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

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended June 30, 2024
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF SECURITIES EXCHANGE ACT OF 1934**

Commission File Number 001-36505

Viper Energy, Inc.

(Exact Name of Registrant As Specified in Its Charter)

DE	**46-5001985**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification Number)**
500 West Texas Ave. **Suite 100** **Midland, TX**	**79701**
(Address of principal executive offices)	**(Zip code)**

(432) 221-7400
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock $0.000001 par value	VNOM	The Nasdaq Stock Market LLC (NASDAQ Global Select Market)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check One):

Large Accelerated Filer	☒	Accelerated Filer	☐
Non-Accelerated Filer	☐	Smaller Reporting Company	☐
		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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of August 1, 2024, 91,447,008 shares of Class A Common Stock and 85,431,453 shares of Class B Common Stock of the registrant were outstanding.

VIPER ENERGY, INC.

FORM 10-Q

FOR THE QUARTER ENDED JUNE 30, 2024

TABLE OF CONTENTS

GLOSSARY OF OIL AND NATURAL GAS TERMS

The following is a glossary of certain oil and natural gas terms that are used in this Quarterly Report on Form 10-Q (this “report”):

Argus WTI Midland	Grade of oil that serves as a benchmark price for oil at Midland, Texas.
Basin	A large depression on the earth’s surface in which sediments accumulate.
Bbl or barrel	One stock tank barrel, or 42 U.S. gallons liquid volume, used in this report in reference to crude oil or other liquid hydrocarbons.
BO/d	One barrel of crude oil per day.
BOE	One barrel of oil equivalent, with six thousand cubic feet of natural gas being equivalent to one barrel of oil.
BOE/d	BOE per day.
Completion	The process of treating a drilled well followed by the installation of permanent equipment for the production of natural gas or oil, or in the case of a dry hole, the reporting of abandonment to the appropriate agency.
Crude oil	Liquid hydrocarbons retrieved from geological structures underground to be refined into fuel sources.
Development well	A well drilled within the proved area of a natural gas or oil reservoir to the depth of a stratigraphic horizon known to be productive.
Differential	An adjustment to the price of oil or natural gas from an established spot market price to reflect differences in the quality and/or location of oil or natural gas.
Fracturing	The process of creating and preserving a fracture or system of fractures in a reservoir rock typically by injecting a fluid under pressure through a wellbore and into the targeted formation.
Gross wells	The total wells, as the case may be, in which a working interest is owned.
Henry Hub	Natural gas gathering point that serves as a benchmark price for natural gas futures on the NYMEX.
Horizontal wells	Wells drilled directionally horizontal to allow for development of structures not reachable through traditional vertical drilling mechanisms.
MBbl	One thousand barrels of crude oil and other liquid hydrocarbons.
MBOE	One thousand barrels of crude oil equivalent, determined using a ratio of six Mcf of natural gas to one Bbl of crude oil, condensate or natural gas liquids.
MBOE/d	One thousand BOE per day.
Mcf	One thousand cubic feet of natural gas.
Mineral interests	The interests in ownership of the resource and mineral rights, giving an owner the right to profit from the extracted resources.
MMBtu	One million British Thermal Units.
MMcf	Million cubic feet of natural gas.
Net royalty acres	Net mineral acres multiplied by the average lease royalty interest and other burdens.
Oil and natural gas properties	Tracts of land consisting of properties to be developed for oil and natural gas resource extraction.
Operator	The individual or company responsible for the exploration and/or production of an oil or natural gas well or lease.
Proved reserves	The estimated quantities of oil, natural gas and natural gas liquids which geological and engineering data demonstrate with reasonable certainty to be commercially recoverable in future years from known reservoirs under existing economic and operating conditions.

Reserves	The estimated remaining quantities of oil and natural gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and natural gas or related substances to the market and all permits and financing required to implement the project. Reserves are not assigned to adjacent reservoirs isolated by major, potentially sealing, faults until those reservoirs are penetrated and evaluated as economically producible. Reserves should not be assigned to areas that are clearly separated from a known accumulation by a non-productive reservoir (i.e., absence of reservoir, structurally low reservoir or negative test results). Such areas may contain prospective resources (i.e., potentially recoverable resources from undiscovered accumulations).
Royalty interest	An interest that gives an owner the right to receive a portion of the resources or revenues without having to carry any costs of development, which may be subject to expiration.
Spud	Commencement of actual drilling operations.
Waha Hub	Natural gas gathering point that serves as a benchmark price for natural gas at western Texas and New Mexico.
WTI	West Texas Intermediate, a light sweet blend of oil produced from fields in western Texas and is a grade of oil that serves as a benchmark for oil on the NYMEX.
WTI Cushing	Grade of oil that serves as a benchmark price for oil at Cushing, Oklahoma.

GLOSSARY OF CERTAIN OTHER TERMS

The following is a glossary of certain other terms that are used in this report:

Adjusted EBITDA	Consolidated Adjusted EBITDA, a non-GAAP measure, generally equals net income (loss) attributable to Viper Energy, Inc. plus net income (loss) attributable to non-controlling interest before interest expense, net, non-cash share-based compensation expense, depletion expense, non-cash (gain) loss on derivative instruments, other non-cash operating expenses, other non-recurring expenses and provision for (benefit from) income taxes, which measure is used by management to more effectively evaluate the operating performance and determine dividend amounts for purposes of the dividend policy.
ASU	Accounting Standards Update.
Class A Common Stock	Class A Common Stock, $0.000001 par value per share of Viper Energy, Inc.
Class B Common Stock	Class B Common Stock, $0.000001 par value per share of Viper Energy, Inc.
Common Stock	Collectively, Class A Common Stock and Class B Common Stock.
Diamondback	Diamondback Energy, Inc., a Delaware corporation.
Exchange Act	The Securities Exchange Act of 1934, as amended.
GAAP	Accounting principles generally accepted in the United States.
General Partner	Viper Energy Partners GP LLC, a Delaware limited liability company, and the General Partner of the Partnership.
LTIP	Viper Energy, Inc. Amended and Restated 2014 Long Term Incentive Plan, as amended and restated by Viper Energy, Inc. 2024 Amended and Restated Long Term Incentive Plan, and as may be further amended or restated from time to time.
Nasdaq	The Nasdaq Global Select Market.
Notes	The outstanding senior notes of Viper Energy, Inc. issued under indentures where Viper Energy Partners LLC is the sole guarantor, consisting of the 5.375% Senior Notes due 2027 and the 7.375% Senior Notes due 2031.
OPEC	Organization of the Petroleum Exporting Countries.
Operating Company	Viper Energy Partners LLC, a Delaware limited liability company and a consolidated subsidiary of Viper Energy, Inc.
Partnership	Viper Energy Partners LP, the predecessor of the Company, which converted into the Company in the Conversion.
SEC	United States Securities and Exchange Commission.
Securities Act	The Securities Act of 1933, as amended.
SOFR	The secured overnight financing rate.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Various statements contained in this report are “forward-looking statements” within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act, which involve risks, uncertainties, and assumptions. All statements, other than statements of historical fact, including statements regarding our: future performance; business strategy; future operations; estimates and projections of operating income, losses, costs and expenses, returns, cash flow, and financial position; production levels on properties in which we have mineral and royalty interests, developmental activity by other operators; reserve estimates and our ability to replace or increase reserves; anticipated benefits other of strategic transactions (including acquisitions and divestitures); and plans and objectives of management (including Diamondback’s plans for developing our acreage and our cash dividend policy and repurchases of our common shares and/or senior notes) are forward-looking statements. When used in this report, the words “aim,” “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “future,” “guidance,” “intend,” “may,” “model,” “outlook,” “plan,” “positioned,” “potential,” “predict,” “project,” “seek,” “should,” “target,” “will,” “would,” and similar expressions (including the negative of such terms) as they relate to us are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. In particular, the factors discussed in this report and detailed under Part II. Item 1A. Risk Factors, and our Annual Report on Form 10-K for the year ended December 31, 2023, could affect our actual results and cause our actual results to differ materially from expectations, estimates or assumptions expressed, forecasted or implied in such forward-looking statements. Unless the context requires otherwise, references to “we,” “us,” “our” or the “Company” are intended to mean the business and operations of the Company and the Operating Company.

Factors that could cause the outcomes to differ materially include (but are not limited to) the following:

- changes in supply and demand levels for oil, natural gas, and natural gas liquids and the resulting impact on the price for those commodities;
- the impact of public health crises, including epidemic or pandemic diseases and any related company or government policies or actions;
- actions taken by the members of OPEC and Russia affecting the production and pricing of oil, as well as other domestic and global political, economic, or diplomatic developments;
- changes in general economic, business or industry conditions, including changes in foreign currency exchange rates, interest rates, inflation rates, instability in the financial sector;
- regional supply and demand factors, including delays, curtailment delays or interruptions of production on our mineral and royalty acreage, or governmental orders, rules or regulations that impose production limits on such acreage;
- federal and state legislative and regulatory initiatives relating to hydraulic fracturing, including the effect of existing and future laws and governmental regulations;
- physical and transition risks relating to climate change;
- restrictions on the use of water, including limits on the use of produced water by our operators and a moratorium on new produced water well permits recently imposed by the Texas Railroad Commission in an effort to control induced seismicity in the Permian Basin;
- significant declines in prices for oil, natural gas, or natural gas liquids, which could require recognition of significant impairment charges;
- changes in U.S. energy, environmental, monetary and trade policies;
- conditions in the capital, financial and credit markets, including the availability and pricing of capital for drilling and development by our operators and environmental and social responsibility projects undertaken by Diamondback and our other operators;
- changes in availability or cost of rigs, equipment, raw materials, supplies and oilfield services impacting our operators;
- changes in safety, health, environmental, tax, and other regulations or requirements impacting us or our operators (including those addressing air emissions, water management, or the impact of global climate change);
- security threats, including cybersecurity threats and disruptions to our business from breaches of Diamondback’s information technology systems, or from breaches of information technology systems of our operators or third parties with whom we transact business;
- lack of, or disruption in, access to adequate and reliable transportation, processing, storage and other facilities impacting our operators;

- severe weather conditions;
- acts of war or terrorist acts and the governmental or military response thereto;
- changes in the financial strength of counterparties to the credit facility and hedging contracts of our operating subsidiary;
- changes in our credit rating; and
- other risks and factors disclosed in this report.

In light of these factors, the events anticipated by our forward-looking statements may not occur at the time anticipated or at all. Moreover, new risks emerge from time to time. We cannot predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those anticipated by any forward-looking statements we may make. Accordingly, you should not place undue reliance on any forward-looking statements made in this report. All forward-looking statements speak only as of the date of this report or, if earlier, as of the date they were made. We do not intend to, and disclaim any obligation to, update or revise any forward-looking statements unless required by applicable law.

PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Viper Energy, Inc.
Condensed Consolidated Balance Sheets
(Unaudited)

	June 30, 2024	December 31, 2023
	(In thousands, except share amounts)	
Assets		
Current assets:		
Cash and cash equivalents	$ 35,211	$ 25,869
Royalty income receivable (net of allowance for credit losses)	131,724	108,681
Royalty income receivable—related party	34,981	3,329
Income tax receivable	—	813
Derivative instruments	—	358
Prepaid expenses and other current assets	3,468	4,467
Total current assets	205,384	143,517
Property:		
Oil and natural gas interests, full cost method of accounting ($1,581,227 and $1,769,341 excluded from depletion at June 30, 2024 and December 31, 2023, respectively)	4,567,518	4,628,983
Land	5,688	5,688
Accumulated depletion and impairment	(961,646)	(866,352)
Property, net	3,611,560	3,768,319
Derivative instruments	2,134	92
Deferred income taxes (net of allowances)	76,393	56,656
Other assets	4,951	5,509
Total assets	$ 3,900,422	$ 3,974,093
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 19	$ 19
Accounts payable—related party	—	1,330
Accrued liabilities	22,106	27,021
Derivative instruments	4,766	2,961
Income taxes payable	2,200	1,925
Total current liabilities	29,091	33,256
Long-term debt, net	998,021	1,083,082
Derivative instruments	—	201
Total liabilities	1,027,112	1,116,539
Commitments and contingencies (Note 12)		
Stockholders' equity:		
Class A Common Stock, $0.000001 par value: 1,000,000,000 shares authorized; 91,423,830 shares issued and outstanding as of June 30, 2024 and 86,144,273 shares issued and outstanding as of December 31, 2023	—	—
Class B Common Stock, $0.000001 par value: 1,000,000,000 shares authorized; 85,431,453 shares issued and outstanding as of June 30, 2024 and 90,709,946 shares issued and outstanding as of December 31, 2023	—	—
Additional paid-in capital	1,108,739	1,031,078
Retained earnings (accumulated deficit)	(18,939)	(16,786)
Total Viper Energy, Inc. stockholders' equity	1,089,800	1,014,292
Non-controlling interest	1,783,510	1,843,262
Total equity	2,873,310	2,857,554
Total liabilities and stockholders' equity	$ 3,900,422	$ 3,974,093

See accompanying notes to condensed consolidated financial statements.

Viper Energy, Inc.
Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(In thousands, except per share amounts)			
Operating income:				
Oil income	$ 194,335	$ 139,300	$ 371,453	$ 275,919
Natural gas income	1,143	5,090	7,940	14,081
Natural gas liquids income	20,008	13,807	41,160	29,282
Royalty income	215,486	158,197	420,553	319,282
Lease bonus income—related party	—	1,277	120	8,348
Lease bonus income	1,096	1,134	1,146	1,534
Other operating income	126	179	281	581
Total operating income	216,708	160,787	422,100	329,745
Costs and expenses:				
Production and ad valorem taxes	15,201	12,621	29,607	25,508
Depletion	48,360	34,064	95,293	65,051
General and administrative expenses—related party	2,436	924	4,822	1,848
General and administrative expenses	2,019	1,084	4,666	2,924
Other operating expense	139	—	233	—
Total costs and expenses	68,155	48,693	134,621	95,331
Income (loss) from operations	148,553	112,094	287,479	234,414
Other income (expense):				
Interest expense, net	(18,667)	(11,120)	(37,997)	(20,666)
Gain (loss) on derivative instruments, net	5,346	(12,594)	(2,146)	(27,697)
Other income, net	—	1	—	2
Total other expense, net	(13,321)	(23,713)	(40,143)	(48,361)
Income (loss) before income taxes	135,232	88,381	247,336	186,053
Provision for (benefit from) income taxes	13,006	8,450	25,535	17,856
Net income (loss)	122,226	79,931	221,801	168,197
Net income (loss) attributable to non-controlling interest	65,325	49,381	121,540	103,680
Net income (loss) attributable to Viper Energy, Inc.	$ 56,901	$ 30,550	$ 100,261	$ 64,517
Net income (loss) attributable to common shares:				
Basic	$ 0.62	$ 0.42	$ 1.12	$ 0.89
Diluted	$ 0.62	$ 0.42	$ 1.12	$ 0.89
Weighted average number of common shares outstanding:				
Basic	91,424	71,771	89,480	72,249
Diluted	91,424	71,771	89,570	72,249

See accompanying notes to condensed consolidated financial statements.

Viper Energy, Inc.
Condensed Consolidated Statements of Changes to Stockholders' Equity
(Unaudited)

	Common Stock[1]					
	Class A Shares	Class B Shares	Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Non-Controlling Interest	Total
			(In thousands)			
Balance at December 31, 2023	86,144	90,710	$ 1,031,078	$ (16,786)	$ 1,843,262	$ 2,857,554
Common shares issued to related party	5,279	(5,279)	—	—	—	—
Equity-based compensation	—	—	485	—	—	485
Issuance of shares upon vesting of equity awards	1	—	—	—	—	—
Distribution equivalent rights payments	—	—	—	(56)	—	(56)
Dividends to stockholders	—	—	—	(43,791)	—	(43,791)
Dividends to Diamondback	—	—	20	(4,490)	(62,590)	(67,060)
Change in ownership of consolidated subsidiaries, net	—	—	69,753	—	(52,298)	17,455
Cash paid for tax withholding on vested equity awards	—	—	(28)	—	—	(28)
Net income (loss)	—	—	—	43,360	56,215	99,575
Balance at March 31, 2024	91,424	85,431	1,101,308	(21,763)	1,784,589	2,864,134
Equity-based compensation	—	—	830	—	—	830
Distribution equivalent rights payments	—	—	—	(116)	—	(116)
Dividends to stockholders	—	—	—	(53,941)	—	(53,941)
Dividends to Diamondback	—	—	—	(20)	(59,803)	(59,823)
Change in ownership of consolidated subsidiaries, net	—	—	6,601	—	(6,601)	—
Net income (loss)	—	—	—	56,901	65,325	122,226
Balance at June 30, 2024	91,424	85,431	$ 1,108,739	$ (18,939)	$ 1,783,510	$ 2,873,310

(1) The par values of the outstanding shares of Class A Common Stock and Class B Common Stock each round to zero during the periods presented.

See accompanying notes to condensed consolidated financial statements.

Viper Energy, Inc.
Condensed Consolidated Statements of Changes to Stockholders' Equity - (Continued)
(Unaudited)

	Limited Partners				General Partner	Non-Controlling Interest	
	Common Units	Amount	Class B Units	Amount	Amount	Amount	Total
				(In thousands)			
Balance at December 31, 2022	73,230	$ 689,178	90,710	$ 832	$ 649	$ 1,630,866	$ 2,321,525
Unit-based compensation	—	370	—	—	—	—	370
Issuance of shares upon vesting of equity awards	4	—	—	—	—	—	—
Distribution equivalent rights payments	—	(72)	—	—	—	—	(72)
Distributions to public	—	(35,253)	—	—	—	—	(35,253)
Distributions to Diamondback	—	(358)	—	(25)	—	(48,983)	(49,366)
Distributions to General Partner	—	—	—	—	(20)	—	(20)
Change in ownership of consolidated subsidiaries, net	—	11,449	—	—	—	(11,449)	—
Repurchased units as part of unit buyback	(1,115)	(33,022)	—	—	—	—	(33,022)
Net income (loss)	—	33,967	—	—	—	54,299	88,266
Balance at March 31, 2023	72,119	666,259	90,710	807	629	1,624,733	2,292,428
Unit-based compensation	—	259	—	—	—	—	259
Distribution equivalent rights payments	—	(43)	—	—	—	—	(43)
Distributions to public	—	(23,513)	—	—	—	—	(23,513)
Distributions to Diamondback	—	(241)	—	(25)	—	(38,097)	(38,363)
Distributions to General Partner	—	—	—	—	(20)	—	(20)
Change in ownership of consolidated subsidiaries, net	—	16,749	—	—	—	(16,749)	—
Repurchased units as part of unit buyback	(912)	(24,509)	—	—	—	—	(24,509)
Net income (loss)	—	30,550	—	—	—	49,381	79,931
Balance at June 30, 2023	71,207	$ 665,511	90,710	$ 782	$ 609	$ 1,619,268	$ 2,286,170

See accompanying notes to condensed consolidated financial statements.

Viper Energy, Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Six Months Ended June 30,	
	2024	2023
	(In thousands)	
Cash flows from operating activities:		
Net income (loss)	$ 221,801	$ 168,197
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Provision for (benefit from) deferred income taxes	(2,282)	532
Depletion	95,293	65,051
(Gain) loss on derivative instruments, net	2,146	27,697
Net cash receipts (payments) on derivatives	(2,225)	(6,212)
Other	3,080	1,222
Changes in operating assets and liabilities:		
Royalty income receivable	(23,277)	892
Royalty income receivable—related party	(31,652)	1,876
Accounts payable and accrued liabilities	(4,915)	(2,583)
Accounts payable—related party	(1,330)	(306)
Income taxes payable	276	673
Other	1,811	(4,370)
Net cash provided by (used in) operating activities	258,726	252,669
Cash flows from investing activities:		
Acquisitions of oil and natural gas interests—related party	—	(75,073)
Acquisitions of oil and natural gas interests	(29,175)	(47,409)
Proceeds from sale of oil and natural gas interests	90,641	(1,975)
Net cash provided by (used in) investing activities	61,466	(124,457)
Cash flows from financing activities:		
Proceeds from borrowings under credit facility	95,000	191,000
Repayment on credit facility	(181,000)	(119,000)
Repurchased shares/units under buyback program	—	(57,531)
Dividends/distributions to stockholders	(97,904)	(58,881)
Dividends/distributions to Diamondback	(126,883)	(87,729)
Other	(63)	(1,171)
Net cash provided by (used in) financing activities	(310,850)	(133,312)
Net increase (decrease) in cash and cash equivalents	9,342	(5,100)
Cash, cash equivalents and restricted cash at beginning of period	25,869	18,179
Cash, cash equivalents and restricted cash at end of period	$ 35,211	$ 13,079
Supplemental disclosure of cash flow information:		
Interest paid	$ (38,868)	$ (19,922)
Cash (paid) received for income taxes	$ (26,515)	$ (20,150)

See accompanying notes to condensed consolidated financial statements.

1. ORGANIZATION AND BASIS OF PRESENTATION

Organization

Effective November 13, 2023 (the "Effective Time"), Viper Energy Partners LP (the "Partnership") converted from a publicly traded Delaware limited partnership to a Delaware corporation pursuant to a plan of conversion (the "Conversion") and changed names from Viper Energy Partners LP to Viper Energy, Inc. This report includes the results for the Partnership prior to the Conversion and Viper Energy, Inc. (the "Company") following the Conversion. References to the "Company" refer to (i) Viper Energy, Inc. and its consolidated subsidiaries following the Conversion, and (ii) the Partnership and its consolidated subsidiaries prior to the Conversion. References to shares or per share amounts prior to the Conversion refer to units or per unit amounts. Unless otherwise noted, all references to shares or per share amounts following the Conversion refer to shares or per share amounts of the Company's Common Stock. References to dividends prior to the Conversion refer to distributions. There are no tax impacts resulting from the Conversion as Viper Energy Partners LP was treated as a corporation for tax purposes.

The Company is a publicly traded Delaware corporation focused on owning and acquiring mineral interests and royalty interests in oil and natural gas properties primarily in the Permian Basin.

Prior to March 8, 2024, the Company was a "controlled company" under the rules of the Nasdaq Stock Market LLC (the "Nasdaq Rules"). On March 8, 2024, the Company's parent, Diamondback, completed an underwritten public offering in which it sold approximately 13.2 million shares of the Company's Class A Common Stock (the "Diamondback Offering"). Following the Offering, Diamondback owned no shares of the Company's Class A Common Stock and owned 85,431,453 shares of the Company's Class B Common Stock, reducing its beneficial ownership to less than 50% of the Company's total Common Stock outstanding. As such, the Company ceased to be a "controlled company" under the Nasdaq Rules. Prior to the Diamondback Offering, the Company's board of directors had a majority of independent directors and a standing audit committee comprised of all independent directors but had elected to take advantage of certain exemptions from corporate governance requirements applicable to controlled companies under the Nasdaq Rules and, until March 8, 2024, did not have a compensation committee or a committee of independent directors that selects director nominees.

Effective as of March 8, 2024, the Company's board of directors formed (i) the compensation committee for purposes of making certain executive and other compensation decisions, and (ii) the nominating and corporate governance committee for purposes of making certain nominating and corporate governance decisions, with each such committee's rights and obligations being subject to the terms and conditions of (x) the Company's certificate of incorporation, (y) such committee's charter as adopted by the board, and (z) the services and secondment agreement, dated as of November 2, 2023, pursuant to which Diamondback provides personnel and general and administrative services to us, including the services of the executive officers and other employees, substantially in the same manner as those provided to the Company by the former General Partner prior to the Conversion (the "Services and Secondment Agreement").

As of June 30, 2024, Diamondback beneficially owned approximately 48% of the Company's total Common Stock outstanding.

Basis of Presentation

The accompanying condensed consolidated financial statements and related notes thereto were prepared in accordance with GAAP. All material intercompany balances and transactions have been eliminated upon consolidation. The Company reports its operations in one reportable segment.

These condensed consolidated financial statements have been prepared by the Company without audit, pursuant to the rules and regulations of the SEC. They reflect all adjustments that are, in the opinion of management, necessary for a fair statement of the results for interim periods, on a basis consistent with the annual audited financial statements. All such adjustments are of a normal recurring nature. Certain information, accounting policies and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been omitted pursuant to SEC rules and regulations, although the Company believes the disclosures are adequate to make the information presented not misleading. This report should be read in conjunction with the Company's most recent Annual Report on Form 10–K for the fiscal year ended December 31, 2023, which contains a summary of the Company's significant accounting policies and other disclosures.

Reclassifications

Certain prior period amounts have been reclassified to conform to the current period financial statement presentation. These reclassifications had no effect on the previously reported total assets, total liabilities, stockholders' equity, results of operations or cash flows.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

Certain amounts included in or affecting the Company's financial statements and related disclosures must be estimated by management, requiring certain assumptions to be made with respect to values or conditions that cannot be known with certainty at the time the financial statements are prepared. These estimates and assumptions affect the amounts the Company reports for assets and liabilities and the Company's disclosure of contingent assets and liabilities as of the date of the financial statements.

Making accurate estimates and assumptions is particularly difficult in the oil and natural gas industry given the challenges resulting from volatility in oil and natural gas prices. For instance, the war in Ukraine and the Israel-Hamas war, higher interest rates, global supply chain disruptions and recent measures to combat persistent inflation and instability in the financial sector have contributed to recent pricing and economic volatility. The financial results of companies in the oil and natural gas industry have been and may continue to be impacted materially as a result of changing market conditions. Such circumstances generally increase uncertainty in the Company's accounting estimates, particularly those involving financial forecasts.

The Company evaluates these estimates on an ongoing basis, using historical experience, consultation with experts and other methods the Company considers reasonable in each particular circumstance. Nevertheless, actual results may differ significantly from the Company's estimates. Any effects on the Company's business, financial position or results of operations resulting from revisions to these estimates are recorded in the period in which the facts that give rise to the revision become known. Significant items subject to such estimates and assumptions include estimates of proved oil and natural gas reserves and related present value estimates of future net cash flows therefrom, the carrying value of oil and natural gas interests, estimates of third party operated royalty income related to expected sales volumes and prices, the recoverability of costs of unevaluated properties, the fair value determination of assets and liabilities, including those acquired by the Company, fair value estimates of commodity derivatives and estimates of income taxes, including deferred tax valuation allowances.

Related Party Transactions

Royalty Income Receivable

As of June 30, 2024 and December 31, 2023, Diamondback, either directly or through its consolidated subsidiaries, owed the Company $35.0 million and $3.3 million, respectively, for royalty income received from third parties for the Company's production, which had not yet been remitted to the Company.

Lease Bonus Income

During the six months ended June 30, 2024 and the three and six months ended 2023, Diamondback paid the Company $0.1 million, $1.3 million and $8.3 million, respectively, of lease bonus income primarily related to new leases in the Midland Basin.

Other Related Party Transactions

See Note 4—Acquisitions and Divestitures for significant related party acquisitions of oil and natural gas interests.

See Note 7—Stockholder's Equity for further details regarding equity transactions with related parties.

All other significant related party transactions with Diamondback or its affiliates have been stated on the face of the condensed consolidated financial statements as of June 30, 2024, and for the three and six months ended June 30, 2024 and 2023.

Accrued Liabilities

Accrued liabilities consist of the following as of the dates indicated:

	June 30, 2024	December 31, 2023
	(In thousands)	
Interest payable	$ 9,270	$ 11,036
Ad valorem taxes payable	10,064	13,299
Derivatives instruments payable	633	1,279
Other	2,139	1,407
Total accrued liabilities	$ 22,106	$ 27,021

Recent Accounting Pronouncements

Recently Adopted Pronouncements

There are no recently adopted pronouncements.

Accounting Pronouncements Not Yet Adopted

In November 2023, the FASB issued ASU 2023-07, “Segment Reporting (Topic 280) – Improvements to Reportable Segment Disclosures,” which updates reportable segment disclosure requirements primarily through enhanced disclosures about significant segment expenses and information used to assess segment performance. The amendments are effective for annual periods beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The amendments should be applied retrospectively to all prior periods presented in the financial statements. Management is currently evaluating this ASU to determine its impact on the Company's disclosures. Adoption of the update will not impact the Company’s financial position, results of operations or liquidity.

In December 2023, the FASB issued ASU 2023-09, “Income Taxes (Topic 740) – Improvements to Income Tax Disclosures,” which requires that certain information in a reporting entity’s tax rate reconciliation be disaggregated, and provides additional requirements regarding income taxes paid. The amendments are effective for annual periods beginning after December 15, 2024, with early adoption permitted, and should be applied either prospectively or retrospectively. Management is currently evaluating this ASU to determine its impact on the Company’s disclosures. Adoption of the update will not impact the Company’s financial position, results of operations or liquidity.

The Company considers the applicability and impact of all ASUs. ASUs not discussed above were assessed and determined to be either not applicable, previously disclosed, or not material upon adoption.

3. REVENUE FROM CONTRACTS WITH CUSTOMERS

Royalty income represents the right to receive revenues from oil, natural gas and natural gas liquids sales obtained from third party purchasers by the operator of the wells in which the Company owns a royalty interest. Royalty income is recognized at the point control of the product is transferred to the purchaser at the wellhead or at the gas processing facility based on the Company’s percentage ownership share of the revenue, net of any deductions for gathering and transportation. Virtually all of the pricing provisions in the Company’s contracts are tied to a market index.

The following table disaggregates the Company's revenue from oil, natural gas and natural gas liquids by revenue generated from production on properties operated by Diamondback and revenue generated from production on properties operated by third parties:

	Three Months Ended June 30,					
	2024			2023		
	Revenue Generated from Diamondback Operated Properties	Revenue Generated from Third Party Operated Properties	Total	Revenue Generated from Diamondback Operated Properties	Revenue Generated from Third Party Operated Properties	Total
	(In thousands)					
Oil income	$ 99,879	$ 94,456	$ 194,335	$ 86,565	$ 52,735	$ 139,300
Natural gas income	1,130	13	1,143	2,799	2,291	5,090
Natural gas liquids income	11,241	8,767	20,008	9,130	4,677	13,807
Total royalty income	$ 112,250	$ 103,236	$ 215,486	$ 98,494	$ 59,703	$ 158,197

	Six Months Ended June 30,					
	2024			2023		
	Revenue Generated from Diamondback Operated Properties	Revenue Generated from Third Party Operated Properties	Total	Revenue Generated from Diamondback Operated Properties	Revenue Generated from Third Party Operated Properties	Total
	(In thousands)					
Oil income	$ 194,495	$ 176,958	$ 371,453	$ 164,532	$ 111,387	$ 275,919
Natural gas income	4,568	3,372	7,940	6,660	7,421	14,081
Natural gas liquids income	22,277	18,883	41,160	18,833	10,449	29,282
Total royalty income	$ 221,340	$ 199,213	$ 420,553	$ 190,025	$ 129,257	$ 319,282

4. ACQUISITIONS AND DIVESTITURES

2024 Activity

Acquisitions

In the first half of 2024, the Company acquired, in individually insignificant transactions from unrelated third-party sellers, mineral and royalty interests representing 203 net royalty acres in the Midland Basin for an aggregate purchase price of approximately $41.2 million, subject to customary post-closing adjustments.

Divestitures

In the second quarter of 2024, the Company divested all of its non-Permian assets for a purchase price of approximately $90.2 million, subject to customary post-closing adjustments. The divested properties consisted of approximately 2,713 net royalty acres with current production of approximately 450 BO/d. The Company recorded the proceeds as a reduction of its full cost pool with no gain or loss recognized on the sale.

2023 Activity

Acquisitions

GRP Acquisition

On November 1, 2023, the Company and the Operating Company acquired certain mineral and royalty interests from Royalty Asset Holdings, LP, Royalty Asset Holdings II, LP and Saxum Asset Holdings, LP, affiliates of Warwick Capital Partners and GRP Energy Capital (collectively, "GRP,") pursuant to a definitive purchase and sale agreement for approximately 9.02 million common units and $749.5 million in cash, including transactions costs and subject to customary post-closing adjustments (the "GRP Acquisition"). The mineral and royalty interests acquired in the GRP Acquisition represent approximately 4,600 net royalty acres in the Permian Basin, plus approximately 2,700 additional net royalty acres in other major basins. The cash consideration for the GRP Acquisition was funded through a combination of cash on hand and held in escrow, borrowings under the Operating Company's revolving credit facility, proceeds from the 7.375% Senior unsecured notes due 2031 and proceeds from the $200.0 million common unit issuance to Diamondback.

Drop Down Transaction

On March 8, 2023, the Company acquired certain mineral and royalty interests from subsidiaries of Diamondback for approximately $74.5 million in cash, including customary closing adjustments for net title benefits (the "Drop Down"). The mineral and royalty interests acquired in the Drop Down represent approximately 660 net royalty acres in Ward County in the Southern Delaware Basin, 100% of which are operated by Diamondback, and have an average net royalty interest of approximately 7.2% and production of approximately 300 BO/d. The Company funded the Drop Down through a combination of cash on hand and borrowings under the Operating Company's revolving credit facility. The Drop Down was accounted for as a transaction between entities under common control with the properties acquired recorded at Diamondback's historical carrying value in the Company's condensed consolidated balance sheet. The historical carrying value of the properties approximated the Drop Down purchase price.

Other Acquisitions

Additionally, during the year ended December 31, 2023, the Company acquired, in individually insignificant transactions from unrelated third-party sellers, mineral and royalty interests representing 286 net royalty acres in the Permian Basin for an aggregate purchase price of approximately $70.4 million, including customary closing adjustments. The Company funded these acquisitions with cash on hand and borrowings under the Operating Company's revolving credit facility.

5. OIL AND NATURAL GAS INTERESTS

Oil and natural gas interests include the following for the periods presented:

	June 30, 2024	December 31, 2023
	(In thousands)	
Oil and natural gas interests:		
Subject to depletion	$ 2,986,291	$ 2,859,642
Not subject to depletion	1,581,227	1,769,341
Gross oil and natural gas interests	4,567,518	4,628,983
Accumulated depletion and impairment	(961,646)	(866,352)
Oil and natural gas interests, net	3,605,872	3,762,631
Land	5,688	5,688
Property, net of accumulated depletion and impairment	$ 3,611,560	$ 3,768,319

As of June 30, 2024 and December 31, 2023, the Company had mineral and royalty interests representing approximately 31,762 and 34,217 net royalty acres, respectively.

No impairment expense was recorded on the Company’s oil and natural gas interests for the three and six months ended June 30, 2024 and 2023 based on the results of the respective quarterly ceiling tests. In addition to commodity prices, the Company’s production rates, levels of proved reserves, transfers of unevaluated properties and other factors will determine its actual ceiling test limitations and impairment analysis in future periods. If the trailing 12-month commodity prices decline as compared to the commodity prices used in prior quarters, the Company could have material write-downs in subsequent quarters.

6. DEBT

Long-term debt consisted of the following as of the dates indicated:

	June 30, 2024	December 31, 2023
	(In thousands)	
5.375% Senior unsecured notes due 2027	$ 430,350	$ 430,350
7.375% Senior unsecured notes due 2031	400,000	400,000
Revolving credit facility	177,000	263,000
Unamortized debt issuance costs	(6,373)	(6,903)
Unamortized discount	(2,956)	(3,365)
Total long-term debt	$ 998,021	$ 1,083,082

The Operating Company’s Revolving Credit Facility

The Operating Company’s credit facility, as amended to date, provides for a revolving credit facility in the maximum credit amount of $2.0 billion and a borrowing base of $1.3 billion. The borrowing base is scheduled to be redetermined semi-annually in May and November. As of June 30, 2024, the Operating Company had elected a commitment amount of $850.0 million, with $177.0 million of outstanding borrowings and $673.0 million available for future borrowings. During the three and six months ended June 30, 2024 and 2023, the weighted average interest rates on the Operating Company’s revolving credit facility were 7.63%, 7.52%, 7.53% and 7.24%, respectively. The revolving credit facility will mature on September 22, 2028.

As of June 30, 2024, the Operating Company was in compliance with the financial maintenance covenants under its credit facility.

7. STOCKHOLDERS’ EQUITY

At June 30, 2024, the Company had a total of 91,423,830 shares of Class A Common Stock issued and outstanding and 85,431,453 shares of Class B Common Stock issued and outstanding. All of the shares of Class B Common Stock were beneficially owned by Diamondback, representing approximately 48% of the Company’s total shares outstanding. Diamondback also beneficially owned 85,431,453 Operating Company units, representing a 48% non-controlling ownership interest in the Operating Company, and the Company owned the remaining 91,423,830 Operating Company units. The Operating Company units and the Company’s Class B Common Stock beneficially owned by Diamondback are exchangeable from time to time for the Company’s Class A Common Stock (that is, one Operating Company unit and one share of the Company’s Class B Common Stock, together, are exchangeable for one share of the Company’s Class A Common Stock).

2023 Viper Issuance of Common Units to Diamondback

In October 2023, the Company issued approximately 7.22 million of its common units to Diamondback at a price of $27.72 per unit for total net proceeds of approximately $200.0 million. The net proceeds were used to fund a portion of the cash consideration for the GRP Acquisition.

Common Stock Repurchase Program

The Company's board of directors has authorized a $750.0 million common stock repurchase program, with respect to the repurchase of the Company's Class A Common Stock, excluding excise tax, over an indefinite period of time. The Company has and intends to continue to purchase shares of Class A Common Stock under the repurchase program opportunistically with funds from cash on hand, free cash flow from operations and potential liquidity events such as the sale of assets. This repurchase program may be suspended from time to time, modified, extended or discontinued by the Company's board of directors at any time.

There were no repurchases of Class A Common Stock during the three and six months ended June 30, 2024. During the three and six months ended June 30, 2023 the Company repurchased, excluding excise tax, approximately $24.3 million and $57.0 million common units under the repurchase program, respectively. As of June 30, 2024, approximately $434.2 million remains available under the repurchase program, excluding excise tax.

Cash Dividends

The board of directors of the Company has established a dividend policy, whereby the Operating Company distributes all or a portion of its available cash on a quarterly basis to its stockholders (including Diamondback and the Company). The Company in turn distributes all or a portion of the available cash it receives from the Operating Company to stockholders of its Class A Common Stock through base and variable dividends that take into account capital returned to stockholders via its stock repurchase program. The Company's available cash and the available cash of the Operating Company for each quarter is determined by the board of directors following the end of such quarter.

The cash available for distribution by the Operating Company, a non-GAAP measure, generally equals the Company's consolidated Adjusted EBITDA for the applicable quarter, less cash needed for income taxes payable, debt service, contractual obligations, fixed charges and reserves for future operating or capital needs that the board of directors of the Company deems necessary or appropriate, lease bonus income (net of applicable taxes), distribution equivalent rights payments and preferred dividends, if any. For a detailed description of the Company's and the Operating Company's dividend policy, see Note 7—Stockholders' Equity—Cash Dividends in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

The percentage of cash available for distribution by the Operating Company pursuant to its distribution policy may change quarterly to enable the Operating Company to retain cash flow to help strengthen the Company's balance sheet while also expanding the return of capital program through the Company's stock repurchase program. The Company is not required to pay dividends to its Class A Common stockholders on a quarterly or other basis.

The following table presents information regarding cash dividends paid during the periods presented (in thousands, except for per share amounts):

	Distributions (In thousands, except share amounts)						
Period	Amount per Operating Company Unit	Operating Company Distributions to Diamondback	Amount per Common Share	Common Stockholders[(1)(2)]	Declaration Date	Stockholder Record Date	Payment Date
2024							
Q4 2023	$ 0.69	$ 62,590	$ 0.56	$ 48,337	February 15, 2024	March 5, 2024	March 12, 2024
Q1 2024	$ 0.70	$ 59,803	$ 0.59	$ 54,077	April 25, 2024	May 15, 2024	May 22, 2024
2023							
Q4 2022	$ 0.54	$ 48,983	$ 0.49	$ 35,683	February 15, 2023	March 3, 2023	March 10, 2023
Q1 2023	$ 0.42	$ 38,097	$ 0.33	$ 23,797	April 26, 2023	May 11, 2023	May 18, 2023

(1) Dividends paid in the first quarter of 2024 include amounts paid to Diamondback for the 7,946,507 shares of Class A Common Stock then beneficially owned by Diamondback and distribution equivalent rights payments. As of March 31, 2024, Diamondback did not beneficially own any shares of Class A Common Stock. See Note 1—Organization and Basis of Presentation for further details.

(2) For distributions paid in 2023, includes amounts paid to Diamondback for the 731,500 common units then beneficially owned by Diamondback.

Cash dividends will be made to the common stockholders of record on the applicable record date, generally within 60 days after the end of each quarter.

Change in Ownership of Consolidated Subsidiaries

Non-controlling interest in the accompanying condensed consolidated financial statements represents Diamondback's ownership in the net assets of the Operating Company. Diamondback's relative ownership interest in the Operating Company can change due to its purchase or sale of the Company's Common Stock, the Company's public offerings of shares of Class A Common Stock, issuance of shares of Class A Common Stock for acquisitions, share-based compensation, repurchases of shares of Class A Common Stock and distribution equivalent rights paid on the Company's Class A Common Stock. These changes in ownership percentage result in adjustments to non-controlling interest and stockholders' equity, tax effected, but do not impact earnings.

The following table summarizes the changes in stockholders' equity due to changes in ownership interest during the period:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(In thousands)			
Net income (loss) attributable to the Company	$ 56,901	$ 30,550	$ 100,261	$ 64,517
Change in ownership of consolidated subsidiaries	6,601	16,749	76,354	28,198
Change from net income (loss) attributable to the Company's stockholders and transfers with non-controlling interest	$ 63,502	$ 47,299	$ 176,615	$ 92,715

8. EARNINGS PER COMMON SHARE

The net income (loss) per common share on the condensed consolidated statements of operations is based on the net income (loss) attributable to the Company's Class A Common Stock or common units for the three and six months ended June 30, 2024 and 2023, respectively.

Basic and diluted earnings per common share are calculated using the two-class method. The two-class method is an earnings allocation proportional to the respective ownership among holders of Class A Common Stock and participating securities. Basic net income (loss) per common share is calculated by dividing net income (loss) by the weighted-average shares of Class A Common Stock or common units outstanding during the period. Diluted net income (loss) per common share gives effect, when applicable, to unvested shares of Class A Common Stock granted under the LTIP.

Viper Energy, Inc.
Condensed Notes to Consolidated Financial Statements - (Continued)
(Unaudited)

A reconciliation of the components of basic and diluted earnings per common share is presented in the table below:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(In thousands, except per share amounts)			
Net income (loss) attributable to the period	$ 56,901	$ 30,550	$ 100,261	$ 64,517
Less: distributed and undistributed earnings allocated to participating securities[1]	122	56	172	123
Net income (loss) attributable to common stockholders	$ 56,779	$ 30,494	$ 100,089	$ 64,394
Weighted average common shares outstanding:				
Basic weighted average common shares outstanding	91,424	71,771	89,480	72,249
Effect of dilutive securities:				
Potential common shares issuable[2]	—	—	90	—
Diluted weighted average common shares outstanding	91,424	71,771	89,570	72,249
Net income (loss) per common share, basic	$ 0.62	$ 0.42	$ 1.12	$ 0.89
Net income (loss) per common share, diluted	$ 0.62	$ 0.42	$ 1.12	$ 0.89

(1) Unvested restricted stock units and performance restricted stock units that contain non-forfeitable distribution equivalent rights granted are considered participating securities and are therefore included in the earnings per share calculation pursuant to the two-class method.
(2) For the three and six months ended June 30, 2024 and 2023, there were no other significant potential common shares excluded from the computation of diluted earnings per common share.

9. INCOME TAXES

The following table provides the Company's provision for (benefit from) income taxes and the effective income tax rate for the dates indicated:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(In thousands, except for tax rate)			
Provision for (benefit from) income taxes	$ 13,006	$ 8,450	$ 25,535	$ 17,856
Effective tax rate	9.6 %	9.6 %	10.3 %	9.6 %

The Company's effective income tax rate for the three and six months ended June 30, 2024 and June 30, 2023 differed from the amount computed by applying the United States federal statutory tax rate to pre-tax income for the period primarily due to net income attributable to the non-controlling interest.

As of June 30, 2024 and 2023, the Company maintained a partial valuation allowance against its deferred tax assets considered not more likely than not to be realized, based on its assessment of all available evidence, both positive and negative as required by applicable accounting standards. In March 2024, Diamondback converted approximately 5.28 million shares of the Company's Class B Common Stock along with 5.28 million Operating Company units into an equivalent number of shares of Class A Common Stock. In connection with this transaction, the Company recognized a $28.2 million increase in its deferred tax asset and a $10.8 million increase in its valuation allowance through additional paid-in capital.

The Company incurred no excise tax on repurchases of Class A Common Stock during the three and six months ended June 30, 2024 and an immaterial amount of excise tax for the three and six months ended June 30, 2023.

10. DERIVATIVES

All derivative financial instruments are recorded at fair value. The Company has not designated its derivative instruments as hedges for accounting purposes and, as a result, marks its derivative instruments to fair value and recognizes the cash and non-cash changes in fair value in the condensed consolidated statements of operations under the caption “Gain (loss) on derivative instruments, net.”

Commodity Contracts

The Company historically has used fixed price swap contracts, fixed price basis swap contracts and costless collars with corresponding put and call options to reduce price volatility associated with certain of its royalty income. At June 30, 2024, the Company has put options, costless collars and fixed price basis swaps outstanding.

The Company’s derivative contracts are based upon reported settlement prices on commodity exchanges, with put contracts for oil based on WTI Cushing and fixed price basis swaps for oil based on the spread between the WTI Cushing crude oil price and the Argus WTI Midland crude oil price. The Company’s fixed price basis swaps for natural gas are for the spread between the Waha Hub natural gas price and the Henry Hub natural gas price. The weighted average differential represents the amount of reduction to the WTI Cushing oil price and the Waha Hub natural gas price for the notional volumes covered by the basis swap contracts. Under the Company’s costless collar contracts, each collar has an established floor price and ceiling price. When the settlement price is below the floor price, the counterparty is required to make a payment to the Company, and when the settlement price is above the ceiling price, the Company is required to make a payment to the counterparty. When the settlement price is between the floor and the ceiling, there is no payment required.

By using derivative instruments to economically hedge exposure to changes in commodity prices, the Company exposes itself to credit risk and market risk. Credit risk is the failure of the counterparty to perform under the terms of the derivative contract. When the fair value of a derivative contract is positive, the counterparty owes the Company, which creates credit risk. The Company’s counterparties are all participants in the amended and restated credit facility, which is secured by substantially all of the assets of the Operating Company; therefore, the Company is not required to post any collateral. The Company’s counterparties have been determined to have an acceptable credit risk; therefore, the Company does not require collateral from its counterparties.

As of June 30, 2024, the Company had the following outstanding derivative contracts. When aggregating multiple contracts, the weighted average contract price is disclosed.

					Swaps	Collars		Puts	
Settlement Month	Settlement Year	Type of Contract	Bbls/MMBtu Per Day	Index	Weighted Average Differential	Weighted Average Floor Price	Weighted Average Ceiling Price	Strike Price	Deferred Premium
OIL									
Jul. - Sep.	2024	Puts	16,000	WTI Cushing	$—	$—	$—	$55.00	$(1.65)
Oct. - Dec.	2024	Puts	16,000	WTI Cushing	$—	$—	$—	$55.00	$(1.70)
Jul. - Dec.	2024	Costless Collar	4,000	WTI Cushing	$—	$55.00	$93.66	$—	$—
Jan. - Mar.	2025	Puts	20,000	WTI Cushing	$—	$—	$—	$55.00	$(1.62)
Apr. - Jun.	2025	Puts	16,000	WTI Cushing	$—	$—	$—	$55.00	$(1.61)
NATURAL GAS									
Jul. - Dec.	2024	Basis Swaps	30,000	Waha Hub	$(1.20)	$—	$—	$—	$—
Jan. - Dec.	2025	Basis Swaps	40,000	Waha Hub	$(0.68)	$—	$—	$—	$—

Balance Sheet Offsetting of Derivative Assets and Liabilities

The fair value of derivative instruments is generally determined using established index prices and other sources which are based upon, among other things, futures prices and time to maturity. These fair values are recorded by netting asset and liability positions, including any deferred premiums, that are with the same counterparty and are subject to contractual terms which provide for net settlement. See Note 11—Fair Value Measurements for further details.

Gains and Losses on Derivative Instruments

The following table summarizes the gains and losses on derivative instruments included in the condensed consolidated statements of operations and the net cash receipts (payments) on derivatives for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(In thousands)			
Gain (loss) on derivative instruments	$ 5,346	$ (12,594)	$ (2,146)	$ (27,697)
Net cash receipts (payments) on derivatives	$ 529	$ (3,997)	$ (2,225)	$ (6,212)

11. FAIR VALUE MEASUREMENTS

Assets and Liabilities Measured at Fair Value on a Recurring Basis

As discussed in Note 11—Fair Value Measurements in the Company's Annual Report on Form 10-K for the year ended December 31, 2023, certain assets and liabilities are reported at fair value on a recurring basis on the Company's condensed consolidated balance sheets, including the Company's derivative instruments. The fair values of the Company's derivative contracts are measured internally using established commodity futures price strips for the underlying commodity provided by a reputable third party, the contracted notional volumes, and time to maturity. These valuations are Level 2 inputs in the fair value hierarchy. The net amounts are classified as current or noncurrent based on their anticipated settlement dates.

The following table provides (i) fair value measurement information for financial assets and liabilities measured at fair value on a recurring basis, (ii) the gross amounts of recognized derivative assets and liabilities, (iii) the amounts offset under master netting arrangements with counterparties, and (iv) the resulting net amounts presented in the Company's condensed consolidated balance sheets as of June 30, 2024 and December 31, 2023:

	As of June 30, 2024					
	Level 1	Level 2	Level 3	Total Gross Fair Value	Gross Amounts Offset in Balance Sheet	Net Fair Value Presented in Balance Sheet
	(In thousands)					
Assets:						
Current:						
Derivative instruments	$ —	$ 6,619	$ —	$ 6,619	$ (6,619)	$ —
Non-current:						
Derivative instruments	$ —	$ 2,869	$ —	$ 2,869	$ (735)	$ 2,134
Liabilities:						
Current:						
Derivative instruments	$ —	$ 11,385	$ —	$ 11,385	$ (6,619)	$ 4,766
Non-current:						
Derivative instruments	$ —	$ 735	$ —	$ 735	$ (735)	$ —

Viper Energy, Inc.
Condensed Notes to Consolidated Financial Statements - (Continued)
(Unaudited)

	As of December 31, 2023					
	Level 1	Level 2	Level 3	Total Gross Fair Value	Gross Amounts Offset in Balance Sheet	Net Fair Value Presented in Balance Sheet
	(In thousands)					
Assets:						
Current:						
Derivative instruments	$ —	$ 7,040	$ —	$ 7,040	$ (6,682)	$ 358
Non-current:						
Derivative instruments	$ —	$ 1,269	$ —	$ 1,269	$ (1,177)	$ 92
Liabilities:						
Current:						
Derivative instruments	$ —	$ 9,643	$ —	$ 9,643	$ (6,682)	$ 2,961
Non-current:						
Derivative instruments	$ —	$ 1,378	$ —	$ 1,378	$ (1,177)	$ 201

Assets and Liabilities Not Recorded at Fair Value

The following table provides the fair value of financial instruments that are not recorded at fair value in the condensed consolidated balance sheets:

	June 30, 2024		December 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(In thousands)			
Debt:				
Revolving credit facility	$ 177,000	$ 177,000	$ 263,000	$ 263,000
5.375% senior unsecured notes due 2027(1)	$ 426,493	$ 423,417	$ 425,949	$ 422,122
7.375% senior unsecured notes due 2031(1)	$ 394,528	$ 414,448	$ 394,133	$ 418,408

(1) The carrying value includes associated deferred loan costs and any discount.

The fair value of the Operating Company's revolving credit facility approximates the carrying value based on borrowing rates available to the Company for bank loans with similar terms and maturities and is classified as Level 2 in the fair value hierarchy. The fair value of the Notes was determined using the quoted market price at each period end, a Level 1 classification in the fair value hierarchy.

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

Certain assets and liabilities are measured at fair value on a nonrecurring basis in certain circumstances. These assets and liabilities can include mineral and royalty interests acquired in asset acquisitions and subsequent write-downs of the Company's proved oil and natural gas interests to fair value when they are impaired or held for sale.

Fair Value of Financial Assets

The Company has other financial instruments consisting of cash and cash equivalents, royalty income receivable, income tax receivable, prepaid expenses and other current assets, accounts payable, accrued liabilities and income taxes payable. The carrying value of these instruments approximate their fair value because of the short-term nature of the instruments.

12. COMMITMENTS AND CONTINGENCIES

The Company is a party to various routine legal proceedings, disputes and claims from time to time arising in the ordinary course of its business. While the ultimate outcome of the pending proceedings, disputes or claims, and any resulting impact on the Company cannot be predicted with certainty, the Company's management believes that none of these matters, if ultimately decided adversely, will have a material adverse effect on the Company's financial condition, results of operations or cash flows. The Company's assessment is based on information known about the pending matters and its experience in contesting, litigating and settling similar matters. Actual outcomes could differ materially from the Company's assessment. The Company records reserves for contingencies related to outstanding legal proceedings, disputes or claims when information available indicates that a loss is probable and the amount of the loss can be reasonably estimated.

13. SUBSEQUENT EVENTS

Cash Dividend

On August 1, 2024, the board of directors of the Company approved an increase to the Company's annual base dividend to $1.20 per share of Class A Common Stock beginning with the dividend payable for the second quarter of 2024, and a cash dividend for the second quarter of 2024 of $0.64 per share of Class A Common Stock and $0.76 per Operating Company unit, in each case, payable on August 22, 2024, to holders of record at the close of business on August 15, 2024. The dividend on Class A Common Stock consists of a base quarterly dividend of $0.30 per share and a variable quarterly dividend of $0.34 per share.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

On November 13, 2023, we converted from a Delaware limited partnership to a Delaware corporation. See Note 1—Organization and Basis of Presentation of the notes to the condensed consolidated financial statements for additional discussion of the Conversion. The following discussion and analysis should be read in conjunction with our unaudited condensed consolidated financial statements and notes thereto presented in this report as well as our audited financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2023. The following discussion contains "forward-looking statements" that reflect our future plans, estimates, beliefs and expected performance. Actual results and the timing of events may differ materially from those contained in these forward-looking statements due to a number of factors. See Part II. Item 1A. Risk Factors and Cautionary Statement Regarding Forward-Looking Statements.

Overview

We are a publicly traded Delaware corporation focused on owning and acquiring mineral and royalty interests in oil and natural gas properties primarily in the Permian Basin. We operate in one reportable segment.

Recent Developments

Cash Dividend Update

On August 1, 2024, our board of directors approved an increase to our annual base dividend to $1.20 per share of Class A Common Stock beginning with our dividend payable for the second quarter of 2024.

Divestiture of non-Permian Assets

On May 1, 2024, we divested all of our non-Permian assets for a purchase price of approximately $90.2 million, subject to customary post-closing adjustments. The divested properties consisted of approximately 2,713 net royalty acres with current production of approximately 450 BO/d. We recorded the proceeds as a reduction of our full cost pool with no gain or loss recognized on the sale.

At June 30, 2024, our footprint of mineral and royalty interests totaled 31,762 net royalty acres, approximately 53% of which are operated by Diamondback.

Commodity Prices

Prices for oil, natural gas and natural gas liquids are determined primarily by prevailing market conditions. Regional and worldwide economic activity, extreme weather conditions and other substantially variable factors influence market conditions for these products. These factors are beyond our control and are difficult to predict. OPEC and its non-OPEC allies, known collectively as OPEC+, continue to meet regularly to evaluate the state of global oil supply, demand and inventory levels and can heavily influence volatility in oil prices. During the first half of 2024 and 2023, WTI prices averaged $78.81 and $74.77 per Bbl, respectively, and Henry Hub prices averaged $2.21 and $2.54 per MMBtu, respectively.

For additional information around risks related to commodity prices, see Part II. Item 3. Quantitative and Qualitative Disclosures About Market Risk—Commodity Price Risk.

Guidance

We increased our production guidance for full year 2024 due to outperformance of our production goals during the first half of the year, as well as an increase in expectations for the remainder of 2024. The following table presents our current estimates of certain financial and operating results for the full year, as well as production and cash tax guidance for the third quarter of 2024. These estimates assume no additional acquisitions or divestitures in 2024.

	2024 Guidance
Q3 2024 net production - MBO/d	26.50 - 27.00
Q3 2024 net production - MBOE/d	47.50 - 48.50
Full year 2024 net production - MBO/d	26.00 - 26.75
Full year 2024 net production - MBOE/d	46.75 - 48.25
Costs ($/BOE)	
Depletion	$11.00 - $11.50
Cash general and administrative expenses	$1.00 - $1.20
Non-cash share-based compensation	$0.10 - $0.20
Interest expense	$4.00 - $4.25
Production and ad valorem taxes (% of revenue)	~7%
Cash tax rate (% of pre-tax income attributable to Viper Energy, Inc.)	20% - 22%
Q3 2024 cash taxes (In millions)[1]	$13.0 - $18.0

(1) Attributable to Viper Energy, Inc.

Production and Operational Update

As of June 30, 2024, there are 49 rigs operating on our mineral and royalty acreage, nine of which are operated by Diamondback. We have grown oil production during the period ended June 30, 2024 compared 2023, despite losing approximately 150 BO/d of quarterly production contribution from the non-Permian assets we divested in the second quarter of 2024. We continue to see strong activity levels across our acreage position and benefit from Diamondback's continued large-scale development of our high concentration royalty acreage.

The following table summarizes our gross well information for the second quarter ended June 30, 2024:

	Diamondback Operated	Third Party Operated	Total
Horizontal wells turned to production[(1)]:			
Gross wells	48	327	375
Net 100% royalty interest wells	2.6	3.5	6.1
Average percent net royalty interest	5.4 %	1.1 %	1.6 %
Horizontal producing well count:			
Gross wells	1,964	7,488	9,452
Net 100% royalty interest wells	134.7	96.8	231.5
Average percent net royalty interest	6.9 %	1.3 %	2.4 %
Horizontal active development well count[(2)]:			
Gross wells	132	604	736
Net 100% royalty interest wells	7.6	6.6	14.2
Average percent net royalty interest	5.8 %	1.1 %	1.9 %
Line of sight wells[(3)]:			
Gross wells	124	608	732
Net 100% royalty interest wells	8.9	8.4	17.3
Average percent net royalty interest	7.2 %	1.4 %	2.4 %

(1) Average lateral length of 12,037.

(2) The total 736 gross wells currently in the process of active development are those wells that have been spud and are expected to be turned to production within approximately the next six to eight months.

(3) The total 732 gross line-of-sight wells are those that are not currently in the process of active development, but for which we have reason to believe that they will be turned to production within approximately the next 15 to 18 months. The expected timing of these line-of-sight wells is based primarily on permitting by third party operators or Diamondback's current expected completion schedule. Existing permits or active development of our royalty acreage does not ensure that those wells will be turned to production given the volatility in oil prices.

Comparison of the Three Months Ended June 30, 2024 and March 31, 2024

Results of Operations

The following table summarizes our income and expenses for the periods indicated:

	Three Months Ended	
	June 30, 2024	March 31, 2024
	(In thousands)	
Operating income:		
Oil income	$ 194,335	$ 177,118
Natural gas income	1,143	6,797
Natural gas liquids income	20,008	21,152
Royalty income	215,486	205,067
Lease bonus income—related party	—	120
Lease bonus income	1,096	50
Other operating income	126	155
Total operating income	216,708	205,392
Costs and expenses:		
Production and ad valorem taxes	15,201	14,406
Depletion	48,360	46,933
General and administrative expenses—related party	2,436	2,386
General and administrative expenses	2,019	2,647
Other operating expense	139	94
Total costs and expenses	68,155	66,466
Income (loss) from operations	148,553	138,926
Other income (expense):		
Interest expense, net	(18,667)	(19,330)
Gain (loss) on derivative instruments, net	5,346	(7,492)
Total other expense, net	(13,321)	(26,822)
Income (loss) before income taxes	135,232	112,104
Provision for (benefit from) income taxes	13,006	12,529
Net income (loss)	122,226	99,575
Net income (loss) attributable to non-controlling interest	65,325	56,215
Net income (loss) attributable to Viper Energy, Inc.	$ 56,901	$ 43,360

The following table summarizes our production data, average sales prices and average costs for the periods indicated:

	Three Months Ended	
	June 30, 2024	March 31, 2024
Production data:		
Oil (MBbls)	2,398	2,312
Natural gas (MMcf)	5,631	5,589
Natural gas liquids (MBbls)	983	954
Combined volumes (MBOE)(1)	4,320	4,198
Average daily oil volumes (BO/d)	26,352	25,407
Average daily combined volumes (BOE/d)	47,473	46,132
Average sales prices:		
Oil ($/Bbl)	$ 81.04	$ 76.61
Natural gas ($/Mcf)	$ 0.20	$ 1.22
Natural gas liquids ($/Bbl)	$ 20.35	$ 22.17
Combined ($/BOE)(2)	$ 49.88	$ 48.85
Oil, hedged ($/Bbl)(3)	$ 80.24	$ 75.64
Natural gas, hedged ($/Mcf)(3)	$ 0.64	$ 1.12
Natural gas liquids ($/Bbl)(3)	$ 20.35	$ 22.17
Combined price, hedged ($/BOE)(3)	$ 50.00	$ 48.19
Average costs ($/BOE):		
Production and ad valorem taxes	$ 3.52	$ 3.43
General and administrative - cash component	0.84	1.08
Total operating expense - cash	$ 4.36	$ 4.51
General and administrative - non-cash stock compensation expense	$ 0.19	$ 0.12
Interest expense, net	$ 4.32	$ 4.60
Depletion	$ 11.19	$ 11.18

(1) Bbl equivalents are calculated using a conversion rate of six Mcf per one Bbl.
(2) Realized price net of all deducts for gathering, transportation and processing.
(3) Hedged prices reflect the impact of cash settlements of our matured commodity derivative transactions on our average sales prices.

Royalty Income

Our royalty income is a function of oil, natural gas and natural gas liquids production volumes sold and average prices received for those volumes.

Royalty income increased by $10.4 million during the second quarter of 2024 compared to the first quarter of 2024. This increase consisted of (i) an additional $7.3 million attributable to the 3% growth in production volumes, and (ii) an additional $3.1 million attributable to higher average oil prices, partially offset by lower average natural gas and natural gas liquids prices received for our production during the second quarter of 2024 compared to the first quarter of 2024.

Production and Ad Valorem Taxes

The following table presents production and ad valorem taxes for the periods indicated:

	Three Months Ended					
	June 30, 2024			March 31, 2024		
	Amount (In thousands)	Per BOE	Percentage of Royalty Income	Amount (In thousands)	Per BOE	Percentage of Royalty Income
Production taxes	$ 10,597	$ 2.45	5.0 %	$ 10,344	$ 2.46	5.0 %
Ad valorem taxes	4,604	1.07	2.1	4,062	0.97	2.0
Total production and ad valorem taxes	$ 15,201	$ 3.52	7.1 %	$ 14,406	$ 3.43	7.0 %

In general, production taxes are directly related to production revenues and are based upon current year commodity prices. Ad valorem taxes are based, among other factors, on property values driven by prior year commodity prices. Production taxes and ad valorem taxes as a percentage of royalty income and per BOE for the second quarter of 2024 were consistent with the first quarter of 2024.

Depletion

The $1.4 million increase in depletion expense for the second quarter of 2024 compared to the first quarter of 2024 was due primarily to production growth between the periods. The average depletion rate was consistent at $11.19 per BOE for the second quarter of 2024 compared to $11.18 per BOE for the first quarter of 2024.

Derivative Instruments

The following table shows the net gain (loss) on derivative instruments and the net cash receipts (payments) on derivatives for the periods presented:

	Three Months Ended	
	June 30, 2024	March 31, 2024
	(In thousands)	
Gain (loss) on derivative instruments	$ 5,346	$ (7,492)
Net cash receipts (payments) on derivatives	$ 529	$ (2,754)

See Note 10—Derivatives of the notes to the condensed consolidated financial statements for additional discussion of our open contracts at June 30, 2024.

Provision for (Benefit from) Income Taxes

The $0.5 million increase in income tax expense for the second quarter of 2024 compared to the first quarter of 2024 is primarily due to the increase in net income resulting from higher royalty income between the second quarter of 2024 and the first quarter of 2024. See Note 9—Income Taxes of the notes to the condensed consolidated financial statements for further details.

Comparison of the Six Months Ended June 30, 2024 and 2023

Results of Operations

The following table summarizes our income and expenses for the periods indicated:

	Six Months Ended June 30,	
	2024	2023
	(In thousands)	
Operating income:		
Oil income	$ 371,453	$ 275,919
Natural gas income	7,940	14,081
Natural gas liquids income	41,160	29,282
Royalty income	420,553	319,282
Lease bonus income—related party	120	8,348
Lease bonus income	1,146	1,534
Other operating income	281	581
Total operating income	422,100	329,745
Costs and expenses:		
Production and ad valorem taxes	29,607	25,508
Depletion	95,293	65,051
General and administrative expenses—related party	4,822	1,848
General and administrative expenses	4,666	2,924
Other operating expense	233	—
Total costs and expenses	134,621	95,331
Income (loss) from operations	287,479	234,414
Other income (expense):		
Interest expense, net	(37,997)	(20,666)
Gain (loss) on derivative instruments, net	(2,146)	(27,697)
Other income, net	—	2
Total other expense, net	(40,143)	(48,361)
Income (loss) before income taxes	247,336	186,053
Provision for (benefit from) income taxes	25,535	17,856
Net income (loss)	221,801	168,197
Net income (loss) attributable to non-controlling interest	121,540	103,680
Net income (loss) attributable to Viper Energy, Inc.	$ 100,261	$ 64,517

The following table summarizes our production data, average sales prices and average costs for the periods indicated:

	Six Months Ended June 30,	
	2024	2023
Production data:		
Oil (MBbls)	4,710	3,734
Natural gas (MMcf)	11,220	8,909
Natural gas liquids (MBbls)	1,937	1,357
Combined volumes (MBOE)(1)	8,517	6,576
Average daily oil volumes (BO/d)	25,879	20,630
Average daily combined volumes (BOE/d)	46,797	36,331
Average sales prices:		
Oil ($/Bbl)	$ 78.86	$ 73.89
Natural gas ($/Mcf)	$ 0.71	$ 1.58
Natural gas liquids ($/Bbl)	$ 21.25	$ 21.58
Combined ($/BOE)(2)	$ 49.38	$ 48.55
Oil, hedged ($/Bbl)(3)	$ 77.98	$ 72.80
Natural gas, hedged ($/Mcf)(3)	$ 0.88	$ 1.34
Natural gas liquids ($/Bbl)(3)	$ 21.25	$ 21.58
Combined price, hedged ($/BOE)(3)	$ 49.12	$ 47.61
Average costs ($/BOE):		
Production and ad valorem taxes	$ 3.48	$ 3.88
General and administrative - cash component	0.96	0.63
Total operating expense - cash	$ 4.44	$ 4.51
General and administrative - non-cash stock compensation expense	$ 0.15	$ 0.10
Interest expense, net	$ 4.46	$ 3.14
Depletion	$ 11.19	$ 9.89

(1) Bbl equivalents are calculated using a conversion rate of six Mcf per one Bbl.
(2) Realized price net of all deducts for gathering, transportation and processing.
(3) Hedged prices reflect the impact of cash settlements of our matured commodity derivative transactions on our average sales prices.

Royalty Income

Our royalty income is a function of oil, natural gas and natural gas liquids production volumes sold and average prices received for those volumes.

Royalty income increased $101.3 million during the six months ended June 30, 2024 compared to the same period in 2023. This net increase consisted of an additional $88.3 million in royalty income from the 30% growth in production, and an increase of $13.0 million due to higher average oil prices, partially offset by lower average natural gas and natural gas liquids prices received for our production during 2024 compared to the same period in 2023. Approximately 78% of the increase in production is attributable to the GRP Acquisition and an additional 6% is attributable to the Drop Down. The remainder of the growth comes from new wells added between periods.

Lease Bonus Income—Related Party

Lease bonus income from Diamondback decreased by $8.2 million due to receiving payment for one new lease covering 40 acres in Martin County Texas, for the six months ended June 30, 2024, compared to receiving payment for three leases and two lease extensions covering approximately 423 acres in Martin and Wheeler Counties, Texas, during the same period in 2023.

See Note 2—Summary of Significant Accounting Policies of the notes to the condensed consolidated financial statements for further details.

Production and Ad Valorem Taxes

The following table presents production and ad valorem taxes for the periods indicated:

	Six Months Ended June 30,					
	2024			2023		
	Amount (In thousands)	Per BOE	Percentage of Royalty Income	Amount (In thousands)	Per BOE	Percentage of Royalty Income
Production taxes	$ 20,941	$ 2.46	5.0 %	$ 15,984	$ 2.43	5.0 %
Ad valorem taxes	8,666	1.02	2.0	9,524	1.45	3.0
Total production and ad valorem taxes	$ 29,607	$ 3.48	7.0 %	$ 25,508	$ 3.88	8.0 %

In general, production taxes are directly related to production revenues and are based upon current year commodity prices. Production taxes as a percentage of royalty income for the six months ended June 30, 2024 remained consistent with the same period in 2023.

Ad valorem taxes are based, among other factors, on property values driven by prior year commodity prices. Ad valorem taxes for the six months ended June 30, 2024 as compared to the same period in 2023 decreased by $0.9 million primarily due to a reduction in the expected ad valorem tax rates for 2024 compared to the expected rates in the second quarter of 2023.

Depletion

The $30.2 million increase in depletion expense for the six months ended June 30, 2024 compared to the same period in 2023 was due primarily to production growth between the periods resulting largely from the GRP Acquisition. The average depletion rate increased to $11.19 per BOE for the six months ended June 30, 2024 compared to $9.89 per BOE for the same period in 2023 due primarily to higher value leasehold in the amortization base in the 2024 period mainly due to the GRP Acquisition.

General and Administrative Expenses

The following table shows general and administrative expenses for the periods presented:

	Six Months Ended June 30,	
	2024	2023
	(In thousands, except per BOE amounts)	
General and administrative expenses—related party	$ 4,822	$ 1,848
General and administrative expenses	4,666	2,924
General and administrative expenses	$ 9,488	$ 4,772
General and administrative expenses ($ per BOE)	$ 1.11	$ 0.73

The $4.7 million increase in general and administrative expenses for the six months ended June 30, 2024 compared to the same period in 2023 consists of (i) a $3.0 million increase in related party general and administrative expenses from Diamondback due to the change in the reimbursement methodology as a result of our entry into the Services and Secondment Agreement in connection with the Conversion, and (ii) approximately $1.0 million in legal expenses primarily related to the Diamondback Offering.

Prior to 2024, we reimbursed Diamondback a flat quarterly fee for management and administrative services provided to us by Diamondback. Beginning in 2024, Diamondback began billing us for estimated actual salary and benefit costs incurred for services provided to us by seconded employees under the Services and Secondment Agreement during the quarter.

Derivative Instruments

The following table shows the net gain (loss) on derivative instruments and the net cash receipts (payments) on derivatives for the periods presented:

	Six Months Ended June 30,	
	2024	2023
	(In thousands)	
Gain (loss) on derivative instruments	$ (2,146)	$ (27,697)
Net cash receipts (payments) on derivatives	$ (2,225)	$ (6,212)

The decrease in loss on derivative instruments for the six months ended June 30, 2024 compared to the same period in 2023 is primarily due to an increase in the differential between prices for Waha Hub and Henry Hub resulting in a gain on natural gas basis swaps in the six months ended June 30, 2024 compared to a loss in 2023. See Note 10—Derivatives of the notes to the condensed consolidated financial statements for additional discussion of our open contracts at June 30, 2024.

Provision for (Benefit from) Income Taxes

The $7.7 million increase in income tax expense for the six months ended June 30, 2024 compared to the same period in 2023 is primarily due to an increase in pre-tax income in 2024, which was largely attributable to the increase in royalty income discussed above. See Note 9—Income Taxes of the notes to the condensed consolidated financial statements for further details.

Net Income (Loss) Attributable to Non-controlling Interest

The $17.9 million increase in net income attributable to non-controlling interest for the six months ended June 30, 2024 compared to the same period in 2023 is primarily due to an increase in net income, which was partially offset by a decrease in Diamondback's ownership of our common stock in the first quarter of 2024 following the completion of the Diamondback Offering.

Liquidity and Capital Resources

Overview of Sources and Uses of Cash

As we pursue our business and financial strategy, we regularly consider which capital resources, including cash flow, equity and debt financings are available to meet our future financial obligations and liquidity requirements. Our future ability to grow proved reserves will be highly dependent on the capital resources available to us. Our primary sources of liquidity have been cash flows from operations, proceeds from sales of non-core assets, equity and debt offerings and borrowings under the Operating Company's revolving credit facility. Our primary uses of cash have been dividends to our stockholders, Operating Company distributions to Diamondback, repayments of debt, capital expenditures for the acquisition of our mineral and royalty interests in oil and natural gas properties and repurchases of our common shares. At June 30, 2024, we had approximately $708.2 million of liquidity consisting of $35.2 million in cash and cash equivalents and $673.0 million available under the Operating Company's revolving credit facility. See further discussion of changes in our sources of cash in "—*Capital Resources*" below.

Our working capital requirements are supported by our cash and cash equivalents and the Operating Company's revolving credit facility. We may draw on the Operating Company's revolving credit facility to meet short-term cash requirements, or issue debt or equity securities as part of our longer-term liquidity and capital management program. Because of the alternatives available to us as discussed above, we believe that our short-term and long-term liquidity are adequate to fund not only our current operations, but also our near-term and long-term funding requirements including our acquisitions of mineral and royalty interests, dividends, debt service obligations and repayment of debt maturities, common share and senior note repurchases and any amounts that may ultimately be paid in connection with contingencies.

In order to mitigate volatility in oil and natural gas prices, we have entered into commodity derivative contracts as discussed further in Part II. Item 3. Quantitative and Qualitative Disclosures About Market Risk—Commodity Price Risk.

Continued prolonged volatility in the capital, financial and/or credit markets due to the war in Ukraine and the Israel-Hamas war, and/or adverse macroeconomic conditions, including elevated inflation, higher interests rates and global supply chain disruptions may limit our access to, or increase our cost of, capital or make capital unavailable on terms acceptable to us or at all. Although we expect that our sources of funding will be adequate to fund our short-term and long-term liquidity requirements, we cannot assure you that the needed capital will be available on acceptable terms or at all.

Cash Flows

The following table presents our cash flows for the periods indicated:

	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
	(In thousands)	
Cash flow data:		
Net cash provided by (used in) operating activities	$ 258,726	$ 252,669
Net cash provided by (used in) investing activities	61,466	(124,457)
Net cash provided by (used in) financing activities	(310,850)	(133,312)
Net increase (decrease) in cash and cash equivalents	$ 9,342	$ (5,100)

Operating Activities

Our operating cash flow is sensitive to many variables, the most significant of which are the volatility of prices for oil and natural gas and the volumes of oil and natural gas sold by our producers. The increase in net cash provided by operating activities during the six months ended June 30, 2024 compared to the same period in 2023 was primarily driven by higher royalty income. This increase in cash flow was largely offset by (i) changes in our working capital accounts, most notably through an increase in our accounts receivable in 2024 compared to 2023 due primarily to the timing of our receipt of royalty income payments from our operators, (ii) an increase in cash paid for interest expense due to the issuance of our 7.375% Senior unsecured notes due 2031 in the fourth quarter of 2023, and (iii) and a decrease in cash flows from related party lease bonus income. See "—*Results of Operations*" for discussion of significant changes in our revenues and expenses.

Investing Activities

Net cash provided by investing activities during the six months ended June 30, 2024, primarily related to proceeds from the divestiture of our non-Permian assets, partially offset by acquisitions of oil and natural gas interests.

Net cash used in investing activities during the six months ended June 30, 2023, primarily related to the acquisition of oil and natural gas interests in the Drop Down and from other third-party acquisitions.

Financing Activities

Net cash used in financing activities during the six months ended June 30, 2024, was primarily attributable to $224.8 million of dividends paid to stockholders. Additionally, we made net repayments of $86.0 million on the Operating Company's revolving credit facility.

Net cash used in financing activities during the six months ended June 30, 2023, was primarily attributable to distributions of $146.6 million and $57.5 million of common share repurchases. These cash outflows were partially offset by net borrowings of $72.0 million under the Operating Company's revolving credit facility.

Capital Resources

The Operating Company's Revolving Credit Facility

At June 30, 2024, the Operating Company's credit facility, which matures on September 22, 2028, had an elected commitment amount of $850.0 million, with $177.0 million in outstanding borrowings and $673.0 million of availability.

See Note 6—Debt of the notes to the condensed consolidated financial statements included elsewhere in this report for additional discussion of our outstanding debt at June 30, 2024.

Capital Requirements

Repurchases of Securities

Under our current common stock repurchase program, the board of directors has authorized us to acquire up to $750.0 million of our Class A Common Stock, excluding excise tax. As of June 30, 2024, $434.2 million remains available for use to repurchase shares under this repurchase program.

We may also from time to time opportunistically repurchase some of the outstanding Notes in open market purchases or in privately negotiated transactions.

Cash Dividends

The Operating Company will pay a cash distribution for the second quarter of 2024 in accordance with its distribution policy of $0.76 per Operating Company unit on August 22, 2024 to eligible holders of record at the close of business on August 15, 2024.

We will pay a cash dividend for the second quarter of 2024 in accordance with our dividend policy of $0.64 per share of Class A Common Stock on August 22, 2024 to eligible holders of record at the close of business on August 15, 2024. The dividend to stockholders consists of a base quarterly dividend of $0.30 per share of Class A Common Stock and a variable quarterly dividend of $0.34 per share of Class A Common Stock. Future base and variable dividends are at the discretion of the board of directors.

See Note 7—Stockholders' Equity of the notes to the condensed consolidated financial statements for further discussion of the repurchase program and dividend.

Critical Accounting Estimates

There have been no changes to our critical accounting estimates from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023.

Recent Accounting Pronouncements

See Note 2—Summary of Significant Accounting Policies included in the notes to the condensed consolidated financial statements for recent accounting pronouncements not yet adopted, if any.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk, including the effects of adverse changes in commodity prices and interest rates as described below. The primary objective of the following information is to provide quantitative and qualitative information about our potential exposure to market risks. The term "market risk" refers to the risk of loss arising from adverse changes in oil and natural gas prices and interest rates. The disclosures are not meant to be precise indicators of expected future losses, but rather indicators of reasonably possible losses.

Commodity Price Risk

Our major market risk exposure is in the pricing applicable to the oil and natural gas production of our operators. Realized prices are driven primarily by the prevailing worldwide price for crude oil and prices for natural gas in the United States. Both crude oil and natural gas realized prices are also impacted by the quality of the product, supply and demand balances in local physical markets and the availability of transportation to demand centers. Pricing for oil and natural gas production has been historically volatile and unpredictable and the prices that our operators receive for production depend on many factors outside of our or their control, such as the war in Ukraine and the Israel-Hamas war, higher interest rates, global supply chain disruptions and actions taken by OPEC members and other exporting nations. We cannot predict events that may lead to future price volatility and the near term energy outlook remains subject to heightened levels of uncertainty.

We historically have used fixed price swap contracts, fixed price basis swap contracts and costless collars with corresponding put and call options to reduce price volatility associated with certain of our royalty income as discussed in Note 10—Derivatives of the notes to the condensed consolidated financial statements.

At June 30, 2024, we had a net liability derivative position related to our commodity price derivatives of $2.6 million. Utilizing actual derivative contractual volumes under our contracts as of June 30, 2024, a 10% increase in forward curves associated with the underlying commodity would have increased the net liability position by $0.4 million to approximately $3.0 million, while a 10% decrease in forward curves associated with the underlying commodity would have decreased the net liability derivative position by $1.0 million to approximately $1.6 million. However, certain cash derivative gains or losses may be partially offset by a decrease or increase, respectively, in the actual sales value of production covered by the derivative instrument.

Credit Risk

We are subject to risk resulting from the concentration of royalty income in producing oil and natural gas interests and receivables with a limited number of significant purchasers and producers. We do not require collateral and the failure or inability of our significant purchasers to meet their obligations to us due to their liquidity issues, bankruptcy, insolvency or liquidation may adversely affect our financial results. Volatility in the commodity pricing environment and macroeconomic conditions may enhance our purchaser credit risk.

Interest Rate Risk

We are subject to market risk exposure related to changes in interest rates on our indebtedness under the Operating Company's revolving credit facility. The terms of the credit facility provide for interest on borrowings at a floating rate equal to (i) term SOFR plus 0.10% ("Adjusted Term SOFR"), or (ii) an alternate base rate (which is equal to the greatest of the prime rate, the Federal Funds effective rate plus 0.50%, and 1-month Adjusted Term SOFR plus 1.00%), in each case plus the applicable margin. The applicable margin ranges from 1.00% to 2.00% per annum in the case of the alternative base rate and from 2.00% to 3.00% per annum in the case of Adjusted Term SOFR, in each case depending on the amount of the loans outstanding in relation to the commitment, which is calculated using the least of the maximum credit amount, the aggregate elected commitment amount and the borrowing base. We are obligated to pay a quarterly commitment fee ranging from 0.375% to 0.500% per year on the unused portion of the commitment. As of June 30, 2024, we had $177.0 million in outstanding borrowings. During the three and six months ended June 30, 2024, the weighted average interest rate on the Operating Company's revolving credit facility was 7.63% and 7.52%, respectively.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures. Under the direction of our Chief Executive Officer and Chief Financial Officer, we have established disclosure controls and procedures, as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act, that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. The disclosure controls and procedures are also intended to ensure that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

As of June 30, 2024, an evaluation was performed under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15(b) under our Exchange Act. Based upon our evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of June 30, 2024, our disclosure controls and procedures are effective.

Changes in Internal Control over Financial Reporting. There have not been any changes in our internal control over financial reporting that occurred during the quarter ended June 30, 2024 that have materially affected, or are reasonably likely to materially affect, internal controls over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Due to the nature of our business, we are, from time to time, involved in routine litigation or subject to disputes or claims related to our business activities. In the opinion of our management, none of the pending litigation, disputes or claims against us, if decided adversely, will have a material adverse effect on our financial condition, cash flows or results of operations. See Note 12—Commitments and Contingencies of the notes to the condensed consolidated financial statements.

ITEM 1A. RISK FACTORS

Our business faces many risks. Any of the risks discussed in this report and our other SEC filings could have a material impact on our business, financial position or results of operations. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also materially impair our business operations, financial condition or future results.

As of the date of this filing, we continue to be subject to the risk factors previously disclosed in Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on February 22, 2024, and in subsequent filings we make with the SEC. There have been no material changes in our risk factors from those described in our Annual Report on Form 10-K for the year ended December 31, 2023.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Unregistered Sales of Equity Securities

None.

Issuer Repurchases of Equity Securities

Our common share repurchase activity for the three months ended June 30, 2024 was as follows:

Period	Total Number of Shares Purchased	Average Price Paid Per Share(1)(2)	Total Number of Shares Purchased as Part of Publicly Announced Plan	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plan(1)(2)
	(In thousands, except share amounts)			
April 1, 2024 - April 30, 2024	—	$ —	—	$ 434,161
May 1, 2024 - May 31, 2024	—	$ —	—	$ 434,161
June 1, 2024 - June 30, 2024	—	$ —	—	$ 434,161
Total	—	$ —	—	

(1) On July 26, 2022, the board of directors increased the authorization under our then-in-effect repurchase program from $250.0 million to $750.0 million. This repurchase program has no expiration date and remains subject to market conditions, applicable legal requirements, contractual obligations and other factors and may be suspended from time to time, modified, extended or discontinued by the board of directors at any time.
(2) All dollar amounts presented exclude excise taxes, as applicable.

ITEM 5. OTHER INFORMATION

None of the Company's directors or officers adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement during our fiscal quarter ended June 30, 2024.

ITEM 6. EXHIBITS

Exhibit Number	Description
3.1	Certificate of Conversion of Viper Energy Partners LP (incorporated by reference to Exhibit 99.2 to the Current Report on Form 8-K, filed by Viper Energy Partners LP with the SEC on November 2, 2023).
3.2	Certificate of Incorporation of Viper Energy, Inc. (incorporated by reference to Exhibit 99.3 to the Current Report on Form 8-K, filed by Viper Energy Partners LP with the SEC on November 2, 2023).
3.3	Bylaws of Viper Energy, Inc. (incorporated by reference to Exhibit 99.4 to the Current Report on Form 8-K, filed by Viper Energy Partners LP with the SEC on November 2, 2023).
3.4	Second Amended and Restated Limited Liability Company Agreement of Viper Energy Partners LLC, dated as of May 9, 2018 (incorporated by reference to Exhibit 3.3 of the Partnership's Current Report on Form 8-K (File 001-36505), filed on May 15, 2018).
3.5	First Amendment to Second Amended and Restated Limited Liability Company Agreement of Viper Energy Partners LLC, dated as of March 30, 2020, (incorporated by reference to Exhibit 3.1 of the Partnership's Current Report on Form 8-K (File 001-36505) filed on March 31, 2020).
3.6	Second Amendment to the Second Amended and Restated Limited Liability Company Agreement of Viper Energy Partners LLC, dated as of December 27, 2021 (incorporated by reference to 3.1 of the Partnership's Current Report on Form 8-K (File 001-36505) filed on December 28, 2021).
4.1	Second Amended and Restated Registration Rights Agreement, dated as of November 10, 2023, effective as of November 13, 2023, by and between Viper Energy Partners LP and Diamondback Energy, Inc. (incorporated by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K (File 001-36505) filed on November 13, 2023).
10.1	Viper Energy, Inc. 2024 Amended and Restated Long Term Incentive Plan (incorporated by reference to Appendix A to Schedule DEF 14A filed by the Company with the SEC on April 25, 2024).
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) promulgated under the Securities Exchange Act of 1934, as amended.
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) promulgated under the Securities Exchange Act of 1934, as amended.
32.1**	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14(b) promulgated under the Securities Exchange Act of 1934, as amended, and Section 1350 of Chapter 63 of Title 18 of the United States Code.
101	The following financial information from the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024, formatted in Inline XBRL: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Consolidated Statement of Changes in Stockholders' Equity, (iv) Condensed Consolidated Statements of Cash Flows, and (v) Condensed Notes to Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith.

** The certifications attached as Exhibit 32.1 accompany this Quarterly Report on Form 10-Q pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed "filed" by the Registrant for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

SIGNATURES

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

			VIPER ENERGY, INC.
		By:	VIPER ENERGY, INC.
Date:	August 5, 2024	By:	/s/ Travis D. Stice
			Travis D. Stice Chief Executive Officer
Date:	August 5, 2024	By:	/s/ Teresa L. Dick
			Teresa L. Dick Chief Financial Officer

EXHIBIT 31.1

CERTIFICATION

I, Travis D. Stice, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Viper Energy, Inc. (the "registrant").
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2024

/s/ Travis D. Stice
Travis D. Stice
Chief Executive Officer
Viper Energy, Inc.

EXHIBIT 31.2

CERTIFICATION

I, Teresa L. Dick, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Viper Energy, Inc. (the “registrant”).
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: August 5, 2024

/s/ Teresa L. Dick
Teresa L. Dick
Chief Financial Officer
Viper Energy, Inc.

EXHIBIT 32.1

CERTIFICATION OF PERIOD REPORT

In connection with the Quarterly Report on Form 10-Q of Viper Energy, Inc. (the “Company”), as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned, Travis D. Stice, Chief Executive Officer of Viper Energy, Inc., and Teresa L. Dick, Chief Financial Officer of Viper Energy, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to their knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date:	August 5, 2024	/s/ Travis D. Stice
		Travis D. Stice Chief Executive Officer Viper Energy, Inc.
Date:	August 5, 2024	/s/ Teresa L. Dick
		Teresa L. Dick Chief Financial Officer Viper Energy, Inc.