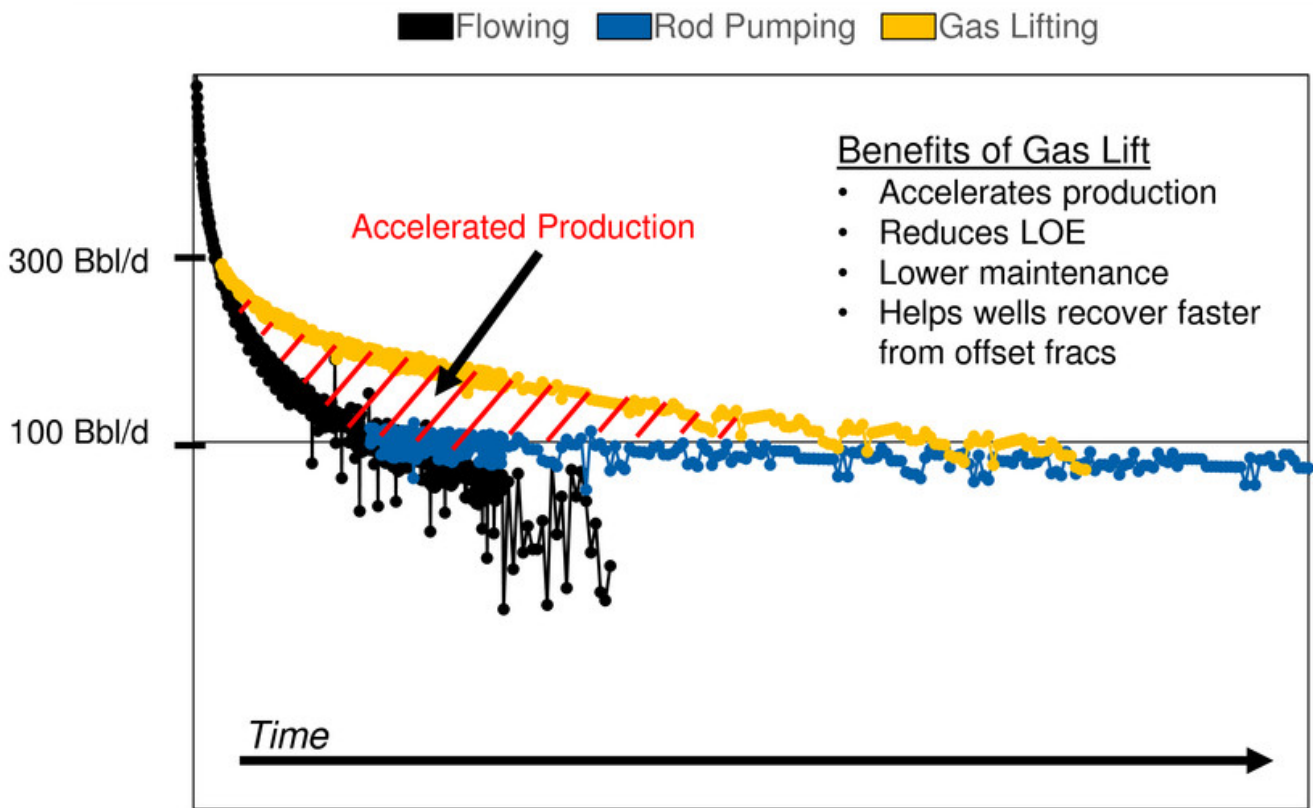
- Allows for batch-setting and simultaneous operations

*Efficiency gains save approximately  
\$540,000 per well*

...equivalent to a **\$3.00/Bbl uplift in oil prices**

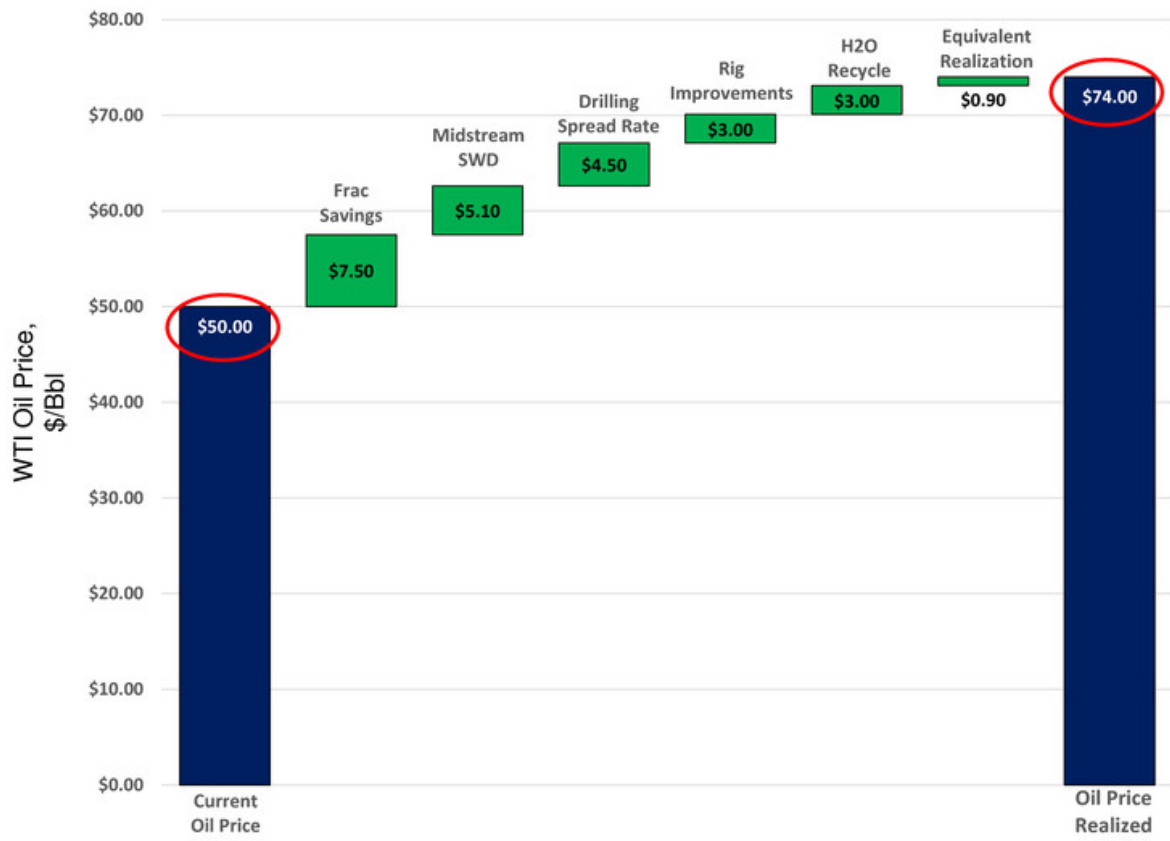


## Artificial Lift Reducing Natural Production Declines

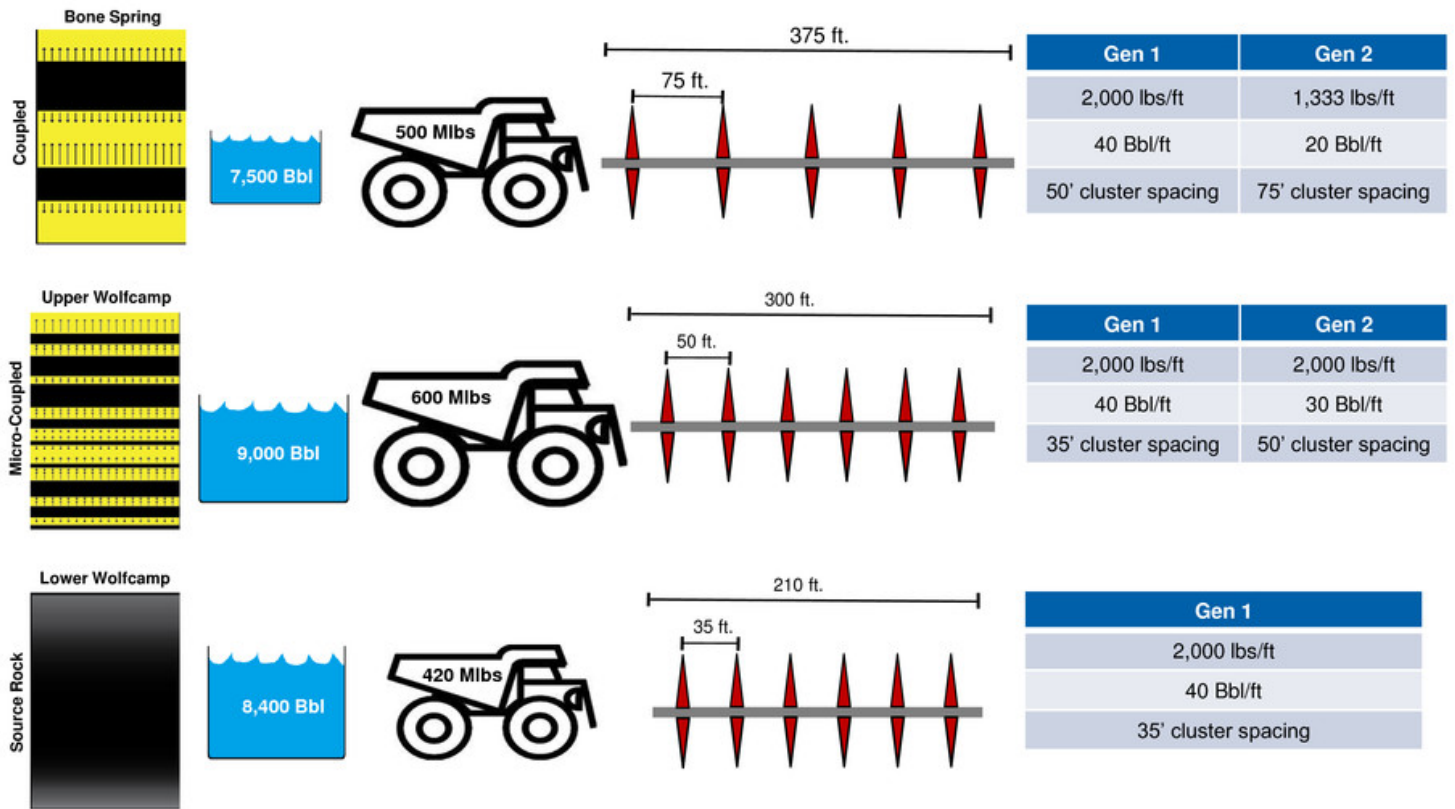


Note: Graph and data is for illustrative purposes only and not meant to reflect historical or forecasted data from actual well.

# Total Prospective Equivalent Oil Price Uplifts



# Evolution of Permian Basin Frac Design – Reservoir Specific







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## Midstream

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## Longwood Gathering and Disposal Systems<sup>(1)</sup> in Delaware Basin

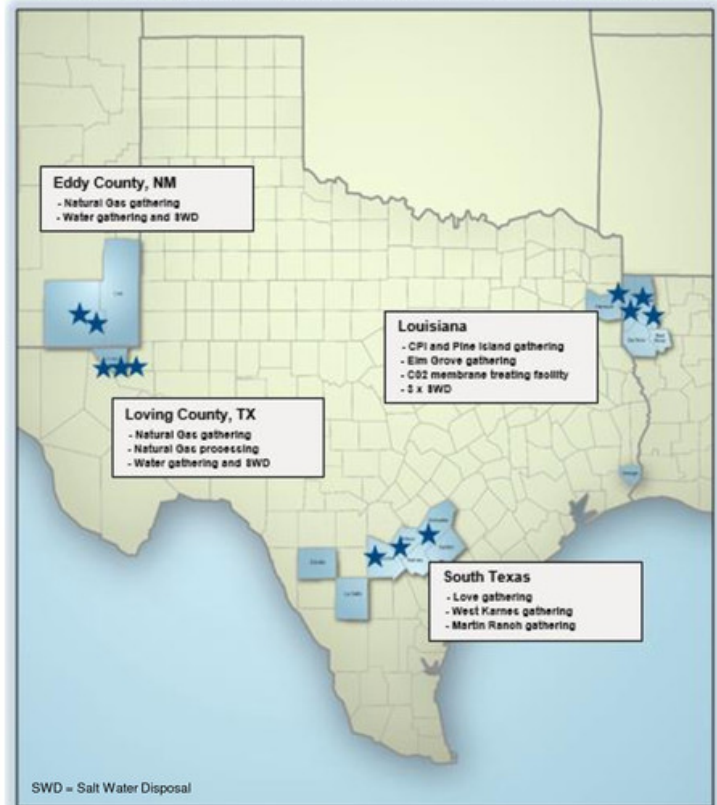
### ▪ **Loving County, Texas**

- Natural gas gathering and compression
- Water gathering
- Salt water disposal
- Oil gathering
- Cryogenic natural gas processing plant

### ▪ **Eddy County, New Mexico**

- Natural gas gathering and compression
- Water gathering
- Salt water disposal (under evaluation)

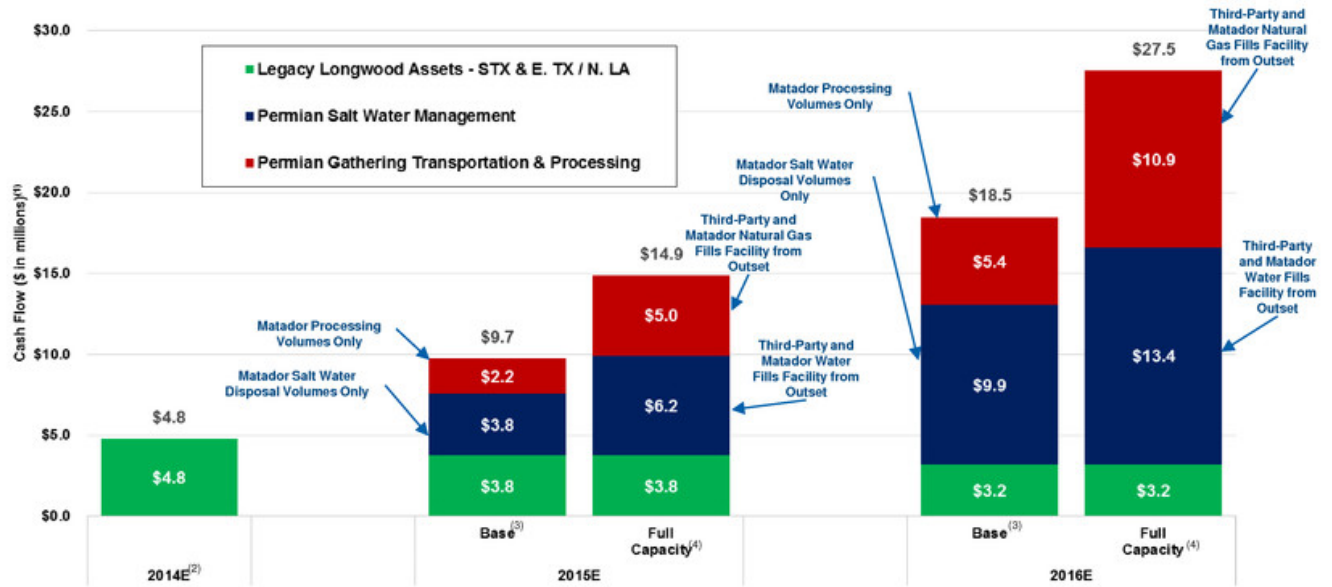
### Longwood Gathering and Disposal Systems Activities



<sup>(1)</sup> Longwood Gathering and Disposal Systems, LP is an indirect wholly owned subsidiary of Matador Resources Company.

## Midstream Initiatives Growing into Respectable Stand-Alone Business

- Expect to spend ~\$38 million on midstream initiatives in the Permian Basin in 2015
- Matador expects Longwood to be able to support its own sources of financing
- Additional third-party volumes and a contemplated natural gas processing facility in Rustler Breaks provide upside to these forecasts



(1) Estimated cash flow figures exclude allocations for general and administrative and certain other expenses. Cash flow presented is not necessarily incremental to Matador's other businesses.

(2) 2014 cash flow is an estimate as the Company has not historically viewed its midstream operations as a separate business as such operations have been immaterial.

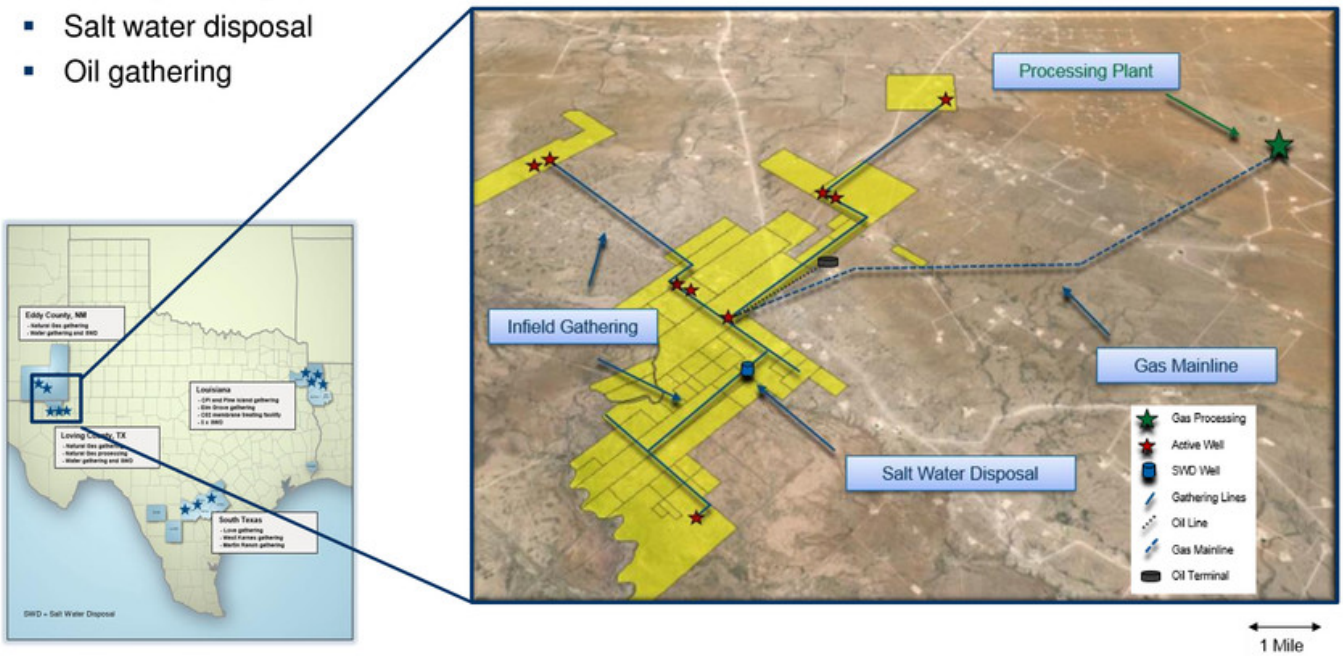
(3) Base Case assumes no third-party natural gas processing or salt water disposal volumes for the Loving County natural gas processing facility and salt water disposal facility. Matador, as the "anchor tenant", would provide all of the estimated volumes in the Base Case scenario.

(4) Full Capacity Case assumes the Loving County natural gas processing facility and salt water disposal facility operate at capacity once each facility is operational through a combination of estimated volumes provided by Matador as the "anchor tenant" and by other third-party producers.



## Loving County, Texas – Biggest Midstream Project to Date

- Natural gas gathering and compression
- Cryogenic natural gas processing plant
- Water gathering
- Salt water disposal
- Oil gathering





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## Eagle Ford

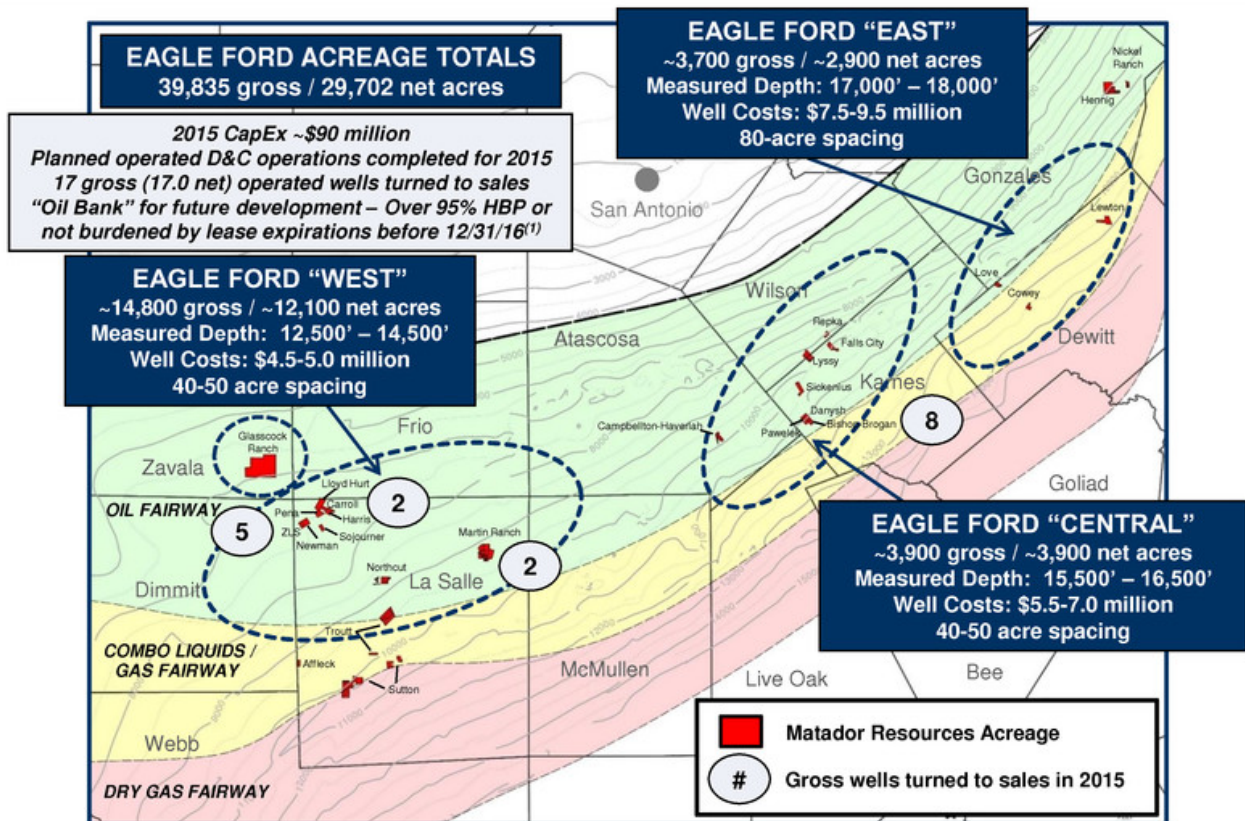
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*"Oil Bank"*

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# Eagle Ford Overview

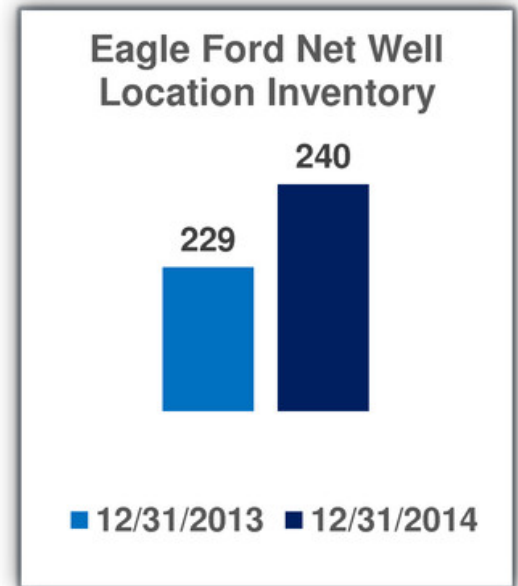


Note: All acreage at June 8, 2015. Some tracts not shown on map.  
(1) At December 31, 2014.



## Eagle Ford – 2014 Accomplishments

- Increased net oil production rate by 44% from ~6,400 Bbl/d in Q4 2013 to ~9,100 Bbl/d in Q4 2014
- Added 2,900 net acres, more than replacing 2014 Eagle Ford drilled inventory of ~36 net wells (See chart to the right)
- Evolved from Generation 5 to 7 frac designed for closer well spacing
  - 26% more proppant
  - Tighter perforation cluster spacing
  - More consistent proppant distribution
- Improved efficiencies
  - Completed 187,123 lateral feet within 15' target window
  - Drilled 90% of operated wells in batch mode on 40 to 50 acre spacing
- Reduced well costs by ~15% from \$6.5 to \$5.5 million per well in the western portion of our acreage
- Reserves growth<sup>(1)</sup>
  - Increased proved reserves by approximately 10% from 20.2 to 22.3 million BOE
  - Increased proved developed reserves by approximately 44% from 11.1 to 16.0 million BOE

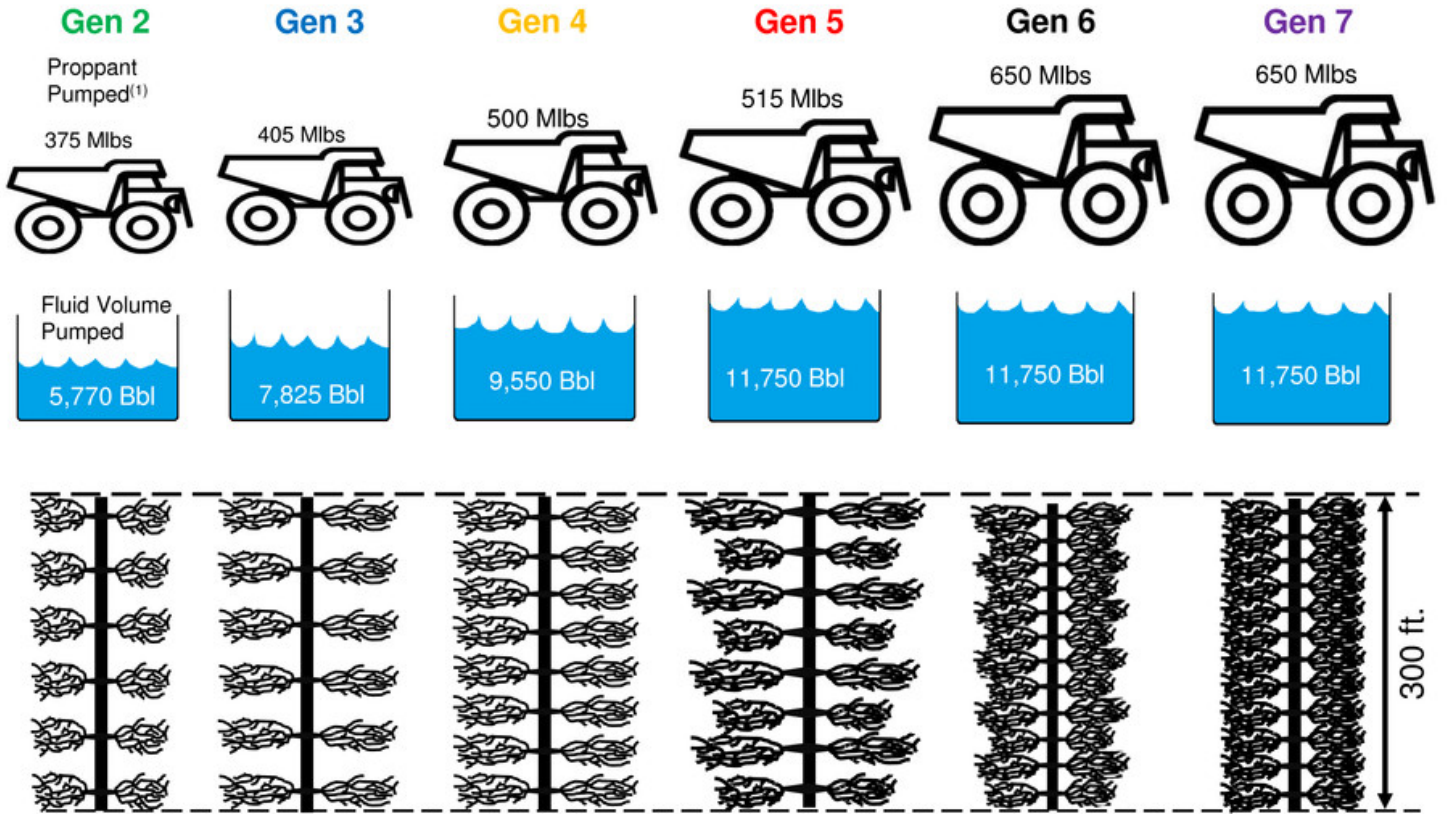


Note: **Batch drilling** is the process by which multiple horizontal wells are drilled from a single pad. In batch drilling, the surface holes for each well are drilled first and then the production holes, including the horizontal laterals for each well, are drilled. **Pad drilling** is the process by which multiple horizontal wells are drilled from a single pad. In pad drilling, each well on the pad is drilled to total depth before the next well is initiated.

(1) From December 31, 2013 to December 31, 2014.



# Evolution of Matador Eagle Ford Frac Design



Note: Figure depicts proppant and fluid volume pumped per 300 ft. of horizontal wellbore.  
 (1) Mlbs = thousands of pounds of proppant pumped.







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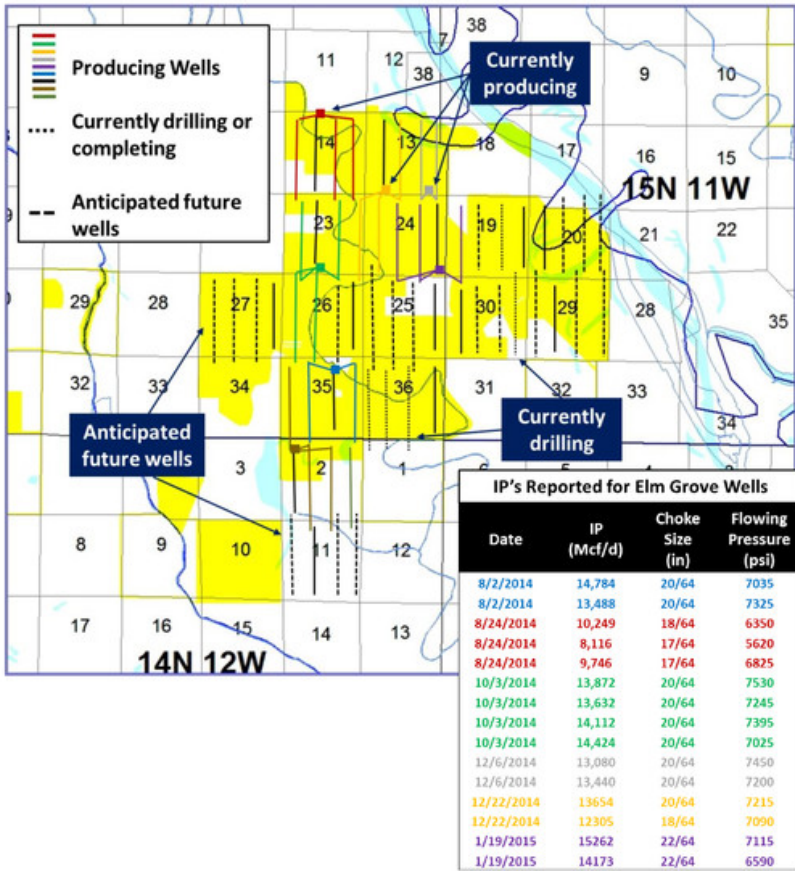
## Haynesville Shale

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*"Gas Bank"*



# Haynesville – Chesapeake Elm Grove Operations



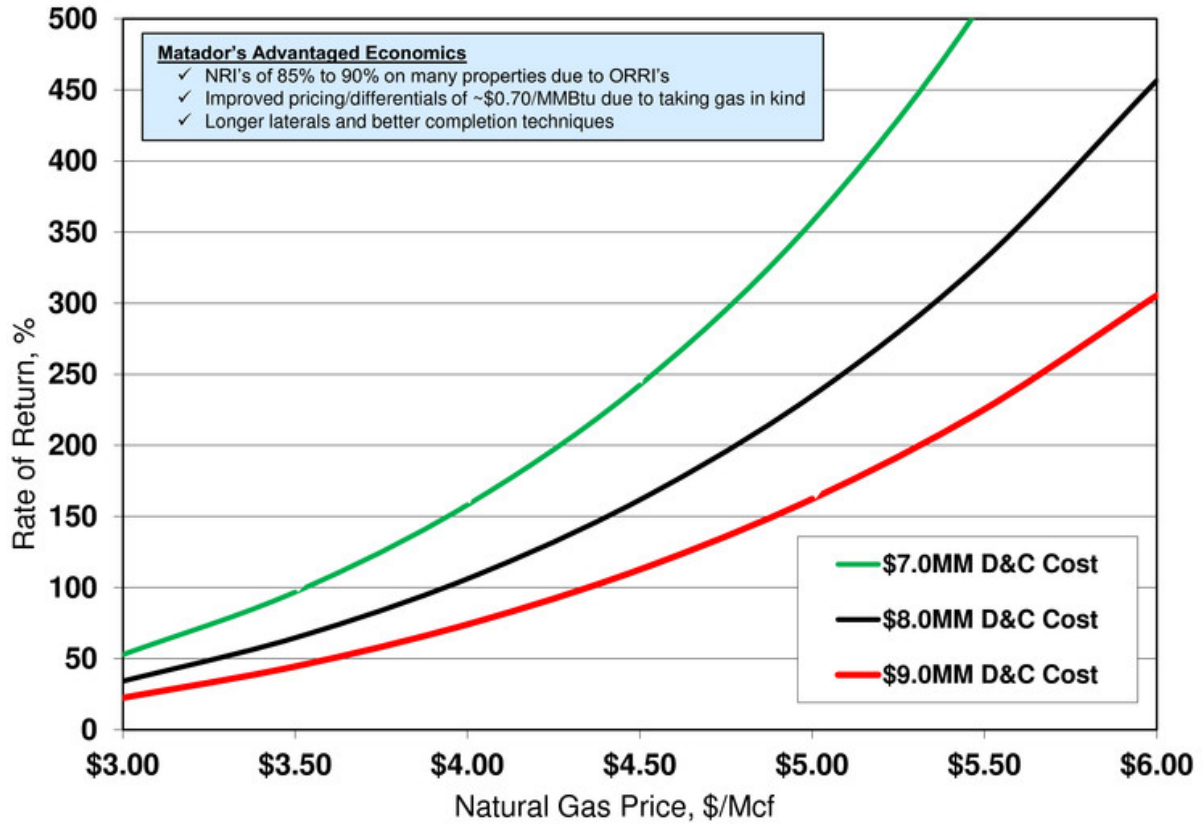
- Successful 2014 non-op drilling program, primarily by Chesapeake at Elm Grove
  - 17 gross (3.8 net) wells with estimated recoveries of 8 to 12 Bcf and well costs of \$7 to \$8 million (below Chesapeake's original AFEs and Matador's expectations)
- Haynesville average daily natural gas production up over 3-fold to 35.0 MMcf/d in Q4 2014 from 11.1 MMcf/d in Q4 2013 – currently over 55 MMcf/d

## 2015 Haynesville Non-Op Drilling Program

- Estimated capital expenditures of ~\$15 million for non-operated well participation interests
  - Represents only ~4% of 2015 estimated capital expenditures
- 38 gross (3.0 net) wells throughout Tier 1 Haynesville; 33 gross (2.3 net) wells turned to sales
- Includes 10 gross (1.8 net) wells turned to sales on Elm Grove properties operated by Chesapeake in 2015 (shown on map at left)
- Chesapeake placed seven additional wells on production in Q1 2015
  - Initial rates of ~12-15 MMcf/d of natural gas at flowing tubing pressures of 6,000 to 8,000 psi



## Economics of Tier 1 Wells (10 Bcf) Haynesville at Elm Grove



Note: Individual well economics only. Excludes costs prior to drilling (i.e. acquisition or acreage costs). Economics use a NRI / WI of 85% but actual interests vary. Natural gas price differential = (\$0.55)/Mcf. D&C cost = drilling and completion cost.





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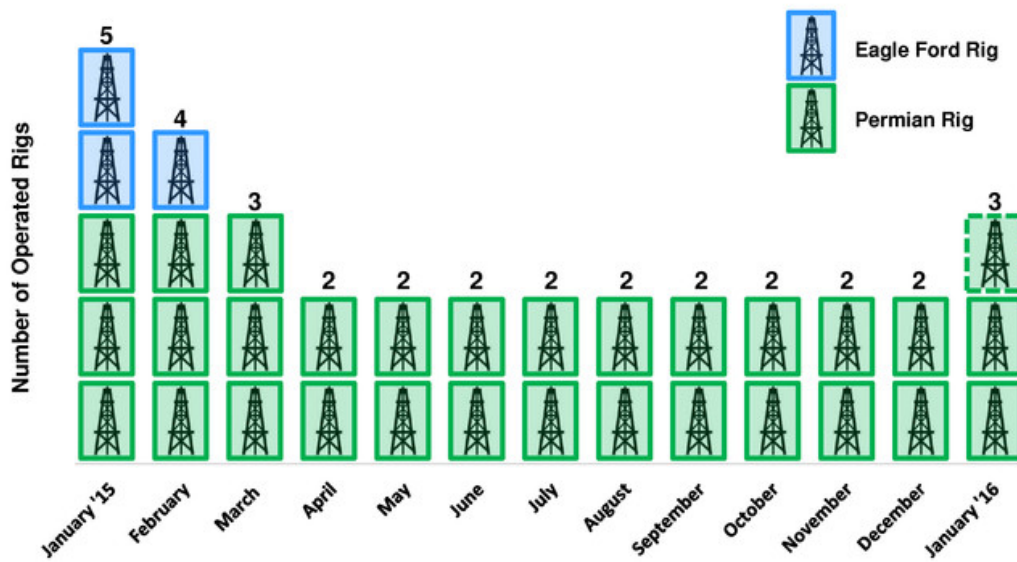
## 2015 Capital Investment Plan

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## 2015 Capital Investment Plan – Reduced Drilling Program in 2015

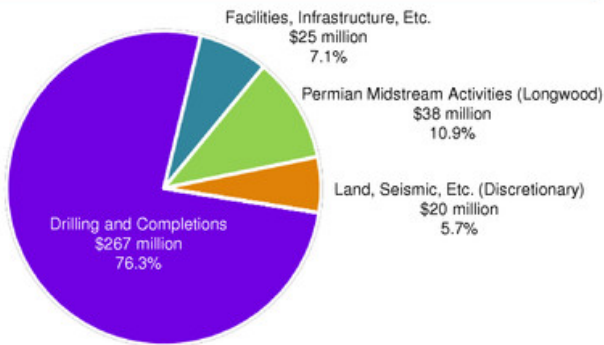
- Reduced drilling program from 5 rigs to 2 rigs due to lower commodity prices, with primary focus on Permian (Delaware) Basin
- Currently operating 2 rigs – both in the Delaware Basin
  - Possible addition of a third drilling rig in the Permian as early as late summer 2015<sup>(1)</sup>
  - New-build rigs, latest technology and designed for simultaneous operations (Sim-Ops)



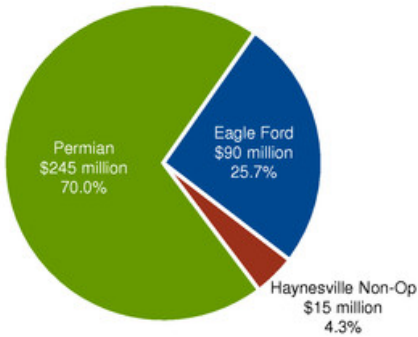
(1) As announced May 6, 2015.

# 2015 Capital Investment Plan Summary

## 2015E CapEx by Expense Type



## 2015E CapEx by Region



- 2015E CapEx of ~\$350 million
  - Decrease of ~43% from 2014 CapEx of ~ \$610 million
  - Estimated service cost reductions of 15 to 20% as observed through January 2015, but further cost reductions expected (up to 50% on some services)
  - Does not include any CapEx associated with HEYCO merger (cash and assumed debt of \$36.6 million) or two potential associated joint ventures
- 2015E CapEx highest in Q1 2015 – falls quickly thereafter
  - Q1 at \$163 million (47%); Q2 at \$71 million (20%); Q3 and Q4 at \$58 million each (remaining 33%) – *close to cash flow at \$55 per Bbl oil*
- Permian Basin drilling program will focus on Wolf development, further delineation of Ranger and Rustler Breaks areas and integration of HEYCO acreage
  - Represents ~70% of 2015E CapEx
  - Includes ~\$38 million for midstream initiatives
- Eagle Ford development will be temporarily suspended – over 95% of acreage held by production or not subject to near-term expirations<sup>(1)</sup>
  - Represents ~26% of 2015E CapEx
- Haynesville development includes continued selective participation in non-operated wells, primarily CHK drilling at Elm Grove; Haynesville acreage ~100% held by production
  - Represents only ~4% of 2015E CapEx

(1) As of December 31, 2014.

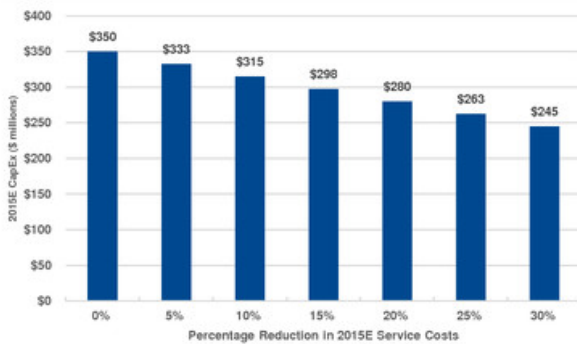
# Commodity Price and CapEx Estimates Significantly Impact Forecasts

## Sensitivity of 2015E Adjusted EBITDA<sup>(1)</sup> to Oil Price



- Relatively small improvements in oil price and cost reductions can significantly improve financial forecasts and reduce estimated CapEx
- \$10/Bbl increase in oil price improves Adjusted EBITDA<sup>(1)</sup> by ~\$25 million
- 10 to 15% in additional cost reductions reduce CapEx by \$35 to \$50 million
- \$10/Bbl increase in oil price and additional 15% in CapEx reductions reduce operating cash outspend by ~\$75 million – about half of current estimates

## Sensitivity of 2015E CapEx to Cost Reductions



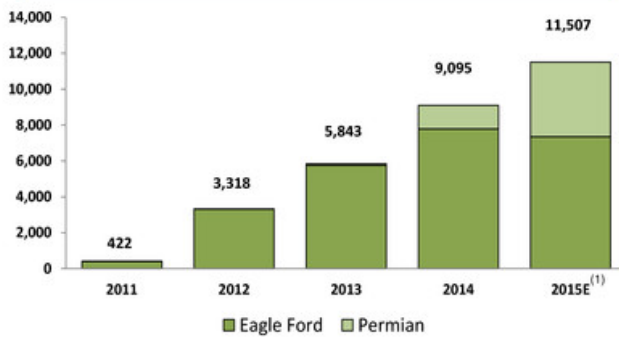
- Matador technical teams focused on reducing both operating costs and capital expenditures in 2015 and continuing to improve well performance

(1) Adjusted EBITDA is a non-GAAP financial measure. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to our net (loss) income and net cash provided by operating activities, see Appendix.  
 (2) Estimated 2015 Adjusted EBITDA based upon production guidance range for 2015 as reaffirmed on April 6, 2015. Estimated average realized prices for oil and natural gas used in these estimates were \$50.00/Bbl (WTI oil price of \$55.00/Bbl less \$5.00/Bbl differentials and transportation costs) and \$3.00/Mcf (NYMEX Henry Hub natural gas price assuming regional differentials and uplifts from natural gas processing roughly offset), respectively, for the period January through December 2015.

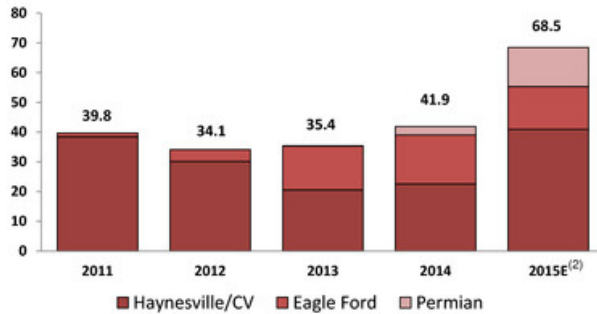


## 2015 Production Estimates – Oil Equivalent Growth of ~43%

### Oil Production Growth (Bbl/d)



### Natural Gas Production Growth (MMcf/d)



(1) Estimated daily average oil production at midpoint of 2015 guidance range. The Company raised its 2015 oil production guidance from 4.0 to 4.2 million Bbl to 4.1 to 4.3 million Bbl on May 6, 2015.

(2) Estimated daily average natural gas production at midpoint of 2015 guidance range of 24.0 to 26.0 Bcf as reaffirmed on May 6, 2015.

### 2015E Oil Production

- *Estimated oil production of 4.1 to 4.3 million barrels*
  - 27% increase from 2014 despite decreased drilling
- *Average daily oil production of 11,500 Bbl/d, up from 9,100 Bbl/d in 2014*
  - Eagle Ford ~7,350 Bbl/d (64%)
  - Permian ~4,150 Bbl/d (36%)
- *Quarterly production peaks in Q2; Q4 2015 oil production relatively flat to Q4 2014 and Q1 2015*
  - Q1 oil production relatively flat
  - Permian production increases over three-fold in 2015; Eagle Ford production declines by 5%

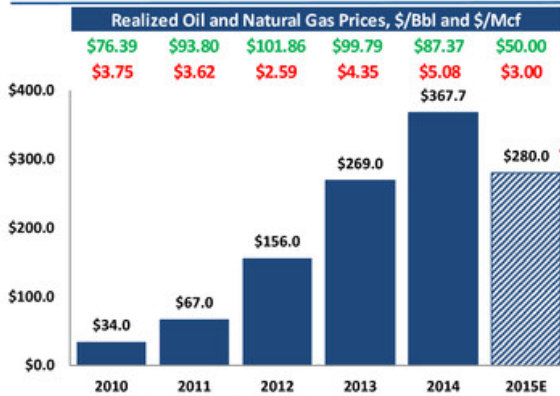
### 2015E Natural Gas Production

- *Estimated natural gas production of 24 to 26 Bcf*
  - 63% increase from 2014 despite decreased drilling; significant Haynesville impact
  - Quarterly production peaks in Q2; Q4 2015 natural gas production up ~12% over Q4 2014
- *Average daily natural gas production of 68.5 MMcf/d, up from 41.9 MMcf/d in 2014*
  - Haynesville ~42.7 MMcf/d (62%)
  - Eagle Ford ~14.5 MMcf/d (21%)
  - Permian ~11.3 MMcf/d (17%)

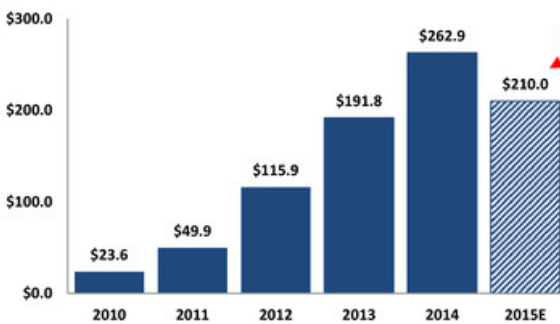


# 2015 Financial Estimates

## Oil and Natural Gas Revenues<sup>(2)</sup> (millions)



## Adjusted EBITDA<sup>(1)(2)</sup> (millions)



## 2015E Revenues and Adjusted EBITDA<sup>(1)(2)</sup>

- Revenues and Adjusted EBITDA<sup>(1)(2)</sup> growth significantly impacted by lower estimated 2015 realized oil and natural gas prices
  - 2015E realized oil price of \$50/Bbl vs ~\$87/Bbl realized in 2014
  - 2015E realized natural gas price of \$3.00/Mcf vs ~5.00/Mcf in 2014
- Estimated oil and natural gas revenues of \$270 to \$290 million
  - Decrease of ~24% from \$367.7 million in 2014
  - Oil and natural gas hedges estimated to contribute \$55 million in additional revenues in 2015, as compared to \$5 million in 2014
- Estimated Adjusted EBITDA<sup>(1)(2)</sup> of \$200 to \$220 million
  - Decrease of ~20% from \$262.9 million in 2014
- ~50% oil by volume, ~73% oil by revenue in 2015<sup>(2)</sup>; compared to ~57% oil by volume, ~79% oil by revenue in 2014

## 2015E Operating Cost Estimates (Unit Costs per BOE)

- Production taxes/marketing = \$4.00; \$5.65 in 2014 (reduced revenues)
- Lease operating = \$7.25; \$8.75 in 2014 (gas volumes, operating efficiencies, service costs)
- G&A = \$5.25; \$5.48 in 2014 (additional staff)
- Operating cash costs, excluding interest = \$16.50; ~\$20.00 in 2014
- DD&A = \$22.75; \$22.95 in 2014

(1) Adjusted EBITDA is a non-GAAP financial measure. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to our net (loss) income and net cash provided by operating activities, see Appendix.  
 (2) Estimated 2015 oil and natural gas revenues and Adjusted EBITDA based upon the midpoint of 2015 production guidance range as provided on May 6, 2015. Estimated average realized prices for oil and natural gas used in these estimates were \$50.00/Bbl (WTI oil price of \$55.00/Bbl less \$5.00/Bbl differentials and transportation costs) and \$3.00/Mcf (NYMEX Henry Hub natural gas price assuming regional differentials and uplifts from natural gas processing roughly offset), respectively, for the period January through December 2015.



## Summary and 2015 Guidance

- **Moving from 5 rigs to 2 rigs in 2015; currently operating 2 rigs in Delaware Basin**
  - Possible addition of a third drilling rig in the Permian Basin as early as late summer 2015<sup>(1)</sup>
- **Permian drilling focused on Wolf development and further delineation of Ranger and Rustler Breaks prospect areas, plus integration of HEYCO acreage**
- **Eagle Ford drilling temporarily suspended as over 95% of acreage held-by-production or not subject to near-term expiration<sup>(2)</sup>**

	2014 Actual	2015 Guidance	% Change
<b>Capital Spending</b>	\$610 million	\$350 million <sup>(3)</sup>	- 43%
<b>Total Oil Production</b>	3.3 million Bbl	4.1 to 4.3 million Bbl <sup>(4)</sup>	+ 27%
<b>Total Natural Gas Production</b>	15.3 Bcf	24.0 to 26.0 Bcf <sup>(3)</sup>	+ 63%
<b>Oil and Natural Gas Revenues</b>	\$367.7 million	\$270 to \$290 million <sup>(5)</sup>	- 24%
<b>Adjusted EBITDA<sup>(6)</sup></b>	\$262.9 million	\$200 to \$220 million <sup>(5)</sup>	- 20%

(1) As announced May 6, 2015.

(2) At December 31, 2014.

(3) As reaffirmed on May 6, 2015; does not include capital expenditures associated with the HEYCO transaction or two potential associated joint ventures.

(4) The Company raised its 2015 oil production guidance from 4.0 to 4.2 million Bbl to 4.1 to 4.3 million Bbl on May 6, 2015.

(5) Estimated 2015 oil and natural gas revenues and Adjusted EBITDA at midpoint of 2015 production guidance range as provided on May 6, 2015. Estimated average realized prices for oil and natural gas used in these estimates were \$50.00/Bbl (WTI oil price of \$55.00/Bbl less \$5.00/Bbl differentials and transportation costs) and \$3.00/Mcf (NYMEX Henry Hub natural gas price assuming regional differentials and uplifts from natural gas processing roughly offset), respectively, for the period April through December 2015.

(6) Adjusted EBITDA is a non-GAAP financial measure. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to our net income (loss) and net cash provided by operating activities, see Appendix.





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## Appendix

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## Board of Directors – Expertise and Stewardship

Board Members	Professional Experience	Business Expertise
<b>David M. Laney</b> Lead Director	<ul style="list-style-type: none"> <li>- Past Chairman, Amtrak Board of Directors</li> <li>- Former Partner, Jackson Walker LLP</li> </ul>	Law and Investments
<b>Reynald A. Baribault</b> Director	<ul style="list-style-type: none"> <li>- Vice President / Engineering and Co-founder, North Plains Energy, LLC</li> <li>- President and CEO, IPR Energy Partners, LLC</li> <li>- Former Vice President, Netherland, Sewell &amp; Associates, Inc.</li> </ul>	Oil and Gas Exploration & Development
<b>Gregory E. Mitchell</b> Director	<ul style="list-style-type: none"> <li>- President and CEO, Toot'n Totum Food Stores</li> </ul>	Petroleum Retailing
<b>Dr. Steven W. Ohnimus</b> Director	<ul style="list-style-type: none"> <li>- Retired Vice President and General Manager, Unocal Indonesia</li> </ul>	Oil and Gas Operations
<b>Carlos M. Sepulveda, Jr.</b> Director	<ul style="list-style-type: none"> <li>- Executive Chairman of the Board, Triumph Bancorp, Inc.</li> <li>- Retired President and CEO, Interstate Battery System International, Inc.</li> <li>- Director and Audit Chair, Cinemark Holdings, Inc.</li> </ul>	Business and Finance
<b>Margaret B. Shannon</b> Director	<ul style="list-style-type: none"> <li>- Retired Vice President and General Counsel, BJ Services Co.</li> <li>- Former Partner, Andrews Kurth LLP</li> </ul>	Law and Corporate Governance
<b>George M. Yates</b> Director	<ul style="list-style-type: none"> <li>- Chairman &amp; CEO of HEYCO Energy Group, Inc.</li> </ul>	Oil and Gas Exploration & Development

## Special Board Advisors – Expertise and Stewardship

Special Board Advisors	Professional Experience	Business Expertise
<b>Ronney F. Coleman</b>	- Retired President – North America, Archer - Former Vice President North America Pumping, BJ Services Co.	Oilfield Services
<b>Marlan W. Downey</b>	- Retired President, ARCO International - Former President, Shell Pecten International - Past President of American Association of Petroleum Geologists	Oil and Gas Exploration
<b>John R. Gass</b>	- VP, Eastern Hemisphere Operations, Nabors Drilling International Limited based in Dubai, UAE - Previously spent 28 years with Parker Drilling Company in various management roles	Oil and Gas Drilling
<b>David F. Nicklin</b>	- Retired Executive Director of Exploration, Matador Resources Company	Oil and Gas Exploration
<b>Wade I. Massad</b>	- Managing Member, Cleveland Capital Management, LLC - Formerly with KeyBanc Capital Markets and RBC Capital Markets	Capital Markets
<b>Greg L. McMichael</b>	- Retired Vice President and Group Leader – Energy Research of A.G. Edwards	Capital Markets
<b>Dr. James D. Robertson</b>	- Retired VP Exploration, Chief Geophysicist, ARCO International	Oil and Gas Exploration
<b>Michael C. Ryan</b>	- Partner, Berens Capital Management - Former Director, Matador Resources Company	International Business and Finance
<b>Edward R. Scott, Jr.</b>	- Former Chairman, Amarillo Economic Development Corporation - Law Firm of Gibson, Ochsner & Adkins	Law, Accounting and Real Estate
<b>W.J. “Jack” Sleeper, Jr.</b>	- Retired President, DeGolyer and MacNaughton (Worldwide Petroleum Consultants)	Oil and Gas Executive Management
<b>Don C. Stephenson</b>	- Retired Partner, Baker Botts L.L.P.	Law and Tax Strategy

## Proven Management Team – Experienced Leadership

Management Team	Background and Prior Affiliations	Industry Experience	Matador Experience
<b>Joseph Wm. Foran</b> Founder, Chairman and CEO	- Matador Petroleum Corporation, Foran Oil Company and James Cleo Thompson Jr.	34 years	Since Inception
<b>Matthew V. Hairford</b> President, Chair of Operating Committee	- Samson, Sonat, Conoco	30 years	Since 2004
<b>David E. Lancaster</b> EVP and CFO	- Schlumberger, S.A. Holditch & Associates, Inc., Diamond Shamrock	35 years	Since 2003
<b>Craig N. Adams</b> EVP – Land, Legal & Administration	- Baker Botts L.L.P., Thompson & Knight LLP	22 years	Since 2012
<b>Ryan C. London</b> EVP, Head of Completions & Prospect Teams	- Matador Resources Company (Began as intern)	11 years	Since 2004
<b>Van H. Singleton, II</b> EVP – Land	- Southern Escrow & Title, VanBrannon & Associates	18 years	Since 2007
<b>Bradley M. Robinson</b> VP – Reservoir Engineering and CTO	- Schlumberger, S.A. Holditch & Associates, Inc., Marathon	37 years	Since Inception
<b>Billy E. Goodwin</b> VP – Drilling	- Samson, Conoco	30 years	Since 2010
<b>G. Gregg Krug</b> VP – Marketing	- Williams Companies, Samson, Unit Corporation	31 years	Since 2005
<b>Trent W. Green</b> VP – Production	- HEYCO, Bass Enterprises, Schlumberger, S.A. Holditch & Associates, Inc., Amerada Hess	26 years	Since 2015
<b>Jennifer S. Queen</b> VP – Human Resources & Administration	- Baker Botts L.L.P., McKenna Long & Aldridge LLP	22 years	Since 2015
<b>Kathryn L. Wayne</b> Controller and Treasurer	- Matador Petroleum Corporation, Mobil	30 years	Since Inception

# Hedging Profile

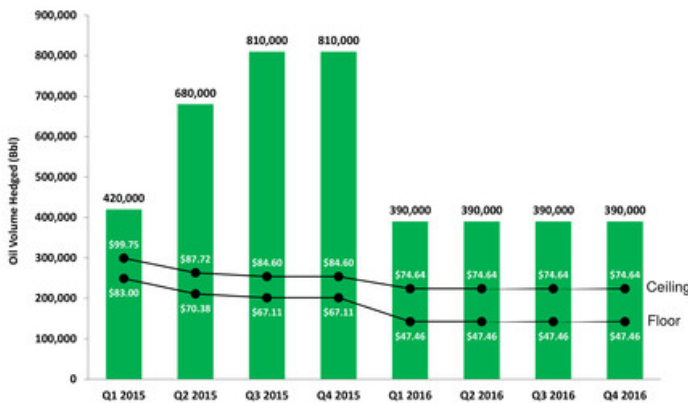
## 2015 Hedges<sup>(1)</sup>

- **Oil Hedges:** 1.9 million barrels of oil hedged for remainder of 2015 at weighted average floor and ceiling prices of \$67/Bbl and \$85/Bbl, respectively – Approximately 80% of oil hedged for remainder of 2015<sup>(2)</sup>
- **Natural Gas Hedges:** 8.4 Bcf of natural gas hedged for remainder of 2015 at weighted average floor and ceiling of \$3.28/MMBtu and \$3.97/MMBtu, respectively – Approximately 70% of natural gas hedged for remainder of 2015<sup>(2)</sup>
- **Natural Gas Liquids:** 2.2 million gallons of natural gas liquids hedged for remainder of 2015 at weighted average price of \$1.02/gal
- *Oil and natural gas hedges estimated to add \$59 million to projected oil and natural gas revenues in 2015*

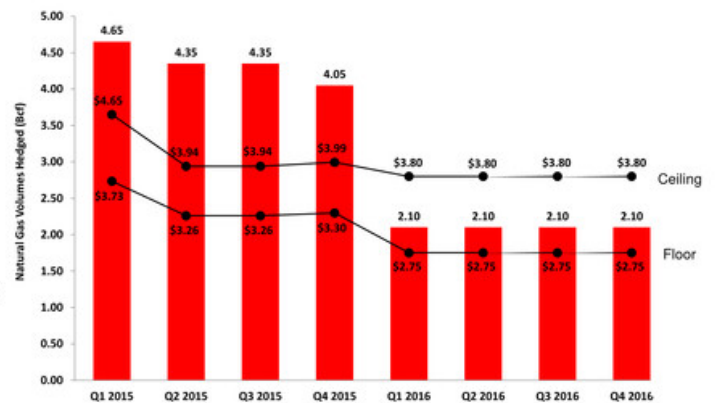
## 2016 Hedges

- 1.6 million Bbl of oil (\$47/Bbl floor and \$75/Bbl ceiling) and 8.4 Bcf of natural gas (\$2.75/MMBtu floor and \$3.80/MMBtu ceiling)

### 2015 Oil Hedges (Costless Collars)



### 2015 Natural Gas Hedges (Costless Collars)



(1) At June 8, 2015.

(2) Based upon the midpoint of 2015 guidance range of 4.1 to 4.3 million Bbl of oil as revised on May 6, 2015 and 24.0 to 26.0 Bcf for natural gas as reaffirmed on May 6, 2015.



## Credit Agreement Status

- **Strong, supportive bank group led by Royal Bank of Canada**
- **Borrowing base at \$375 million based on December 31, 2014 reserves**
  - Bank group affirmed \$375 million conforming borrowing base in April 2015
  - Retained full \$375 million conforming borrowing base upon closing of Senior Notes offering
- **Borrowings outstanding of \$340 million at December 31, 2014 and \$30 million on April 14, 2015; repaid \$380 million following closing of Senior Notes Offering on April 14, 2015**
  - No borrowings outstanding at May 6, 2015.
- **Net Debt/Adjusted EBITDA<sup>(1)(2)</sup> of 1.2x**

TIER	Conforming Borrowing Base Utilization	LIBOR Margin	BASE Margin	Commitment Fee
Tier One	x < 25%	150 bps	50 bps	37.5 bps
Tier Two	25% < or = x < 50%	175 bps	75 bps	37.5 bps
Tier Three	50% < or = x < 75%	200 bps	100 bps	50 bps
Tier Four	75% < or = x < 90%	225 bps	125 bps	50 bps
Tier Five	90% < or = x < 100%	250 bps	150 bps	50 bps

- **Financial covenants**

- Maximum Total Debt to Adjusted EBITDA<sup>(2)</sup> Ratio of not more than 4.25:1.00
- Under this covenant, Total Debt could be ~\$1.1 billion based on LTM Adjusted EBITDA<sup>(1)</sup>

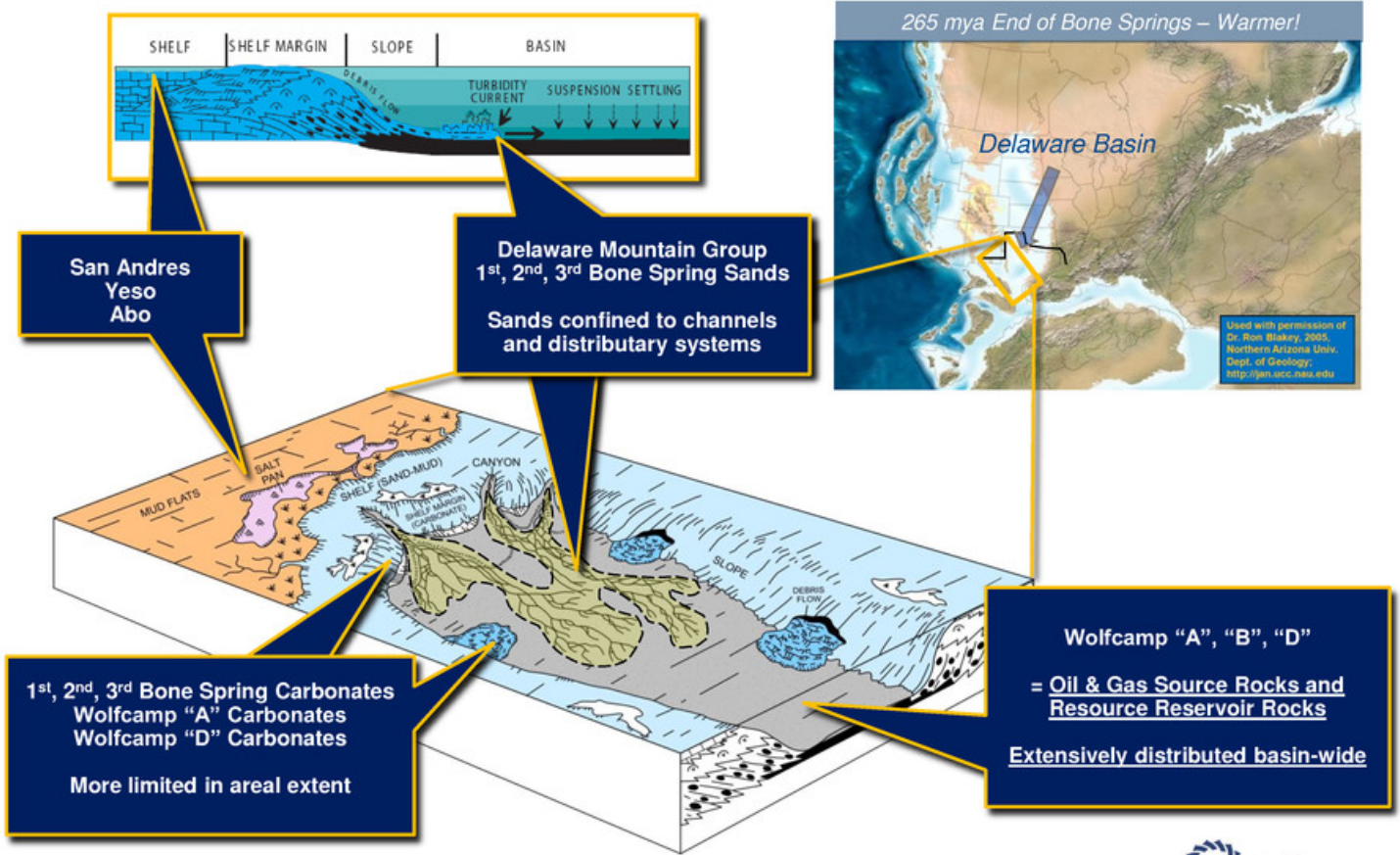
(1) LTM Adjusted EBITDA at March 31, 2015 and Net Debt at May 6, 2015.

(2) Adjusted EBITDA is a non-GAAP financial measure. For a definition of Adjusted EBITDA an a reconciliation of Adjusted EBITDA to our net income (loss) and net cash provided by operating activities, see Appendix.

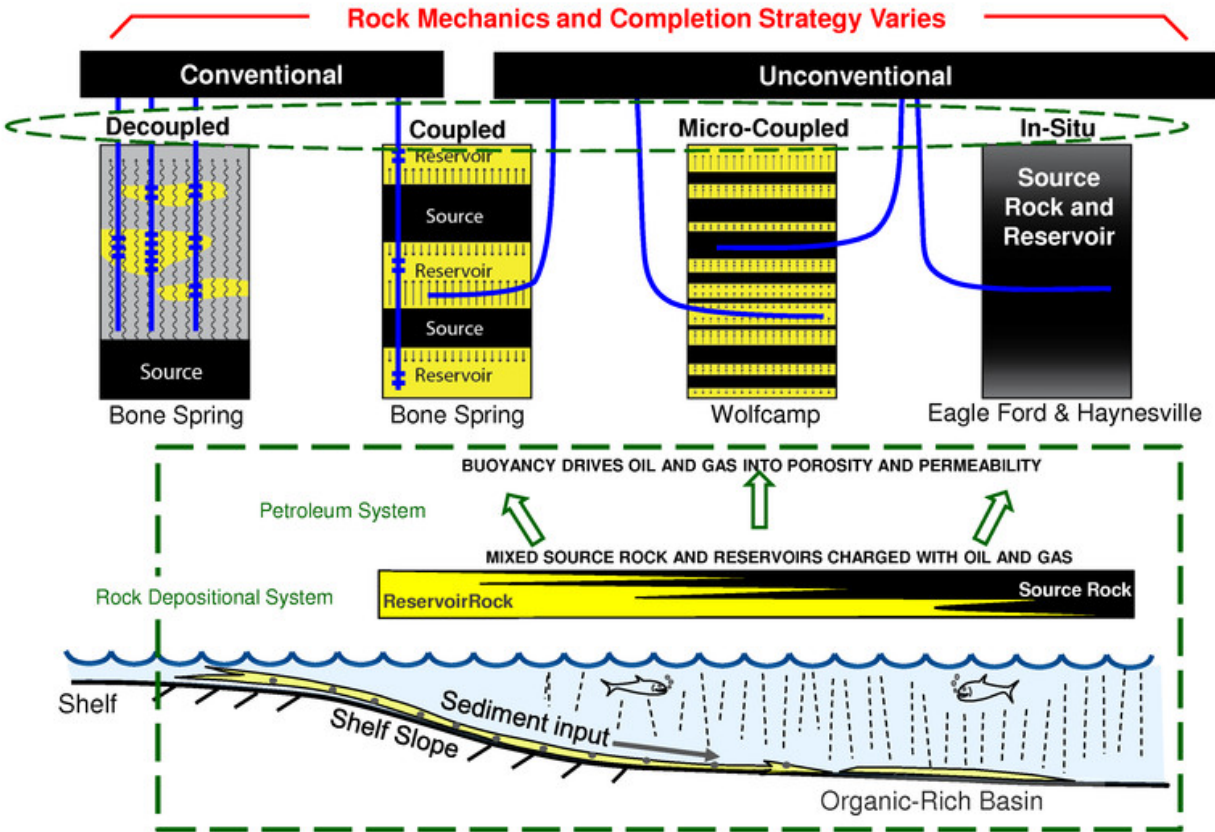




# “Wolf-Bone” Geological Setting, Predicting Where the Better Rocks Are



# Understanding the Petroleum Systems for Maximum Oil Recovery



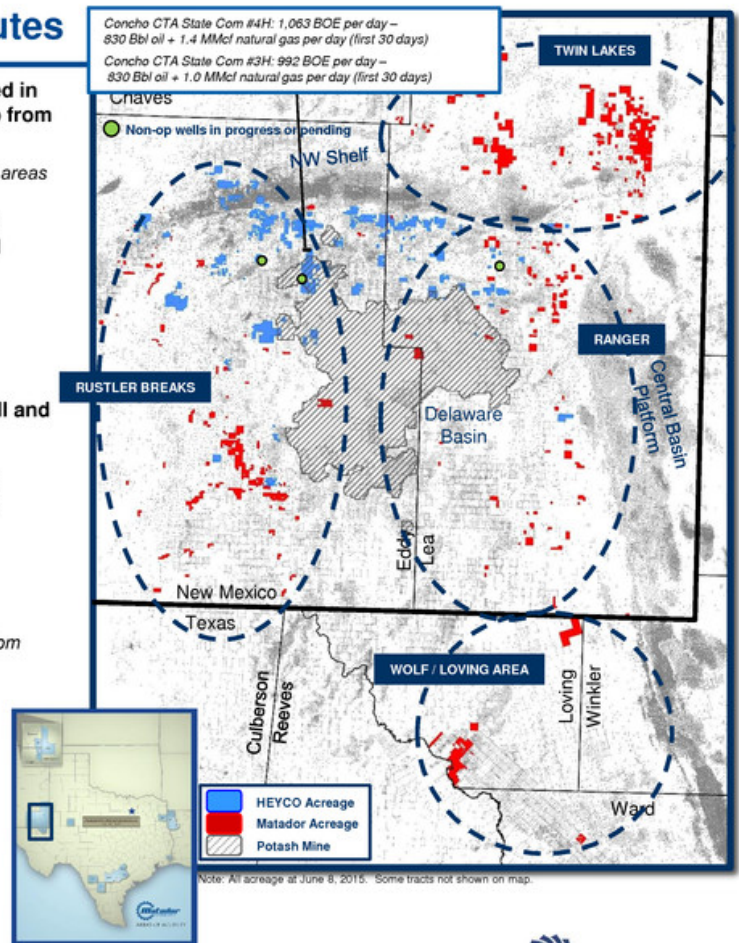
Note: Diagram Modified from Bishop (2014).



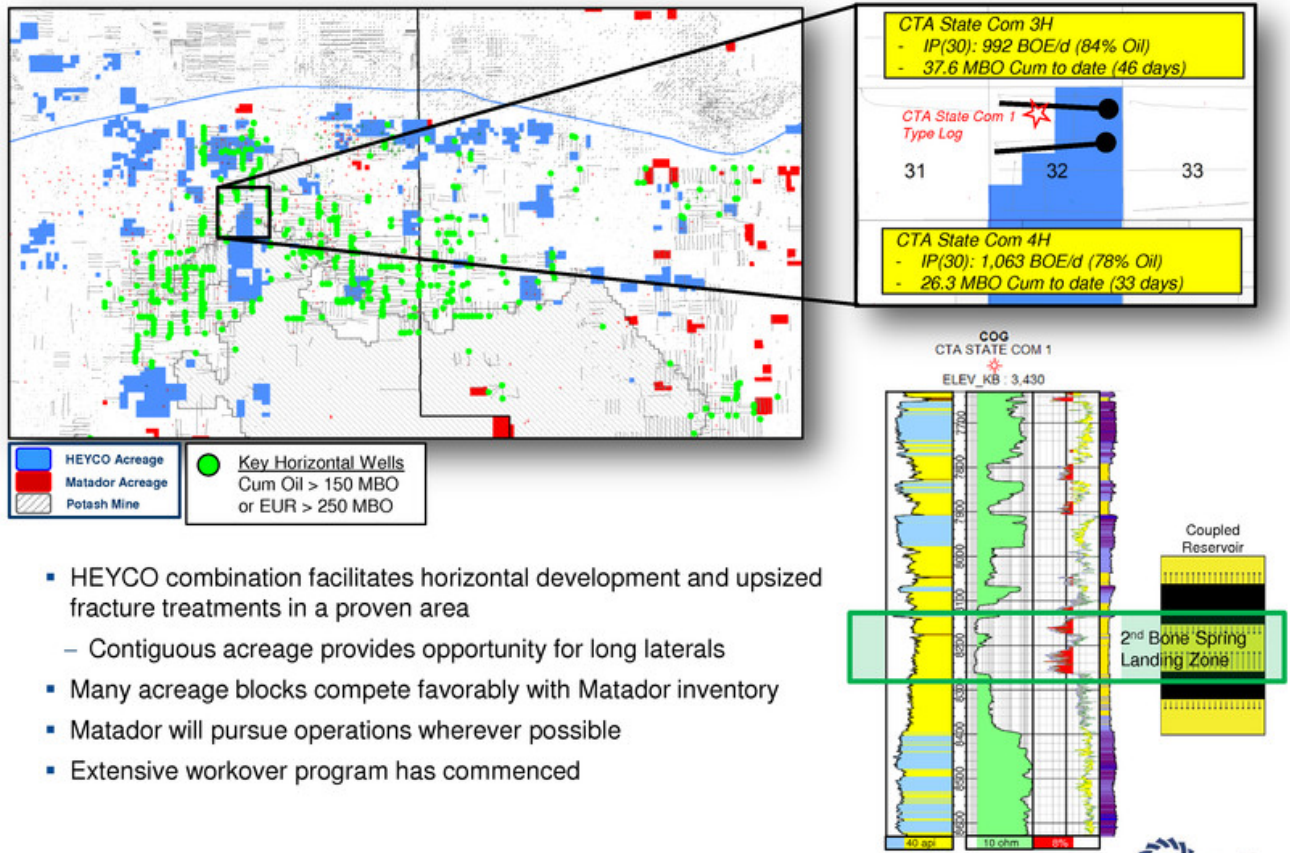
## Delaware Basin Combination Attributes

- Matador added approximately 59,100 gross (19,100 net) acres located in the northern Delaware Basin in Lea and Eddy Counties, New Mexico from privately-held Harvey E. Yates Company ("HEYCO")<sup>(1)</sup>
  - Strategically links Matador's existing Ranger and Rustler Breaks prospect areas
- Over 95% of added acreage consists of state and federal leases and essentially all acreage is held by production from existing wells and production units
  - Favorable net revenue interests, most above 80% to as high as 87.5%, enhance returns
  - Held-by-production status allows for flexible development
- Matador holds largest Delaware Basin acreage position among small and mid-cap publicly traded energy companies<sup>(2)</sup>
- Matador became the second largest operator in terms of the ratio of Delaware Basin acreage to enterprise value or market capitalization among all publicly traded energy companies<sup>(2)</sup>
- Average net daily production of approximately 530 BOE per day (approximately 70% oil) in Q4 2014
  - Average net daily production includes contributions from the CTA State Com #3H and #4H
- Net PDP reserves of 1.3 million BOE at September 1, 2014 (approximately 60% oil)<sup>(3)</sup>
  - Excludes reserves contributions from the CTA State Com #3H and #4H
  - No proved developed non-producing ("PDNP") or proved undeveloped ("PUD") reserves have been assigned to these properties

(1) Includes acreage associated with the HEYCO transaction and two associated joint ventures.  
 (2) Based on an independent market analysis prepared by BMO Capital Markets in January 2015. Small and mid-cap publicly traded energy companies defined as those companies with an enterprise value between \$500 million and \$3.5 billion. Companies below \$100 million in market capitalization were excluded in determining the ratio of Delaware Basin acreage to market capitalization.  
 (3) PDP reserves at September 1, 2014 based on an independent reserves analysis prepared by Netherland, Sewell & Associates, Inc.



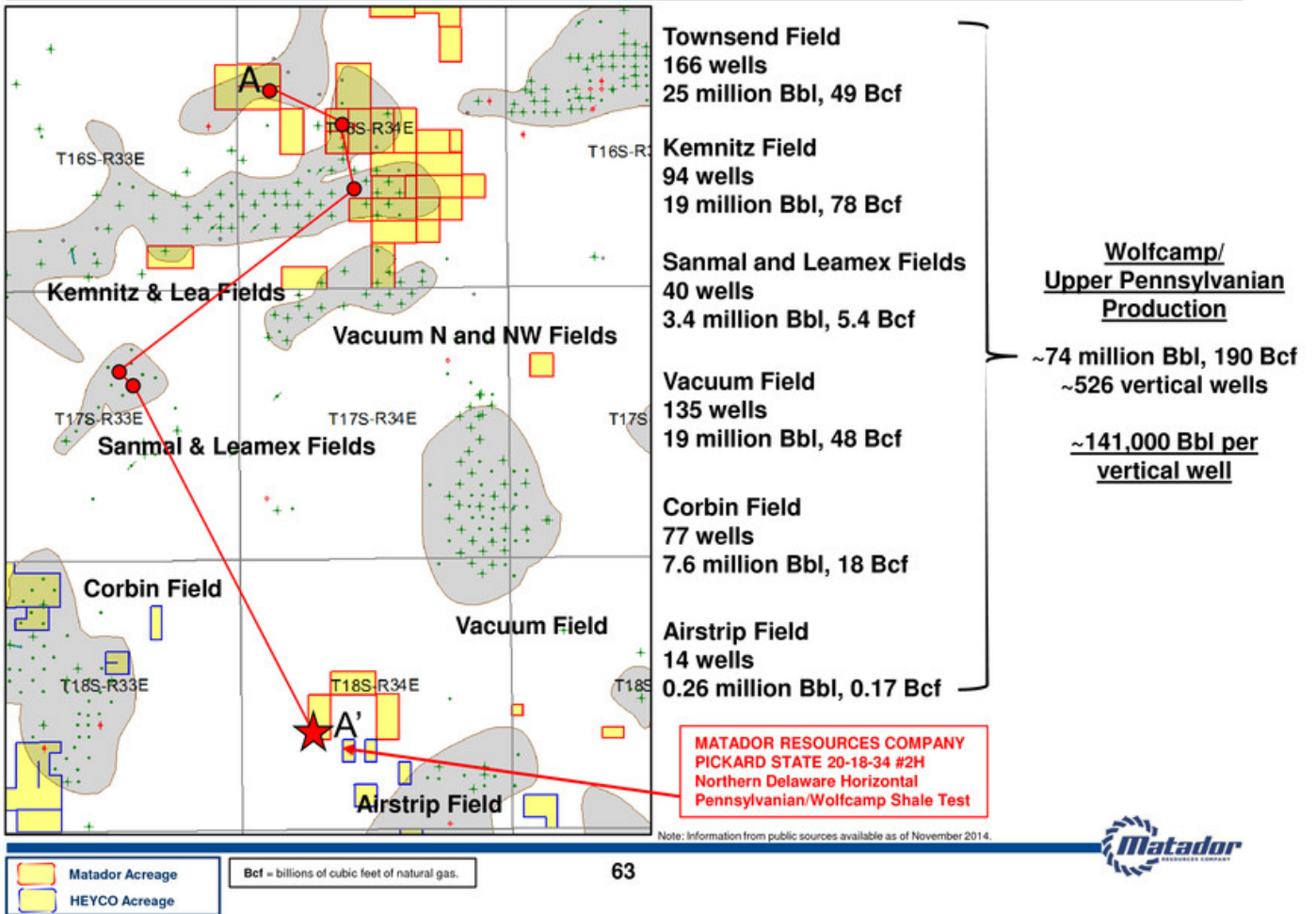
# Combination Acreage a Strategic Fit



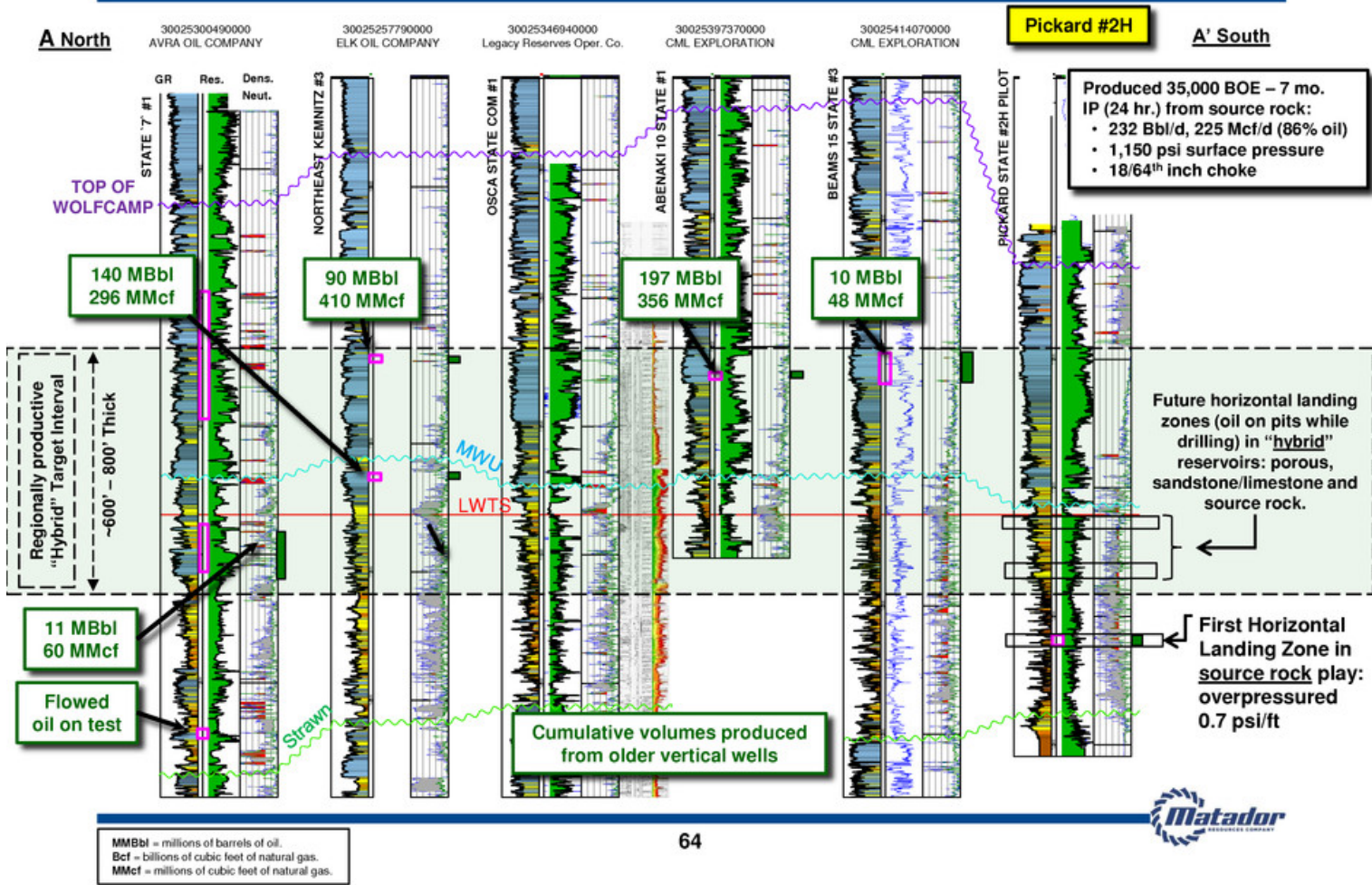
- HEYCO combination facilitates horizontal development and upsized fracture treatments in a proven area
  - Contiguous acreage provides opportunity for long laterals
- Many acreage blocks compete favorably with Matador inventory
- Matador will pursue operations wherever possible
- Extensive workover program has commenced



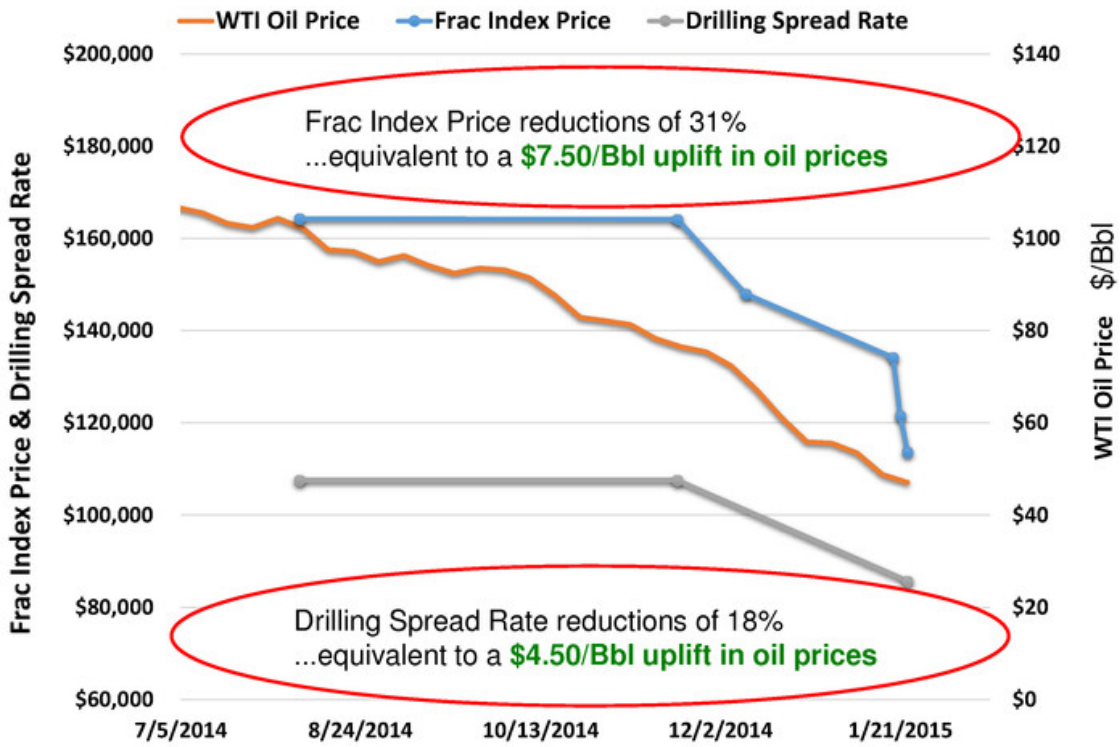
# North Ranger-Twin Lakes Area Pennsylvanian/Wolfcamp Production Distribution



# Pennsylvanian/Wolfcamp "Hybrid" Production Target Interval



# WTI Oil Price and Service Prices



Note: Frac Index Price represents average stage cost on a 22 stage well completion with 25# cross-linked gel, 400,000 lb. 30/50 white sand per stage, 65 barrels per minute average treating rate, 8,500 psi average treating pressure, 4,000 gallons of acid per stage, and 7,000 Bbl clean fluid per stage. This does not represent the current Matador design in any area and/or the current stage cost.



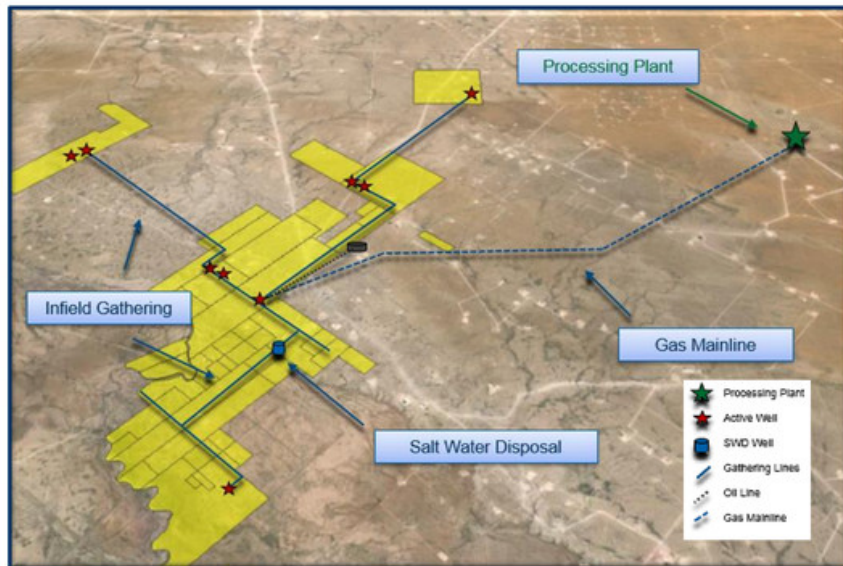
# Infrastructure Development

Saltwater disposal savings  
**\$1.30/Bbl of produced water**

...equivalent to a **\$5.10/Bbl uplift in oil prices**

Oil pipeline fee reduction

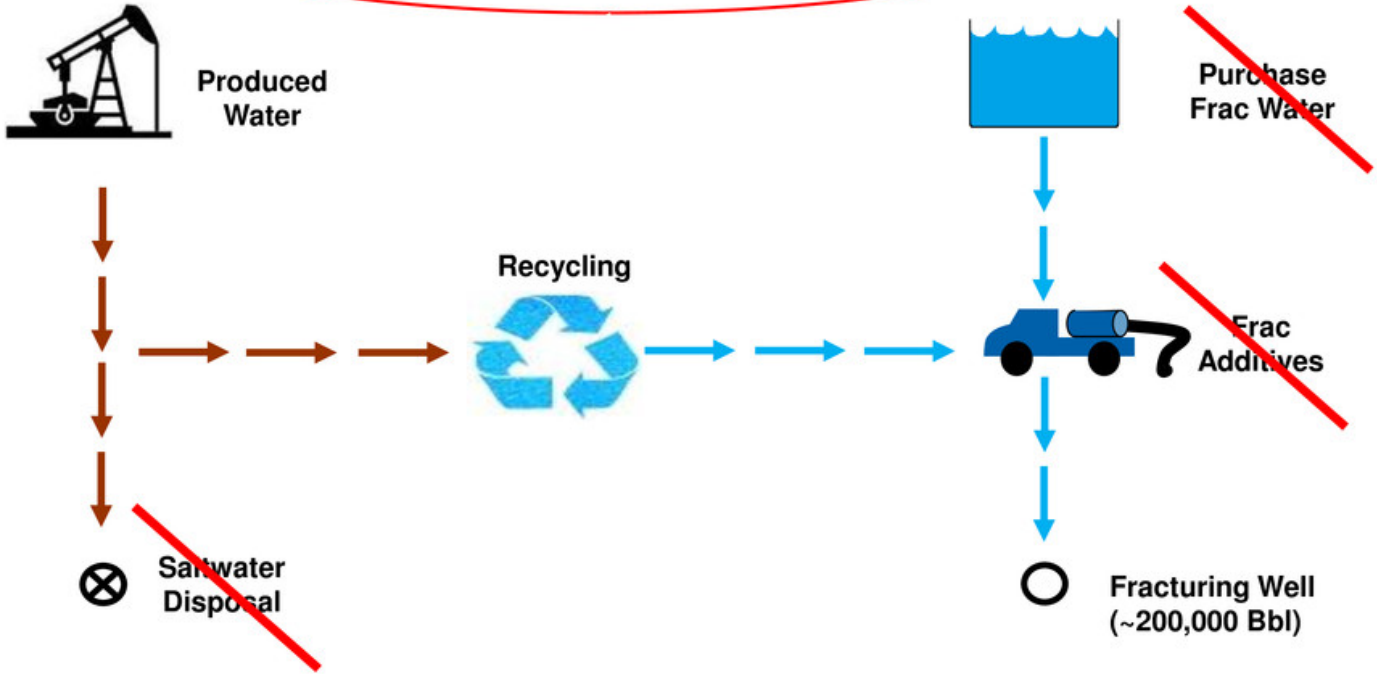
...an uplift of **\$0.90/Bbl in oil prices**





# Potential Water Recycling Savings for Loving County

Potential savings of up to \$600,000 per well  
...equivalent to a **\$3.00/Bbl uplift in oil prices**



## PV-10 Reconciliation

PV-10 is a non-GAAP financial measure and generally differs from Standardized Measure, the most directly comparable GAAP financial measure, because it does not include the effects of income taxes on future net revenues. PV-10 is not an estimate of the fair market value of the Company's properties. Matador and others in the industry use PV-10 as a measure to compare the relative size and value of proved reserves held by companies and of the potential return on investment related to the companies' properties without regard to the specific tax characteristics of such entities. PV-10 may be reconciled to the Standardized Measure of discounted future net cash flows at such dates by reducing PV-10 by the discounted future income taxes associated with such reserves.

	At December 31, 2009	At December 31, 2010	At September 30, 2011	At December 31, 2011	At March 31, 2012	At June 30, 2012	At September 30, 2012	At December 31, 2012	At March 31, 2013
<b>PV-10</b> <i>(in millions)</i>	<b>\$70.4</b>	<b>\$119.9</b>	<b>\$155.2</b>	<b>\$248.7</b>	<b>\$329.6</b>	<b>\$303.4</b>	<b>\$363.6</b>	<b>\$423.2</b>	<b>\$438.1</b>
<b>Discounted Future Income Taxes</b> <i>(in millions)</i>	<b>\$(5.3)</b>	<b>\$(8.8)</b>	<b>\$(11.8)</b>	<b>\$(33.2)</b>	<b>\$(42.2)</b>	<b>\$(21.9)</b>	<b>\$(29.7)</b>	<b>\$(28.6)</b>	<b>\$(31.1)</b>
<b>Standardized Measure</b> <i>(in millions)</i>	<b>\$65.1</b>	<b>\$111.1</b>	<b>\$143.4</b>	<b>\$215.5</b>	<b>\$287.4</b>	<b>\$281.5</b>	<b>\$333.9</b>	<b>\$394.6</b>	<b>\$407.0</b>

	At June 30, 2013	At September 30, 2013	At December 31, 2013	At March 31, 2014	At June 30, 2014	At September 30, 2014	At December 31, 2014	At March 31, 2015
<b>PV-10</b> <i>(in millions)</i>	<b>\$522.3</b>	<b>\$538.6</b>	<b>\$655.2</b>	<b>\$739.8</b>	<b>\$826.0</b>	<b>\$952.0</b>	<b>\$1,043.4</b>	<b>\$1,070.1</b>
<b>Discounted Future Income Taxes</b> <i>(in millions)</i>	<b>\$(44.7)</b>	<b>\$(52.5)</b>	<b>\$(76.5)</b>	<b>\$(86.2)</b>	<b>\$(103.0)</b>	<b>\$(116.9)</b>	<b>\$(130.1)</b>	<b>\$(120.9)</b>
<b>Standardized Measure</b> <i>(in millions)</i>	<b>\$477.6</b>	<b>\$486.1</b>	<b>\$578.7</b>	<b>\$653.6</b>	<b>\$723.0</b>	<b>\$835.1</b>	<b>\$913.3</b>	<b>\$949.2</b>

## Adjusted EBITDA Reconciliation

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This investor presentation includes the non-GAAP financial measure of Adjusted EBITDA. Adjusted EBITDA is a supplemental non-GAAP financial measure that is used by management and external users of consolidated financial statements, such as industry analysts, investors, lenders and rating agencies. "GAAP" means Generally Accepted Accounting Principles in the United States of America. The Company believes Adjusted EBITDA helps it evaluate its operating performance and compare its results of operations from period to period without regard to its financing methods or capital structure. The Company defines Adjusted EBITDA as earnings before interest expense, income taxes, depletion, depreciation and amortization, accretion of asset retirement obligations, property impairments, unrealized derivative gains and losses, certain other non-cash items and non-cash stock-based compensation expense, and net gain or loss on asset sales and inventory impairment. Adjusted EBITDA is not a measure of net income (loss) or net cash provided by operating activities as determined by GAAP.

Adjusted EBITDA should not be considered an alternative to, or more meaningful than, net income (loss) or net cash provided by operating activities as determined in accordance with GAAP or as an indicator of the Company's operating performance or liquidity. Certain items excluded from Adjusted EBITDA are significant components of understanding and assessing a company's financial performance, such as a company's cost of capital and tax structure. Adjusted EBITDA may not be comparable to similarly titled measures of another company because all companies may not calculate Adjusted EBITDA in the same manner. The following table presents the calculation of Adjusted EBITDA and the reconciliation of Adjusted EBITDA to the GAAP financial measures of net income (loss) and net cash provided by operating activities, respectively, that are of a historical nature. Where references are pro forma, forward-looking or prospective in nature, and not based on historical fact, the table does not provide a reconciliation. The Company could not provide such reconciliations without undue hardship because such Adjusted EBITDA numbers are estimations, approximations and/or ranges. In addition, it would be difficult for the Company to present a detailed reconciliation on account of many unknown variables for the reconciling items.

## Adjusted EBITDA Reconciliation

The following table presents our calculation of Adjusted EBITDA and reconciliation of Adjusted EBITDA to the GAAP financial measures of net income (loss) and net cash provided by operating activities, respectively.

(In thousands)	1Q 2011	2Q 2011	3Q 2011	4Q 2011	1Q 2012	2Q 2012	3Q 2012	4Q 2012	1Q 2013	2Q 2013	3Q 2013	4Q 2013	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	
<b>Unaudited Adjusted EBITDA reconciliation to</b>																		
<b>Net (loss) income:</b>																		
Net (loss) income	\$ (27,596)	\$ 7,153	\$ 6,194	\$ 3,941	\$ 3,801	\$ (6,676)	\$ (9,197)	\$ (21,188)	\$ (15,505)	\$ 25,119	\$ 20,105	\$ 15,374	\$ 16,363	\$ 18,226	\$ 29,619	\$ 46,563	\$ (50,234)	
Interest expense	106	184	171	222	308	1	144	549	1,271	1,609	2,038	768	1,396	1,616	673	1,649	2,070	
Total income tax provision (benefit)	(6,906)	(46)	-	1,430	3,064	(3,713)	(593)	(188)	46	32	2,563	7,056	9,536	10,634	16,504	27,701	(26,390)	
Depletion, depreciation and amortization	7,111	8,180	7,287	9,176	11,205	19,914	21,680	27,655	28,232	20,234	26,127	23,802	24,030	31,797	35,143	43,767	46,470	
Accretion of asset retirement obligations	39	57	62	51	53	58	59	86	81	80	86	100	117	123	130	134	112	
Full-cost ceiling impairment	35,673	-	-	-	-	33,205	3,596	26,674	21,230	-	-	-	-	-	-	-	-	67,127
Unrealized (gain) loss on derivatives	1,668	(332)	(2,870)	(3,604)	3,270	(15,114)	12,993	3,653	4,825	(7,526)	9,327	606	3,108	5,234	(16,293)	(50,351)	8,557	
Stock-based compensation expense	53	128	1,234	991	(363)	191	(51)	363	492	1,032	1,239	1,134	1,795	1,834	1,038	857	2,337	
Net loss on asset sales and inventory impairment	-	-	-	154	-	60	-	425	-	192	-	-	-	-	-	-	-	97
<b>Adjusted EBITDA</b>	<b>\$ 10,148</b>	<b>\$ 15,324</b>	<b>\$ 12,078</b>	<b>\$ 12,361</b>	<b>\$ 21,338</b>	<b>\$ 27,926</b>	<b>\$ 28,631</b>	<b>\$ 38,029</b>	<b>\$ 40,672</b>	<b>\$ 40,772</b>	<b>\$ 61,485</b>	<b>\$ 48,840</b>	<b>\$ 56,345</b>	<b>\$ 69,464</b>	<b>\$ 66,814</b>	<b>\$ 70,320</b>	<b>\$ 50,146</b>	
<b>Unaudited Adjusted EBITDA reconciliation to</b>																		
<b>Net Cash Provided by Operating Activities:</b>																		
Net cash provided by operating activities	\$ 12,732	\$ 6,799	\$ 14,912	\$ 27,425	\$ 5,110	\$ 46,416	\$ 28,799	\$ 43,903	\$ 32,229	\$ 51,684	\$ 43,280	\$ 52,278	\$ 31,945	\$ 81,530	\$ 66,883	\$ 71,123	\$ 93,346	
Net change in operating assets and liabilities	(2,690)	8,386	(3,004)	(15,286)	15,920	(18,491)	(500)	(6,235)	7,126	(12,553)	15,265	(3,630)	21,729	(15,221)	(586)	56	(45,234)	
Interest expense	106	184	171	222	308	1	144	549	1,271	1,609	2,038	768	1,396	1,616	673	1,649	2,070	
Current income tax (benefit) provision	-	(45)	(1)	-	-	-	188	(188)	46	32	902	(576)	1,275	1,539	(156)	(2,525)	-	
Net loss attributable to non-controlling interest in subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17	(36)
<b>Adjusted EBITDA</b>	<b>\$ 10,148</b>	<b>\$ 15,324</b>	<b>\$ 12,078</b>	<b>\$ 12,361</b>	<b>\$ 21,338</b>	<b>\$ 27,926</b>	<b>\$ 28,631</b>	<b>\$ 38,029</b>	<b>\$ 40,672</b>	<b>\$ 40,772</b>	<b>\$ 61,485</b>	<b>\$ 48,840</b>	<b>\$ 56,345</b>	<b>\$ 69,464</b>	<b>\$ 66,814</b>	<b>\$ 70,320</b>	<b>\$ 50,146</b>	

## Adjusted EBITDA Reconciliation

The following table presents our calculation of Adjusted EBITDA and reconciliation of Adjusted EBITDA to the GAAP financial measures of net income (loss) and net cash provided by operating activities, respectively.

(In thousands)	Year Ended December 31,							LTM at	LTM at	LTM at
	2008	2009	2010	2011	2012	2013	2014	6/30/2013	9/30/2014	3/31/2015
<b>Unaudited Adjusted EBITDA reconciliation to</b>										
<b>Net Income (Loss):</b>										
Net income (loss)	\$103,878	(\$14,425)	\$6,377	(\$10,309)	(\$33,261)	\$45,094	\$110,771	(\$20,771)	\$79,582	\$44,174
Interest expense	-	-	3	683	1,002	5,687	5,334	3,574	4,453	6,008
Total income tax (benefit) provision	20,023	(9,925)	3,521	(5,521)	(1,430)	9,697	64,375	(703)	43,730	28,449
Depletion, depreciation and amortization	12,127	10,743	15,596	31,754	80,454	98,395	134,737	97,801	114,772	157,177
Accretion of asset retirement obligations	92	137	155	209	256	348	504	307	470	499
Full-cost ceiling impairment	22,195	25,244	-	35,673	63,475	21,229	0	51,499	-	\$67,127
Unrealized loss (gain) on derivatives	(3,592)	2,375	(3,139)	(5,138)	4,802	7,232	(58,302)	13,945	(7,345)	(52,853)
Stock-based compensation expense	665	656	898	2,406	140	3,897	5,524	1,836	5,801	6,066
Net (gain) loss on asset sales and inventory impairment	(136,977)	379	224	154	485	192	0	617	-	97
<b>Adjusted EBITDA</b>	<b>\$18,411</b>	<b>\$15,184</b>	<b>\$23,635</b>	<b>\$49,911</b>	<b>\$115,923</b>	<b>\$191,771</b>	<b>\$262,943</b>	<b>\$148,105</b>	<b>\$241,463</b>	<b>\$256,744</b>
<b>Unaudited Adjusted EBITDA reconciliation to</b>										
<b>Net Cash Provided by Operating Activities:</b>										
Net cash provided by operating activities	\$25,851	\$1,791	\$27,273	\$61,868	\$124,228	\$179,470	\$251,481	\$156,614	\$232,636	\$312,882
Net change in operating assets and liabilities	(17,888)	15,717	(2,230)	(12,594)	(9,307)	6,210	5,978	(12,161)	2,292	(60,985)
Interest expense	-	-	3	683	1,002	5,687	5,334	3,574	4,453	6,008
Current income tax (benefit) provision	\$10,448	(\$2,324)	(1,411)	(46)	0	404	133	78	2,082	(1,142)
Net loss attributable to non-controlling interest in subsidiary	0	0	0	0	-	0	17	0	0	(19)
<b>Adjusted EBITDA</b>	<b>\$18,411</b>	<b>\$15,184</b>	<b>\$23,635</b>	<b>\$49,911</b>	<b>\$115,923</b>	<b>\$191,771</b>	<b>\$262,943</b>	<b>\$148,105</b>	<b>\$241,463</b>	<b>\$256,744</b>

Note: LTM is last 12 months.

## Adjusted EBITDA Reconciliation

The following table presents our calculation of Adjusted EBITDA and reconciliation of Adjusted EBITDA to the GAAP financial measures of net income (loss) and net cash provided by operating activities, respectively.

	Six Months Ended					
	12/31/2011	6/30/2012	12/31/2012	6/30/2013	12/31/2013	6/30/2014
<i>(In thousands)</i>						
<b>Unaudited Adjusted EBITDA reconciliation to</b>						
<b>Net (Loss) Income:</b>						
Net (loss) income	\$ 10,135	\$ (2,875)	\$ (30,385)	\$ 9,615	\$ 35,479	\$ 34,589
Interest expense	393	309	693	2,881	2,806	3,012
Total income tax (benefit) provision	1,430	(649)	(781)	78	9,619	20,170
Depletion, depreciation and amortization	16,463	31,119	49,335	48,466	49,929	55,827
Accretion of asset retirement obligations	113	111	145	162	186	241
Full-cost ceiling impairment	0	33,205	30,270	21,229	-	-
Unrealized loss (gain) on derivatives	(6,474)	(11,844)	16,646	(2,701)	9,933	8,342
Stock-based compensation expense	2,225	(172)	312	1,524	2,373	3,629
Net loss on asset sales and inventory impairment	154	60	425	192	-	-
<b>Adjusted EBITDA</b>	<b>\$ 24,439</b>	<b>\$ 49,264</b>	<b>\$ 66,660</b>	<b>\$ 81,446</b>	<b>\$ 110,325</b>	<b>\$ 125,810</b>
<i>(In thousands)</i>						
<b>Unaudited Adjusted EBITDA reconciliation to</b>						
<b>Net Cash Provided by Operating Activities:</b>						
Net cash provided by operating activities	\$ 42,337	\$ 51,526	\$ 72,702	\$ 83,912	\$ 95,558	\$ 113,475
Net change in operating assets and liabilities	(18,290)	(2,571)	(6,735)	(5,425)	11,635	6,509
Interest expense	393	309	693	2,881	2,806	3,012
Current income tax provision (benefit)	(1)	-	-	78	326	2,814
<b>Adjusted EBITDA</b>	<b>\$ 24,439</b>	<b>\$ 49,264</b>	<b>\$ 66,660</b>	<b>\$ 81,446</b>	<b>\$ 110,325</b>	<b>\$ 125,810</b>

