

CAUSE NO. 2013-59098

XS CAPITAL INVESTMENTS, LP and	§	IN THE DISTRICT COURT
RURAL ROUTE 3 HOLDINGS, LP,	§	
	§	
Plaintiffs,	§	
	§	
v.	§	HARRIS COUNTY, TEXAS
	§	
ORCA ICI DEVELOPMENT JV,	§	
ORCA ASSETS G.P., LLC,	§	
and MRC ENERGY CORPORATION	§	
f/k/a MATADOR RESOURCES	§	
COMPANY,	§	
	§	
Defendants.	§	234TH JUDICIAL DISTRICT

**DEFENDANT MRC ENERGY CORPORATION'S
FIRST AMENDED ANSWER AND VERIFIED DENIAL**

NOW COMES MRC ENERGY CORPORATION f/k/a MATADOR RESOURCES COMPANY ("MRC Energy") and files this First Amended Answer and Verified Denial, and would respectfully show this Honorable Court as follows:

**I.
GENERAL DENIAL**

1.01 Pursuant to Rule 92 of the Texas Rules of Civil Procedure, MRC Energy denies each and every allegation and cause of action set forth in Plaintiffs' First Amended Original Petition, and any supplements or amendments thereto, and demands strict proof of the charges and allegations contained therein as required by the Constitution and the laws of the State of Texas.

**II.
ARBITRATION**

2.01 The Purchase, Sale and Participation Agreement between Orca ICI Development, JV, and Matador Resources Company dated May 16, 2011 ("PSPA") contains an arbitration provision. The accompanying Model Form Operating Agreement dated May 20, 2011 (the "JOA") also contains an arbitration provision.

2.02 Any breaches of the PSPA and/or JOA are, by contract, to be resolved by arbitration. This First Amended Answer is subject to and without waiver of any applicable arbitration agreements.

III. AFFIRMATIVE DEFENSES

3.01 MRC Energy alleges that Plaintiffs have no standing or capacity to pursue contract claims under the PSPA. The Plaintiffs are not parties or third-party beneficiaries to the PSPA. The PSPA expressly disclaims any third-party beneficiaries. PSPA ¶ 15(n).

3.02 Plaintiffs are estopped from making claims against MRC Energy arising out of the PSPA that are inconsistent with the express language of the PSPA.

3.03 Plaintiffs' claims of tortious interference are barred, in whole or in part, by privilege or legal justification.

3.04 Plaintiffs' claims or alleged damages are barred, in whole or in part, by contractual release.

3.05 Plaintiffs' claims or alleged damages are barred, in whole or in part, by waiver.

3.06 Plaintiffs' claims or alleged damages are barred, in whole or in part, by payment.

3.07 Plaintiffs' claims or alleged damages are barred, in whole or in part, by Plaintiff's failure to mitigate.

PRAYER

WHEREFORE, PREMISES CONSIDERED Defendant MRC Energy prays that this Honorable Court dismiss all of Plaintiffs' claims and deny all such relief requested by Plaintiffs against MRC Energy, and further prays that MRC Energy be granted any further relief, at law or in equity, to which MRC Energy may show itself justly entitled to receive.

Respectfully submitted,

PATTON BOGGS, LLP

By: /s/ D. Patrick Long

D. Patrick Long

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**ATTORNEYS FOR DEFENDANT
MRC ENERGY CORPORATION f/k/a
MATADOR RESOURCES COMPANY**

CERTIFICATE OF SERVICE

I hereby certify that on the 17th day of December 2013, a true and correct copy of the above and foregoing was served in compliance with Rules 21 and 21a of the Texas Rules of Civil Procedure on the following:

Carlton D. Wilde, Jr.
Matthew R. Begley
CRADY, JEWETT & MCCULLEY, LLP
2727 Allen Parkway, Suite 1700
Houston, Texas 77019-2125

Jared I. Levinthal
LEVINTHAL WILKINS & NGUYEN
1111 Bagby Street, Suite 2610
Houston, Texas 77002

/s/ D. Patrick Long

VERIFICATION

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

BEFORE ME, the undersigned Notary Public, on this day personally appeared Craig N. Adams, the affiant and a person whose identity is personally known to me, and, after I administered the oath to him, upon his oath he stated as follows:

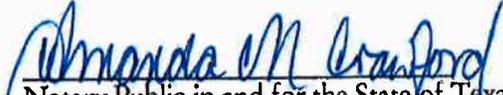
“My name is Craig N. Adams. I am over the age of twenty-one (21) years and have never been convicted of a felony or a crime of moral turpitude. I am of sound mind, and fully capable of testifying to the matters set forth herein. I am the Executive Vice President for Land and Legal of MRC Energy Corporation f/k/a Matador Resources Company (“MRC Energy”). In this capacity, I am fully competent to testify to the matters and facts stated herein which are based on my personal knowledge and are true and correct. I am also authorized to make this verification on MRC Energy’s behalf. I have read Defendant MRC Energy Corporation’s First Amended Answer and Verified Denial (“First Amended Answer”). I certify and swear that the statements made in paragraph 3.01 of the First Amended Answer are within my personal knowledge and are true and correct.

Further, affiant sayeth not.”



Craig N. Adams

SWORN AND SUBSCRIBED TO BEFORE ME, a Notary Public, on this the 17th day of December, 2013, to certify which witness my hand and seal of office.



Notary Public in and for the State of Texas
My Commission Expires: 9-19-15

[Affix seal above]

