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

**FORM 8-K**

**CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the

Securities Exchange Act of 1934

**Date of report (Date of earliest event reported): October 29, 2018**

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**VIPER ENERGY PARTNERS LP**

(Exact Name of Registrant as Specified in Charter)

<b>Delaware</b>	<b>001-36505</b>	<b>46-5001985</b>
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)
<b>500 West Texas Suite 1200 Midland, Texas</b>		<b>79701</b>
(Address of principal executive offices)		(Zip code)
	<b>(432) 221-7400</b>	
	(Registrant's telephone number, including area code)	
	<b>Not Applicable</b>	
	(Former name or former address, if changed since last report)	

Check the appropriate box below if the Form 8-K 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
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 2.02. Results of Operations and Financial Condition.**

On October 29, 2018, Viper Energy Partners LP, a subsidiary of Diamondback Energy, Inc., issued a press release reporting financial and operating results and cash distributions for the third quarter ended September 30, 2018. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K.

**Item 9.01. Financial Statements and Exhibits.**

*Exhibits*

Number	Exhibit
99.1	<a href="#">Press release dated October 29, 2018, entitled "Viper Energy Partners LP, a subsidiary of Diamondback Energy, Inc., Reports Third Quarter 2018 Financial and Operating Results."</a>

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**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.

VIPER ENERGY PARTNERS LP

By: Viper Energy Partners GP LLC,  
its general partner

Date: October 29, 2018

By: /s/ Teresa L. Dick  
Name: Teresa L. Dick  
Title: Chief Financial Officer, Executive Vice President and  
Assistant Secretary



## VIPER ENERGY PARTNERS LP, A SUBSIDIARY OF DIAMONDBACK ENERGY, INC., REPORTS THIRD QUARTER 2018 FINANCIAL AND OPERATING RESULTS

MIDLAND, Texas, October 29, 2018 (GLOBE NEWSWIRE) -- Viper Energy Partners LP (NASDAQ:VNOM) ("Viper" or the "Company"), a subsidiary of Diamondback Energy, Inc. (NASDAQ:FANG) ("Diamondback"), today announced financial and operating results for the third quarter ended September 30, 2018.

### **HIGHLIGHTS**

- Q3 2018 cash distribution of \$0.58 per common unit, up 72% year over year; implies a 6.4% annualized yield based on the October 26, 2018 unit closing price of \$36.29
- Q3 2018 consolidated net income (including non-controlling interest) of \$50.8 million, consolidated adjusted EBITDA (as defined and reconciled below) of \$72.4 million and cash available for distribution to Limited Partner units (as defined below) of \$29.9 million
- Q3 2018 production of 18,384 boe/d (69% oil), up 13% over Q2 2018 and 46% year over year
- Initiating average production guidance for Q4 2018/Q1 2019 of 18,500 to 20,000 boe/d, the midpoint of which is up 5% from Q3 2018 production
- Raising full year 2018 production guidance to 16,750 to 17,250 boe/d (69% - 73% oil), up 1% from previous full year 2018 guidance, which implies 54% annualized growth over full year 2017 production
- Closed 15 acquisitions for an aggregate purchase price of approximately \$260 million in Q3 2018, including a completed drop down from Diamondback; increases Viper's mineral assets by 2,457 net royalty acres to 13,908 total net royalty acres, up 52% year over year
- As of October 22, 2018, there were 24 active rigs on Viper's mineral acreage and approximately 523 active drilling permits filed in the past six months

"During the third quarter, Viper surpassed \$1 billion of closed acquisitions since its IPO four years ago, with over \$500 million of these deals having been completed through the first three quarters of 2018. Viper continues to use its size, scale and expertise in the Permian Basin to consolidate the fragmented private minerals market, and we believe there remain significant opportunities ahead for us to continue this consolidation," stated Travis Stice, Chief Executive Officer of Viper's general partner.

Mr. Stice continued, "As a direct result of Viper's accretive acquisitions, as well as continued organic growth on our legacy assets, Viper once again achieved significant quarter over quarter production growth. We have raised our full year production guidance so that the midpoint now represents 54% year over year growth. Looking ahead to 2019, we are excited about our organic growth profile as well as the continued execution of our acquisition strategy, including further drop downs from Diamondback."

### **FINANCIAL UPDATE**

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Viper's third quarter 2018 average realized prices were \$54.51 per barrel of oil, \$2.42 per Mcf of natural gas and \$27.05 per barrel of natural gas liquids, resulting in a total equivalent price of \$43.98/boe, up 21% year over year from \$36.38/boe in Q3 2017.

During the third quarter of 2018, the Company recorded total operating income of \$78.6 million and consolidated net income (including non-controlling interest) of \$50.8 million. Operating income was up 4% quarter over quarter and 85% year over year.

As of September 30, 2018, the Company had a cash balance of \$16.8 million and \$178.5 million available under its revolving credit facility. In connection with its Fall redetermination, which closed in October 2018, Viper's borrowing base increased to \$555.0 million from \$475.0 million prior, resulting in \$258.5 million of pro forma credit facility availability.

### **THIRD QUARTER 2018 CASH DISTRIBUTION**

The Board of Directors of Viper's general partner declared a cash distribution for the three months ended September 30, 2018 of \$0.58 per common unit, up 72% year over year. The distribution is payable on November 19, 2018 to unitholders of record at the close of business on November 12, 2018.

### **ACQUISITION UPDATE**

During the third quarter of 2018, Viper acquired 760 net royalty acres for an aggregate purchase price of \$85 million from unrelated third parties. Also during the quarter, Viper closed the previously announced drop down of 1,696 net royalty acres from Diamondback for \$175.0 million. These transactions brought Viper's footprint of mineral interests to a total of 13,908 net royalty acres. Viper funded the recent acquisitions with cash on hand, borrowings under its revolving credit facility and proceeds from its July 2018 offering of 10,080,000 common units.

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## **GUIDANCE UPDATE**

Below is Viper's updated guidance for the full year 2018, as well as average production guidance for Q4 2018 and Q1 2019.

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	<b>Viper Energy Partners</b>
Q4 2018 / Q1 2019 Net Production – MBoe/d	18.50 - 20.00
Total 2018 Net Production – MBoe/d	16.75 - 17.25
Oil Production - % of Net Production	69% - 73%
<b><u>Unit costs (\$/boe)</u></b>	
Gathering & Transportation	\$0.20 - \$0.40
Depletion	\$8.00 - \$11.00
G&A	
Cash G&A	\$0.75 - \$1.25
Non-Cash Unit-Based Compensation	\$0.50 - \$0.75
Production and Ad Valorem Taxes (% of Revenue) <sup>(a)</sup>	7%
<b><u>Capital Budget (\$ - Million)</u></b>	
<b>2018 Capital Spend</b>	<b>n/a</b>

(a) Includes production taxes of 4.6% for crude oil and 7.5% for natural gas and NGLs and ad valorem taxes.

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## **CONFERENCE CALL**

Viper will host a conference call and webcast for investors and analysts to discuss their results for the third quarter of 2018 on Tuesday, October 30, 2018 at 9:00 a.m. CT. Participants should call (844) 400-1537 (United States/Canada) or (703) 326-5198 (International) and use the confirmation code 9867957. A telephonic replay will be available from 12:00 p.m. CT on Tuesday, October 30, 2018 through Tuesday, November 6, 2018 at 11:00 a.m. CT. To access the replay, call (855) 859-2056 (United States/Canada) or (404) 537-3406 (International) and enter confirmation code 9867957. A live broadcast of the earnings conference call will also be available via the internet at [www.viperenergy.com](http://www.viperenergy.com) under the “Investor Relations” section of the site. A replay will also be available on the website following the call.

### About Viper Energy Partners LP

Viper is a limited partnership formed by Diamondback to own, acquire and exploit oil and natural gas properties in North America, with a focus on oil-weighted basins, primarily the Permian Basin in West Texas. For more information, please visit [www.viperenergy.com](http://www.viperenergy.com).

### About Diamondback Energy, Inc.

Diamondback is an independent oil and natural gas company headquartered in Midland, Texas focused on the acquisition, development, exploration and exploitation of unconventional, onshore oil and natural gas reserves in the Permian Basin in West Texas. For more information, please visit [www.diamondbackenergy.com](http://www.diamondbackenergy.com).

### Forward-Looking Statements

This news release contains forward-looking statements within the meaning of the federal securities laws. All statements, other than historical facts, that address activities that Viper assumes, plans, expects, believes, intends or anticipates (and other similar expressions) will, should or may occur in the future are forward-looking statements. The forward-looking statements are based on management’s current beliefs, based on currently available information, as to the outcome and timing of future events, including specifically the statements regarding any pending, completed or future acquisitions discussed above. These forward-looking statements involve certain risks and uncertainties that could cause the results to differ materially from those expected by the management of Viper. Information concerning these risks and other factors can be found in Viper’s filings with the Securities and Exchange Commission, including its Forms 10-K, 10-Q and 8-K, which can be obtained free of charge on the Securities and Exchange Commission’s web site at <http://www.sec.gov>. Viper undertakes no obligation to update or revise any forward-looking statement.

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**Viper Energy Partners LP**  
**Consolidated Statements of Operations**  
(unaudited, in thousands, except per unit data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
(In thousands)				
<b>Operating income:</b>				
Royalty income	\$ 74,386	\$ 42,211	\$ 211,199	\$ 110,194
Lease bonus income	4,205	322	5,133	2,613
Other operating income	12	—	120	—
Total operating income	78,603	42,533	216,452	112,807
<b>Costs and expenses:</b>				
Production and ad valorem taxes	5,027	2,825	14,133	7,668
Gathering and transportation	889	205	1,297	492
Depletion	16,532	11,068	41,317	28,587
General and administrative expenses	1,309	1,368	6,230	5,064
Total costs and expenses	23,757	15,466	62,977	41,811
<b>Income from operations</b>	54,846	27,067	153,475	70,996
<b>Other income (expense):</b>				
Interest expense, net	(3,711)	(859)	(9,061)	(2,114)
Gain (loss) on revaluation of investment	(199)	—	5,165	—
Other income, net	640	399	1,479	526
Total other income (expense), net	(3,270)	(460)	(2,417)	(1,588)
<b>Income before income taxes</b>	51,576	26,607	151,058	69,408
Provision for (benefit from) income taxes	764	—	(71,114)	—
<b>Net income</b>	50,812	26,607	222,172	69,408
Net income attributable to non-controlling interest	48,466	—	77,526	—
<b>Net income attributable to Viper Energy Partners LP</b>	<u>\$ 2,346</u>	<u>\$ 26,607</u>	<u>\$ 144,646</u>	<u>\$ 69,408</u>
<b>Net income attributable to common limited partners per unit:</b>				
Basic	\$ 0.05	\$ 0.24	\$ 1.85	\$ 0.69
Diluted	\$ 0.05	\$ 0.24	\$ 1.85	\$ 0.69
<b>Weighted average number of common limited partner units outstanding:</b>				
Basic	48,234	110,377	78,250	101,095
Diluted	48,304	110,424	78,319	101,143



**Viper Energy Partners LP**  
**Selected Operating Data**  
(unaudited)

	Three Months Ended September 30, 2018	Three Months Ended June 30, 2018	Three Months Ended September 30, 2017
<b>Production Data:</b>			
Oil (MBbls)	1,167	1,052	794
Natural gas (MMcf)	1,624	1,280	1,236
Natural gas liquids (MBbls)	254	221	160
Combined volumes (MBOE) <sup>(1)</sup>	1,691	1,485	1,160
Daily combined volumes (BOE/d)	18,384	16,323	12,611
% Oil	69%	71%	68%
<b>Average sales prices:</b>			
Oil (per Bbl)	\$ 54.51	\$ 62.66	\$ 45.33
Natural gas (per Mcf)	2.42	2.07	2.55
Natural gas liquids (per Bbl)	27.05	26.68	19.10
Combined (per BOE)	43.98	50.10	36.38
<b>Average Costs (per BOE)</b>			
Production and ad valorem taxes	\$ 2.97	\$ 3.28	\$ 2.43
Gathering and transportation expense	0.53	0.10	0.18
General and administrative - cash component	0.52	1.18	0.75
Total operating expense - cash	<u>\$ 4.02</u>	<u>\$ 4.56</u>	<u>\$ 3.36</u>
General and administrative - non-cash component	\$ 0.25	\$ 0.31	\$ 0.43
Interest expense	2.19	2.19	0.74
Depletion	9.77	8.93	9.54

(1) Bbl equivalents are calculated using a conversion rate of six Mcf per one Bbl.

**NON-GAAP FINANCIAL MEASURES**

Adjusted EBITDA is a supplemental non-GAAP financial measure that is used by management and external users of our financial statements, such as industry analysts, investors, lenders and rating agencies. Viper defines Adjusted EBITDA as net income plus interest expense, net, non-cash unit-based compensation expense, depletion, loss (gain) on revaluation of investments and benefit from income taxes. Adjusted EBITDA is not a measure of net income as determined by United States' generally accepted accounting principles, or GAAP. Management believes Adjusted EBITDA is useful because it allows it to more effectively evaluate Viper's operating performance and compare the results of its operations from period to period without regard to its financing methods or capital structure. Adjusted EBITDA should not be considered as an alternative to, or more meaningful than, net income as determined in accordance with GAAP or as an indicator of Viper's operating performance or liquidity. Certain items excluded from Adjusted EBITDA are significant components in understanding and assessing a company's financial performance, such as a company's cost of capital and tax structure, as well as the historic costs of depreciable assets, none of which are components of Adjusted EBITDA. Viper defines cash available for distribution generally as an amount equal to its Adjusted EBITDA for the applicable quarter less cash needed for debt service and other contractual obligations, fixed charges and reserves for future operating or capital needs that the board of directors of

Viper's general partner may deem appropriate, dividend equivalent rights and preferred distributions. Viper's computations of Adjusted EBITDA and cash available for distribution may not be comparable to other similarly titled measures of other companies or to such measure in its credit facility or any of its other contracts.

The following tables present a reconciliation of the non-GAAP financial measures of Adjusted EBITDA and cash available for distribution to the GAAP financial measure of net income.

**Viper Energy Partners LP**  
(unaudited, in thousands, except per unit data)

	Three Months Ended September 30, 2018	Three Months Ended June 30, 2018	Three Months Ended September 30, 2017
<b>Net income</b>	\$ 50,812	\$ 128,464	\$ 26,607
Interest expense, net	3,711	3,252	859
Non-cash unit-based compensation expense	426	452	503
Depletion	16,532	13,260	11,068
Loss (gain) on revaluation of investment	199	(4,465)	—
Provision for (benefit from) income taxes	764	(71,878)	—
Consolidated Adjusted EBITDA	72,444	69,085	39,037
EBITDA attributable to non-controlling interest	(42,256)	(43,642)	—
<b>Adjusted EBITDA attributable to Viper Energy Partners LP</b>	<b>\$ 30,188</b>	<b>\$ 25,443</b>	<b>\$ 39,037</b>

**Adjustments to reconcile Adjusted EBITDA to cash available for distribution:**

Debt service, contractual obligations, fixed charges and reserves	(184)	(437)	(708)
Units - dividend equivalent rights	(48)	(25)	—
Preferred distributions	(40)	(23)	—
<b>Cash available for distribution</b>	<b>\$ 29,916</b>	<b>\$ 24,958</b>	<b>\$ 38,329</b>

Limited Partner units outstanding	51,654	41,471	113,882
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<b>Cash available for distribution per common limited partner unit</b>	<b>\$ 0.58</b>	<b>\$ 0.60</b>	<b>\$ 0.34</b>
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Source: Viper Energy Partners LP; Diamondback Energy, Inc.