

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

FORM 8-K

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

Date of Report (Date of earliest event reported): August 13, 2024

Mach Natural Resources LP
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-41849
(Commission File Number)

93-1757616
(IRS Employer
Identification No.)

14201 Wireless Way, Suite 300, Oklahoma City, Oklahoma
(Address of principal executive offices)

73134
(Zip Code)

(405) 252-8100
Registrant's telephone number, including area code

Not applicable.
(Former name or former address, if changed since last report.)

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

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common units representing limited partner interests	MNR	New York Stock Exchange

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

Emerging growth company

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

Item 2.02. Results of Operations and Financial Condition.

On August 13, 2024, Mach Natural Resources LP (the "Company") issued a press release (the "Press Release") providing information on its results of operations and financial condition for the quarter ended June 30, 2024. The Press Release and certain supplemental financial information are furnished as Exhibit 99.1 and Exhibit 99.2, respectively, to this Current Report on Form 8-K (this "Report") and are incorporated herein by reference.

The information under this Item 2.02 and in Exhibit 99.1 and Exhibit 99.2 to this Report are being furnished and shall not be deemed "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section. The information under this Item 2.02 and in Exhibit 99.1 to this Report shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended (the "Securities Act").

Item 7.01. Regulation FD Disclosure.

In addition to providing the results of operations and financial condition for the quarter ended June 30, 2024, the Press Release announced the Company's declaration of its quarterly distribution for the second quarter of 2024. The full text of the Press Release is furnished as Exhibit 99.1 to this Report and is incorporated herein by reference.

The information under this Item 7.01 and in Exhibit 99.1 to this Report are being furnished and shall not be deemed "filed" for the purpose of Section 18 of the

Exchange Act, or otherwise subject to the liabilities of that Section. The information under this Item 7.01 and in Exhibit 99.1 to this Report shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release issued August 13, 2024.
99.2	Supplemental Financial Information.
104	Cover Page Interactive Data File (formatted as Inline XBRL).

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SIGNATURES

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

Mach Natural Resources LP

By: Mach Natural Resources GP LLC,
its general partner

Dated: August 13, 2024

By: /s/ Tom L. Ward
Name: Tom L. Ward
Title: Chief Executive Officer

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Mach Natural Resources LP Reports Second Quarter 2024 Results; Declares Quarterly Cash Distribution of \$0.90 Per Unit

OKLAHOMA CITY, Oklahoma, August 13, 2024 — Mach Natural Resources LP (NYSE: MNR) (“Mach” or the “Company”) today reported financial and operating results for the three months ended June 30, 2024. The Company also announced its quarterly cash distribution and updated its full year 2024 outlook.

Second Quarter 2024 Highlights

- Averaged total net production of 89.3 thousand barrels of oil equivalent per day (“Mboe/d”) exceeded the high-end of guidance
- Produced an average of 20.9 thousand barrels of oil per day (“MBbl/d”)
- Lease operating expense of \$5.72 per barrel of oil equivalent (“Boe”) was below the low-end of guidance
- Reported net income and Adjusted EBITDA of \$40 million and \$136 million, respectively
- Generated net cash provided by operating activities of \$117 million
- Divested a portion of Western Anadarko acreage for \$38 million with no associated production
- Made first quarterly term loan amortization payment of \$21 million
- Declared a quarterly cash distribution of \$0.90 per unit

Tom L. Ward, Mach’s Chief Executive Officer, noted, “Mach’s second quarter results reflect the continuation of our 2024 plan. A steady adherence to low leverage and disciplined cash flow management allow us to announce a distribution of \$0.90 per unit for the period. Our Company was founded on a distribution-focused strategy, and this quarter’s cash distribution demonstrates Mach’s commitment to rewarding its unitholders while navigating the challenges of the market.”

Second Quarter 2024 Financial Results

Mach reported total revenue and net income of \$240 million and \$40 million in the second quarter of 2024, respectively. Additionally, during the second quarter, the average realized price was \$79.27 per barrel of oil, \$1.33 per Mcf of natural gas, and \$23.83 per barrel of natural gas liquids (“NGLs”). These prices exclude the effects of derivatives.

At the end of the second quarter, Mach had a cash balance of \$145 million and a pro forma net-debt-to- Adjusted-EBITDA ratio of 0.9x.

Second Quarter 2024 Operational Results

During the second quarter of 2024, Mach achieved average oil equivalent production of 89.3 Mboe/d, which consisted of 23% oil, 53% natural gas and 24% NGLs. Also, for the second quarter of 2024, Mach’s production revenues from oil, natural gas, and NGLs sales totaled \$232 million, comprised of 65% oil, 15% natural gas, and 20% NGLs.

The Company spud 12 gross (10 net) operated wells and brought online 14 gross (12 net) operated wells in the second quarter of 2024. As of June 30, 2024, the Company had 5 gross (4 net) operated wells in various stages of drilling and completion.

Mach’s lease operating expense in the second quarter of 2024 was \$46 million, or \$5.72 per Boe. Mach incurred \$24 million, or \$2.93 per Boe, of gathering and processing expenses in the second quarter of 2024. Furthermore, during the second quarter of 2024, production taxes as a percentage of oil, natural gas, and NGL sales were approximately 4.9%, midstream operating profit was approximately \$5 million, general and administrative expenses—excluding equity-based compensation of \$2 million—was \$9 million, and interest expense was \$27 million.

In the second quarter of 2024, Mach’s total capital expenditures—excluding acquisitions—were \$46 million, including \$41 million of upstream capital and \$5 million of other capital (including midstream and land).

Distributions

Mach announced today that the board of directors of its general partner declared a quarterly cash distribution for the second quarter of 2024 of \$0.90 per common unit. The quarterly cash distribution is to be paid on September 10, 2024, to common unitholders of record as of the close of trading on August 27, 2024.

2024 Operating Plan and Guidance

Today the Company provided updated guidance for 2024 that incorporates the impact of a rig-count reduction, as well as operational efficiencies achieved year-to-date.

During the second quarter, Mach lowered its operated rig count in the Oswego from two rigs to one rig. As a result, the midpoint of full-year capital expenditure guidance is reduced by 15%. Oil volumes for the third quarter 2024 and fourth quarter 2024 are expected to range between 18.6 MBbl/d to 19.9 MBbl/d. Full-year 2024 oil volumes are expected to range between 19.4 MBbl/d to 20.6 MBbl/d. The decision to reduce rig count is fully consistent with the Company’s strategic framework that prioritizes a disciplined reinvestment rate.

In order to account for better-than-expected operational efficiencies achieved year-to-date, the midpoint of full- year 2024 guidance for lease operating expense per BOE has been lowered by 3%. In addition, full-year 2024 total oil-equivalent volumes are expected to range between 82.2 Mboe/d to 87.2 Mboe/d, representing a midpoint improved by 1%. Additional details of Mach’s forward-looking guidance are available on the Company’s website at www.machnr.com.

Conference Call and Webcast Information

Mach will host a conference call and webcast at 8:00 a.m. Central (9:00 a.m. Eastern) on Wednesday, August 14, 2024, to discuss its second quarter 2024 results. Participants

can access the conference call by dialing 877-407-2984. A webcast link to the conference call will be provided on the Company's website at www.ir.machnr.com. A replay will also be available on the Company's website following the call.

About Mach Natural Resources LP

Mach Natural Resources LP is an independent upstream oil and gas Company focused on the acquisition, development and production of oil, natural gas and NGL reserves in the Anadarko Basin region of Western Oklahoma, Southern Kansas and the panhandle of Texas. For more information, please visit www.machnr.com.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Mach Natural Resources LP
Investor Relations Contact: ir@machnr.com

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Financial Statements and Non-GAAP Financial Measures and Disclosures

This press release includes non-GAAP financial measures. Pursuant to regulatory disclosure requirements, Mach is required to reconcile non-GAAP financial measures to the related GAAP information (GAAP refers to generally accepted accounting principles). Reconciliations of these non-GAAP measures, along with other financial and operational disclosures, are provided within the supplemental tables that are available on the Company's website at www.machnr.com and in the related Form 10-Q filed with the Securities and Exchange Commission (the "SEC").

Adjusted EBITDA and Cash Available for Distribution are non-GAAP financial measures. Such non-GAAP measures are used as a supplemental financial performance measure by our management and by external users of our financial statements, such as industry analysts, investors, lenders, rating agencies and others, to more effectively evaluate our operating performance and our results of operation from period to period and against our peers without regard to financing methods, capital structure or historical cost basis. Such non-GAAP measures are not alternatives to GAAP measures.

Such non-GAAP measures should not be considered in isolation or as a substitute for analysis of results as reported under GAAP. Such non-GAAP measures are used as a supplemental financial performance measure by our management and by external users of our financial statements, such as industry analysts, investors, lenders, rating agencies and others, to more effectively evaluate our operating performance and our results of operation from period to period and against our peers without regard to financing methods, capital structure or historical cost basis. Such non-GAAP measures are not alternatives to GAAP measures.

Cautionary Note Regarding Forward-Looking Statements

This release contains statements that express the Company's opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results, in contrast with statements that reflect historical facts. All statements, other than statements of historical fact included in this release regarding our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this release, words such as "may," "assume," "forecast," "could," "should," "will," "plan," "believe," "anticipate," "intend," "estimate," "expect," "project," "budget" and similar expressions are used to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on management's current belief, based on currently available information as to the outcome and timing of future events at the time such statement was made. Such statements are subject to a number of assumptions, risk and uncertainties, many of which are beyond the control of the Company. These include, but are not limited to, commodity price volatility; the impact of epidemics, outbreaks or other public health events, and the related effects on financial markets, worldwide economic activity and our operations; uncertainties about our estimated oil, natural gas and natural gas liquids reserves, including the impact of commodity price declines on the economic producibility of such reserves, and in projecting future rates of production; the concentration of our operations in the Anadarko Basin; difficult and adverse conditions in the domestic and global capital and credit markets; lack of transportation and storage capacity as a result of oversupply; government regulations or other factors; lack of availability of drilling and production equipment and services; potential financial losses or earnings reductions resulting from our commodity price risk management program or any inability to manage our commodity risks; failure to realize expected value creation from property acquisitions and trades; access to capital and the timing of development expenditures; environmental, weather, drilling and other operating risks; regulatory changes, including potential shut-ins or production curtailments mandated by the Railroad Commission of Texas, the Oklahoma Corporation Commission and/or the Kansas Corporation Commission; competition in the oil and natural gas industry; loss of production and leasehold rights due to mechanical failure or depletion of wells and our inability to re-establish their production; our ability to service our indebtedness; any downgrades in our credit ratings that could negatively impact our cost of and ability to access capital; cost inflation; political and economic conditions and events in foreign oil and natural gas producing countries, including embargoes, continued hostilities in the Middle East and other sustained military campaigns, the war in Ukraine and associated economic sanctions on Russia, conditions in South America, Central America, China and Russia, and acts of terrorism or sabotage; evolving cybersecurity risks such as those involving unauthorized access, denial-of-service attacks, malicious software, data privacy breaches by employees, insider or other with authorized access, cyber or phishing-attacks, ransomware, social engineering, physical breaches or other actions; and risks related to our ability to expand our business, including through the recruitment and retention of qualified personnel. Please read the Company's filings with the U.S. Securities and Exchange Commission (the "SEC"), including "Risk Factors" in the Company's Annual Report on Form 10-K, which is on file with the SEC, for a discussion of risks and uncertainties that could cause actual results to differ from those in such forward-looking statements.

As a result, these forward-looking statements are not a guarantee of our performance, and you should not place undue reliance on such statements. Any forward-looking statement speaks only as of the date on which such statement is made, and the Company undertakes no obligation to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise.

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Three months and six months ended June 30, 2024
Supplemental Information of Mach Natural Resources LP

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MACH NATURAL RESOURCES LP
CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(in thousands)

	June 30, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 144,621	\$ 152,792
Accounts receivable – joint interest and other, net	28,178	54,155
Accounts receivable – oil, gas, and NGL sales	118,277	78,051
Short-term derivative assets	9,110	24,802
Inventories	27,499	31,377
Other current assets	7,371	2,425
Total current assets	335,056	343,602
Oil and natural gas properties, using the full cost method:		
Proved oil and natural gas properties	2,179,014	2,097,540
Less: accumulated depreciation, depletion and amortization	(393,653)	(265,895)
Oil and natural gas properties, net	1,785,361	1,831,645
Other property, plant and equipment	111,641	105,302
Less: accumulated depreciation	(19,475)	(15,642)
Other property, plant and equipment, net	92,166	89,660
Long-term derivative assets	3,672	15,112
Other assets	5,895	7,102
Operating lease assets	12,887	17,394
Total assets	\$ 2,235,037	\$ 2,304,515
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 37,759	\$ 44,577
Accounts payable – related party	860	2,867
Accrued liabilities	53,230	44,529
Revenue payable	131,887	110,296
Short-term derivative liabilities	5,967	—
Current portion of long-term debt	82,500	61,875
Current portion of operating lease liabilities	7,468	10,765
Total current liabilities	319,671	274,909
Long-term debt	706,909	745,140
Asset retirement obligations	88,762	85,094
Long-term portion of operating leases	5,451	6,705
Other long-term liabilities	1,134	943
Total long-term liabilities	802,256	837,882
Commitments and contingencies (Note 10)		
Partners' capital:		
Partners' capital	1,113,110	1,191,724
Total liabilities and partners' capital	\$ 2,235,037	\$ 2,304,515

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MACH NATURAL RESOURCES LP
CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(in thousands, except per common unit data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	Revenue			
Oil, natural gas, and NGL sales	\$ 231,539	\$ 150,165	\$ 486,779	\$ 312,613
(Loss) gain on oil and natural gas derivatives	(4,635)	2,688	(33,903)	15,742
Midstream revenue	6,441	6,786	12,660	13,318

Product sales	6,649	7,282	13,613	17,421
Total revenues	239,994	166,921	479,149	359,094
Operating expenses				
Gathering and processing	23,831	7,868	55,773	17,510
Lease operating expense	46,497	27,802	87,257	60,615
Production taxes	11,302	6,852	24,054	15,526
Midstream operating expense	2,616	2,569	5,175	5,538
Cost of product sales	5,786	6,463	11,886	15,575
Depreciation, depletion, amortization and accretion – oil and natural gas	65,819	28,528	131,191	58,095
Depreciation and amortization – other	2,242	1,436	4,340	2,793
General and administrative	9,568	4,195	18,046	7,770
General and administrative - related party	1,850	1,067	3,700	2,135
Total operating expenses	169,511	86,780	341,422	185,557
Income from operations	70,483	80,141	137,727	173,537
Other (expense) income				
Interest expense	(27,046)	(1,975)	(53,331)	(3,789)
Other income (expense), net	(3,921)	(357)	(3,178)	(245)
Total other expense	(30,967)	(2,332)	(56,509)	(4,034)
Net income	\$ 39,516	\$ 77,809	\$ 81,218	\$ 169,503
Net income per common unit:				
Basic	\$ 0.42		\$ 0.85	
Diluted	\$ 0.42		\$ 0.85	
Weighted average common units outstanding:				
Basic	95,009		95,004	
Diluted	95,187		95,129	

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MACH NATURAL RESOURCES LP
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(in thousands)

	Six Months Ended June 30,	
	2024	2023
Cash flows from operating activities		
Net income	\$ 81,218	\$ 169,503
Adjustments to reconcile net income to cash provided by operating activities		
Depreciation, depletion, amortization and accretion	135,531	60,888
Loss (gain) on derivative instruments	33,903	(15,742)
Cash receipts (payments) on settlement of derivative contracts, net	3,384	7,245
Debt issuance costs amortization	3,494	202
Equity based compensation	3,482	1,294
Credit losses	647	—
(Gain) loss on sale of assets	(309)	(1)
Settlement of asset retirement obligations	(418)	(79)
Changes in operating assets and liabilities (decreasing) increasing cash:		
Accounts receivable	(24,381)	53,913
Revenue payable	21,592	(2,675)
Accounts payable and accrued liabilities	2,280	(5,133)
Other	361	5,730
Net cash provided by operating activities	260,784	275,145
Cash flows from investing activities		
Capital expenditures for oil and natural gas properties	(116,441)	(182,427)
Capital expenditures for other property and equipment	(7,032)	(4,953)
Acquisition of assets	(1,258)	(468)
Proceeds from sales of oil and natural gas properties	38,975	—
Proceeds from sales of other property and equipment	495	36
Net cash used in investing activities	(85,261)	(187,812)
Cash flows from financing activities		
Repayments of borrowings on term note	(20,625)	—
Proceeds from borrowings on credit facility	—	7,000
Distributions to unitholders	(161,617)	—
Distributions to members	—	(74,500)
Withholding taxes paid on vesting of phantom units	(570)	—
Payment of other financing fees	(882)	(404)
Net cash used in financing activities	(183,694)	(67,904)
Net (decrease) increase in cash and cash equivalents	(8,171)	19,429
Cash and cash equivalents, beginning of period	152,792	29,417
Cash and cash equivalents, end of period	\$ 144,621	\$ 48,846

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Updated 2024 Guidance:

	2024		
	Q3	Q4	Full-Year
Net Production Guidance			
Oil (MBbls/d)	18.6 - 19.9	18.6 - 19.9	19.4 - 20.6
NGLs (MBbls/d)	18.4 - 19.5	18.1 - 19.2	19.1 - 20.3
Natural Gas (MMcf/d)	249 - 265	243 - 258	262 - 278
Total (Mboe/d)	78.5 - 83.6	77.2 - 82.1	82.2 - 87.2
			Full-Year 2024
Price Realizations Guidance (excluding derivatives)			
Oil (differential to NYMEX WTI) (\$/Bbl)			(\$1.50) - (\$0.50)
NGLs (% of WTI)			31% - 35%
Natural Gas (differential to NYMEX Henry Hub) (\$/Mcf)			(\$0.36) - (\$0.20)
Other Guidance Items			
Lease Operating Expense (\$/Boe)			\$5.80 - \$6.10
Gathering and Processing (\$/Boe)			\$3.20 - \$3.40
Production Taxes (% of Oil, natural gas, and NGL sales)			5.0% - 6.0%
Midstream Operating Profit (\$MM)			\$15 - \$18
General and Administrative, excluding equity-based compensation (\$MM)			\$30 - \$34
Interest Expense (\$MM)			\$88 - \$92
Capital Expenditure Guidance (\$MM)			
Upstream (D&C and Workovers)			\$195 - \$210
Other (Midstream and Land)			\$20 - \$30
Total			\$215 - \$240

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Non-GAAP Financial Measures

Adjusted EBITDA

We include in the tables below the supplemental non-GAAP financial performance measure Adjusted EBITDA and provide our calculation of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net income, our most directly comparable financial measures calculated and presented in accordance with GAAP. We define Adjusted EBITDA as net income before (1) interest expense, net, (2) depreciation, depletion, amortization and accretion, (3) unrealized (gain) loss on derivative instruments, (4) equity-based compensation expense, (5) credit losses, and (6) (gain) loss on sale of assets.

Adjusted EBITDA is used as a supplemental financial performance measure by our management and by external users of our financial statements, such as industry analysts, investors, lenders, rating agencies and others, to more effectively evaluate our operating performance and our results of operation from period to period and against our peers without regard to financing methods, capital structure or historical cost basis. We exclude the items listed above from net income in arriving at Adjusted EBITDA because these amounts can vary substantially from company to company within our industry depending upon accounting methods and book values of assets, capital structures and the method by which the assets were acquired. Adjusted EBITDA is not a measurement of our financial performance under GAAP and should not be considered as an alternative to, or more meaningful than, net income as determined in accordance with GAAP or as indicators of our operating performance. Certain items excluded from Adjusted EBITDA are significant components in understanding and assessing a company's financial performance, such as a company's cost of capital and tax burden, as well as the historic costs of depreciable assets, none of which are reflected in Adjusted EBITDA. Our presentation of Adjusted EBITDA should not be construed as an inference that our results will be unaffected by unusual items. Our computations of Adjusted EBITDA may not be identical to other similarly titled measures of other companies.

Cash Available for Distribution

Cash available for distribution is not a measure of net income or net cash flow provided by or used in operating activities as determined by GAAP. Cash available for distribution is a supplemental non-GAAP financial performance measure used by our management and by external users of our financial statements, such as industry analysts, investors, lenders, rating agencies and others, to assess our ability to internally fund our exploration and development activities, pay distributions, and to service or incur additional debt. We define cash available for distribution as net income less (1) interest expense, net, (2) depreciation, depletion, amortization and accretion, (3) unrealized (gain) loss on derivative instruments, (4) equity-based compensation expense, (5) credit losses, (6) (gain) loss on sale of assets, (7) settlement of asset retirement obligations, (8) cash interest expense, net (9) development costs, and (10) change in accrued realized derivative settlements. Development costs include all of our capital expenditures, other than acquisitions. Cash available for distribution will not reflect changes in working capital balances. Cash available for distribution is not a measurement of our financial performance or liquidity under GAAP and should not be considered as an alternative to, or more meaningful than, net income or net cash provided by or used in operating activities as determined in accordance with GAAP or as indicators of our financial performance and liquidity. The GAAP measures most directly comparable to cash available for distribution are net income and net cash provided by operating activities. Cash available for distribution should not be considered as an alternative to, or more meaningful than, net income or net cash provided by operating activities.

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Reconciliation of GAAP Financial Measures to Adjusted EBITDA and Cash Available for Distribution

<i>(\$ in thousands)</i>	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Net Income Reconciliation to Adjusted EBITDA:				
Net income	\$ 39,516	\$ 77,809	\$ 81,218	\$ 169,503

Interest expense, net	25,880	1,570	50,952	3,294
Depreciation, depletion, amortization and accretion	68,061	29,964	135,531	60,888
Unrealized (gain) loss on derivative instruments	(124)	2,097	33,099	(8,212)
Equity-based compensation expense	2,300	647	3,482	1,294
Credit losses	193	—	647	—
Gain on sale of assets	(298)	—	(309)	(1)
Adjusted EBITDA	\$ 135,528	\$ 112,087	\$ 304,620	\$ 226,766
Net Income Reconciliation to Cash Available for Distribution:				
Net income	\$ 39,516	\$ 77,809	\$ 81,218	\$ 169,503
Interest expense, net	25,880	1,570	50,952	3,294
Depreciation, depletion, amortization and accretion	68,061	29,964	135,531	60,888
Unrealized (gain) loss on derivative instruments	(124)	2,097	33,099	(8,212)
Equity-based compensation expense	2,300	647	3,482	1,294
Credit losses	193	—	647	—
Gain on sale of assets	(298)	—	(309)	(1)
Settlement of asset retirement obligations	(390)	(8)	(418)	(79)
Cash interest expense, net	(23,654)	(1,490)	(47,458)	(3,092)
Development costs	(45,562)	(88,301)	(125,987)	(192,892)
Change in accrued realized derivative settlements	1,586	(243)	4,188	(285)
Cash available for distribution	\$ 67,508	\$ 22,045	\$ 134,945	\$ 30,418
Net Cash Provided by Operating Activities Reconciliation to Cash Available for Distribution:				
Net cash provided by operating activities	116,831	127,996	\$ 260,784	\$ 275,145
Changes in operating assets and liabilities	(3,761)	(17,650)	148	(51,835)
Development costs	(45,562)	(88,301)	(125,987)	(192,892)
Cash available for distribution	\$ 67,508	\$ 22,045	\$ 134,945	\$ 30,418

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Derivative Contracts

The table below represents a summary of the Company's derivative contracts as of August 1, 2024:

Oil Derivative Contracts

2024			Q3	Q4
Oil Volumes (MBbl)			781	706
Weighted Average Fixed Price (per Bbl)			\$72.77	\$73.21
2025	Q1	Q2	Q3	Q4
Oil Volumes (MBbl)	650	605	284	269
Weighted Average Fixed Price (per Bbl)	\$72.45	\$72.94	\$71.88	\$71.87
2026	Q1	Q2	Q3	Q4
Oil Volumes (MBbl)	255	243	-	-
Weighted Average Fixed Price (per Bbl)	\$68.90	\$73.98	-	-

Natural Gas Derivative Contracts

2024			Q3	Q4
Natural Gas Volumes (Bbtu)			10,653	10,158
Weighted Average Fixed Price (per Mmbtu)			\$2.96	\$3.73
2025	Q1	Q2	Q3	Q4
Natural Gas Volumes (Bbtu)	4,860	4,680	4,510	4,360
Weighted Average Fixed Price (per Mmbtu)	\$4.34	\$3.69	\$3.92	\$4.36

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