

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 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): March 28, 2024

**TEXAS PACIFIC LAND CORPORATION**

(Exact Name of Registrant as Specified in its Charter)

**Delaware**  
(State or Other  
Jurisdiction of Incorporation)

**1-39804**  
(Commission File Number)

**75-0279735**  
(IRS Employer  
Identification Number)

**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:

- ☐ 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 transition 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	Trading Symbol(s)	Name of each exchange on which registered
Common Stock (par value \$.01 per share)	TPL	New York Stock Exchange

**Item 7.01 Regulation FD Disclosure.**

On March 28, 2024, 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
99.1	<a href="#">Investor Presentation March 2024.</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 Corporation has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TEXAS PACIFIC LAND CORPORATION

Date: March 28, 2024

By: /s/ Micheal W. Dobbs

Micheal W. Dobbs

SVP, General Counsel and Secretary

# Texas Pacific Land Corporation (NYSE: TPL)

Investor Presentation – March 2024



## Disclaimers

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 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.

**TPL**



## Unique Permian Basin Pure-Play



Positioned to capture upside  
**\$541 Million**  
2023 Adjusted EBITDA



Efficient conversion of revenues to cash  
**\$415 Million**  
2023 Free Cash Flow



Balance Sheet Strength  
**No Debt**  
Cash Balance of  
**\$725 Million**



**100% Texas Permian Exposure**



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



**~23,700**  
Core Permian Net Royalty Acres  
**~868,000**  
Surface Acres



**~270%**  
Production growth since 2018



Decades of Cash Flow Runway Across Multiple Businesses



Robust Inventory of  
**675 DUCs**  
and  
**368 Permits**

**TPL**

Note: Balance sheet and operating data as of 12/31/2023.

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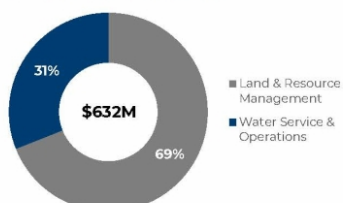
## Texas Pacific Land Corporation (NYSE: TPL)

- One of the largest landowners in Texas with approximately 868,000 acres located in the Permian Basin
- TPL was originally organized in 1888 as a business trust to manage the property of the Texas and Pacific Railway Company; for nearly 130 years, this management was mostly passive
- In 2016, the Company embarked on a new strategy to maximize the value of its footprint through active management of surface and royalty interests
- Today, the business consists of **numerous high-margin, capital-light revenue streams** linked to Permian oil and gas development
  - Oil and Gas Royalties:** high-margin royalty revenue derived from oil and gas production with no capital and minimal operating expense burden
  - Surface Leases, Easements and Material ("SLEM"):** monetizes 3<sup>rd</sup> party development activities occurring on surface and royalty acreage
  - Texas Pacific Water Resources ("TPWR"):** supplies water for oil and gas activities and facilitates produced water disposal solutions

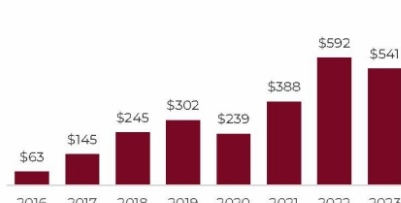
### TPL by the Numbers<sup>1</sup>

Market Value (\$MM)	\$13,225
Cash & Equivalents (\$MM)	\$725
Debt (\$MM)	\$0
Net Royalty Acres (100% net basis)	~23,700
Normalized to 1/8 <sup>th</sup>	~195,000
Surface Acres	~868,000
2023 Adj. EBITDA Margin	86%
2023 FCF Margin	66%
Average daily trading volume (1-yr avg)	~98,000

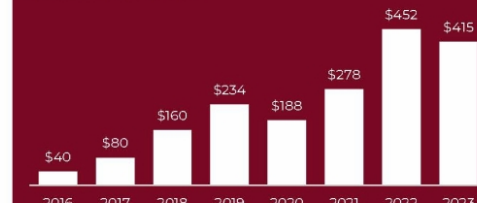
### FY 2023 Revenues (\$MM)



### Adjusted EBITDA (\$MM)



### Free Cash Flow (\$MM)



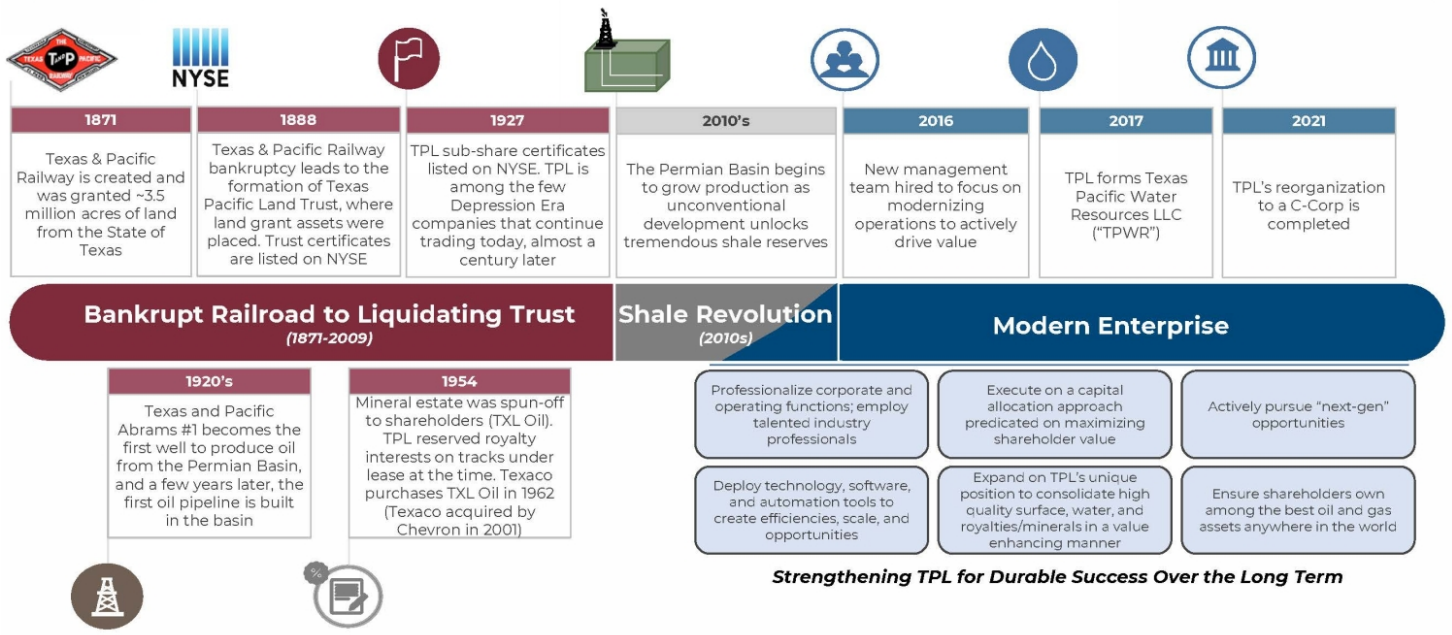
**TPL**

(1) Balance sheet data as of 12/31/2023. Market value and average daily trading volume as of 3/25/2024. Trading volume reflects 3:1 stock split in March 2024.

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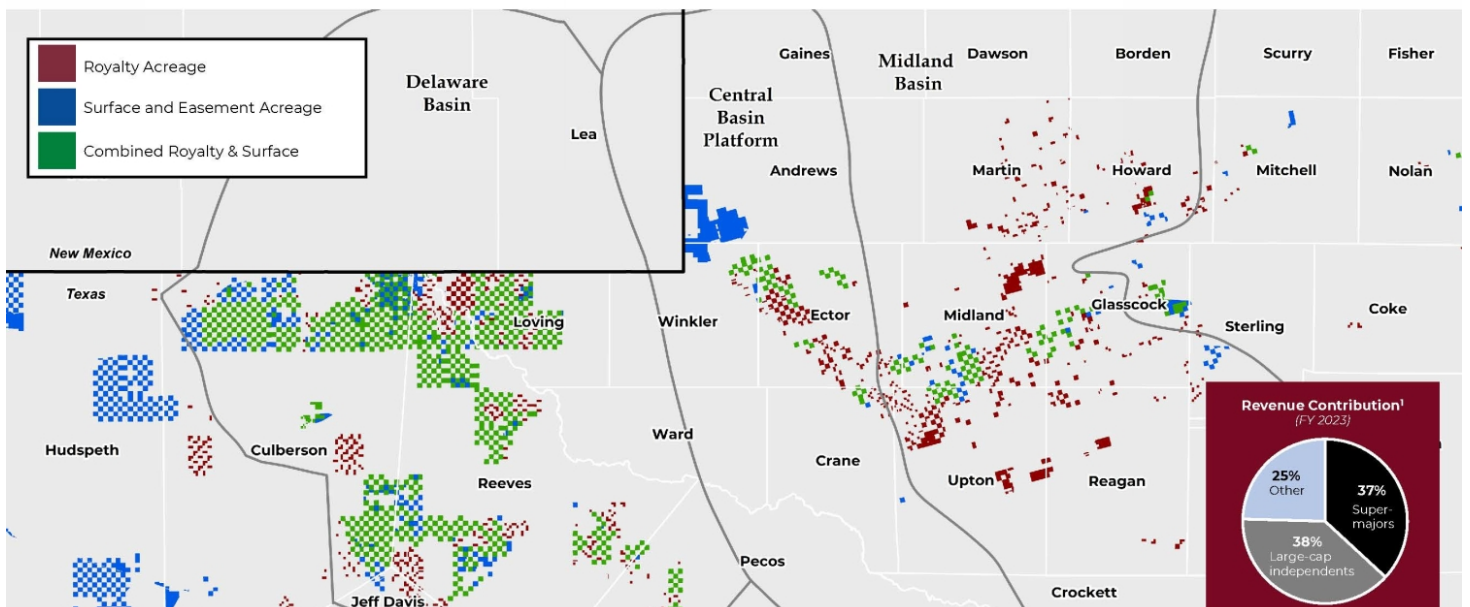
## TPL History and Evolution



**TPL**

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## Unmatched Permian Footprint Combined With Premier Operators



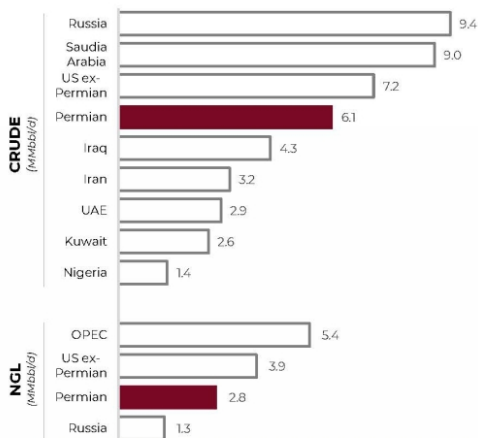
**TPL**

(1) Permian supermajors include Chevron, Exxon, ConocoPhillips, BP and their respective subsidiaries. Large-cap independents include independent energy companies in the S&P 500. Other includes all companies that do not fall under the other two criteria, primarily made up of publicly traded mid-cap, small-cap, and privately held companies.

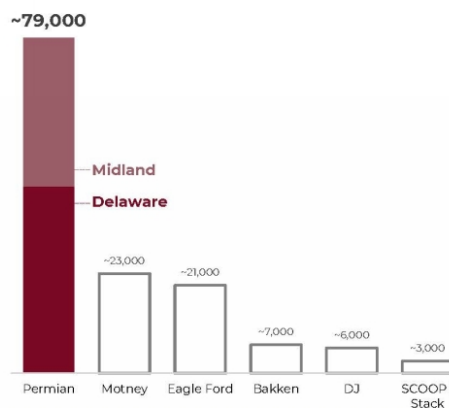
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## Permian Basin is a World-Class Resource

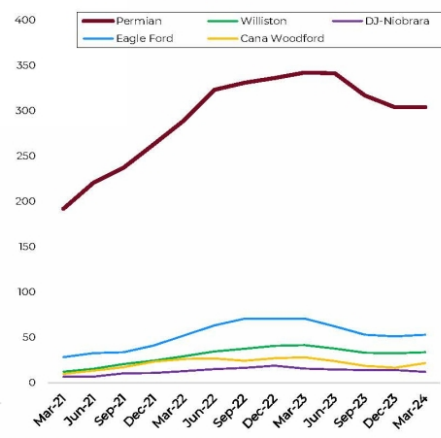
### Permian vs OPEC – Oil and NGL Production



### Estimated Remaining Well Locations with <\$55/bbl Breakeven Economics



### US Rig Counts by Oily Basin



Permian is a **major contributor to global oil, natural gas, and NGL markets** – Permian production would rank as one of the largest oil producing nations globally

Permian dominates US shale activity due to **attractive drilling economics** combined with **massive undeveloped well inventory**

Permian is a **top-tier focus area** for many energy super-major and large-caps with multi-basin portfolios

TPL

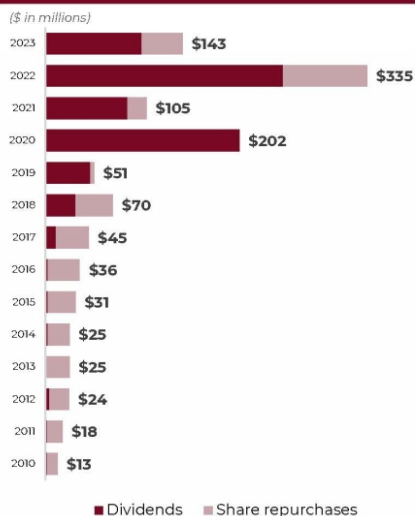
Source: US EIA, OPEC, Baker Hughes, Enverus and Company data. Production figures represent 4Q 2023 averages.

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## Capital Allocation Framework Focused on Maximizing Shareholder Value

### RETURN CAPITAL

Return substantial amounts of capital through dividends and repurchases



\$0  
Debt

\$725MM  
Cash

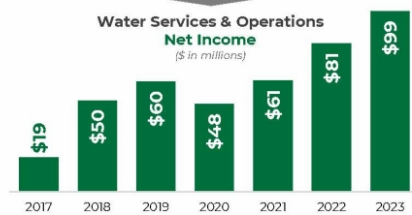
### INVEST CAPITAL

Balance capital returns with attractive, high-return opportunities

Water Services & Operations and related surface investments since 2017

**\$145** million  
Capital expenditures

**\$131** million  
Surface and easement acquisitions



**\$418 MM of cumulative net income since inception**

Also generates significant SLEM cash flow

TPL

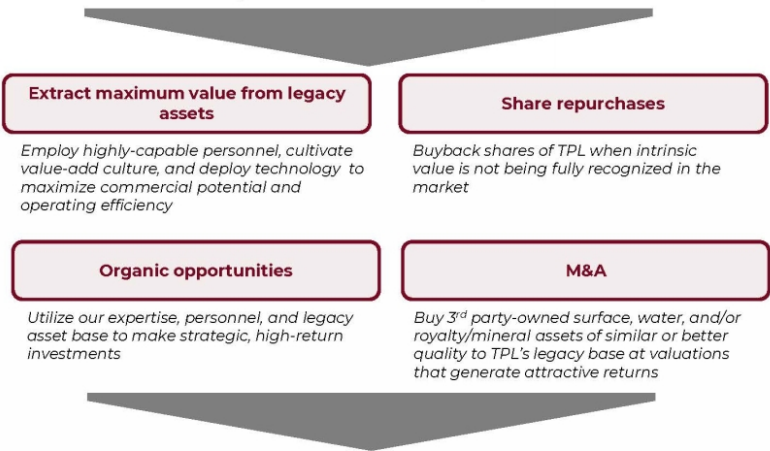
Note: Balance sheet, financial, and operating data as of 12/31/2023.

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# Focused on Allocating Capital Towards Highest Returns

Growing Free Cash Flow per Share the Key to Generating Value

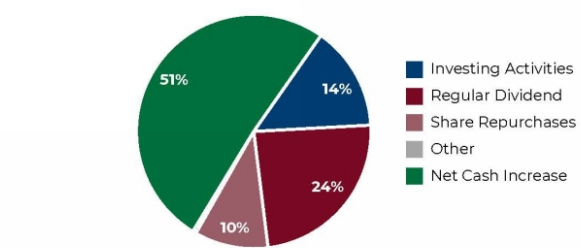
We believe the **key to maximizing shareholder value** is to **maximize intrinsic value per share**, which can also be expressed by **long-term free cash flow per share**



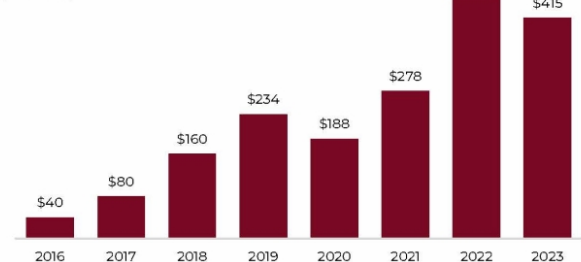
Growing free cash flow per share would further expand TPL's capacity to **return more capital to shareholders** via buybacks and dividends

TPL

TPL FY 2023 Allocation of Operating Cash Flow



TPL Free Cash Flow (\$ in millions)



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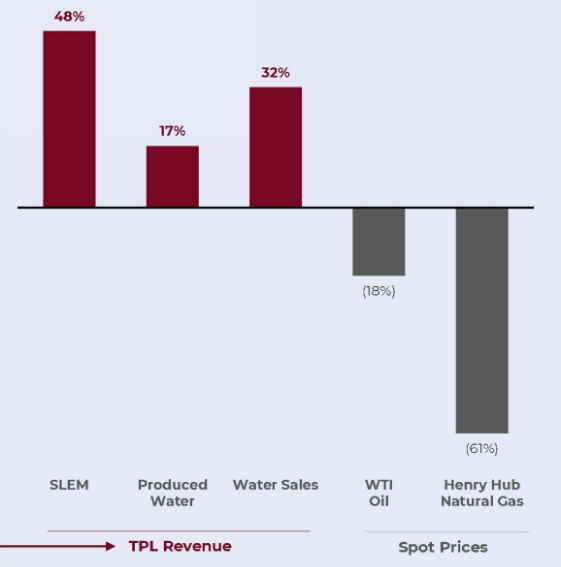
## TPL's Combined Surface and Royalties Is Unique

Comparison of Significant Revenue Generation by Asset Type

	Texas Pacific Land	Black Stone	Marshall	SITIO	VIP	ARK	NGL
SURFACE	✓	—	—	—	—	—	✓
WATER	✓	—	—	—	—	✓	✓
ROYALTIES	✓	✓	✓	✓	—	—	—

Effective commercialization of surface ownership provides (i) incremental enterprise cash flow and (ii) built-in hedges to oil and gas royalties' direct exposure to commodity price volatility

FY 2023 Performance (YOY)



TPL

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TPL Maintains Top Tier Profitability Margins

64%

FY 2023 net income margin

Consolidated TPL

71%

FY 2023 net income margin

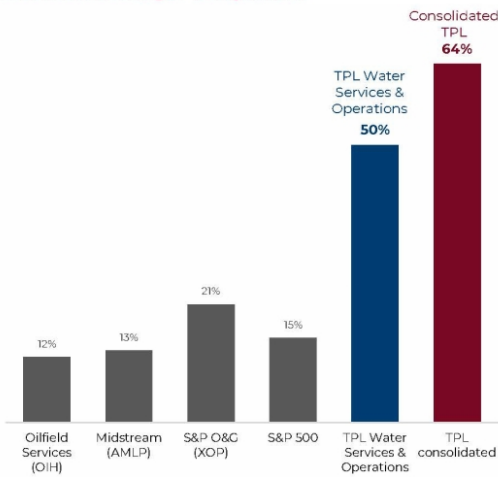
TPL Land & Resource Management

50%

FY 2023 net income margin

TPL Water Services & Operations

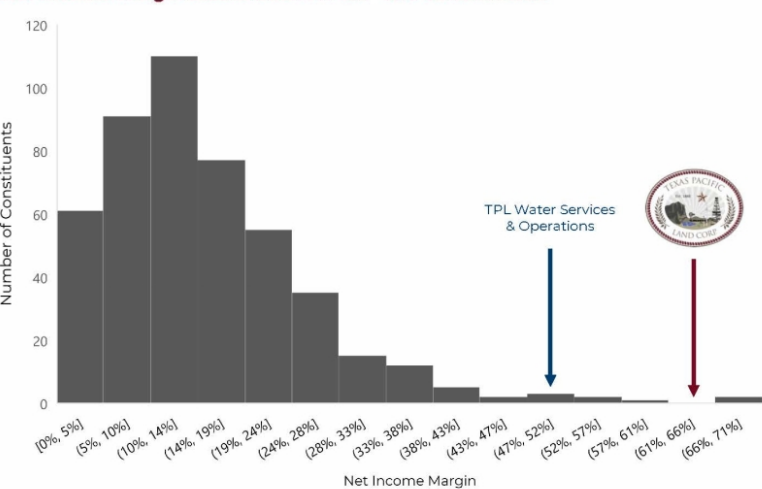
Net Income Margin Comparison



TPL

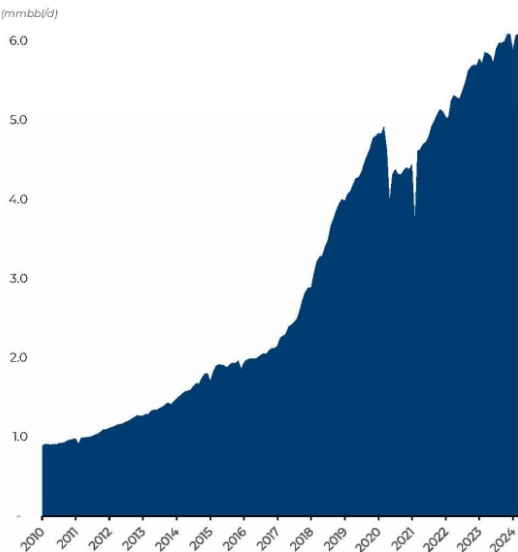
Source: Bloomberg and Company data.  
Note: Net income margin reflects last-twelve-months actuals as of 3/25/2024. Figures for OIH, AMLPL, XOP, and S&P 500 represent constituent equal-weighted averages; excludes constituents with negative net income margins. Histogram excludes S&P 500 constituents with negative net income margins.

Net Income Margin Distribution for S&P 500 Constituents



Permian Activity Overview

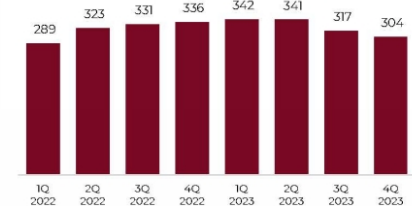
Permian Oil Production



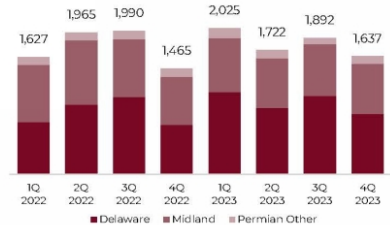
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Source: US EIA, OPEC, Baker Hughes, Enverus and Company data.  
Note: DUC = Drilled-but-Uncompleted Well. DUC counts based on well activity date stamps.

Permian Rig Counts

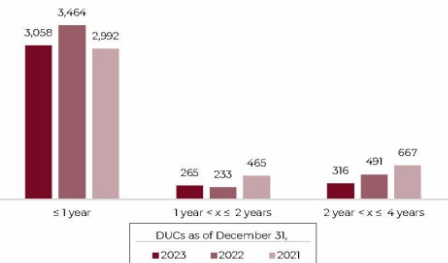


Permian Well Permits



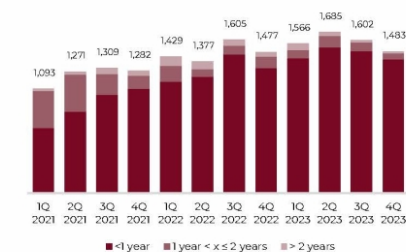
Permian DUC Counts

(Historical counts and grouped by age)

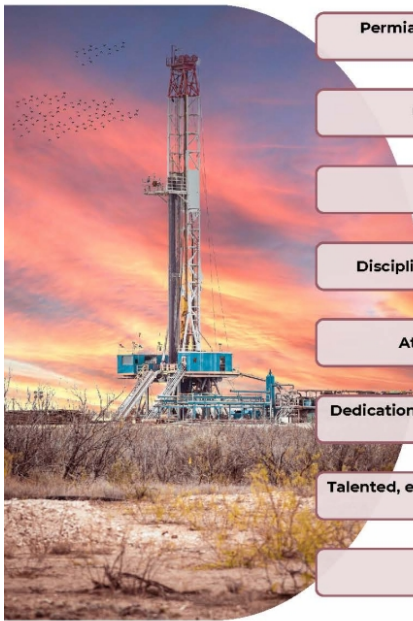


Permian Completion Counts

(Grouped by DUC age at completion date)



## Investment Highlights



Permian Basin is a world class resource – Midland and Delaware Basins each possess tens of thousands of future undrilled well inventory

Unique combination of surface and royalty ownership generates revenue throughout the entire lifecycle of a well

Efficient conversion of revenues to cash flow – FY 2023 EBITDA and FCF margin of 86% and 66%, respectively

Disciplined, value-creation approach to capital allocation: focus on maximizing both intrinsic value and free cash flow per share

Attractive opportunities to extract additional value from legacy asset base and from strategic investments in growth

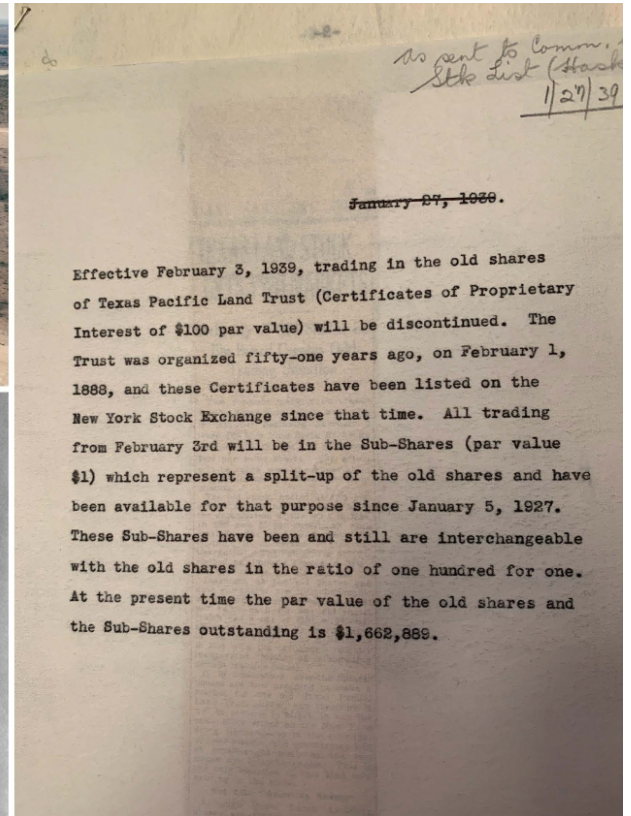
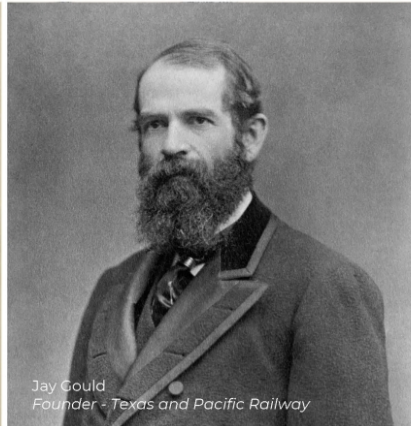
Dedication to optimizing capital allocation towards highest-returns, with a commitment to growing capital returns through dividends and buybacks

Talented, experienced team of domain experts: land asset managers, water business development and operations, reservoir engineers, GIS, information technology, and corporate personnel critical to extract maximum value

Significant investments into technology enhance productivity and provide platform to scale efficiently

**TPL**

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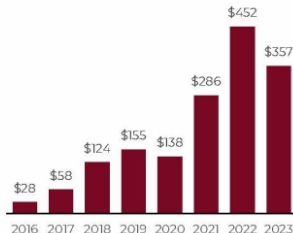
## TPL Currently Has Four Primary Revenue Streams

### O&G ROYALTIES

- Primarily own Non-Participating Royalty Interests (NPRI), which represents a real property right and is entitled to a fixed percentage of oil and gas production on a property
- Royalties are not burdened by capital expenditures (e.g., drilling and completions costs), or most operating expense (e.g., lease operating expense)
- Revenue stream contained in Land & Resource Management segment

**57%** of Consolidated Revenues  
(FY 2023)

**O&G Royalties Revenue**  
(\$ in millions)

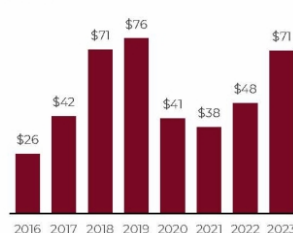


### SURFACE LEASES, EASEMENTS AND MATERIAL ("SLEM")

- Surface acreage provides multiple income streams from leases, easements, and caliche/materials, among others
- Opportunity for new revenue streams from emerging technologies (e.g., solar, wind, and carbon capture)
- Majority of SLEM revenues flow into Land & Resource Management segment, with a relatively smaller amount typically in Water Services & Operations

**11%** of Consolidated Revenues  
(FY 2023)

**SLEM Revenue**  
(\$ in millions)

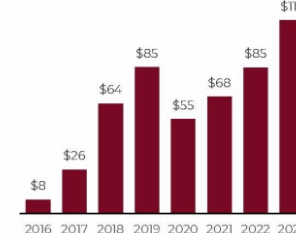


### WATER SALES

- Surface acreage provides ownership of water rights and opportunities to supply water for use in oil and gas well development
- TPL owns and operates a network of water wells, storage/frac ponds and pipelines that can source and deliver water to customers
- Revenue stream contained in Water Services & Operations

**18%** of Consolidated Revenues  
(FY 2023)

**Water Sales**  
(\$ in millions)

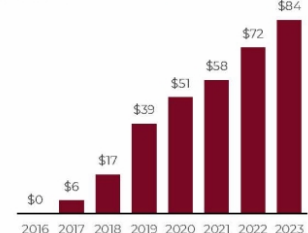


### PRODUCED WATER ROYALTIES

- Facilitates disposal of water produced from oil and gas wells
- By allowing use of its surface acreage for produced water disposal infrastructure, TPL generates a volumetric royalty fee on produced water barrels
- TPL does not own or operate produced water disposal wells
- Revenue stream contained in Water Services & Operations

**13%** of Consolidated Revenues  
(FY 2023)

**Produced Water Royalties Revenue**  
(\$ in millions)



**TPL**

Note: Revenue percentages do not sum to 100% due to other ancillary revenue items.

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## Oil and Gas Royalties

### Overview and Management

#### Revenue Mechanics and Management



Oil and gas royalties represent real property interests entitling the owner to a portion of the proceeds derived from the production of oil and gas



TPL receives a percentage of gross revenues from oil and gas wells drilled on TPL royalty acreage



Royalties are not burdened by capital costs or most operating expenses (although natural gas and NGLs may have small set of allowable deductions) associated with well development

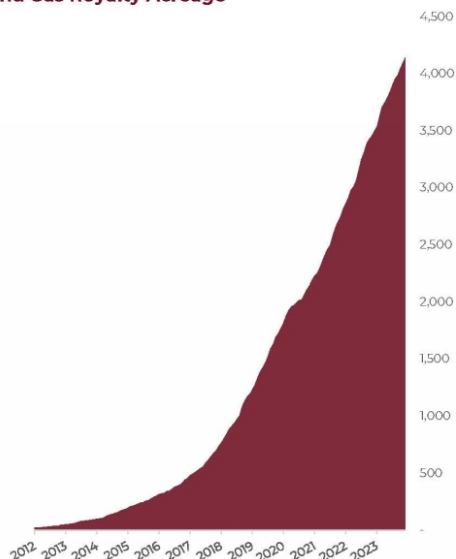


Mineral and royalty interests exist into perpetuity  
*Overriding royalty interests ("ORRIs") can be an exception as they are generally tied to leases and may not exist into perpetuity (TPL owns de minimis amount of ORRIs)*



Responsibility of royalty owner to (i) verify "decimals" (i.e., revenue interest); (ii) ensure timely pay; (iii) inspect check stubs for production, pricing, and deductions accuracy; (iv) track development status of pre-production wells; (v) extract and analyze well reservoir performance

#### Producing Horizontal Wells (Gross) on TPL Oil and Gas Royalty Acreage



#### How TPL is Delivering Value

By **interfacing directly with operators** across SLEM and Water, TPL **incentivizes operators to accelerate development** on TPL's royalty acreage

**Advocate for royalty ownership** during disputes (e.g., revenue deductions, pricing realization, ad valorem payments, etc)

**Experienced reservoir engineers** leverage TPL's **proprietary data** for internal initiatives and evaluation of external opportunities

**Actively monitor** check stub accuracy and compliance

**Internally developed software applications** that integrate proprietary and third-party data and software, GIS systems and capabilities, and other tools to help drive further automation, efficiency, and effectiveness

**Continuously screening** for operator well activity updates and utilizing that data to cross-sell TPL services

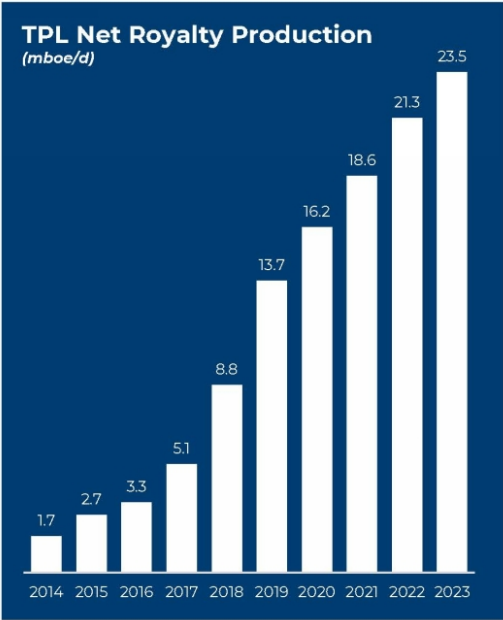
**TPL**

Note: Company data as of 12/31/2023.

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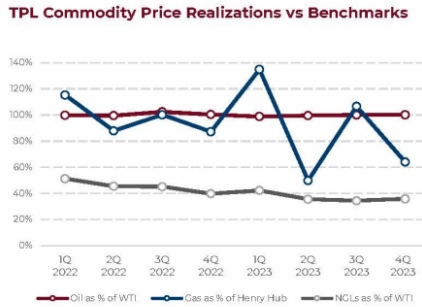
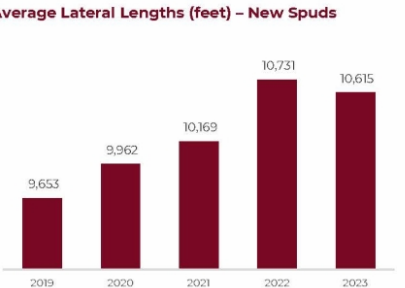
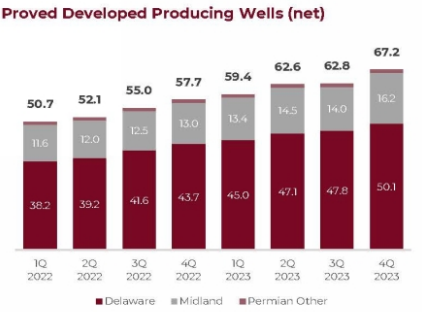
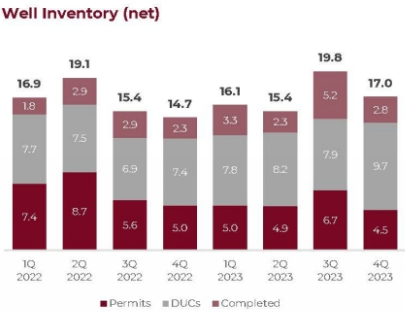


# TPL Royalty Production and Inventory Detail



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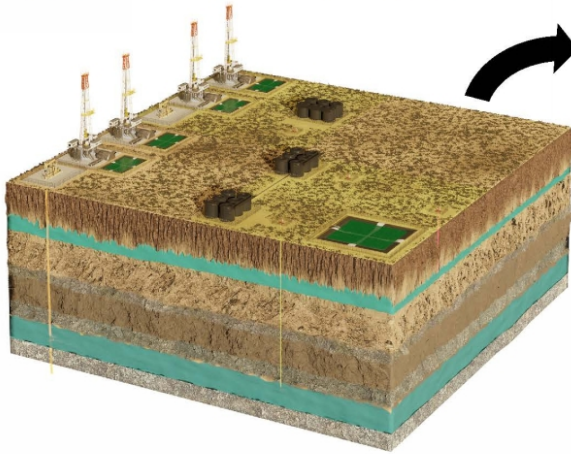
Note: Company data as of 12/31/2023.



# Surface Estate Ownership

Leveraging Ownership of Raw Surface into Cash Flow

**RAW LAND DOES NOT MONETIZE ITSELF**  
 (i) Operational and legal expertise of surface estate ownership within the oil and gas industry and (ii) proactive execution are requisite towards extracting substantial cash flow from raw land



**Surface estate ownership** allows for control over surface access, aquifers, and sub-surface pore space

- Unlike O&G royalties, there is no statutory revenue / lease / royalty rate for activities that occur within a surface estate
- Revenue opportunities require continual pursuit, negotiation, and commercialization**

**TPL derives three major revenue streams from its surface estate ownership**

- SLEM**
  - Revenue derived by providing customers access-to or use-of TPL surface
  - Revenue sources include pipeline easements, well-bore easements, commercial leases, and caliche/sand/materials sales
  - Renewables and various "next generation" opportunities, including grid-connected batteries and carbon capture, provide additional potential for revenue growth
- Water Sales**
  - TPL owns and operates infrastructure to provide water for use in oil and gas development activities
  - TPL provides both brackish groundwater and recycled/treated water for customers both on and off TPL surface
  - Operated model allows for sustainable management of aquifer resource
- Produced Water**
  - TPL provides surface access to operators and midstream companies for necessary infrastructure
  - TPL receives a volumetric royalty payment for produced water barrels that move across or are injected into TPL surface
  - TPL does not own or operate produced water disposal wells

**\$267MM** **42%**  
 FY 2023 Revenue of TPL consolidated revenue  
 Aggregate Contribution From  
 Surface Estate + Active Management

**TPL**

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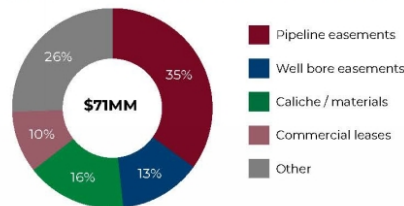
## Surface, Leases, Easements and Materials (SLEM)

Overview and Management

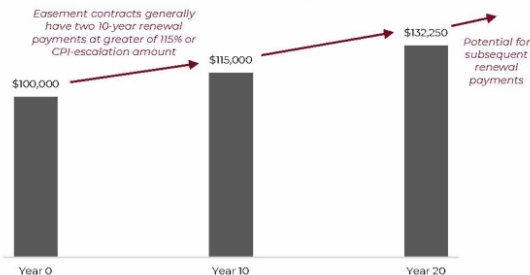
### Revenue Mechanics and Management

- Provide operators/customers access-to or use-of TPL surface for infrastructure and materials
- TPL utilizes standardized forms and payment structures and delivers quick turnaround to operator customers
- TPL easements typically have initial 10-year term with additional 10-year renewal options for the life of the infrastructure
- Easement renewal payments generally the greater of 115% or CPI-escalation from the previous easement payment
- Installed infrastructure tends to be long-lived and/or permanent
- Amount of revenue opportunities generally correlates to development activity in the Permian

### TPL SLEM Revenue Breakdown (FY 2023)



### Illustrative Easement Renewal Payment



### How TPL is Delivering Value

- Leveraging technology** such as advanced GIS, satellite imaging, and automation tools to monitor surface activity
- Experienced, specialized land asset managers dedicated to all aspects of surface commercialization** provide consistent operator interaction, contract execution, and trespass monitoring
- New activity developments on TPL land is shared across business groups for **lead generation and revenue opportunities**
- Employs numerous personnel focused on **identifying and developing opportunities for new revenue streams**
- Before active management, operators often trespassed and/or underpaid for activities on TPL land

**TPL**

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## Water Sales

### Overview and Management

#### Revenue Mechanics and Management



Surface estate ownership includes access to water aquifers



O&G upstream/E&P operators use water to complete (i.e., "frac") wells



TPL develops, owns and operates infrastructure to extract, store, and transport water for oil and gas activities



TPL provides recycled/treated produced water for reuse in completion activities



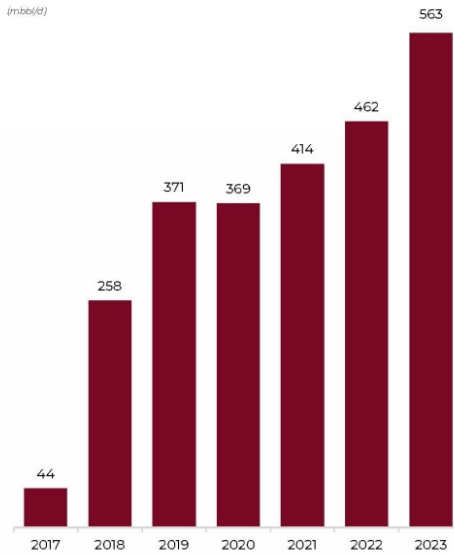
Sales price per barrel generally ranges from \$0.50 - \$1.00 versus a direct operating expense per barrel of \$0.10 - \$0.15; pricing and expenses dependent on services provided, location, transportation costs, and other factors



Annual maintenance capital of ~\$5 - \$10 million

#### TPL Water Sales Volumes

(mmbbl/d)



#### How TPL is Delivering Value

TPL has developed the **largest source water infrastructure network in the northern Delaware Basin**

TPL deploys professional hydrologists, advanced sensors, and monitoring systems to ensure aquifers are **managed sustainably**

Sales team **competes actively** throughout the basin to leverage TPL water capabilities, while dedicated operations team **ensures delivered water assurance and performance**

Provides water for development of oil and gas wells on TPL royalty acreage, while also securing **significant water sales outside of TPL acreage**

Ability to provide **both brackish and treated/recycled water solutions**

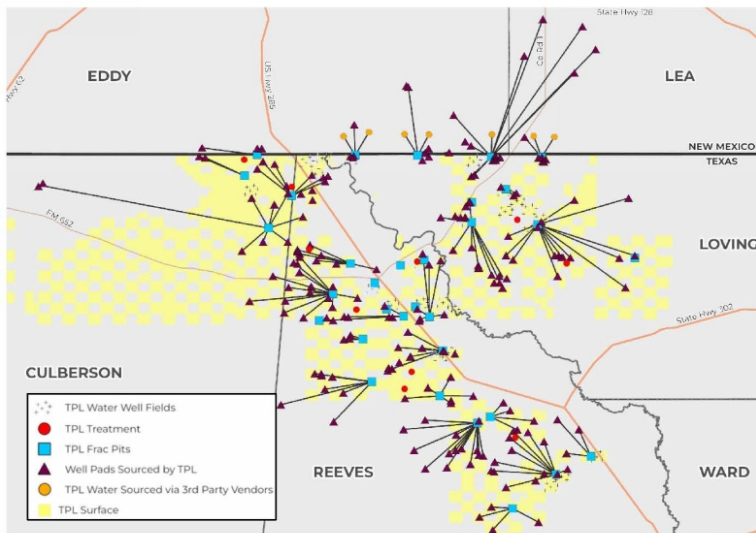
Water Sales **provides substantial incremental cash flow** to the overall enterprise

**TPL**

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## Water Sales

### Asset Map



TPL has developed and currently operates the largest source water infrastructure network in the northern Delaware

Average O&G well in the Delaware requires an increasing volume of water (~500k bbl water per well)

TPL sells substantial water both on and off of TPL acreage

**TPL**

Note: Enverus and Company data as of 12/31/2023.

## TPL Source Water Network

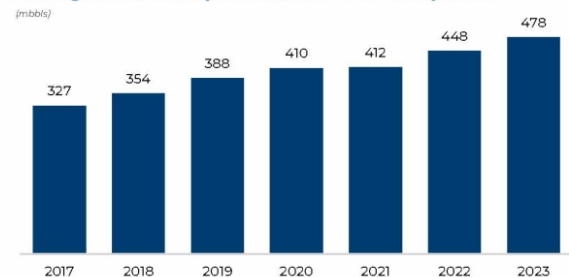
**600+** sourced & treatment capacity  
(mmbbl/d)

**24.5** storage capacity  
(mmbbl)

**335** source water pipelines  
(miles)

#### Average Fluid Used per Delaware Well Completion

(mmbbl)



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# Produced Water Royalties

## Overview and Management

### Revenue Mechanics and Management



"Produced water" refers to water that flows from a producing O&G well; given solids content and salinity, produced water generally must either be injected or treated/recycled



The Delaware Basin is characterized by a high water-oil-ratio: for every crude oil barrel produced from a well, approximately 4 produced water barrels will also flow out



TPL receives a volumetric royalty payment via negotiated commercial agreements with upstream and midstream operators that want to move or inject produced water barrels across/into TPL surface



Average royalty fee of ~\$0.09 - \$0.11 per barrel



TPL does not own or operate saltwater disposal ("SWD") wells

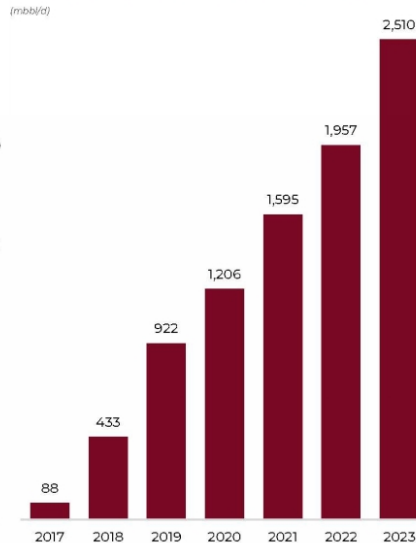


TPL's produced water royalties are a commercially unique cash flow stream – high-margin, capex-free cash flow stream derived from an oil and gas by-product



TPL retains flexibility to provide treatment / recycling and beneficial reuse

### TPL Produced Water Royalty Volumes



### How TPL is Delivering Value

**Intentionally commercialized** to generate **high-quality, high-margin cash flow** stream

**Facilitating produced water solutions** allows operators to execute on upstream O&G development plans

TPL undertakes conservative approach to siting produced water infrastructure on TPL land; **focus on sustainable management of pore space resource** and other environmental and geologic factors

Negotiated agreements with operators covering ~450,000-acre dedication allow TPL to **capture significant produced water volumes**

Contracts provide TPL with **optionality and upside** to pursue produced water **recycling/treatment and beneficial reuse opportunities**

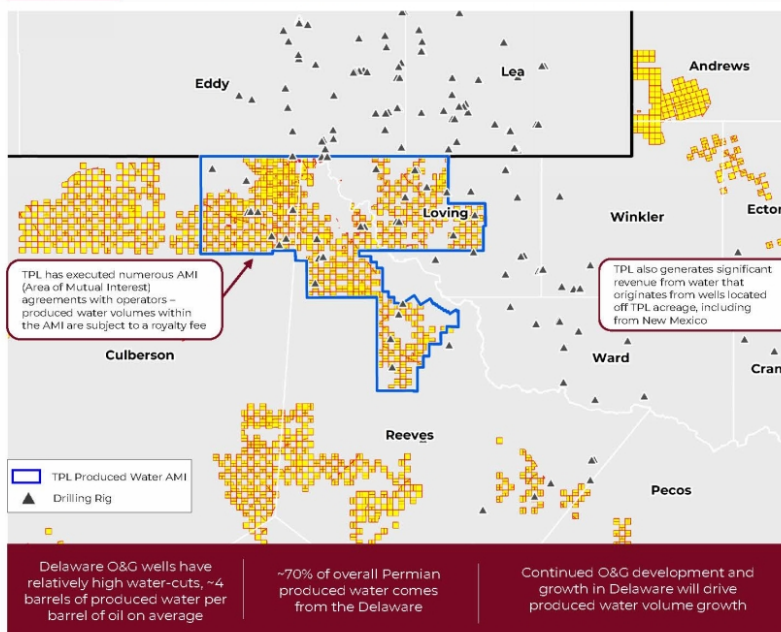
**Long runway of volumes and cash flow growth**, with minimal capex contributions from TPL

**TPL**

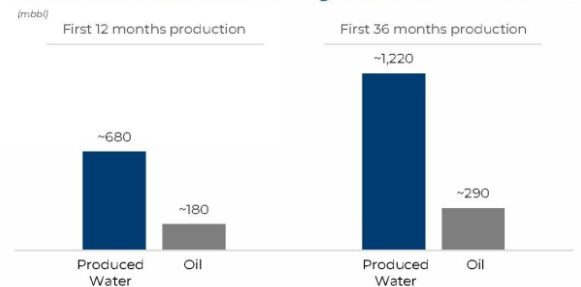
23

# Produced Water Royalties

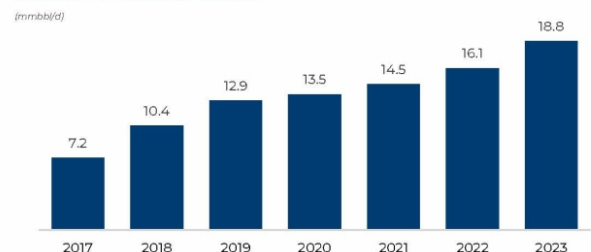
## Delaware Upstream Activity + High Water-Cuts to Drive Produced Water Volume Growth



### Water vs Oil Production – Average Well in Delaware Basin



### Permian Produced Water

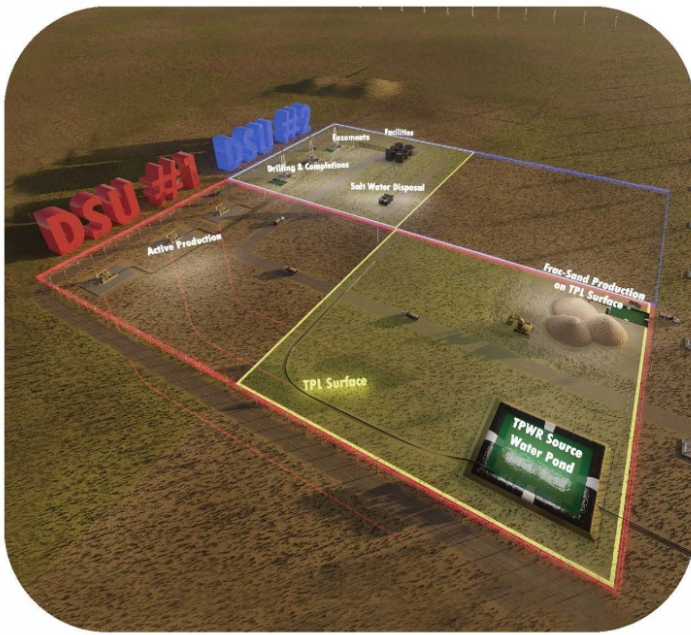


**TPL**

Source: B3 Insight, Enverus and Company Data. Delaware oil and water volumes based on horizontal wells completed since 1/1/2018.

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## TPL Captures Revenue Over the Well Lifecycle



**TPL**

### 1 Permit

E&P/upstream operators procure regulatory permits; prepare future well site and develop infrastructure

**SLEM**

- Fixed fees for use of TPL's surface for the construction and operation of infrastructure (e.g., well sites, wellbores, pipelines)
- Sale of materials (caliche) used in the construction of infrastructure

### 2 Development

Operators spud/drills new wells. After drilling concludes, next step is to complete/frac

**Water Sales**

- Price per barrel for providing brackish groundwater and/or treated produced water

### 3 Production

Once completed, a well will be placed-on-production ("POP") and begin generating production and revenue

**Produced Water**

- Royalty per barrel for allowing produced water disposal related infrastructure on TPL surface

**O&G Royalties**

- TPL royalty interests generate a fixed percentage of the oil & gas produced

**SLEM**

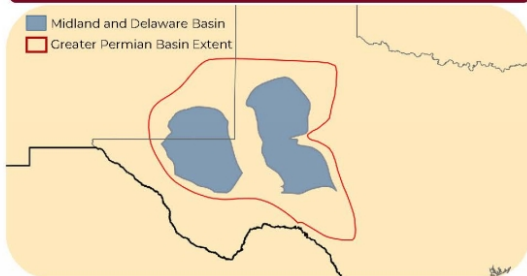
- Contracted payments to TPL as infrastructure on TPL land continues to be utilized

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## Permian's Massive Resource Potential

Enormous Acreage Extent and Stacked Pay Potential

### Enormous Acreage Extent



**~26,000** square miles  
**~17,000,000** acres

Combined Midland and Delaware Footprint

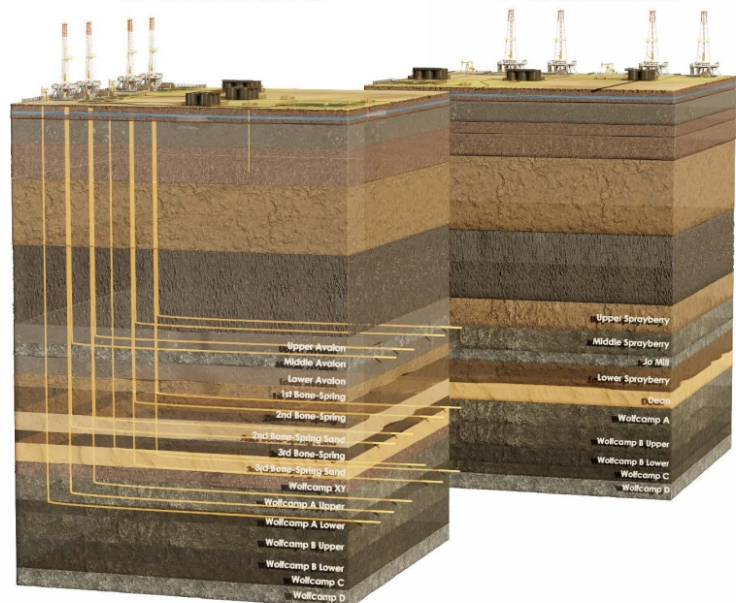
### Stacked Pay Reserves

**10+** for each Midland and Delaware  
geologic formations

**TPL**

### Delaware

### Midland



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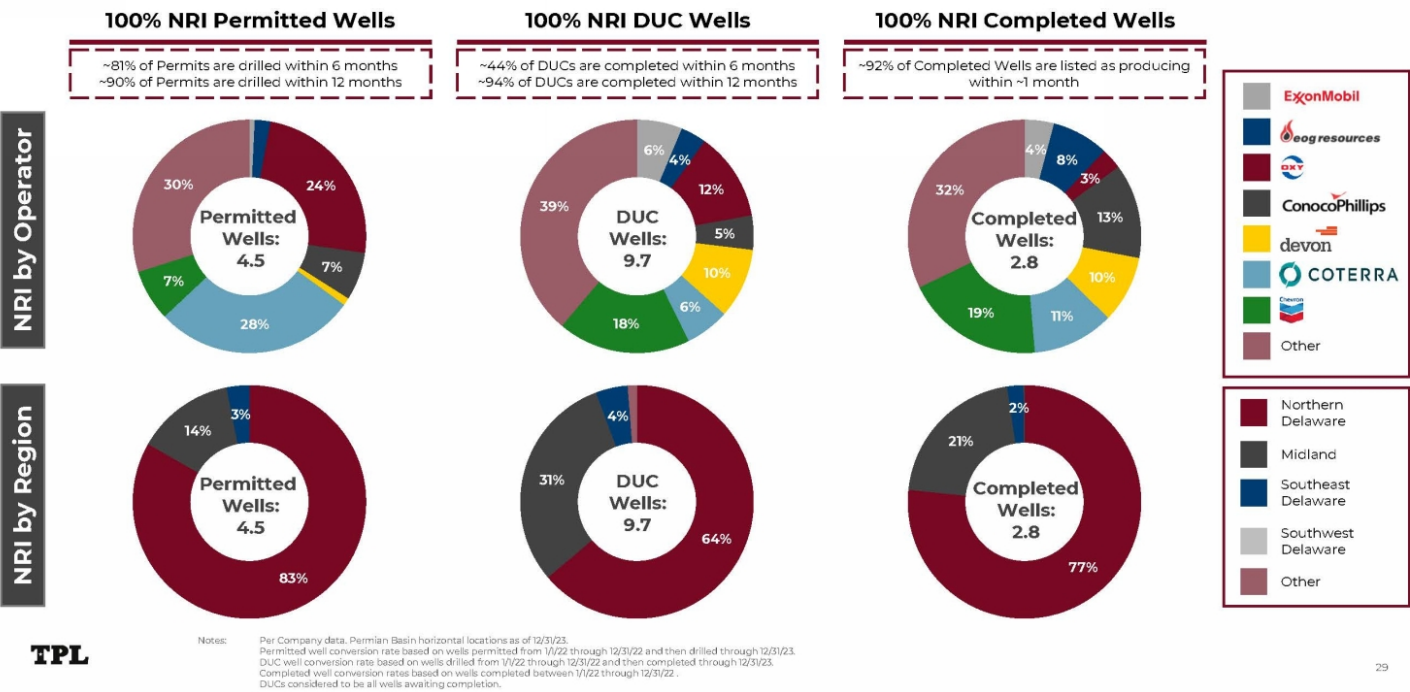
Treatment/recycling infrastructure on TPL land



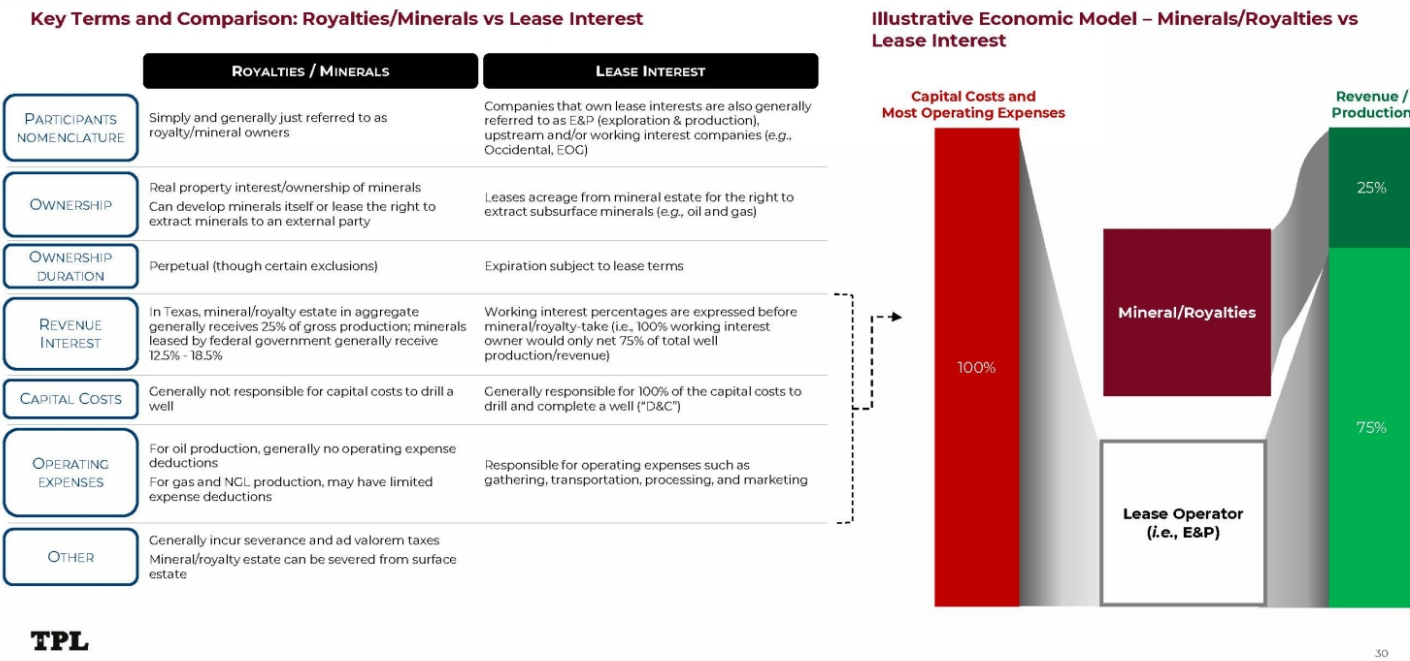
# Appendix



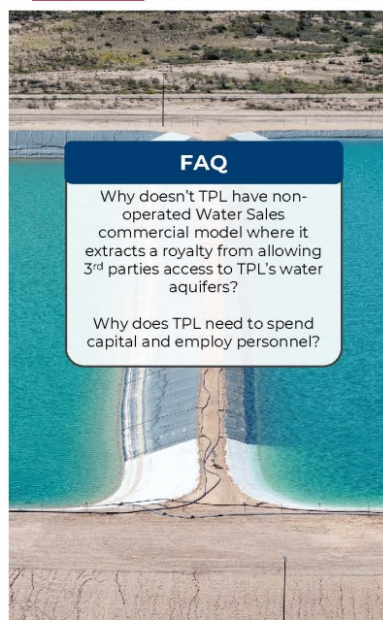
# Summary of Highest-Visibility Inventory



## The Basics of Royalties Ownership



## Water Sales – Operated vs Royalty/Non-Operated Business Model



### Royalty / Non-Operated Source Water Model (i.e., pre-TPWR)

#### History

TPWR formed TPWR in July 2017

Pre-TPWR development, TPL had negotiated various royalty agreements with 3<sup>rd</sup> party operators

#### Sustainable Extraction

Professional hydrologists, advanced sensors, and active monitoring to ensure aquifers are sustainably managed

Operators often extracted water resource at unsustainably high rates; primary concern was water for their own development/commercial needs rather than TPL's long-term interests

#### Economic development

Efficiently developed infrastructure that could serve vast upstream development areas for virtually every nearby upstream operator

Operator(s) would build relatively narrow water systems to serve only their own interests, rather than for broader commercial utilization for peer operators

#### Control

TPWR could sell water at competitive prices, have control over expansion and market capture, and leverage its SLEM and produced water offerings to expand sales and incentivize development of royalty acreage

Operators could leverage TPL's royalty rates to negotiate better pricing for water off TPL acreage, thereby undercutting TPL sales/royalties

#### Shareholder Interests



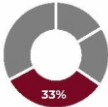

- TPL manages Water Sales for the benefit and in the best interests of TPL shareholders
- Water Sales has provided TPL shareholders with significant incremental earnings and free cash flow

Operators utilizing TPL source water resource have their own stakeholders, whose interests may not align with TPL shareholder interests

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## Compensation Incentives Aligned With Shareholder Value Creation

	Mix (% of Total) <sup>(1)</sup>	Intent	Key Performance Dimensions
<b>Base Salary</b>		<ul style="list-style-type: none"> <li>■ Deliver competitive fixed cash compensation for day-to-day job performance</li> </ul>	<ul style="list-style-type: none"> <li>■ Based on individual role, level of experience and performance</li> </ul>
<b>Annual Incentive Plan</b>		<ul style="list-style-type: none"> <li>■ Incentivize executives to achieve important near-term financial and operational goals</li> <li>■ Reward individual and Company performance</li> </ul>	<ul style="list-style-type: none"> <li>■ Adjusted EBITDA margin (37.5% weight)</li> <li>■ Free cash flow per share (37.5% weight)</li> <li>■ Strategic objectives (25% weight)</li> </ul>
<b>Long-Term Incentive Plan</b>		<ul style="list-style-type: none"> <li>■ Reward performance that drives long-term value creation</li> <li>■ Align interests of executives with shareholders</li> </ul>	<ul style="list-style-type: none"> <li>■ Three-year cumulative free cash flow per share</li> <li>■ Relative TSR vs. SPDR S&amp;P Oil &amp; Gas Exploration &amp; Production ETF</li> </ul>
<b>Performance-Based Restricted Stock Units (PSUs)</b>		<ul style="list-style-type: none"> <li>■ Incentivize long-term value creation</li> <li>■ Align interests of executives with shareholders</li> <li>■ Retention</li> </ul>	<ul style="list-style-type: none"> <li>■ Long-term stock price appreciation</li> </ul>
<b>Time-Based Restricted Stock Units (RSUs)</b>			

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(1) Reflects target CEO compensation for 2023 as disclosed in the 2023 10-K.

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## Sustainability is Embedded in Our Strategy





### Key Opportunities

<b>Carbon Management</b>	<ul style="list-style-type: none"> <li>Government policies incentivize sustainable energy projects (e.g., carbon capture, utilization and storage) and TPL can reposition its business to take advantage of the opportunities created by these policies</li> </ul>
<b>Water Management</b>	<ul style="list-style-type: none"> <li>Water recycling capabilities allow operators to minimize freshwater usage; ongoing water asset electrification can reduce diesel reliance and manage emissions profile</li> </ul>
<b>Environmental Management</b>	<ul style="list-style-type: none"> <li>Adoption of new technology can reduce our costs and environmental impact</li> <li>Allowance of easements on land to construct electricity infrastructure supports emissions reductions from our land operators</li> </ul>
<b>Renewable Development</b>	<ul style="list-style-type: none"> <li>Expanding efforts to encourage wind and solar development on our surface and exploring all options to increase our existing renewable footprint</li> </ul>
<b>Investing in Our People</b>	<ul style="list-style-type: none"> <li>Comprehensive, job-specific training and development opportunities; high employee retention and low turnover rates, with annual employee satisfaction surveys</li> <li>Demonstrated commitment to enhancing diversity - 41% of workforce are women and continual assessment of organizational dynamics to cultivate a more inclusive workforce</li> </ul>

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## Our Environmental Management Initiatives

<b>Incidents and Spill Prevention Control</b>	 <ul style="list-style-type: none"> <li>Implementation of Spill Prevention, Control, and Countermeasure plan and protocol for water assets, which are equipped with tech / containment protections</li> <li>Thorough tracking and monitoring of all spills; information is entered into centralized database to allow easy tracking and data management</li> <li>Prioritization of continued education and engagement of employees and contractors</li> </ul>
<b>Environmental Impact Assessments</b>	 <ul style="list-style-type: none"> <li>Prior to acquiring additional surface acreage, on-site Phase 1 Environmental Site Assessments are regularly conducted by environmental consultants to gauge property condition</li> <li>Regularly scheduled pipeline maintenance checkups of existing pipeline assets; Health, Safety and Environment team closely monitors assets for spills, leaks or any other release</li> </ul>
<b>Ecological and Biodiversity Partnerships</b>	 <ul style="list-style-type: none"> <li>Partnership with New Mexico Bureau of Land Management to obtain biodiversity impact guidance</li> <li>Contractual requirement for grazing tenants to use proper grazing and stockman standards and participate in conservation, range and wildlife improvement programs</li> </ul>
<b>Operator and Lessee Requirements</b>	 <ul style="list-style-type: none"> <li>Prioritization of consistent engagement and communications with operators and lessees on TPL's land to ensure maintenance of environmental due diligence</li> <li>Requirement of reclamation process to verify land has been restored to environmental condition stipulated by contractual agreement</li> </ul>

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# Royalty Key Terms

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%	101,993	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>
<b>Midland</b>	<b>150,888</b>	<b>2,640</b>	<b>1.7%</b>	<b>499,709</b>	<b>0.5%</b>
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
<b>Gross Royalty Acres</b>	■ An undivided ownership of the oil, gas, and minerals underneath one acre of land	■ Total Texas Pacific Land Corporation acreage 533,260
<b>Net Royalty Acres (Normalized to 1/8)</b>	■ 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)
<b>Net Royalty Acres</b>	■ 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%
<b>Drilling Spacing Units ("DSUs")</b>	■ 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
<b>Implied Average Net Revenue Interest per Well</b>	■ 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

<sup>(1)</sup> Excluding acres which are considered to be outside of the Permian Basin.

## Non-GAAP Reconciliations

(\$ in millions)	Year ended December 31,						Three months ended,					Year ended December 31, 2023		
	2018	2019	2020	2021	2022	2023	1Q23	2Q23	3Q23	4Q23		Land and Resource Management	Water Services and Operations	Total
<b>Net income</b>	\$ 209.7	\$ 318.7	\$ 176.1	\$ 270.0	\$ 446.4	\$ 405.6	\$ 86.6	\$ 100.4	\$ 105.6	\$ 113.1	\$	\$ 306.7	\$ 98.9	\$ 405.6
Adjustments:														
Income tax expense	52.0	83.6	43.6	93.0	122.5	111.9	23.8	26.8	29.4	32.0		84.3	27.6	111.9
Depreciation, depletion and amortization	2.6	8.9	14.4	16.3	15.4	14.8	3.4	3.9	3.6	3.9		3.1	11.7	14.8
<b>EBITDA</b>	<b>\$ 264.3</b>	<b>\$ 411.2</b>	<b>\$ 234.1</b>	<b>\$ 379.3</b>	<b>\$ 584.2</b>	<b>\$ 532.3</b>	<b>\$ 113.7</b>	<b>\$ 131.0</b>	<b>\$ 138.5</b>	<b>\$ 149.0</b>	<b>\$</b>	<b>\$ 394.1</b>	<b>\$ 138.2</b>	<b>\$ 532.3</b>
Revenue	\$ 300.2	\$ 490.5	\$ 302.6	\$ 451.0	\$ 667.4	\$ 631.6	\$ 146.4	\$ 160.6	\$ 158.0	\$ 166.7	\$	\$ 432.1	\$ 199.5	\$ 631.6
<b>EBITDA Margin</b>	<b>88.0%</b>	<b>83.8%</b>	<b>77.4%</b>	<b>84.1%</b>	<b>87.5%</b>	<b>84.3%</b>	<b>77.7%</b>	<b>81.6%</b>	<b>87.7%</b>	<b>89.4%</b>	<b>\$</b>	<b>91.2%</b>	<b>69.3%</b>	<b>84.3%</b>
EBITDA	\$ 264.3	\$ 411.2	\$ 234.1	\$ 379.3	\$ 584.2	\$ 532.3	\$ 113.7	\$ 131.0	\$ 138.5	\$ 149.0	\$	\$ 394.1	\$ 138.2	\$ 532.3
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	—	—	—	—	—	—		—	—	—
Add: Share-based compensation	—	—	—	—	7.6	9.1	2.2	2.6	2.5	1.9		5.3	3.8	9.1
<b>Adjusted EBITDA</b>	<b>\$ 245.4</b>	<b>\$ 302.2</b>	<b>\$ 239.1</b>	<b>\$ 388.0</b>	<b>\$ 591.8</b>	<b>\$ 541.4</b>	<b>\$ 115.9</b>	<b>\$ 133.6</b>	<b>\$ 141.0</b>	<b>\$ 150.9</b>	<b>\$</b>	<b>\$ 399.4</b>	<b>\$ 142.0</b>	<b>\$ 541.4</b>
Adjusted Revenue <sup>(4)</sup>	\$ 281.3	\$ 368.5	\$ 302.6	\$ 451.0	\$ 667.4	\$ 631.6	\$ 146.4	\$ 160.6	\$ 158.0	\$ 166.7	\$	\$ 432.1	\$ 199.5	\$ 631.6
<b>Adjusted EBITDA Margin</b>	<b>87.2%</b>	<b>82.0%</b>	<b>79.0%</b>	<b>86.0%</b>	<b>88.7%</b>	<b>85.7%</b>	<b>79.2%</b>	<b>83.2%</b>	<b>89.3%</b>	<b>90.6%</b>	<b>\$</b>	<b>92.4%</b>	<b>71.2%</b>	<b>85.7%</b>
Adjusted EBITDA	\$ 245.4	\$ 302.2	\$ 239.1	\$ 388.0	\$ 591.8	\$ 541.4	\$ 115.9	\$ 133.6	\$ 141.0	\$ 150.9	\$	\$ 399.4	\$ 142.0	\$ 541.4
Adjustments:														
Less: current income tax expense	(37.2)	(57.5)	(46.0)	(93.3)	(121.2)	(110.5)	(24.1)	(27.1)	(29.7)	(29.6)		(82.8)	(27.7)	(110.5)
Less: capex	(47.9)	(32.7)	(5.1)	(16.4)	(19.0)	(15.4)	(3.8)	(1.4)	(5.2)	(5.0)		(10.2)	(15.2)	(15.4)
Add: tax impact of land sales deemed	—	21.5	—	—	—	—	—	—	—	—		—	—	—
Add: interest	—	—	—	—	—	—	—	—	—	—		—	—	—
<b>Free cash flow</b>	<b>\$ 160.3</b>	<b>\$ 233.5</b>	<b>\$ 188.0</b>	<b>\$ 278.3</b>	<b>\$ 451.6</b>	<b>\$ 415.5</b>	<b>\$ 88.0</b>	<b>\$ 105.1</b>	<b>\$ 106.1</b>	<b>\$ 116.3</b>	<b>\$</b>	<b>\$ 316.4</b>	<b>\$ 99.1</b>	<b>\$ 415.5</b>

Source: Company data.

Note: Numbers may not foot due to immaterial rounding.

1. Land swap of ~\$22 million in 4Q19, and sale to WPX in 1Q19 of ~\$100 million.
2. Sale of nonparticipating perpetual oil and gas royalty interest in approximately 812 net royalty acres (1/8<sup>th</sup> 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.

**TPL**

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## Historical Financial Summary

(\$ in millions)	Year ended December 31,		Three months ended,	
	2022	2023	December 31, 2022	December 31, 2023
<b>Total Acres</b>	874,366	868,446	874,366	868,446
<b>Revenues:</b>				
Oil and gas royalties	\$452.4	\$357.4	\$96.7	\$98.8
Water sales	84.7	112.2	19.2	26.4
Produced water royalties	72.2	84.3	19.6	22.4
Easements and other surface-related income	48.1	70.9	10.7	19.1
Land sales and other operating revenue	10.0	6.8	6.5	—
<b>Total Revenues</b>	<b>\$667.4</b>	<b>\$631.6</b>	<b>\$152.7</b>	<b>\$166.7</b>
<b>Expenses:</b>				
Salaries and related employee benefits	\$41.4	\$43.4	\$11.7	\$10.7
Water service related expenses	17.5	33.6	4.4	9.1
General and administrative expenses	13.3	14.9	3.5	4.1
Legal and professional fees	8.7	31.5	3.7	3.1
Ad valorem taxes	8.9	7.4	1.9	2.0
Depreciation, depletion and amortization	15.4	14.8	3.2	3.9
<b>Total operating expenses</b>	<b>\$105.1</b>	<b>\$145.5</b>	<b>\$28.5</b>	<b>\$32.8</b>
<b>Operating income (loss)</b>	<b>\$562.3</b>	<b>\$486.1</b>	<b>\$124.2</b>	<b>\$133.9</b>
Margin (%)	84.3 %	77.0 %	81.4 %	80.3 %
Other income (expense)	6.5	31.5	3.9	11.3
<b>Income before income taxes</b>	<b>\$568.9</b>	<b>\$517.6</b>	<b>\$128.2</b>	<b>\$145.1</b>
Income tax expense	122.5	111.9	28.4	32.0
<b>Net Income</b>	<b>\$446.4</b>	<b>\$405.6</b>	<b>\$99.7</b>	<b>\$113.1</b>
Margin (%)	66.9 %	64.2 %	65.3 %	67.9 %
<b>Key balance sheet items:</b>	<b>2022</b>	<b>2023</b>	<b>4Q22</b>	<b>4Q23</b>
Cash and cash equivalents	\$510.8	\$725.2	\$510.8	\$725.2
Total debt	—	—	—	—
Total capital	772.9	1,043.2	772.9	1,043.2
Total assets	877.4	1,156.4	877.4	1,156.4
Total liabilities	104.5	113.2	104.5	113.2

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### **Texas Pacific Land Corporation**

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