

Matador Resources Co
 Form 424B5
 December 07, 2016
Table of Contents

Filed Pursuant to Rule 424(b)(5)
Registration File No. 333-196178

CALCULATION OF REGISTRATION FEE

Title of securities to be registered	Amount to be registered	Maximum offering price per share	Maximum aggregate offering price	Amount of registration fee(1)
Common Stock, par value \$0.01 per share	6,000,000	\$24.36	\$146,160,000	\$16,939.95

(1) Calculated in accordance with Rule 457(r) of the Securities Act of 1933, as amended.

Table of Contents

PROSPECTUS SUPPLEMENT

(To prospectus dated May 22, 2014)

6,000,000 Shares

Matador Resources Company

Common Stock

We are selling 6,000,000 shares of our common stock. The underwriters have agreed to purchase our common stock from us at a price of \$24.36 per share, which will result in approximately \$146.2 million of proceeds to us (before offering expenses). The underwriters may offer shares of our common stock from time to time for sale in one or more transactions on the New York Stock Exchange (NYSE), in the over-the-counter market, through negotiated transactions or otherwise at market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices. See Underwriting (Conflicts of Interest).

Our common stock is traded on the NYSE under the symbol MTDR. On December 5, 2016, the last sale price of our common stock as reported on the NYSE was \$25.43 per share.

Investing in our common stock involves a high degree of risk. See Risk Factors beginning on page S-4 of this prospectus supplement and on page 1 of the accompanying prospectus.

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

The underwriters expect to deliver the shares of common stock to purchasers on December 9, 2016.

Joint Book-Running Managers

BofA Merrill Lynch

Wells Fargo Securities

BMO Capital Markets

SunTrust Robinson Humphrey

The date of this prospectus supplement is December 5, 2016.

Table of Contents**TABLE OF CONTENTS****Prospectus Supplement**

	Page
<u>About this Prospectus Supplement</u>	ii
<u>Where You Can Find More Information</u>	iii
<u>Cautionary Statement Regarding Forward-Looking Statements</u>	iv
<u>Summary</u>	S-1
<u>Risk Factors</u>	S-4
<u>Use of Proceeds</u>	S-7
<u>Capitalization</u>	S-8
<u>Price Range of Common Stock</u>	S-9
<u>Dividend Policy</u>	S-9
<u>Material United States Federal Income Tax Considerations for Non-U.S. Holders</u>	S-10
<u>Underwriting (Conflicts of Interest)</u>	S-15
<u>Legal Matters</u>	S-23
<u>Experts</u>	S-23

Prospectus

<u>About this Prospectus</u>	i
<u>Where You Can Find More Information</u>	ii
<u>Cautionary Statement Regarding Forward-Looking Statements</u>	iv
<u>About Matador Resources Company</u>	1
<u>Risk Factors</u>	1
<u>Use of Proceeds</u>	1
<u>Ratio of Earnings to Fixed Charges</u>	2
<u>Description of the Debt Securities and Guarantees</u>	3
<u>Description of Capital Stock</u>	11
<u>Description of Warrants</u>	14
<u>Plan of Distribution</u>	15
<u>Legal Matters</u>	17
<u>Experts</u>	17

You should rely only on the information contained in this prospectus supplement, the accompanying prospectus and the documents we have incorporated by reference into this prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this prospectus supplement or the accompanying prospectus, as well as the information we previously filed with the Securities and Exchange Commission (the "SEC") that is incorporated by reference in this prospectus, is accurate as of any date other than its respective date.

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement and the information incorporated by reference herein, which, among other things, describes the specific terms of this offering. The second part is the accompanying prospectus and the information incorporated by reference therein, which, among other things, gives more general information, some of which may not apply to this offering. Generally, when we refer to this prospectus, we are referring to both this prospectus supplement and the accompanying prospectus. If any information varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

Additional information about us, including our financial statements and the notes thereto, is incorporated in this prospectus by reference to certain of our filings with the SEC. You are urged to read carefully this prospectus and the information incorporated by reference in this prospectus, including the risk factors and other cautionary statements described under the heading **Risk Factors** included elsewhere in this prospectus and in Item 1A of Part I of our Annual Report on Form 10-K for the year ended December 31, 2015 before investing in our common stock. See **Where You Can Find More Information** in this prospectus supplement.

Table of Contents

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filings are available to the public over the Internet at the SEC's web site at <http://www.sec.gov> and at our website at <http://www.matadorresources.com>. You may also read and copy any document we file with the SEC at the SEC's public reference room at 100 F Street, NE, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room and its copy charges.

We are incorporating by reference in this prospectus the information we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference in this prospectus is an important part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings made with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act) (excluding any information furnished pursuant to Item 2.02 or Item 7.01 on any Current Report on Form 8-K):

Our Annual Report on Form 10-K for the year ended December 31, 2015, as filed with the SEC on February 29, 2016;

Our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2016, as filed with the SEC on May 6, 2016, June 30, 2016, as filed with the SEC on August 5, 2016, and September 30, 2016, as filed with the SEC on November 4, 2016;

Our Current Reports on Form 8-K, as filed with the SEC on February 25, 2016, March 9, 2016, June 14, 2016, June 27, 2016, November 2, 2016, November 3, 2016 and December 5, 2016; and

Description of our capital stock contained in our registration statement on Form 8-A filed with the SEC on January 27, 2012.

Any statement contained in a document incorporated by reference herein shall be deemed to be modified or superseded for all purposes to the extent that a statement contained in this prospectus or in any other subsequently filed document which is also incorporated, or deemed to be incorporated by reference, modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

You may request a copy of any of the documents summarized or incorporated by reference in this prospectus, at no cost, by writing or telephoning us at the following address and phone number:

Matador Resources Company

Attention: Corporate Secretary

One Lincoln Centre

Edgar Filing: Matador Resources Co - Form 424B5

5400 LBJ Freeway, Suite 1500

Dallas, Texas 75240

(972) 371-5200

iii

Table of Contents

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this prospectus supplement and the documents incorporated by reference herein constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Exchange Act. Additionally, forward-looking statements may be made orally or in press releases, conferences, reports, on our website or otherwise, in the future, by us or on our behalf. Such statements are generally identifiable by the terminology used such as anticipate, believe, continue, could, estimate, expect, forecasted, hypothetical, intend, may, might, plan, potential, predict, project, should or although not all forward-looking statements contain such identifying words.

By their very nature, forward-looking statements require us to make assumptions that may not materialize or that may not be accurate. Forward-looking statements are subject to known and unknown risks and uncertainties and other factors that may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such statements. Such factors include, among others: general economic conditions, changes in oil, natural gas and natural gas liquids prices and the demand for oil, natural gas and natural gas liquids, the success of our drilling program, the timing and amount of planned capital expenditures, sufficient cash flow from operations together with available borrowing capacity under our credit agreement, uncertainties in estimating proved reserves and forecasting production results, operational factors affecting the commencement or maintenance of producing wells, the condition of the capital markets generally, as well as our ability to access them, the proximity to and capacity of transportation facilities, availability of acquisitions, our ability to integrate acquisitions, including the integration of Harvey E. Yates Company, with our business, weather and environmental conditions, uncertainties regarding environmental regulations or litigation and other legal or regulatory developments affecting our business, and the other factors discussed below and elsewhere in this prospectus supplement and in other documents that we file with or furnish to the SEC, all of which are difficult to predict. Forward-looking statements may include statements about:

our business strategy;

our reserves;

our technology;

our cash flows and liquidity;

our financial strategy, budget, projections and operating results;

our oil and natural gas realized prices;

the timing and amount of future production of oil and natural gas;

the availability of drilling and production equipment;

the availability of oil field labor;

the amount, nature and timing of capital expenditures, including future exploration and development costs;

the availability and terms of capital;

our drilling of wells;

our ability to negotiate and consummate acquisition and divestiture opportunities;

government regulation and taxation of the oil and natural gas industry;

our marketing of oil and natural gas;

our exploitation projects or property acquisitions;

the integration of acquisitions, including the integration of Harvey E. Yates Company, with our business;

Table of Contents

our ability to construct and operate midstream facilities;

our costs of exploiting and developing our properties and conducting other operations;

general economic conditions;

competition in the oil and natural gas industry;

the effectiveness of our risk management and hedging activities;

environmental liabilities;

counterparty credit risk;

developments in oil-producing and natural gas-producing countries;

our future operating results;

estimated future reserves and the present value thereof;

our plans, objectives, expectations and intentions contained in this prospectus that are not historical; and

other factors discussed in our Annual Report on Form 10-K for the year ended December 31, 2015 and our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2016, June 30, 2016 and September 30, 2016.

Although we believe that the expectations conveyed by the forward-looking statements are reasonable based on information available to us on the date such forward-looking statements were made, no assurances can be given as to future results, levels of activity, achievements or financial condition.

You should not place undue reliance on any forward-looking statement and should recognize that the statements are predictions of future results, which may not occur as anticipated. Actual results could differ materially from those anticipated in the forward-looking statements and from historical results, due to the risks and uncertainties described above, as well as others not now anticipated. The impact of any one factor on a particular forward-looking statement is not determinable with certainty as such factors are interdependent upon other factors. The foregoing statements are not exclusive and further information concerning us, including factors that potentially could materially affect our financial results, may emerge from time to time. We do not intend to update forward-looking statements to reflect actual results or changes in factors or assumptions affecting such forward-looking statements, except as required by law, including

the securities laws of the United States and the rules and regulations of the SEC.

Table of Contents

SUMMARY

The following summary highlights selected information contained elsewhere in this prospectus supplement, the accompanying prospectus and in the documents incorporated by reference in this prospectus supplement and does not contain all the information you will need in making your investment decision. You should read carefully this entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference in this prospectus supplement. See Where You Can Find More Information.

In this prospectus supplement, references to we, our or the Company refer to Matador Resources Company and its subsidiaries as a whole (unless the context indicates otherwise) and references to Matador refer solely to Matador Resources Company.

The Company

We are an independent energy company engaged in the exploration, development, production and acquisition of oil and natural gas resources in the United States, with an emphasis on oil and natural gas shale and other unconventional plays. Our current operations are focused primarily on the oil and liquids-rich portion of the Wolfcamp and Bone Spring plays in the Delaware Basin in Southeast New Mexico and West Texas. We also operate in the Eagle Ford shale play in South Texas and the Haynesville shale and Cotton Valley plays in Northwest Louisiana and East Texas. Additionally, we conduct midstream operations in support of our exploration, development and production operations and provide natural gas processing, natural gas, oil and salt water gathering services and salt water disposal services to third parties on a limited basis.

Recent Developments

Operations and Capital Budget Update

As of November 1, 2016, we adjusted our anticipated capital expenditures for acquisition, exploration and development activities and related midstream investments in 2016 from \$325.0 million to between \$425.0 and \$450.0 million.

At the beginning of the fourth quarter of 2016, we were operating three drilling rigs in the Delaware Basin one rig was drilling in our Wolf/Jackson Trust asset area in Loving County, Texas, one rig was drilling in our Rustler Breaks asset area in Eddy County, New Mexico and one rig was drilling in our Ranger asset area in Lea County, New Mexico. In late November, we elected to move a fourth rig, which had been drilling a salt water disposal well in our Wolf asset area, to drill an oil and natural gas well in our Rustler Breaks asset area. We expect to continue operating these four drilling rigs in the Delaware Basin for the remainder of 2016 and into 2017.

At November 30, 2016, we had \$120.0 million of borrowings outstanding and \$0.8 million in outstanding letters of credit pursuant to our revolving credit facility.

Recent Acreage Acquisitions and Midstream Development

In November and December 2016, we entered into agreements (the Purchase Agreements) with certain sellers to acquire approximately 4,600 net leasehold acres and estimated current net production of approximately 1,150 barrels of oil equivalent (BOE) per day from wells producing on this acreage in Eddy and Lea Counties, New Mexico as well as approximately 475 net mineral acres in Eddy and Lea Counties, New Mexico (collectively, the Acreage Acquisitions) for an aggregate purchase price of approximately \$62.5 million in cash (subject to customary purchase

price adjustments). Assuming the closing of these transactions, we will hold approximately 99,775 net acres, including approximately 2,775 net mineral acres, in the Permian Basin, almost all of which is located in the Delaware Basin.

S-1

Table of Contents

The Purchase Agreements contain customary representations and warranties, covenants and indemnification provisions. We expect to close the Acreage Acquisitions on or before January 31, 2017, subject to the satisfaction of customary closing conditions.

In addition, we currently have a number of midstream initiatives in the Delaware Basin that are either in progress or that we expect to begin by the end of the first quarter of 2017 (the Midstream Development), including the drilling of a second salt water disposal well in our Rustler Breaks asset area and additional buildout of our gathering systems in our Wolf and Rustler Breaks asset areas. We expect to incur between \$35 and \$45 million in capital expenditures relating to the Midstream Development. Our 2016 capital expenditure budget of \$425 to \$450 million reflects those capital expenditures we expect to incur in connection with the Acreage Acquisitions and the Midstream Development in 2016.

We intend to fund the aggregate purchase price for the Acreage Acquisitions and the Midstream Development with the net proceeds of this offering and the Concurrent Notes Offering (as defined below). Please see Use of Proceeds.

Concurrent Notes Offering

Concurrently with this offering of our common stock, Matador is offering to qualified institutional buyers and non-U.S. persons outside of the U.S., in an offering exempt from registration under the Securities Act, \$175 million aggregate principal amount of its 6.875% senior notes due 2023 (the Additional Notes). The Additional Notes are being offered as additional notes to Matador's existing \$400 million aggregate principal amount of 6.875% Senior Notes due 2023 that Matador issued in a private placement on April 14, 2015. The Additional Notes and the notes issued on April 14, 2015 will be treated as a single class of debt securities under the indenture and will have identical terms, other than the issue date; however, they will have different CUSIP numbers and initially will not be fungible for trading purposes. Following the completion of a registered exchange offer for the Additional Notes, they will be fungible with the existing notes and will trade under the same CUSIP number as the existing notes. We estimate that we will receive net proceeds from the Concurrent Notes Offering of approximately \$182 million (after deducting the initial purchasers' discount and estimated offering expenses but excluding accrued interest paid by buyers of the Additional Notes), which we intend to use to partially fund the Acreage Acquisitions, the Midstream Development, to repay outstanding borrowings under our revolving credit facility and for general corporate purposes, including capital expenditures associated with the addition of a fourth drilling rig, as discussed above under Operations and Capital Budget Update.

We cannot assure you that the Concurrent Notes Offering will be completed or, if completed, on what terms it will be completed. This offering is not conditioned on the consummation of the Concurrent Notes Offering, and the Concurrent Notes Offering is not conditioned on the consummation of this offering. The Additional Notes will not be and have not been registered under the Securities Act and may not be offered or sold in the U.S. absent registration or an applicable exemption from registration requirements. This prospectus supplement does not constitute an offer to sell, or the solicitation of an offer to buy, the Additional Notes.

Table of Contents**The Offering**

Issuer	Matador Resources Company
Common Stock Offered	6,000,000 shares
Common Stock to be Outstanding after the Offering ⁽¹⁾	99,503,295 shares
Use of Proceeds	We expect to receive net proceeds of approximately \$145.9 million from this offering, after deducting estimated offering expenses. We intend to use the net proceeds from this offering and the net proceeds from the Concurrent Notes Offering to fund the aggregate purchase price for the Acreage Acquisitions and the Midstream Development, to repay outstanding borrowings under our revolving credit facility and for general corporate purposes, including capital expenditures associated with the addition of a fourth drilling rig. Pending such uses, we intend to invest the funds in short-term marketable securities. This offering is not conditioned on the consummation of the Concurrent Notes Offering. See Use of Proceeds.
Conflicts of Interest	Because an affiliate of each of the underwriters is a lender under our revolving credit facility and will receive more than 5% of the net proceeds of this offering due to the repayment of the revolving credit facility by us, the underwriters are deemed to have a conflict of interest under Rule 5121 (Rule 5121) of the Financial Industry Regulatory Authority, Inc. (FINRA). Accordingly, this offering is being made in compliance with the requirements of Rule 5121. The appointment of a qualified independent underwriter is not required in connection with this offering as a bona fide public market, as defined in Rule 5121, exists for our common stock. See Use of Proceeds and Underwriting (Conflicts of Interest).
Risk Factors	Investing in our common stock involves substantial risks. You should carefully consider the risk factors set forth in the section entitled Risk Factors and the other information contained in this prospectus supplement and the accompanying prospectus and the documents incorporated by reference herein, prior to making an investment in our common stock.

NYSE Symbol

MTDR

- (1) Based on 93,503,295 shares outstanding as of November 30, 2016, and excludes 2,974,403 shares issuable pursuant to the exercise of outstanding stock options and the vesting and delivery of restricted stock units.

S-3

Table of Contents

RISK FACTORS

*Any investment in our common stock involves a high degree of risk. In addition to the risks described below, you should also carefully read all of the other information included in this prospectus supplement, the accompanying prospectus and the documents we have incorporated by reference into this prospectus supplement in evaluating an investment in our common stock. See **Where You Can Find More Information**. If any of the described risks actually were to occur, our business, financial condition, results of operations and cash flows could be materially adversely affected. In that event, the trading price of our common stock could decline, and you may lose all or part of your investment in our common stock.*

The risks described below and incorporated by reference herein are not the only ones facing the Company. Additional risks not presently known to us or that we currently deem immaterial individually or in the aggregate may also impair our business operations.

*This prospectus supplement and documents incorporated by reference herein also contain forward-looking statements that involve risks and uncertainties, some of which are described in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks and uncertainties faced by us described below or incorporated by reference in this prospectus supplement and the accompanying prospectus. See **Cautionary Statement Regarding Forward-Looking Statements**.*

Risks Related to our Common Stock

The price of our common stock has fluctuated substantially and may fluctuate substantially in the future.

Our stock price has experienced volatility and could vary significantly as a result of a number of factors. Since January 1, 2016, our stock price has fluctuated between a high of \$27.71 and a low of \$11.13. In addition, the trading volume of our common stock may continue to fluctuate and cause significant price variations to occur. In the event of a drop in the market price of our common stock, you could lose a substantial part or all of your investment in our common stock. In addition, the stock markets in general have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading price of our common stock.

Factors that could affect our stock price or result in fluctuations in the market price or trading volume of our common stock include:

our actual or anticipated operating and financial performance and drilling locations, including oil and natural gas reserves estimates;

quarterly variations in the rate of growth of our financial indicators, such as net income per share, net income and cash flows, or those of companies that are perceived to be similar to us;

changes in revenue, cash flows or earnings estimates or publication of reports by equity research analysts;

speculation in the press or investment community;

announcement or consummation of acquisitions or dispositions by us;

public reaction to our press releases, announcements and filings with the SEC;

sales of our common stock by us or shareholders, or the perception that such sales may occur;

general financial market conditions and oil and natural gas industry market conditions, including fluctuations in the price of oil, natural gas and natural gas liquids;

the realization of any of the risk factors presented in this prospectus supplement or in our Annual Report on Form 10-K for the year ended December 31, 2015;

S-4

Table of Contents

the recruitment or departure of key personnel;

commencement of or involvement in litigation;

the prices of oil, natural gas and natural gas liquids;

the success of our exploration and development operations, and the marketing of any oil, natural gas and natural gas liquids we produce;

changes in market valuations of companies similar to ours; and

domestic and international economic, legal and regulatory factors unrelated to our performance.

If we fail to maintain effective internal control over financial reporting in the future, our ability to accurately report our financial results could be adversely affected.

As a public company with listed equity securities, we are required to comply with laws, regulations and requirements, certain corporate governance provisions of the Sarbanes-Oxley Act of 2002 (the Sarbanes-Oxley Act), related regulations of the SEC and the requirements of the NYSE. Complying with these statutes, regulations and requirements is difficult and occupies a significant amount of time of our board of directors and management and has significantly increased our costs and expenses.

Pursuant to the Sarbanes-Oxley Act, we are required to maintain internal controls over financial reporting. Our efforts to maintain our internal controls may not be successful, and we may be unable to maintain effective controls over our financial processes and reporting in the future and comply with the certification and reporting obligations under Sections 302 and 404 of the Sarbanes-Oxley Act. Our management does not expect that our internal controls and disclosure controls will prevent all possible error or all fraud. Further, our remediation efforts may not enable us to avoid material weaknesses in the future. Any failure to maintain effective controls could result in material misstatements that are not prevented or detected and corrected on a timely basis, which could potentially subject us to sanction or investigation by the SEC, the NYSE or other regulatory authorities. Ineffective internal controls could also cause investors to lose confidence in our reported financial information and adversely affect our business and our stock price.

We do not presently intend to pay any cash dividends on or repurchase any shares of our common stock.

We do not presently intend to pay any cash dividends on or repurchase any shares of our common stock. Any payment of future dividends will be at the discretion of our board of directors and will depend on, among other things, our earnings, financial condition, capital requirements, level of indebtedness, statutory and contractual restrictions applicable to the payment of dividends and other considerations that our board of directors deems relevant. Cash dividend payments in the future may only be made out of legally available funds and, if we experience substantial losses, such funds may not be available. In addition, certain covenants in our revolving credit facility and the indenture governing our outstanding senior notes may limit our ability to pay dividends or repurchase shares of our common stock. Accordingly, you may have to sell some or all of your common stock in order to generate cash flow from your investment, and there is no guarantee that the price of our common stock will exceed the price you paid.

Future sales of shares of our common stock by existing shareholders and future offerings of our common stock by us could depress the price of our common stock.

The market price of our common stock could decline as a result of sales of a large number of shares of our common stock in the market, including equity or debt securities convertible into common stock, and the perception that these sales could occur may also depress the market price of our common stock. If our existing shareholders sell, or indicate an intent to sell, substantial amounts of our common stock in the public market, the trading price of our common stock could decline significantly. Sales of our common stock may make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. These sales could also cause our stock price to decrease and make it more difficult for you to sell shares of our common stock.

S-5

Table of Contents

We may also sell or issue additional shares of common stock or equity or debt securities convertible into common stock in public or private offerings or in connection with acquisitions. We cannot predict the size of future issuances of our common stock or convertible securities or the effect, if any, that future issuances and sales of shares of our common stock or convertible securities would have on the market price of our common stock.

Provisions of our certificate of formation, bylaws and Texas law may have anti-takeover effects that could prevent a change in control even if it might be beneficial to our shareholders.

Our certificate of formation and bylaws contain certain provisions that may discourage, delay or prevent a merger or acquisition that our shareholders may consider favorable. These provisions include:

authorization for our board of directors to issue preferred stock without shareholder approval;

a classified board of directors so that not all members of our board of directors are elected at one time;

the prohibition of cumulative voting in the election of directors; and

a limitation on the ability of shareholders to call special meetings to those owning at least 25% of our outstanding shares of common stock.

Provisions of Texas law may also discourage, delay or prevent someone from acquiring or merging with us, which may cause the market price of our common stock to decline. Under Texas law, a shareholder who beneficially owns more than 20% of our voting stock, or an affiliated shareholder, cannot acquire us for a period of three years from the date this person became an affiliated shareholder, unless various conditions are met, such as approval of the transaction by our board of directors before this person became an affiliated shareholder or approval of the holders of at least two-thirds of our outstanding voting shares not beneficially owned by the affiliated shareholder.

Our directors and executive officers own a significant percentage of our common stock, which could give them influence in corporate transactions and other matters, and the interests of our directors and executive officers could differ from other shareholders.

As of November 30, 2016, our directors and executive officers beneficially owned approximately 13% of our outstanding common stock. These shareholders could influence or control to some degree the outcome of matters requiring a shareholder vote, including the election of directors, the adoption of any amendment to our certificate of formation or bylaws and the approval of mergers and other significant corporate transactions. Their influence or control of the Company may have the effect of delaying or preventing a change of control of the Company and may adversely affect the voting and other rights of other shareholders. In addition, due to their ownership interest in our common stock, our directors and executive officers may be able to remain entrenched in their positions.

Our board of directors can authorize the issuance of preferred stock, which could diminish the rights of holders of our common stock and make a change of control of the Company more difficult even if it might benefit our shareholders.

Our board of directors is authorized to issue shares of preferred stock in one or more series and to fix the voting powers, preferences and other rights and limitations of the preferred stock. Accordingly, we may issue shares of preferred stock with a preference over our common stock with respect to dividends or distributions on liquidation or dissolution, or that may otherwise adversely affect the voting or other rights of the holders of common stock.

Issuances of preferred stock, depending upon the rights, preferences and designations of the preferred stock, may have the effect of delaying, deterring or preventing a change of control of the Company, even if that change of control might benefit our shareholders.

S-6

Table of Contents

USE OF PROCEEDS

We expect to receive net proceeds of approximately \$145.9 million from this offering, after deducting estimated offering expenses. We intend to use the net proceeds from this offering and the net proceeds from the Concurrent Notes Offering to fund the aggregate purchase price for the Acreage Acquisitions and the Midstream Development, to repay outstanding borrowings under our revolving credit facility and for general corporate purposes, including capital expenditures associated with the addition of a fourth drilling rig. Pending such uses, we intend to invest the funds in short-term marketable securities. This offering is not conditioned on the consummation of the Concurrent Notes Offering.

We had no borrowings outstanding under our revolving credit facility during the first two quarters of 2016. At September 30, 2016, we had \$65.0 million in borrowings outstanding under our revolving credit facility and approximately \$0.8 million in outstanding letters of credit issued pursuant to our revolving credit facility, with a weighted average interest rate of approximately 2.0%. At November 30, 2016, we had \$120.0 million in borrowings outstanding under our revolving credit facility and approximately \$0.8 million in outstanding letters of credit. Our revolving credit facility matures on October 16, 2020.

An affiliate of each of the underwriters is a lender under our revolving credit facility and will receive a portion of the net proceeds from this offering in the form of the repayment of borrowings under such facility. See Underwriting (Conflicts of Interest).

Table of Contents**CAPITALIZATION**

The following table sets forth our cash and consolidated capitalization at September 30, 2016:

on a historical basis; and

on an as adjusted basis, giving effect to the completion of this offering and the Concurrent Notes Offering as if each had occurred on September 30, 2016.

The following table is unaudited and should be read together with Use of Proceeds, the discussion under the heading Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Quarterly Report on Form 10-Q for the period ended September 30, 2016 and the related notes thereto included or incorporated by reference in this prospectus supplement.

	At September 30, 2016	
	Actual	As Adjusted
(In thousands, except for shares)		
Cash⁽¹⁾	\$ 20,566	\$ 283,226
Long-term debt (including current maturities):		
Revolving credit facility ⁽²⁾	\$ 65,000	\$
6.875% Senior Notes due 2023 ⁽³⁾	400,000	575,000
Total long-term debt:	465,000	575,000
Shareholders' equity:		
Common stock \$0.01 par value ⁽⁴⁾	936	996
Additional paid-in capital	1,176,198	1,321,998
Retained deficit	(740,505)	(740,505)
Total Matador Resources Company shareholders' equity	\$ 436,629	\$ 582,489
Total capitalization	\$ 901,629	\$ 1,157,489

- (1) Excludes approximately \$1.8 million of restricted cash held by our less than wholly-owned subsidiaries. As adjusted cash amount excludes accrued interest from October 15, 2016 paid by buyers of the Additional Notes.
- (2) As of September 30, 2016, the borrowing base under our revolving credit facility was \$300.0 million. During the fourth quarter of 2016, the borrowing base under our revolving credit facility was increased to \$400.0 million. At November 30, 2016, we had \$120.0 million of borrowings outstanding under our revolving credit facility, excluding letters of credit, and approximately \$279.2 million remained available for additional borrowings.
- (3) See Summary Recent Developments Concurrent Notes Offering. Amounts are reflected at principal amount and exclude debt issuance costs of approximately \$9.6 million on \$400 million of our 6.875% Senior Notes due 2023 issued on April 14, 2015 and issue premium less debt issuance costs of approximately \$6.8 million associated

with the Additional Notes, which will be amortized over the life of such notes.

- (4) As of September 30, 2016, we had 120,000,000 shares authorized; 93,580,969 shares issued and 93,464,898 shares outstanding.

S-8

Table of Contents**PRICE RANGE OF COMMON STOCK**

On February 2, 2012, our common stock began trading on the NYSE under the symbol MTDR. The following table shows, for the periods indicated, the high and low reported sale price per share for our common stock, as reported on the NYSE.

Quarter Ended	High	Low
March 31, 2014	\$ 25.84	\$ 17.95
June 30, 2014	\$ 29.36	\$ 23.28
September 30, 2014	\$ 29.94	\$ 23.70
December 31, 2014	\$ 26.09	\$ 14.08
March 31, 2015	\$ 25.08	\$ 18.28
June 30, 2015	\$ 29.90	\$ 22.01
September 30, 2015	\$ 26.07	\$ 19.08
December 31, 2015	\$ 28.25	\$ 18.87
March 31, 2016	\$ 20.94	\$ 11.13
June 30, 2016	\$ 25.54	\$ 18.03
September 30, 2016	\$ 24.71	\$ 18.56
December 31, 2016 (through December 5, 2016)	\$ 27.71	\$ 20.45

On December 5, 2016, the last sale price of our common stock as reported on the NYSE was \$25.43 per share. As of November 30, 2016, there were approximately 300 holders of record of our common stock.

DIVIDEND POLICY

We do not anticipate declaring or paying any cash dividends to holders of our common stock in the foreseeable future. We currently intend to retain future earnings to finance the expansion of our business. Our future dividend policy is within the discretion of our board of directors and will depend upon various factors, including our results of operations, financial condition, capital requirements and investment opportunities. In addition, certain covenants in our revolving credit facility and the indenture governing our senior notes may limit our ability to pay dividends on our common stock.

Table of Contents

MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS FOR NON-U.S. HOLDERS

The following is a summary of the material United States federal income and, to a limited extent, United States federal estate tax consequences relating to the purchase, ownership and disposition of our common stock. Except where noted, this summary deals only with common stock that is held as a capital asset (generally, property held for investment) by a non-U.S. holder (as defined below).

A non-U.S. holder means a beneficial owner of our common stock that, for United States federal income tax purposes, is an individual, corporation (or any other entity treated as a corporation for United States federal income tax purposes), estate or trust and is not any of the following:

an individual citizen or resident of the United States, including without limitation an alien individual who is a lawful permanent resident of the United States or who meets the substantial presence test under Section 7701(b) of the Internal Revenue Code of 1986, as amended, which we refer to as the Code ;

a corporation (or any other entity treated as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;

an estate, the income of which is subject to United States federal income taxation regardless of its source; or

a trust if (1) its administration is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (2) it has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

This summary is based upon provisions of the Code and Treasury regulations, administrative rulings and judicial decisions, all as of the date hereof. Those authorities may be changed, perhaps retroactively, so as to result in United States federal income and estate tax consequences different from those summarized below. This summary does not address all aspects of United States federal income and estate taxation and does not deal with foreign, state, local, gift or alternative minimum tax or other tax considerations that may be relevant to non-U.S. holders in light of their personal circumstances. In addition, this summary does not address tax considerations applicable to investors that may be subject to special treatment under the United States federal income tax laws such as (without limitation):

United States expatriates and certain former citizens or long-term residents of the United States;

shareholders that hold our common stock as part of a straddle, appreciated financial position, synthetic security, hedge, conversion transaction, constructive sale or other integrated investment or risk reduction transaction;

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shareholders that acquired our common stock through the exercise of employee stock options or otherwise as compensation or through a tax-qualified retirement plan;

shareholders that are partnerships or entities treated as partnerships for United States federal income tax purposes, or other pass-through entities, and owners thereof;

financial institutions and banks;

insurance companies;

persons that hold in excess of 5% of our common stock;

controlled foreign corporations, passive foreign investment companies and corporations that accumulate earnings to avoid United States federal income tax;

S-10

Table of Contents

real estate investment trusts and regulated investment companies;

tax-exempt entities;

governmental organizations;

dealers in securities or foreign currencies; and

traders