

2021 SUSTAINABILITY REPORT



NYSE: MTDR

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This sustainability report includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. “Forward-looking statements” are statements related to future, not past, events. Forward-looking statements are based on current expectations and include any statement that does not directly relate to a current or historical fact. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as “could,” “believe,” “would,” “anticipate,” “intend,” “estimate,” “expect,” “may,” “should,” “continue,” “plan,” “predict,” “potential,” “project,” “hypothetical,” “forecasted” and similar expressions that are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. Such forward-looking statements include, but are not limited to, statements about guidance, projected or forecasted financial and operating results, future liquidity, the payment of dividends, results in certain basins, objectives, project timing, expectations and intentions, regulatory and governmental actions and other statements that are not historical facts. Actual results and future events could differ materially from those anticipated in such statements, and such forward-looking statements may not prove to be accurate. These forward-looking statements involve certain risks and uncertainties, including, but not limited to, the following risks related to financial and operational performance: general economic conditions; the Company’s ability to execute its business plan, including whether its drilling program is successful; changes in oil, natural gas and natural gas liquids prices and the demand for oil, natural gas and natural gas liquids; its ability to replace reserves and efficiently develop current reserves; the operating results of the Company’s midstream’s oil, natural gas and water gathering and transportation systems, pipelines and facilities, the acquiring of third-party business and the drilling of any additional salt water disposal wells; costs of operations; delays and other difficulties related to producing oil, natural gas and natural gas liquids; delays and other difficulties related to regulatory and governmental approvals and restrictions; impact on the Company’s operations due to seismic events; availability of sufficient capital to execute its business plan, including from available borrowing capacity under its revolving credit facilities and otherwise; its ability to make acquisitions on economically acceptable terms; its ability to integrate acquisitions; the operating results of and the availability of any potential distributions from our joint ventures; weather and environmental conditions; the impact of the worldwide spread of the novel coronavirus, or COVID-19, or variants thereof, on oil and natural gas demand, oil and natural gas prices and its business; and the other factors which could cause actual results to differ materially from those anticipated or implied in the forward-looking statements. For further discussions of risks and uncertainties, you should refer to Matador’s filings with the Securities and Exchange Commission (SEC), including the “Risk Factors” section of Matador’s most recent Annual Report on Form 10-K and any subsequent Quarterly Reports on Form 10-Q. Matador undertakes no obligation to update these forward-looking statements to reflect events or circumstances occurring after the date of this sustainability report, except as required by law, including the securities laws of the United States and the rules and regulations of the SEC. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this sustainability report. All forward-looking statements are qualified in their entirety by this cautionary statement.

ABOUT THIS REPORT

Matador Resources Company is proud to present this Sustainability Report highlighting our environmental, social and governance (ESG) efforts. This report also includes certain information associated with our joint venture midstream company, San Mateo Midstream, LLC.

Disclosure Framework & Approach

This report utilizes the Sustainability Accounting Standards Board (SASB) standards for Oil & Gas – Exploration & Production companies. The report's contents also reflect an internal review of industry ESG reporting practices as well as discussions with key internal and external stakeholders.

Scope

Unless otherwise noted, the information and data in this report apply to our operated assets during the calendar year ending December 31, 2021, and data comparisons are based on changes from 2020 to 2021 unless otherwise specified. Although limited information for certain portions of 2022 may be available now, this report does not reflect such preliminary and incomplete information. Our operated assets reflect Matador's gross operated exploration and production operations and San Mateo's gross operated midstream operations on a consolidated basis, except where shown separately or where immaterial in scope.

Data

We have used the best information available to us at the time of preparation of this report. The data herein is subject to certain reporting rules, regulatory reviews, definitions, calculation methodologies, estimations, adjustments and other factors. As a result, these metrics are subject to change from time to time as updated data or other information becomes available. For certain oil and natural gas terms used in this report, please see the "Glossary of Oil and Natural Gas Terms" included with our Annual Report on Form 10-K.

Contact Information

We welcome your feedback regarding this report. To send us your questions or comments, please contact investors@matadorresources.com. You can also visit www.matadorresources.com/sustainability for the most up-to-date information on Matador's ESG efforts.

Published

December 21, 2022

Disclaimer: Matador expects to continue enhancing our ESG-related disclosures over time. The contents of this report are intended for informational purposes only and may not be comprehensive in scope or coverage, including as to the SASB standards. In the future, we may choose to disclose additional or different information as ESG reporting standards and trends evolve. Matador does not endorse specific phrases, terms or recommendations from the SASB standards. Matador does not make any express or implied representations or warranties and shall not assume any liability whatsoever for providing guidance or using the SASB standards, or for any errors, mistakes or omissions in this report. Additionally, any concept of materiality used in this report is not intended to correspond to the concept of materiality associated with the disclosures required by the SEC.

ABOUT MATADOR

OUR COMPANY

Matador is an independent energy company engaged in the exploration, development, production and acquisition of oil and natural gas resources in the United States, with an emphasis on oil and natural gas shale and other unconventional plays. Our current operations are focused primarily on the oil and liquids-rich portion of the Wolfcamp and Bone Spring plays in the Delaware Basin in Southeast New Mexico and West Texas. We also operate in the Eagle Ford shale play in South Texas and the Haynesville shale and Cotton Valley plays in Northwest Louisiana.

Additionally, we conduct midstream operations, primarily through our midstream joint venture, San Mateo, in support of our exploration, development and production operations. San Mateo also provides natural gas processing, oil transportation services, natural gas, oil and produced water gathering services and produced water disposal services to third parties. In 2022, Matador acquired Pronto Midstream, LLC, which provides natural gas gathering and processing services to third parties.

OUR VALUES

Guided by our ongoing focus on good stewardship, we aim to safely and reliably provide the energy our society needs.

Mission

We are committed to creating long-term value in a responsible manner.

Ethics

We are committed to honesty, just management, fairness and providing a safe work environment. For the communities in which we live and work, we are committed to observing sound environmental business practices and operating as engaged and responsible neighbors.

Stewardship

We are committed to pursuing sound growth and earnings objectives and to exercising prudence in the use of our assets and resources.



AREAS OF OPERATION

MATADOR RESOURCES

COMPANY TOTALS

Production: 87,300 BOE/d⁽¹⁾

Proved Reserves: 323.4 MMBOE⁽²⁾

Acreage: 283,700 gross / 167,600 net⁽²⁾

Locations: 4,904 gross / 1,759 net⁽²⁾

SOUTHEAST NEW MEXICO & WEST TEXAS

Production: 82,400 BOE/d⁽¹⁾

Proved Reserves: 312.0⁽²⁾ MMBOE⁽²⁾

Acreage: 237,200 gross / 124,800 net⁽²⁾

Locations: 4,381 gross / 1,534 net⁽²⁾

SOUTH TEXAS

Production: 1,900 BOE/d⁽¹⁾

Proved Reserves: 5.7 MMBOE⁽²⁾

Acreage: 27,400 gross / 25,100 net⁽²⁾

Locations: 208 gross / 175 net⁽²⁾

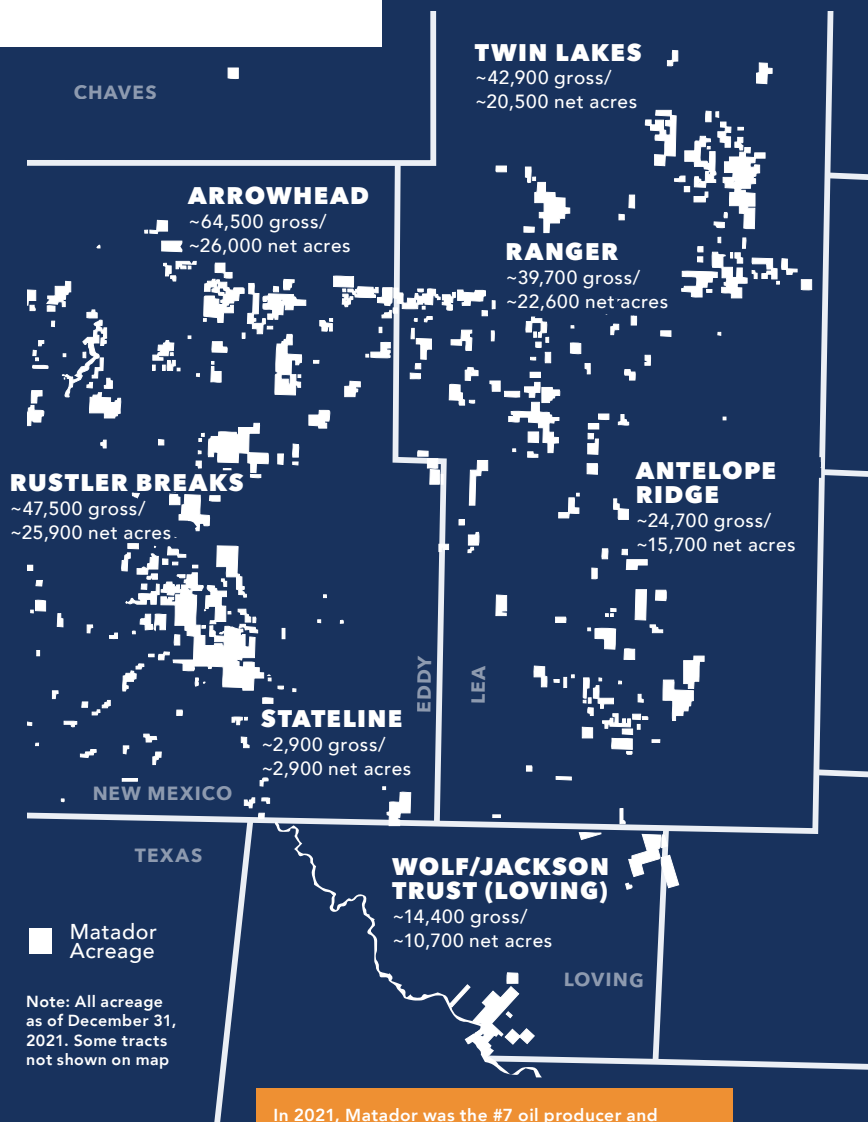
NORTHWEST LOUISIANA

Production: 3,000 BOE/d⁽¹⁾

Proved Reserves: 5.7 MMBOE⁽²⁾

Acreage: 19,100 gross / 17,700 net⁽²⁾

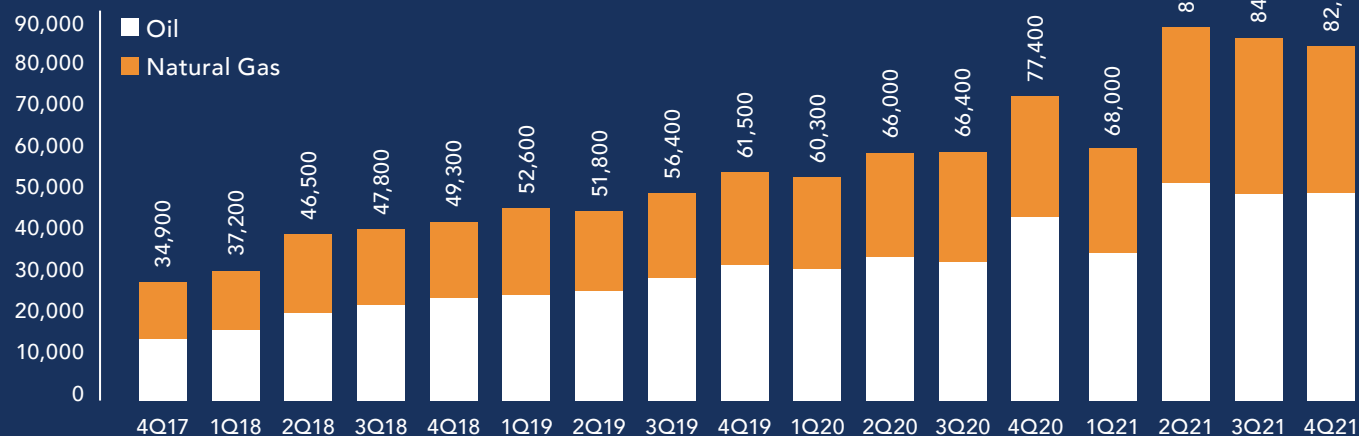
Locations: 315 gross / 50 net⁽²⁾



In 2021, Matador was the #7 oil producer and the #11 natural gas producer in New Mexico.⁽³⁾

AVERAGE DAILY TOTAL DELAWARE BASIN PRODUCTION BOE/d

Q4 2021 BOE up 7% YoY



LETTER TO SHAREHOLDERS & FRIENDS

Matador is committed to increasing the value of its shares in a responsible manner. As an independent oil and natural gas exploration, production and midstream company working in the oilfields for the past 40 years, Matador's aim has always been to reliably and profitably provide the energy that society needs in a manner that is safe, protects the environment and is consistent with the industry's best practices and the highest applicable regulatory and legal standards.

Matador's roots trace back to June 1983, when my wife, Nancy, and I started "First Matador" with \$270,000 in contributed capital from friends and family. The personal duty I felt then to be a good steward of these investments has not diminished during the evolution of First Matador into today's enterprise, Matador Resources Company, more simply known as "Second Matador." Since then, even as Matador's shareholder group, asset base and market capitalization have all grown significantly, with market capitalization reaching approximately \$8 billion this year, we remain as committed as ever to good stewardship and responsible operations.

More recently, we have begun formally reporting on Matador's stewardship efforts using quantitative metrics aligned with standards developed by an industry leader,

the Sustainability Accounting Standards Board (SASB). We are pleased to issue this report in hopes that it helps to raise the profile of Matador's ongoing ESG-related initiatives and to provide interested parties with a standardized platform for evaluating our recent performance and future progress.

REFLECTIONS ON 2021

2021 was a positive year for Matador's ESG efforts. We reduced our direct greenhouse gas emissions on an absolute and intensity basis, nearly doubled our recycled water use and continued our strong safety record — all the while growing our gross operated BOE production by 16%. Please see additional highlights of our 2021 ESG performance featured below on this page and on the following page.

We would like to express our sincere appreciation to both the Matador and San Mateo teams for their outstanding performance and for achieving these positive results, as well as others highlighted throughout this report. Furthermore, both the Matador and San Mateo boards and management teams fully support our efforts to continue achieving year-over-year improvement in key ESG-related initiatives in a measured, methodical way.

ENVIRONMENTAL

CONTINUED REDUCTION OF PER-BARREL EMISSIONS

>25%

Reduction in E&P direct greenhouse gas emissions intensity from 2020 to 2021

>45%

Reduction in E&P methane emissions intensity from 2020 to 2021

>50%

Reduction in E&P flaring emissions intensity from 2020 to 2021

INCREASED USE OF NON-FRESH WATER, INCLUDING RECYCLED WATER

>95%

of total water consumed in 2021 was non-fresh water

>65%

Reduction in fresh water consumption from 2020 to 2021

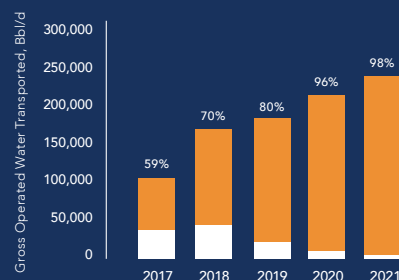
>70%

of wells completed in 2021 utilized recycled produced water

INCREASED TRANSPORTATION ON PIPELINE

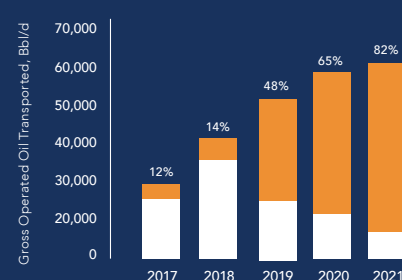
OPERATED PRODUCED WATER ON PIPE

■ Barrels Transported via Pipeline
■ Barrels Transported via Trucks



OPERATED PRODUCED OIL ON PIPE

■ Barrels Transported via Pipeline
■ Barrels Transported via Trucks



In the decade since Matador became a public company, we have reduced our financial leverage ratio from 2.9x to 0.2x, have grown production at a 28% compounded annual rate and delivered a return of approximately 6-to-1 for those shareholders who bought Matador stock at the time of our public offering.⁽¹⁾ Similarly, in the three years of sustainability data covered in this report, Matador has decreased direct greenhouse gas emissions intensity at a 24% compounded annual rate. We are extremely proud of this record and will continue our commitment to creating long-term value in a responsible manner in the oilfield and in the community as evidenced by this Sustainability Report.

LOOKING AHEAD

On behalf of the full Board and our entire field and office staff, we are excited for the many opportunities that lie ahead for Matador and its stakeholder group. We are especially grateful to have you as investors in Matador and appreciate your trust and support through the years.

⁽¹⁾ Leverage ratio is defined as Net Debt / LTM Adjusted EBITDA as calculated under Matador's revolving credit facility and has declined from 2.9x as of December 31, 2020, to 0.2x as of September 30, 2022. Shareholder return is calculated using Matador's closing prices between February 2, 2012, and November 30, 2022. This return significantly outperforms the approximately 2-to-1 return of the Russell 2000 index and the approximately 0.7-to-1 loss of the XOP index over that same time period.

Please stay safe and well, and please feel free to contact us with any questions or suggestions you may have about this report or our operations. Tim, Julie and I — along with the rest of the Board and staff — welcome your feedback as we explore additional ways to provide our stakeholders with clear, comparable ESG-related information.

Sincerely,



Joseph Wm. Foran
Founder, Chairman and
Chief Executive Officer



Timothy E. Parker
Lead Independent
Director



Julia P. Forrester Rogers
Director and Chair
of ESG Committee

SOCIAL

ZERO

employee lost time incidents during approximately 2.7 million employee man-hours from 2017 to 2021

49

hours of continuing education per employee in 2021



GOVERNANCE

5.6%

of common stock held by directors and executive officers as of April 13, 2022



Independence

Eight directors are independent, including a lead independent director



Diversity

One minority and two female directors



Refreshment

Less than six years' tenure for more than half of the directors

Matador is committed to operating responsibly. To that end, we seek to be good stewards of the air, water and land associated with our operations and to reduce emissions throughout the development and production lifecycle of our oil and natural gas assets.

Emissions Mitigation

EMPHASIS ON REDUCING EMISSIONS

Matador works to maximize the percentage of natural gas we capture from the production of each of our wells. The first step in our natural gas capture efforts is to connect our newly drilled wells to natural gas pipelines with sufficient reliability and capacity to support our production operations. This greatly reduces the need to flare natural gas.

28% reduction in E&P direct greenhouse gas emissions intensity

48% reduction in E&P methane intensity

53% reduction in E&P flaring intensity

Maximizing natural gas capture begins with the design of our production facilities prior to drilling and continues with our use of advanced natural gas capture and control equipment during production, including the use of vapor recovery units (VRUs). VRUs enable us to collect and compress natural gas from lower pressure sources that might otherwise be flared. This reduces emissions and increases the volumes of natural gas that we can sell. By using centralized tank batteries and commingling production from multiple wells, we are able to take advantage of economies of scale to use these VRUs and other specialized equipment in our production facilities.

Matador's midstream joint venture, San Mateo, also plays a critical role in our emissions reduction efforts. Our strategic partnership with San Mateo allows us greater flexibility to connect many of our wells to San Mateo's three-pipe system, by which San Mateo

gathers natural gas, produced water and oil, thereby streamlining a producer's need to coordinate with multiple midstream companies. It also grants us access to San Mateo's cryogenic natural gas processing plant with an inlet capacity of 460 million cubic feet of natural gas per day. This flexibility and San Mateo's reliability contributes to the 28% reduction in Exploration & Production (E&P) direct greenhouse gas emissions intensity that we achieved in 2021.

Our attention to natural gas capture continues after our wells start producing. Our field employees are our "boots on the ground" to monitor our facilities and inspect for any necessary repairs or maintenance. Our field employees work hand-in-hand with our Environmental, Health and Safety (EHS) team to ensure these inspections are performed correctly and that any potential issues are promptly addressed.

In addition to these frequent site visits, we have implemented an extensive leak detection and repair (LDAR) program that involves scheduled inspections for natural gas capture. These inspections are bolstered by our use of optical gas imaging (OGI) cameras, which help to identify potential emissions that may not be visible to the naked eye. Matador has also implemented real-time remote monitoring of vapor control systems via Supervisory Control And Data Acquisition (SCADA) equipment at a number of larger production facilities. If a potential issue is identified through these or other means, we promptly complete any needed repairs. These inspections are being conducted regularly, both by Matador staff and by third-party contractors, more frequently and at more locations than federal and state regulations require.

Another step we take to reduce emissions is to connect many of our production facilities to electric grid power. Connecting to grid power allows us to forego using internal combustion-powered generators on-site, which further reduces emissions.

Connecting to grid power in certain remote areas where we operate can be challenging; however, we are continuing to work with electric power providers to find solutions. In 2021, we increased the proportion of our operated production facilities on grid power to 92%, up from 85% in 2020.

CONTINUOUS IMPROVEMENT

We continue to make reducing emissions a top priority and are proud of the progress we have made. Across several disciplines — including drilling, completions, facilities construction, production operations and midstream operations — our teams are continually evaluating new technologies and best practices that can help us achieve further improvement. Some examples of our emissions management and reduction strategies include:

- Increased installation of zero-emissions air-operated pneumatic controllers, replacing natural gas-operated pneumatic controllers
- Increased use of variable-speed VRUs to improve emissions capture
- Connected to low-pressure gathering systems and utilized electric-powered compressors to reduce emissions from natural gas-powered compression
- Drilled longer laterals, used centralized tank batteries and commingled production from multiple wells, all of which reduce emissions intensity
- Introduced the use of dual-fuel completions fleets that use natural gas as a partial diesel replacement
- Increased operational efficiency resulting in fewer days of drilling and completions operations per well
- Increased proportion of our production facilities on grid power
- Increased use of OGI cameras to help identify potential emissions
- Increased vapor control system monitoring with SCADA equipment
- Increased automated and remote monitoring response capabilities

- Increased number of wells connected to pipelines before initial production
- Increased percentage of oil and water transported via pipeline

Water Management

REDUCED USE OF FRESH WATER

Fresh water is an important resource. Oil and natural gas operations necessarily use large amounts of water. How does Matador square these two interests? Part of the answer is water recycling and reuse.

Using improving technologies, we are able to take produced water from existing Matador wells and from third-party systems, treat the water and then reuse that same water in our completions operations on new wells. This use of recycled water saves significant amounts of fresh water that would otherwise have been withdrawn for hydraulic fracturing operations. In 2021, 72% of our wells used recycled water as some portion of the total fluid used for hydraulic fracturing operations, up from more than 30% in 2020.

96% of total water consumed was non-fresh water

67% reduction in consumption of fresh water

134% increase in wells using recycled water

As well as conserving fresh water, our use of recycled water in our completions operations reduces the amount of produced water that must be disposed. It also results in significant cost savings and efficiencies. For these reasons, we are working to increase our use of recycled water even further across our asset areas, and in 2021 we more than doubled the percentage of total wells that used recycled water in hydraulic fracturing operations.

In addition to using recycled water where feasible, we also use other sources of non-fresh water. In 2021, we successfully reduced our consumption of fresh water by more than two-thirds. Furthermore, 96% of our total water consumption in 2021 was made up of non-fresh water. We are proud of this progress and are continuing to seek opportunities to reduce the use of fresh water in our operations.

PROTECTION OF GROUNDWATER

We recognize the importance of protecting the vital groundwater resources in the areas in which we operate. Therefore, we design our operations to go beyond the strict regulatory requirements to protect groundwater.

An important factor in protecting groundwater is the selection and proper setting of the casing across existing fresh water zones, which isolates and protects these fresh water intervals from hydrocarbons and non-fresh water being produced from deeper formations. Before running casing in our wells, each string of casing undergoes testing that exceeds industry standards for ensuring casing integrity. Among other measures, Matador uses hydrostatic testing, electromagnetic inspection, pipe end inspection or full-length drift to test our casing strings, as applicable.

During drilling operations, we use a fresh water drilling fluid system until we drill below the base of the identified groundwater zones. Then, when setting this protective string of casing, we require cement testing that exceeds industry requirements. In particular, prior to pumping cement to isolate the groundwater zones, we require what is referred to as a “field blend” test of our cement, which ensures the cement being tested is from the same batch as the cement being used on that well to ensure an accurate, comparable test. Once the casing is set, we conduct a mechanical integrity test under pressure to confirm the integrity of the casing before continuing drilling operations and before the well is produced.

Our efforts to protect groundwater are aided by our MAXCOM Operations Center, where we have engineers and geologists monitoring our drilling operations 24 hours a day, 365 days a year. Should we encounter a potential issue while drilling a well, we expect to identify it quickly and have a skilled team in place ready to take appropriate next steps.

Land Stewardship

MINIMIZING SURFACE FOOTPRINT

We strive to be good neighbors and good stewards of the lands on which we operate, and minimizing our surface footprint is part of that effort.

One way that we have been successful in reducing our surface footprint is by batch drilling wells and drilling longer laterals, many with lateral lengths of two miles or greater, which results in fewer drilling pads being required. Another way we have been successful in reducing our surface footprint is by working with the various regulatory agencies, including the New Mexico Oil Conservation Division (NMOCD) and Bureau of Land Management (BLM), to obtain approval to commingle production from different wells into centralized tank batteries. This not only reduces the number of production pads that are required, but also further aids our efforts to minimize emissions by reducing the number of tanks and potential points for emissions.

When determining locations for well sites and other infrastructure, we work with surface owners and other stakeholders to find suitable locations. We also take steps to ensure we conduct our operations in locations that minimize any potential disturbance to the habitats around which we operate. As part of that effort, we have entered into voluntary agreements with the U.S. Fish and Wildlife Service and the Center of Excellence for Hazardous Materials Management to observe operational restrictions designed to protect certain wildlife, including the habitats of the lesser prairie-chicken, sand dune lizard and Texas hornshell mussel. Additionally, for our federal locations and as otherwise warranted, we conduct wildlife, biology and archeology surveys and undertake reviews for caves, karsts and potential hydrology considerations.

BENEFITS OF PIPELINE INFRASTRUCTURE

We have continued to make great strides in connecting all three streams of our production — oil, natural gas and water — to pipelines. This effort has been significantly advanced by our midstream joint venture, San Mateo, which operates a three-pipe system covering much of our core asset areas and a cryogenic natural gas processing plant with an inlet capacity of 460 million cubic feet of natural gas per day.

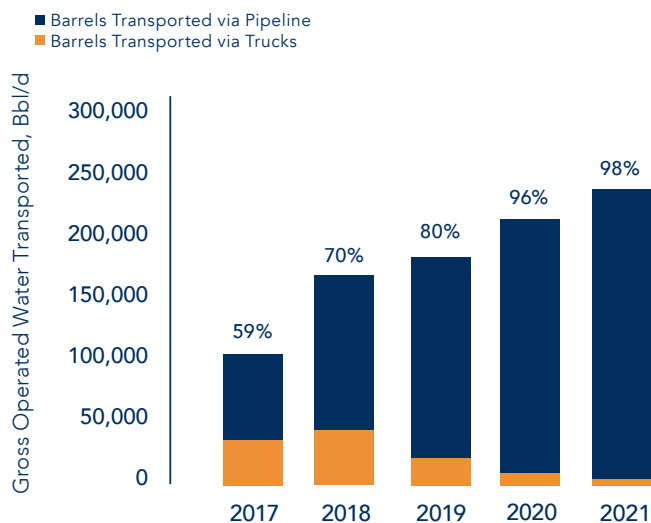
During 2021, 82% of our gross operated oil production and 98% of our gross operated water production were connected to pipelines. We are proud of these accomplishments and have continued to increase the percentage of production that is connected to pipelines during 2022.

In addition to the financial benefits to Matador and our stakeholders of connecting all three streams of production to pipelines, these pipeline connections have many other benefits. One key benefit is the reduction in the number of trucks needed to transport the produced oil and water. This is significant because it both (i) reduces truck traffic and increases road safety and (ii) reduces emissions. For example, we estimate that the volumes of oil and water production we were able to connect to pipelines avoided approximately 10.3 million water truck miles and 1.5 million oil truck miles during 2021.⁽²⁾

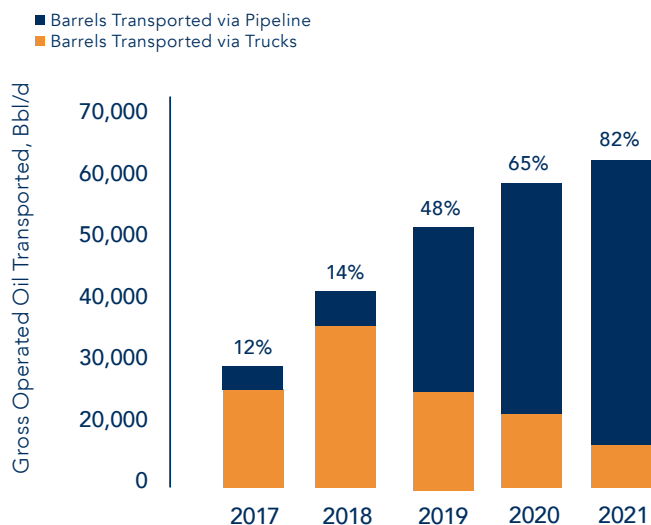
98% of operated produced water and 82% of operated produced oil transported by pipeline
10.3 million water truck miles and 1.5 million oil truck miles avoided⁽²⁾

With significant volumes of production connected to pipelines, spill volumes have been minimal. In 2021, we experienced spills of only 0.0005% of our oil production and 0.0007% of our water production. Of course, if spills do occur, we seek to promptly remediate those spills and reclaim any surface disturbances.

OPERATED PRODUCED WATER ON PIPE



OPERATED PRODUCED OIL ON PIPE



⁽²⁾ Statistics cover full-year 2021. Assumes that each truck transporting one load of oil or water travels ~15 miles per load. One load contains approximately 130 barrels of water or 190 barrels of oil.

Matador is dedicated to providing a safe work environment and to treating everyone with respect. For the communities in which we live and work, we are committed to observing sound environmental business practices and operating as engaged and responsible neighbors.

Health & Safety

SAFETY CULTURE

We are proud to have a company culture that emphasizes “safety first.” As a result, we have not incurred a recordable employee injury since 2014. Similarly, from January 1, 2017 to December 31, 2021, we estimate our employees have worked approximately 2.7 million combined hours without experiencing a lost time incident. We attribute much of that success to (i) thoughtful and effective health and safety policies, (ii) the conscientious efforts of our experienced field and office staff in our drilling, completions, midstream and production groups and (iii) our EHS team that is devoted to proactively minimizing safety risks and addressing any potential areas of concern.

0 = Total recordable incident rate (TRIR) for employees

0 = Lost time incident rate (LTIR) for employees

0 = Lost time incidents during approximately 2.7 million employee man-hours from 2017-2021

We emphasize the importance of recruiting and maintaining a high-quality EHS team, and we believe it is important that our EHS staff has actual hands-on experience in the field in order to understand the challenges and issues that can arise. Our EHS team’s experience allows us to understand the technical and safety challenges faced by our field employees and contractors and encourages an open dialogue with community leaders about potential safety concerns and mitigation efforts.

Consistent with our safety track record, we are not letting our guard down. We continue to emphasize safety and related training for our employees — each of whom has Stop-Work Authority if any potential safety hazards are identified in the field or in the office.

ENVIRONMENTAL, HEALTH & SAFETY POLICY

At Matador, we strive for continuous improvement in safety performance and define our principles in an EHS Policy Statement.

Our safety efforts are overseen by management and reviewed quarterly by the Audit Committee, which has the responsibility to govern risk assessment and risk management with respect to operational, environmental, health and safety and regulatory risks. Furthermore, the



Board of Directors incorporates an assessment of our EHS record into Matador's executive compensation program. Our EHS record will continue to be incorporated into Matador's 2022 executive compensation program as part of an ESG performance metric used by the Board to calculate incentive compensation payable to our executive officers.

We maintain and regularly update a handbook of our EHS practices, which complies with applicable Occupational Safety and Health Administration (OSHA) regulations, as well as certain applicable standards from the American Petroleum Institute (API). Matador has an annual safety training program in place that complies with local, state and federal regulatory agency requirements, and in 2021 our employees completed more than 2,000 hours of safety training.

We also have established requirements to ensure we are selecting vendors that operate safely. Matador uses a Vendor Verification Program through ISNetwork, which is a digital platform that allows us to review the safety programs and performance of our field contractors. Additionally, contractors and visitors are required to complete a safety orientation prior to entering Matador's facilities to conduct physical work. These measures further our efforts to partner with vendors who take safety as seriously as we do.

Community Engagement

GIVING BACK

We consider ourselves fortunate to be in the oil and natural gas business and to have our track record of success. As a result, we think it is important to give back — both to the communities in which we operate and to other important charities. According to the New Mexico Oil & Gas Association, the oil and natural gas industry contributed \$5.3 billion to state and local revenues in 2021.

The industry's contribution amounted to 35% of New Mexico's 2021 state budget, in line with its average annual contribution since 2014 of around one-third of the state budget. Public schools were the largest beneficiary of this 2021 revenue, receiving nearly \$1.4 billion in funding to support students and teachers. Furthermore, the oil and natural gas industry currently supports more than 134,000 jobs in New Mexico.

In addition to benefiting communities by providing tax revenues, education support and local jobs, Matador has also made numerous charitable contributions over the years. This effort has been consistently encouraged by our leadership, who have also provided significant personal charitable donations and started their own charitable programs.

In addition to financial support, we think it is important to be involved in the community and donate our time. For example, after collecting toys during the holiday season each year, we personally deliver those toys to various charities, including in 2021 to the local sheriff's offices in Lea and Eddy Counties, New Mexico, for further distribution to local children. Similarly, a group of Matador volunteers delivered food to the North Texas Food Bank as part of our annual food drive, which resulted in donations of more than 117,500 meals last year. These are just a few examples of our community involvement, and we continue to look for additional ways to contribute. These efforts not only help the community, but they provide good team-building opportunities and help our employees to live well-rounded lives.

We are proud of our charitable involvement to date, and, as we continue to grow, we look forward to having an even greater impact on the communities in which we operate and the charities with which we are involved.

COMMUNITY RELATIONS

Matador welcomes the opportunity to visit with landowners, mineral rights holders and other members of the local communities in which we operate about any questions or concerns they may have. To ensure awareness of our various communication options, we have (i) an owner relations webpage, (ii) contact forms on both the Matador and San Mateo websites and (iii) 24-hour emergency numbers that are listed on both the Matador and San Mateo websites. We also have emergency numbers posted locally throughout our field operation sites, including as required by any NMOCD or BLM signage requirements. We do our best to resolve any potential issues early, and we believe that maintaining these open communication channels helps us build trust and positive relationships in the communities where we operate.

Workforce

COMPANY CULTURE & EMPLOYEE DEVELOPMENT

Our people are our most important asset. We have invested the time, attention and resources necessary to recruit, retain and develop an extraordinary team.

49 hours of continuing education per employee in 2021

Leadership development program

It starts with recruiting. We routinely recruit from the top universities in our industry, while also searching for experienced candidates with targeted expertise. We offer a comprehensive compensation package with competitive base pay, discretionary bonus opportunities, paid time off, 401k contributions, an employee stock purchase plan and a robust and affordable health insurance program. We also offer something we think is unique in the industry — an opportunity to have significant responsibility and daily interaction with our executive team and leaders from day one.



The next step is to retain our talent. We think a big reason for our success in employee retention is our team-first approach. Each of our asset areas is organized into interdisciplinary teams and every member of the team is expected to offer input and contribute. It is our belief that every person in attendance at a meeting should feel comfortable expressing an opinion, even if counter to the majority opinion — that is how ideas are pressure tested to reach the best solutions. We also believe that by forming these interdisciplinary teams, our employees are able to learn about additional aspects of our business and add greater value.

To foster the cohesiveness of our team, Matador sponsors a number of team-building events throughout the year, including sports tournaments, endurance events and company-wide skills challenges, and it is not uncommon to see members of our Board of Directors and senior management participating in these events as well.

We are also committed to the professional development of our employees.

We have an “open door” policy and each of our employees has the opportunity to work directly with, and be mentored by, experienced leaders. We also encourage more formal training and study, requiring employees to complete at least 40 hours of continuing education annually. In 2021, for example, our employees exceeded this requirement by completing an average of 49 hours each, which amounts to approximately 14,000 total hours of continuing education and study.

It is not easy to create a company culture of teamwork and the ethical pursuit of success. We believe we have created this culture and are making sure we preserve it even as Matador continues to grow.

DIVERSITY & INCLUSION

We believe employees want and deserve a workplace where they feel safe, respected, satisfied and appreciated. We respect diversity and do not tolerate harassment or discrimination of any kind.



Providing an environment that supports honesty, integrity, respect, trust, responsibility and good citizenship allows all of us the opportunity to achieve excellence in our workplace.

We are committed to providing equal employment opportunities to everyone. We ensure that the same standards are applied to all our employees and applicants without regard to race, color, sex, religion, national origin, ancestry, age, genetic information, sexual orientation, gender identity or on the basis of any other classification protected by federal, state or local law.

But that is just the start to our approach of “one standard” in employment. We think it is important that our employees are evaluated based on the merits of individual performance and commitment to being a team player. By operating with this “one standard,” not only do we ensure all our employees have an equal employment opportunity, but we believe this approach further develops our team-first culture and enhances job satisfaction for everyone.

GOVERNANCE

Matador's Board of Directors and management team believe strong corporate governance is vital to the welfare of the Company, our employees and our stakeholders. We strive to conduct our business in accordance with the highest ethical standards.

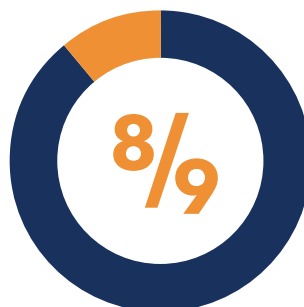
Board of Directors

COMPOSITION & SHAREHOLDER ALIGNMENT

Matador is governed by an experienced, diverse, independent and thoughtful Board of Directors. The Company and the Board together take the role of corporate governance seriously, which is reflected in our corporate governance practices.

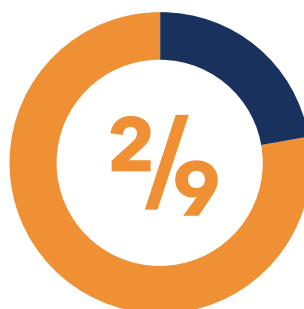
Our Board is subject to a majority vote standard in each uncontested shareholder election, which means that each director must be elected by a majority of the shareholder votes cast in such elections and not merely by a simple plurality. This standard ensures that, to hold office, each director must garner the support of a significant portion of our shareholder base.

Our Board is also independent. In fact, eight of our nine current directors are independent according to SEC rules and New York Stock Exchange listing standards.⁽³⁾ Our Board has appointed a lead independent director who chairs the executive sessions of the independent directors, leads the independent directors in the evaluation of our CEO and acts as a liaison between the independent directors and the CEO. In addition, our lead independent director and our other independent directors have significant input on Company decisions and the evaluation and management of risks in the Company's operations. Our independent directors also chair each of the Audit Committee; Environmental, Social and Corporate Governance Committee; Nominating Committee; and Strategic Planning and Compensation Committee.



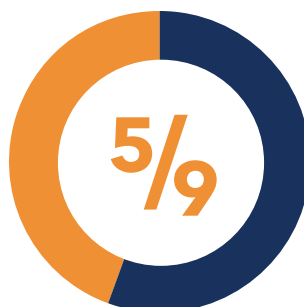
Independence

Eight directors are independent, including a lead independent director



Diversity

One minority and **two female** directors



Refreshment

Less than six years' tenure for more than half of the directors

⁽³⁾ As of December 21, 2022.

We urge our directors to commit their full attention to Matador during their Board service. Currently, none of our directors serves on the board of any other publicly traded company, allowing them to focus on their role at Matador.

To further align our management and Board with our shareholders, Matador maintains robust stock ownership guidelines for both its directors and its officers. These ownership guidelines, which are specifically described in Matador's 2022 Proxy Statement, ensure that Matador's management and Board hold meaningful ownership positions in the Company and align their interests with those of our shareholders. As of April 13, 2022, our directors and executive officers owned 5.6% of our common stock.

For additional information, please see: [matadorresources.com/corporate-governance/governance-overview](https://www.matadorresources.com/corporate-governance/governance-overview).

SUSTAINABILITY OVERSIGHT

The Board's ESG Committee leads the Board's oversight of Matador's sustainability practices. In conjunction with senior management, the ESG Committee has direct accountability to review and evaluate sustainability practices, risks and strategies and to make recommendations to the full Board regarding sustainability matters.

The Audit Committee also has responsibility through its role overseeing risk assessment and risk management processes, including with respect to operational, environmental, health and safety and regulatory risks.

Shareholder Engagement

SHAREHOLDER ADVISORY COMMITTEE FOR BOARD NOMINATIONS

Reflecting the value we place on our shareholders' views, in 2012 our Board established a Shareholder Advisory Committee for Board Nominations that is charged with considering individuals recommended by Matador's shareholders as possible nominees for election to the Board. The Advisory Committee may also identify potential nominees by asking, from time to time, current directors and executive officers for their recommendations and may also engage firms that specialize in identifying director candidates. Based on its evaluations, the Advisory Committee then makes recommendations to the Nominating Committee for further consideration and review.

OPEN DIALOGUE

Last year, members of our Board and management team had conversations with a number of investors regarding our business and our investors' priorities, consistent with Matador's regular practice. Regarding ESG topics specifically, we met or reached out to shareholders representing an estimated 60% of our outstanding stock (excluding stock held by our officers and directors) as of December 31, 2021. Feedback from these conversations was shared with the Board and served as a valuable input to the enhanced ESG disclosures that we made over the last year. We appreciate the relationship building that results from cultivating these open dialogues and remain committed to engaging shareholders regularly.

Ethics & Integrity

OUR BELIEFS & POLICIES

As Joe Foran, our CEO, often says, Matador “plays a straight game.” We believe conducting oneself with honesty and integrity — both personally and professionally — is essential. We strive to hire individuals whom we believe possess these characteristics, and we are steadfast in holding everyone at Matador to these high standards.

Every Matador employee must certify that each has read, understands and will abide by our (i) Code of Ethics and Business Conduct for Officers, Directors and Employees (“Code of Ethics”), (ii) Whistleblower Policy, (iii) Related Party Transaction Policy, (iv) Insider Trading Policy and (v) Regulation FD Policy. We encourage our employees to report any wrongdoing without fear of retaliation. We also have a whistleblower hotline for those employees and third parties who may prefer to report concerns anonymously. Should we become aware of allegations of ethical impropriety, we take those allegations seriously and conduct a prompt investigation. The results of the investigation are then reported directly to the Audit Committee of our Board of Directors.

We insist on ethics and integrity because we think it is the right thing to do. We also know it is good business. Matador, including its predecessor, has been in the oil and natural gas business for almost 40 years, and we continue to run our business with the “long game” in mind.

ANNUAL REVIEW PROCESS

Matador’s Audit Committee Charter requires that the Audit Committee annually conduct a review and assessment of the Code of Ethics. The Audit Committee is required to report to the full Board regarding the general effectiveness of the Code of Ethics and the Company’s controls and reporting procedures. The Audit Committee will also recommend to the Board any changes to the Code of Ethics that it deems necessary.

As part of the Audit Committee’s review and assessment, Matador’s management provided the Audit Committee with a certification that, during 2021, all complaints (either through the Company’s whistleblower hotline or normal reporting channels) with regard to any executive officer or director of the Company were reported to the Audit Committee and no waivers to the Code of Ethics were requested by or granted for any such individuals.

Management also conducts an audit annually to confirm that all current officers, directors and employees have acknowledged that they have received and reviewed the Code of Ethics.

POLITICAL ENGAGEMENT

Matador does not make corporate contributions to individual candidates or political committees supporting candidates in federal, state or local elections. We do not sponsor a political action committee, and we encourage employees to vote and support the candidates and parties of their choice. To communicate our views on legislative and regulatory matters affecting our operations and industry, we primarily engage in the legislative and regulatory processes through various trade associations.

SUSTAINABILITY METRICS⁽⁴⁾

In this section, we disclose quantitative information about our ESG performance. Based on investor feedback and a review of peer reporting practices, we have chosen to align our sustainability metrics with the SASB standards for Oil & Gas – Exploration & Production companies.

Intensity Metrics ⁽⁵⁾	Unit	2019	2020	2021	SASB Metric ⁽⁶⁾
Exploration & Production					
Gross Scope 1 GHG intensity	Metric tons CO ₂ -e / gross operated production (MBoe)	28.42	22.92	16.58	Supplemental Disclosure
Methane intensity	Gross methane emissions (MMcf) / gross operated natural gas production (MMcf)	0.52%	0.47%	0.24%	Supplemental Disclosure
Flaring intensity	Gross flared volumes (MMcf) / gross operated natural gas production (MMcf)	4.17%	2.57%	1.21%	Supplemental Disclosure
Flaring intensity	Gross flared volumes (MBoe) / gross operated production (MBoe)	1.60%	1.02%	0.51%	Supplemental Disclosure
Gathering & Boosting					
Gross Scope 1 GHG intensity	Metric tons CO ₂ -e / gross natural gas gathered volumes (MBoe)	N/a	16.09	8.88	Supplemental Disclosure
Methane intensity	Gross methane emissions (MMcf) / gross natural gas gathered volumes (MMcf)	N/a	0.01%	0.01%	Supplemental Disclosure
Processing					
Gross Scope 1 GHG intensity	Metric tons CO ₂ -e / gross processed volumes (MBoe)	6.85	4.98	3.61	Supplemental Disclosure
Methane intensity	Gross methane emissions (MMcf) / gross processed volumes (MMcf)	0.05%	0.01%	0.00%	Supplemental Disclosure

SUSTAINABILITY METRICS

Greenhouse Gas Emissions ⁽⁵⁾	Unit	2019	2020	2021	SASB Metric
Exploration & Production					
Gross Scope 1 GHG emissions	Metric tons CO ₂ -e	866,548	800,682	670,037	EM-EP-110a.1
Gross Scope 1 GHG emissions from flared hydrocarbons	Metric tons CO ₂ -e	243,083	163,017	76,386	EM-EP-110a.2
Gross Scope 1 GHG emissions from other combustion	Metric tons CO ₂ -e	455,614	438,460	459,280	EM-EP-110a.2
Gross Scope 1 GHG emissions from process emissions	Metric tons CO ₂ -e	37	212	71	EM-EP-110a.2
Gross Scope 1 GHG emissions from other vented emissions	Metric tons CO ₂ -e	166,619	192,807	129,805	EM-EP-110a.2
Gross Scope 1 GHG emissions from fugitive emissions	Metric tons CO ₂ -e	1,197	6,185	4,495	EM-EP-110a.2
Gross methane emissions included in gross Scope 1 GHG emissions	Metric tons CO ₂ -e	174,401	186,478	117,763	EM-EP-110a.1
Gross flared volumes	MMcf	2,924	2,134	1,225	Supplemental Disclosure
Gathering & Boosting					
Gross Scope 1 GHG emissions	Metric tons CO ₂ -e	N/a	20,267	57,648	EM-MD-110a.1
Gross methane emissions included in gross Scope 1 GHG emissions	Metric tons CO ₂ -e	N/a	720	2,640	EM-MD-110a.1
Processing					
Gross Scope 1 GHG emissions	Metric tons CO ₂ -e	74,262	50,137	46,742	EM-MD-110a.1
Gross methane emissions included in gross Scope 1 GHG emissions	Metric tons CO ₂ -e	15,563	1,449	1,716	EM-MD-110a.1
Water Management⁽⁷⁾					
Total water consumed	Thousand cubic meters	3,890	3,819	5,394	Supplemental Disclosure
Percentage fresh water of total water consumed	Percentage	31%	16%	4%	Supplemental Disclosure
Percentage non-fresh water of total water consumed	Percentage	69%	84%	96%	Supplemental Disclosure
Total fresh water consumed	Thousand cubic meters	1,202	623	205	EM-EP-140a.1
Total recycled water utilized for hydraulic fracturing	Thousand cubic meters	447	596	1,143	Supplemental Disclosure

SUSTAINABILITY METRICS

Water Management ⁽⁷⁾	Unit	2019	2020	2021	SASB Metric
Percentage of total wells utilizing recycled water as some portion of the total fluid used for hydraulic fracturing operations	Percentage	16%	31%	72%	Supplemental Disclosure
Percentage of recycled water makeup of total fluid volume used in hydraulic fracturing	Percentage	12%	16%	22%	Supplemental Disclosure
Total produced water and flowback generated	Thousand cubic meters	10,787	12,242	14,438	EM-EP-140a.2
Percentage discharged of total produced water and flowback	Percentage	0%	0%	0%	EM-EP-140a.2
Percentage injected of total produced water and flowback	Percentage	97%	96%	99%	EM-EP-140a.2
Percentage recycled of total produced water and flowback	Percentage	3%	4%	1%	EM-EP-140a.2
Percentage of operated produced water on pipe	Percentage	80%	96%	98%	Supplemental Disclosure
Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	Percentage	100%	100%	100%	EM-EP-140a.3
Biodiversity Impacts ⁽⁸⁾	Unit	2019	2020	2021	SASB Metric
Total number of hydrocarbon spills	Number	5	3	2	EM-EP-160a.2
Gross total volume of hydrocarbon spills	Bbl	340	295	113	EM-EP-160a.2
Amount recovered of hydrocarbon spills	Bbl	0	0	20	EM-EP-160a.2
Net total volume of hydrocarbon spills	Bbl	340	295	93	EM-EP-160a.2
Security, Human Rights & Rights of Indigenous Peoples	Unit	2019	2020	2021	SASB Metric
Percentage of (1) proved and (2) probable reserves in or near areas of conflict	Percentage	0%	0%	0%	EM-EP-210a.1
Workplace Health and Safety	Unit	2019	2020	2021	SASB Metric
Total recordable incident rate (TRIR) for employees	Incidents per 200,000 workhours	0	0	0	EM-EP-320a.1
Lost time incident rate (LTIR) for employees	Incidents per 200,000 workhours	0	0	0	Supplemental Disclosure
Fatality rate for employees	Incidents per 200,000 workhours	0	0	0	EM-EP-320a.1
Average hours of continuing education per employee	Number	59	55	49	Supplemental Disclosure

SUSTAINABILITY METRICS

Business Ethics & Transparency	Unit	2019	2020	2021	SASB Metric
Percentage of (1) proved and (2) probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Percentage	0%	0%	0%	EM-EP-510a.1
Activity Metrics	Unit	2019	2020	2021	SASB Metric
Gross operated exploration & production	MBoe	30,494	34,934	40,405	EM-EP-000.A
Gross operated oil production	MBbl	18,795	21,094	23,547	EM-EP-000.A
Gross operated natural gas production	MMcf	70,192	83,040	101,145	EM-EP-000.A
Gross operated gathered volumes	MMcf	N/a	7,557	38,957	Supplemental Disclosure
Gross operated processed volumes	MMcf	65,046	60,348	77,707	Supplemental Disclosure
Number of terrestrial sites ⁽⁹⁾	Number	663	738	798	EM-EP-000.C
Percentage of operated produced oil on pipe	Percentage	48%	65%	82%	Supplemental Disclosure
Percentage of operated production facilities on grid power ⁽¹⁰⁾	Percentage	80%	85%	92%	Supplemental Disclosure

⁽⁴⁾ The sustainability metrics in this report have been calculated using the best information available to us at the time of preparation of this report. The data utilized in calculating such metrics is subject to certain reporting rules, regulatory reviews, definitions, calculation methodologies, estimates, adjustments and other factors. As a result, these metrics are subject to change from time to time as updated data or other information becomes available. The metrics provided reflect both Matador's gross operated exploration & production operations and San Mateo Midstream, LLC's gross operated gathering & boosting and processing operations on a consolidated basis, except where shown separately.

⁽⁵⁾ Emissions and flared volumes are calculated in accordance with Environmental Protection Agency (EPA) standards.

⁽⁶⁾ Sustainability Accounting Standards Board.

⁽⁷⁾ As referenced in this section, "fresh water" is defined as <1,000 mg/L total dissolved solids and includes Matador's gross operated volumes for hydraulic fracturing and completions operations, as well as estimates for Matador's other operations.

⁽⁸⁾ As referenced in this section, "spills" are defined as >5 Bbl.

⁽⁹⁾ Defined as gross operated well count as of December 31st.

⁽¹⁰⁾ Defined as production locations requiring more than 1 horsepower of total facility power.

