

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): **June 8, 2021**

Commission File Number: **1-39804**

Exact name of registrant as specified in its charter:

**TEXAS PACIFIC LAND CORPORATION**

State or other jurisdiction of incorporation or organization:

Delaware

IRS Employer Identification No.:

75-0279735

Address of principal executive offices:

1700 Pacific Avenue, Suite 2900 Dallas, Texas 75201

Registrant's telephone number, including area code:

214-969-5530

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 or Rule 12b-2 of the Securities Exchange Act of 1934.

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 June 8, 2021, 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 June 2021</a>
104	Cover Page Interactive Data File (embedded within the Incline XBRL document).

---





# Investor Presentation

June 2021

---

# 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, save 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 this presentation, TPL utilizes earnings before interest, taxes, depreciation and amortization ("EBITDA"), which is not defined in the U.S. generally accepted accounting principles ("GAAP"). TPL believes that EBITDA is a useful supplement to net income as an indicator of operating performance. EBITDA is not presented as an alternative to net income and it should not be considered in isolation or as a substitute for net income. Please see Appendix for a reconciliation of EBITDA to net income, the most directly comparable financial measure calculated in accordance with GAAP.

# The Permian Basin “ETF”

NYSE: TPL



## “2nd Best Year in TPL History”



Performance  
Through the Cycle  
**\$303 Million**  
2020 Revenue



**\$200mm+**  
Dividends Paid in 2020  
**17 Year**  
History of Increasing  
Dividends



Balance Sheet  
Strength<sup>(1)</sup>  
**No Debt**  
Cash Balance of  
**\$311 Million**



**100% Texas**  
Permian  
Exposure



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



**~23,700**  
Core Permian Net  
Royalty Acres<sup>(2)</sup>  
**~880,000**  
Surface Acres



**~150%**  
Production Growth  
since 2018<sup>(3)</sup>



**~21 Years**  
Inventory Below  
\$40/bbl Breakeven<sup>(4)</sup>



Robust Inventory<sup>(5)</sup> of  
**541 DUCs**  
and  
**488 Permits**

Source: Company data and Enverus.

(1) Balance sheet as of 3/31/21.

(2) Net royalty acres defined as gross royalty acres (533,260) in-basin multiplied by the average royalty per acre (4.4%).

(3) Increase in daily average net well production from 1Q'18 to 1Q'21.

(4) Based on total inventory with a breakeven oil price less than \$40/bbl divided by 2020 average net spud count.

(5) As of 3/31/21 per Enverus and internal TPL estimates.

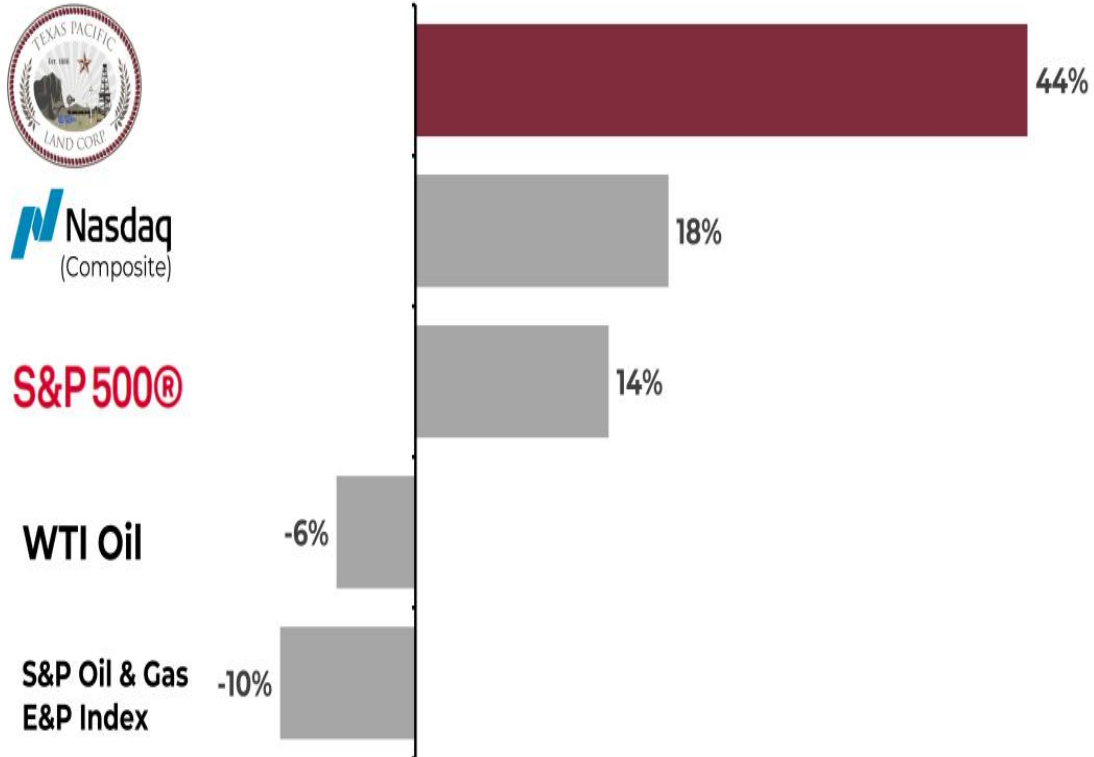
NYSE: TPL

3

# An Unmatched Oil and Gas Investment



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



Source: FactSet.  
(1) Based on FactSet compounded total shareholder return from April 2011 to March 2021.





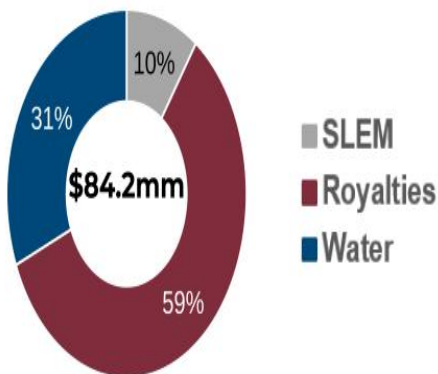
# Unique Exposure to Full Permian Development Chain

## TPL Business Overview

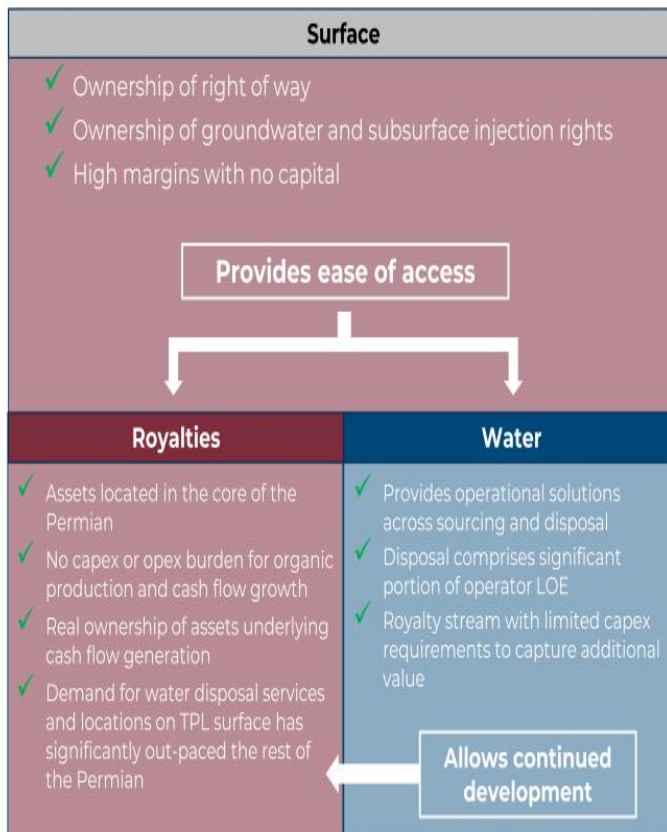
- SLEM** ■ TPL surface generates multiple income streams from Oil & Gas activities, Renewables, Grazing and Hunting leases
- Royalties** ■ TPL owns an average 4.4% revenue interest across ~533,260 gross royalty acres in the Permian Basin
- TPWR** ■ TPWR provides sourced and treated water for well completions and facilitates produced water disposal

## 1Q21 TPL Revenue

(\$ in millions)



## 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

NYSE: TPL

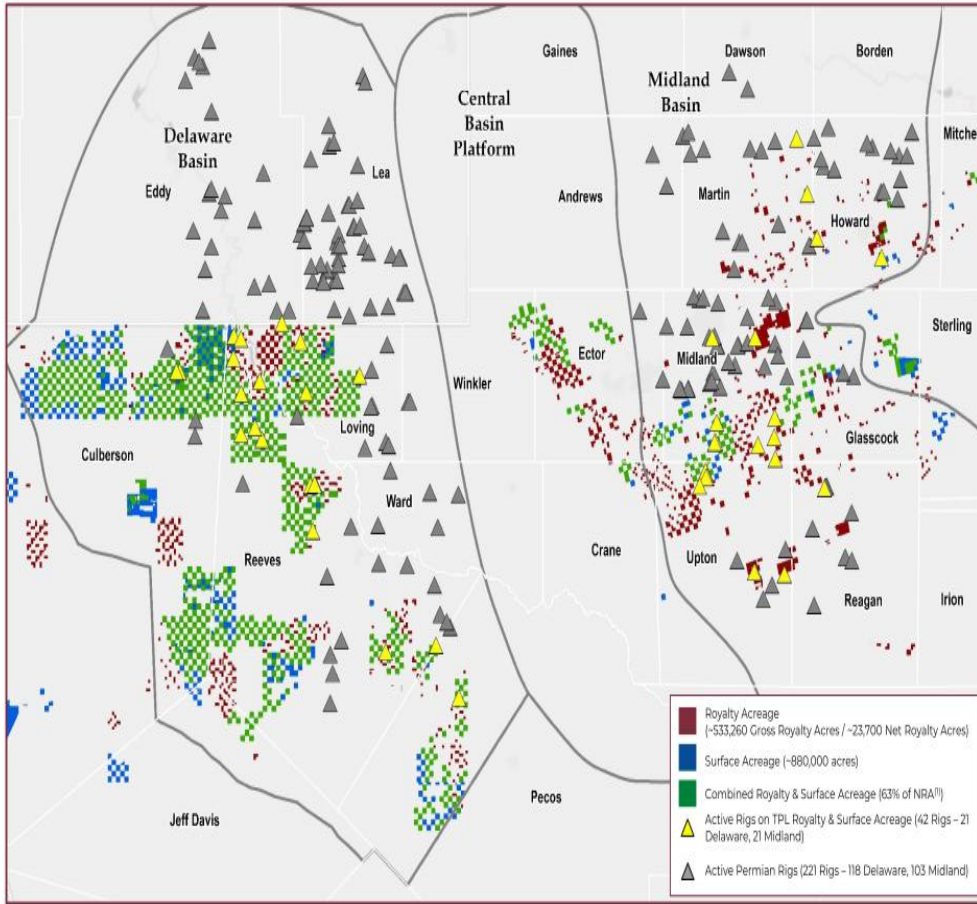


# Royalty Interest Overview

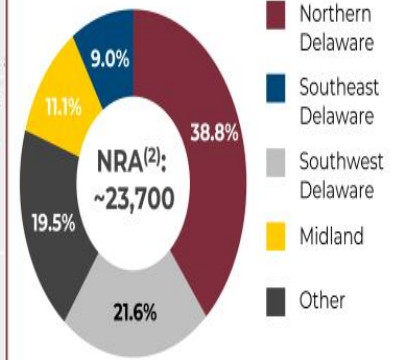
## Land and Resource Management



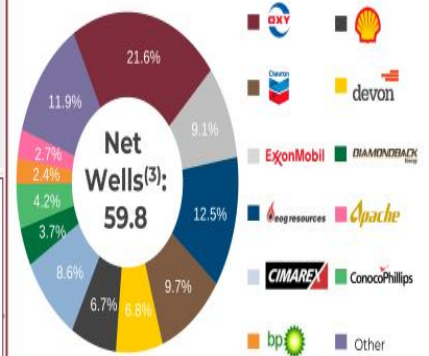
### Net Royalty Position and Rigs Running on Core TPL Acreage



### Net Royalty Acres Distribution



### Key Operators with a Permian Focus



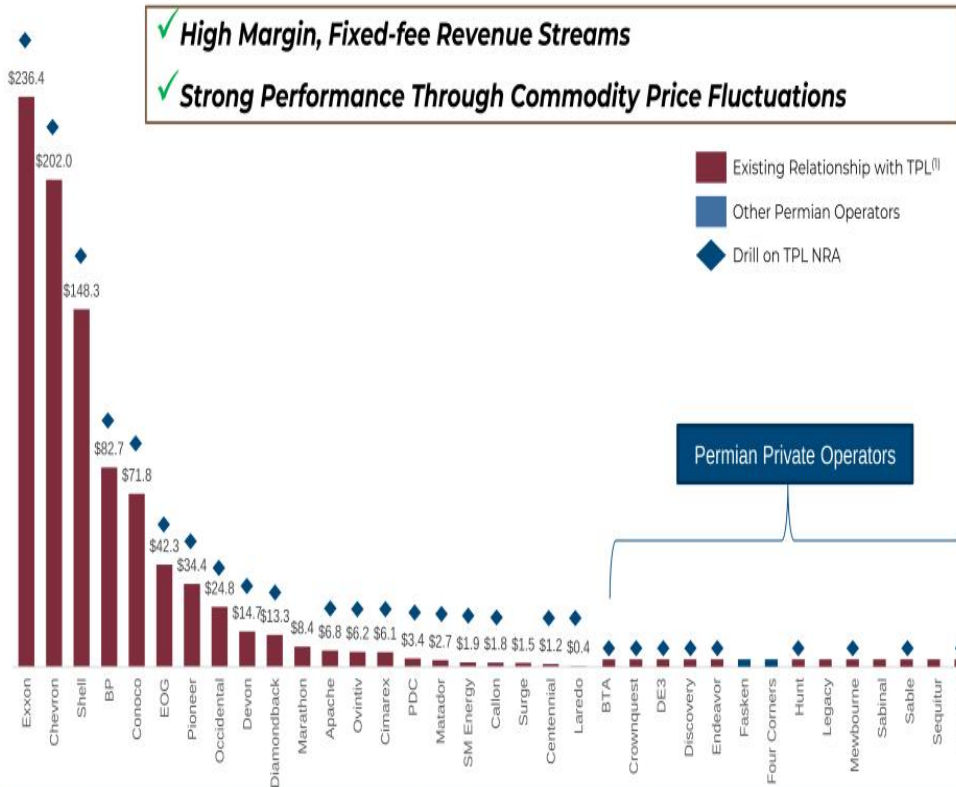
Source: Company data and Enverus data as of 6/1/21.  
 Note: Rigs on TPL based on 0.25 mile buffer around TPL Royalty Acreage DSUs and TPL Surface. Rig counts include active Horizontal, Directional and Unclassified rigs per Enverus Rig Analytics.  
 (1) Based on 754,080 combined surface and gross royalty acres and 441,013 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 1Q21.  
 (3) Includes net 42.5 PDP, 7.9 DUCs, 2.3 Completed and 7.1 Permitted wells (represents only horizontal locations) as of 3/31/21.

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



## E&P Companies on TPL

Market Cap (in \$ billions) as of 3/31/2021



## Midstream Companies on TPL



## TPL has Existing Relationships with Over 91% of the Top E&P and also Blue-Chip Midstream Companies<sup>(2)</sup>

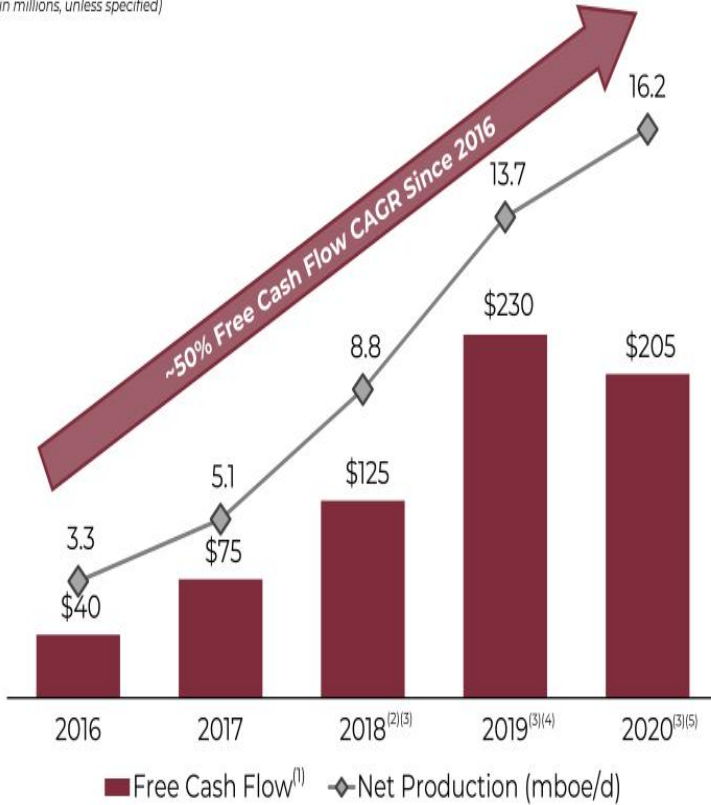
Source: Company data and FactSet as of 3/31/21.  
 (1) Relationships established through surface operations and/or water sourcing / produced water.  
 (2) Based on publicly traded operators and midstream companies.

# Business Segments Overview



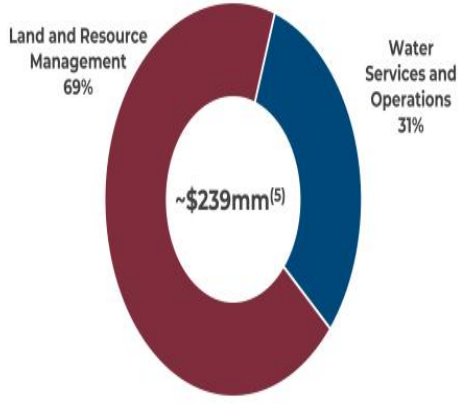
## Production and Free Cash Flow<sup>(1)</sup> Growth

(\$ in millions, unless specified)

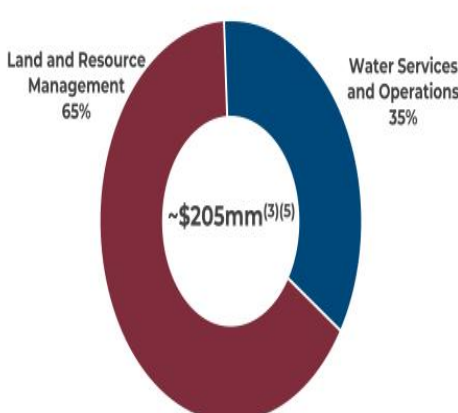


## 2020

Adjusted EBITDA<sup>(6)</sup>

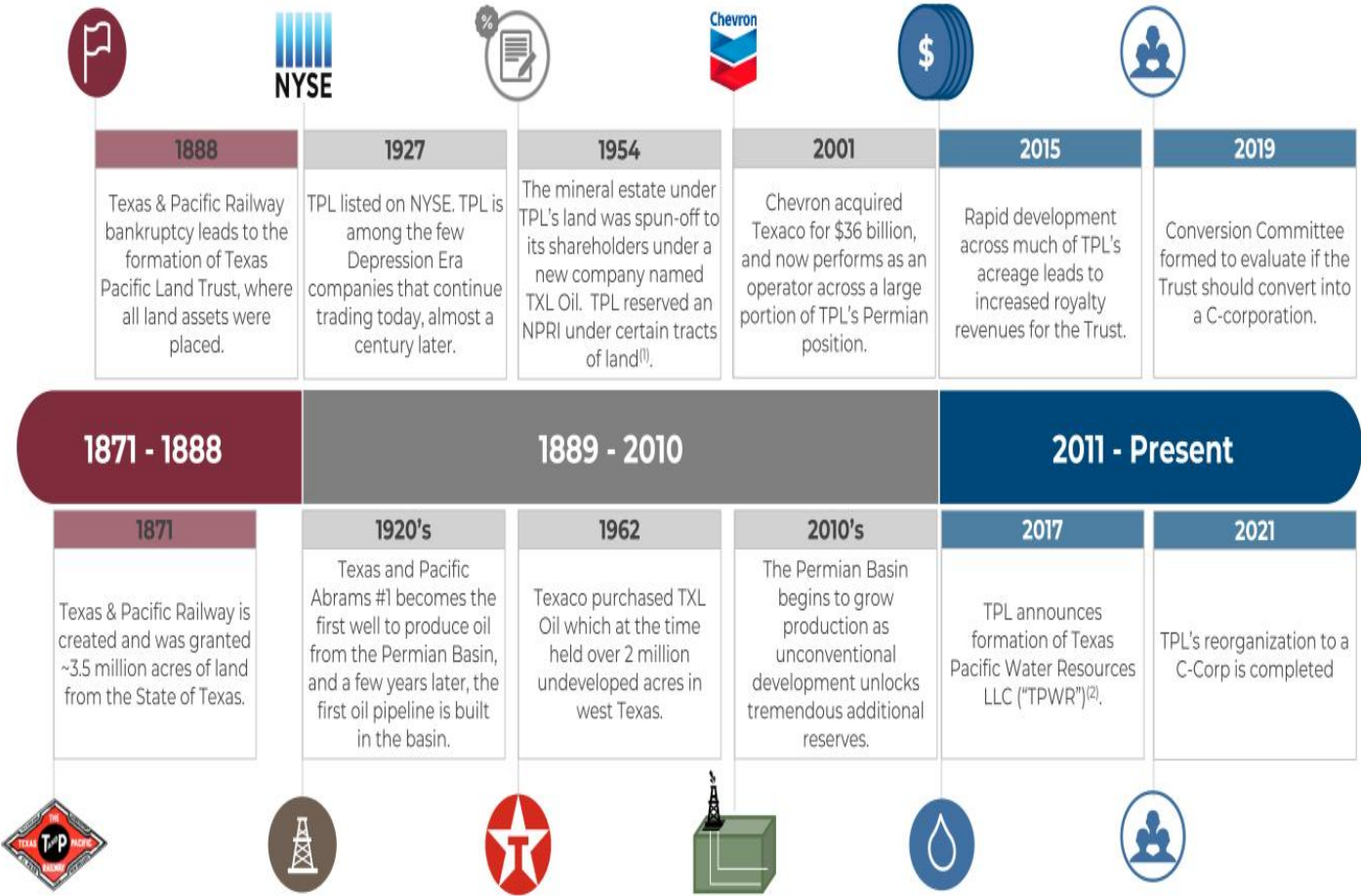


Free Cash Flow<sup>(1)</sup>



Source: Company data.  
 Note: Land and Resource Management values include of land-related surface and easement income. Water Services and Operations values include of water-related surface and easement income. Please see Appendix for reconciliations of non-GAAP financial measures to their most directly comparable GAAP measures.  
 (1) Free cash flow calculated as cash flow from operations less capital expenditures. Capital expenditures do not include acquisitions.  
 (2) Normalized for one-time \$10 million sale of nonparticipating perpetual oil and gas royalty interest in approximately 812 net royalty acres (19th interest).  
 (3) Assumes corporate tax rate of 21%.  
 (4) Normalized for one-time \$100 million HPX land sale, one-time \$2 million land swap and one-time \$13 million costs related to a proxy contest to elect a new Trustee.  
 (5) Normalized for one-time \$5 million costs related to corporate reorganization.  
 (6) Please see Appendix for reconciliations of non-GAAP financial measures to their most directly comparable GAAP measures.

# 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 1/128 NPRI under all lands held by production.

(2) TPWR is a 100% wholly owned subsidiary of TPL.



# Key Investment Highlights



## Performance Through the Cycle

- ~\$303 million in total revenue for YE2020 - second highest in company history
- ~\$51 million in 2020 revenue from disposal royalties and water related easements – highest in company history
- ~16.4 mboe/d 1Q21 average daily royalty production

## ETF of the Permian Basin

- Largest royalty company with 100% of acreage located in Texas Permian Basin
- Three high-margin revenue streams linked to the development intensity of the Permian – multiple “ways to win”
- Unparalleled position consisting of ~23,700 net royalty acres (“NRAs”)<sup>(1)</sup> and ~880,000 surface acres
- TPL interest is focused in the Delaware where rig count represents ~28% of total horizontal rigs across the U.S.

## Synergistic Business Segments

- Ownership of surface provides right-of-way for continued development across TPL's footprint
- Rights to water and ability to promote operational solutions promotes further growth of the royalty business
- Upside exposure to water disposal revenues as Delaware Basin production growth persists

## Focus on Return On and Of Capital

- Despite challenged oil and gas markets, TPL returned over \$200mm to shareholders during 2020
- \$2.75/share quarterly dividend
- Announced stock repurchase program up to an aggregate \$20 million through YE2021

## Sustained Profitability and Pristine Balance Sheet

- Robust 2020 Adjusted EBITDA<sup>(2)</sup> margin of 79% despite oil prices remaining below \$50/bbl throughout the majority of 2020
- No capex for organic royalty or land business growth; minimal for water
- No debt and cash balance of ~\$311 million as of 1Q21

## Significant Upside

- Significant undeveloped potential: only 10% of royalty acreage is developed with ~21,650 gross undeveloped locations<sup>(3)</sup>
- High concentration in what TPL believes is best part of Permian, with ~21 years of inventory under \$40/bbl breakeven<sup>(4)</sup>
- Water business continues to capitalize on opportunities to expand market share leading to future long-term growth
- Surface in frontier areas provides upside as development core expands with enhanced D&C and technology

Source: Company data, FactSet and Enverus as of 3/31/21.

(1) Net royalty acres defined as gross royalty acres (-533,260) multiplied by the average royalty per acre (4.4%).

(2) Please see Appendix for reconciliations of non-GAAP financial measures to their most directly comparable GAAP measures.

(3) As of 3/31/21 per Enverus and TPL internal estimates. Gross drilling locations based on an average lateral length of 6,975 as per the expected DSU.

(4) Based on total inventory with a breakeven oil price less than \$40/bbl divided by average 2020 net spud count.





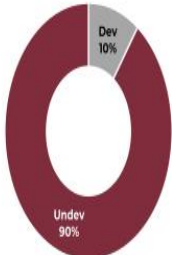
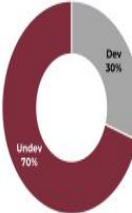
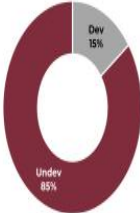
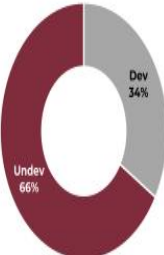
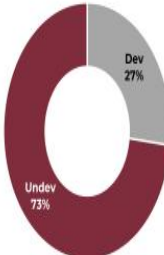






NYSE: TPL

10

# Comparison of Key Statistics

## Land and Resource Management



			 BRIGHAM MINERALS	 BRIGHAM MINERALS (Permian only)
Net Royalty Acres (NRA) <sup>(1)</sup>	~23,700	24,350	10,991	4,339
Permian NRA % Delaware NRA %	100% ~80%	~97% ~47%		~39% ~33%
Net Permian Resource (mboe) / NRA <sup>(2)</sup>	26.1	23.6		NM
Percent Undeveloped <sup>(3)</sup>		<div style="display: flex; justify-content: space-around;"> <div> <p><b>Midland</b></p>  </div> <div> <p><b>Delaware</b></p>  </div> </div>		
Key E&P Operators				
Significant Surface Ownership				

**Highest Permian Resource Per Acre of All Permian Peers Due to High Concentration in Stateline Area**

Source: Company data, public filings and Enverus as of 6/1/21.

(1) TPL NRA is based on 4.4% average royalty interest, per acre. VNOM NRA reported in May 2021 Investor Presentation. MNRL NRA reported in Q1 2021 Investor Presentation.

(2) Midland and Delaware only. TPL based on net resource (498 Mmboe) divided by NRA (19,084) where net resource is the product of subregion gross resource and implied NRL. VNOM based on net resource (559 Mmboe) divided by NRA (23,669), as per May 2021 Investor Presentation.

(3) Based on only horizontal wells. TPL Dev figure represents PDP only.

NYSE: TPL

11





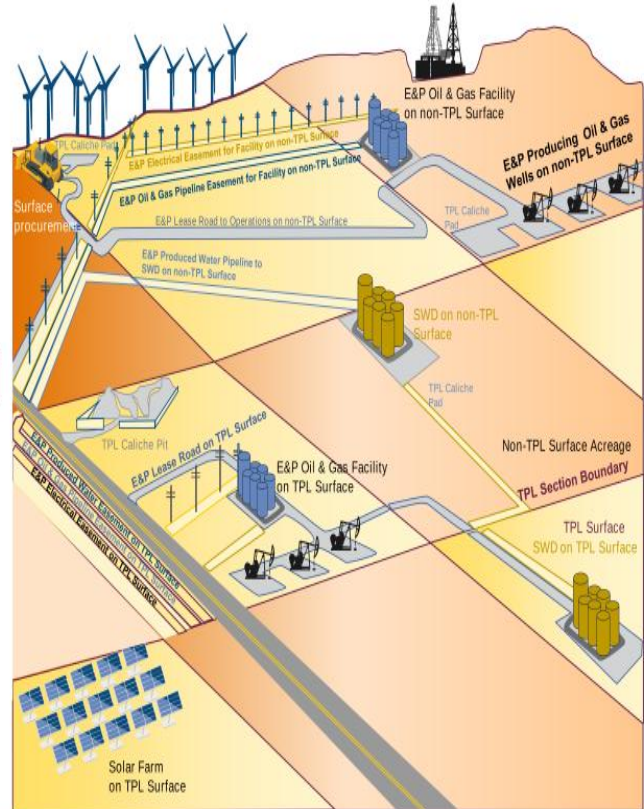
# Surface Leases, Easements and Material Sales (“SLEM”)

## Land and Resource Management

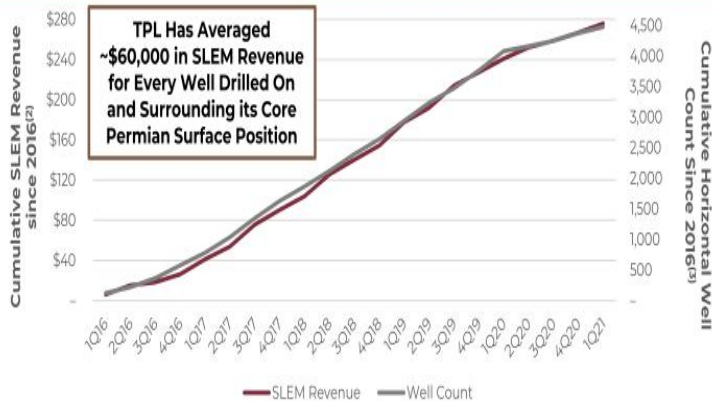
~880,000 Surface Acres With a Concentration in Core Permian Areas

- ✓ Extensive position allows our surface to benefit from development occurring on and adjacent to TPL land
  - Since 2018, SLEM revenue has annually represented ~19% 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%)

Generates Multiple Long-Term Income Streams with No Opex



TPL SLEM Revenue Tracks the Region's Well Count



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

Source: Company data and Enverus.

(1) Total revenue adjusted for 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 3/31/21 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).

NYSE: TPL

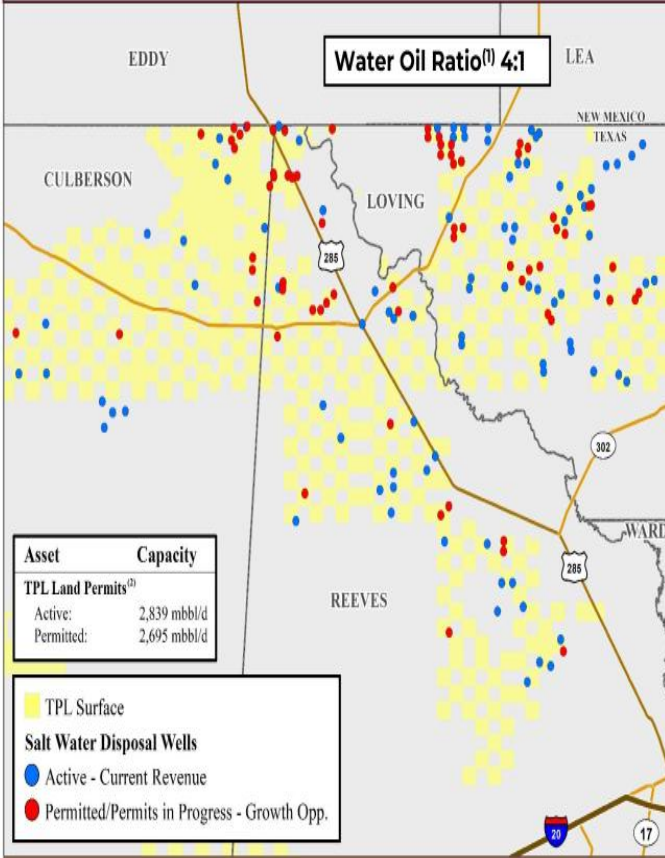
12

# Water Resources Asset Overview

## Water Services and Operations

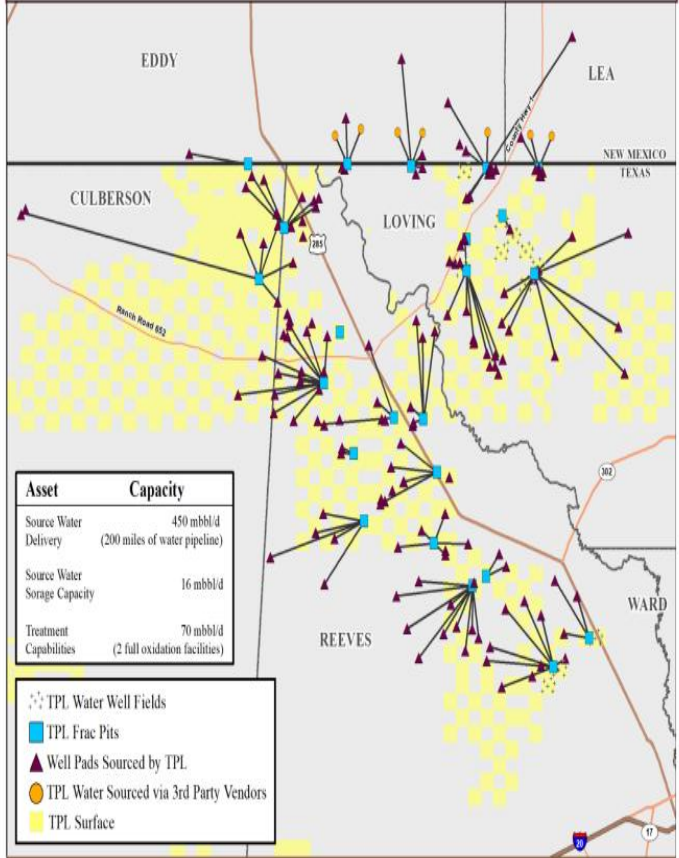


### Salt Water Disposal Wells



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 B3 Insight data as of 6/7/2021.

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.



# Growth Strategy and Competitive Advantage

## Water Services and Operations

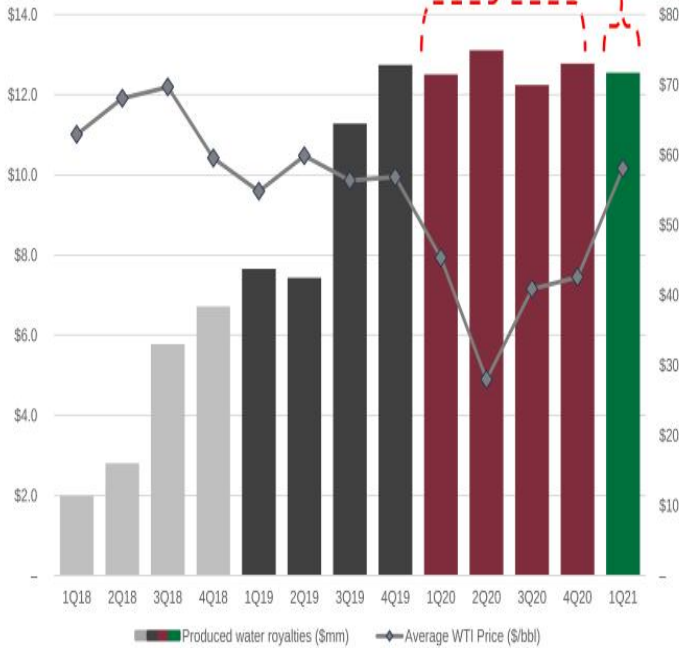


### Produced Water Royalties Stability Through the Cycle

(\$ in millions)

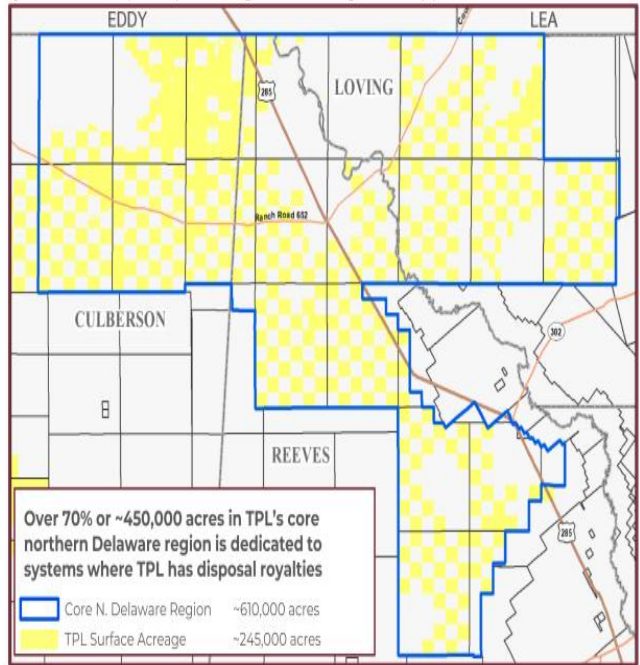
Despite 2020's challenging back drop of COVID-19 and oil price weakness, TPL's produced water royalty business generated its highest ever annual revenue

Strong 1Q21 performance despite February storm downtime



### 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

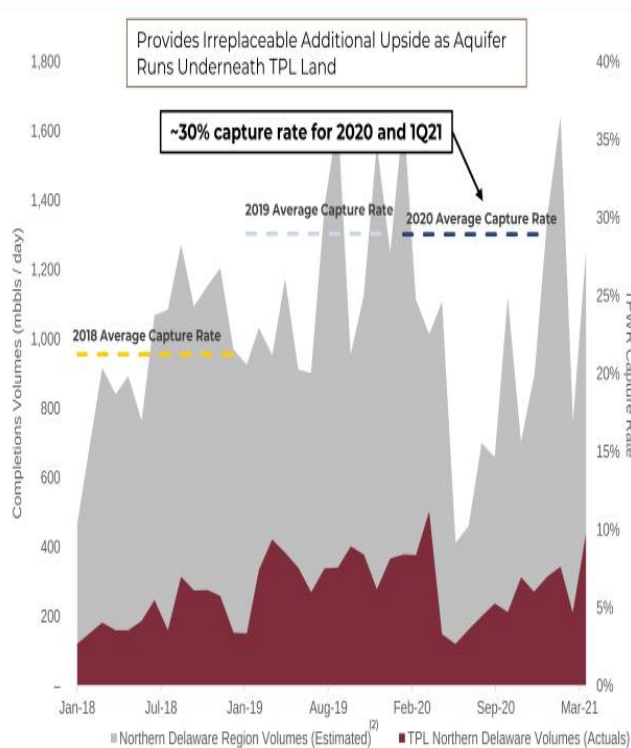
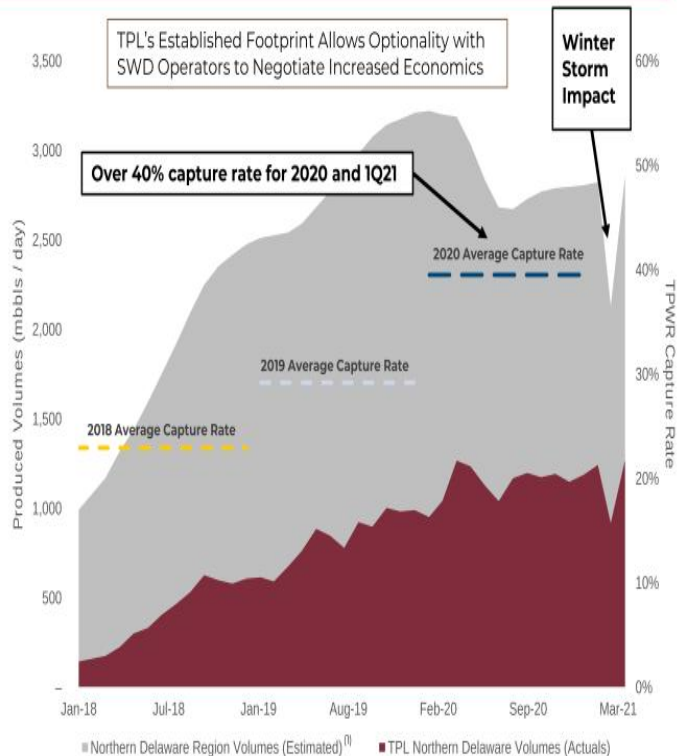
Source: Company data and FactSet data as of 3/31/21.

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



Northern Delaware Produced Water Volumes of ~1,160 mbbbls/d at ~\$0.11/bbl<sup>(1)</sup>  
 Total Produced Water Volumes of ~1,270 mbbbls/d at ~\$0.11/bbl<sup>(1)</sup>

Northern Delaware Sourced Water Volumes of ~335 mbbbls/d at ~\$0.45/bbl<sup>(2)</sup>  
 Total Sourced Water Volumes of ~340 mbbbls/d at ~\$0.45/bbl<sup>(2)</sup>



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

Source: Company data and Enverus as of 3/31/21.  
 Note: Northern Delaware Region is defined as approximately 1,400,000 acres surrounding TPL's Northern Delaware Surface position including ~900,000 acres in Texas and ~500,000 acres in Southern New Mexico.  
 Capture rate defined as TPL volumes as a percentage of total volumes in the Northern Delaware Region. Regional water volumes based on Enverus estimated WOR, historic oil production and Enverus oil type curves. Historic volumes represent horizontal wells drilled since TPWR formation in June 2017.  
 In our Northern Delaware Region since our last presentation released in February 2020, approximately 200 completion records occurring in 2018 and 2019 were backfilled via data and Enverus data sources. This update has resulted in a lower reported capture rate for TPL sourced water during historic periods.

(1) TPL data is the average for 1Q21. Regional produced water volumes based on Enverus estimated water production from wells drilled since TPWR formation (June 2017) shown through 1Q21 based on available data.

(2) TPL data is the average sourced + treated volumes for 1Q21. Regional sourced/treated water demand based on Enverus reported well fluid intensity volumes for wells completed in the Northern Delaware Region shown through 1Q21 based on available data.

NYSE: TPL

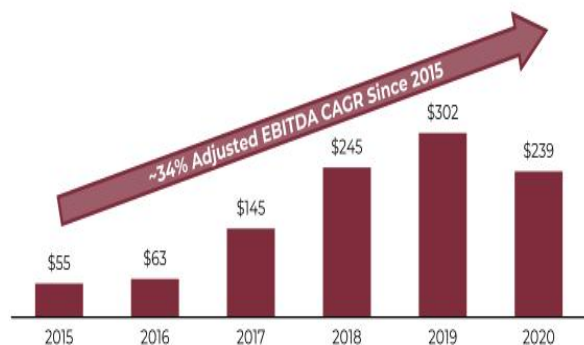
# Summary of Financials



## Adjusted EBITDA<sup>(1)</sup>

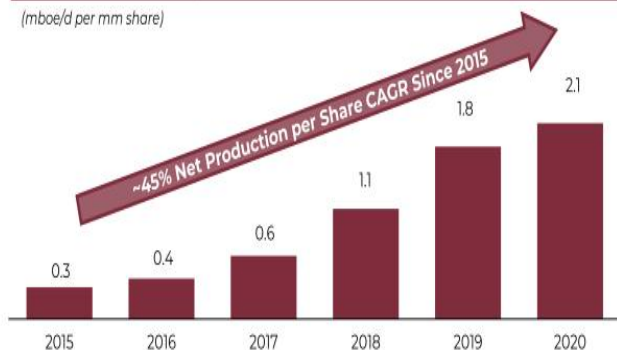
(\$ in millions)

Margin: **95%** **95%** **94%** **87%** **82%** **79%**



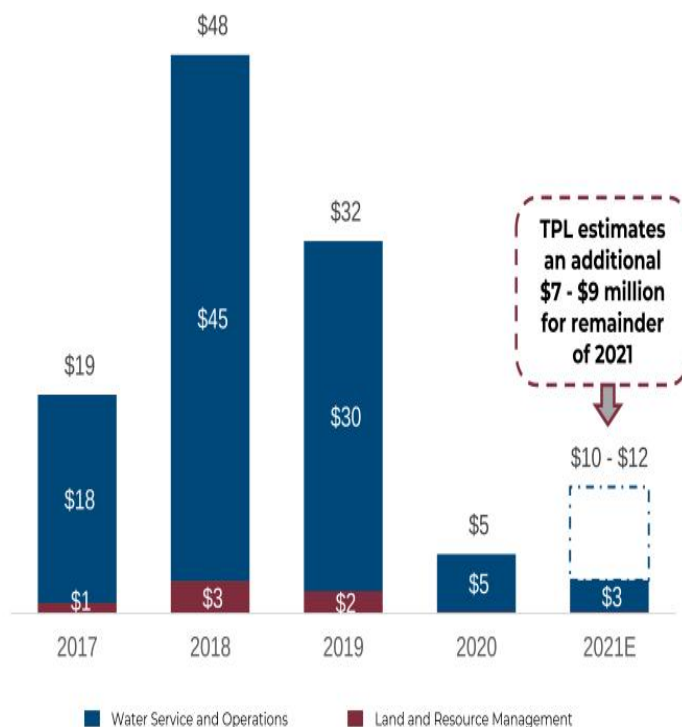
## Net Production per Share<sup>(2)</sup>

(mboe/d per mm share)



## 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 2015 to 2020. Please see Appendix for reconciliations of non-GAAP financial measures to their most directly comparable GAAP measures.

(1) EBITDA adjusted for land sales deemed significant, sales of oil and gas royalty interests, one-time costs related to a proxy contest to elect a new Trustee in 2019, and corporate reorganization costs in 2020.

(2) Calculated as average daily net production during the year divided by the average number of shares outstanding during the year.

NYSE: TPL

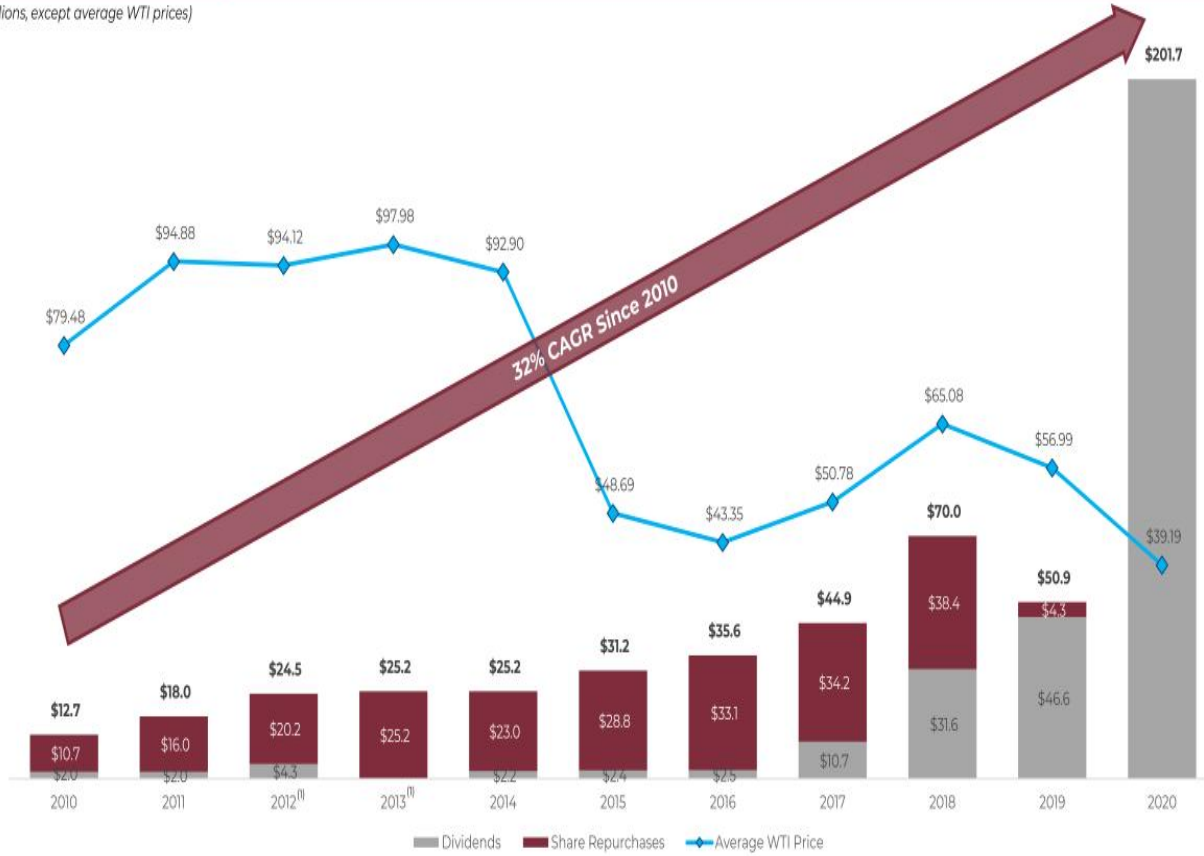
16

# Return of Capital to Shareholders



## Cumulative Return of Capital

(\$ in millions, except average WTI prices)



Source: Company data and FactSet

(1) Dividends for 2012 includes \$2.2 million of dividends for 2013 which were paid in the fourth quarter of 2012.

NYSE: TPL

17



# 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>

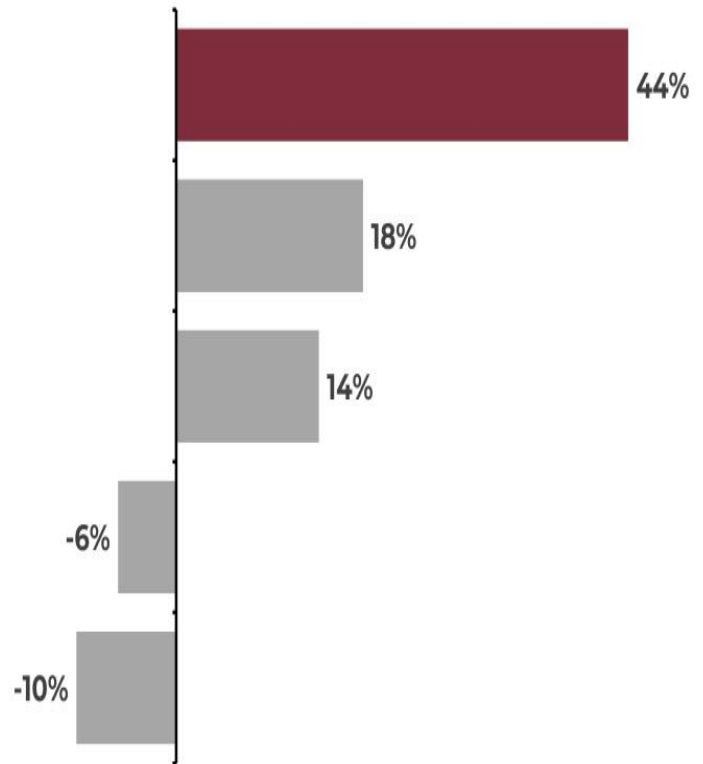


Nasdaq  
(Composite)

S&P 500®

WTI Oil

S&P Oil & Gas  
E&P Index

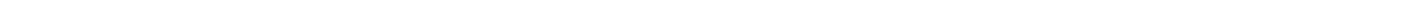


Source: FactSet  
(1) Based on FactSet compounded total shareholder return from April 2011 to March 2021.



## Appendix

---



# Texas Pacific Land Corporation Team

## Track Record of Shareholder Value Creation



### Texas Pacific Land Corporation



**Tyler Glover**  
President and CEO

Mr. Glover serves as TPL's President and Chief Executive Officer. He served as Chief Executive Officer, Co-General Agent and Secretary of the Trust from November 2016 to January 11, 2021. Mr. Glover also currently serves as President and Chief Executive Officer of TPWR.

Previously, Mr. Glover served as Assistant General Agent of the Trust and an independent landman in the Permian prior thereto.



**Chris Steddum**  
CFO

Mr. Steddum came to TPL from Stifel's oil and gas investment banking team where he served as a Director.

Mr. Steddum began his investment banking career in the O&G coverage group at Credit Suisse.

He earned his MBA from Rice University and Bachelors of Science in Business Administration from the University of South Carolina Honors College.



**Micheal W. Dobbs**  
SVP, General Counsel

Mr. Dobbs came to TPL from Kelley Drye & Warren LLP where he was a Partner with the firm.

Mr. Dobbs has over two decades of experience with property and mineral rights, water rights, easements and leasehold negotiations.

He earned his J.D. from the University of Houston and his Bachelor of Science in Rangeland Ecology and Management from Texas A&M and is a licensed attorney in the State of Texas.



**Stephanie Buffington**  
CAO

Ms. Buffington came to TPL from Monogram Residential Trust, a publicly traded REIT, where she served as Vice President of Financial Reporting.

Ms. Buffington has over two decades of public company experience and began her career at KPMG.

She earned her Bachelors of Business Administration in Accounting from the University of Texas at Arlington and is a licensed Certified Public Accountant in the State of Texas.



**Katie Keenan**  
VP, Assistant General Counsel

Ms. Keenan came to TPL in January 2017 and transitioned to Vice President, Land and Legal at Texas Pacific Water Resources. She now serves as Vice President and Assistant Counsel working with TPWR.

Previously, Ms. Keenan worked as a Landman for BHP Billiton in the Permian Basin.

She earned her law degree from the University of Oklahoma and is a licensed attorney in the State of Texas.

### Texas Pacific Water Resources



**Robert A. Crain**  
EVP

Robert Crain has served as Executive Vice President of Texas Pacific Water Resources since its formation in June 2017.

Prior to TPWR, Mr. Crain led water resource development efforts for EOG Resources across multiple basins, including the Permian and Eagle Ford.

Mr. Crain holds Bachelor of Science Degree from Texas State University and M.B.A. from University of Texas at Tyler.



**Jeremy Smith**  
VP, Business Development

Mr. Smith came to Texas Pacific Water Resources from EOG Resources where he negotiated water sourcing and purchasing agreements across the Permian Basin and the Eagle Ford.

Prior to EOG, Mr. Smith led a successful real estate broker service.



# TPL Revenue Streams Through the Life Cycle of a Well

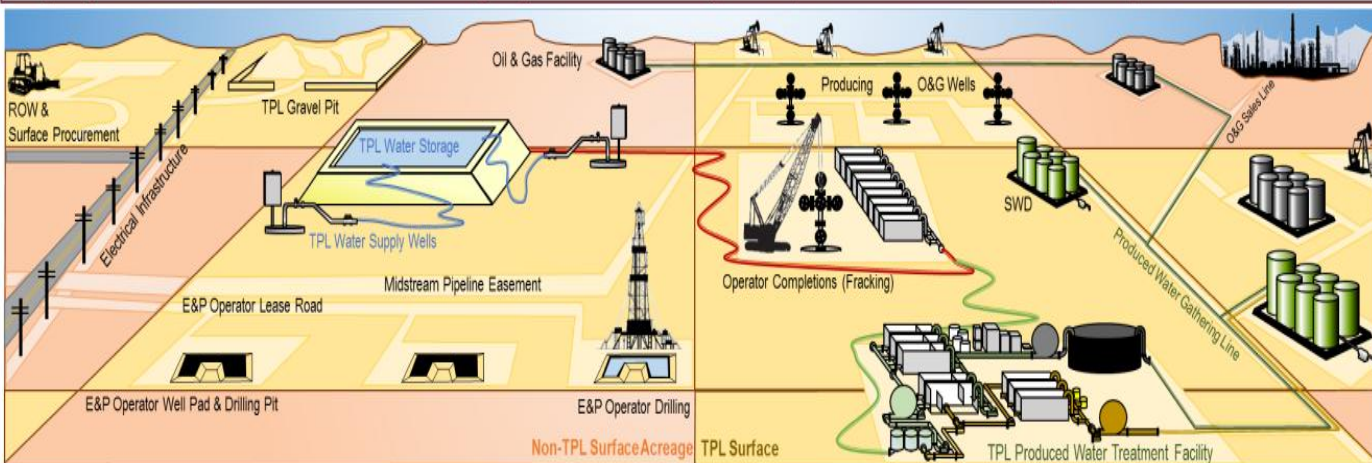
## 1 Initial Development Phase

## 2 Drilling and Completion Phase

## 3 Production Phase

Typical Activities	Initial Development Phase	Drilling and Completion Phase	Production Phase
	<ul style="list-style-type: none"> <li>Infrastructure for oil &amp; gas development</li> </ul>	<ul style="list-style-type: none"> <li>Sourced / Treated water volumes<sup>(1)</sup></li> <li>Development of gathering, transportation and processing infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Significant produced water volumes (gathering, treating and reuse, and disposing back into the ground)</li> </ul>
TPL Revenue Sources	<ul style="list-style-type: none"> <li>Fixed fee payments for use of TPL's surface to build infrastructure</li> <li>Sale of materials (caliche) used in the construction of infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Fixed price per barrel for providing brackish groundwater and / or treated produced water</li> <li>Fixed fee payments for the use of TPL's surface for a variety of midstream infrastructure requirements</li> </ul>	<ul style="list-style-type: none"> <li>Royalty interest on the oil &amp; gas produced</li> <li>Royalty per barrel (injection fee) for allowing saltwater disposal (SWD) on TPL lands</li> </ul>

### 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).



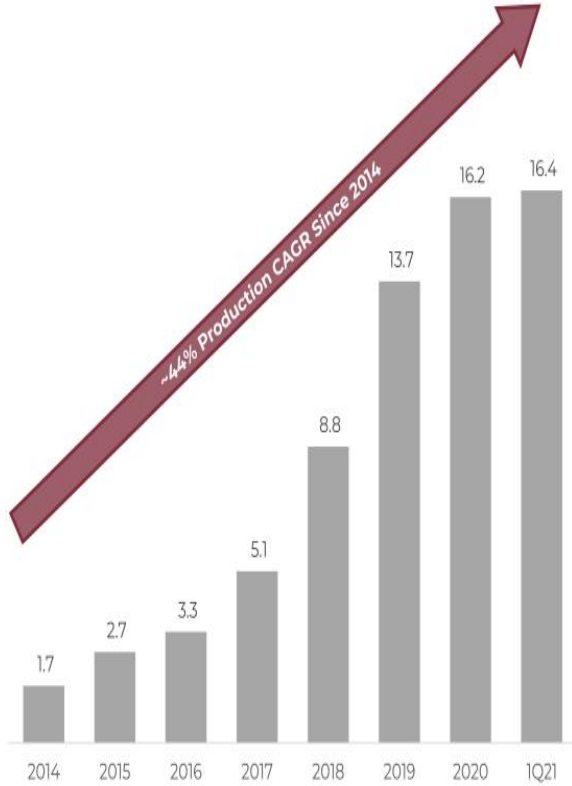
NYSE: TPL

# Well Positioned Assets Attract Increasing Development Focus

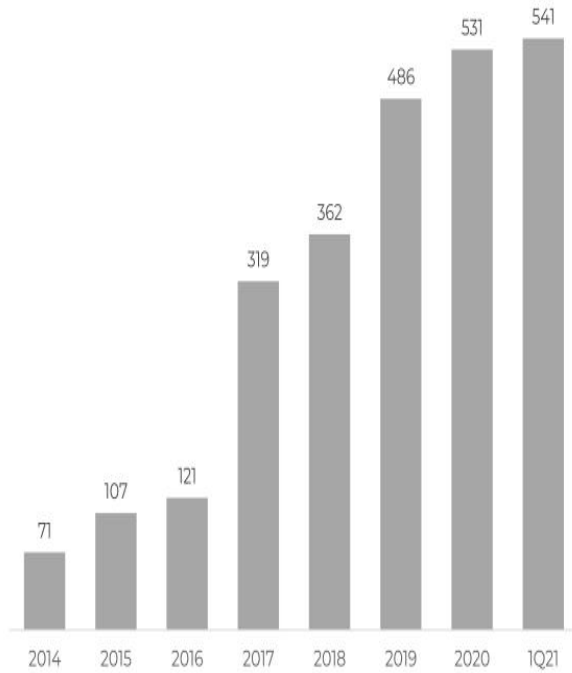
## Land and Resource Management



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 3/31/21 as if it had been owned since 1/1/4.  
 (1) DUCs considered to be all wells awaiting completion. DUC values shown as of period end date. Horizontal wells only.

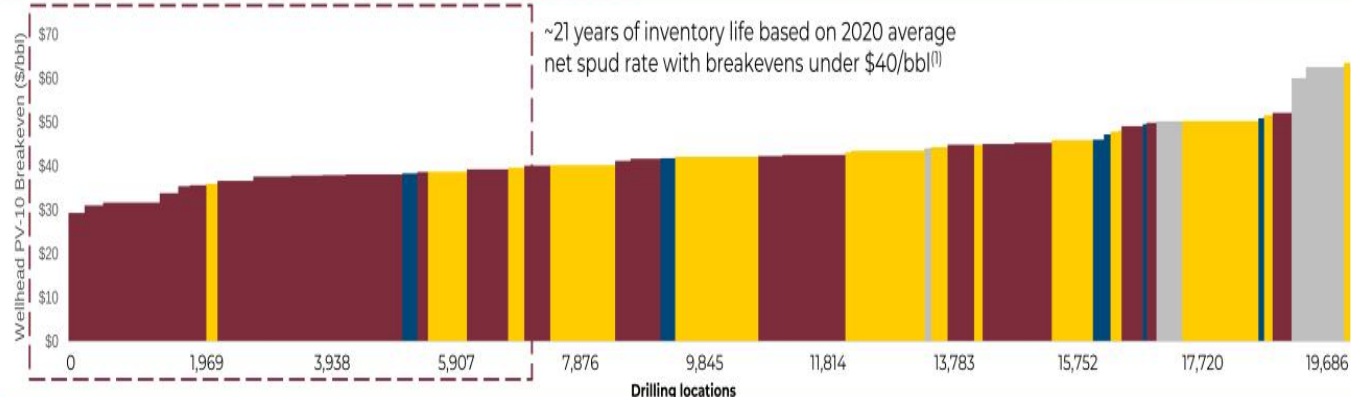


# Significant Undeveloped Resource in Core Areas

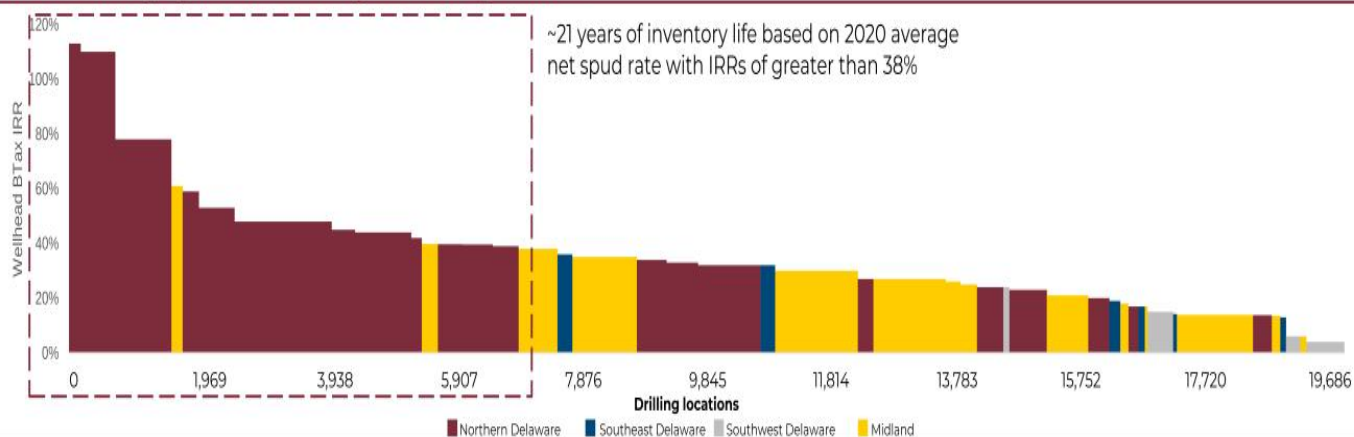
## Land and Resource Management



### TPL Inventory by Breakeven to Working Interest Operator



### TPL Inventory by IRR to Working Interest Operator(2)



Source: Company data and Enverus data as of 3/31/21.

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.

(1) Based on total inventory with a breakeven oil price less than \$40/bbl divided by 2020 average net spud count.

(2) IRRs calculated at a flat price of \$55.00/bbl and \$2.75/mcf of oil and gas, respectively.

NYSE: TPL



# Summary of Highest-Visibility Inventory

## Land and Resource Management



### 100% NRI Permitted Wells

~94% of Permits are drilled within 6 months<sup>(1)</sup>  
 ~99% of Permits are drilled within 12 months<sup>(1)</sup>

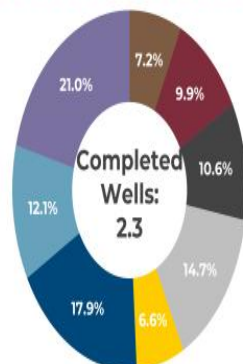
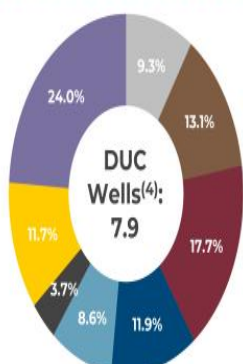
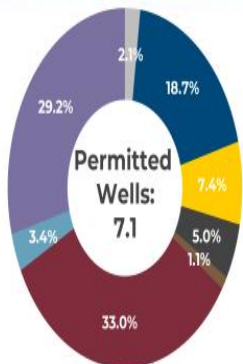
### 100% NRI DUC Wells

~54% of DUCs are completed within 6 months<sup>(2)</sup>  
 ~91% of DUCs are completed within 12 months<sup>(2)</sup>

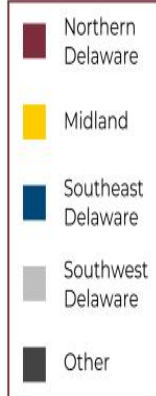
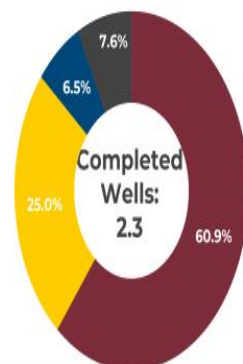
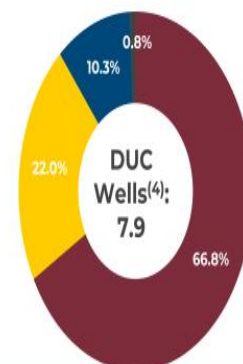
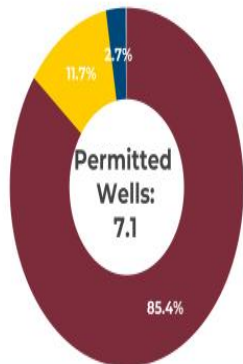
### 100% NRI Completed Wells

~90% of Completed Wells are listed as producing within ~1 month<sup>(3)</sup>

NRI by Operator



NRI by Region



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

Source: Company data and Enverus data as of 3/31/21.  
 Note: Permian Basin horizontal locations only as of 3/31/21.  
 (1) Permitted well conversion rate based on wells permitted from 4/1/19 through 3/31/20 and then drilled through 3/31/21.  
 (2) DUC well conversion rate based on wells drilled from 4/1/19 through 3/31/20 and then completed through 3/31/21.  
 (3) Completed well conversion rates based on wells completed between 4/1/19 and 3/31/20.  
 (4) DUCs considered to be all wells awaiting completion.

# Summary of Full Inventory Land and Resource Management



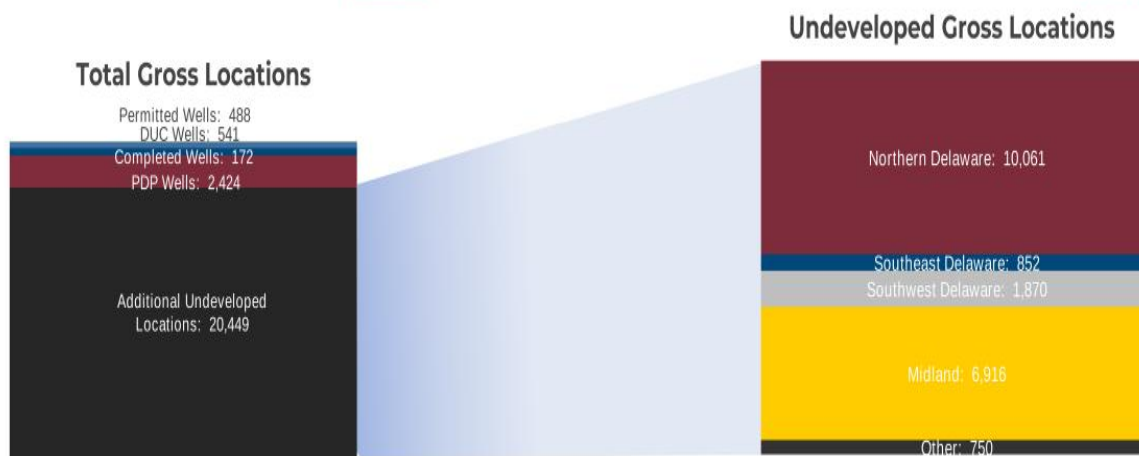
Sub-region	Average NRI <sup>(1)</sup>	NRA <sup>(2)</sup>	DSUs	PDP	Completed	DUCs <sup>(3)</sup>	Permits	Additional Undeveloped	Total Locations	PDP + Total Locations	Gross Undeveloped Resource (Mmboe) <sup>(4)</sup>	PDP + Total Locations / DSU	Average Lat. Length (ft.)
Northern Delaware	2.3%	9,206	510	1,340	68	247	275	10,061	10,651	11,991	17,276	24	6,312
Southeast Delaware	2.1%	2,126	102	109	7	45	14	852	918	1,027	664	10	6,553
Southwest Delaware	3.0%	5,112	132	8	-	-	-	1,870	1,870	1,878	1,966	14	5,336
Delaware	2.4%	16,444	744	1,457	75	292	289	12,783	13,439	14,896	19,905	20	6,205
Midland	0.5%	2,640	344	904	85	244	199	6,916	7,444	8,348	5,827	24	8,483
Other	1.8%	4,631	128	64	11	5	-	750	766	830	341	6	6,054
<b>Total</b>	<b>1.7%</b>	<b>23,715</b>	<b>1,216</b>	<b>2,424</b>	<b>172</b>	<b>541</b>	<b>488</b>	<b>20,449</b>	<b>21,650</b>	<b>24,074</b>	<b>26,073</b>	<b>20</b>	<b>6,975</b>

Established Production Base

High Near-Term Cash Flow

Outstanding Organic Resource

Grounded in Conservative Assumptions



Source: Company data and Enverus data as of 3/31/21.  
 Note: Permian Basin horizontal locations only, shown on a gross location basis. 1943 vertical wells excluded. Other areas include Eastern Shelf, Western Delaware, and Central Basin Platform. Proved developed locations include PDP locations and completed locations.  
 (1) Calculated as 100% Net Royalty Acres divided by DSU Acres.  
 (2) Net royalty acres defined as gross royalty acres (533,262) multiplied by the average royalty per acre (4.4%).  
 (3) As of 3/31/21 per Enverus, DUCs considered to be all wells awaiting completion.  
 (4) Gross undeveloped resource is based on average EUR 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 7,500' ft. well. Additional volumes from vertical wells not captured in gross undeveloped resource.

# 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%	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>489,709</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

#### 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 Space 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 data as of 3/31/21.

Note: Other areas include Eastern Shelf, Western Delaware, and Central Basin Platform.

(1) Excluding acres which are considered to be outside of Basin.

NYSE: TPL

26

# Historical Financial Summary



(\$ in millions)	Year ended December 31,		Three months ended,		
	2019	2020	1Q20	4Q20	1Q21
<b>Total Acres</b>	901,787	880,523	902,513	880,523	880,523
<b>Revenues:</b>					
Oil and gas royalties	\$154.7	\$137.9	\$42.4	\$43.3	\$49.5
Water sales and royalties	85.0	54.9	27.0	7.3	13.0
Produced water royalties	39.1	50.6	12.5	12.8	12.5
Easements and other surface-related income	76.3	41.4	13.8	9.3	9.0
Land sales	135.0	17.4	0.9	1.5	--
Other operating revenue	0.4	0.3	0.1	0.1	0.1
<b>Total Revenues</b>	<b>\$490.5</b>	<b>\$302.6</b>	<b>\$96.6</b>	<b>\$74.3</b>	<b>\$84.2</b>
<b>Expenses:</b>					
Salaries and related employee expenses	\$35.0	\$32.2	\$10.6	\$4.9	\$10.0
Water service-related expenses	20.8	14.2	6.8	3.0	3.3
General and administrative expenses	9.6	9.8	3.0	2.5	2.8
Legal and professional fees	16.4	10.8	2.4	3.8	2.2
Land sales expenses	0.2	4.0	--	1.2	--
Depreciation, depletion and amortization	8.9	14.4	3.3	3.6	3.8
<b>Total operating expenses</b>	<b>\$90.9</b>	<b>\$85.3</b>	<b>\$26.1</b>	<b>\$19.1</b>	<b>\$22.1</b>
<b>Operating income (loss)</b>	<b>\$399.6</b>	<b>\$217.3</b>	<b>\$70.5</b>	<b>\$55.2</b>	<b>\$62.0</b>
Margin (%)	81.5%	71.8%	73.0%	74.3%	73.7%
Other income, net	2.7	2.4	0.8	0.1	0.0
<b>Income before income taxes</b>	<b>\$402.3</b>	<b>\$219.7</b>	<b>\$71.4</b>	<b>\$55.3</b>	<b>\$62.0</b>
Income tax expense	83.6	43.6	14.0	10.5	12.0
<b>Net income</b>	<b>\$318.7</b>	<b>\$176.1</b>	<b>\$57.4</b>	<b>\$44.8</b>	<b>\$50.1</b>
Margin (%)	65.0%	58.2%	59.4%	60.3%	59.5%
<b>Key balance sheet items:</b>	<b>2019</b>	<b>2020</b>	<b>1Q20</b>	<b>4Q20</b>	<b>1Q21</b>
Cash and cash equivalents	\$303.6	\$281.0	\$223.7	\$281.0	\$310.7
Total debt	--	--	--	--	--
Total equity	512.1	485.2	445.3	485.2	513.9
Total assets	598.2	571.6	544.6	571.6	613.8
Total liabilities	86.0	86.5	99.3	86.5	99.9

Source: Company data.

Note: Numbers may not foot due to immaterial rounding.

# Non-GAAP Reconciliations



(\$ in millions)	Year ended December 31,						Three months ended,				Land and Resource Management	Water Services and Operations	Total
	2015	2016	2017	2018	2019	2020	2Q20	3Q20	4Q20	1Q21	Three months ended,		
											March 31, 2021	March 31, 2021	March 31, 2021
Net income	\$50.0	\$42.3	\$97.2	\$209.7	\$318.7	\$176.1	\$27.6	\$46.3	\$44.8	\$50.1	\$39.5	\$10.5	\$50.1
Adjustments:													
Income taxes	25.2	20.6	47.8	52.0	83.6	43.6	7.3	11.8	10.5	12.0	9.0	2.9	12.0
Depreciation, depletion and amortization	0.0	0.0	0.4	2.6	8.9	14.4	3.7	3.8	3.6	3.8	0.5	3.3	3.8
<b>EBITDA</b>	<b>\$75.3</b>	<b>\$62.9</b>	<b>\$145.4</b>	<b>\$264.3</b>	<b>\$411.2</b>	<b>\$234.1</b>	<b>\$38.6</b>	<b>\$61.8</b>	<b>\$59.0</b>	<b>\$65.9</b>	<b>\$49.0</b>	<b>\$16.8</b>	<b>\$65.9</b>
Revenue	\$78.1	\$66.1	\$154.6	\$300.2	\$490.5	\$302.6	\$57.3	\$74.4	\$74.3	\$84.2	\$57.8	\$26.4	\$84.2
<b>EBITDA Margin</b>	<b>96.4%</b>	<b>95.2%</b>	<b>94.0%</b>	<b>88.0%</b>	<b>83.8%</b>	<b>77.4%</b>	<b>67.4%</b>	<b>83.1%</b>	<b>79.3%</b>	<b>78.3%</b>	<b>84.9%</b>	<b>63.8%</b>	<b>78.3%</b>
<b>Adjusted EBITDA:</b>													
EBITDA	\$75.3	\$62.9	\$145.4	\$264.3	\$411.2	\$234.1	\$38.6	\$61.8	\$59.0	\$65.9	\$49.0	\$16.8	\$65.9
Other Adjustments:													
Less: land sales deemed significant <sup>(1)</sup>	(19.8)	--	--	--	(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	2.0	0.5	2.2	2.0	2.0	--	2.0
<b>Adjusted EBITDA</b>	<b>\$55.5</b>	<b>\$62.9</b>	<b>\$145.4</b>	<b>\$245.4</b>	<b>\$302.2</b>	<b>\$239.1</b>	<b>\$40.6</b>	<b>\$62.3</b>	<b>\$61.2</b>	<b>\$67.9</b>	<b>\$51.0</b>	<b>\$16.8</b>	<b>\$67.9</b>
Adjusted Revenue <sup>(4)</sup>	\$58.3	\$66.1	\$154.6	\$281.3	\$368.5	\$302.6	\$57.3	\$74.4	\$74.3	\$84.2	\$57.8	\$26.4	\$84.2
<b>Adjusted EBITDA Margin</b>	<b>95.2%</b>	<b>95.2%</b>	<b>94.0%</b>	<b>87.2%</b>	<b>82.0%</b>	<b>79.0%</b>	<b>70.9%</b>	<b>83.8%</b>	<b>82.3%</b>	<b>80.6%</b>	<b>88.3%</b>	<b>63.8%</b>	<b>80.6%</b>

Source: Company data.  
 Note: Numbers may not foot due to immaterial rounding.  
 (1) Land swap of ~\$22 million in 4Q19, and sale to WPK in 1Q19 of ~\$100 million.  
 (2) Sale of nonparticipating perpetual oil and gas royalty interest. In approximately 812 net royalty acres (118th interest) of ~\$19 million in 4Q19.  
 (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.





## **Texas Pacific Land Corporation**

**1700 Pacific Avenue, Suite 2900  
Dallas, Texas 75201**

---



