Diamondback Energy, Inc.
Form 10-Q
August 02, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

ýQUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE QUARTERLY PERIOD ENDED June 30, 2017
OR
oTRANSITION REPORT UNDER SECTION 13 OR 15(d) OF SECURITIES EXCHANGE ACT OF 1934
Commission File Number 001-35700

Diamondback Energy, Inc.
(Exact Name of Registrant As Specified in Its Charter)

Delaware (State or Other Jurisdiction of Incorporation or Organization)	45-4502447 (IRS Employer Identification Number)
500 West Texas, Suite 1200 Midland, Texas	79701
(Address of Principal Executive Offices)	(Zip Code)

(432) 221-7400
(Registrant Telephone Number, Including Area Code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ý No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ý No ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check One):
Large Accelerated Filer ý Accelerated Filer o

Non-Accelerated Filer o Smaller Reporting Company o

Emerging Growth Company o

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No ý

As of July 28, 2017, 98,132,793 shares of the registrant’s common stock were outstanding.

DIAMONDBACK ENERGY, INC.
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FOR THE QUARTER ENDED JUNE 30, 2017
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GLOSSARY OF OIL AND NATURAL GAS TERMS

The following is a glossary of certain oil and gas terms that are used in this Quarterly Report on Form 10-Q (this "report"):

Basin	A large depression on the earth's surface in which sediments accumulate.
Bbl	Stock tank barrel, or 42 U.S. gallons liquid volume, used in this report in reference to crude oil or other liquid hydrocarbons.
BOE	Barrels of oil equivalent, with six thousand cubic feet of natural gas being equivalent to one barrel of oil.
BOE/d	BOE per day.
British Thermal Unit or Btu	The quantity of heat required to raise the temperature of one pound of water by one degree Fahrenheit.
Completion	The process of treating a drilled well followed by the installation of permanent equipment for the production of natural gas or oil, or in the case of a dry hole, the reporting of abandonment to the appropriate agency.
Crude oil	Liquid hydrocarbons retrieved from geological structures underground to be refined into fuel sources.
Finding and development costs	Capital costs incurred in the acquisition, exploitation and exploration of proved oil and natural gas reserves divided by proved reserve additions and revisions to proved reserves.
Gross acres or gross wells	The total acres or wells, as the case may be, in which a working interest is owned.
Horizontal drilling	A drilling technique used in certain formations where a well is drilled vertically to a certain depth and then drilled at a right angle with a specified interval.
Horizontal wells	Wells drilled directionally horizontal to allow for development of structures not reachable through traditional vertical drilling mechanisms.
Mcf	Thousand cubic feet of natural gas.
Mcf/d	Mcf per day.
Mineral interests	The interests in ownership of the resource and mineral rights, giving an owner the right to profit from the extracted resources.
MMBtu	Million British Thermal Units.
Net acres or net wells	The sum of the fractional working interest owned in gross acres.
Oil and natural gas properties	Tracts of land consisting of properties to be developed for oil and natural gas resource extraction.
Play	A set of discovered or prospective oil and/or natural gas accumulations sharing similar geologic, geographic and temporal properties, such as source rock, reservoir structure, timing, trapping mechanism and hydrocarbon type.
Plugging and abandonment	Refers to the sealing off of fluids in the strata penetrated by a well so that the fluids from one stratum will not escape into another or to the surface. Regulations of all states require plugging of abandoned wells.
Prospect	A specific geographic area which, based on supporting geological, geophysical or other data and also preliminary economic analysis using reasonably anticipated prices and costs, is deemed to have potential for the discovery of commercial hydrocarbons.
Proved reserves	The estimated quantities of oil, natural gas and natural gas liquids which geological and engineering data demonstrate with reasonable certainty to be commercially recoverable in future years from known reservoirs under existing economic and operating conditions.
Reserves	The estimated remaining quantities of oil and natural gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will

	exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and natural gas or related substances to the market and all permits and financing required to implement the project. Reserves are not assigned to adjacent reservoirs isolated by major, potentially sealing, faults until those reservoirs are penetrated and evaluated as economically producible. Reserves should not be assigned to areas that are clearly separated from a known accumulation by a non-productive reservoir (i.e., absence of reservoir, structurally low reservoir or negative test results). Such areas may contain prospective resources (i.e., potentially recoverable resources from undiscovered accumulations).
Reservoir	A porous and permeable underground formation containing a natural accumulation of producible natural gas and/or oil that is confined by impermeable rock or water barriers and is separate from other reservoirs.

Royalty interest	An interest that gives an owner the right to receive a portion of the resources or revenues without having to carry any costs of development.
Spacing	The distance between wells producing from the same reservoir. Spacing is often expressed in terms of acres (e.g., 40-acre spacing) and is often established by regulatory agencies.
Working interest	An operating interest that gives the owner the right to drill, produce and conduct operating activities on the property and receive a share of production and requires the owner to pay a share of the costs of drilling and production operations.

GLOSSARY OF CERTAIN OTHER TERMS

The following is a glossary of certain other terms that are used in this report.

Company	Diamondback Energy, Inc., a Delaware corporation.
Equity Plan	The Company's Equity Incentive Plan.
Exchange Act	The Securities Exchange Act of 1934, as amended.
GAAP	Accounting principles generally accepted in the United States.
General Partner	Viper Energy Partners GP LLC, a Delaware limited liability company and the General Partner of the Partnership.
NYMEX	New York Mercantile Exchange.
Partnership	Viper Energy Partners LP, a Delaware limited partnership.
Partnership agreement	The first amended and restated agreement of limited partnership, dated June 23, 2014, entered into by the General Partner and Diamondback in connection with the closing of the Viper Offering.
SEC	United States Securities and Exchange Commission.
Securities Act	The Securities Act of 1933, as amended.
2024 Senior Notes	The Company's 4.750% senior unsecured notes due 2024 in the aggregate principal amount of $500 million.
2025 Senior Notes	The Company's 5.375% senior unsecured notes due 2025 in the aggregate principal amount of $500 million.
Senior Notes	The 2024 Senior Notes and the 2025 Senior Notes.
Viper LTIP	Viper Energy Partners LP Long Term Incentive Plan.
Viper Offering	The Partnerships' initial public offering.
Wells Fargo	Wells Fargo Bank, National Association.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Various statements contained in this report that express a belief, expectation, or intention, or that are not statements of historical fact, are forward-looking statements within the meaning of Section 27A of the Securities Act, and Section 21E of the Exchange Act. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond our control. All statements, other than statements of historical fact, regarding our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this report, the words “could,” “believe,” “anticipate,” “intend,” “estimate,” “expect,” “may,” “continue,” “predict,” “potential,” “project” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. In particular, the factors discussed in this report and detailed under Part II, Item 1A. Risk Factors in this report and our Annual Report on Form 10–K for the year ended December 31, 2016 could affect our actual results and cause our actual results to differ materially from expectations, estimates or assumptions expressed, forecasted or implied in such forward-looking statements.

Forward-looking statements may include statements about our:

- business strategy;
- exploration and development drilling prospects, inventories, projects and programs;
- oil and natural gas reserves;
- acquisitions, including our acquisition in the Southern Delaware Basin;
- identified drilling locations;
- ability to obtain permits and governmental approvals;
- technology;
- financial strategy;
- realized oil and natural gas prices;
- production;
- lease operating expenses, general and administrative costs and finding and development costs;
- future operating results; and
- plans, objectives, expectations and intentions.

All forward-looking statements speak only as of the date of this report or, if earlier, as of the date they were made. We do not intend to, and disclaim any obligation to, update or revise any forward-looking statements unless required by securities laws. You should not place undue reliance on these forward-looking statements. These forward-looking statements are subject to a number of risks, uncertainties and assumptions. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. Although we believe that our plans, intentions and expectations reflected in or suggested by the forward-looking statements we make in this report are reasonable, we can give no assurance that these plans, intentions or expectations will be achieved or occur, and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

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Diamondback Energy, Inc. and Subsidiaries
Consolidated Balance Sheets
(Unaudited)

	June 30, 2017	December 31, 2016
	(In thousands, except par values and share data)	
Assets		
Current assets:		
Cash and cash equivalents	$16,588	$1,666,574
Restricted cash	—	500
Accounts receivable:		
Joint interest and other	71,677	49,476
Oil and natural gas sales	82,950	70,349
Related party	8	297
Inventories	4,925	1,983
Derivative instruments	41,732	—
Prepaid expenses and other	3,457	2,987
Total current assets	221,337	1,792,166
Property and equipment:		
Oil and natural gas properties, full cost method of accounting ($4,008,388 and $1,730,519 excluded from amortization at June 30, 2017 and December 31, 2016, respectively)	8,311,094	5,160,261
Midstream assets	95,491	8,362
Other property, equipment and land	71,978	58,290
Accumulated depletion, depreciation, amortization and impairment	(1,969,816)	(1,836,056)
Net property and equipment	6,508,747	3,390,857
Funds held in escrow	—	121,391
Derivative instruments	4,379	709
Deferred income taxes	321	—
Other assets	49,025	44,557
Total assets	$6,783,809	$5,349,680
Liabilities and Stockholders’ Equity		
Current liabilities:		
Accounts payable-trade	$27,764	$47,648
Accounts payable-related party	—	1
Accrued capital expenditures	153,765	60,350
Other accrued liabilities	89,589	55,330
Revenues and royalties payable	52,048	23,405
Derivative instruments	—	22,608
Total current liabilities	323,166	209,342
Long-term debt	1,151,515	1,105,912
Asset retirement obligations	19,539	16,134
Deferred income taxes	2,655	—
Total liabilities	1,496,875	1,331,388
Commitments and contingencies (Note 15)		

NBT BANCORP INC.
401(k) AND EMPLOYEE STOCK
OWNERSHIP PLAN

Notes to Financial Statements

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(k) Voting Rights

With respect to participant account balances that are invested in shares of the Sponsor's stock, each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account and is notified by the Trustee prior to the time that such rights are to be exercised.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Amounts in prior year's financial statements are reclassified when necessary to conform with current year's presentation.

(b) Investments Held in Trust and Participant Loans

The Plan's investments are stated at fair value on the Statements of Net Assets Available for Plan Benefits with an adjustment from fair value to contract value for fully benefit-responsive investment contracts. Changes in the carrying value for fully benefit-responsive investment contracts and changes in fair value for all other investments are included in net investment gain (loss) on the Statements of Changes in Net Assets Available for Plan Benefits. Fully benefit-responsive investment contracts held by defined contribution plans are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Statements of Net Assets Available for Plan Benefits present the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The Statements of Changes in Net Assets Available for Plan Benefits are prepared on a contract value basis.

Mutual funds and the common stock of the Sponsor are stated at fair value, based on published market quotations.

The collective investment fund consists of the Federated Capital Preservation Fund (the Fund), which primarily holds guaranteed investment contracts (GICs) and synthetic guaranteed investment contracts (synthetic GICs). GICs represent deposits which guarantee a stated interest rate for the term of the contracts. The crediting rate of security-backed contracts will track current market yields on a trailing basis. The rate reset allows the contract value to converge with the fair value of the underlying portfolio over time, assuming the portfolio continues to earn the current yield for a period of time equal to the current portfolio duration. To the extent that the underlying portfolio of a security-backed contract has unrealized and/or realized losses, a positive adjustment is made to the adjustment from fair value to contract value under contract value accounting. As a result, the future crediting rate may be lower over time than the then-current market rates. Similarly, if the underlying portfolio generates unrealized and/or realized gains, a negative adjustment is made to the adjustment from fair value to contract value, and the future crediting rate may be higher than the then-current market rates. The fair value of GICs is determined based on the present value of the contract's expected cash flows, discounted by current market interest rates for like-duration and like-quality investments. Synthetic GICs are portfolios of securities (debt securities or open-end registered investment companies) owned by the Fund with wrap contracts that guarantee a fixed or variable rate for the term of the contracts. The key factors that influence future interest credit rates for a synthetic GIC include: the level of market interest rates; the amount and timing of participant contributions, transfers, and withdrawals into/out of the synthetic GIC; the investment returns generated by the fixed-income securities underlying the GIC; and the duration of the fixed-income securities underlying the synthetic GIC. Interest credit ratings typically reset on a monthly or quarterly basis according to each synthetic GIC. While there may be slight variations from one to another, most use a formula that is based on the characteristics of the underlying portfolio of the fixed-income securities. All synthetic GICs provide for a minimum interest credit rate of zero percent, which is intended to protect participant's principal and accrued interest.

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Certain events limit the ability of the Plan to transact at contract value with the issuer. Such events may include, but are not limited to, the following: (l) amendments to Plan documents (including complete or partial plan termination or merger with another plan), (2) changes to the Plan's prohibition on competing investment options, (3) bankruptcy of the Plan sponsor or other Plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the plan, or (4) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under the Employee Retirement Income Security Act of 1974. The Plan administrator does not believe the occurrence of any such value event, which would limit the Plan's ability to transact at contract value with the participants, is probable.

The GICs limit the circumstances under which the issuer may unilaterally terminate the GIC on short notice. These circumstances may include, but are not limited to, the following: (1) the Fund loses its qualified status under the Internal Revenue Code or is otherwise terminated, (2) The Trustee of the Fund fails to meet its material obligation under the GIC, attempts to assign the GIC, or engages in fraud or misinterpretation that materially affects the risk profile of the GIC; or (3) if the fixed income securities underlying the synthetic GIC fail to meet certain criteria as specified in the synthetic GIC. If one of these events occur, the issuer could terminate the synthetic GIC at the market value of the underlying fixed-income securities (or in the case of a traditional GIC, at the hypothetical market value based on a contractual formula).

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date.

Loans to participants are carried at the unpaid principal balance.

(c) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of net assets available for plan benefits, disclosure of contingent assets and liabilities, the reported amount of increases and decreases in net assets available for plan benefits, and the fair value of investments. Actual results could differ from those estimates. The current economic environment has increased the degree of uncertainty inherent in those estimates and assumptions.

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(d) Risks and Uncertainties

The Plan invests in various types of investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participant's account balances and the amounts reported in the statements of net assets available for plan benefits.

(e) Subsequent Events

In connection with the preparation of financial statements, the Plan evaluated subsequent events after the balance sheet date of December 31, 2010 through June 23, 2011 which was the date the financial statements were available to be issued.

(3) Investments and Fair Value Measurements

Fair value of investments that represent 5% or more of the net assets available for plan benefits at December 31, 2010 or 2009 are as follows:

		2010	2009
Collective Investment fund:			
Federated Capital Preservation Fund	$	9,443,844	6,719,457
Domestic equity mutual funds:			
American Funds Growth Fund of America		5,533,908	4,869,206
Common stock:			
NBT Bancorp Inc.		32,063,327	26,035,264

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NBT BANCORP INC.

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During 2010 and 2009, the Plan’s investments appreciated (depreciated) in value (including realized gains and losses on investments bought, sold, and held during the year) as follows:

		2010	2009
Collective investment fund	$	389,677	59,879
Bond mutual funds		70,021	17,853
Common stock of NBT Bancorp Inc.		5,240,730	(8,471,822)
Domestic equity mutual funds		2,827,231	4,214,720
Foreign equity mutual funds		338,785	761,759
Graduated retirement target mutual funds		384,998	457,063
	$	9,251,442	(2,960,548)

The average yield for the collective investment fund (the Fund) based on actual earnings for years ended December 31, 2010 and 2009 was 2.53% and 3.22%, respectively. This represents the annualized earnings of all investments in the Fund divided by the average balance of all investments, at fair value, in the Fund for years ended December 31, 2010 and December 31, 2009, respectively.

The Plan uses a three-level hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. A financial instrument’s categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels are defined as follows:

- Level 1 – Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

- Level 2 – Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

- Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement (i.e. supported by little or no market activity).

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The following table presents the financial instruments recorded at fair value on a recurring basis by the Plan as of December 31, 2010 and 2009:

Description	December 31, 2010	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant other unobservable inputs (Level 3)
Cash and money market funds	$ 182,454	182,454	—	—
Collective investment fund	9,443,844	—	9,443,844	—
Bond mutual funds	4,946,234	4,946,234	—	—
Common stock of NBT Bancorp Inc.	32,063,327	32,063,327	—	—
Domestic equity mutual funds	24,463,823	24,463,823	—	—
Foreign equity mutual funds	3,366,577	3,366,577	—	—
Graduated retirement target mutual funds	3,544,119	3,544,119	—	—
Total	$ 78,010,378	68,566,534	9,443,844	—

Description	December 31, 2009	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant other unobservable inputs (Level 3)
Cash and money market funds	$ 1,625	1,625	—	—
Collective investment fund	6,719,457	—	6,719,457	—
Bond mutual funds	3,916,335	3,916,335	—	—
Common stock of NBT Bancorp Inc.	26,035,264	26,035,264	—	—
Domestic equity mutual funds	20,054,730	20,054,730	—	—
Foreign equity mutual funds	2,926,178	2,926,178	—	—
Graduated retirement target mutual funds	2,440,286	2,440,286	—	—
Total	$ 62,093,875	55,374,418	6,719,457	—

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NBT BANCORP INC.
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The plan has no financial instruments recorded at fair value on a nonrecurring basis as of December 31, 2010 and 2009.

(4) Income Tax Status

The Internal Revenue Service has determined and informed the sponsor by a letter dated October 30, 2001, that the Plan and underlying trust, as then designed, were in compliance with the applicable requirements of the Internal Revenue Code and therefore the Plan is exempt from income taxes. Although the Plan has been amended since receiving the determination letter, management believes that the Plan is currently being operated in compliance with the applicable requirements of the Internal Revenue Code.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the plan and recognize a tax liability (or asset) if the plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The plan administrator has analyzed the tax positions taken by the plan, and has concluded that as of December 31, 2010, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2007.

(5) Party-in-Interest Transactions

Certain Plan investments are shares of NBT Bancorp Inc., the Plan's sponsor. Therefore, transactions involving those shares are party-in-interest transactions. EPIC Advisors, Inc., the Plan's recordkeeper, is a wholly-owned subsidiary of NBT Financial Services, Inc., which is a wholly-owned subsidiary of the sponsor. Participant loan distributions and repayments are also considered party-in-interest transactions.

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Schedule 1

NBT BANCORP INC.
401(k) AND EMPLOYEE STOCK
OWNERSHIP PLAN
Schedule H, Line 4i – Schedule of Assets Held at End of Year
December 31, 2010

(a)	(b) Identity of issuer borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost		(e) Current value
	Cash	Cash	**	$	182,229
	Schwab Retirement Advantage Money Fund	Money market fund	**		225
	Federated Capital Preservation Fund	Collective investment fund	**		9,131,276
	Dodge & Cox Income	Bond mutual fund, 174,876 shares	**		2,313,615
	Vanguard Intermediate US Treasury	Bond mutual fund, 232,358 shares	**		2,632,619
	American Funds Growth Fund of America	Equity mutual fund, 184,587 shares	**		5,533,908
	Vanguard Capital Opportunity	Equity mutual fund, 21,096 shares	**		1,619,732
	Columbia Acorn	Equity mutual fund, 47,489 shares	**		1,433,682
	CRM Mid Cap Value Fund	Equity mutual fund, 5,139 shares	**		145,066
	Europacific Growth Fund	Equity mutual fund, 15,200 shares	**		617,595
	Oakmark Equity Income Fund	Equity mutual fund, 108,875 shares	**		3,020,201
	T-Rowe Price Retirement Income Fund	Graduated retirement target mutual fund, 12,926 shares	**		169,462
	T-Rowe Price Retirement 2010 Fund	Graduated retirement target mutual fund, 21,626 shares	**		331,748
	T-Rowe Price Retirement 2020 Fund	Graduated retirement target mutual fund, 69,773 shares	**		1,147,062
	T-Rowe Price Retirement 2030 Fund	Graduated retirement target mutual fund, 76,117 shares	**		1,315,310
	T-Rowe Price Retirement 2040 Fund	Graduated retirement target mutual fund, 22,206 shares	**		386,820
	T-Rowe Price Retirement 2050 Fund	Graduated retirement target mutual fund, 19,889 shares	**		193,717
	Federated Capital Appreciation Fund	Equity mutual fund, 139,166 shares	**		2,646,931
	Perkins Mid Cap Value Fund	Equity mutual fund, 81,379 shares	**		1,836,732
	T-Rowe Price Mid Cap Growth	Equity mutual fund, 27,915 shares	**		1,633,842

	Royce Low Price Stock	Equity mutual fund, 71,922 shares	**	1,312,580
	Dodge & Cox Stock Fund	Equity mutual fund, 19,945 shares	**	2,149,304
	Vanguard 500 Index Fund	Equity mutual fund, 26,278 shares	**	2,514,250
	American Funds New Perspective Fund	Foreign equity mutual fund, 119,509 shares	**	3,366,577
*	NBT Bancorp Inc.	Common stock, 1,327,674 shares	**	32,063,327
*	Participant loans receivable	Interest rates – 4.25% – 9.25%	**	1,152,275
				$ 78,850,085

* Party-in-interest.

** Cost omitted for these participant directed investments.

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SIGNATURES

The Plan: Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: June 29, 2011

NBT BANCORP INC. 401(k) AND
EMPLOYEE OWNERSHIP PLAN

By: /s/ Catherine Scarlett
Catherine Scarlett
Executive Vice President and Director of
Human Resources and Member of the
401(k) Plan Administrative Committee of
The NBT Bancorp Inc. 401(k) and
Employee Stock Ownership Plan

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Exhibit Index

Exhibit Number	Description
23	Consent of Independent Registered Public Accounting Firm