Parsley Energy, Inc.
Form DEF 14A
April 22, 2016
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant x   Filed by a party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Under §240.14a-12

Parsley Energy, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

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PARSLEY ENERGY, INC.

303 Colorado Street, Suite 3000

Austin, Texas 78701

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To the stockholders of Parsley Energy, Inc.:

Notice is hereby given that the 2016 Annual Meeting of Stockholders of Parsley Energy, Inc. (the Company) will be held at the JW Marriott Austin, 110 E 2nd Street, Austin, TX 78701, on June 2, 2016, at 8:00 a.m. Central Time (the Annual Meeting). The Annual Meeting is being held for the following purposes:

1. To elect three Class II directors, each for a term of three years.

2. To ratify the appointment of KPMG LLP as the Company s independent registered public accountants for the fiscal year ending December 31, 2016.

3. To vote on the approval, on a non-binding advisory basis, of the Company s named executive officer compensation for the fiscal year ended December 31, 2015.

4. To vote on the approval, on a non-binding advisory basis, of the frequency of future advisory votes on the Company s named executive officer compensation.

5. To transact such other business as may properly come before the Annual Meeting or any adjournments thereof.

Each outstanding share of the Company s common stock (NYSE: PE) entitles the holder of record at the close of business on April 11, 2016, to receive notice of and to vote at the Annual Meeting or any adjournment or postponement of the Annual Meeting.

We are pleased to take advantage of Securities and Exchange Commission rules that allow us to furnish our proxy materials and our annual report to stockholders on the Internet. We believe that posting these materials on the Internet enables us to provide stockholders with the information that they need more quickly, while lowering our costs of printing and delivery and reducing the environmental impact of our Annual Meeting.

WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING, WE URGE YOU TO VOTE YOUR SHARES BY INTERNET, TELEPHONE, OR BY SIGNING, DATING AND RETURNING THE PROXY CARD YOU WILL RECEIVE IF YOU REQUEST PRINTED MATERIALS. IF YOU CHOOSE TO ATTEND THE ANNUAL MEETING, YOU MAY STILL VOTE YOUR SHARES IN PERSON, EVEN THOUGH YOU HAVE PREVIOUSLY VOTED OR RETURNED YOUR PROXY BY ANY OF THE METHODS DESCRIBED IN OUR PROXY STATEMENT. IF YOUR SHARES ARE HELD IN A BANK OR BROKERAGE ACCOUNT, PLEASE REFER TO THE MATERIALS PROVIDED BY YOUR BANK OR BROKER FOR VOTING INSTRUCTIONS.

ALL STOCKHOLDERS ARE EXTENDED A CORDIAL INVITATION TO ATTEND THE MEETING.

By Order of the Board of Directors,
Bryan Sheffield
President, Chief Executive Officer and

Chairman of the Board

Austin, Texas

April 22, 2016

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PARSLEY ENERGY, INC.

303 Colorado Street, Suite 3000

Austin, Texas 78701

PROXY STATEMENT

2016 ANNUAL MEETING OF STOCKHOLDERS

The Board of Directors (the Board of Directors or the Board) of Parsley Energy, Inc. (the Company) requests your proxy for the 2016 Annual Meeting of Stockholders that will be held on June 2, 2016, at 8:00 a.m. Central Time, at the JW Marriott Austin, 110 E 2nd Street, Austin, TX 78701 (the Annual Meeting). By granting the proxy, you authorize the persons named on the proxy to represent you and vote your shares at the Annual Meeting. Those persons will also be authorized to vote your shares to adjourn the Annual Meeting from time to time and to vote your shares at any adjournments or postponements of the Annual Meeting. The Board has made this proxy statement (the Proxy Statement) and the accompanying Notice of Annual Meeting of Stockholders available on the Internet at *www.proxyvote.com*. The approximate date on which this Proxy Statement, accompanying Notice of Internet Availability of Proxy Materials (the Notice) and proxy card, and the Company s 2015 Annual Report to Stockholders are first being made available to stockholders at *www.proxyvote.com* is April 22, 2016.

ABOUT THE ANNUAL MEETING

Purpose of the Annual Meeting

The purpose of the Annual Meeting is for our stockholders to consider and act upon the proposals described in this Proxy Statement and any other matters that properly come before the Annual Meeting or any adjournment or postponement thereof.

Proposals to be Voted Upon at the Annual Meeting

At the Annual Meeting, our stockholders will be asked to consider and vote upon the following four proposals:

Proposal ONE: To elect the three Class II directors to the Board set forth in this Proxy Statement, each of whom will hold office until the 2019 Annual Meeting of Stockholders and until his successor is elected and qualified or until his earlier death, resignation or removal.

Proposal TWO: To ratify the appointment of KPMG LLP (KPMG) as the Company s independent registered public accounting firm for the fiscal year ending December 31, 2016.

Proposal THREE: To vote on the approval, on a non-binding advisory basis, of the compensation of the Company s Named Executive Officers as disclosed in this Proxy Statement, for the fiscal year ended December 31, 2015.

Proposal FOUR: To vote on the approval, on a non-binding advisory basis, of how frequently the Company should seek an advisory vote on the compensation of the Company s Named Executive Officers.

In addition, any other matters that properly come before the Annual Meeting or any adjournment or postponement thereof will be considered. Management is presently aware of no other business to come before the Annual Meeting.

Recommendation of the Board

The Board recommends that you vote FOR each of the nominees to the Board (Proposal ONE); FOR the ratification of the appointment of KPMG as our independent registered public accounting firm for the fiscal year

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ending December 31, 2016 (Proposal TWO); FOR the approval, on a non-binding advisory basis, of the Company s Named Executive Officer compensation for the fiscal year ended December 31, 2015 (Proposal THREE); and FOR the frequency, on a non-binding advisory basis, of 1 year for future advisory votes on the Company s Named Executive Officer compensation (Proposal FOUR).

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting To Be Held on June 2, 2016

Pursuant to the notice and access rules adopted by the Securities and Exchange Commission (the SEC), we have elected to provide stockholders access to our proxy materials over the Internet. The approximate date on which this Proxy Statement, accompanying Notice of 2016 Annual Meeting of Stockholders and proxy card, and the Company s 2015 Annual Report to Stockholders are first being made available to stockholders at *www.proxyvote.com* is April 22, 2016. The Notice will be sent to all of our stockholders as of the close of business on April 11, 2016 (the Record Date). The Notice includes instructions on how to access our proxy materials over the Internet and how to request a printed copy of these materials. In addition, by following the instructions in the Notice, stockholders may request to receive proxy materials in printed form by mail or electronically by e-mail on an ongoing basis.

Choosing to receive your future proxy materials by e-mail will save the Company the cost of printing and mailing documents to you and will reduce the impact of the Company s annual meetings on the environment. If you choose to receive future proxy materials by e-mail, you will receive an e-mail next year with instructions containing a link to those materials and a link to the proxy voting site. Your election to receive proxy materials by e-mail will remain in effect until you terminate it.

Our Annual Report to Stockholders and this Proxy Statement are available at *www.proxyvote.com*.

Voting at the Annual Meeting

The Company s Class A common stock (including restricted shares of Class A common stock), par value $0.01 per share (the Class A Common Stock), and Class B common stock, par value $0.01 per share (the Class B Common Stock, and together with the Class A Common Stock, the Common Stock), are the only classes of securities that entitle holders to vote generally at meetings of the Company s stockholders. Holders of Class A Common Stock and Class B Common Stock will vote together as a single class on all matters presented at the Annual Meeting. Each share of Common Stock outstanding on the Record Date entitles the holder to one vote at the Annual Meeting.

If on the Record Date you hold shares of our Common Stock that are represented by stock certificates or registered directly in your name with our transfer agent, American Stock Transfer & Trust Company, you are considered the stockholder of record with respect to those shares. Broadridge Financial Solutions (Broadridge) is sending these proxy materials directly to you on our behalf. As a stockholder of record, you may vote in person at the Annual Meeting or by proxy. Whether or not you plan to attend the Annual Meeting in person, you may vote by Internet by following the instructions on the Notice. If you request printed copies of the proxy materials by mail, you may also vote by signing and submitting your proxy card or by submitting your vote by telephone. Whether or not you plan to attend the Annual Meeting, we urge you to vote by way of the Internet, by telephone or by filling out and returning the proxy card you will receive upon request of printed materials. If you submit a proxy but do not give voting instructions as to how your shares should be voted on a particular proposal at the Annual Meeting, your shares will be voted in accordance with the recommendations of our Board stated in this Proxy Statement. Any proxy given pursuant to this solicitation may be revoked by the person giving it at any time before its use by (1) delivering a written notice of revocation addressed to Parsley Energy, Inc., Attn: General Counsel, 303 Colorado Street, Suite 3000, Austin, Texas 78701, (2) a duly executed proxy bearing a later date, (3) voting again by Internet or by telephone or (4) attending the

Annual Meeting and voting in person. Your last vote or proxy will be the vote or proxy that is counted. Attendance at the Annual Meeting will not cause your previously granted proxy to be revoked unless you vote or specifically so request.

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If on the Record Date you hold shares of our Common Stock in an account with a brokerage firm, bank or other nominee, then you are a beneficial owner of the shares and hold such shares in street name, and these proxy materials will be forwarded to you by that organization. As a beneficial owner, you have the right to direct your broker, bank or other nominee on how to vote the shares held in their account, and the nominee has enclosed or provided voting instructions for you to use in directing it how to vote your shares. The nominee that holds your shares, however, is considered the stockholder of record for purposes of voting at the Annual Meeting. Because you are not the stockholder of record, you may not vote your shares in person at the Annual Meeting unless you bring to the Annual Meeting a letter from your broker, bank or other nominee confirming your beneficial ownership of the shares. Whether or not you plan to attend the Annual Meeting, we urge you to vote by following the voting instructions provided to you to ensure that your vote is counted.

If you are a beneficial owner and do not vote, and your broker, bank or other nominee does not have discretionary power to vote your shares, your shares may constitute broker non-votes. Shares that constitute broker non-votes will be counted for the purpose of establishing a quorum at the Annual Meeting. Voting results will be tabulated and certified by the inspector of elections appointed for the Annual Meeting. If you receive more than one Notice, it is because your shares are registered in more than one name or are registered in different accounts. Please follow the instructions on each Notice received to ensure that all of your shares are voted.

A list of stockholders entitled to vote at the Annual Meeting will be available for inspection during ordinary business hours for a period of ten days before the Annual Meeting at our offices located at 303 Colorado Street, Suite 3000, Austin, Texas 78701. The list will also be available for inspection at the Annual Meeting.

Quorum Requirement for the Annual Meeting

The presence at the Annual Meeting, whether in person or by valid proxy, of the persons holding a majority of shares of Common Stock outstanding on the Record Date will constitute a quorum, permitting us to conduct our business at the Annual Meeting. On the Record Date, there were 157,613,283 shares of Class A Common Stock and 32,145,296 shares of Class B Common Stock outstanding, held by 27 and 11 stockholders of record, respectively. Abstentions (*i.e.*, if you or your broker mark ABSTAIN on a proxy) and broker non-votes will be considered to be shares present at the meeting for purposes of a quorum. Broker non-votes occur when shares held by a broker for a beneficial owner are not voted with respect to a particular proposal and generally occur because the broker (1) does not receive voting instructions from the beneficial owner and (2) lacks discretionary authority to vote the shares. Brokers and other nominees have discretionary authority to vote on ratification of our independent public accounting firm for clients who have not provided voting instructions. However, without voting instructions from their clients, they cannot vote on non-routine proposals, including the election of directors.

Required Votes

Election of Directors. Each director will be elected by the affirmative vote of the plurality of the votes validly cast on the election of directors at the Annual Meeting. Abstentions and broker non-votes are not taken into account in determining the outcome of the election of directors.

Ratification of our Independent Public Accounting Firm. Approval of the proposal to ratify the Audit Committee s appointment of KPMG as our independent registered public accounting firm for the fiscal year ending December 31, 2016, requires the affirmative vote of the holders of at least a majority of the shares of Common Stock present in person or represented by proxy at the Annual Meeting and entitled to vote. Broker non-votes are not taken into account in determining the outcome of this proposal, and abstentions will have the effect of a vote against this proposal.

Approval of Named Executive Officer Compensation. Approval, on a non-binding advisory basis, of the compensation of the Company s Named Executive Officers for the fiscal year ended December 31, 2015 requires

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the affirmative vote of the holders of at least a majority of the shares of Common Stock present in person or represented by proxy at the Annual Meeting and entitled to vote. Broker non-votes are not taken into account in determining the outcome of this proposal, and abstentions will have the effect of a vote against this proposal. This advisory vote on executive compensation is not binding on the Company, the Compensation Committee or the Board. However, the Compensation Committee and the Board will take into account the result of the vote when determining future executive compensation programs.

Frequency of Future Advisory Votes on Executive Compensation. The frequency of the say-on-pay vote every one year, every two years or every three years that receives the greatest number of votes will be the frequency that the stockholders approve on a non-binding advisory basis. Abstentions and broker non-votes are not taken into account in determining the outcome of this proposal. This advisory vote on the frequency of the say-on-pay vote is not binding on the Board. However, the Board will take into account the result of the vote when determining the frequency of future say-on-pay votes.

Solicitation of Proxies

We will bear the cost of solicitation of proxies. This includes the charges and expenses of brokerage firms and others for forwarding solicitation material to beneficial owners of our outstanding Common Stock. We may solicit proxies by mail, personal interview, telephone or via the Internet through our officers, directors and other management employees, who will receive no additional compensation for their services.

Default Voting

A proxy that is properly completed and submitted will be voted at the Annual Meeting in accordance with the instructions on the proxy. If you properly complete and submit a proxy, but do not indicate any contrary voting instructions, your shares will be voted FOR each of the director nominees listed in Proposal ONE, FOR Proposal TWO, FOR Proposal THREE and FOR the frequency of 1 year for future advisory votes in Proposal FOUR.

If any other business properly comes before the stockholders for a vote at the meeting, your shares will be voted in accordance with the discretion of the holders of the proxy. The Board of Directors knows of no matters, other than those previously stated, to be presented for consideration at the Annual Meeting.

We are a holding company that was incorporated as a Delaware corporation on December 11, 2013, for the purpose of facilitating an initial public offering (IPO) of common equity and to become the sole managing member of Parsley Energy, LLC, which we refer to as Parsley LLC. Our principal asset is a controlling equity interest in Parsley LLC. On May 22, 2014, a registration statement filed on Form S-1 with the SEC relating to shares of our Class A Common Stock, was declared effective. The IPO closed on May 29, 2014. Prior to the IPO, we had not engaged in any business or other activities except in connection with our formation and the IPO. In this Proxy Statement, the terms the Company, we, us, our and similar terms when used in the present tense, prospectively or for historical periods since May 22, 2014, refer to Parsley Energy, Inc. and its subsidiaries, and for historical periods prior to May 22, 2014, refer to Parsley Energy, LLC and its subsidiaries, unless the context indicates otherwise.

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PROPOSAL ONE:

ELECTION OF DIRECTORS

At the recommendation of the Nominating and Governance Committee, the Board of Directors has nominated the following individuals for election as Class II directors of the Company, to serve for three-year terms beginning at the Annual Meeting and expiring at the 2019 Annual Meeting of the Stockholders, and until either they are re-elected or their successors are elected and qualified:

David H. Smith

Randolph Newcomer, Jr.

William Browning

Mr. Smith, Mr. Newcomer and Mr. Browning are currently serving as directors of the Company. If Mr. Smith, Mr. Newcomer and Mr. Browning are elected to the Board of Directors, the size of the Board will remain at seven members. Biographical information for each nominee is contained in the Directors and Executive Officers section below.

The Board of Directors has no reason to believe that its nominees will be unable or unwilling to serve if elected. If a nominee becomes unable or unwilling to accept nomination or election, either the number of the Company s directors will be reduced or the persons acting under the proxy will vote for the election of a substitute nominee that the Board of Directors recommends.

Vote Required

The election of directors in this Proposal ONE requires the affirmative vote of a plurality of the votes validly cast at the election. Neither abstentions nor broker non-votes will have any effect on the outcome of voting on director elections.

Recommendation

The Board of Directors unanimously recommends that stockholders vote FOR the election of each of the nominees.

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DIRECTORS AND EXECUTIVE OFFICERS

After the Annual Meeting, assuming the stockholders elect the nominees of the Board of Directors as set forth in Proposal ONE: Election of Directors above, the Board of Directors of the Company will be, and the executive officers of the Company are:

Name	Age	Title
Bryan Sheffield	38	President, Chief Executive Officer and Chairman of the Board
Matthew Gallagher	33	Vice President Chief Operating Officer
Paul Treadwell	48	Vice President Operations
Mike Hinson	47	Vice President Land
Ryan Dalton	36	Vice President Chief Financial Officer
Thomas B. Layman	58	Vice President Geoscience
Colin Roberts	37	Vice President General Counsel
Brad Smith	40	Vice President Corporate Strategy and Investor Relations
David H. Smith(3)	46	Director
A.R. Alameddine(2)	68	Director
Randolph Newcomer, Jr.(1)(3)	49	Director
Dr. Hemang Desai(1)(2)	50	Director
William Browning(1)	62	Director
Ronald Brokmeyer (1)(2)	53	Director

(1) Member of the Audit Committee.
(2) Member of the Compensation Committee.
(3) Member of the Nominating and Governance Committee.

The Company s Board of Directors currently consists of seven members, and if the stockholders elect Mr. Smith, Mr. Newcomer and Mr. Browning to the Board, the Board will continue to consist of seven members. The Company s directors are divided into three classes serving staggered three-year terms. Each year, the directors of one class stand for re-election as their terms of office expire. Messrs. Sheffield and Alameddine are designated as Class III directors, and their terms of office expire in 2017. Dr. Desai and Mr. Brokmeyer are designated as a Class I directors, and their terms of office expire in 2018. Messrs. Smith, Newcomer and Browning are designated as Class II directors, and, assuming the stockholders elect them to the Board as set forth in Proposal ONE: Election of Directors above, their terms of office will expire in 2019.

Set forth below is biographical information about each of the Company s executive officers, directors and nominees for director.

Bryan Sheffield President, Chief Executive Officer and Chairman of the Board. Bryan Sheffield established Parsley Energy, L.P. in 2008. He began his oil and gas career at Pioneer Natural Resources (Pioneer), where he was an Operations Tech monitoring Pioneer s non-operated properties in the Spraberry Trend from 2007 to 2008. Mr. Sheffield graduated from Southern Methodist University in 2001 with a Bachelor of Business Administration in Finance. We believe that Mr. Sheffield s experience founding and leading the growth of the Company as our President and Chief Executive Officer qualifies him to serve on our Board of Directors.

Matthew Gallagher Vice President Chief Operating Officer. Matthew Gallagher joined us in September 2010. Prior to joining Parsley, Mr. Gallagher served as Investor Relations Supervisor for Pioneer from 2008 to 2010. From 2005 to 2008, Mr. Gallagher held a variety of engineering roles with Pioneer, including Gulf of Mexico Shelf Reservoir Engineer, Hugoton Reservoir Engineer, and Spraberry Production and Operations

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Engineer. Mr. Gallagher has a Bachelor of Science in Petroleum Engineering from Colorado School of Mines and is a member of the Permian Basin Society of Petroleum Engineers and West Texas Geological Society.

Paul Treadwell Vice President Operations. Paul Treadwell joined us in July 2008. Prior to joining the Company, Mr. Treadwell spent 17 years with Parker and Parsley Petroleum Company (Parker and Parsley) and Pioneer in a variety of operations and management roles. Mr. Treadwell has over 29 years of experience in oil and gas operations. He has an Associate in Applied Science degree from Western Texas College and is a member of the Society of Petroleum Engineers.

Mike Hinson Vice President Land. Mike Hinson joined us in August 2009. Prior to joining the Company, Mr. Hinson worked in land management for Parker and Parsley and Pioneer for 12 years. He has an Associate of Arts degree from Odessa College and a Bachelor of Science degree in Kinesiology from the University of Texas of the Permian Basin. He is a member of both the Permian Basin Landmen s Association and the American Association of Petroleum Landmen organization.

Ryan Dalton Vice President Chief Financial Officer. Ryan Dalton joined us in January 2012. From 2009 to 2012, Mr. Dalton worked in the restructuring and debt advisory practice of Rothschild, an investment bank and financial advisory firm. Prior to departing to pursue an M.B.A., Mr. Dalton worked as a management consultant at AlixPartners, LP for five years. Mr. Dalton holds a Bachelor in Business Administration in Finance from Southern Methodist University and a Masters in Business Administration from the Darden School of Business at the University of Virginia.

Thomas B. Layman Vice President Geoscience. Thomas B. Layman has served as our Vice President Geoscience since May 2014 and has over 35 years of oil and gas industry experience. Prior to joining the Company, from 2006 to 2014 he was employed by Chesapeake Energy Corporation (Chesapeake). During his tenure, he served as Vice President of Southern Division Exploration and was responsible for exploration efforts in the Mid-Continent, Permian, Fort Worth and Gulf Coast Basins. Previous roles at Chesapeake included: Vice President of Geoscience for the Eastern Division, where he directed exploration and development efforts for the Marcellus and Utica plays, and Geoscience Manager of the Barnett District. From 1994 to 2006, Mr. Layman worked for Burlington Resources as Geoscience Manager and from 1987 to 1994 at Exxon Company USA as a geologist. Mr. Layman started his career in 1981 working on drilling rigs as a mud logger. He holds a M.A. degree in Geology from the University of Texas at Austin and a B.S. degree in Agronomy from the Pennsylvania State University. He is a 30-year member of AAPG and is a Certified Petroleum Geologist. Mr. Layman currently serves on the Geology Foundation Advisory Council at the University of Texas at Austin.

Colin Roberts Vice President General Counsel. Colin Roberts has served as our General Counsel since April 2013. Prior to joining the Company, Mr. Roberts practiced corporate law with Alston & Bird LLP from 2008 to 2013. Mr. Roberts earned a Bachelor in Business Administration in Finance and Real Estate Finance from Southern Methodist University and a J.D. from the University of Kentucky College of Law.

Brad Smith Vice President Corporate Strategy and Investor Relations. Brad Smith joined us in January 2014. Before joining the Company, Mr. Smith pursued graduate studies at Princeton University starting in 2008 while simultaneously holding various research positions, including a visiting scholar role at Rice University. Mr. Smith s previous experience includes oil and gas equity research at Credit Suisse, management consulting with PricewaterhouseCoopers, and other academic positions at Rice University. Mr. Smith graduated *summa cum laude* from Baylor University with a Bachelor of Arts in Business Administration and earned a Ph.D. in Sociology from Princeton University.

David H. Smith Director. David H. Smith is the Vice-President of Davis, Gerald & Cremer, P.C. (DGC), a boutique oil and gas law firm, where he has practiced law since 1999. He has served on our Board of Directors since December 2013. Mr. Smith heads the business organizations & transactions practice at DGC. Prior to joining DGC, Mr. Smith practiced with Thompson & Knight in Dallas, Texas, from 1995 to 1999. Mr. Smith is a member of the advisory board of the Institute for Energy Law and a member of the Republican

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Jewish Coalition. Mr. Smith is a *magna cum laude* graduate of the University of Houston Law Center, where he served as an Editor of the Law Review and was a member of the Order of the Coif, Order of the Barons and Phi Delta Phi. He attended Harvard University and Boston University, earning his undergraduate degree in Economics and Business Administration from Boston University in 1992. We believe that Mr. Smith s experience representing oil and gas companies on complex business transactions qualifies him for service on our Board of Directors.

A.R. Alameddine Director. A.R. Alameddine is the former Executive VP Worldwide Negotiation Execution and Implementation at Pioneer, a position he held from 2005 until his retirement in 2008. He has served on our Board of Directors since December 2013. Mr. Alameddine joined Pioneer in 1997 and previously held the positions of VP Domestic Business Development and later Executive VP of Worldwide Business Development. Before joining Pioneer, Mr. Alameddine spent 26 years with Mobil Exploration & Producing Company (Mobil) in various engineering and planning positions in the United States. In addition, he was a member of the Gas Venture Group in Stavanger Norway for three years marketing gas production from the Statfjord Field in the North Sea. Prior to his retirement from Mobil in 1997 he was the Acquisition, Trade and Sales Manager, a position he had held since 1990. Mr. Alameddine graduated from Louisiana State University in 1971 with a Bachelor degree of Science in Petroleum Engineering. We believe that Mr. Alameddine s executive management experience in the oil and gas industry qualifies him for service on our Board of Directors.

Randolph Newcomer, Jr. Director. Randolph Newcomer, Jr. serves as the Chief Executive Officer and President of Riverbend Oil & Gas, L.L.C. (and affiliates) (Riverbend), a position he has held since forming Riverbend in 2003. He has served on our Board of Directors since April 2014. Mr. Newcomer served as a Vice President of EnCap Investments L.P. (from 1997 to 2003, Houston) where he evaluated and co-managed a multitude of exploration and production financings involving mezzanine debt and equity investments. Mr. Newcomer began his career in 1989 at Amoco Production Company (Houston) (Amoco) serving in diverse production and reservoir engineering, business development, and acquisition and divestment roles (notably on the transaction support team associated with the formation of Altura Energy), with all Amoco service time associated with assets in the Permian Basin. He holds a B.S. in Petroleum Engineering from Texas A&M University and an Executive M.B.A. from the University of Houston. E&P companies that Mr. Newcomer has served and/or serves on the Board of Directors of include Riverbend, Ovation Energy, Chalker Energy II & III, and Navidad Resources. Furthermore, he has served or serves on the Board of Directors of Houston Producer s Forum and the Advisory Boards of Yellowstone Academy and Stoney Creek Ranch. We believe that Mr. Newcomer s experience as a chief executive officer of an oil and gas company, as well as his broad knowledge of the industry and oil and gas investments, qualify him for service on our Board of Directors.

Dr. Hemang Desai Director. Hemang Desai, Ph.D., is the Accounting Department Chair and Robert B. Cullum Professor of Accounting at Southern Methodist University (SMU). He has served on our Board of Directors since July 2014. Dr. Desai joined SMU s faculty in 1998 and has served as the Accounting Department Chair since 2010. His research on accounting and capital markets has been published in top academic journals and has been the subject of articles at publications such as the Wall Street Journal, Barron s, the New York Times and CFO Magazine. Dr. Desai s consulting clients have included McKinsey & Co., Entergy Corp, and Baker & McKenzie. He received a B.Sc. from St. Xavier s College, Bombay, India in 1986, an M.B.A. from the University of New Orleans in 1990, and a Ph.D. in Business Administration from the Freeman School of Business at Tulane University in 1997. We believe that Dr. Desai s experience and broad knowledge in matters of capital markets and accounting qualify him for service on our Board of Directors.

William Browning Director. William Browning has dedicated his time to serving on the boards of directors for various corporations and non-profit organizations since January 2012. He has served on our Board of Directors since August 2014. Prior to this, Mr. Browning was a senior client service partner at Ernst & Young LLP (Ernst & Young) from 1999 through 2012, the latter four years of which he also served as managing partner of Ernst & Young s Los

Angeles office. He began his professional career with Arthur Andersen & Co. in 1976, where he was admitted to the partnership in 1987 and named managing partner of the firm s Oklahoma

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City office in 1994. During his public accounting career, Mr. Browning accumulated experience across a number of industries, including the entire energy value chain, and developed expertise in domestic banking and regulatory compliance. He serves on the boards of directors of McCarthy Holdings, the holding company for McCarthy Building Companies, Inc., a commercial builder, Community Bank, based in Pasadena, California, and Ares Commercial Real Estate Corporation, a real estate investment trust. He received a B.B.A. from the University of Oklahoma and is a certified public accountant in Oklahoma, California, and Texas. We believe that Mr. Browning s extensive experience on boards of directors and knowledge on accounting and auditing matters qualify him for service on our Board of Directors.

Ronald Brokmeyer Director. Ronald Brokmeyer is the former President and General Manager of the Permian Resources business unit of Occidental Petroleum Corp. (Occidental), a position he held from 2013 until his retirement in July 2014. He has served on our Board of Directors since March 2016. Mr. Brokmeyer joined Occidental in 2000 and held a number of engineering and managerial positions with the company, both domestically and internationally. Mr. Brokmeyer began his career at Amoco Corporation in 1985, where he worked in different engineering roles prior to joining Altura Energy from 1997 to 2000. Mr. Brokmeyer received a Bachelor of Science in Petroleum Engineering from Texas Tech University in 1984. We believe that Mr. Brokmeyer s extensive management and technical experience in the oil and gas industry qualifies him for service on our Board of Directors.

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MEETINGS AND COMMITTEES OF DIRECTORS

The Board of Directors held six meetings during 2015, including two special meetings, and its independent directors met in executive session four times during 2015. During 2015, each of our directors attended at least 75% of the meetings of the Board of Directors and the meetings of the committees of the Board of Directors on which that director served.

Executive Sessions. The Board of Directors holds regular executive sessions in which the independent directors meet without any non-independent directors or members of management. The purpose of these executive sessions is to promote open and candid discussion among the independent directors. The Lead Director presides at these meetings and provides the Board of Directors guidance and feedback to our management team.

The Board of Directors has three standing committees: the Audit Committee, the Compensation Committee and the Nominating and Governance Committee.

The Board of Directors and each Committee of the Board of Directors expects to meet a minimum of four times per calendar year in 2016 and future years.

Audit Committee. The members of the Audit Committee are Messrs. Browning, Newcomer and Brokmeyer and Dr. Desai. As described under Transactions with Related Persons Riverbend Permian L.L.C. Acquisition below, Mr. Newcomer is the President and Chief Executive Officer of an entity from which we have agreed to acquire certain oil and gas interests. Prior to the consummation of the acquisition, which is expected to occur on or before May 16, 2016, Mr. Newcomer expects to resign from the Audit Committee. The Audit Committee held four meetings during 2015. Additional information regarding the functions performed by the Audit Committee and its membership is set forth in the Audit Committee Report included herein and also in the Audit Committee Charter that is posted on the Company s website at *www.parsleyenergy.com*.

Compensation Committee. Responsibilities of the Compensation Committee, which are discussed in detail in the Compensation Committee Charter that is posted on the Company s website at *www.parsleyenergy.com*, include among other duties, the responsibility to:

- review, evaluate and approve the agreements, plans, policies and programs of the Company to compensate the Company s executive officers and directors;
- review and discuss with the Company s management the Compensation Discussion and Analysis included in this Proxy Statement;
- produce the Compensation Committee Report as required by Item 407(e)(5) of Regulation S-K included in this Proxy Statement;
- otherwise discharge the Board s responsibilities relating to compensation of the Company s executive officers and directors; and

perform such other functions as the Board may assign to the Committee from time to time.

The Compensation Committee is delegated all authority of the Board of Directors as may be required or advisable to fulfill its purposes. The Compensation Committee may delegate to its Chairman, any one of its members or any subcommittee it may form, the responsibility and authority for any particular matter, as it deems appropriate from time to time under the circumstances. Meetings may, at the discretion of the Compensation Committee, include members of the Company s management, other members of the Board of Directors, consultants or advisors and such other persons as the Compensation Committee believes to be necessary or appropriate. The Compensation Committee will consult with the Company s Chief Executive Officer when evaluating the performance of, and setting the compensation for, the Company s executive officers other than the Chief Executive Officer.

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The Compensation Committee may, in its sole discretion, retain and determine funding for legal counsel, compensation consultants, as well as other experts and advisors (collectively, Committee Advisors), including the authority to retain, approve the fees payable to, amend the engagement with and terminate any Committee Advisor, as it deems necessary or appropriate to fulfill its responsibilities.

The members of the Compensation Committee are Messrs. Alameddine and Brokmeyer and Dr. Desai. The Compensation Committee held five meetings during 2015.

Nominating and Governance Committee. The Nominating and Governance Committee advises the Board, makes recommendations regarding appropriate corporate governance practices and assists the Board in implementing those practices. The Nominating and Governance Committee further assists the Board by identifying individuals qualified to become members of the Board, consistent with the criteria approved by the Board, and by recommending director nominees to the Board for election at the annual meetings of stockholders or for appointment to fill vacancies on the Board. Additional information regarding the functions performed by the Nominating and Governance Committee is set forth in the Corporate Governance and Stockholder Proposals; Identification of Director Candidates sections included herein and also in the Nominating and Governance Committee Charter that is posted on the Company s website at *www.parsleyenergy.com.*

The members of the Nominating and Governance Committee are Messrs. Smith and Newcomer. As described under Transactions with Related Persons Riverbend Permian L.L.C. Acquisition below, Mr. Newcomer is the President and Chief Executive Officer of an entity from which we have agreed to acquire certain oil and gas interests. Prior to the consummation of the acquisition, which is expected to occur on or before May 16, 2016, Mr. Newcomer expects to resign from the Nominating and Governance Committee, at which time the Board of Directors expects to reevaluate the composition of the Nominating and Governance Committee. The Nominating and Governance Committee held four meetings during 2015.

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COMPENSATION COMMITTEE REPORT

The information contained in this Compensation Committee Report shall not be deemed to be soliciting material or to be filed with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the Company specifically incorporates such information by reference in such filing.

The Compensation Committee reviewed and discussed the Compensation Discussion and Analysis required by Item 402 of Regulation S-K promulgated by the SEC with management of the Company, and, based on such review and discussions, the Compensation Committee recommended to the Board of Directors that such Compensation Discussion and Analysis be included in this Proxy Statement and incorporated by reference into the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2015.

Compensation Committee of the Board of Directors:

A.R. Alameddine, Chairman

Dr. Hemang Desai, Member

Ronald Brokmeyer, Member

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COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis provides information about our rationale and policies with regard to the compensation of the executive officers who are our Named Executive Officers for 2015. Our Named Executive Officers include our principal executive officer, principal financial officer and the three most highly compensated executive officers other than our principal executive officer and principal financial officer. Our Named Executive Officers for 2015 include:

Name	Title
Bryan Sheffield	President, Chief Executive Officer and Chairman of the Board
Ryan Dalton	Vice President Chief Financial Officer
Matthew Gallagher	Vice President Chief Operating Officer
Thomas B. Layman	Vice President Geoscience
Colin Roberts	Vice President General Counsel

This Compensation Discussion and Analysis is intended to provide context for the tabular disclosure provided in the executive compensation tables below and to provide investors with the material information necessary to an understanding of our compensation policies and decisions.

EXECUTIVE SUMMARY

We are an independent oil and natural gas company operating in the Permian Basin, where we develop unconventional oil and natural gas reserves. As we efficiently and responsibly grow reserves, production, and cash flow by developing our liquids rich resource base, we seek to create value for stockholders, employees, energy consumers, and the communities in which we work. With these goals in mind, our executive compensation program is designed to attract, retain, motivate, and appropriately reward talented and experienced executives while ensuring that the interests of the Named Executive Officers are aligned with the interests of our stockholders.

2015 Company Performance

Despite the headwinds facing the exploration and production industry during the year, we accomplished a number of significant achievements in 2015, including the following:

- We increased full-year 2015 production by 55% over full-year 2014 production, with oil volumes increasing 69% year-over-year. Our 2015 annual production exceeded the upper bound of our target production range by 13%.

- From the fourth quarter of 2014 to the fourth quarter of 2015, we reduced drilling and completion costs by 31%, significantly driven by what we expect to be sustainable efficiency gains, including a 35% reduction in average drilling time.

- We strengthened our financial position over the course of 2015, exiting the year with approximately $770 million of liquidity and a net debt to adjusted annualized EBITDAX ratio of 1.5x, representing improvement on both measures relative to our standing at the end of 2014, when we had approximately $519 million of liquidity and a net debt to adjusted annualized EBITDAX ratio of 1.9x (ratios are pro forma for the acquisition announced in December 2015). Adjusted EBITDAX is not a measure of net income as determined by generally accepted accounting principles (GAAP). See our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 for a reconciliation of the non-GAAP financial measure to GAAP financial measure of net income.

We high-graded our asset base through strategic acquisitions, divestitures, and acreage trades, netting 390 net horizontal drilling locations and 70 lateral extensions. These transactions increased our horizontal inventory by 36% and increased the percentage of that inventory in our core area from 67% to 77%.

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Despite a 49% decline in the projected commodity prices used by the SEC for reserve estimation, we posted strong reserve growth in 2015, increasing proved reserves by 36% year-over-year.

We reduced cash-based general and administrative expenses (excluding stock based compensation) from $6.68/BOE in 2014 to $5.87/BOE in 2015.

We successfully initiated a horizontal drilling program in the Southern Delaware Basin, paving the way for incremental value creation from what we hope will become a new core development area for the Company.

We believe that these operational and financial achievements contributed to the strong performance of our stock in 2015. Against a 30% decline in oil prices, our stock outperformed all but three U.S.-listed exploration and production stocks in 2015 per data from RBC Richardson Barr, registering 16% share price appreciation versus an average share price decline of 51% for all exploration and production stocks.

2015 U.S.-listed Exploration and Production Stock Performance

Source: RBC Richardson Barr; includes the performance of 85 U.S. publicly traded exploration and production company stocks for the period of 12/31/2014 to 12/31/2015

Material Executive Compensation Changes for 2015

* *Implemented new annual cash incentive bonus program to motivate our employees to achieve specific pre-established operational and business goals*

In 2015, we implemented a new annual cash incentive bonus program. Pursuant to this program, our Compensation Committee establishes specific quantitative and qualitative metrics at the beginning of each year. Actual performance with respect to each metric determines the value of the annual cash bonus paid, if any.

* *Implemented performance-based RSUs to focus long-term equity on performance*

In 2015, we implemented our new long-term equity incentive compensation program. Under the new program, 50% of the long-term equity incentive awards granted to our Named Executive Officers vest based on our relative total shareholder return and 50% vest based on continued service over time (as compared to 100% time-based awards in 2014).

* *Adopted stock ownership guidelines for non-employee directors and executives, including our Named Executive Officers*

In 2015, we adopted stock ownership guidelines for both our non-employee directors and our executives to strengthen the alignment between our leadership and our stockholders.

CEO Pay at a Glance

To ensure that the interests of the Named Executive Officers are aligned with stockholders, our Compensation Committee has designed our executive compensation program to include a substantial amount of pay that is at-risk. At-risk pay may be performance-based, equity-based, or both. The first chart below shows that 82% of our President and Chief Executive Officer s 2015 target compensation is comprised of at-risk pay, while his guaranteed base salary comprises only 18% of his target annual compensation. Similarly, the second chart below shows that, on average, 77% of our Named Executive Officers (excluding our President and Chief Executive Officer) 2015 target compensation is comprised of at-risk pay, while their average guaranteed base salary comprises only 23% of their average target annual compensation.

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Say-on-Pay and Say-on-Frequency

As of December 31, 2015, the Company no longer qualified as an emerging growth company (as such term is defined in the Jumpstart Our Business Startups Act, also known as the JOBS Act). As such, the Company is offering stockholders the opportunity to vote, on a non-binding advisory basis, to approve the Company s executive compensation programs as described in this Proxy Statement, colloquially known as Say-on-Pay, as well as the frequency of such Say-on-Pay votes, or Say-on-Frequency. We look forward to receiving feedback from our stockholders regarding the Company s executive pay practices as we value our stockholders evaluation of our executive compensation programs and policies. As discussed in more detail in Proposal THREE below, the Board has recommended that stockholders vote, on a non-binding advisory basis, to approve our executive compensation programs as described below, and to support annual Say-on-Pay votes in order to receive more frequent feedback regarding our executive compensation policies.

EXECUTIVE COMPENSATION PHILOSOPHY AND OBJECTIVES

Our executive compensation policies are designed to align management and stockholder interests and create value for investors while attracting and retaining talented executives with the skills and expertise to help us achieve our financial and operational goals. We have a strong interest in the retention of our current Named Executive Officers as their dedication and experience allows us to efficiently achieve our corporate objectives and create value for stockholders. We aim to provide effective retention mechanisms while preventing excessive payments or improper incentives. We strive to maintain competitive pay practices within our industry while ensuring that our stockholders receive maximum returns and security for their investment. We accomplish this through linking our executive compensation to several measures of the Company s short-term and long-term performance. A majority of our compensation program is structured based on pay that is at-risk.

Our Compensation Committee regularly reviews best compensation and governance practices to ensure that our executive compensation program is designed such that it is consistent with those practices while striving to

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achieve the compensation objectives described above. The following chart provides a brief summary of some of our compensation practices.

	What we do:		*What we don t do:*
ü	Pay for performance and pay for sustained performance over multi-year performance periods	×	No single-trigger change of control vesting
ü	Substantial portion of pay at risk	×	No gross-ups for severance or change of control payments
ü	Equity awards subject to extended vesting periods	×	No guaranteed bonuses
ü	Policy prohibiting hedging transactions	×	No payment of current dividends on unvested restricted stock units
ü	Policy prohibiting pledging transactions subject to limited exceptions with Audit Committee approval	×	No excessive perquisites
ü	Independent Compensation Consultant		
ü	Stock ownership guidelines for non-employee directors and executives		
ü	Annual compensation risk assessment		

HOW WE MAKE COMPENSATION DECISIONS

Role of the Compensation Committee

The Compensation Committee has the responsibility to review and approve the compensation policies, programs, and plans for the Company s officers and directors, including administering our 2014 Long Term Incentive Plan (LTIP). The Compensation Committee is also responsible for reviewing our Compensation Discussion and Analysis and producing the Compensation Committee Report with respect to our executive compensation disclosures. Finally, the Compensation Committee establishes our compensation objectives in order to maintain a competitive and effective compensation program. The Compensation Committee, in superintending the compensation of our directors and officers, employs several analytic tools and considers information from multiple resources. Subject in certain circumstances to Board approval, the Compensation Committee has the sole authority to make final decisions with respect to our executive compensation program, and the Compensation Committee is under no obligation to utilize the input of other parties. For more detailed information regarding the Compensation Committee, the current Compensation Committee Charter is posted on the Corporate Governance page of the investor relations section of the Company s website at *www.parsleyenergy.com*.

Role of Compensation Consultant in Compensation Decisions

The Compensation Committee has retained Meridian Compensation Partners, LLC (Meridian), as the committee s independent compensation consultant. Meridian provides advice to and works with the Compensation Committee in designing and implementing the structure and mechanics of the Company s executive compensation regime as well as other matters related to officer and director compensation. For example, Meridian worked with the Compensation Committee to design the new performance-based annual incentive program and long-term equity incentive program implemented in 2015. In addition, Meridian provides the Compensation Committee with external context such as relevant market and peer-company data, trends in executive compensation, and developments in executive compensation practices. This information assists the Compensation Committee in making executive and director compensation decisions based on market pay levels and best practices.

The Compensation Committee made the decision to retain Meridian, and Meridian reports directly and exclusively to the Compensation Committee. Meridian does not have authority to make compensation-related decisions for the Compensation Committee or otherwise with respect to the Company, and the Compensation Committee is not required to utilize any of the information or advice provided by Meridian. In addition, other than its services performed for the Compensation Committee, Meridian does not provide additional services to management, the Company or its affiliates. The Compensation Committee has the discretion to allow Meridian to work with management in preparing or reviewing materials for the Compensation Committee s consideration. During 2015, and after taking into consideration the factors listed in Section 303A.05(c)(iv) of the NYSE Listed Company Manual, the Compensation Committee concluded that neither it nor the Company have any conflicts of interest with Meridian, and that Meridian is independent from management. Other than Meridian, no other compensation consultants provided services to the Compensation Committee during 2015.

Role of Executive Officers in Compensation Decisions

After reviewing the information and advice provided by Meridian, our corporate goals, historic and projected performance, the current economic environment, and any other relevant factors, the Compensation Committee determines the compensation for our President and Chief Executive Officer. In making compensation determinations with respect to the other Named Executive Officers, the Compensation Committee may consider recommendations from our President and Chief Executive Officer but retains sole discretion over final compensation determinations. Additionally, the Compensation Committee requests that the Named Executive Officers provide recommendations on the appropriate goals when establishing the qualitative and quantitative performance metrics for the short-term cash incentive program. The Compensation Committee may disregard any such suggestions or observations made by our executive officers. In addition, the Named Executive Officers may attend Compensation Committee meetings upon invitation to report on the Company s progress with respect to the annual quantitative and qualitative performance metrics, but are excluded from any discussions involving the officer s individual compensation.

Determining Compensation Levels

As discussed above, the Compensation Committee has the overall responsibility for establishing the elements, terms and target value of compensation delivered to our Named Executive Officers. The Compensation Committee strives to develop competitive, but not excessive, compensation programs for our employees and our Named Executive Officers in order to recruit and retain the best possible talent in our industry. An important element of the Compensation Committee s decision making is compensation data produced by our independent compensation consultant, including direct data from our peer group, other industry compensation surveys, and proprietary data developed by Meridian. Using this data, the Compensation Committee will evaluate each Named Executive Officer s individual performance, the Company s overall performance, and market data to reach compensation decisions for individual officers.

Peer Group

Our Compensation Committee, with input from Meridian, chose our peer group after reviewing the relative size, market capitalization, revenues, enterprise value, business structure, mix of oil and gas production, and historical performance of a number of similar companies in the upstream exploration and production business. The Compensation Committee also considered to what extent we directly compete with the peer companies in making its determination (*i.e.*, whether we operate in the same geographic location). In addition, the Compensation Committee attempted to select a sufficient number of peers to withstand possible attrition in light of an expected

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increase in industry consolidation. After taking these considerations into account, the Compensation Committee determined that the companies included in the table below reflect an appropriate peer group:

Approach Resources Inc.	Comstock Resources Inc.	Resolute Energy Corp.
Bill Barrett Corp.	Diamondback Energy Inc.	Rice Energy Inc.
Bonanza Creek Energy Inc.	Goodrich Petroleum Corp.	Rosetta Resources Inc.
Eclipse Resources Corp.	Laredo Petroleum Inc.	RSP Permian Inc.
Clayton Williams Energy Inc.	Matador Resources Co.	Sanchez Energy Corp.

Compensation and total stockholder return data from the above peer group was used by our Compensation Committee when making decisions regarding the compensation paid to our Named Executives Officers as well as for the relative total stockholder return comparison for the Performance RSUs awarded to our Named Executive Officers in February 2015 for the three-year performance period covering January 1, 2015 through December 31, 2017. As described in 2015 Restricted Stock Unit Awards under the LTIP below, at the end of the performance period, the Compensation Committee will certify the total stockholder return for our stock in comparison to our peer group, which will determine the payout level for the performance-based restricted stock units granted to our Named Executive Officers in 2015.

ELEMENTS OF COMPENSATION

Base Salary

Each Named Executive Officer s base salary is a fixed component of compensation each year for performing specific job duties and functions. Base salary is an integral component of our compensation and a crucial aspect of retaining top executive talent. Since our IPO, the Compensation Committee has worked together with our President and Chief Executive Officer to determine the amount, if any, of modifications to the base salary levels for each of our Named Executive Officers, except for Mr. Sheffield s base salary, which is set directly by the Compensation Committee alone. Adjustments to the base salary rates for the Named Executive Officers are made upon consideration of factors that our Compensation Committee deems relevant, including but not limited to: (a) any increase or decrease in the executive s responsibilities, (b) the executive s experience, (c) the executive s job performance, and (d) the level of compensation paid to executives of other companies with which we compete for executive talent, as estimated based on publicly available information and the experience of the members of our Compensation Committee. After considering each of these factors, the Compensation Committee made the following adjustments to base salaries for our Named Executive Officers, effective in July of 2015.

Name	2014 Base Salary	2015 Base Salary
Bryan Sheffield	$ 616,087	$ 640,000
Ryan Dalton	$ 300,000	$ 385,000
Matthew Gallagher	$ 350,000	$ 400,000
Thomas B. Layman	$ 360,000	$ 372,000
Colin Roberts	$ 300,000	$ 330,000

The total base salary paid to each of our Named Executive Officers for services provided during 2015 is reported below in the Salary column of our Summary Compensation Table.

Annual Incentive Bonus 2015 Short-Term Cash Incentive Program

Following our IPO we reviewed and evaluated all of our compensation programs, including our short-term cash incentive program. During 2014, and into 2015, our Compensation Committee worked extensively with Meridian, the Compensation Committee s independent compensation consultant, to design a new performance-based annual incentive program administered under our LTIP. The new annual incentive program, the 2015 short-term cash incentive program, measures company-wide performance based upon both quantitative and qualitative metrics. The 2015 short-term cash incentive program was implemented in order to provide pre-established objective performance criteria that could be communicated to our Named Executive Officers early in the performance period in order to motivate them to achieve specific short-term financial and operational goals. The 2015 short-term cash incentive program also provides for an established payout structure, with payout percentages that are calculated based upon actual performance as compared to equally weighted quantitative and qualitative performance goals. The quantitative metrics allow the executives to strive towards very specific numerical performance goals, while the qualitative factors allow the Compensation Committee to evaluate more holistic company goals. Furthermore, the 2015 short-term cash incentive program still allows the Compensation Committee the flexibility to adjust the award if necessary based on individual performance and any relevant market adjustments.

The quantitative performance metrics utilized in 2015, which in the aggregate were weighted 50% of the total annual incentive opportunity, included production volume, measured in million barrels of oil equivalent (MMBOE), lease operating expense (LOE), and finding and development cost for proved developed producing reserves (PDP F&D). LOE and PDP F&D are both measured on a unit basis (*i.e.*, barrel of oil equivalent (BOE)) and are designed to incentivize expense reductions and improved operational efficiencies. The qualitative metrics that the Compensation Committee may consider include, but are not limited to, safety/environmental, general and administrative expense management (G&A Expense), strategic initiatives, and talent development. The qualitative metrics, in aggregate, are weighted 50% of total annual incentive opportunity. The chart below summarizes the metrics and performance levels established by the Compensation Committee for 2015.

	WEIGHTING	**THRESHOLD PERFORMANCE LEVEL**	**TARGET PERFORMANCE LEVEL**	**MAXIMUM PERFORMANCE LEVEL**
Quantitative Metrics	**50% Aggregate Weighting**			
Production	16.6%	6.9 MMBOE Payout %: 8.3%	7.1 MMBOE Payout %: 16.6%	7.3 MMBOE Payout %: 33.2%
LOE	16.6%	$6.75/BOE Payout %: 8.3%	$6.50/BOE Payout %: 16.6%	$6.25/BOE Payout %: 33.2%
PDP F&D	16.6%	$17.00/BOE Payout %: 8.3%	$16.50/BOE Payout %: 16.6%	$16.00/BOE Payout %: 33.2%
Qualitative Factors	**50% Aggregate Weighting**			
Strategic initiatives G&A expenses Talent development Safety/environmental	The payout percentage for qualitative metrics is determined by the Compensation Committee in its discretion after considering the Company s qualitative performance in the listed areas and any other areas it deems important for the year.			

After the level of performance is determined, the payout percentage for each individual metric is added together to calculate the total payout percentage for each Named Executive Officer. The Compensation Committee may then adjust the total payout percentage for each participant either up or down by no more than 25% to take into account individual performance. The final payout percentage is then be multiplied by the participant s target bonus opportunity. For 2015, each Named Executive Officer s target bonus opportunity was equal to 100% of his base salary in effect as of December 31, 2015.

Base Salary at Fiscal Year End	X	NEO Target Bonus (% of base salary)	X	Payout Percentage (%)	+/-	Individual performance adjustments (if any)	=	Actual bonus earned

In 2015, while the Compensation Committee intended to administer the program as described above, in order to retain flexibility in the current volatile commodities market, the Compensation Committee reserved the

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right to increase or decrease final awards or terminate the 2015 short-term cash incentive program entirely at any time prior to settlement of the awards.

In February of 2016, the Compensation Committee met to determine the payout percentage for each metric based on the actual level of performance achieved for each of the qualitative and quantitative performance factors. The Compensation Committee reviewed and discussed the data regarding the Company s performance as compared to the targets for each quantitative performance metric established for the 2015 fiscal year. The Compensation Committee did not exercise its discretion to adjust the total payout percentage based on individual performance, modify the final awards in any other way, or to terminate the program during 2015.

The Compensation Committee calculated the payout percentage for the quantitative metrics of 33.2% by applying the actual results for each quantitative metric for the 2015 fiscal year to the targets approved by the Compensation Committee at its February 2015 meeting. The Company failed to achieve the threshold performance levels for its LOE and PDP F&D targets, resulting in a 0% payout percentage for those two quantitative metrics, but exceeded its maximum performance level for its production target, resulting in a payout percentage of 33.2%.

With respect to the qualitative metrics, the Compensation Committee considered a variety of qualitative factors in determining a payout percentage of 23.8%. The Compensation Committee acknowledged the Company s successes in achieving certain strategic initiatives during 2015, including reducing its drilling and completion costs through gains in operational efficiency, strengthening its financial position by improving total liquidity and its net debt to adjusted annualized EBITDAX ratios, and high grading its acreage position through strategic acquisitions, divestitures, and acreage trades. The Compensation Committee also considered the favorable trends with general and administrative expenses, including a reduction in cash-based general and administrative expenses on a unit basis year-over-year from 2014 to 2015 and the small general and administrative expense growth in comparison to significant production growth over the course of 2015. In regards to talent development, the Compensation Committee recognized the Company s progress on employee training, internal cross-departmental educational opportunities, and the identification and promotion of key performers.

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The following chart shows the Compensation Committee s determination with respect to the 2015 short-term cash incentive program performance measures:

Quantitative Metrics

Metric	Threshold	Target	Maximum	Actual Result	Payout Percentage
Production/MMBOE	6.9 MMBOE	7.1 MMBOE	7.3 MMBOE	8.0 MMBOE	**33.2%(1)**
LOE	$6.75/BOE	$6.50/BOE	$6.25/BOE	$7.83/BOE	**0%**
PDP F&D	$17.00/BOE	$16.50/BOE	$16.00/BOE	$21.44/BOE	**0%**
SUB-TOTAL					**33.2%**

Qualitative Factors

Factor	Actual Result	
Strategic initiatives G&A expenses Talent development Safety/environmental	The Company demonstrated significant progress in achieving certain strategic initiatives, including reducing its drilling and completion costs, strengthening its financial position, and completing strategic transactions to high grade the quality of its assets. General and administrative expense growth slowed significantly in the fiscal year 2015 coming in below budget, and production growth outpaced general and administrative expense growth. In addition, cash-based general and administrative expenses on a unit basis decreased year-over-year. The Company supported and encouraged professional development through a variety of initiatives. Recordable safety incidents held flat while reportable environmental incidents increased year-over-year. The Company demonstrated improved training, response, and inspection capabilities.	**23.8%**
TOTAL 2015 PAYOUT PERCENTAGE		**57.0%**

(1) Payout percentages are capped at 200% of target payout, which for each quantitative performance metric is 33.2%.

The final payout percentage of 57%, as determined above, was then multiplied by the Named Executive Officer s target bonus opportunity which, for 2015 was 100% of each Named Executive Officer s base salary in effect as of December 31, 2015, in order to calculate the total bonus payable to each Named Executive Officer. The bonus amount paid to each Named Executive Officer for the 2015 fiscal year under the 2015 Short-Term

Cash Incentive Program are outlined in the chart below and are reported in the Summary Compensation Table in the Non-Equity Incentive Plan Compensation column:

Name	Base Salary as of 12/31/15($)		Target Bonus as % of Base Salary		Payout Percentage		Individual Performance Adjustments		Actual 2015 Bonus Award ($)
Bryan Sheffield	$ 640,000	X	100%	X	57%	+	0	=	364,800
Ryan Dalton	$ 385,000	X	100%	X	57%	+	0	=	219,450
Matthew Gallagher	$ 400,000	X	100%	X	57%	+	0	=	228,000
Thomas B. Layman	$ 372,000	X	100%	X	57%	+	0	=	212,040
Colin Roberts	$ 330,000	X	100%	X	57%	+	0	=	188,100

2014 Long-Term Incentive Plan

In connection with the closing of our IPO, our Board of Directors adopted, and our stockholders approved, a Long-Term Incentive Plan, or LTIP, to attract, retain, and motivate employees, directors, and other service providers. Our Named Executive Officers are eligible to participate in the LTIP, which provides for the grant of cash and equity-based awards, including options to purchase shares of our Class A Common Stock, stock appreciation rights, restricted stock, restricted stock units, bonus stock, dividend equivalents, other stock-based awards, performance awards and annual incentive awards. Since the adoption of our LTIP, we have awarded only restricted stock, restricted stock units, and short-term cash incentive bonuses pursuant to our LTIP, and we have not made awards of any other types of securities or instruments such as options or stock appreciation rights.

2015 Restricted Stock Unit Awards under the LTIP

On February 19, 2015, the Compensation Committee granted restricted stock units (RSUs) to each of our Named Executive Officers. One-half of the RSUs granted were awards of Performance-Based Restricted Stock Units (Performance RSUs) and the other one-half of the awards granted were Time-Based Restricted Stock Units (Time RSUs). The awards will be settled in shares of our Class A common stock, and the RSUs accrue dividend equivalents that are settled in cash within 45 days of the settlement of the shares distributed pursuant to the award. The Compensation Committee determined to award a mix of Performance RSUs and Time RSUs due to the different incentives and characteristics of each type of awards. Specifically, Performance RSUs are intended to ensure that a meaningful portion of our Named Executive Officers compensation is performance-based and variable based on the performance of our stock price relative to our peers, thus incentivizing our Named Executive Officers to achieve long-term company performance goals and superior operational execution. Time RSUs are intended to emphasize retention and stock ownership and serve as a more fixed and predictable compensation element, and to further align our Named Executive Officer s compensation with the interests of our stockholders. In short, the combination of Performance RSUs and Time RSUs are intended to balance performance-based compensation with the need to retain critical talent.

All of the Time RSUs granted to the Named Executive Officers in February 2015 will vest, subject to continued employment with us and the terms of the restricted stock unit agreement and the LTIP, on February 19, 2018. For the Performance RSUs, the performance metric is relative total stockholder return, which measures the Company s total stockholder return as compared to the total stockholder return of peer group companies over the performance period from January 1, 2015 through December 31, 2017. The Compensation Committee determined that relative total stockholder return was an appropriate performance measure over this three-year performance period because it aligns the interests of our Named Executive Officers with those of stockholders. In addition, due to the sustained volatility in commodity prices, the Compensation Committee felt that the Performance RSUs should vest based on performance relative to peers in our industry.

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At the end of the three-year performance period, the Performance RSUs will vest based on the Compensation Committee s certification of the Company s relative total stockholder return for the performance period. Following such certification of performance, the Performance RSUs will vest as follows:

Level	Performance (Percentile Rank vs. Peers)	Payout (% of Target)
< Threshold	< 25th Percentile	0%
Threshold	25th Percentile	50%
Target	50th Percentile	100%
³ Maximum	³ 75th Percentile	200%

The Performance RSUs will be forfeited entirely if the Company does not achieve at least the threshold level of relative total stockholder return performance. In addition, under no circumstances will Performance RSUs equal to more than 200% of the target number of Performance RSUs granted be delivered. Payout levels for performance between threshold, target, and maximum shall be calculated using straight line interpolation.

Other Compensation Elements

Health, 401(k) and Life Insurance Plans We currently maintain a retirement plan intended to provide benefits under section 401(k) of the Internal Revenue Code of 1986, as amended (the Code) whereby employees, including our Named Executive Officers, are allowed to contribute portions of their base compensation to a tax-qualified retirement account. We provide a 200% match of salary deferrals up to 4% of eligible compensation. We may also make additional discretionary matching contributions, although no contributions were made in 2015 or are currently being contemplated for 2016. We also pay the premiums for life insurance coverage of $100,000 for each of our employees on a non-discriminatory basis.

Aircraft Policy In 2013 we purchased a corporate aircraft to facilitate the most efficient business travel for certain executives, members of our Board of Directors, and business partners. In connection with the acquisition of the aircraft, we adopted a corporate aircraft policy (as amended, the Aircraft Policy) to outline our policies with respect to Company-owned, chartered or leased aircraft. Pursuant to the Aircraft Policy, the aircraft will be available to transport our executive officers, including our Named Executive Officers, members of our Board of Directors, strategic business partners, and employees designated by our President and Chief Executive Officer from time to time for facilitating or conducting our business or for Company-sponsored or directed activities. We generally encourage our executives and members of our Board of Directors to use commercial air carriers for travel whenever possible, and any travel using the aircraft must be approved in writing by our President and Chief Executive Officer. Any permitted traveler utilizing corporate aircraft for personal use not associated with business travel must obtain advance approval from our President and Chief Executive Officer, enter into a time sharing agreement, and reimburse us for all applicable expenses allowable and in accordance with FAA regulations. Notwithstanding the foregoing sentence, pursuant to his employment agreement and the Aircraft Policy, our President and Chief Executive Officer is entitled to utilize the aircraft for reasonable personal use in North America at no cost to him for up to 30 hours per calendar year. The value of unreimbursed personal use of the aircraft by our President and Chief Executive Officer will also be treated as imputed income to him for tax purposes. None of our other Named Executive Officers are entitled to unreimbursed non-business travel use of the aircraft.

Pension and Nonqualified Deferred Compensation We have not maintained, and do not currently maintain, a defined benefit pension or nonqualified deferred compensation plan.

EMPLOYMENT AGREEMENTS

We have entered into employment agreements with each of our Named Executive Officers. The Compensation Committee has determined that having employment agreements with these executive officers is in the best interests of the Company and its stockholders. Many of the companies with which we compete for executive talent provide similarly situated executives with employment agreements and, as such, the agreements are an important recruiting and retention tool. We believe that the current executive officers were integral to our historical success and are vital to the continuing performance of the Company. We believe that the terms of the employment agreements are fair to the Company and that the compensation under the employment agreements is competitive relative to our peer companies while not being excessive. For a description of the terms of the employment agreements with each of our Named Executive Officers, please see the section below entitled Narrative to the Summary Compensation and Grants of Plan-Based Awards Tables.

POST-EMPLOYMENT ARRANGEMENTS

All of the Named Executive Officers have employment agreements with us that provide for compensatory payments and benefits upon certain termination events, including a termination event in connection with a change of control. In addition, certain awards pursuant to our LTIP provide for termination and change of control payments. For a discussion regarding the mechanics and amounts of these payments, please see the Potential Payments Upon Termination or Change in Control discussion below. We do not have any single-trigger arrangements (*i.e.*, arrangements that provide for payments to executives solely upon a change in control). In exchange for the severance benefits afforded to our Named Executive Officers in their employment agreements, the Named Executive Officers are subject to certain ongoing obligations that accrue to the benefit of the Company, including certain confidentiality, non-competition, and non-solicitation obligations.

We provide these post-employment arrangements in order to retain our Named Executive Officers and to allow them to focus on enhancing the value of the Company without taking into account the personal impact of their business decisions. Our post-employment arrangements allow our Named Executive Officers to objectively manage the Company and provide a competitive benefit for attracting and retaining executives.

TAX AND ACCOUNTING CONSIDERATIONS

The Compensation Committee and the Company review and consider the tax, accounting, and securities law implications of our compensation programs.

Section 162(m) Section 162(m) of the Code prohibits deductions for compensation paid in excess of $1 million during a single fiscal year to certain executive officers. There is an exception to this prohibition for performance-based awards (as that term is defined in the Code). We take the economic effects of Code Section 162(m) into consideration when determining the structure, implementation, and amount of awards paid to our executive officers, including the deductibility of our executive compensation programs. While awards granted under our LTIP, including our annual cash bonuses and equity awards, are currently not subject to Code Section 162(m), we reserve the right to pay non-deductible compensation to our executive officers. This may occur, for example, if the Compensation Committee determines that the payment of non-deductible compensation is necessary to attract, retain, and motivate executive officers.

Accounting for Executive Compensation Currently, all equity-based compensation is accounted for under the rules of the Financial Accounting Standards Board Accounting Standards Codification Topic 718 (FASB ASC Topic 718). This rule requires us to estimate the expense of each equity award over the vesting period of the award and record it as such. We are also obligated record cash-based awards as an expense at the time our payment obligation is accrued.

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RISK ASSESSMENT AND MITIGATION

The Compensation Committee has reviewed our executive and non-executive compensation programs and believes that they do not encourage excessive or unnecessary risk-taking. We believe that any risk inherent in our compensation programs is unlikely to have a material adverse effect on us. In designing and implementing our award structure, we worked closely with Meridian to mitigate any risks and to design the program to minimize the creation of imprudent incentives for our executives. We believe that our performance-based compensation does not encourage unnecessary risks because the executive pay mix is sufficiently diversified over several performance metrics as well as over short-term and long-term compensation.

Our compensation program structure and policy includes the following features to prevent and safeguard against excessive risk-taking:

ü Payments under our short-term cash incentive program are based upon the Compensation Committee s certification and review of a variety of performance metrics, thereby diversifying the risk associated with any single performance indicator;

ü Our long-term equity compensation rewards have performance or vesting periods of at least three years, which encourages executives to focus on sustaining the performance of the Company and its stock price;

ü We pay compensation that is competitive with the market and our industry peers, while not being excessive;

ü Our compensation mix is balanced among fixed and variable components, annual and long-term compensation, and cash and equity that reward performance in the Company s and executive s long-term best interests;

ü Our incentive compensation plans cap the maximum payout and implement design features that do not encourage excessive risk-taking;

ü Our Compensation Committee has an appropriate level of discretion to reduce payments under the short-term cash incentive program;

ü Our insider trading policy contains a general anti-hedging and, subject to limited exceptions with Audit Committee approval, anti-pledging policy for all insiders; and

ü We do not have any agreements that provide for payments solely upon the occurrence of a change in control.

We believe that our executive compensation program provides our executive officers with appropriate rewards for sustained performance without giving unnecessary weight to any one factor or type of compensation and avoiding excessive risk. Our structure is designed to encourage continual superior performance. Based on the foregoing, the

Compensation Committee has concluded that the risks arising from our compensation policies and programs is not reasonably likely to have a material adverse effect on us.

Recoupment of Compensation

Our LTIP and all of our Named Executive Officers employment agreements are subject to deductions and clawbacks that may be required to be made pursuant to any law, government regulation or stock exchange listing requirement or by any policy adopted by us. To date, the Board has not adopted a formal clawback policy to recoup incentive based compensation upon the occurrence of a financial restatement, misconduct, or other specified events. The Sarbanes-Oxley Act of 2002 mandates that the Chief Executive Officer and Chief Financial Officer reimburse the Company for any bonus or other incentive-based or equity-based compensation paid to them in a year following the issuance of financial statements that are later required to be restated as a result of misconduct. In addition, Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the Dodd-Frank Act) requires the SEC to direct national securities exchanges to prohibit the listing of any security of an issuer that fails to develop and implement a clawback policy. The Compensation Committee is reviewing the SEC s proposed rules on incentive compensation clawbacks pursuant to the Dodd-Frank Act and evaluating the practical, administrative and other implications of adopting, implementing and enforcing a clawback policy, and intends to implement a more specific clawback policy once the SEC s rules are finalized.

Anti-Hedging and Anti-Pledging Policy

The Company maintains an insider trading policy that prohibits trading shares of our common stock when in possession of material non-public information. It also prohibits the hedging and, unless a waiver is obtained from our Audit Committee, the pledging of our shares. Since the adoption of our insider trading policy, the Audit Committee has granted two waivers to the policy s general prohibition on pledging, authorizing our Chief Executive Officer and our Chief Operating Officer to pledge a small percentage of their total ownership position of our stock as collateral for bank loans. The Audit Committee felt that these waivers were appropriate to allow the individual officers to achieve their financial planning objectives while limiting the amount of stock pledged to a small percentage of their ownership position in our stock.

Stock Ownership Guidelines

Upon the recommendation of the Nominating and Governance Committee, in 2015 the Board adopted stock ownership guidelines for non-employee directors and executives, including our Named Executive Officers. The details of the stock ownership guidelines applicable to our Named Executive Officers are outlined below. For information regarding the stock ownership guidelines applicable to our non-employee directors, please see the section of this Proxy Statement below entitled Director Stock Ownership Guidelines.

Feature	**Executives**
Structure and Amount	Chief Executive Officer = 5x annual base salary Chief Executive Officer reports and Vice Presidents = 2x annual base salary Other Officers = 1x annual base salary
Years to Meet Requirement	Five years
Shares that Count Towards Requirement	Vested and unvested restricted stock Shares held in 401(k), profit sharing or other savings accounts Shares purchased on the open market Shares beneficially owned with immediate family
Penalty for Failing to Meet Requirement	Handled on a case-by-case basis following discussion with Chief Executive Officer or other management officer

EXECUTIVE COMPENSATION DECISIONS SINCE FISCAL YEAR END

2016 Short-Term Cash Incentive Program

The 2016 short-term cash incentive program is structured in the same way as the 2015 short-term cash incentive program. In February of 2016, the Compensation Committee determined that the metrics for the 2016 short-term cash incentive program should remain the same as those used in the 2015 short-term cash incentive program. In light of the depressed commodities market, the Compensation Committee also determined that the target bonus opportunity for each of our Named Executive Officers under the 2016 short-term cash incentive

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program should be reduced to 60% of each officer s base salary in effect at the 2016 fiscal year-end (down from 100% of base salary in 2015).

2016 Restricted Stock Unit Awards under the LTIP

On February 18, 2016, the Compensation Committee granted RSUs under the LTIP to each of our Named Executive Officers. Similar to the awards granted in 2015, one-half of the awards are Performance RSUs and the other one-half are Time RSUs. The Time RSUs again will vest contingent upon continued employment with us through the third anniversary of the date of grant. The Performance RSUs granted under the 2016 restricted stock unit awards have a three-year performance period and will again vest based on relative total stockholder return. The threshold, target, and maximum payout percentages remain the same as the 2015 Performance RSUs. Threshold performance must be achieved before any payout occurs, and the maximum payout is capped at 200% of the target number of Performance RSUs granted. The Compensation Committee, with input from Meridian, did determine that the peer group for the 2016 restricted stock unit awards should be updated in order to better reflect our current market position (*i.e.*, market capitalization, revenues, enterprise value, etc.) and the expectation of continued consolidation and volatility in the energy industry. As such, the Compensation Committee selected an updated peer group for purposes of the relative total stockholder return calculation associated with the Performance RSUs awarded to Named Executed Officers in the first quarter of 2016. Consistent with Item 402 of Regulation S-K, additional information regarding these decisions will be discussed in the Proxy Statement for the fiscal year 2016.

2015 Summary Compensation Table

The following table sets forth information regarding the compensation awarded to, earned by or paid to certain of our executive officers during the year ended December 31, 2015. Item 402 of Regulation S-K requires compensation disclosure for our principal executive officer, principal financial officer and the three most highly compensated executive officers other than our principal executive officer and principal financial officer. These five officers are referred to as our Named Executive Officers.

Name and Principal Position	Year	Salary ($)	Bonus ($)(1)	Stock Awards ($)(3)	Option Awards ($)(4)	Non-Equity Incentive Plan Compensation ($)(1)	All Other Compensation ($)(5)(6)	Total ($)
Bryan Sheffield,	2015	$ 628,043		$ 2,750,366		$ 364,800	$ 50,003	$ 3,793,212
President and Chief Executive	2014	$ 616,087	$ 666,087				$ 78,568	$ 1,360,742
Officer	2013	$ 565,412	$ 222,435		$ 2,901,380		$ 95,352	$ 3,784,580
Ryan Dalton,	2015	$ 342,500		$ 1,222,358		$ 219,450	$ 21,200	$ 1,805,508
Vice President Chief Financial Officer								
Matthew Gallagher,	2015	$ 375,000		$ 1,527,968		$ 228,000	$ 21,200	$ 2,152,168
Vice President Chief Operating	2014	$ 313,750	$ 400,000	$ 594,335			$ 51,340	$ 1,359,425
Officer	2013	$ 221,887	$ 92,168		$ 354,846		$ 23,588	$ 692,489
Thomas B. Layman,	2015	$ 366,000		$ 794,512		$ 212,040	$ 21,200	$ 1,393,752
Vice President Geoscience	2014	$ 231,923	$ 960,000(2)	$ 710,250			$ 18,823	$ 1,920,996

Colin Roberts,	2015	$ 315,000		$ 794,512		$ 188,100	$ 21,200	$ 1,318,812
Vice President General	2014	$ 282,500	$ 350,000	$ 583,035			$ 24,239	$ 1,239,774
Counsel and Secretary	2013	$ 184,099	$ 175,000		$ 743,344		$ 3,571	$ 1,106,014

(1) In 2015, the Company implemented a new short-term cash incentive program under the Company s LTIP. This new bonus program is intended to incentivize our Named Executive Officers to achieve specific goals over the course of the year. As such, amounts earned under this program in 2015 are reported in the Non-Equity Incentive Plan Compensation column rather than the Bonus column.

(2) In addition to the discretionary annual cash bonus and $50,000 relocation stipend paid to all NEOs in 2014, this amount reflects a $550,000 signing bonus used as a tool to recruit and retain Mr. Layman as our Vice President-Geoscience and paid to Mr. Layman in connection with the inception of his employment with us.

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(3) For 2015, the amounts in this column represent the aggregate grant date fair value of the Time RSUs and Performance RSUs granted to each of our Named Executive Officers, calculated in accordance with FASB ASC Topic 718, disregarding estimated forfeitures. For additional information regarding the assumptions underlying this calculation please see Note 8 to our consolidated and combined financial statements, entitled Equity, which is included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015. See the section of our Compensation Discussion and Analysis above entitled 2015 Restricted Stock Unit Awards under the LTIP above and the Grants of Plan-Based Awards Table below for additional information regarding these awards.

(4) Messrs. Sheffield, Gallagher, and Roberts received a grant of incentive units during the 2013 fiscal year. We believe that, despite the fact that the incentive units do not require the payment of an exercise price, they are most similar economically to stock options, and as such, they are properly classified as options under the definition provided in Item 402(a)(6)(i) of Regulation S-K as an instrument with an option-like feature. Amounts reflected in this column for each executive reflect an aggregate grant date fair value of the incentive units in accordance with FASB ASC Topic 718, disregarding estimated forfeitures. All incentive units were directly or indirectly converted into Class A Common Stock in connection with our IPO and, as such, no incentive units are currently outstanding.

(5) Amounts reported in the All Other Compensation column include Company contributions to the Named Executive Officers 401(k) plan retirement accounts and the value of Mr. Sheffield s limited non-business use of an aircraft owned or leased by us, as shown in the following table.

Name	**401 (k) Plan Company Matching Contributions (i)**	**Corporate Aircraft (ii)**	**Total**
Bryan Sheffield	$ 21,200	$ 28,803	$ 50,003
Ryan Dalton	$ 21,200	$ 0	$ 21,200
Matthew Gallagher	$ 21,200	$ 0	$ 21,200
Thomas B. Layman	$ 21,200	$ 0	$ 21,200
Colin Roberts	$ 21,200	$ 0	$ 21,200

(i) Amounts included in this column represent the amount of the Company match of 401(k) plan contributions in 2015 for each Named Executive Officer.

(ii) The amounts in this column represent the aggregate incremental cost to us of Mr. Sheffield s personal use of Company-owned or leased aircraft in accordance with the terms of his employment agreement, as described above in the section of our Compensation Discussion and Analysis entitled Other Compensation Elements Aircraft Policy. Incremental costs for non-business use of the Company-owned aircraft include pilot fees and expenses, landing fees, and fuel. In the event a non-business flight is taken while the aircraft owned by the Company is being repaired, the costs reported also include the cost of the aircraft lease for the non-business flight.

(6) Due to a computational error in calculation, Company matches of 401(k) plan contributions for a portion of 2014 were not made until 2015. However, such matches were earned in 2014, and thus the All Other Compensation and Total amounts reported for 2014 have been adjusted accordingly to appropriately include those expenses.

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Grants of Plan-Based Awards