

SUSMAN GODFREY L.L.P.

A REGISTERED LIMITED LIABILITY PARTNERSHIP
SUITE 5100
1000 LOUISIANA STREET
HOUSTON, TEXAS 77002-5098
(713) 651-9366
FAX (713) 654-6666
WWW.SUSMANGODFREY.COM

SUITE 5100
901 MAIN STREET
DALLAS, TEXAS 75202-3775
(214) 754-1900

SUITE 950
1901 AVENUE OF THE STARS
LOS ANGELES, CALIFORNIA 90067-8029
(310) 769-3100

SUITE 3800
1201 THIRD AVENUE
SEATTLE, WASHINGTON 98101-3000
(206) 515-3880

15TH FLOOR
560 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022-6828
(212) 336-8330

CHANLER A. LANGHAM
DIRECT DIAL (713) 653-7839

E-MAIL CLANGHAM@SUSMANGODFREY.COM

August 8, 2014

VIA E-MAIL

Jared I. Levinthal
Bradford Hendrickson
LEVINTHAL WILKINS & NGUYEN, PLLC
2323 S. Shepherd Drive, Suite 1000
Houston, Texas 77019

Jeb Brown
JEB BROWN, ATTORNEY AT LAW
3100 Edloe Street, Suite 220
Houston, TX 77027

D. Patrick Long
Jennifer L. Keefe
Annie Purcell
PATTON BOGGS, LLP
2000 McKinney Ave., Suite 1700
Dallas, TX 75201

Dear Counsel:

The parties are finalizing an agreement to arbitrate all claims in this dispute. This letter confirms our agreement to the following, which will apply after execution of that agreement to arbitrate:

- Any current deadlines to respond to written discovery remain the same and are unaffected by the arbitration agreement and/or stay.
- The parties have noticed depositions in the above-captioned lawsuit. The dates for the noticed depositions remain unaffected by the arbitration and/or stay, subject to agreement of the parties.


August 8, 2014
Page 2

- Following execution of the arbitration agreement, Plaintiffs will file an agreed motion to stay all other deadlines in the above-captioned lawsuit pending arbitration.
- This Court retains jurisdiction of the parties and this dispute for the purpose of enforcing any arbitration award, if necessary.

If this accurately reflects our agreement, please sign below and return this agreement to me, and I will file it with the Court pursuant to Rule 11 of the Texas Rules of Civil Procedure.

Thank you for your professional courtesy in this matter.

Sincerely,



Chanler A. Langham

AGREED:

LEVINTHAL WILKINS & NGUYEN, PLLC

By: 

Date: 8/28/14

PATTON BOGGS, LLP

By: 

Date: Aug 26, 2014

Arbitration Agreement

The undersigned parties, XS Capital Investments, LP and Rural Route 3 Holdings, LP (collectively "XS") and Orca ICI Development JV, Orca Assets G.P., LLC (collectively "Orca"), and MRC Energy Corporation f/k/a Matador Resources Company ("Matador") (collectively, the "Parties") are currently engaged in litigation in Texas, entitled *XS Capital Investments et al. v. Orca ICI Development JV, et al.*, Cause No. 2013-59098, pending in the 234th Judicial District Court of Harris County, (the "Underlying Litigation").

We, the undersigned Parties, hereby agree to submit to arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules all of the claims that have been brought or asserted or could have been brought or asserted by the Parties in the Underlying Litigation. The arbitration shall be conducted in Houston, Texas and shall be governed by Texas law.

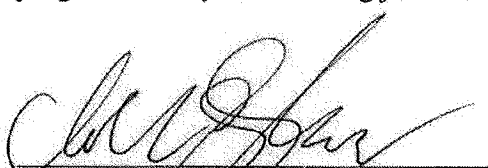
We further agree that the above controversy shall be submitted to three arbitrators. No later than five (5) days after the submission of the matter to arbitration, XS shall select an arbitrator and Orca and Matador shall jointly select an arbitrator. XS, Orca, and Matador together shall request that the two selected arbitrators select a third neutral arbitrator. If the two arbitrators fail to select a third on or before the 10th day after the second arbitrator was selected, each party is entitled to request the AAA to appoint the third neutral arbitrator in accordance with AAA Commercial Arbitration Rules L-2(c) and R-12 (with the National Roster limited to Houston based trial lawyers). The Parties, Counsel and Arbitrators shall comply with AAA Commercial Arbitration Rule R-17 and, before beginning the hearings, each arbitrator must provide an oath or undertaking of impartiality.

We further agree that any disputes over the scope of discovery or availability of exemplary or punitive damages shall be determined by the arbitrators. By this agreement, XS is not waiving its ability to seek exemplary or punitive damages, and Orca and Matador are not disclaiming the applicability of any damages limitation in the Purchase Sale and Participation Agreement and/or the Working Interest Purchase and Sale Agreement.

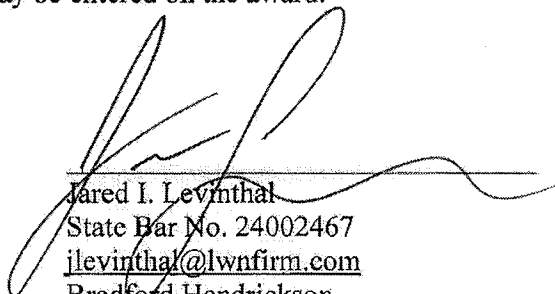
We further agree that a hearing on this matter shall take place during the week of December 8, 2014, and the Arbitrators shall render a written decision within forty-five (45) days of the hearing. At the hearing, the Parties shall present such evidence and witnesses as they may choose, with or without counsel. Adherence to formal rules of evidence shall not be required, but the Arbitrators shall consider any evidence and testimony that they determine to be relevant, in accordance with procedures that they determine to be appropriate. Any award entered in the arbitration shall be made by a written opinion stating the reasons and basis for the award made and any payment due pursuant to the arbitration shall be made within fifteen (15) days of the decision by the Arbitrators.

The final award and decision of the Arbitrators shall be binding on the Parties, final and may be filed in a court of competent jurisdiction and may be enforced by any Party as a final judgment of such court. Each Party shall bear its own costs and expenses of the arbitration; provided, however, that XS shall pay one-half (1/2) the costs of employing the Arbitrators, and Orca and

Matador shall pay one-half (1/2) the costs of employing the Arbitrators. However, the Arbitrators may, in their discretion, award fees (including reasonable attorneys' fees) and costs to the prevailing Party, including reasonable attorneys' fees and costs associated with any action which the Prevailing Party may be required to take in order to enforce the Arbitrators' award through judicial or other legal process. We further agree that we will faithfully observe this agreement and the rules, that we will abide by and perform any award rendered by the arbitrators, and that a judgment of any court having jurisdiction may be entered on the award.



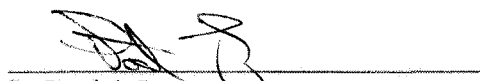
Chanler A. Clangham
State Bar No. 24053314
clangham@susmangodfrey.com
David M. Peterson
State Bar No. 24056123
dpeterson@susmangodfrey.com
SUSMAN GODFREY L.L.P.
1000 Louisiana Street, Suite 5100
Houston, TX 77002-5096
Telephone: (713) 653-7807
Facsimile: (713) 654-6666



Jared I. Levinthal
State Bar No. 24002467
jlevinthal@lwnfirm.com
Bradford Hendrickson
State Bar No. 24083166
bhendrickson@lwnfirm.com
LEVINTHAL WILKINS & NGUYEN, PLLC
2323 S. Shepherd Drive, Suite 1000
Houston, Texas 77019
Telephone: (713) 275-9700
Facsimile: (713) 275-9701

*Attorneys for XS Capital Investments, LP and
Rural Route 3 Holdings, LP*

*Attorneys for Defendants Orca ICI
Development JV And Orca Assets G.P., LLC*



D. Patrick Long
State Bar No. 12515500
patrick.long@squirepb.com
Jennifer L. Keefe
State Bar No. 90001247
jkeefe@squirepb.com
PATTON BOGGS, LLP
2000 McKinney Ave., Suite 17000
Dallas, TX 75201
Telephone: (214) 758-1500
Facsimile: (214) 758-1550

*Attorneys for MRC Energy Corporation f/k/a
Matador Resources Company*