Diamondback Energy, Inc.
Form 424B5
February 20, 2014
Table of Contents

This prospectus supplement relates to an effective registration statement under the Securities Act of 1933, as amended, but is not complete and may be changed. This prospectus supplement is not an offer to sell these securities and it is not soliciting offers to buy these securities in any state where the offer or sale is not permitted.

Filed pursuant to Rule 424(b)(5)
Registration No. 333-192099

SUBJECT TO COMPLETION, DATED FEBRUARY 20, 2014

PRELIMINARY PROSPECTUS SUPPLEMENT TO PROSPECTUS DATED NOVEMBER 5, 2013

3,000,000 Shares

Diamondback Energy, Inc.

Common Stock

We are offering 3,000,000 shares of our common stock.

Our common stock is listed on the NASDAQ Global Select Market under the symbol FANG. The last reported sales price of our common stock on the NASDAQ Global Select Market on February 19, 2014 was $61.04 per share.

We have granted the underwriters an option to purchase a maximum of 450,000 additional shares of our common stock at the public offering price less underwriting discounts and commissions.

Investing in our common stock involves risks. See *Risk Factors* beginning on page S-16.

	Price to Public	Underwriting Discounts and Commissions(1)	Proceeds to Diamondback
Per Share	$	$	$
Total	$	$	$

(1) We refer to you to *Underwriting* beginning on page S-53 of this prospectus supplement for additional information regarding underwriting compensation.

Delivery of the shares of common stock will be made on or about February , 2014.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement is truthful or complete. Any representation to the contrary is a criminal offense.

Credit Suisse

Suntrust Robinson Humphrey **Tudor, Pickering, Holt & Co.**

IBERIA Capital Partners L.L.C.

Simmons & Company International

Scotiabank / Howard Weil

Capital One Securities

Miller Tabak

Northland Capital

Topeka Capital Markets

Wunderlich Securities

Johnson Rice & Company L.L.C.

The date of this prospectus supplement is February , 2014

Table of Contents

TABLE OF CONTENTS

PROSPECTUS SUPPLEMENT

PROSPECTUS

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part, the accompanying prospectus, gives more general information, some of which may not apply to this offering. You should read the entire prospectus supplement, as well as the accompanying prospectus and the documents incorporated by reference that are described under *Where You Can Find More Information* in the accompanying prospectus and *Information Incorporated by Reference* in this prospectus supplement. In the event that the description of this offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information contained in this prospectus supplement.

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus or to which we have referred you. We have not and the underwriters have not, authorized any other person to provide you with information different from that contained in this prospectus supplement and the accompanying prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. You should read this entire prospectus supplement and the accompanying prospectus, as well as the documents incorporated by reference herein and therein that are described under *Where You Can Find More Information* in the accompanying prospectus and *Information Incorporated by Reference* in this prospectus supplement. We and the underwriters are only offering to sell, and only seeking offers to buy, shares of our common stock in jurisdictions where offers and sales are permitted.

The information contained in this prospectus supplement and the accompanying prospectus or in any document incorporated herein or therein is accurate and complete only as of the date hereof or thereof, respectively, regardless of the time of delivery of this prospectus supplement and the accompanying prospectus or of any sale of our common stock by us or the underwriters. Our business, financial condition, results of operations and prospects may have changed since those dates.

Industry and Market Data

This prospectus supplement includes industry data and forecasts that we obtained from internal company surveys, publicly available information and industry publications and surveys. Our internal research and forecasts are based on management s understanding of industry conditions, and such information has not been verified by independent sources. Industry publications and surveys generally state that the information contained therein has been obtained from sources believed to be reliable.

Unless the context otherwise requires, the information in this prospectus supplement assumes that the underwriters will not exercise their option to purchase additional shares.

Table of Contents

PROSPECTUS SUPPLEMENT SUMMARY

Diamondback Energy, Inc., or Diamondback, was incorporated in Delaware on December 30, 2011, and did not conduct any material business operations until October 11, 2012 when Diamondback merged with its parent entity, Diamondback Energy LLC, with Diamondback continuing as the surviving entity. Prior to the merger, Diamondback Energy LLC was a holding company and did not conduct any material business operations other than its ownership of Diamondback s common stock and the membership interests in Diamondback O&G LLC, or Diamondback O&G (formerly known as Windsor Permian LLC, or Windsor Permian). As a result of the merger, Windsor Permian became a wholly-owned subsidiary of Diamondback. Also on October 11, 2012, Wexford Capital LP, or Wexford, our equity sponsor, caused all of the outstanding equity interests in Windsor UT LLC, or Windsor UT, to be contributed to Windsor Permian prior to the merger in a transaction we refer to as the Windsor UT Contribution. In this prospectus supplement, the combined consolidated historical financial information, operational data and reserve information for Diamondback present the assets and liabilities of Diamondback and its subsidiaries, including Windsor UT, as if they were combined for all periods presented. Although the financial and other information is reported on a combined consolidated basis, such presentation is not necessarily indicative of the results that would have been obtained if Diamondback had owned and operated such subsidiaries from their inception. In this prospectus supplement, we refer to Diamondback, together with its consolidated subsidiaries, as we, us, our or the Company. This prospectus supplement includes certain terms commonly used in the oil and natural gas industry, which are defined elsewhere in this prospectus supplement in the Glossary of Oil and Natural Gas Terms.

Diamondback Energy, Inc.

Overview

We are an independent oil and natural gas company currently focused on the acquisition, development, exploration and exploitation of unconventional, onshore oil and natural gas reserves in the Permian Basin in West Texas. This basin, which is one of the major producing basins in the United States, is characterized by an extensive production history, a favorable operating environment, mature infrastructure, long reserve life, multiple producing horizons, enhanced recovery potential and a large number of operators.

We began operations in December 2007 with our acquisition of 4,174 net acres with production at the time of acquisition of approximately 800 BOE/d from 34 gross (16.8 net) wells in the Permian Basin. Subsequently, we acquired approximately 61,764 additional net acres, which brought our total net acreage position in the Permian Basin to 65,938 net acres at December 31, 2013. We are the operator of approximately 99% of this acreage. In addition, we own mineral interests underlying approximately 15,000 gross (12,500 net) acres in Midland County, Texas, and we are the operator of approximately 50% of the acreage associated with these mineral interests. As of December 31, 2013, we had drilled 270 gross (243 net) wells, and participated in an additional 22 gross (nine net) non-operated wells, in the Permian Basin. Of these 292 gross (252 net) wells, 277 were completed as producing wells and 15 were in various stages of completion. In 2013, we acquired working interests in 49 gross (40 net) producing wells. In the aggregate, as of December 31, 2013, we held interests in 351 gross (306 net) producing wells in the Permian Basin. Nine gross (eight net) wells have been plugged and abandoned or converted to service wells. We also hold royalty interests in 81 wells in which we have no working interest. As discussed in more detail below under *Pending Acquisition*, we recently entered into agreements to acquire approximately 6,450 gross (4,683 net) leasehold acres in Martin County, Texas.

Our activities are primarily focused on the Clearfork, Spraberry, Wolfcamp, Cline, Strawn and Atoka formations, which we refer to collectively as the Wolfberry play. The Wolfberry play is characterized by high oil and liquids rich natural gas, multiple vertical and horizontal target horizons, extensive production history, long-lived reserves and high drilling success rates. The Wolfberry play is a modification and extension of the

Spraberry play, the majority of which is designated in the Spraberry Trend area field. According to the U.S. Energy Information Administration, the Spraberry trend area ranked as the second largest oilfield in the United States, based on 2009 reserves.

As of December 31, 2013, our estimated proved oil and natural gas reserves were 63,586 MBOE based on a reserve report prepared by Ryder Scott Company, L.P., or Ryder Scott, our independent reserve engineers. Of these reserves, approximately 45% are classified as proved developed producing, or PDP. Proved undeveloped, or PUD, reserves included in this estimate are from 206 vertical gross (151 net) well locations on 40-acre spacing and 43 gross (31 net) horizontal well locations. As of December 31, 2013, these proved reserves were approximately 67% oil, 17% natural gas liquids and 16% natural gas.

Based on our evaluation of applicable geologic and engineering data as of December 31, 2013, we had 848 identified potential vertical drilling locations on 40-acre spacing, an additional 1,128 identified potential vertical drilling locations based on 20-acre downspacing and we had also identified 1,430 potential horizontal drilling locations in multiple horizons on our acreage. We intend to continue to grow our reserves and production through development drilling, exploitation and exploration activities on this multi-year project inventory of identified potential drilling locations and through additional acquisitions that meet our strategic and financial objectives, targeting oil-weighted reserves. The gross estimated ultimate recoveries, or EURs, from our future PUD vertical wells on 40-acre spacing, as estimated by Ryder Scott as of December 31, 2013, range from 109 MBOE per well, consisting of 83 MBbls of oil and 156 MMcf of natural gas to 150 MBOE per well, consisting of 114 MBbls of oil and 214 MMcf of natural gas, with an average EUR per well of 128 MBOE, consisting of 94 MBbls of oil and 204 MMcf of natural gas. We also intend to continue to refine our drilling pattern and completion techniques in an effort to increase our average EUR per well from vertical wells drilled on 40-acre spacing. We currently anticipate a reduction of approximately 20% in our EURs from vertical wells drilled on 20-acre spacing.

Horizontal Wells. In 2012, we began testing the horizontal well potential of our acreage. Our first horizontal well was the Janey 16H in Upton County and was drilled in the Wolfcamp B interval. We are the operator of this well with a 100% working interest. Our second horizontal well was the Kemmer 4209H well in Midland County also drilled in the Wolfcamp B interval. It is a non-operated well in which we own a 47% working interest. Since the initial two wells, through December 31, 2013, we have drilled 41 horizontal wells as operator and participated in six wells as non-operator, including two in which we own only a minor wellbore interest. Of these 49 total horizontal wells (including our two initial wells), 44 are in the Wolfcamp B interval, two are in the Clearfork zone, two are in the Spraberry zone and one is in the Cline zone. Thirty-seven of the 49 wells were completed and producing as of December 31, 2013 and the other 12 are in various stages of completion. The table below presents certain data regarding our producing horizontal wells (excluding the two non-operated wells in which we hold only a minor wellbore interest).

County/Zone	Number of Producing Wells	Lateral Length	Peak 24-HR IP (BOE/d)	30-Day IP Rate (BOE/d)	% Oil
Midland County Wolfcamp B(a)	16	5,591	899	650	88%
Upton County Wolfcamp B(b)	15	6,453	880	566	83%
Andrews County Wolfcamp B	1	4,051	613	440	83%
Midland County Spraberry	2	5,042	905	732	84%
Andrews County Clearfork	1	7,540	611	390	82%

(a) The 30-day initial production, or IP, rate and percentage of oil for Midland County Wolfcamp B is based on 13 wells for which there is sufficient production history.
(b) The 30-day IP rate and percentage of oil for Upton County Wolfcamp B is based on 13 wells for which there is sufficient production history.

Table of Contents

The production results from the wells in Midland and Upton Counties, along with geoscience and engineering data that we have gathered and analyzed, and published results by other operators, give us confidence that our acreage in Midland and Upton Counties is prospective in the Wolfcamp B interval. Additionally, we believe that the results of our operated wells in Andrews County in the Wolfcamp B and the Clearfork intervals significantly reduces the hydrocarbon risks of our acreage in the vicinity of those wells.

Our Business Strategy

Our business strategy is to continue to profitably grow our business through the following:

Grow production and reserves by developing our oil-rich resource base. We intend to actively drill and develop our acreage base in an effort to maximize its value and resource potential. Through the conversion of our undeveloped reserves to developed reserves, we will seek to increase our production, reserves and cash flow while generating favorable returns on invested capital. As of December 31, 2013, we had 1,430 identified potential horizontal drilling locations, and 848 identified potential vertical drilling locations on our acreage in the Permian Basin based on 40-acre spacing and an additional 1,128 vertical locations based on 20-acre downspacing. We were operating a one vertical rig drilling program as of December 31, 2013, as we increase our focus on horizontal wells.

Focus on increasing hydrocarbon recovery through horizontal drilling and increased well density. We believe there are opportunities to target various intervals in the Wolfberry play with horizontal wells. Our initial horizontal focus has been on the Wolfcamp B interval in Midland and Upton Counties. Our first two horizontal wells were completed in 2012 and had lateral lengths of less than 4,000 feet. Subsequently, we have drilled 41 horizontal wells as operator and have participated in six additional horizontal wells as a non-operator, including two in which we own only a minor wellbore interest. Of these 49 total horizontal wells (including our two initial wells), 44 are in the Wolfcamp B interval, two are in the Clearfork zone, two are in the Spraberry zone, and one is in the Cline zone. These wells have lateral lengths ranging from approximately 4,000 feet to 10,300 feet. In the future, we expect that our optimal average lateral lengths will be in the range of 6,000 feet to 7,500 feet, although the actual length will vary depending on the layout of our acreage and other factors. We expect that longer lateral lengths will result in higher per well recoveries and lower development costs per BOE. During the year ended December 31, 2013, we were able to drill our horizontal wells with approximately 7,500 foot lateral lengths to total depth, or TD, in an average of 18 days and we drilled an approximately 10,000 foot lateral well in 17 days. Our future horizontal drilling program is designed to further capture the upside potential that may exist on our properties. We also believe our horizontal drilling program may significantly increase our recoveries per section as compared to drilling vertical wells alone. Horizontal drilling may also be economical in areas where vertical drilling is currently not economical or logistically viable. In addition, we believe increased well density opportunities may exist across our acreage base. We closely monitor industry trends with respect to higher well density, which could increase the recovery factor per section and enhance returns since infrastructure is typically in place. We were using four horizontal drilling rigs as of December 31, 2013, and currently intend to add a fifth horizontal rig in the second quarter of 2014.

Leverage our experience operating in the Permian Basin. Our executive team, which has an average of over 25 years of industry experience per person and significant experience in the Permian Basin, intends to continue to seek ways to maximize hydrocarbon recovery by refining and enhancing our drilling and completion techniques. Our focus on efficient drilling and completion techniques is an important part of the continuous drilling program we have planned for our significant inventory of identified potential drilling locations. We believe that the experience of our executive team in deviated and horizontal drilling and completions should help reduce the execution risk normally associated with these complex well paths. In addition, our completion techniques are continually evolving as we evaluate hydraulic fracturing practices that may potentially increase recovery and reduce completion costs. Our executive team regularly evaluates our operating results against those of other operators in the area in an effort to benchmark our performance against the best performing operators and evaluate and adopt best practices.

Enhance returns through our low cost development strategy of resource conversion, capital allocation and continued improvements in operational and cost efficiencies. In the current commodity price environment, our oil and liquids rich asset base provides attractive returns. Our acreage position in the Wolfberry play is generally in contiguous blocks which allows us to develop this acreage efficiently with a manufacturing strategy that takes advantage of economies of scale and uses centralized production and fluid handling facilities. We are the operator of approximately 99% of our acreage. This operational control allows us to more efficiently manage the pace of development activities and the gathering and marketing of our production and control operating costs and technical applications, including horizontal development. Our average 86% working interest in our acreage allows us to realize the majority of the benefits of these activities and cost efficiencies.

Pursue strategic acquisitions with exceptional resource potential. We have a proven history of acquiring leasehold positions in the Permian Basin that have substantial oil-weighted resource potential and can achieve attractive returns on invested capital. Our executive team, with its extensive experience in the Permian Basin, has what we believe is a competitive advantage in identifying acquisition targets and a proven ability to evaluate resource potential. We regularly review acquisition opportunities and intend to pursue acquisitions that meet our strategic and financial targets. During the year ended December 31, 2013, we acquired mineral interests underlying approximately 15,000 gross (12,500 net) acres in Midland County, Texas and acquired approximately 13,900 additional gross (11,150 net) leasehold acres in Martin County, Texas and Dawson County, Texas. We have entered into agreements dated February 14, 2014 to acquire 6,450 gross (4,683 net) acres in Martin County, Texas. See *Pending Acquisition* below for more information regarding the acquisition. We intend to continue to pursue acquisitions that meet our strategic and financial targets.

Maintain financial flexibility. We seek to maintain a conservative financial position. Upon completion of our initial public offering in October 2012, we used a portion of the net proceeds from the offering to repay the entire balance outstanding under our revolving credit facility. On November 1, 2013, our credit agreement was amended and restated, resulting in an increase to the borrowing base under our revolving credit facility to $225.0 million, of which $215.0 million was available for borrowing as of December 31, 2013.

Our Strengths

We believe that the following strengths will help us achieve our business goals:

Oil rich resource base in one of North America s leading resource plays. All of our leasehold acreage is located in one of the most prolific oil plays in North America, the Permian Basin in West Texas. The majority of our current properties are well positioned in the core of the Wolfberry play. We believe that our historical vertical development success will be complemented with horizontal drilling locations that could ultimately translate into an increased recovery factor on a per section basis. Our production for the year ended December 31, 2013 was approximately 76% oil, 13% natural gas liquids and 11% natural gas. As of December 31, 2013, our estimated net proved reserves were comprised of approximately 67% oil and 17% natural gas liquids, which allows us to benefit from the currently more favorable pricing of oil and natural gas liquids as compared to natural gas.

Multi-year drilling inventory in one of North America s leading oil resource plays. We have identified a multi-year inventory of potential drilling locations for our oil-weighted reserves that we believe provides attractive growth and return opportunities. As of December 31, 2013, we had 848 identified potential vertical drilling locations based on 40-acre spacing and an additional 1,128 identified potential vertical drilling locations based on 20-acre downspacing. We also believe that there are a significant number of horizontal locations that could be drilled on our acreage. Based on our initial results and those of other operators in the area to date, combined with our interpretation of various geologic and engineering data, we have identified 1,430 potential horizontal locations on our existing acreage with an average lateral length of approximately 6,270 feet, with the actual length depending on lease geometry and other considerations. These locations exist across most of our acreage blocks and in multiple horizons. Of the 1,430 existing locations, 604 are in the Wolfcamp B horizon or the Lower Spraberry horizon, with the remaining locations in either the Wolfcamp A, Clearfork, Wolfcamp C or Cline horizons. Our current horizontal location count is based on 660 foot spacing between wells in the Wolfcamp B horizon in Midland County where we operate and own mineral interests, and 880 foot spacing elsewhere in the Wolfcamp B horizon in Midland County and other counties. In the Lower and Middle Spraberry, well counts are based on 880 foot spacing in Midland County and 1,320 foot spacing in other counties. For all other zones and counties, our well counts are based on 1,320 foot spacing. The ultimate inter-well spacing may be closer than these distances, which would result in a higher location count. The gross two-stream estimated EURs from our future PUD horizontal wells, as estimated by Ryder Scott as of December 31, 2013, range from 374 MBOE per well, consisting of 274 MBbls of oil and 604 MMcf of natural gas, to 847 MBOE per well, consisting of 623 MBbls of oil and 1,342 MMcf of natural gas, for wells ranging in lateral length from approximately 5,000 feet to approximately 10,000 feet, in intervals including the Clearfork, Middle Spraberry, Lower Spraberry, and Wolfcamp B. Ryder Scott has estimated gross EURs of 638 MBOE for our Wolfcamp B wells in Andrews and Midland Counties, which constitute 51% of our remaining PUD horizontal wells, and 604 MBOE for our eastern Upton County Wolfcamp B wells, which constitute 19% of our remaining PUD horizontal wells, in each case based on 7,500 foot lateral lengths. In addition, we have approximately 182 square miles of proprietary 3-D seismic data covering our acreage. This data facilitates the evaluation of our existing drilling inventory and provides insight into future development activity, including horizontal drilling opportunities and strategic leasehold acquisitions.

Experienced, incentivized and proven management team. Our executive team has an average of over 25 years of industry experience per person, most of which is focused on resource play development. This team has a proven track record of executing on multi-rig development drilling programs and extensive experience in the Permian Basin. In addition, our executive team has significant experience with both drilling and completing horizontal wells as well as horizontal well reservoir and geologic expertise, which will be of strategic importance as we expand our horizontal drilling activity. Prior to joining us, our Chief Executive Officer held management positions at Apache Corporation, Laredo Petroleum Holdings, Inc. and Burlington Resources.

Favorable and stable operating environment. We have focused our drilling and development operations in the Permian Basin, one of the oldest hydrocarbon basins in the United States, with a long and well-established production history and developed infrastructure. With approximately 380,000 wells drilled in the Permian Basin since the 1940s, we believe that the geological and regulatory environment is more stable and predictable, and that we are faced with less operational risks, in the Permian Basin as compared to emerging hydrocarbon basins.

High degree of operational control. We are the operator of approximately 99% of our Permian Basin acreage. This operating control allows us to better execute on our strategies of enhancing returns through operational and cost efficiencies and increasing ultimate hydrocarbon recovery by seeking to continually improve our drilling techniques, completion methodologies and reservoir evaluation processes. Additionally, as the operator of substantially all of our acreage, we retain the ability to adjust our capital expenditure program based on commodity price outlooks. This operating control also enables us to obtain data needed for efficient exploration of horizontal prospects.

Financial flexibility to fund expansion. We have a conservative balance sheet. We will seek to maintain financial flexibility to allow us to actively develop our drilling, exploitation and exploration activities in the Wolfberry play and maximize the present value of our oil-weighted resource potential. As of December 31, 2013, we had $10.0 million of borrowings outstanding under our revolving credit facility and $215.0 million of available borrowing capacity.

Recent Developments

Pending Acquisition. We entered into definitive purchase agreements dated February 14, 2014 with unrelated third party sellers to acquire additional leasehold interests in Martin County, Texas, in the Permian Basin, for an aggregate purchase price of approximately $174.0 million, subject to certain adjustments. This transaction includes 6,450 gross (2,825 net) acres with a 43.8% working interest (75% net revenue interest). Under the terms of the existing joint operating agreement, we have made offers to the owners of the remaining 56.2% of the working interests to acquire their interests in the acreage for the same proportionate purchase price. As of the date of this prospectus supplement, we have agreed to purchase an additional 1,858 net acres for approximately $114.3 million, subject to certain adjustments. As a result, we have now entered into definitive agreements to acquire an aggregate of 4,683 net acres for an aggregate purchase price of $288.3 million, subject to adjustment, which would bring our total working interest to 72.6% upon closing of all the currently agreed upon transactions. If all the remaining working interest owners were to sell their interests to us, the aggregate purchase price would be approximately $397.2 million. We cannot currently predict whether any of the other working interest owners will sell their interests to us and they are not obligated to do so. During the first two weeks of February 2014, based on information reported by the operator, net production attributable to the acreage we have under contract was approximately 2,155 BOE/d (approximately 77% oil) from 147 gross (107 net) producing vertical wells and net proved reserves as of December 31, 2013, based on our internal estimates, were approximately 6,937 MBOE. Our estimate of proved reserves is based on our analysis of production data provided by the sellers, as well as available geologic and other data, and we may revise our estimates following ownership of these properties. We believe the acreage is prospective for horizontal drilling in the Wolfcamp B, Lower Spraberry, Middle Spraberry, Wolfcamp A, Cline and Clearfork horizons, and have identified 42 potential horizontal drilling locations in each of the Wolfcamp B and Lower Spraberry horizons based on 160-acre spacing per well (or six across a section) and an aggregate of 112 potential horizontal drilling locations in the Middle Spraberry, Wolfcamp A, Cline and Clearfork intervals, based on 240-acre spacing per well (or four across a section). We intend to finance the acquisitions, subject to market conditions and other factors, with a combination of borrowings under our revolving credit facility and the net proceeds from this offering. We expect to become the operator of this acreage following the closings of the acquisitions, which are scheduled to occur by the end of February 2014. However the transactions remain subject to completion of due diligence and satisfaction of other closing conditions, and there can be no assurance that the transactions will be completed.

Risk Factors

Investing in our common stock involves risks that include the speculative nature of oil and natural gas exploration, competition, volatile oil and natural gas prices and other material factors. You should read carefully the section entitled *Risk Factors* in this prospectus supplement and the accompanying prospectus for an explanation of these risks before investing in our common stock. In particular, the following considerations may offset our competitive strengths or have a negative effect on our strategy or operating activities, which could cause a decrease in the price of our common stock and a loss of all or part of your investment:

Our business is difficult to evaluate because of our limited operating history.

Difficulties managing the growth of our business may adversely affect our financial condition and results of operations.

Failure to develop our undeveloped acreage could adversely affect our future cash flow and income.

Our exploration and development operations require substantial capital that we may be unable to obtain, which could lead to a loss of properties and a decline in our reserves.

Our future success depends on our ability to find, develop or acquire additional oil and natural gas reserves.

The volatility of oil and natural gas prices due to factors beyond our control greatly affects our profitability.

Our estimated reserves are based on many assumptions that may turn out to be inaccurate. Any material inaccuracies in these reserve estimates or underlying assumptions will materially affect the quantities and present values of our reserves.

Our producing properties are located in the Permian Basin of West Texas, making us vulnerable to risks associated with a concentration of operations in a single geographic area. In addition, we have a large amount of proved reserves attributable to a small number of producing horizons within this area.

We depend upon several significant purchasers for the sale of most of our oil and natural gas production. The loss of one or more of these purchasers could limit our access to suitable markets for the oil and natural gas we produce.

Our operations are subject to various governmental regulations which require compliance that can be burdensome and expensive.

Any failure by us to comply with applicable environmental laws and regulations, including those relating to hydraulic fracturing, could result in governmental authorities taking actions that adversely affect our operations and financial condition.

Our operations are subject to operational hazards for which we may not be adequately insured.

Our failure to successfully identify, complete and integrate future acquisitions of properties or businesses could reduce our earnings and slow our growth.

Our two largest stockholders control a significant percentage of our common stock and their interests may conflict with yours.

For a discussion of other considerations that could negatively affect us, see *Risk Factors* beginning on page S-16 and *Cautionary Note Regarding Forward-Looking Statements* on page S-45 of this prospectus supplement.

Our Equity Sponsor

We were formed by our equity sponsor, Wexford Capital LP, or Wexford, which is a Greenwich, Connecticut-based SEC-registered investment advisor with approximately $3.9 billion under management as of December 31, 2013. Wexford has made public and private equity investments in many different sectors and has particular expertise in the energy and natural resources sector. Upon completion of this offering, assuming

Wexford or its affiliates make no additional purchases of our common stock, Wexford will beneficially own approximately 21.2% of our common stock (approximately 21.0% if the underwriters option to purchase additional shares is exercised in full). As a result, Wexford will continue to be able to exercise significant control over all matters requiring stockholder approval, including the election of directors, changes to our organizational documents and significant corporate transactions. In connection with our initial public offering

Table of Contents

in October 2012, we entered into an advisory services agreement with Wexford under which Wexford provides us with financial and strategic advisory services related to our business. We are also party to certain other agreements with Wexford and its affiliates. For a description of the advisory services agreement and other agreements with Wexford and its affiliates, see *Certain Relationships and Related Party Transactions* in our most recent definitive proxy statement on Schedule 14A, which information is incorporated by reference herein. Although our management believes that the terms of these related party agreements are reasonable, it is possible that we could have negotiated more favorable terms for such transactions with unrelated third parties. The existence of these related party agreements may give Wexford the ability to further influence and maintain control over many matters affecting us.

Our History

Diamondback was incorporated in Delaware on December 30, 2011, and did not conduct any material business operations until October 11, 2012 when Diamondback merged with its parent entity, Diamondback Energy LLC, with Diamondback continuing as the surviving entity. Prior to the merger, Diamondback Energy LLC was a holding company and did not conduct any material business operations other than its ownership of Diamondback s common stock and the membership interests in Windsor Permian LLC, or Windsor Permian. As a result of the merger, Windsor Permian became a wholly-owned subsidiary of Diamondback. Also on October 11, 2012, Wexford, our equity sponsor, caused all of the outstanding equity interests in Windsor UT to be contributed to Windsor Permian prior to the merger in a transaction we refer to as the Windsor UT Contribution. The Windsor UT Contribution was treated as a combination of entities under common control with assets and liabilities transferred at their carrying amounts in a manner similar to a pooling of interests. The operations of Windsor Permian and Windsor UT, as limited liability companies, were not subject to federal income taxes. On the date of the merger, a corresponding first day tax expense to net income from continuing operations was recorded to establish a net deferred tax liability for differences between the tax and book basis of Diamondback s assets and liabilities. This charge was $54,142,000. We refer to the historical results of Windsor Permian and Windsor UT prior to October 11, 2012 as our Predecessors.

Immediately after the merger on October 11, 2012, we acquired from Gulfport Energy Corporation, or Gulfport, all of Gulfport s oil and natural gas interests in the Permian Basin, which we refer to as the Gulfport properties, in exchange for shares of our common stock and a promissory note, in a transaction we refer to as the Gulfport transaction. The Gulfport transaction was treated as a business combination accounted for under the acquisition method of accounting with the identifiable assets and liabilities recognized at fair value on the date of transfer. For more information regarding the Gulfport transaction, see *Certain Relationships and Related Party Transactions* in our most recent definitive proxy statement on Schedule 14A, which information is incorporated by reference herein.

Our Offices

Our principal executive offices are located at 500 West Texas, Suite 1200, Midland, Texas, and our telephone number at that address is (432) 221-7400. We also lease additional office space in Midland and in Oklahoma City, Oklahoma. Our website address is *www.diamondbackenergy.com*. Information contained on our website does not constitute part of this prospectus supplement.

The Offering

Common stock offered by us	3,000,000 shares (3,450,000 shares if the underwriters option to purchase additional shares is exercised in full).
Option to purchase additional shares	We have granted the underwriters a 30-day option to purchase up to an aggregate of 450,000 additional shares of our common stock.
Common stock to be outstanding immediately after completion of this offering	50,106,216 shares (50,556,216 shares if the underwriters option to purchase additional shares is exercised in full).
Use of proceeds	We expect to receive approximately $176.4 million of net proceeds from the sale of common stock in this offering, after deducting underwriting discounts and commissions and estimated offering expenses, based on an assumed public offering price of $61.04 per share (the last sales price of our common stock on the NASDAQ Global Select Market on February 19, 2014) (or approximately $202.9 million if the underwriters option to purchase additional shares is exercised in full). Following the closing of this offering, we intend to use the net proceeds from this offering and borrowings under our revolving credit facility to fund the pending Martin County acquisition, including the potential acquisition of additional working interests from the other parties subject to the joint operating agreement governing this acreage. See *Recent Developments Pending Acquisition*. To the extent the pending acquisition is not consummated, we intend to use any remaining net proceeds to fund a portion of our exploration and development activities and for general corporate purposes, which may include leasehold interest and property acquisitions and working capital. See *Use of Proceeds* on page S-46 of this prospectus supplement.
Dividend policy	We currently anticipate that we will retain all future earnings, if any, to finance the growth and development of our business. We do not intend to pay cash dividends in the foreseeable future.
NASDAQ Global Select Market symbol	FANG
Risk Factors	You should carefully read and consider the information set forth under heading *Risk Factors* beginning on page S-16 of this prospectus supplement and all other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus before deciding to invest in our common stock.

Except as otherwise indicated, all share information contained in this prospectus supplement assumes the underwriters do not exercise their option to purchase additional shares of our common stock.

Table of Contents

Summary Combined Consolidated Historical and Pro Forma Financial Data

The following table sets forth our summary historical combined consolidated financial data as of and for each of the periods indicated. The summary historical combined consolidated financial data as of December 31, 2013 and 2012 and for the years ended December 31, 2013, 2012 and 2011 are derived from our historical audited combined consolidated financial statements appearing in our Annual Report on Form 10-K for the year ended December 31, 2013 incorporated by reference into this prospectus supplement and the accompanying prospectus. The summary historical combined consolidated balance sheet data as of December 31, 2011 are derived from our audited consolidated balance sheets of the Predecessors as of that date, which are not included in this prospectus supplement. Operating results for the periods presented below are not necessarily indicative of results that may be expected for any future periods. You should review this information together with *Risk Factors*, *Use of Proceeds*, *Capitalization*, *Management s Discussion and Analysis of Financial Condition and Results of Operations* and our combined consolidated historical financial statements and their related notes included, as applicable, in this prospectus supplement and our Annual Report on Form 10-K for the year ended December 31, 2013 incorporated by reference into this prospectus supplement and the accompanying prospectus.

	Year Ended December 31,		
	2011(1)	**2012(2)**	**2013**
	(in thousands, except per share amounts)		
Statements of Operations Data:			
Total revenues	$ 49,366	$ 74,962	$ 208,002
Total costs and expenses	34,219	57,655	112,808
Income from operations	15,147	17,307	95,194
Other income (expense)	(15,533)	1,075	(8,853)
Income (loss) before income taxes	(386)	18,382	86,341
Provision for income taxes		54,903	31,754
Net income (loss)	$ (386)	$ (36,521)	$ 54,587
Pro forma Information:(3)			
Net income (loss) before income taxes, as reported	$ (386)	$ 18,382	
Pro forma provision for income taxes			