

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): February 28, 2022

**TEXAS PACIFIC LAND CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-39804**  
(Commission File Number)

**75-0279735**  
(IRS Employer  
Identification No.)

**1700 Pacific Avenue, Suite 2900, Dallas, Texas 75201**  
(Address of Principal Executive Offices, including Zip Code)

Registrant's telephone number, including area code: **214-969-5530**

**Not Applicable**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class Common Stock (par value \$.01 per share)	Trading Symbol(s) TPL	Name of each exchange on which registered New York Stock Exchange
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**Item 7.01 Regulation FD Disclosure.**

On February 28, 2022, Texas Pacific Land Corporation (the "Company") posted to the Company's website at [www.texaspacific.com](http://www.texaspacific.com) an updated investor presentation to be used from time to time in meetings with investors and analysts. A copy of the investor presentation is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference herein.

The information included in this Item 7.01 of this Current Report on Form 8-K, including the attached Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except as shall be expressly set forth by specific reference in such filing.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

Exhibit Number	Description
<a href="#">99.1</a>	<a href="#">Investor Presentation February 2022.</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Trust has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TEXAS PACIFIC LAND CORPORATION

Date: February 28, 2022

By: /s/ Micheal W. Dobbs  
Micheal W. Dobbs  
SVP, General Counsel and Secretary



# Investor Presentation

## February 2022

## Disclaimer



This presentation has been designed to provide general information about Texas Pacific Land Corporation and its subsidiaries ("TPL" or the "Company"). Any information contained or referenced herein is suitable only as an introduction to the Company. The recipient is strongly encouraged to refer to and supplement this presentation with information the Company has filed with the Securities and Exchange Commission ("SEC").

The Company makes no representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this presentation, and nothing contained herein is, or shall be, relied upon as a promise or representation, whether as to the past or to the future. This presentation does not purport to include all of the information that may be required to evaluate the subject matter herein and any recipient hereof should conduct its own independent analysis of the Company and the data contained or referred to herein.

Unless otherwise stated, statements in this presentation are made as of the date of this presentation, and nothing shall create an implication that the information contained herein is correct as of any time after such date. TPL reserves the right to change any of its opinions expressed herein at any time as it deems appropriate. The Company disclaims any obligations to update the data, information or opinions contained herein or to notify the market or any other party of any such changes, other than required by law.

### Industry and Market Data

The Company has neither sought nor obtained consent from any third party for the use of previously published information. Any such statements or information should not be viewed as indicating the support of such third party for the views expressed herein. The Company shall not be responsible or have any liability for any misinformation contained in any third party report, SEC or other regulatory filing. The industry in which the Company operates is subject to a high degree of uncertainty and risk due to a variety of factors, which could cause our results to differ materially from those expressed in these third-party publications. Some of the data included in this presentation is based on TPL's good faith estimates, which are derived from TPL's review of internal sources as well as the third party sources described above. All registered or unregistered service marks, trademarks and trade names referred to in this presentation are the property of their respective owners, and TPL's use herein does not imply an affiliation with, or endorsement by, the owners of these service marks, trademarks and trade names.

### Forward-looking Statements

This presentation contains certain forward-looking statements within the meaning of the U.S. federal securities laws that are based on TPL's beliefs, as well as assumptions made by, and information currently available to, TPL, and therefore involve risks and uncertainties that are difficult to predict. These statements include, but are not limited to, statements about strategies, plans, objectives, expectations, intentions, expenditures and assumptions and other statements that are not historical facts. When used in this document, words such as "anticipate," "believe," "estimate," "expect," "intend," "plan" and "project" and similar expressions are intended to identify forward-looking statements. You should not place undue reliance on these forward-looking statements. Although we believe our plans, intentions and expectations reflected in or suggested by the forward-looking statements we make in this presentation are reasonable, we may be unable to achieve these plans, intentions or expectations and actual results, performance or achievements may vary materially and adversely from those envisaged in this document. For more information concerning factors that could cause actual results to differ from those expressed or forecasted, see TPL's annual report on Form 10-K and quarterly reports on Form 10-Q filed with the SEC. The tables, graphs, charts and other analyses provided throughout this document are provided for illustrative purposes only and there is no guarantee that the trends, outcomes or market conditions depicted on them will continue in the future. There is no assurance or guarantee with respect to the prices at which the Company's common stock will trade, and such securities may not trade at prices that may be implied herein.

TPL's forecasts and expectations for future periods are dependent upon many assumptions, including the drilling and development plans of our customers, estimates of production and potential drilling locations, which may be affected by commodity price declines, the severity and duration of the COVID-19 pandemic and related economic repercussions or other factors that are beyond TPL's control.

These materials are provided merely for general informational purposes and are not intended to be, nor should they be construed as 1) investment, financial, tax or legal advice, 2) a recommendation to buy or sell any security, or 3) an offer or solicitation to subscribe for or purchase any security. These materials do not consider the investment objective, financial situation, suitability or the particular need or circumstances of any specific individual who may receive or review this presentation, and may not be taken as advice on the merits of any investment decision. Although TPL believes the information herein to be reliable, the Company and persons acting on its behalf make no representation or warranty, express or implied, as to the accuracy or completeness of those statements or any other written or oral communication it makes, safe as provided for by law, and the Company expressly disclaims any liability relating to those statements or communications (or any inaccuracies or omissions therein). These cautionary statements qualify all forward-looking statements attributable to us or persons acting on our behalf.

### Non-GAAP Financial Measures

In addition to amounts presented in accordance with generally accepted accounting principles in the United States of America ("GAAP"), this presentation includes certain supplemental non-GAAP measurements. These non-GAAP measurements are not to be considered more relevant or accurate than the measurements presented in accordance with GAAP. In compliance with requirements of the SEC, our non-GAAP measurements are reconciled to net income, the most directly comparable GAAP performance measure. In this presentation, TPL utilizes earnings before interest, taxes, depreciation and amortization ("EBITDA"), Adjusted EBITDA and free cash flow ("FCF"). TPL believes that EBITDA, Adjusted EBITDA and FCF are useful supplements as an indicator of operating and financial performance. EBITDA, Adjusted EBITDA and FCF are not presented as an alternative to net income and they should not be considered in isolation or as a substitute for net income. See Appendix for a reconciliation of these non-GAAP measures to net income, the most directly comparable financial measure calculated in accordance with GAAP.

# The Permian Basin "ETF"

NYSE: TPL



## "Best Year in TPL History"



Positioned to capture upside  
**\$388 Million**  
2021 Adjusted EBITDA<sup>(1)</sup>



Efficient conversion of revenues to cash  
**\$278 Million**  
2021 Free Cash Flow<sup>(1)</sup>



Balance Sheet Strength<sup>(2)</sup>  
**No Debt**  
Cash Balance of  
**\$428 Million**



**100% Texas Permian Exposure**



**Diversified Revenue Streams:**  
Royalties, Water, and Surface



**~23,700**  
Core Permian Net Royalty Acres<sup>(3)</sup>  
**~880,000**  
Surface Acres



**~230%**  
Production Growth since 2018<sup>(4)</sup>



**~19 Years**  
Inventory Below \$40/bbl Breakeven<sup>(5)</sup>



Robust Inventory<sup>(6)</sup> of  
**452 DUCs**  
and  
**480 Permits**

Source: Company data and Enverus.  
(1) Adjusted EBITDA and Free Cash Flow are non-GAAP measures. See Appendix for reconciliations of these non-GAAP measures to net income.  
(2) Balance sheet as of 12/31/21.  
(3) Net royalty acres defined as gross royalty acres (333,260) in-basin multiplied by the average royalty per acre (4.4%).  
(4) Increase in daily average net well production from 1Q18 to 4Q21.  
(5) Based on total inventory with a breakeven oil price less than \$40/bbl divided by 2021 average net spud count.  
(6) As of 12/31/21 per Enverus and internal TPL estimates.

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## An Unmatched Oil and Gas Investment



### 10-year Average Annual Total Return<sup>(1)</sup>

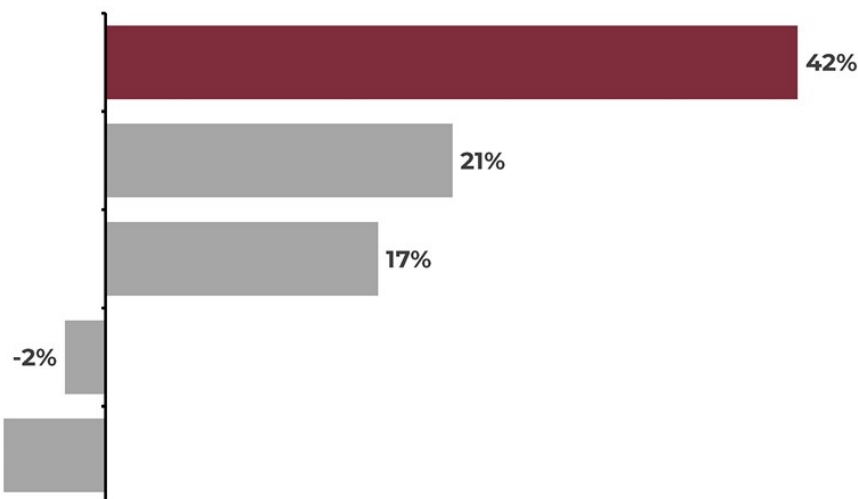


**Nasdaq**  
(Composite)

**S&P 500®**

**WTI Oil**

**S&P Oil & Gas E&P Index**



Source: FactSet.  
(1) Based on Bloomberg compounded total shareholder return from January 2012 to December 2021.

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# Unique Exposure to Full Permian Development Chain



## TPL Business Overview

### SLEM

- TPL surface generates multiple income streams from Oil & Gas activities, Renewables, Grazing and Hunting leases

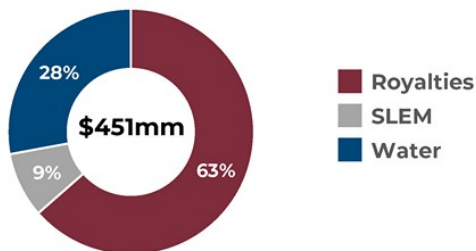
### Royalties

- TPL owns an average 4.4% revenue interest across ~533,260 gross royalty acres in the Permian Basin

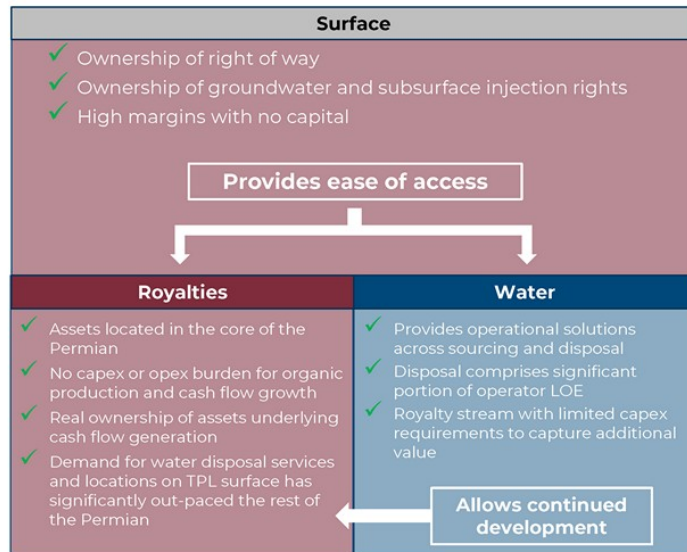
### TPWR

- TPWR provides brackish and treated water for well completions and facilitates produced water disposal

## 2021 TPL Revenue



## Business Flow Overview



Maximize Surface Ownership to Operate Profitable Water Business that Facilitates Development of Royalty Acreage

Source: Company data.

Reporting Segments: ■ = Land and Resource Management ■ = Water Services and Operations

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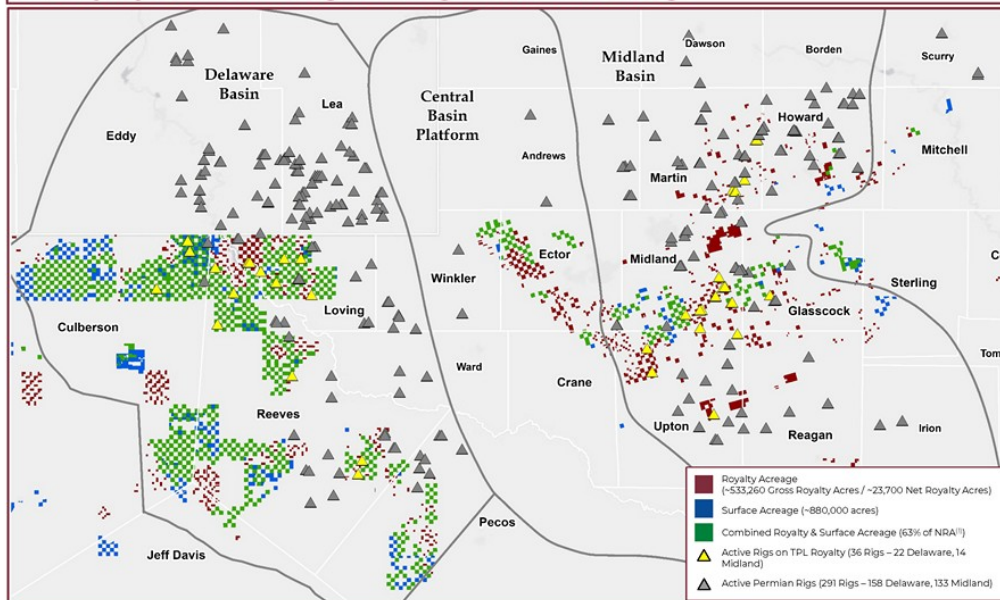
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## Royalty Interest Overview

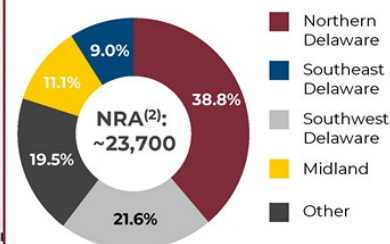
### Land and Resource Management



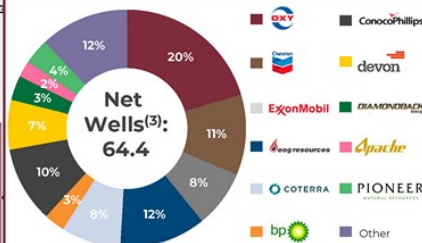
## Net Royalty Position and Rigs Running on Core TPL Acreage



## Net Royalty Acres Distribution



## Key Operators with a Permian Focus



Source: Company data, and Enverus data as of 12/31/21.  
 Note: Rigs on TPL based on intersect of well-lateral centroid on TPL Royalty Acreage DSUs. Rig counts include active Horizontal, Directional and Unclassified rigs per Enverus Rig Analytics.  
 (1) Based on 754,080 combined surface and gross royalty acres and 441,035 gross royalty only acres.  
 (2) Net royalty acres defined as gross royalty acres (~533,260) multiplied by the average royalty per acre (4.4%) as of 4Q/21.  
 (3) Includes net 48.1 PDP, 6.6 DUCs, 2.5 Completed and 7.2 Permitted wells (represents only horizontal locations).

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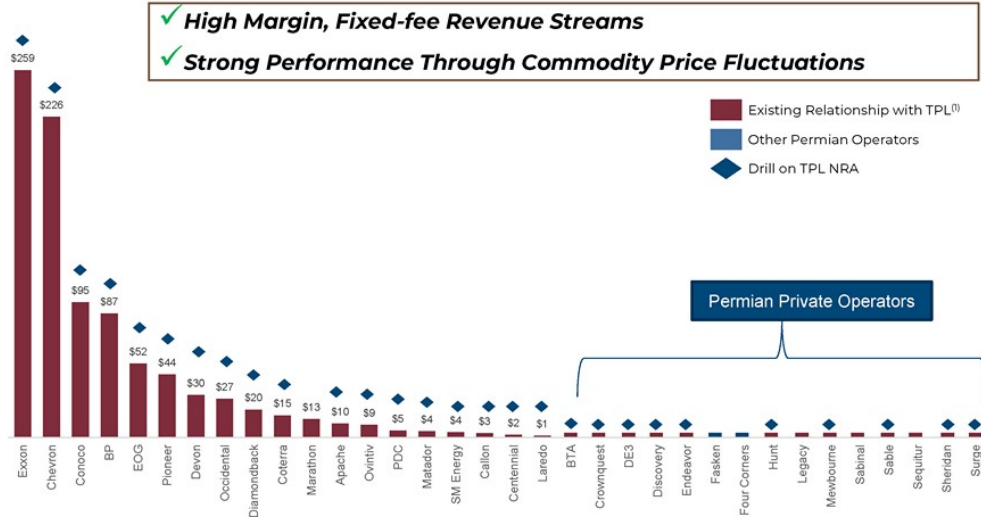
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# Exposed to Diverse Client Base Required to Utilize TPL Surface / Water



## E&P Companies on TPL

Market Cap (in \$ billions) as of 12/31/2021



## Midstream Companies on TPL



**TPL has Existing Relationships with Over 90% of the Top E&P and also Blue-Chip Midstream Companies**

Source: Company data and Bloomberg as of 12/31/21.  
(1) Relationships established through surface operations and/or water sourcing / produced water.

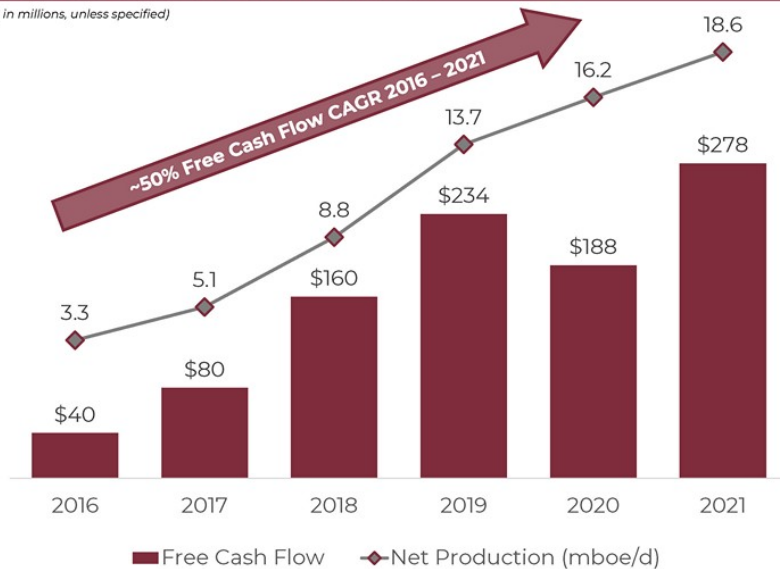
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## Business Segments Overview

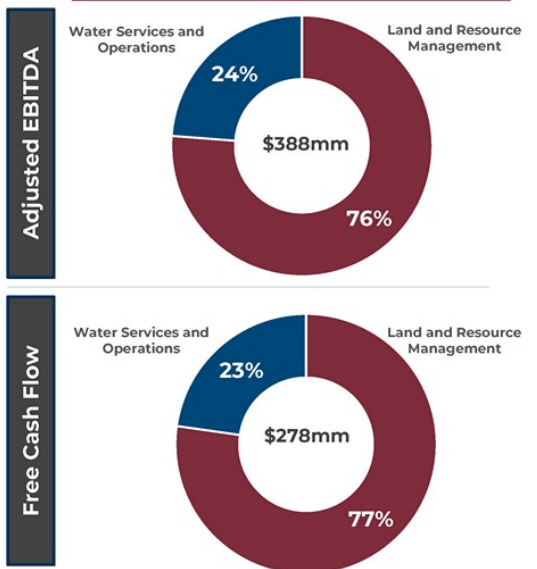


### Production and Free Cash Flow Growth

(\$ in millions, unless specified)



### FY 2021

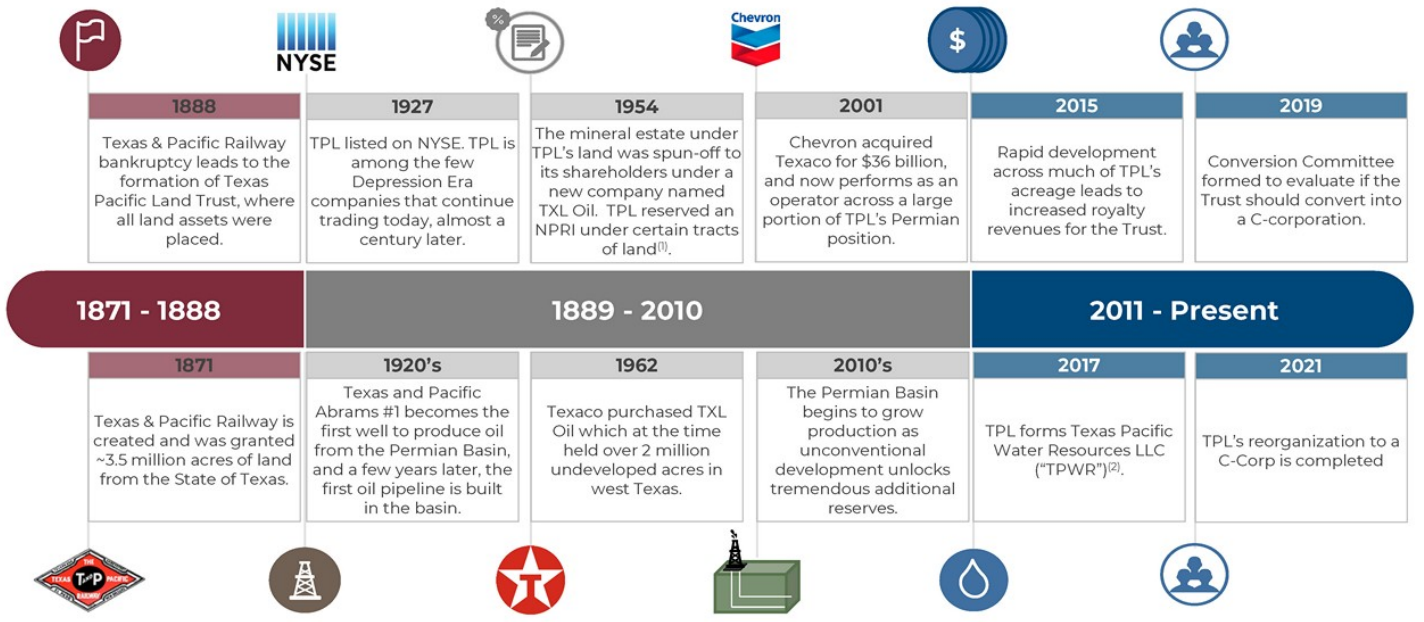


Source: Company data.  
Notes: Free Cash Flow and Adjusted EBITDA are non-GAAP measures. See Appendix for reconciliations of these non-GAAP measures to net income.  
Land and Resource Management values inclusive of land-related surface and easement income. Water Services and Operations values inclusive of water-related surface and easement income.

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# History of TPL



Source: Company data.  
 (1) A fixed 1/16 NPRI was reserved under all lands held by the primary term of an oil and gas lease and a fixed 1/28 NPRI under all lands held by production.  
 (2) TPWR is a 100% wholly owned subsidiary of TPL.

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## Key Investment Highlights



<b>Positioned to capture upside</b>	<ul style="list-style-type: none"> <li>~\$388 million in Adjusted EBITDA<sup>(1)</sup> for FY 2021 was the highest in company history</li> <li>18.6 mboe/d FY 2021 average daily royalty production</li> <li>~\$451 million in total revenue for FY 2021 - second highest in company history</li> <li>\$63 million in FY 2021 revenue from disposal royalties and water related easements - highest in company history</li> </ul>
<b>ETF of the Permian Basin</b>	<ul style="list-style-type: none"> <li>Largest royalty company with 100% of acreage located in Texas Permian Basin</li> <li>Three high-margin revenue streams linked to the development intensity of the Permian - multiple "ways to win"</li> <li>Unparalleled position consisting of ~23,700 net royalty acres ("NRAs")<sup>(2)</sup> and ~880,000 surface acres</li> <li>TPL interest is focused in the Delaware where rig count represents ~25% of total horizontal rigs across the U.S.</li> </ul>
<b>Synergistic Business Segments</b>	<ul style="list-style-type: none"> <li>Ownership of surface provides right-of-way for continued development across TPL's footprint</li> <li>Rights to water and ability to promote operational solutions promotes further growth of the royalty business</li> <li>Upside exposure to water disposal revenues as Delaware Basin production growth persists</li> </ul>
<b>Focus on Return On and Of Capital</b>	<ul style="list-style-type: none"> <li>TPL returned over \$100mm to shareholders during 2021</li> <li>Most recent declared quarterly dividend of \$3.00/share</li> <li>Repurchased ~\$20 million of common stock in FY 2021</li> </ul>
<b>Sustained Profitability and Pristine Balance Sheet</b>	<ul style="list-style-type: none"> <li>FY 2021 Adjusted EBITDA<sup>(1)</sup> margin of 86%</li> <li>No capex for organic royalty or land business growth; minimal for water</li> <li>No debt and cash balance of ~\$428 million as of YE 2021</li> </ul>
<b>Significant Upside</b>	<ul style="list-style-type: none"> <li>Significant undeveloped potential: only ~12% of royalty acreage is developed with ~20,000 gross undeveloped locations<sup>(3)</sup></li> <li>High concentration in what TPL believes is best part of Permian, with ~19 years of inventory under \$40/bbl breakeven<sup>(4)</sup></li> <li>Water business continues to capitalize on opportunities to expand market share leading to future long-term growth</li> <li>Surface in frontier areas provides upside as development core expands with enhanced D&amp;C and technology</li> </ul>

Source: Company data, Bloomberg, Baker Hughes, and Enverus as of 12/31/21.  
 (1) See Appendix for reconciliations of non-GAAP financial measures to their most directly comparable GAAP measures.  
 (2) Net royalty acres defined as gross royalty acres (~533,260) multiplied by the average royalty per acre (4.4%).  
 (3) As of 12/31/21 per Enverus and TPL internal estimates. Gross drilling locations based on an average lateral length of 6,930 as per the expected DSU.  
 (4) Based on total inventory with a breakeven oil price less than \$40/bbl divided by average 2021 net spud count.

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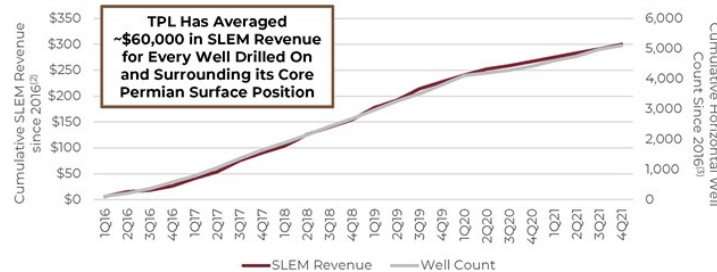
# Surface Leases, Easements and Material Sales ("SLEM")



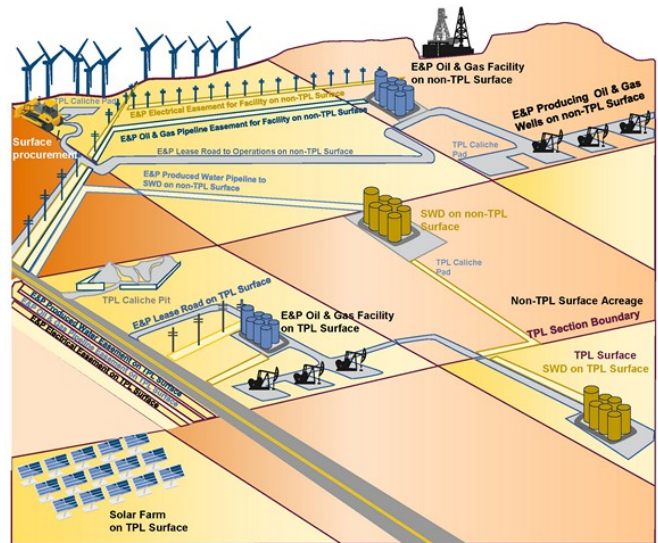
~880,000 Surface Acres With a Concentration in Core Permian Areas

- ✓ Extensive position allows our surface to benefit from development occurring on and adjacent to TPL land
  - Since 2018, SLEM revenue has represented ~16% of total TPL revenues<sup>(1)</sup>
  - Generates majority of its surface revenue from easements related to pipeline infrastructure
  - Generates lease and material (caliche) sale revenues in addition
- ✓ Majority of easements have 30+ year term but subsequently renew every ten years with an additional payment (initial fee plus ~15%)

## TPL SLEM Revenue Tracks the Region's Well Count



Generates Multiple Long-Term Income Streams with No Opex



## The TPL Surface Position Can't be Replicated Amongst Royalty and Water Companies

Source: Company data and Enverus.

- (1) Total revenue adjusted to exclude one-time land swap of \$22mm in 2019 and one-time land / royalty sales of \$100mm and \$19mm in 2019 and 2018, respectively.  
 (2) SLEM revenue represents TPL's cumulative easements and other surface related income from 1/1/16 through 12/31/21 for Land and Resource management segment.  
 (3) Cumulative horizontal well count per Enverus in TPL's Northern Delaware Region (~950,000 acres) and TPL's Midland Region (~250,000 acre region around TPL's surface in East Ector, Midland, Upton and Glasscock Counties).

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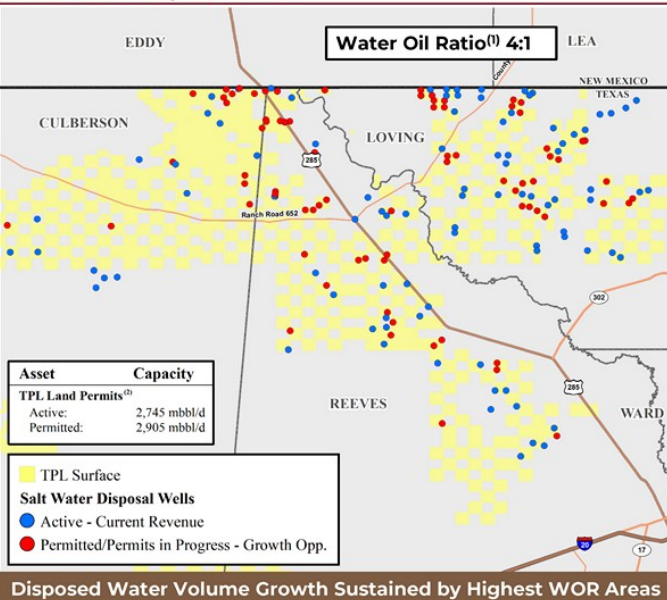
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# Water Resources Asset Overview

## Water Services and Operations

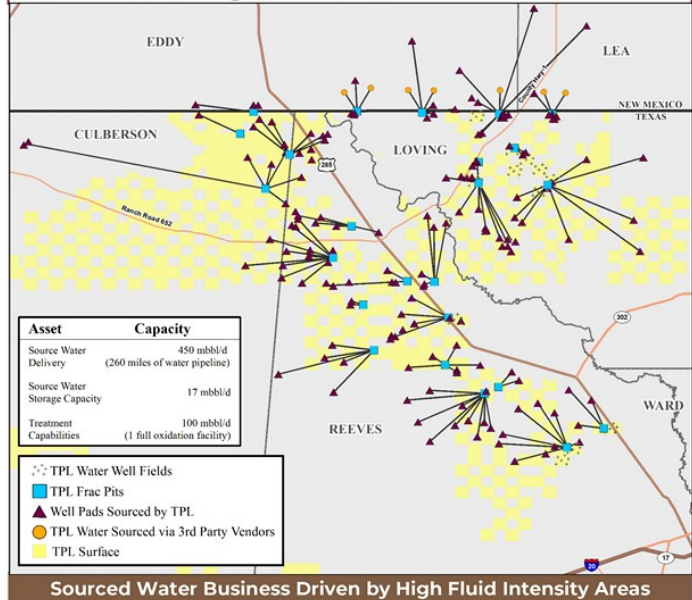


### Salt Water Disposal Wells



Disposed Water Volume Growth Sustained by Highest WOR Areas

### TPL Water Sourcing Infrastructure



Sourced Water Business Driven by High Fluid Intensity Areas

Source: Company data and RSEG.

- Note: TPL does not operate any water disposal wells.  
 (1) Water oil ratio ("WOR") defined as the ratio of 12-month cumulative water production to 12-month cumulative oil production.  
 (2) Revenue received both on and off TPL surface based on existing contracts.

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# Growth Strategy and Competitive Advantage

## Water Services and Operations

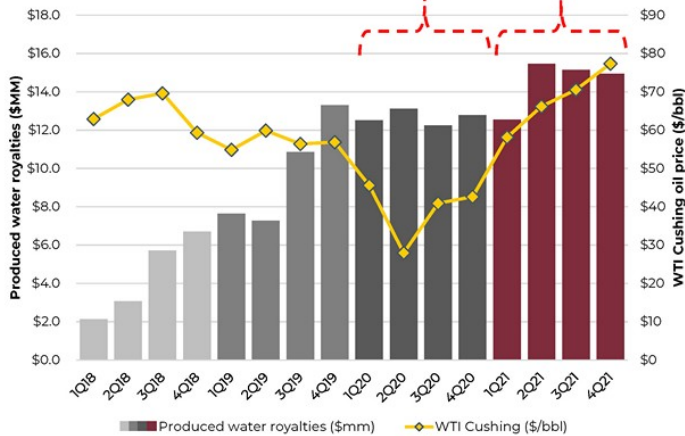


### Produced Water Royalties Stability Through the Cycle

(\$ in millions)

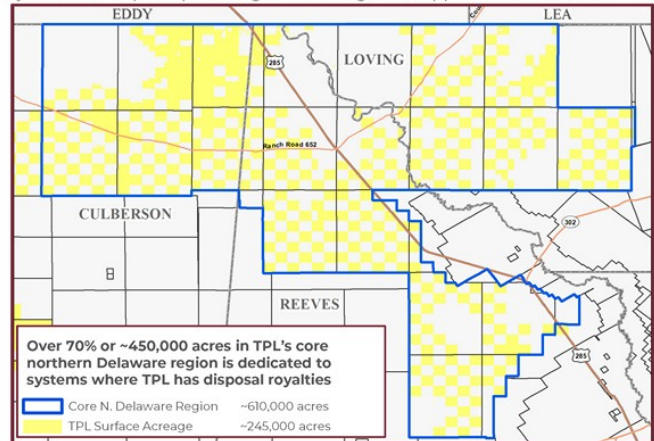
Despite 2020's challenging back drop of COVID-19 and oil price weakness, TPL's produced water royalty business generated its highest ever annual revenue

Strong 2021 performance



### Significant Acreage Dedicated to TPL Disposal Royalties

- Current and future wells drilled within TPL's ~450,000-acre dedication provide a significant base for disposal royalty growth in the future
- In addition, TPL collects royalties on significant disposal volumes that are produced outside the contracted acreage but brought into TPL's associated systems for disposal providing additional growth opportunities in the future



### Royalty Based Business Model Captures Increased Disposal Volumes in Northern Delaware Focus Area

Source: Company data and Bloomberg.

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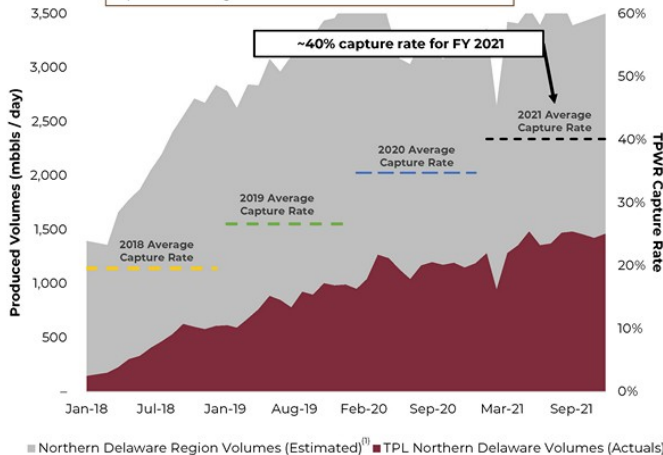
# TPL is a Market Leader for Water in the Northern Delaware

## Water Services and Operations



Delaware Produced Water Volumes of ~1,430 mbbls/d at ~\$0.11/bbl<sup>(1)</sup>  
Total Produced Water Volumes of ~1,560 mbbls/d at ~\$0.10/bbl<sup>(1)</sup>

TPL's Established Footprint Allows Optionality with SWD Operators to Negotiate Increased Economics

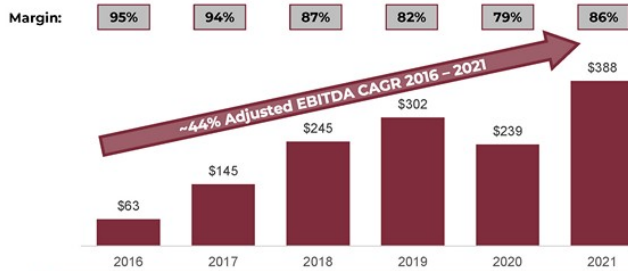


# Summary of Financials



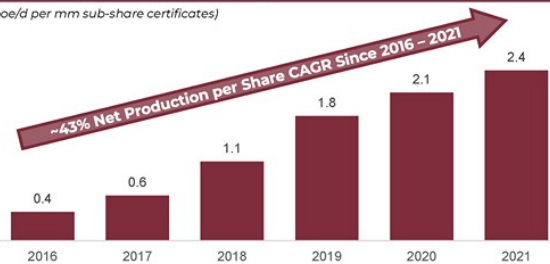
## Adjusted EBITDA

(\$ in millions)



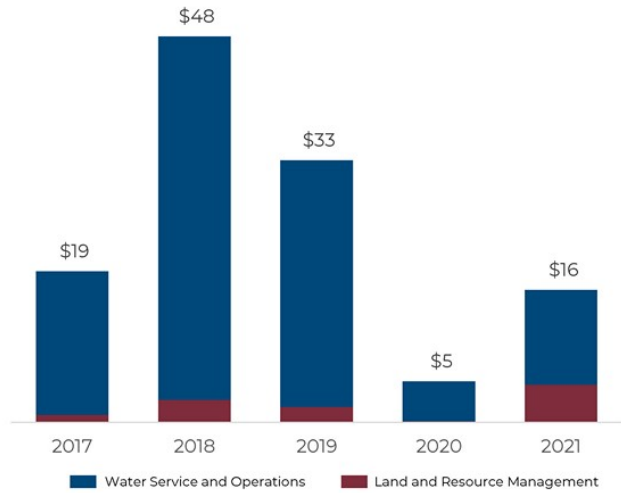
## Net Production per Share<sup>(1)</sup>

(mboe/d per mm sub-share certificates)



## Capex by Business Segment

(\$ in millions)



Source: Company data.  
 Note: Revenue was restated retrospectively upon adoption of new revenue recognition guidance on 1/1/18. CAGR defined as the compounded annual growth rate from 2016 to 2021.  
 See Appendix for reconciliations of non-GAAP financial measures to their most directly comparable GAAP measures.  
<sup>(1)</sup> Calculated as average daily net production during the year divided by the average number of shares outstanding during year.

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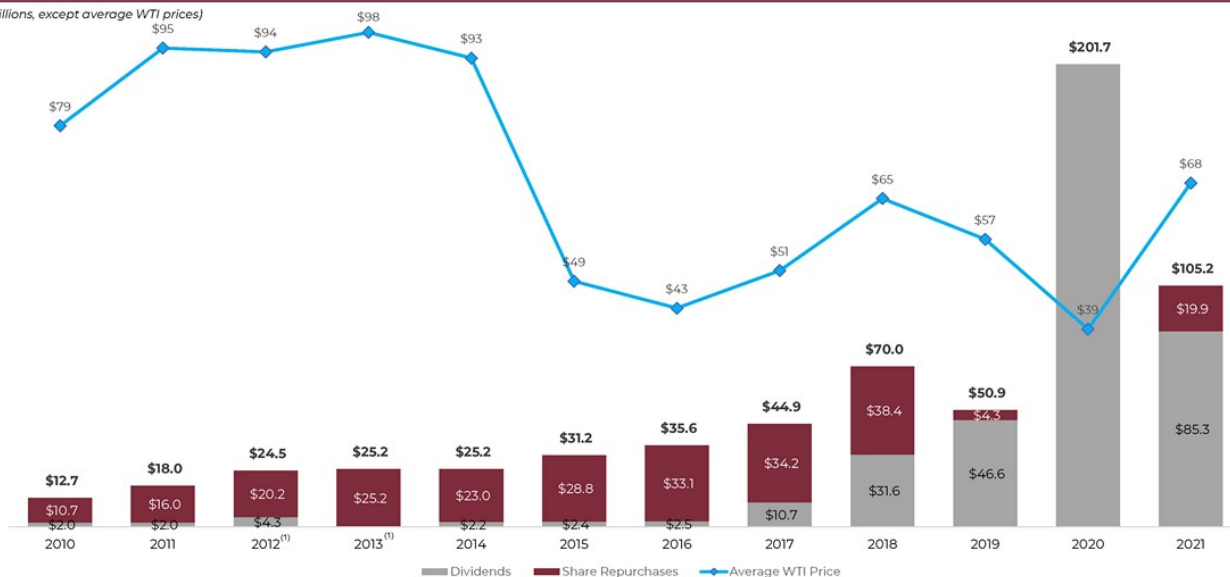
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# Return of Capital to Shareholders



## Cumulative Return of Capital

(\$ in millions, except average WTI prices)



Source: Company data and Bloomberg.  
<sup>(1)</sup> Dividends for 2012 includes \$2.2 million of dividends for 2013 which were paid in the fourth quarter of 2012.

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# An Unmatched Oil and Gas Investment



## Summary Investment Highlights

Performance Through the Cycle

ETF of the Permian Basin

Synergistic Business Segments

Focus on Return On and Of Capital

Sustained Profitability and Pristine Balance Sheet

Significant Upside

## 10-year Average Annual Total Return<sup>(1)</sup>

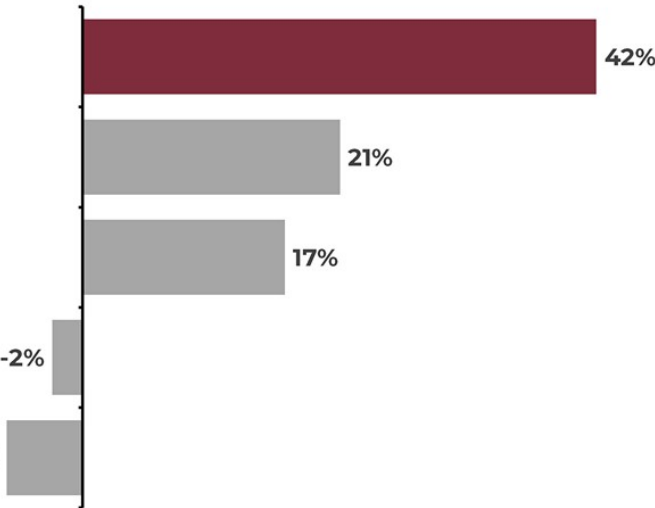


Nasdaq  
(Composite)

S&P 500®

WTI Oil

S&P Oil & Gas  
E&P Index



Source: Bloomberg.  
(1) Based on Bloomberg compounded total shareholder return from January 2012 to December 2021.

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## Appendix



# TPL Revenue Streams Through the Life Cycle of a Well



## 1 Initial Development Phase

- Infrastructure for oil & gas development

## 2 Drilling and Completion Phase

- Sourced / Treated water volumes<sup>(1)</sup>
- Development of gathering, transportation and processing infrastructure
- Fixed price per barrel for providing brackish groundwater and / or treated produced water
- Fixed fee payments for the use of TPL's surface for a variety of midstream infrastructure requirements

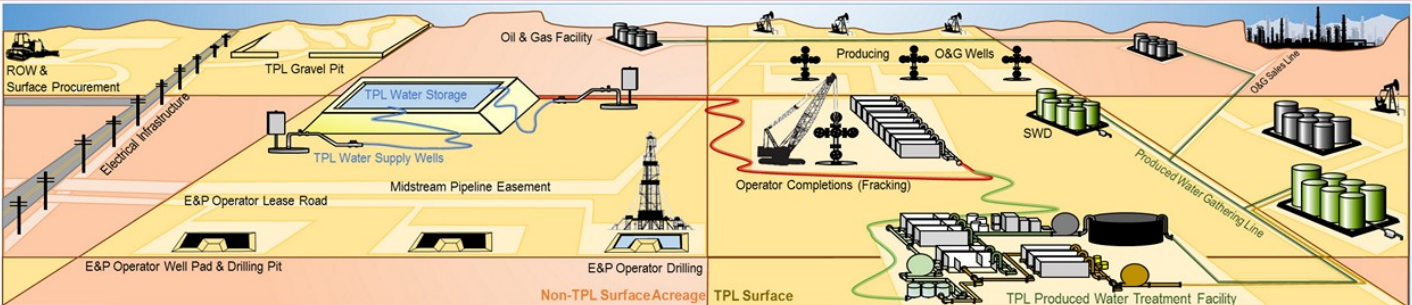
## 3 Production Phase

- Significant produced water volumes (gathering, treating and reuse, and disposing back into the ground)
- Royalty interest on the oil & gas produced
- Royalty per barrel (injection fee) for allowing saltwater disposal (SWD) on TPL lands

### Typical Activities

### TPL Revenue Sources

## Majority of Stable Revenue Streams are Royalty, or Fixed-Fee Payments, with Limited-to-No Capital Expenditure Burden



## Surface and Royalty Ownership Allow Steady Revenue Generation Through the Entire Life Cycle of Oil & Gas Development

(1) Sourced and Treated water is water used for oil and gas development (i.e. drilling and completions).



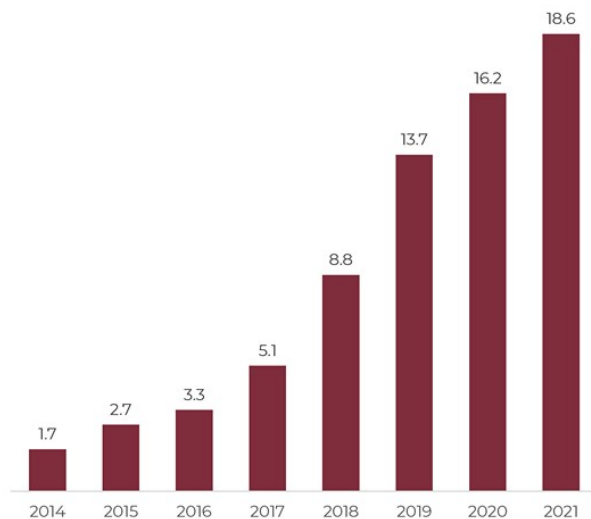
NYSE: TPL

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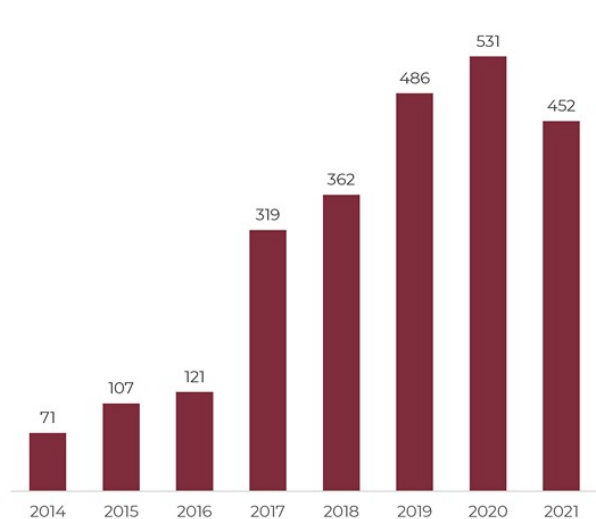
## Well Positioned Assets Attract Increasing Development Focus Land and Resource Management



### Average Net Production (mboed)



### Gross DUC Inventory<sup>(1)</sup>



## Near-term Royalty Production is Supported by Robust DUC Inventory Held by Well Capitalized E&P Operators

Source: Company data and Enverus.  
Note: TPL production growth giving effect to our portfolio of ~23,700 net royalty acres in the Permian Basin as of 12/31/21 as if it had been owned since 1/1/14.  
(1) DUCs considered to be all wells awaiting completion. DUC values shown as of period end date. Horizontal wells only.

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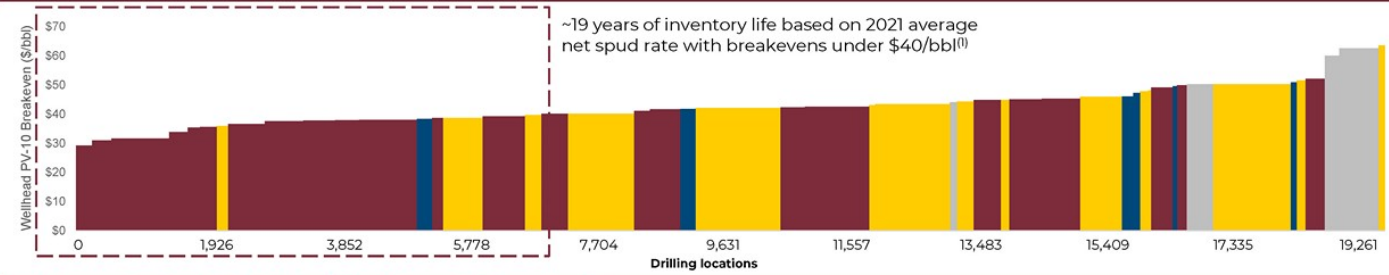
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# Significant Undeveloped Resource in Core Areas

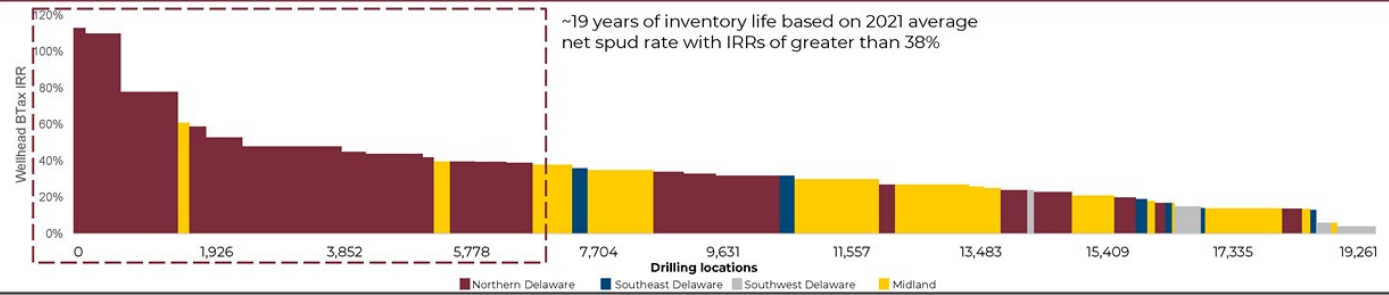
## Land and Resource Management



### TPL Inventory by Breakeven to Working Interest Operator



### TPL Inventory by IRR to Working Interest Operator<sup>(2)</sup>



Source: Company data and Enverus.  
 Note: Enverus assumes no differential for oil and NGL, a \$0.70 differential for gas, and NGL pricing at 25% of WTI. Excluding areas to be considered outside of basin. Excludes DUCs and Permits. Not showing locations with negative IRRs. Based on total inventory with a breakeven oil price less than \$40/bbl divided by 2021 average net spud count. IRRs calculated at a flat price of \$55.00/bbl and \$2.75/mcf of oil and gas respectively.

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# Summary of Highest-Visibility Inventory

## Land and Resource Management



### 100% NRI Permitted Wells

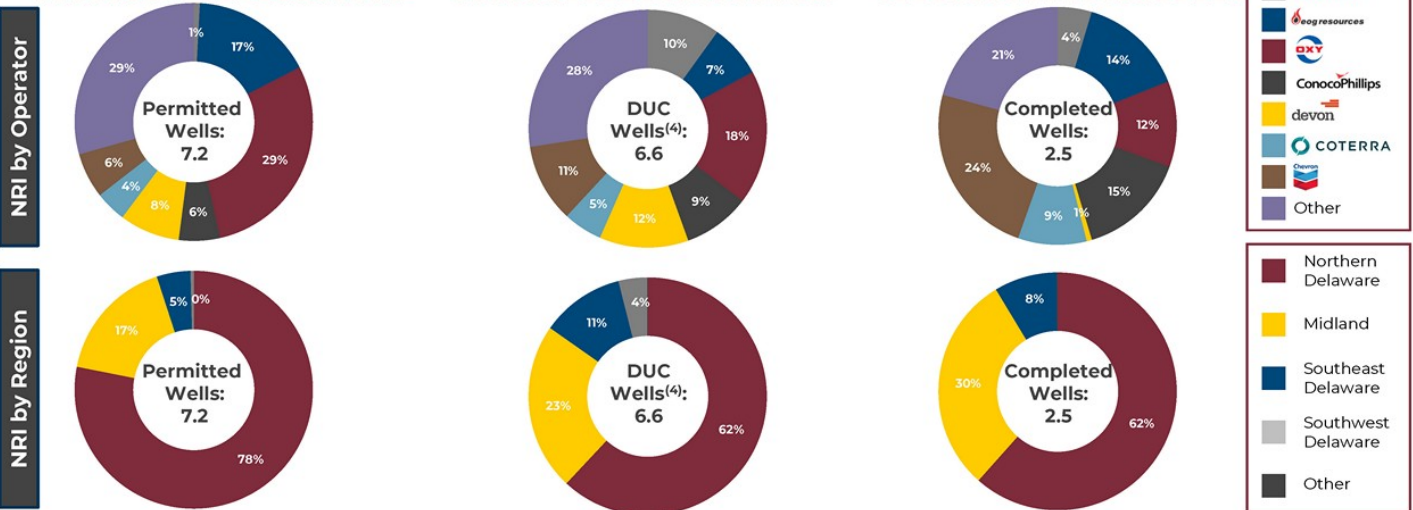
~68% of Permits are drilled within 6 months<sup>(1)</sup>  
 ~78% of Permits are drilled within 12 months<sup>(1)</sup>

### 100% NRI DUC Wells

~25% of DUCs are completed within 6 months<sup>(2)</sup>  
 ~68% of DUCs are completed within 12 months<sup>(2)</sup>

### 100% NRI Completed Wells

~91% of Completed Wells are listed as producing within ~1 month<sup>(3)</sup>



### Highest-Visibility Inventory with Top Operators Validates TPL's Near-Term Production Outlook

Source: Company data and Enverus.  
 Note: Permian Basin horizontal locations only as of 12/31/21.  
 (1) Permitted well conversion rate based on wells permitted from 1/1/20 through 12/31/20 and then drilled through 12/31/21.  
 (2) DUC well conversion rate based on wells drilled from 1/1/20 through 12/31/20 and then completed through 12/31/21.  
 (3) Completed well conversion rates based on wells completed between 1/1/20 and 12/31/20.  
 (4) DUCs considered to be all wells awaiting completion.

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# Summary of Full Inventory Land and Resource Management



Sub-region	Average NRI <sup>(1)</sup>	NRA <sup>(2)</sup>	DSUs	PDP	Completed	DUCs <sup>(3)</sup>	Permits	Additional Undeveloped	Total Locations	PDP + Total Locations	Gross Undeveloped Resource (Mmboe) <sup>(4)</sup>	PDP + Total Locations / DSU	Average Lat. Length (ft.)
Northern Delaware	2.3%	9,206	510	1,519	78	221	248	9,925	10,472	11,991	16,985	24	6,312
Southeast Delaware	2.1%	2,126	102	143	9	35	18	822	884	1,027	639	10	6,553
Southwest Delaware	3.0%	5,112	132	7	—	14	1	1,856	1,871	1,878	1,967	14	5,336
<b>Delaware</b>	<b>2.4%</b>	<b>16,444</b>	<b>744</b>	<b>1,669</b>	<b>87</b>	<b>270</b>	<b>267</b>	<b>12,603</b>	<b>13,227</b>	<b>14,896</b>	<b>19,591</b>	<b>20</b>	<b>6,205</b>
Midland	0.5%	2,640	344	1,141	119	180	213	6,695	7,207	8,348	5,642	24	8,483
Other	1.8%	4,631	128	73	1	2	—	754	757	830	337	6	6,054
<b>Total</b>	<b>1.7%</b>	<b>23,715</b>	<b>1,216</b>	<b>2,883</b>	<b>207</b>	<b>452</b>	<b>480</b>	<b>20,052</b>	<b>21,191</b>	<b>24,074</b>	<b>25,569</b>	<b>20</b>	<b>6,975</b>

Established Production Base

High Near-Term Cash Flow

Outstanding Organic Resource

Grounded in Conservative Assumptions

## Total Gross Locations



Additional Undeveloped Locations: 20,052

## Undeveloped Gross Locations



Source: Company data and Enverus.  
Note: Precision Basin horizontal locations only, shown on a gross location basis. 1943 vertical wells included. Other areas include Eastern Shelf, Western Delaware, and Central Basin Platforms. Proved developed locations exclusive of PDP locations and completed locations.  
(1) Calculated as 300% Net Royalty Acres divided by DSU Acres.  
(2) Net royalty acres defined as gross royalty acres (533,260) multiplied by the average royalty per acre (4.4%).  
(3) As of 12/31/20 per Enverus. DUCs considered to be all wells awaiting completion.  
(4) Gross undeveloped resource is based on average 1300 for each sub-region multiplied by the total location count in the sub-region grossed up by weighted average lateral length for region compared to Enverus type curve, which is normalized to 7500 ft. well. Additional volumes from vertical wells not captured in gross undeveloped resource.

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# Royalty Key Terms Land and Resource Management



Focus Area <sup>(1)</sup>	Gross Royalty Acres	Net Royalty Acres	Average Royalty	Gross DSU Acres	Implied Average Net Revenue Interest per Well
Northern Delaware	155,364	9,206	5.9%	399,860	2.3%
Southeast Delaware	34,285	2,126	6.2%	1,01,993	2.1%
Southwest Delaware	81,795	5,112	6.2%	168,459	3.0%
<b>Delaware</b>	<b>271,444</b>	<b>16,444</b>	<b>6.1%</b>	<b>670,312</b>	<b>2.4%</b>
Midland	150,888	2,640	1.7%	409,709	0.5%
Other	110,928	4,631	4.2%	258,617	1.8%
<b>Total</b>	<b>533,260</b>	<b>23,715</b>	<b>4.4%</b>	<b>1,428,638</b>	<b>1.7%</b>

## Description

## How's It Calculated

### Gross Royalty Acres

- An undivided ownership of the oil, gas, and minerals underneath one acre of land

- Total Texas Pacific Land Corporation acreage  
533,260

### Net Royalty Acres (Normalized to 1/8)

- Gross Royalty Acres standardized to 12.5% (or 1/8) oil and gas lease royalty

- Gross Royalty Acres \* Avg. royalty / (1/8)  
189,720 = 533,260 \* 4.4% / (1/8)

### Net Royalty Acres

- Gross Royalty Acres standardized on a 100% (or 8/8) oil and gas lease royalty basis

- Gross Royalty Acres \* Avg. royalty  
23,715 = 533,260 \* 4.4%

### Drilling Spacing Units ("DSUs")

- Areas designated in a spacing order or unit designation as a unit and within which operators drill wellbores to develop our oil and natural gas rights

- Total number of gross DSU acres  
1,428,638

### Implied Average Net Revenue Interest per Well

- Number of 100% oil and gas lease royalty acres per gross DSU acre

- Net Royalty Acres / Gross DSU Acres  
1.7% = 23,715 / 1,428,638

Source: Company data and Enverus.  
Note: Other areas include Eastern Shelf, Western Delaware, and Central Basin Platform.  
(1) Excluding acres which are considered to be outside of Basin.

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# Historical Financial Summary



(\$ in millions)	Year ended December 31,		Three months ended,		
	2020	2021	Q4 2020	Q3 2021	Q4 2021
<b>Total Acres</b>	880,523	880,581	880,523	880,501	880,581
<b>Revenues:</b>					
Oil and gas royalties	\$137.9	\$286.5	\$43.3	\$79.1	\$99.6
Easements and other surface-related income	41.4	37.6	9.3	9.8	9.8
Water sales	54.9	67.8	7.3	19.6	22.8
Produced water royalties	50.6	58.1	12.8	15.1	14.9
Land sales and other operating revenue	17.7	1.0	1.6	0.1	0.1
<b>Total Revenues</b>	<b>\$302.6</b>	<b>\$451.0</b>	<b>\$74.3</b>	<b>\$123.7</b>	<b>\$147.2</b>
<b>Expenses:</b>					
Salaries and related employee benefits	32.2	40.0	4.9	8.5	8.2
Water service related expenses	14.2	13.2	3.0	3.6	2.7
General and administrative expenses	9.8	11.8	2.5	2.8	3.3
Legal and professional fees	10.8	7.3	3.8	1.6	2.4
Land Sales Expenses	4.0	0.0	1.2	0.0	0.0
Depreciation, depletion and amortization	14.4	16.3	3.6	3.9	4.7
<b>Total operating expenses</b>	<b>\$85.3</b>	<b>\$88.6</b>	<b>\$19.1</b>	<b>\$20.5</b>	<b>\$21.3</b>
<b>Operating income (loss)</b>	<b>\$217.3</b>	<b>\$362.4</b>	<b>\$55.2</b>	<b>\$103.2</b>	<b>\$125.9</b>
Margin (%)	71.8 %	80.4 %	74.3 %	83.5 %	85.5 %
Other income (expense)	2.4	0.6	0.1	0.5	(0.3)
<b>Income before income taxes</b>	<b>\$219.7</b>	<b>\$363.0</b>	<b>\$55.3</b>	<b>\$103.8</b>	<b>\$125.6</b>
Income tax expense	43.6	93.0	10.5	19.9	46.5
<b>Net income</b>	<b>\$176.1</b>	<b>\$270.0</b>	<b>\$44.8</b>	<b>\$83.8</b>	<b>\$79.0</b>
Margin (%)	58.2 %	59.9 %	60.3 %	67.8 %	53.7 %
<b>Key balance sheet items:</b>					
Cash and cash equivalents	2020 \$281.0	2021 \$428.2	Q4 20 \$281.0	Q3 21 \$372.8	Q4 2021 \$428.2
Total debt	—	—	—	—	—
Total capital	485.2	651.7	485.2	601.0	651.7
Total assets	571.6	764.1	571.6	695.6	764.1
Total liabilities	86.5	112.4	86.5	94.6	112.4

Source: Company data.  
Note: Numbers may not foot due to immaterial rounding.

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# Non-GAAP Reconciliations



(\$ in millions)	Year ended December 31,						Three months ended,				Year ended December 31,		
	2016	2017	2018	2019	2020	2021	Q1 2021	Q2 2021	Q3 2021	Q4 2021	2021	2021	2021
<b>Net income</b>	\$ 42.3	\$ 97.2	\$ 209.7	\$ 318.7	\$ 176.1	\$ 270.0	\$ 50.1	\$ 57.0	\$ 83.8	\$ 79.0	\$ 208.9	\$ 61.1	\$ 270.0
Adjustments:													
Income tax expense	20.6	47.8	52.0	83.6	43.6	93.0	12.0	14.6	19.9	46.5	76.3	16.7	93.0
Depreciation, depletion and amortization	—	0.4	2.6	8.9	14.4	16.3	3.8	3.9	3.9	4.7	2.4	13.9	16.3
<b>EBITDA</b>	<b>\$ 62.9</b>	<b>\$ 145.4</b>	<b>\$ 264.3</b>	<b>\$ 411.2</b>	<b>\$ 234.1</b>	<b>\$ 379.3</b>	<b>\$ 65.9</b>	<b>\$ 75.5</b>	<b>\$ 107.6</b>	<b>\$ 130.3</b>	<b>\$ 287.6</b>	<b>\$ 91.7</b>	<b>\$ 379.3</b>
Revenue	\$ 66.1	\$ 154.6	\$ 300.2	\$ 490.5	\$ 302.6	\$ 451.0	\$ 84.2	\$ 95.9	\$ 123.7	\$ 147.2	\$ 320.4	\$ 130.6	\$ 451.0
<b>EBITDA Margin</b>	<b>95.2%</b>	<b>94.0%</b>	<b>88.0%</b>	<b>83.8%</b>	<b>77.4%</b>	<b>84.1%</b>	<b>78.3%</b>	<b>78.7%</b>	<b>87.0%</b>	<b>88.5%</b>	<b>89.8%</b>	<b>70.2%</b>	<b>84.1%</b>
<b>Adjusted EBITDA:</b>													
EBITDA	\$ 62.9	\$ 145.4	\$ 264.3	\$ 411.2	\$ 234.1	\$ 379.3	\$ 65.9	\$ 75.5	\$ 107.6	\$ 130.3	\$ 287.6	\$ 91.7	\$ 379.3
Other Adjustments:													
Less: land sales deemed significant <sup>(1)</sup>	—	—	—	(122.0)	—	—	—	—	—	—	—	—	—
Less: sale of oil and gas royalty interests <sup>(2)</sup>	—	—	(18.9)	—	—	—	—	—	—	—	—	—	—
Add: proxy contests, settlement, and corporate reorganization costs <sup>(3)</sup>	—	—	—	13.0	5.1	8.7	4.0	4.7	—	—	8.1	0.6	8.7
<b>Adjusted EBITDA</b>	<b>\$ 62.9</b>	<b>\$ 145.4</b>	<b>\$ 245.4</b>	<b>\$ 302.2</b>	<b>\$ 239.1</b>	<b>\$ 388.0</b>	<b>\$ 69.8</b>	<b>\$ 80.3</b>	<b>\$ 107.6</b>	<b>\$ 130.3</b>	<b>\$ 295.7</b>	<b>\$ 92.3</b>	<b>\$ 388.0</b>
Adjusted Revenue <sup>(4)</sup>	\$ 66.1	\$ 154.6	\$ 281.3	\$ 368.5	\$ 302.6	\$ 451.0	\$ 84.2	\$ 95.9	\$ 123.7	\$ 147.2	\$ 320.4	\$ 130.6	\$ 451.0
<b>Adjusted EBITDA Margin</b>	<b>95.2%</b>	<b>94.0%</b>	<b>87.2%</b>	<b>82.0%</b>	<b>79.0%</b>	<b>86.0%</b>	<b>83.0%</b>	<b>83.7%</b>	<b>87.0%</b>	<b>88.5%</b>	<b>92.3%</b>	<b>70.7%</b>	<b>86.0%</b>
Adjusted EBITDA	\$ 62.9	\$ 145.4	\$ 245.4	\$ 302.2	\$ 239.1	\$ 388.0	\$ 69.8	\$ 80.3	\$ 107.6	\$ 130.3	\$ 295.7	\$ 92.3	\$ 388.0
Adjustments:													
Tax impact of land sales deemed significant	—	—	—	21.5	—	—	—	—	—	—	—	—	—
Interest	—	—	—	—	—	—	—	—	—	—	—	—	—
Current income tax expense	(22.0)	(46.9)	(37.2)	(57.5)	(46.0)	(93.3)	(12.1)	(14.9)	(20.2)	(46.1)	(76.1)	(17.2)	(93.3)
Capital expenditures, net	(1.0)	(18.7)	(47.9)	(32.2)	(5.1)	(16.4)	(2.7)	(2.2)	(6.6)	(4.9)	(4.7)	(11.7)	(16.4)
<b>Free cash flow</b>	<b>\$ 39.9</b>	<b>\$ 79.8</b>	<b>\$ 160.3</b>	<b>\$ 233.5</b>	<b>\$ 188.0</b>	<b>\$ 278.3</b>	<b>\$ 55.0</b>	<b>\$ 63.2</b>	<b>\$ 80.9</b>	<b>\$ 79.2</b>	<b>\$ 214.9</b>	<b>\$ 63.4</b>	<b>\$ 278.3</b>

Source: Company data.  
Note: Numbers may not foot due to immaterial rounding.  
(1) Land swap of ~\$22 million in 4Q19, and sale to WPP in 1Q19 of ~\$100 million.  
(2) Sale of nonparticipating perpetual oil and gas royalty interest in approximately 812 net royalty acres (1/8th interest) of ~\$19 million.  
(3) Costs related to proxy contest to elect a new Trustee, settlement agreement and corporate reorganization.  
(4) Excludes land sales deemed significant and sales of oil and gas royalty interests.

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