

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): May 8, 2024

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 2.02. Results of Operations and Financial Condition.**

Texas Pacific Land Corporation (the “Company”) hereby incorporates by reference the contents of a press release announcing financial results for the three months ended March 31, 2024, which was released to the press on May 8, 2024. A copy of the press release is furnished as Exhibit 99.1 to this Report on Form 8-K.

**Item 7.01. Regulation FD Disclosure.**

On May 8, 2024, 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 99.2 to this Current Report on Form 8-K and is incorporated by reference herein.

Additionally on May 8, 2024, the Company also posted to the Company’s website at [www.texaspacific.com](http://www.texaspacific.com) a presentation titled “Produced Water Desalination and Beneficial Reuse” to be discussed during the Company’s upcoming quarterly earnings call. A copy of the presentation is furnished as Exhibit 99.3 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 99.2 and Exhibit 99.3, 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.

[99.1](#) [Press release including financial results of Texas Pacific Land Corporation for the Three Months Ended March 31, 2024 and 2023.](#)

[99.2](#) [Investor Presentation May 2024.](#)

[99.3](#) [Presentation: Produced Water and Desalination and Beneficial Reuse May 2024.](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document).

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**TEXAS PACIFIC LAND CORPORATION ANNOUNCES FIRST QUARTER RESULTS AND RECORD WATER SEGMENT REVENUES**

**Earnings Call to be held 7:30 am CT on Thursday, May 9, 2024**

DALLAS, TX (May 8, 2024) – Texas Pacific Land Corporation (NYSE: TPL) (the “Company” or “TPL”) today announced its financial and operating results for the first quarter of 2024.

***First Quarter 2024 Highlights***

- The Company announces today the development of a new energy-efficient method of produced water desalination and treatment. The Company has successfully conducted a technology pilot and is progressing towards the construction of a larger test facility with an initial capacity of 10,000 barrels of produced water per day.
- Three-for-one stock split effective March 26, 2024
- Net income of \$114.4 million, or \$4.97 per share (diluted)
- Revenues of \$174.1 million, including record water segment revenues of \$62.7 million
- Adjusted EBITDA<sup>(1)</sup> of \$152.0 million
- Free cash flow<sup>(1)</sup> of \$114.5 million
- Royalty production of 24.8 thousand barrels of oil equivalent (“Boe”) per day
- \$10.3 million of common stock repurchases
- Quarterly cash dividend of \$1.17 per share paid on March 15, 2024 as adjusted for the three-for-one stock split
- As of March 31, 2024, TPL’s royalty acreage had an estimated 5.1 net well permits, 10.3 net drilled but uncompleted wells, 2.2 net completed wells, and 70.2 net producing wells. Net producing wells added during the quarter had an average lateral length of approximately 9,529 ft.

<sup>(1)</sup> Reconciliations of Non-GAAP measures are provided in the tables below.

“Driven by the continued strength of our surface-derived cash flows, our first quarter 2024 results are a great start to the year,” said Tyler Glover, Chief Executive Officer of the Company. “Water Sales, Produced Water Royalties, and Easements and Other Surface-Related Income each generated significant sequential quarter-over-quarter revenue growth, with their aggregate revenue contribution increasing 19% during the period. Each of these revenue streams is derived from the efforts of our dedicated team of employees who have worked diligently to take our ownership of raw surface acreage and commercialize it into sizable cash flows. Activity in the Permian remains robust, and TPL is well-positioned to capture revenues from supportive fundamentals across multiple elements of oil and gas development. We continue to make strategic investments in people, technology, and assets as we seek to extract maximum value from our legacy asset base while also exploiting unique opportunities where we have considerable advantages.

“We are also excited to announce today our progress with developing innovative solutions for produced water in the Permian Basin. Over the last few years, we have been working with a leading industrial technology and manufacturing firm to develop an energy-efficient desalination and treatment process and associated equipment that can recycle produced water into fresh water with quality standards appropriate for surface discharge and beneficial reuse. With the Permian generating approximately 18 million barrels of produced water per day, this technology would provide an attractive and critical alternative to subsurface injection. TPL has successfully tested a pilot program in our research and development lab, and we are now working towards the next phase of constructing a facility with an initial capacity of 10,000 barrels of water per day. TPL filed an application patent for the desalination

and treatment process and has secured exclusive use-rights for the equipment towards produced water applications. We are also in commercial discussions with blue-chip oil and gas upstream operators as we look to provide critical, technology driven solutions while also optimizing TPL's economic interests and limiting capital expense. In addition, TPL continues to make significant progress with beneficial reuse initiatives."

#### ***Financial Results for the First Quarter of 2024 - Sequential***

The Company reported net income of \$114.4 million for the first quarter of 2024 compared to net income of \$113.1 million for the fourth quarter of 2023.

Total revenues for the first quarter of 2024 were \$174.1 million compared to \$166.7 million for the fourth quarter of 2023. The increase in revenue was principally due to an increase of \$10.7 million in water sales. The growth in water sales is principally due to an increase of 31.3% in water sales volumes for the first quarter of 2024 compared to the fourth quarter of 2023. Oil and gas royalty revenue decreased \$6.6 million principally due to lower production volumes in the first quarter of 2024 compared to the fourth quarter of 2023. The Company's share of production was 24.8 thousand Boe per day for the first quarter of 2024 versus 26.3 thousand Boe per day for the fourth quarter of 2023. The average realized price was \$42.71 per Boe in the first quarter of 2024 versus \$42.81 per Boe in the fourth quarter of 2023. TPL's revenue streams are directly impacted by commodity prices and development and operating decisions made by our customers.

Total operating expenses were \$38.1 million for the first quarter of 2024 compared to \$32.8 million for the fourth quarter of 2023. The change in operating expenses is principally related to an increase in salaries and related employee expenses resulting from regular annual market compensation adjustments for employees and higher water service-related expenses related to the growth in water sales.

#### ***Financial Results for the First Quarter of 2024 - Year Over Year***

Total revenues for the first quarter of 2024 were \$174.1 million compared to \$146.4 million for the first quarter of 2023. All revenue streams increased year over year with the \$15.4 million increase in water sales being the biggest contributor. The growth in water sales is principally due to an increase of 51.3% in water sales volumes. Oil and gas royalty revenue increased \$3.0 million due to higher production volumes in the first quarter of 2024 compared to the first quarter of 2023. Oil and gas royalty revenue for the first quarter of 2023 included an \$8.7 million settlement with an operator with respect to unpaid oil and gas royalties for older production periods. Excluding the \$8.7 million settlement, oil and gas royalties increased \$11.7 million principally due to higher production volumes in the first quarter of 2024. The Company's share of production was 24.8 thousand Boe per day for the first quarter of 2024 versus 20.9 thousand Boe per day for the first quarter of 2023. The average realized price was \$42.71 per Boe in the first quarter of 2024 versus \$44.76 per Boe in the first quarter of 2023. TPL's revenue streams are directly impacted by commodity prices and development and operating decisions made by our customers.

Total operating expenses were \$38.1 million for the first quarter of 2024 compared to \$41.4 million for the first quarter of 2023. The change in operating expenses is principally related to a decrease in legal and professional fees during the first quarter of 2024 compared to the first quarter of 2023, partially offset by higher water service-related expenses due to the 51.3% increase in water sales volumes.

#### ***Quarterly Dividend Declared***

On May 6, 2024, the Company's Board of Directors (the "Board") declared a quarterly cash dividend of \$1.17 per share, payable on June 17, 2024 to stockholders of record at the close of business on June 3, 2024.

#### ***Board of Directors Formalize Strategic Acquisition Committee***

On May 6, 2024, the Board formalized the Strategic Acquisitions Committee as a standing committee of the Board and has appointed the following Board members to serve on the committee: Karl F. Kurz (Chair), Murray Stahl, Robert Roosa and Barbara J. Duganier.

#### ***Conference Call and Webcast Information***

The Company will hold a conference call on Thursday, May 9, 2024 at 7:30 a.m. Central Time to discuss first quarter results. A live webcast of the conference call will be available on the Investors section of the Company's website at <http://www.TexasPacific.com>. To listen to the live broadcast, go to the site at least 15 minutes prior to the scheduled start time in order to register and install any necessary audio software.

The conference call can also be accessed by dialing 1-877-407-4018 or 1-201-689-8471. The telephone replay can be accessed by dialing 1-844-512-2921 or 1-412-317-6671 and providing the conference ID# 13745172. The telephone replay will be available starting shortly after the call through May 23, 2024.

#### ***About Texas Pacific Land Corporation***

Texas Pacific Land Corporation is one of the largest landowners in the State of Texas with approximately 868,000 acres of land in West Texas, with the majority of its ownership concentrated in the Permian Basin. The Company is not an oil and gas producer, but its surface and royalty ownership provide revenue opportunities throughout the life cycle of a well. These revenue opportunities include fixed fee payments for use of our land, revenue for sales of materials (caliche) used in the construction of infrastructure, providing sourced water and/or treated produced water, revenue from our oil and gas royalty interests, and revenues related to saltwater disposal on our land. The Company also generates revenue from pipeline, power line and utility easements, commercial leases and temporary permits related to a variety of land uses including midstream infrastructure projects and hydrocarbon processing facilities.

Visit TPL at <http://www.TexasPacific.com>.

#### ***Cautionary Statement Regarding Forward-Looking Statements***

This news release may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, 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. Generally, future or conditional verbs such as "will," "would," "should," "could," or "may" and the words "believe," "anticipate," "continue," "intend," "expect" and similar expressions identify forward-looking statements. Forward-looking statements include, but are not limited to, references to strategies, plans, objectives, expectations, intentions, assumptions, future operations and prospects and other statements that are not historical facts. You should not place undue reliance on forward-looking statements. Although TPL believes that plans, intentions and expectations reflected in or suggested by any forward-looking statements made herein are reasonable, TPL may be unable to achieve such plans, intentions or expectations and actual results, and performance or achievements may vary materially and adversely from those envisaged in this news release due to a number of factors including, but not limited to: the initiation or outcome of potential litigation; and any changes in general economic and/or industry specific conditions. These risks, as well as other risks associated with TPL are also more fully discussed in our Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q. You can access TPL's filings with the Securities and Exchange Commission ("SEC") through the SEC's website at <http://www.sec.gov> and TPL strongly encourages you to do so. Except as required by applicable law, TPL undertakes no obligation to update any forward-looking statements or other statements herein for revisions or changes after this communication is made.

#### **Contact:**

Investor Relations  
[IR@TexasPacific.com](mailto:IR@TexasPacific.com)

**FINANCIAL AND OPERATIONAL RESULTS**  
(unaudited)

	Three Months Ended		
	March 31, 2024	December 31, 2023	March 31, 2023 <sup>(2)</sup>
<i>Company's share of production volumes<sup>(1)</sup>:</i>			
Oil (MBbls)	990	1,059	792
Natural gas (MMcf)	3,806	4,124	3,306
NGL (MBbls)	633	669	539
Equivalents (MBoe)	2,258	2,416	1,882
Equivalents per day (MBoe/d)	24.8	26.3	20.9
<i>Oil and gas royalty revenue (in thousands):</i>			
Oil royalties	\$ 72,614	\$ 79,335	\$ 56,894
Natural gas royalties	7,062	6,705	10,956
NGL royalties	12,444	12,710	12,615
Total oil and gas royalties	<u>\$ 92,120</u>	<u>\$ 98,750</u>	<u>\$ 80,465</u>
<i>Realized prices<sup>(1)</sup>:</i>			
Oil (\$/Bbl)	\$ 76.77	\$ 78.46	\$ 75.23
Natural gas (\$/Mcf)	\$ 2.01	\$ 1.76	\$ 3.58
NGL (\$/Bbl)	\$ 21.24	\$ 20.53	\$ 25.28
Equivalents (\$/Boe)	\$ 42.71	\$ 42.81	\$ 44.76

(1)	Term	Definition
	Bbl	One stock tank barrel of 42 U.S. gallons liquid volume used herein in reference to crude oil, condensate or NGLs.
	MBbls	One thousand barrels of crude oil, condensate or NGLs.
	MBoe	One thousand Boe.
	MBoe/d	One thousand Boe per day.
	Mcf	One thousand cubic feet of natural gas.
	MMcf	One million cubic feet of natural gas.
	NGL	Natural gas liquids. Hydrocarbons found in natural gas that may be extracted as liquefied petroleum gas and natural gasoline.

(2) The metrics provided for the three months ended March 31, 2023 exclude the impact of an \$8.7 million settlement with an operator with respect to unpaid oil and gas royalties.

**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
(in thousands, except share and per share amounts) (unaudited)

	Three Months Ended		
	March 31, 2024	December 31, 2023	March 31, 2023
<b>Revenues:</b>			
Oil and gas royalties	\$ 92,120	\$ 98,750	\$ 89,130
Water sales	37,126	26,404	21,729
Produced water royalties	23,006	22,436	20,134
Easements and other surface-related income	20,646	19,067	14,969
Land sales	1,244	—	400
<b>Total revenues</b>	<b>174,142</b>	<b>166,657</b>	<b>146,362</b>
<b>Expenses:</b>			
Salaries and related employee expenses	12,461	10,696	10,593
Water service-related expenses	10,212	9,070	5,656
General and administrative expenses	4,924	4,141	3,552
Legal and professional fees	4,057	3,051	16,628
Ad valorem and other taxes	2,357	1,960	1,574
Land sales expenses	250	—	3
Depreciation, depletion and amortization	3,840	3,876	3,404
<b>Total operating expenses</b>	<b>38,101</b>	<b>32,794</b>	<b>41,410</b>
<b>Operating income</b>	<b>136,041</b>	<b>133,863</b>	<b>104,952</b>
Other income, net	9,943	11,269	5,389
<b>Income before income taxes</b>	<b>145,984</b>	<b>145,132</b>	<b>110,341</b>
Income tax expense	31,567	32,022	23,773
<b>Net income</b>	<b>\$ 114,417</b>	<b>\$ 113,110</b>	<b>\$ 86,568</b>
<b>Net income per share of common stock<sup>(1)</sup></b>			
Basic	\$ 4.97	\$ 4.91	\$ 3.75
Diluted	\$ 4.97	\$ 4.91	\$ 3.75
<b>Weighted average number of shares of common stock outstanding<sup>(1)</sup></b>			
Basic	23,003,001	23,015,319	23,079,251
Diluted	23,020,249	23,034,547	23,095,193

(1) All share and share price amounts reflect the three-for-one stock split effected on March 26, 2024.



**SEGMENT OPERATING RESULTS**  
(dollars in thousands) (unaudited)

	<b>Three Months Ended</b>					
	<b>March 31, 2024</b>		<b>December 31, 2023</b>		<b>March 31, 2023</b>	
<i>Revenues:</i>						
Land and resource management:						
Oil and gas royalties	\$ 92,120	53 %	\$ 98,750	59 %	\$ 89,130	61 %
Easements and other surface-related income	18,121	10 %	18,079	11 %	14,493	10 %
Land sales	1,244	1 %	—	— %	400	— %
<b>Total land and resource management revenue</b>	<b>111,485</b>	<b>64 %</b>	<b>116,829</b>	<b>70 %</b>	<b>104,023</b>	<b>71 %</b>
Water services and operations:						
Water sales	37,126	21 %	26,404	16 %	21,729	15 %
Produced water royalties	23,006	13 %	22,436	13 %	20,134	14 %
Easements and other surface-related income	2,525	2 %	988	1 %	476	— %
<b>Total water services and operations revenue</b>	<b>62,657</b>	<b>36 %</b>	<b>49,828</b>	<b>30 %</b>	<b>42,339</b>	<b>29 %</b>
<b>Total consolidated revenues</b>	<b>\$ 174,142</b>	<b>100 %</b>	<b>\$ 166,657</b>	<b>100 %</b>	<b>\$ 146,362</b>	<b>100 %</b>
<i>Net income:</i>						
Land and resource management	\$ 80,971	71 %	\$ 88,846	79 %	\$ 65,343	75 %
Water services and operations	33,446	29 %	24,264	21 %	21,225	25 %
<b>Total consolidated net income</b>	<b>\$ 114,417</b>	<b>100 %</b>	<b>\$ 113,110</b>	<b>100 %</b>	<b>\$ 86,568</b>	<b>100 %</b>

## NON-GAAP PERFORMANCE MEASURES AND DEFINITIONS

In addition to amounts presented in accordance with generally accepted accounting principles in the United States of America (“GAAP”), we also present certain supplemental non-GAAP performance measurements. These measurements are not to be considered more relevant or accurate than the measurements presented in accordance with GAAP. In compliance with the requirements of the SEC, our non-GAAP measurements are reconciled to net income, the most directly comparable GAAP performance measure. For all non-GAAP measurements, neither the SEC nor any other regulatory body has passed judgment on these non-GAAP measurements.

### *EBITDA, Adjusted EBITDA and Free Cash Flow*

EBITDA is a non-GAAP financial measurement of earnings before interest expense, taxes, depreciation, depletion and amortization. Its purpose is to highlight earnings without finance, taxes, and depreciation, depletion and amortization expense, and its use is limited to specialized analysis. We calculate Adjusted EBITDA as EBITDA plus employee share-based compensation. Its purpose is to highlight earnings without non-cash activity such as share-based compensation and other non-recurring or unusual items, if applicable. We calculate Free Cash Flow as Adjusted EBITDA less current income tax expense and capital expenditures. Its purpose is to provide an additional measure of operating performance. We have presented EBITDA, Adjusted EBITDA and Free Cash Flow because we believe that these metrics are useful supplements to net income in analyzing the Company’s operating performance. Our definitions of Adjusted EBITDA and Free Cash Flow may differ from computations of similarly titled measures of other companies.

The following table presents a reconciliation of net income to EBITDA, Adjusted EBITDA and Free Cash Flow for the three months ended March 31, 2024, December 31, 2023 and March 31, 2023 (in thousands):

	<b>Three Months Ended</b>		
	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Net income	\$ 114,417	\$ 113,110	\$ 86,568
<i>Add:</i>			
Income tax expense	31,567	32,022	23,773
Depreciation, depletion and amortization	3,840	3,876	3,404
<b>EBITDA</b>	<b>149,824</b>	<b>149,008</b>	<b>113,745</b>
<i>Add:</i>			
Employee share-based compensation	2,220	1,907	2,156
<b>Adjusted EBITDA</b>	<b>152,044</b>	<b>150,915</b>	<b>115,901</b>
<i>Less:</i>			
Current income tax expense	(31,898)	(29,589)	(24,079)
Capital expenditures	(5,662)	(5,044)	(3,773)
<b>Free Cash Flow</b>	<b>\$ 114,484</b>	<b>\$ 116,282</b>	<b>\$ 88,049</b>

# Texas Pacific Land Corporation (NYSE: TPL)

*Investor Presentation – May 2024*



# Disclaimers

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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

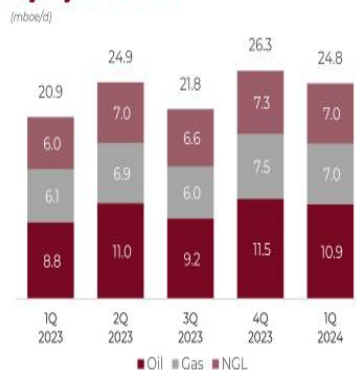
In addition to amounts presented in accordance with generally accepted accounting principles in the United States of America ("GAAP"), this presentation includes certain supplemental non-GAAP measurements. These non-GAAP measurements are not to be considered more relevant or accurate than the measurements 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 expense, taxes, depreciation, depletion 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.



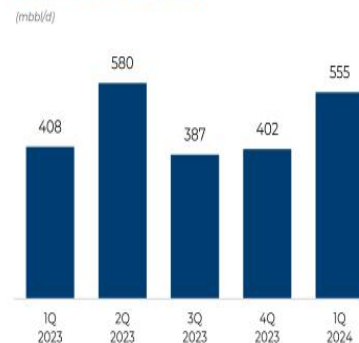
# 1Q 2024 Summary Financial and Operating Update

	1Q 2023	2Q 2023	3Q 2023	4Q 2023	1Q 2024
<b>Selected consolidated financials (\$MM):</b>					
Oil and gas royalties	\$ 89.1	\$ 82.4	\$ 87.1	\$ 98.8	\$ 92.1
Water sales	217	37.6	26.4	26.4	37.1
Produced water royalties	20.1	20.8	20.8	22.4	23.0
Easements and other surface income	15.0	18.7	18.2	19.1	20.6
Land sales and other	0.4	10	5.4	-	12
<b>Total revenues</b>	<b>\$ 146.4</b>	<b>\$ 160.6</b>	<b>\$ 158.0</b>	<b>\$ 166.7</b>	<b>\$ 174.1</b>
Adj. EBITDA	\$ 115.9	\$ 133.6	\$ 141.0	\$ 150.9	\$ 152.0
Adjusted EBITDA margin	79%	83%	89%	91%	87%
% inc/(dec) - sequential Q/Q	(13%)	15%	6%	7%	1%
Free cash flow	\$ 88.0	\$ 105.1	\$ 106.1	\$ 116.3	\$ 114.5
FCF Margin	60%	65%	67%	70%	66%
% inc/(dec) - sequential Q/Q	(13%)	19%	1%	10%	(2%)
<b>Selected balance sheet data (\$MM):</b>					
Cash	\$ 590.6	\$ 609.3	\$ 654.2	\$ 725.2	\$ 837.1
Debt	-	-	-	-	-
<b>Selected segment data (\$MM):</b>					
<b>Land and Resource Management</b>					
Revenue	\$ 104.0	\$ 101.3	\$ 109.9	\$ 116.8	\$ 111.5
Adj. EBITDA	85.1	90.6	108.0	115.7	105.2
Net Income	65.3	69.6	82.9	88.8	81.0
<b>Water Service and Operations</b>					
Revenue	\$ 42.3	\$ 59.3	\$ 48.0	\$ 49.8	\$ 62.7
Adj. EBITDA	30.8	43.0	33.0	35.2	46.8
Net Income	21.2	30.8	22.7	24.3	33.4

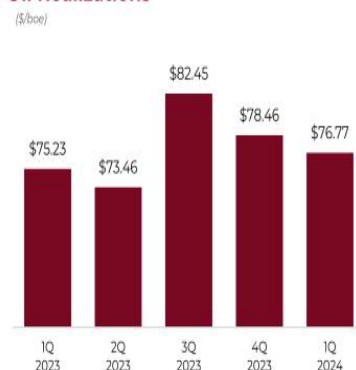
## Royalty Production



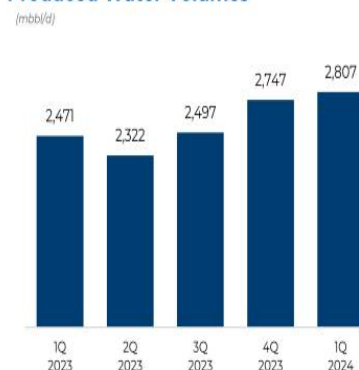
## Water Sales Volumes



## Oil Realizations



## Produced Water Volumes



**TPL**

Note: Adjusted EBITDA and Free Cash Flow are non-GAAP measures. See Appendix for reconciliations of these non-GAAP measures to net income.



# 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  
**\$837 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  
**694 DUCs**  
and  
**333 Permits**



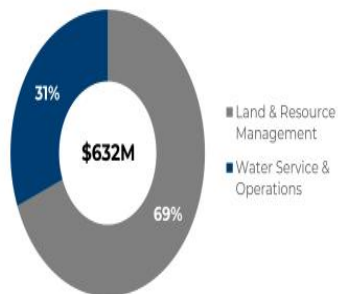
# Texas Pacific Land Corporation (NYSE: TPL)

- 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

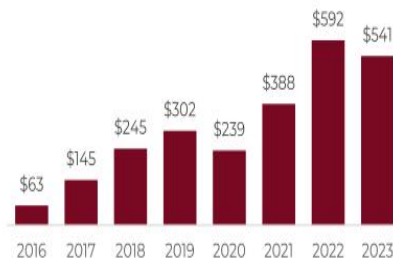
## TPL by the Numbers<sup>1</sup>

Market Value (\$MM)	\$13,550
Cash & Equivalents (\$MM)	\$837
Debt (\$MM)	\$0
Net Royalty Acres (100% net basis)	~23,700
<i>Normalized to 1/8<sup>th</sup></i>	~195,000
Surface Acres	~868,000
2023 Adj. EBITDA Margin	86%
2023 FCF Margin	66%
Average daily trading volume (1-yr avg)	~92,000

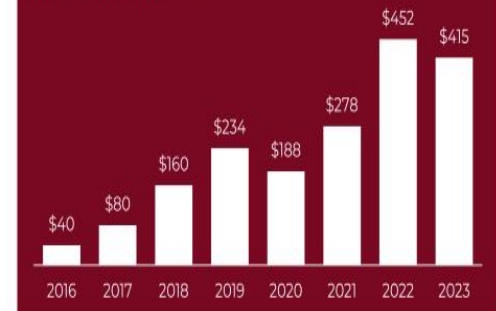
## FY 2023 Revenues (\$MM)



## Adjusted EBITDA (\$MM)



## Free Cash Flow (\$MM)










**TPL**

Note: Adjusted EBITDA and Free Cash Flow are non-GAAP measures. See Appendix for reconciliations of these non-GAAP measures to net income.  
 (1) Balance sheet data as of 3/31/2024. Market value and average daily trading volume as of 4/25/2024. Trading volume reflects 31 stock split in March 2024.



# TPL History and Evolution

						
<b>1871</b>	<b>1888</b>	<b>1927</b>	<b>2010's</b>	<b>2016</b>	<b>2017</b>	<b>2021</b>
Texas & Pacific Railway is created and was granted ~3.5 million acres of land from the State of Texas	Texas & Pacific Railway bankruptcy leads to the formation of Texas Pacific Land Trust, where land grant assets were placed. Trust certificates are listed on NYSE	TPL sub-share certificates listed on NYSE. TPL is among the few Depression Era companies that continue trading today, almost a century later	The Permian Basin begins to grow production as unconventional development unlocks tremendous shale reserves	New management team hired to focus on modernizing operations to actively drive value	TPL forms Texas Pacific Water Resources LLC ("TPWR")	TPL's reorganization to a C-Corp is completed

<b>Bankrupt Railroad to Liquidating Trust</b> <i>(1871-2009)</i>	<b>Shale Revolution</b> <i>(2010s)</i>	<b>Modern Enterprise</b>
---	---	--------------------------

**1920's**

Texas and Pacific Abrams #1 becomes the first well to produce oil from the Permian Basin, and a few years later, the first oil pipeline is built in the basin

**1954**

Mineral estate was spun-off to shareholders (TXL Oil). TPL reserved royalty interests on tracks under lease at the time. Texaco purchases TXL Oil in 1962 (Texaco acquired by Chevron in 2001)

Professionalize corporate and operating functions; employ talented industry personnel

Execute on a capital allocation approach predicated on maximizing shareholder value

Actively pursue "next-gen" opportunities

Deploy technology, software, and automation tools to create efficiencies, scale, and opportunities

Expand on TPL's unique position to consolidate high quality surface, water, and royalties/minerals in a value enhancing manner

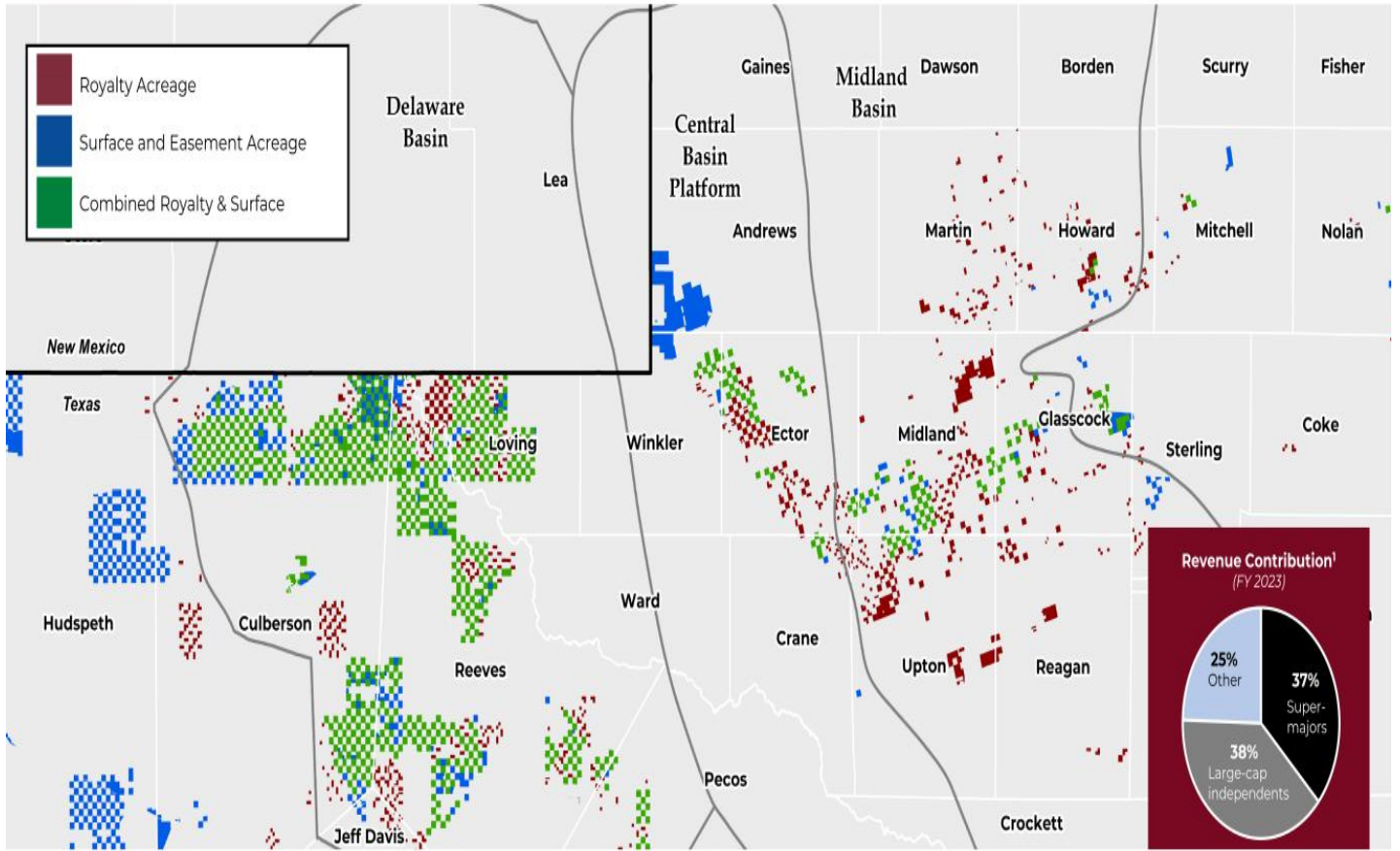
Ensure shareholders own among the best oil and gas assets anywhere in the world

**Strengthening TPL for Durable Success Over the Long Term**



**TPL**

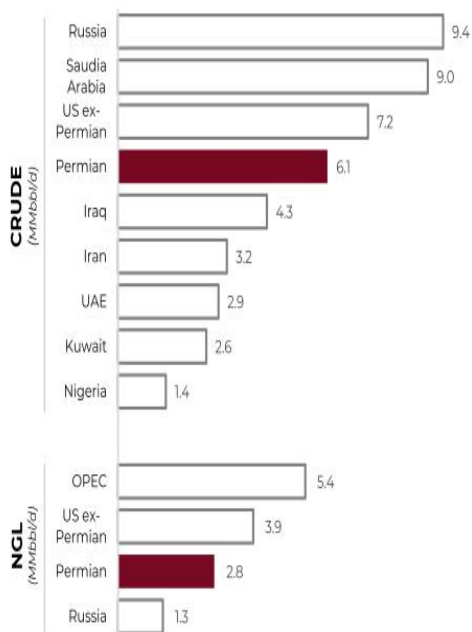
# Unmatched Permian Footprint Combined With Premier Operators



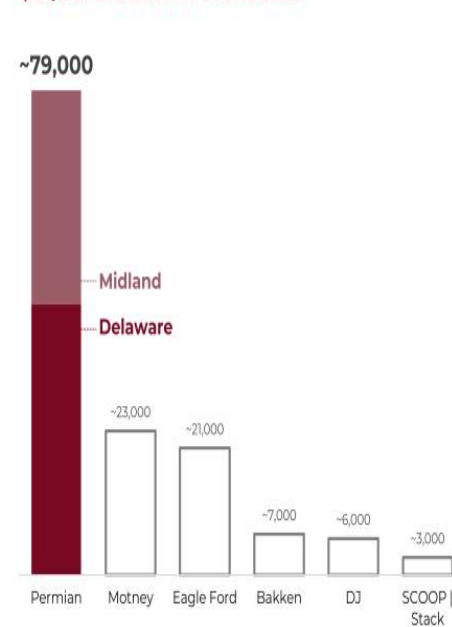
(1) Permian supermajors include Chevron, Exxon, ConocoPhillips, BP and their respective subsidiaries. Large-cap independents include independent energy companies in the S&P 500. Other includes all companies that do not fall under the other two criteria, primarily made up of publicly traded mid-cap, small-cap,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

# Permian Basin is a World-Class Resource

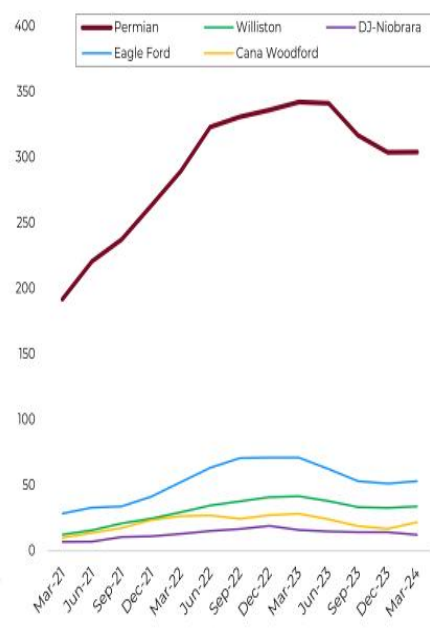
Permian vs Major Oil Producer Nations



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



US Rig Counts by Oil 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

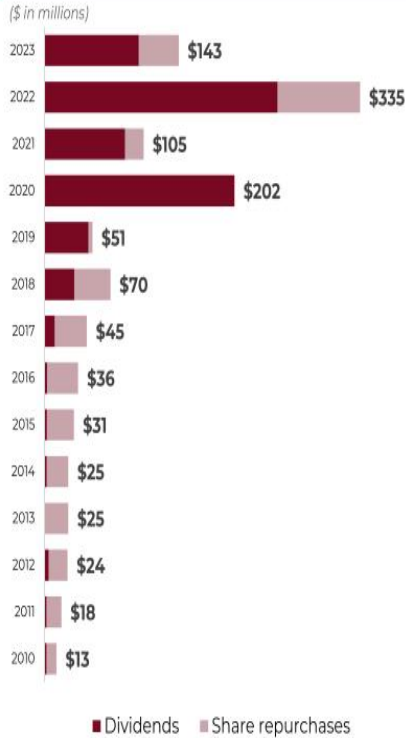
Permian dominates US shale activity due to attractive drilling economics combined with massive undeveloped well inventory

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

# Capital Allocation Framework Focused on Maximizing Shareholder Value

## RETURN CAPITAL

Return substantial amounts of capital through dividends and repurchases



## PROTECT CAPITAL

Maintain strong balance sheet to preserve financial flexibility

\$0  
Debt

\$837MM  
Cash

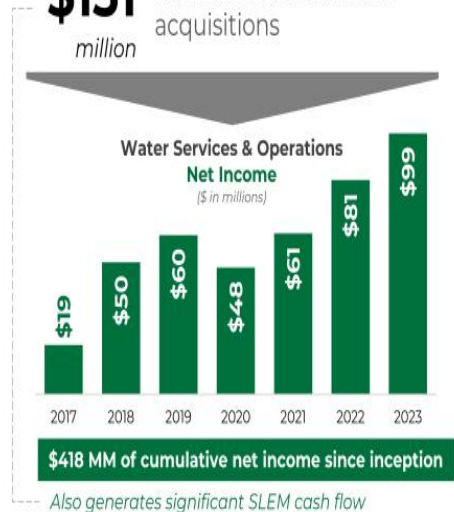
## INVEST CAPITAL

Balance capital returns with attractive, high-return opportunities

Water Services & Operations capex and related surface investments since 2017

**\$145** Capital expenditures  
million

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



# Focused on Allocating Capital Towards Highest Returns

*Growing Free Cash Flow per Share is 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**

### Extract maximum value from legacy assets

*Employ highly-capable personnel, cultivate value-add culture, and deploy technology to maximize commercial potential and operating efficiency*

### Share repurchases

*Buyback shares of TPL when intrinsic value is not being fully recognized in the market*

### Organic opportunities

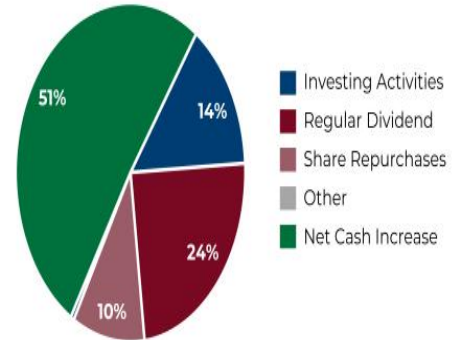
*Utilize our expertise, personnel, and legacy asset base to make strategic, high-return investments*

### M&A

*Buy 3<sup>rd</sup> party-owned surface, water, and/or royalty/mineral assets of similar or better quality to TPL's legacy base at valuations that generate attractive returns*

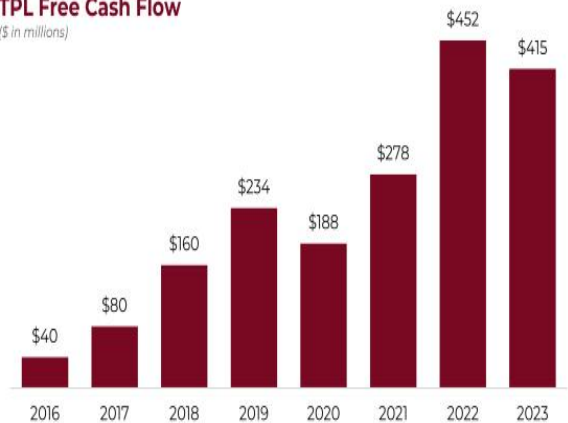
**Growing free cash flow per share** would further expand TPL's capacity to **return more capital to shareholders** via buybacks and dividends

## TPL FY 2023 Allocation of Operating Cash Flow



## TPL Free Cash Flow

*(\$ in millions)*



Note: Free Cash Flow is a non-GAAP measure. See Appendix for reconciliation of this non-GAAP measure to net income.

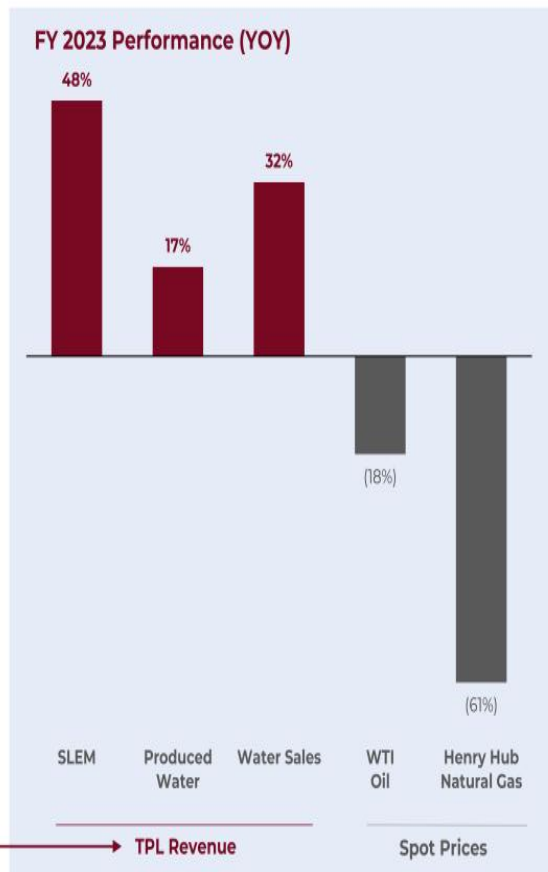


# TPL's Combined Surface and Royalties Is Unique

## Comparison of Significant Revenue Generation by Asset Type

	TEXAS PACIFIC LAND CURE	BLACK STONE MINERALS	KIMBALL ROYALTY PARTNERS	SITIO ROYALTIES	VIPER Energy Partners	ARIS WATER	AG Energy Partners LP
<b>SURFACE</b>	✓	—	—	—	—	—	✓
<b>WATER</b>	✓	—	—	—	—	✓	✓
<b>ROYALTIES</b>	✓	✓	✓	✓	—	—	—

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



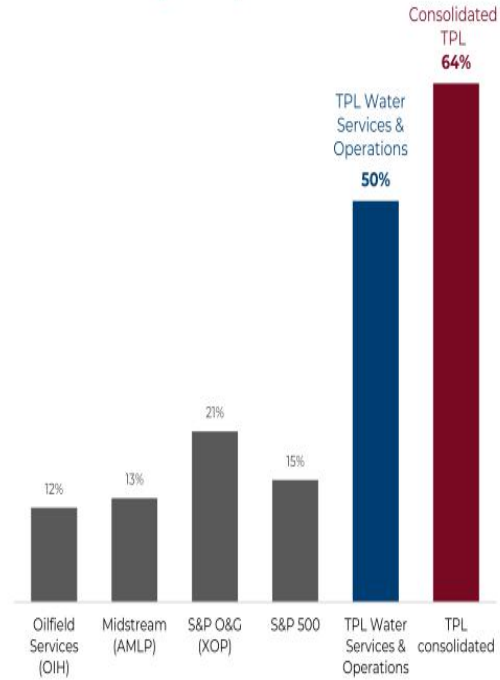
# TPL Maintains Top Tier Profitability Margins

**64%** Consolidated TPL  
 FY 2023 net income margin

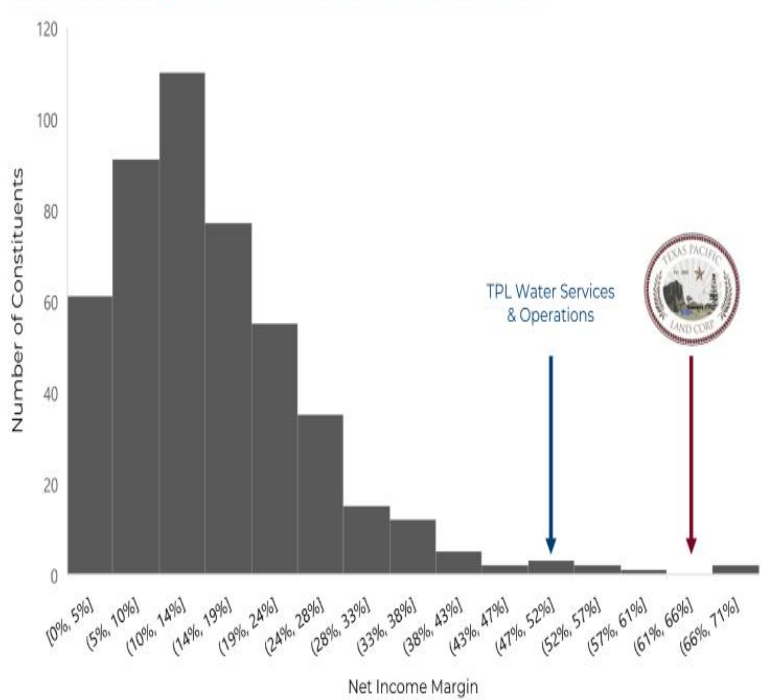
**71%** TPL Land & Resource Management  
 FY 2023 net income margin

**50%** TPL Water Services & Operations  
 FY 2023 net income margin

Net Income Margin Comparison



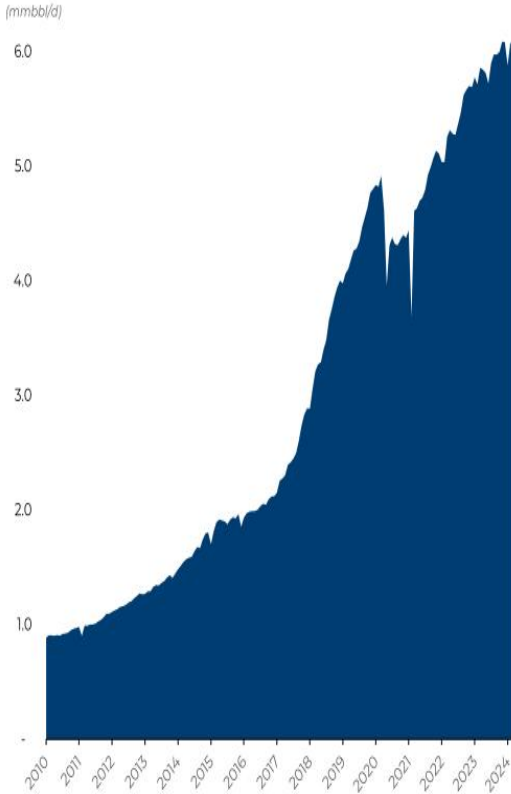
Net Income Margin Distribution for S&P 500 Constituents



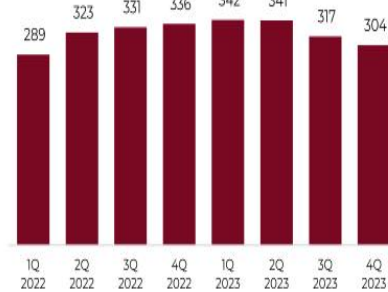
Source: Bloomberg and Company data.  
 Note: OIH, AMLPL, XOP, and S&P 500 data reflects last-twelve-months actuals as of 3/25/2024.  
 Figures for OIH, AMLPL, XOP, and S&P 500 represent constituent equal-weighted averages; excludes constituents with negative net income margins.  
 Histogram excludes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

# Permian Activity Overview

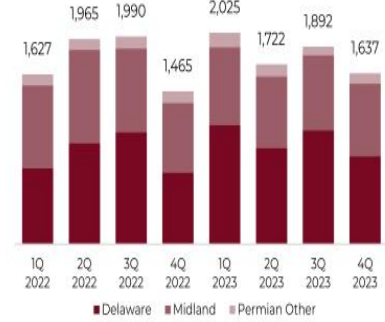
## Permian Oil Production



## Permian Rig Counts

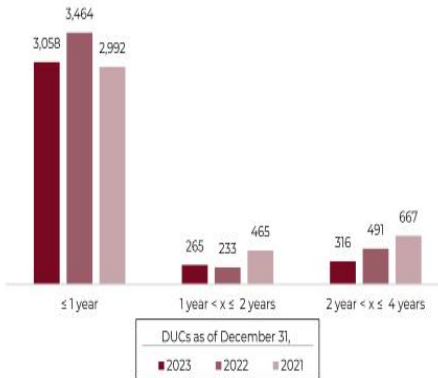


## Permian Well Permits



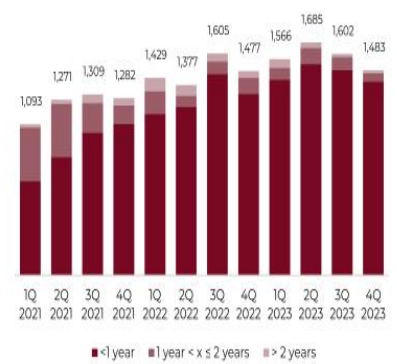
## Permian DUC Counts

(Historical counts and grouped by age)



## Permian Completion Counts

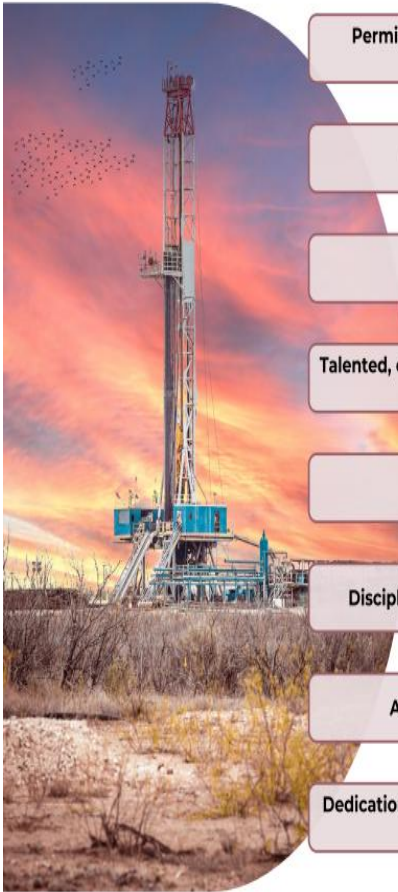
(Grouped by DUC age at completion date)



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



# 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

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

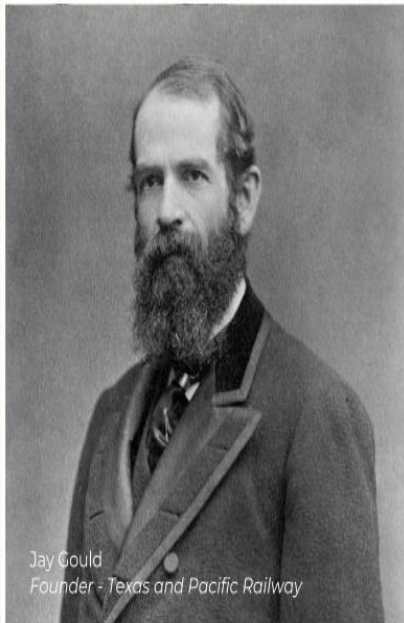
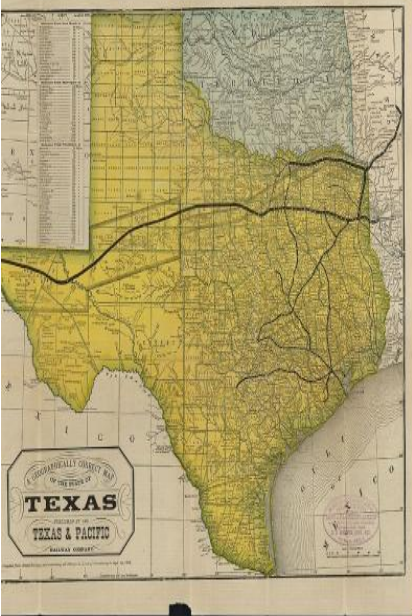
Significant investments into technology enhance productivity and provide platform to scale efficiently

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

TPL Gryffindor source water pit



Jay Gould  
Founder - Texas and Pacific Railway

As sent to Comm.  
Stk List (Hask)  
1/27/39

January 27, 1939.

Effective February 3, 1939, trading in the old shares of Texas Pacific Land Trust (Certificates of Proprietary Interest of \$100 par value) will be discontinued. The Trust was organized fifty-one years ago, on February 1, 1888, and these Certificates have been listed on the New York Stock Exchange since that time. All trading from February 3rd will be in the Sub-Shares (par value \$1) which represent a split-up of the old shares and have been available for that purpose since January 5, 1927. These Sub-Shares have been and still are interchangeable with the old shares in the ratio of one hundred for one. At the present time the par value of the old shares and the Sub-Shares outstanding is \$1,662,889.

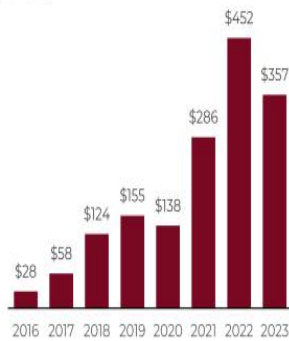
# TPL Currently Has Four Primary Revenue Streams

## 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)

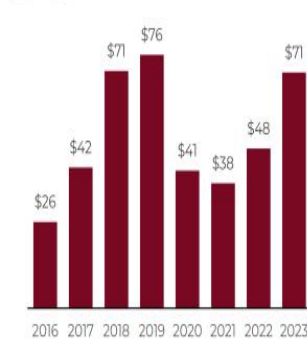


## SURFACE LEASES, EASEMENTS AND MATERIAL ("SLEM")

- 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)

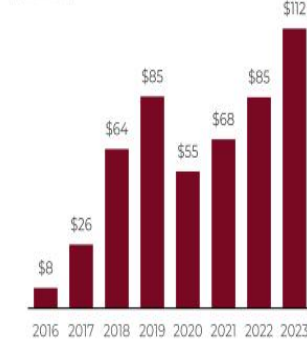


## WATER SALES

- 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)

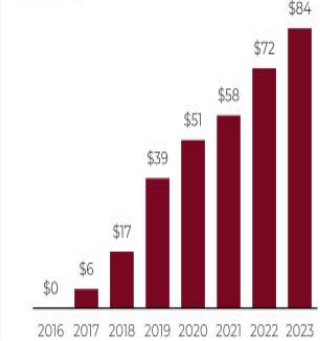


## PRODUCED WATER ROYALTIES

- 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)



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



# 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 a small set of allowable deductions) associated with well development

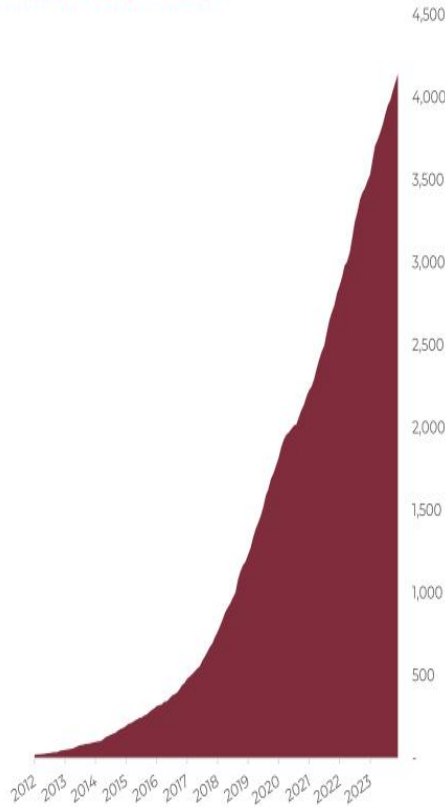


Mineral and royalty interests exist into perpetuity  
*Overriding royalty interests ("ORRIs") can be an exception as they are generally tied to leases and may not exist into perpetuity (TPL owns de minimis amount of ORRIs)*



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)

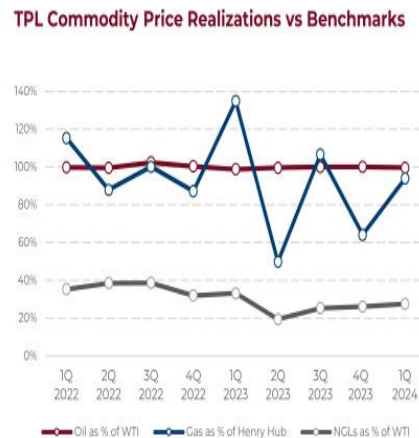
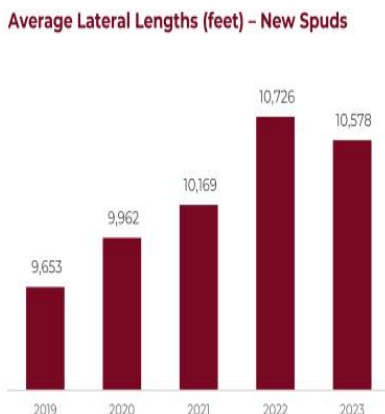
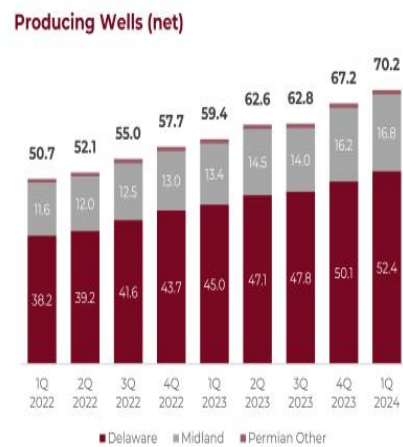
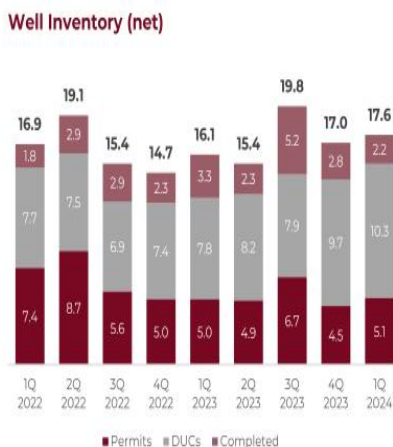
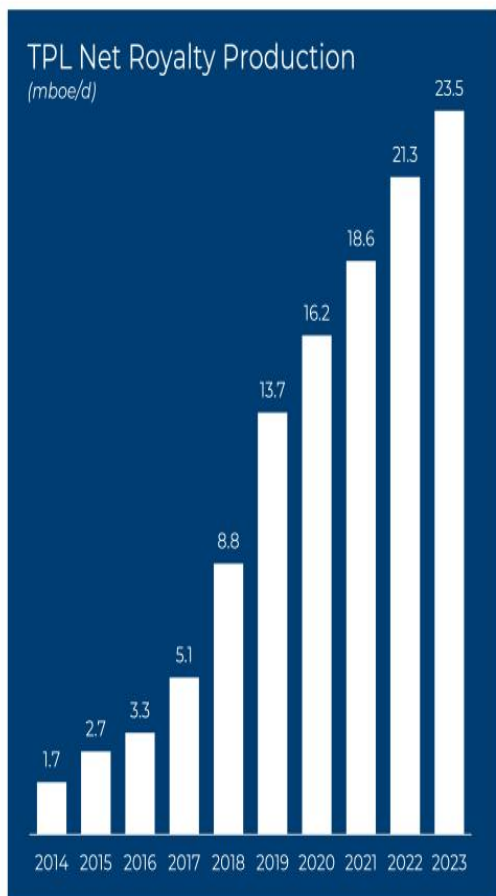
**Experienced reservoir engineers** leverage TPL's **proprietary data** for internal initiatives and evaluation of external opportunities

**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 Royalty Production and Inventory Detail



Note: Company data as of 3/31/2024.

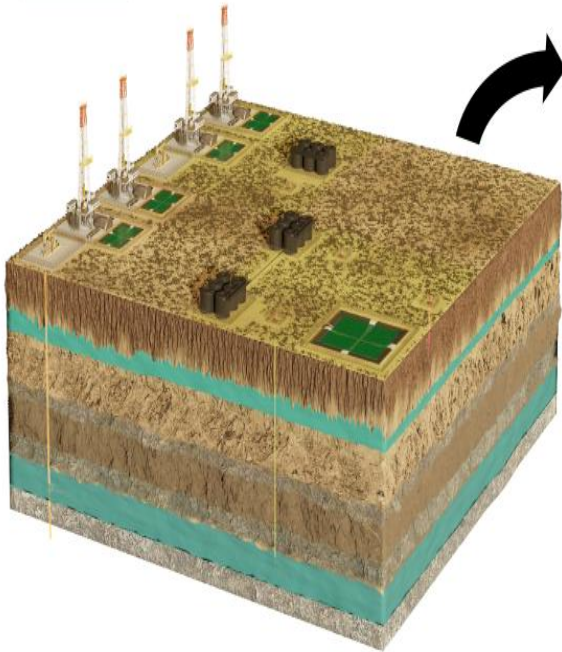




# Surface Estate Ownership

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

- 1 SLEM**

  - Revenue derived by providing customers access-to or use-of TPL surface
  - Revenue sources include pipeline easements, wellbore 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
- 2 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
- 3 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**

FY 2023 Revenue

**42%**

of TPL consolidated revenue

Aggregate Contribution From  
Surface Estate + Active Management

**TPL**

# 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

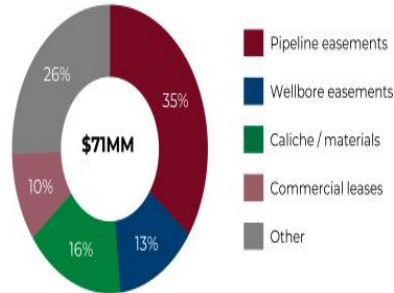


Installed infrastructure tends to be long-lived and/or permanent

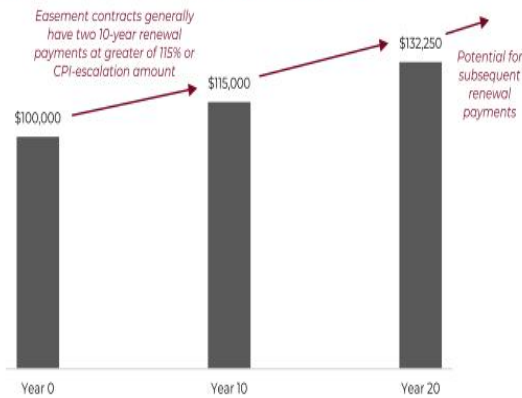


Amount of revenue opportunities generally correlates to development activity in the Permian

## 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**



# 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



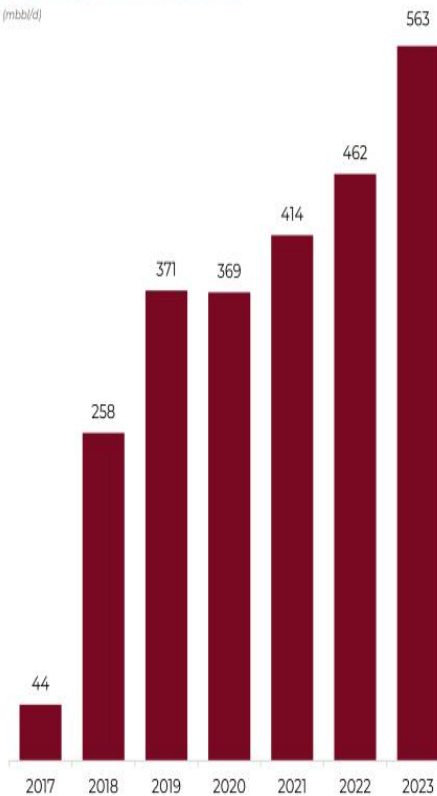
Sales price per barrel generally ranges from \$0.50 - \$1.00 versus a direct operating expense per barrel of \$0.10 - \$0.15; pricing and expenses dependent on services provided, location, transportation costs, and other factors



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**

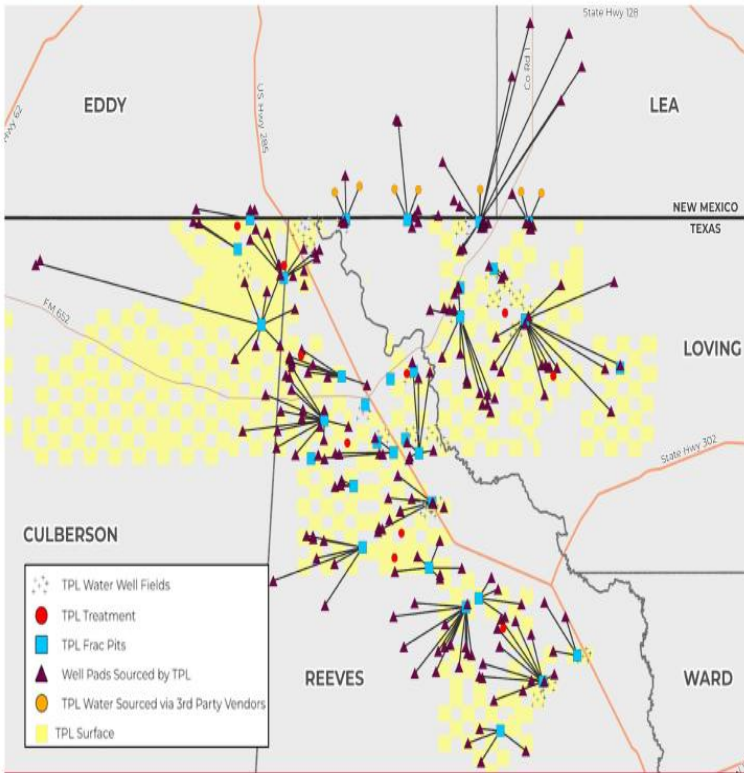
Provides water for development of oil and gas wells on TPL royalty acreage, while also securing **significant water sales outside of TPL acreage**

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

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

# 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

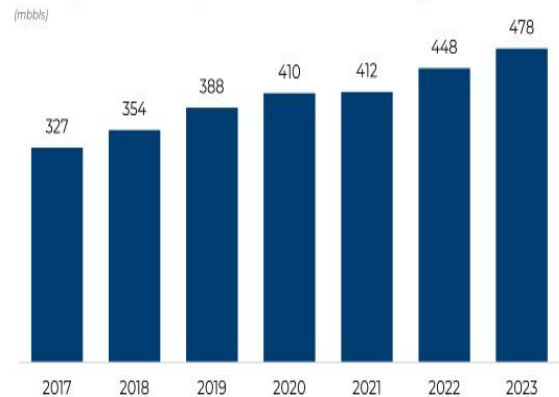
## TPL Source Water Network

**600+** sourced & treatment capacity  
*mbbl/d*

**24.5** storage capacity  
*mmbbl*

**335** source water pipelines  
*miles*

### Average Fluid Used per Delaware Well Completion





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


# 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 on produced water via negotiated commercial agreements with upstream and midstream operators

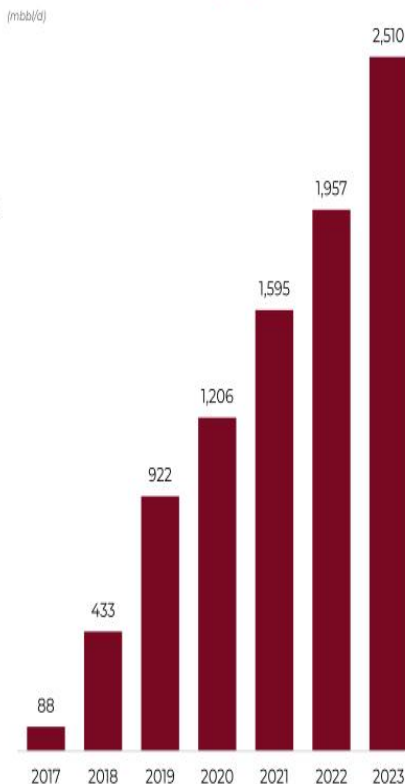
 Average royalty fee of ~\$0.09 - \$0.11 per barrel

 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**

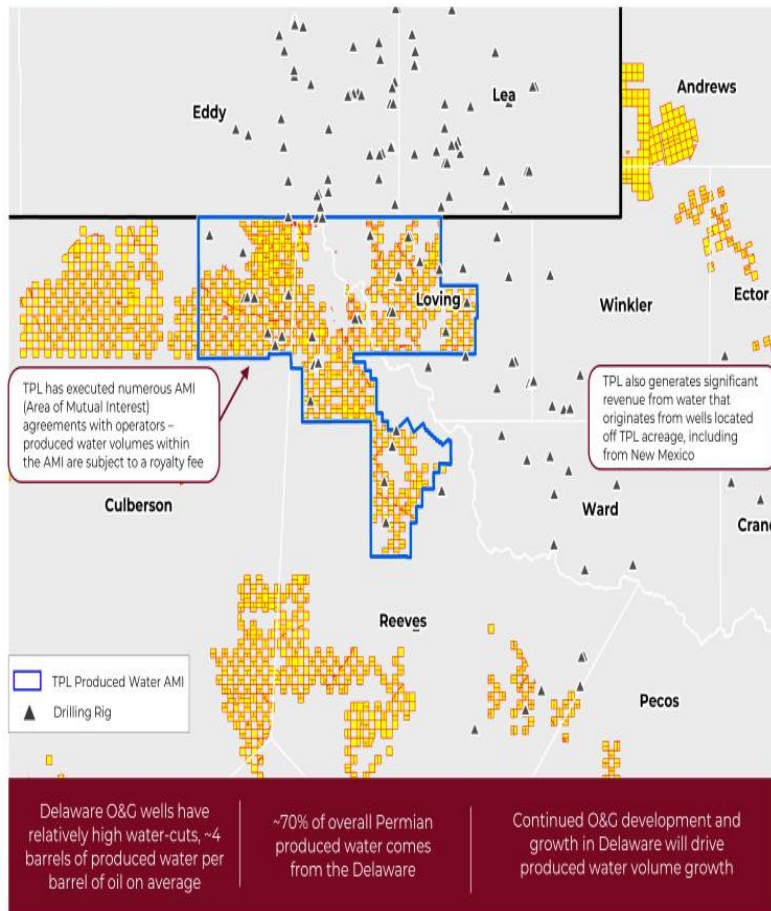
Contracts provide TPL with **optionality and upside** to pursue produced water **recycling/treatment and beneficial reuse opportunities**

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

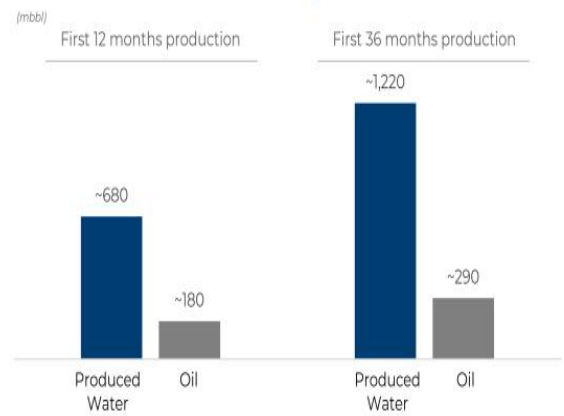
**TPL**

# Produced Water Royalties

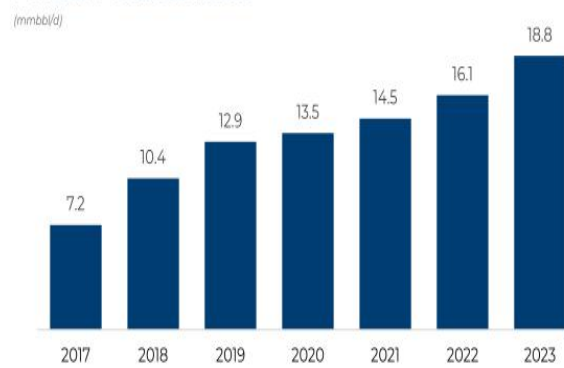
Delaware Upstream Activity + High Water-Cuts to Drive Produced Water Volume Growth



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



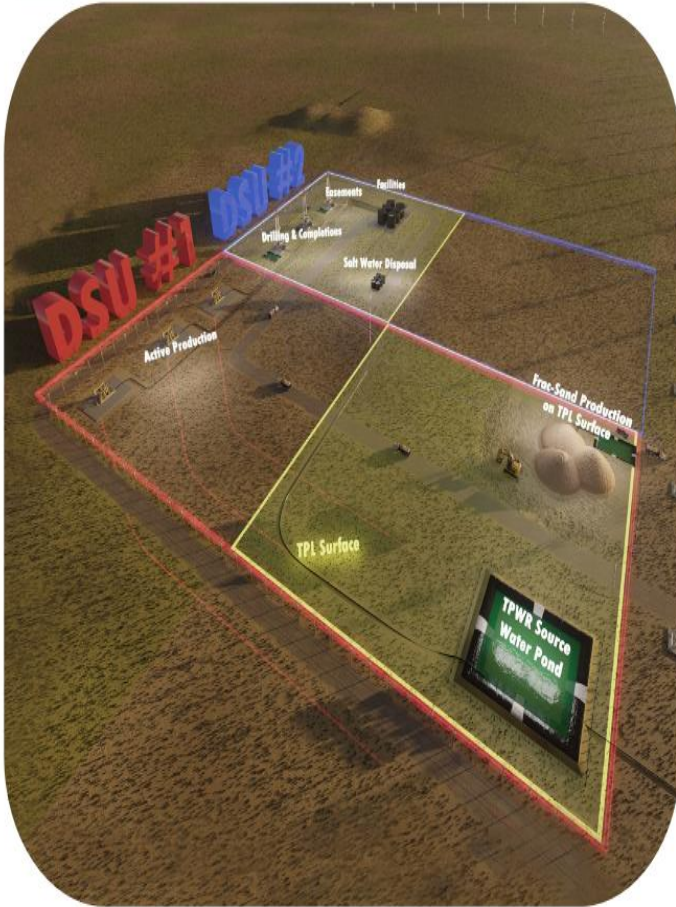
## Permian Produced Water



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



# 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 frac/complete*
  - 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**

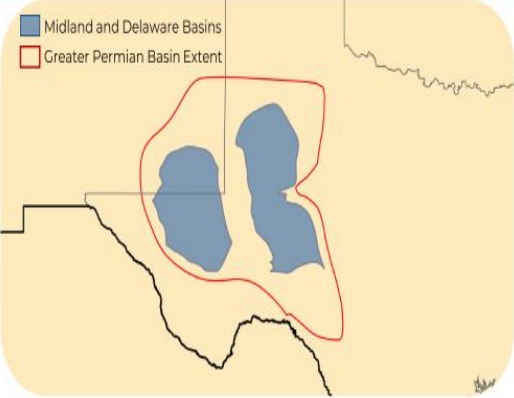
    - TPL royalty interests generate a fixed percentage of the oil & gas produced
  - SLEM**

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

# 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

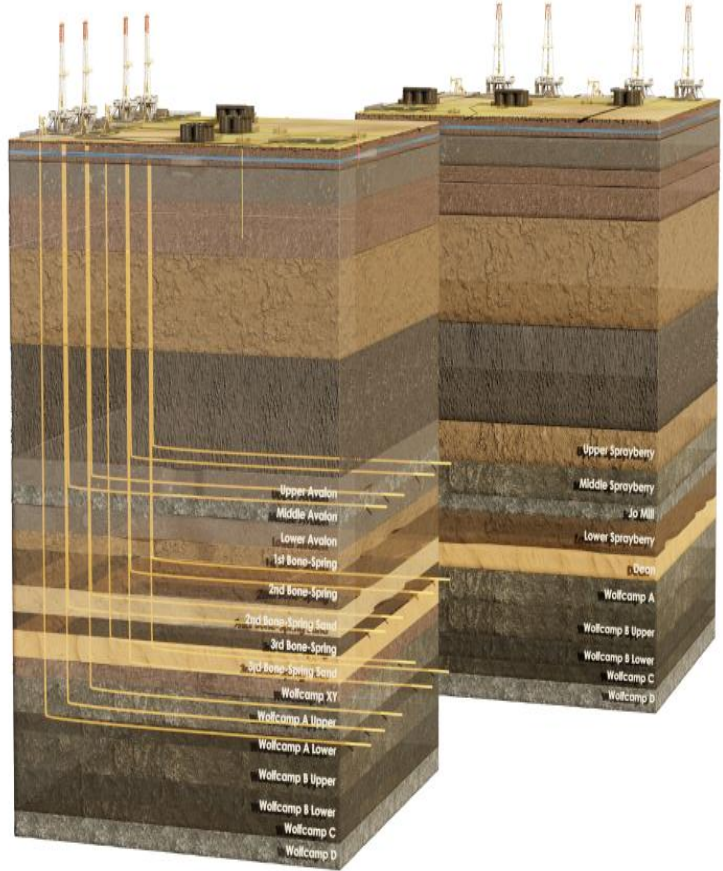
## Stacked Pay Reserves

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



## Delaware

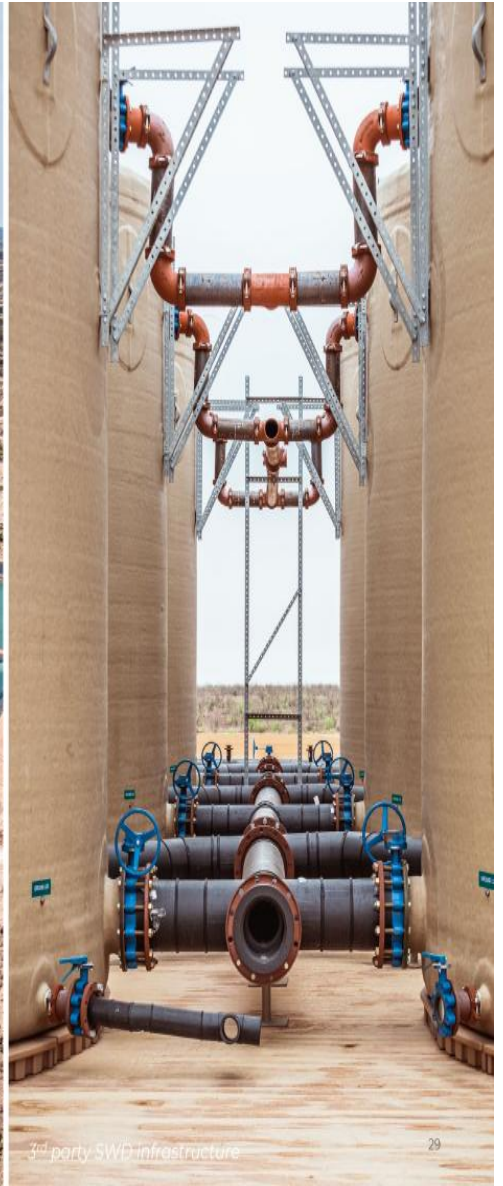
## Midland



**TPL**



Treatment/recycling infrastructure on TPL land



3<sup>rd</sup> party SWF infrastructure

# Appendix

14.8967212  
22.0789031

14.8967212  
22.0789031





# Summary of Highest-Visibility Inventory

## 100% NRI Permitted Wells

~85% of Permits are drilled within 6 months  
~95% of Permits are drilled within 12 months

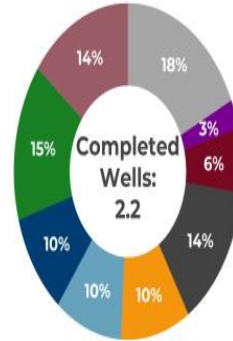
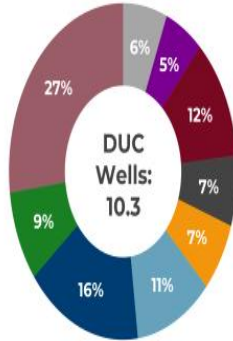
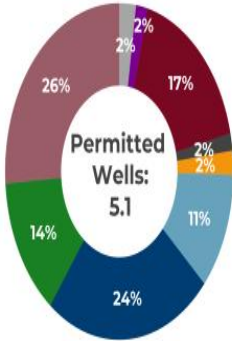
## 100% NRI DUC Wells

~38% of DUCs are completed within 6 months  
~92% of DUCs are completed within 12 months

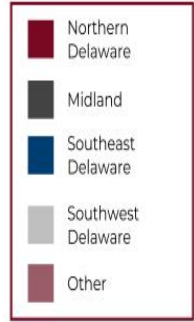
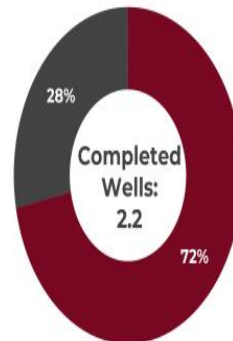
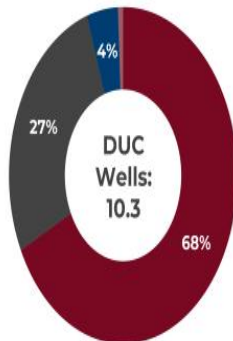
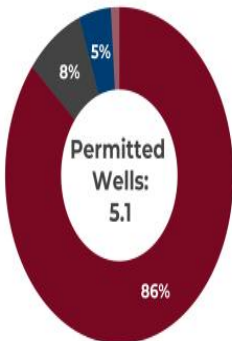
## 100% NRI Completed Wells

~94% of Completed Wells are listed as producing within ~1 month

NRI by Operator



NRI by Region



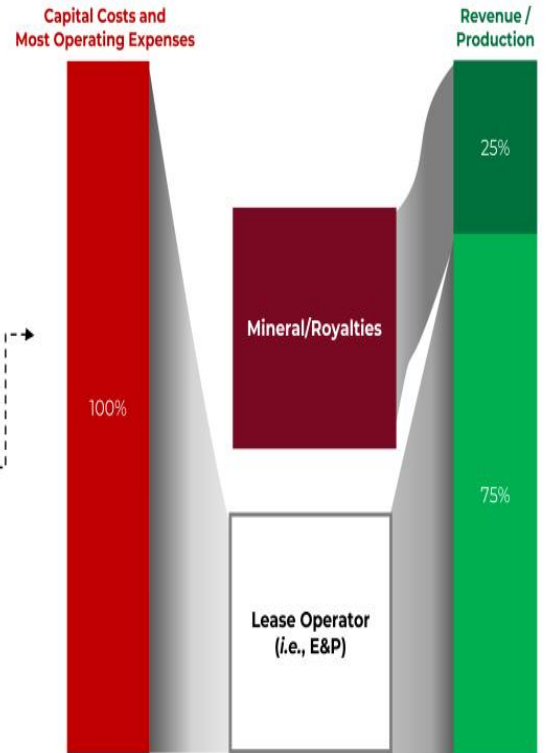
Notes: Per Company data. Permian Basin horizontal locations as of 3/31/24.  
Permitted well conversion rate based on wells permitted from 4/1/22 through 3/31/23 and then drilled through 3/31/24.  
DUC well conversion rate based on wells drilled from 4/1/22 through 3/31/23 and then completed through 3/31/24.  
Completed well conversion rates based on wells completed between 4/1/22 through 3/31/23.  
DUCs considered to be all wells awaiting completion.

# The Basics of Royalties Ownership

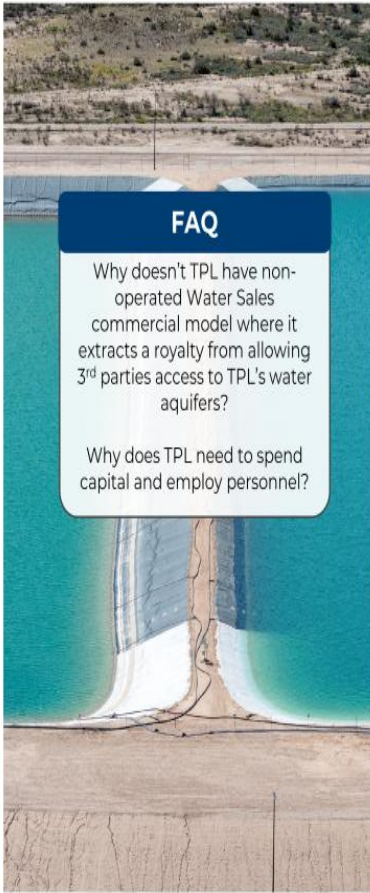
## Key Terms and Comparison: Royalties/Minerals vs Lease Interest

	ROYALTIES / MINERALS	LEASE INTEREST
<b>PARTICIPANTS NOMENCLATURE</b>	Simply and generally just referred to as royalty/mineral owners	Companies that own lease interests are also generally referred to as E&P (exploration & production), upstream and/or working interest companies (e.g., Occidental, EOG)
<b>OWNERSHIP</b>	Real property interest/ownership of minerals Can develop minerals itself or lease the right to extract minerals to an external party	Leases acreage from mineral estate for the right to extract subsurface minerals (e.g., oil and gas)
<b>OWNERSHIP DURATION</b>	Perpetual (though certain exclusions)	Expiration subject to lease terms
<b>REVENUE INTEREST</b>	In Texas, mineral/royalty estate in aggregate generally receives 25% of gross production; minerals leased by federal government generally receive 12.5% - 18.5%	Working interest percentages are expressed before mineral/royalty-take (i.e., 100% working interest owner would only net 75% of total well production/revenue)
<b>CAPITAL COSTS</b>	Generally not responsible for capital costs to drill a well	Generally responsible for 100% of the capital costs to drill and complete a well ("D&C")
<b>OPERATING EXPENSES</b>	For oil production, generally no operating expense deductions For gas and NGL production, may have limited expense deductions	Responsible for operating expenses such as gathering, transportation, processing, and marketing
<b>OTHER</b>	Generally incur severance and ad valorem taxes Mineral/royalty estate can be severed from surface estate	

## Illustrative Economic Model – Minerals/Royalties vs Lease Interest



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



**FAQ**

Why doesn't TPL have non-operated Water Sales commercial model where it extracts a royalty from allowing 3<sup>rd</sup> parties access to TPL's water aquifers?

Why does TPL need to spend capital and employ personnel?



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

<p><b>History</b></p>	<p>TPL formed TPWR in July 2017</p>	<p>Pre-TPWR development, TPL had negotiated various royalty agreements with 3<sup>rd</sup> party operators</p>
<p><b>Sustainable Extraction</b></p>	<p>Professional hydrologists, advanced sensors, and active monitoring to ensure aquifers are sustainably managed</p>	<p>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</p>
<p><b>Economic development</b></p>	<p>Efficiently developed infrastructure that could serve vast upstream development areas for virtually every nearby upstream operator</p>	<p>Operator(s) would build relatively narrow water systems to serve only their own interests, rather than for broader commercial utilization for peer operators</p>
<p><b>Control</b></p>	<p>TPL 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</p>	<p>Operators could leverage TPL's royalty rates to negotiate better pricing for water off TPL acreage, thereby undercutting TPL sales/royalties</p>
<p><b>Shareholder Interests</b></p>	<ul style="list-style-type: none"> <li>■ <b>TPL manages Water Sales for the benefit and in the best interests of TPL shareholders</b></li> <li>■ <b>Water Sales has provided TPL shareholders with significant incremental earnings and free cash flow</b></li> </ul>	<p>Operators utilizing TPL source water resource have their own stakeholders, whose interests may not align with TPL shareholder interests</p>

**TPL**

# Compensation Incentives Aligned With Shareholder Value Creation

	Mix (% of Total) <sup>(1)</sup>	Intent	Key Performance Dimensions	
<b>Fixed (16%)<sup>(1)</sup></b> <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>Variable (84%)<sup>(1)</sup></b>	<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>
	Performance-Based Restricted Stock Units (PSUs)		<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>
	Time-Based Restricted Stock Units (RSUs)		<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>Long-Term Incentive Plan</b>			

# Sustainability is Embedded in Our Strategy

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## Key Opportunities

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### Carbon Management

- 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

### Water Management

- Water recycling capabilities allow operators to minimize freshwater usage; ongoing water asset electrification can reduce diesel reliance and manage emissions profile

### Environmental Management

- Adoption of new technology can reduce our costs and environmental impact
- Allowance of easements on land to construct electricity infrastructure supports emissions reductions from our land operators

### Renewable Development

- Expanding efforts to encourage wind and solar development on our surface and exploring all options to increase our existing renewable footprint

### Investing in Our People

- Comprehensive, job-specific training and development opportunities; high employee retention and low turnover rates, with annual employee satisfaction surveys
- Demonstrated commitment to enhancing diversity - 41% of workforce are women and continual assessment of organizational dynamics to cultivate a more inclusive workforce

**TPL**



# Our Environmental Management Initiatives

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## Incidents and Spill Prevention Control



- Implementation of Spill Prevention, Control, and Countermeasure plan and protocol for water assets, which are equipped with tech / containment protections
- Thorough tracking and monitoring of all spills; information is entered into centralized database to allow easy tracking and data management
- Prioritization of continued education and engagement of employees and contractors

## Environmental Impact Assessments



- Prior to acquiring additional surface acreage, on-site Phase 1 Environmental Site Assessments are regularly conducted by environmental consultants to gauge property condition
- Regularly scheduled pipeline maintenance checkups of existing pipeline assets; Health, Safety and Environment team closely monitors assets for spills, leaks or any other release

## Ecological and Biodiversity Partnerships



- Partnership with New Mexico Bureau of Land Management to obtain biodiversity impact guidance
- Contractual requirement for grazing tenants to use proper grazing and stockman standards and participate in conservation, range and wildlife improvement programs

## Operator and Lessee Requirements



- Prioritization of consistent engagement and communications with operators and lessees on TPL's land to ensure maintenance of environmental due diligence
- Requirement of reclamation process to verify land has been restored to environmental condition stipulated by contractual agreement

## 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>	<ul style="list-style-type: none"> <li>An undivided ownership of the oil, gas, and minerals underneath one acre of land</li> </ul>	<ul style="list-style-type: none"> <li>Total Texas Pacific Land Corporation acreage 533,260</li> </ul>
<b>Net Royalty Acres (Normalized to 1/8)</b>	<ul style="list-style-type: none"> <li>Gross Royalty Acres standardized to 12.5% (or 1/8) oil and gas lease royalty</li> </ul>	<ul style="list-style-type: none"> <li>Gross Royalty Acres * Avg. royalty / (1/8) <math>189,720 = 533,260 * 4.4\% / (1/8)</math></li> </ul>
<b>Net Royalty Acres</b>	<ul style="list-style-type: none"> <li>Gross Royalty Acres standardized on a 100% (or 8/8) oil and gas lease royalty basis</li> </ul>	<ul style="list-style-type: none"> <li>Gross Royalty Acres * Avg. royalty <math>23,715 = 533,260 * 4.4\%</math></li> </ul>
<b>Drilling Spacing Units ("DSUs")</b>	<ul style="list-style-type: none"> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>Total number of gross DSU acres 1,428,638</li> </ul>
<b>Implied Average Net Revenue Interest per Well</b>	<ul style="list-style-type: none"> <li>Number of 100% oil and gas lease royalty acres per gross DSU acre</li> </ul>	<ul style="list-style-type: none"> <li>Net Royalty Acres / Gross DSU Acres <math>1.7\% = 23,715 / 1,428,638</math></li> </ul>



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

## Non-GAAP Reconciliations - Consolidated

(\$ in millions)	Year ended December 31,						Three months ended,				
	2018	2019	2020	2021	2022	2023	1Q23	2Q23	3Q23	4Q23	1Q24
<b>Net income</b>	\$ 209.7	\$ 318.7	\$ 176.1	\$ 270.0	\$ 446.4	\$ 405.6	\$ 86.6	\$ 100.4	\$ 105.6	\$ 113.1	\$ 114.4
Income tax expense	52.0	83.6	43.6	93.0	122.5	111.9	23.8	26.8	29.4	32.0	31.6
Depreciation, depletion and amortization	2.6	8.9	14.4	16.3	15.4	14.8	3.4	3.9	3.6	3.9	3.8
<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>\$ 149.8</b>
Revenue	\$ 300.2	\$ 490.5	\$ 302.6	\$ 451.0	\$ 667.4	\$ 631.6	\$ 146.4	\$ 160.6	\$ 158.0	\$ 166.7	\$ 174.1
EBITDA Margin	88.0%	83.8%	77.4%	84.1%	87.5%	84.3%	77.7%	81.6%	87.7%	89.4%	86.0%
EBITDA	\$ 264.3	\$ 411.2	\$ 234.1	\$ 379.3	\$ 584.2	\$ 532.3	\$ 113.7	\$ 131.0	\$ 138.5	\$ 149.0	\$ 149.8
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: employee share-based compensation	—	—	—	—	7.6	9.1	2.2	2.6	2.5	1.9	2.2
<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>\$ 152.0</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	\$ 174.1
Adjusted EBITDA Margin	87.2%	82.0%	79.0%	86.0%	88.7%	85.7%	79.2%	83.2%	89.3%	90.6%	87.3%
Adjusted EBITDA	\$ 245.4	\$ 302.2	\$ 239.1	\$ 388.0	\$ 591.8	\$ 541.4	\$ 115.9	\$ 133.6	\$ 141.0	\$ 150.9	\$ 152.0
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)	(31.9)
Less: capex	(47.9)	(32.7)	(5.1)	(16.4)	(19.0)	(15.4)	(3.8)	(1.4)	(5.2)	(5.0)	(5.7)
Add: tax impact of land sales deemed significant	—	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>\$ 114.5</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 612 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**



## Non-GAAP Reconciliations - Segment

(\$ in millions)	Land and Resource Management						Water Services and Operations							
	Quarterly					Annual		Quarterly					Annual	
	1Q23	2Q23	3Q23	4Q23	1Q24	2022	2023	1Q23	2Q23	3Q23	4Q23	1Q24	2022	2023
<b>Net income</b>	\$ 65.3	\$ 69.6	\$ 82.9	\$ 88.8	\$ 81.0	\$ 365.0	\$ 306.7	\$ 21.2	\$ 30.8	\$ 22.7	\$ 24.3	\$ 33.4	\$ 81.3	\$ 98.9
Income tax expense	17.9	18.5	22.9	25.0	22.3	100.3	84.3	5.9	8.3	6.4	7.0	9.3	22.2	27.6
Depreciation, depletion and amortization	0.6	0.9	0.7	0.8	0.7	2.2	3.1	2.8	3.0	2.9	3.0	3.1	13.1	11.7
<b>EBITDA</b>	<b>\$ 83.9</b>	<b>\$ 89.0</b>	<b>\$ 106.5</b>	<b>\$ 114.7</b>	<b>\$ 103.9</b>	<b>\$ 467.6</b>	<b>\$ 394.1</b>	<b>\$ 29.9</b>	<b>\$ 42.0</b>	<b>\$ 32.0</b>	<b>\$ 34.3</b>	<b>\$ 45.9</b>	<b>\$ 116.6</b>	<b>\$ 138.2</b>
Revenue	\$ 104.0	\$ 101.3	\$ 109.9	\$ 116.8	\$ 111.5	\$ 507.0	\$ 432.1	\$ 42.3	\$ 59.3	\$ 48.0	\$ 49.8	\$ 62.7	\$ 160.4	\$ 199.5
<i>EBITDA Margin</i>	80.6%	87.9%	96.9%	98.1%	93.2%	92.2%	91.2%	70.6%	70.8%	66.6%	68.9%	73.3%	72.7%	69.3%
EBITDA	\$ 83.9	\$ 89.0	\$ 106.5	\$ 114.7	\$ 103.9	\$ 467.6	\$ 394.1	\$ 29.9	\$ 42.0	\$ 32.0	\$ 34.3	\$ 45.9	\$ 116.6	\$ 138.2
Adjustments:														
Less: land sales deemed significant <sup>(1)</sup>	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Less: sale of oil and gas royalty interests <sup>(2)</sup>	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Add: proxy contests, settlement, and corporate reorganization costs <sup>(3)</sup>	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Add: employee share-based compensation	1.3	1.5	1.5	1.1	1.3	4.7	5.3	0.9	1.0	1.0	0.8	0.9	2.9	3.8
<b>Adjusted EBITDA</b>	<b>\$ 85.1</b>	<b>\$ 90.6</b>	<b>\$ 108.0</b>	<b>\$ 115.7</b>	<b>\$ 105.2</b>	<b>\$ 472.3</b>	<b>\$ 399.4</b>	<b>\$ 30.8</b>	<b>\$ 43.0</b>	<b>\$ 33.0</b>	<b>\$ 35.2</b>	<b>\$ 46.8</b>	<b>\$ 119.6</b>	<b>\$ 142.0</b>
Adjusted Revenue <sup>(4)</sup>	\$ 104.0	\$ 101.3	\$ 109.9	\$ 116.8	\$ 111.5	\$ 507.0	\$ 432.1	\$ 42.3	\$ 59.3	\$ 48.0	\$ 49.8	\$ 62.7	\$ 160.4	\$ 199.5
<i>Adjusted EBITDA Margin</i>	81.8%	89.4%	98.3%	99.1%	94.4%	93.2%	92.4%	72.7%	72.6%	68.7%	70.6%	74.7%	74.5%	71.2%
Adjusted EBITDA	\$ 85.1	\$ 90.6	\$ 108.0	\$ 115.7	\$ 105.2	\$ 472.3	\$ 399.4	\$ 30.8	\$ 43.0	\$ 33.0	\$ 35.2	\$ 46.8	\$ 119.6	\$ 142.0
Adjustments:														
Less: current income tax expense	(18.2)	(18.8)	(23.3)	(22.6)	(22.5)	(98.7)	(82.8)	(5.9)	(8.3)	(6.5)	(7.0)	(9.4)	(22.5)	(27.7)
Less: capex	(0.2)	0.0	(0.0)	(0.1)	(0.1)	(0.4)	(0.2)	(3.6)	(1.4)	(5.2)	(5.0)	(5.6)	(18.6)	(15.2)
Add: tax impact of land sales deemed significant	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Add: interest	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Free cash flow</b>	<b>\$ 66.8</b>	<b>\$ 71.8</b>	<b>\$ 84.7</b>	<b>\$ 93.1</b>	<b>\$ 82.6</b>	<b>\$ 373.2</b>	<b>\$ 316.4</b>	<b>\$ 21.3</b>	<b>\$ 33.3</b>	<b>\$ 21.3</b>	<b>\$ 23.2</b>	<b>\$ 31.9</b>	<b>\$ 78.5</b>	<b>\$ 99.1</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**

# Historical Financial Summary

(\$ in millions)	Year ended December 31,		Three months ended,	
	2022	2023	March 31, 2023	March 31, 2024
<b>Total Acres</b>	874,366	868,446	874,357	868,405
<b>Revenues:</b>				
Oil and gas royalties	\$452.4	\$357.4	\$89.1	\$92.1
Water sales	84.7	112.2	21.7	37.1
Produced water royalties	72.2	84.3	20.1	23.0
Easements and other surface-related income	48.1	70.9	15.0	20.6
Land sales	10.0	6.8	0.4	1.2
<b>Total Revenues</b>	<b>\$667.4</b>	<b>\$631.6</b>	<b>\$146.4</b>	<b>\$174.1</b>
<b>Expenses:</b>				
Salaries and related employee benefits	\$41.4	\$43.4	\$10.6	\$12.5
Water service related expenses	17.5	33.6	5.7	10.2
General and administrative expenses	13.3	14.9	3.6	4.9
Legal and professional fees	8.7	31.5	16.6	4.1
Ad valorem taxes	8.9	7.4	1.6	2.4
Land Sales Expenses	—	—	—	0.3
Depreciation, depletion and amortization	15.4	14.8	3.4	3.8
<b>Total operating expenses</b>	<b>\$105.1</b>	<b>\$145.5</b>	<b>\$41.4</b>	<b>\$38.1</b>
<b>Operating income (loss)</b>	<b>\$562.3</b>	<b>\$486.1</b>	<b>\$105.0</b>	<b>\$136.0</b>
Margin (%)	84.3%	77.0%	71.7%	78.1%
Other income (expense)	6.5	31.5	5.4	9.9
<b>Income before income taxes</b>	<b>\$568.9</b>	<b>\$517.6</b>	<b>\$110.3</b>	<b>\$146.0</b>
Income tax expense	122.5	111.9	23.8	31.6
<b>Net income</b>	<b>\$446.4</b>	<b>\$405.6</b>	<b>\$86.6</b>	<b>\$114.4</b>
Margin (%)	66.9%	64.2%	59.1%	65.7%
<b>Key balance sheet items:</b>	<b>2022</b>	<b>2023</b>	<b>1Q23</b>	<b>1Q24</b>
Cash and cash equivalents	\$510.8	\$725.2	\$590.6	\$837.1
Total debt	—	—	—	—
Total capital	772.9	1,043.2	829.1	1,122.4
Total assets	877.4	1,156.4	955.3	1,259.2
Total liabilities	104.5	113.2	126.2	136.7

**TPL**



**Texas Pacific Land Corporation**

1700 Pacific Avenue, Suite 2900  
Dallas, Texas 75201

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Texas Pacific Land Corporation  
*(NYSE: TPL)*  
May 2024

# Produced Water Desalination and Beneficial Reuse



# TPL Innovation – Produced Water Desalination and Beneficial Reuse

*Leveraging our expertise, asset base, and technology to provide essential produced water solutions*

**Texas Pacific Land Corporation** (“TPL”), within its wholly-owned subsidiary Transmissive Water Services (“Transmissive”), has developed a promising **new energy efficient method of produced water desalination via fractional freezing and beneficial reuse process advancements**



**TPL**



Reduces produced water subsurface injection



Long-term, sustainable produced water solution



Beneficial reuse applications



Top-tier technology and research partners



Interest from blue-chip upstream operators



Multiple exclusive-use rights and process patents



Potential high-margin cash flow stream underpinned by capital-light model

## Produced Water Overview

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**TPL**

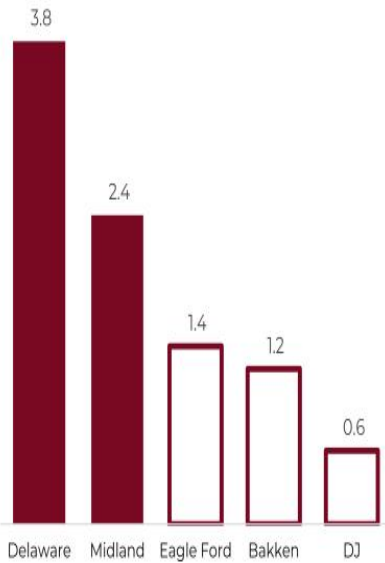
### **Produced water is natural saltwater that is a co-product from an oil and gas well**

- Contains oil, suspended solids, and heavy metals
- Salinity of produced water is often 3-4X as salty as ocean water
- Due to its quality, produced water without desalination has limited uses outside of the oil and gas industry
- Produced water is typically either injected subsurface into saltwater disposal wells ("SWDs") or lightly-treated / recycled for reuse in oil and gas completion activities
- Produced water is injected into deep zones, confined below the oil producing areas, or shallow zones, above the oil producing areas but below fresh and brackish aquifers
  - Due to the large volumes requiring injection, both the shallow and deep zones show concern for long term viability

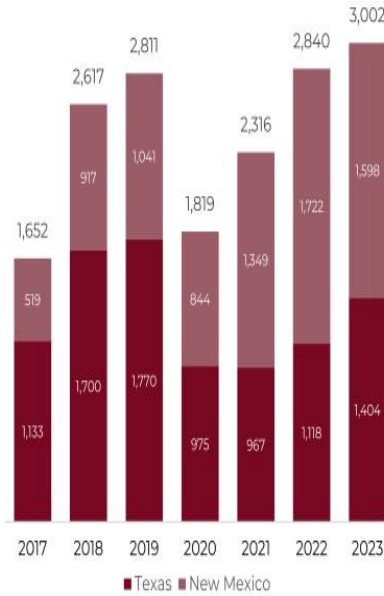
# Produced Water from Permian to Continue Growing

Clean and sustainable alternatives to traditional produced water disposal are needed at scale

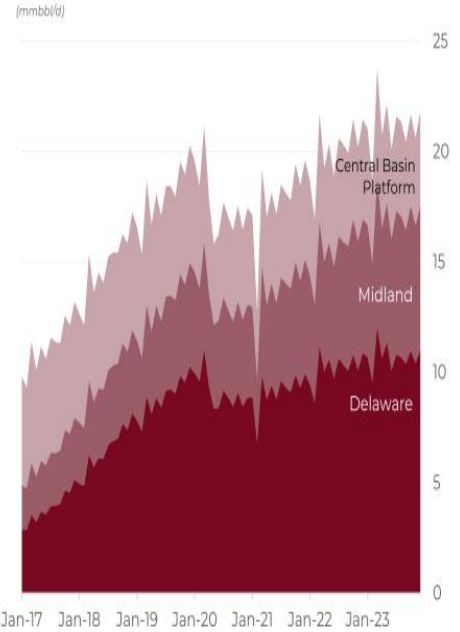
**Water-to-Oil ("WOR") Ratio by Oil Basin<sup>1</sup>**



**Delaware Basin Well Completions**



**Permian Produced Water Volumes**



The Delaware basin has relatively high water cuts compared to other major oil producing basins

Robust oil and gas development activity in the Permian Basin overall, and Delaware specifically, requires increasing demand for produced water solutions

Strong Permian development activity and high water-cuts continue to drive higher Permian produced water volumes



# Produced Water Desalination Technology Overview



TPL has developed desalination technology that leverages the differing water freeze points across salinity levels



Close collaboration with top-tier technology partner in the industrial freezing industry



Fractional freezing more energy efficient than alternative desalination techniques



Continue to make equipment and process optimizations



Successful R&D trial at TPL facility in Midland; procuring equipment for a larger test facility with capacity of ~10,000 barrels of water per day

## Target 75<sup>3</sup> Matrix



- ❖ 75% volume reclamation
- ❖ 75% analyte removal
- ❖ \$0.75 per barrel treatment cost



Desalination becomes economically competitive and environmentally superior to subsurface injection



## Water Quality Results

- ✓ SVOCs & VOCs – almost all reduced to the TCEQ Maximum Contaminant Level
- ✓ PFAS levels meets current EPA recommendation
- ✓ Radionuclides reduced by 99.6%
- ✓ Metals reduced by 95.9%
- ✓ Plant and soil data have shown minimal changes to soil and no obvious signs of damage to plant health
- ✓ Working with academia to include analytes that are not traditionally analyzed

**TPL**

# TPL Advancing Beneficial Reuse R&D

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## **Greenhouse Pilot**

*Greenhouse pilot tested various soil, plant, and water quality conditions and was used to design the RRC Pilot study*



## **Outdoor Alfalfa Plot**

*Applying findings from Greenhouse Pilot towards outdoor study of utilizing desalinated produced water for crops*



## **Data Analysis and Plant Toxicology**

*Conducting and participating in cutting edge produced water analysis and plant toxicology to the understand application of water outside of oil & gas*

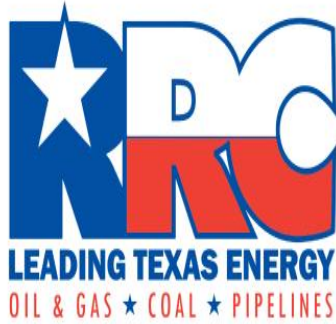


## **Pecos River discharge**

*Transmissive has applied to discharge high quality desalinated produced water into the Pecos River, a waterbody currently impaired by Total Dissolved Solids (TDS) and lack of flow*

**TPL**

# Striving for Sustainability Beyond Current Regulatory Environmental Standards



- Texas Railroad Commission (“RRC”) granted TPL a pilot permit to irrigate a small alfalfa field near TPL’s Midland Yard
- Water standards meet requirements of this permit, and TPL has implemented testing procedures in compliance with guidance



- Applied for Texas Pollutant Discharge Elimination System (“TPDES”) permit through Texas Commission on Environmental Quality (“TCEQ”) to discharge treated desalinated produced water into the upper region of the Pecos River
- TPL’s TPDES application has been deemed administratively complete by TCEQ
- Technical Review underway



- TPL has extensive groundwater quality data for Loving and Reeves Counties
- Treated water from desalination tested of significantly higher quality than local groundwater in Loving and Reeves
- Access to best-in-class testing and analytical capabilities through several partnerships with research facilities
- Endeavoring to test, measure, and achieve quality metrics beyond scope of regulatory standards

**TPL**

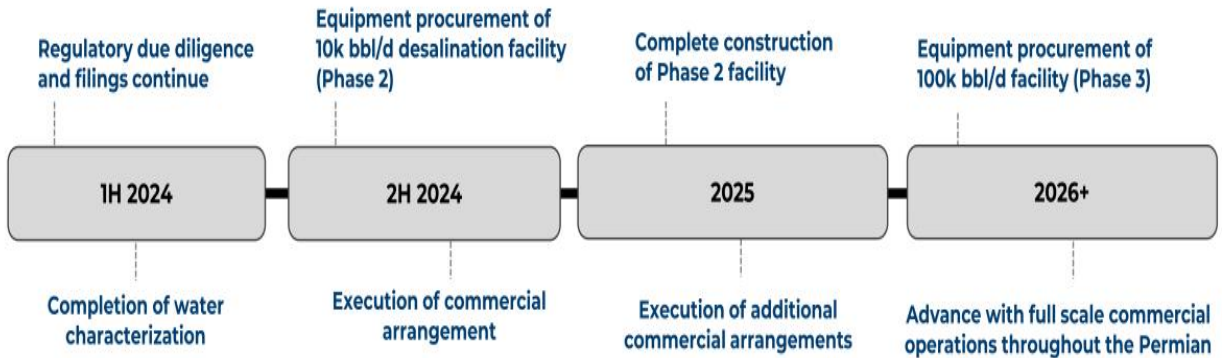


# Key Milestones Accomplished and Accelerating Further Commercial Development

## PROGRESS TO-DATE

- ✓ Proof of concept: freeze desalination works and pathway to affordable cost
- ✓ Collaborating with a top-tier technology and manufacturing partner in the industrial refrigeration and freezing industry
- ✓ Secured exclusive use-rights for equipment towards produced water applications
- ✓ Filed a process patent utilizing fractional freeze desalination to treat produced water and surface discharge
- ✓ Treated water product has been safe for irrigation thus far and meets most quality requirements for various methods of discharge
- ✓ Granted Land Application Pilot Permit by RRC to grow alfalfa from treated water
- ✓ Research partnership with New Mexico State University to analyze water quality
- ✓ Regulatory application for environmental discharge deemed administratively complete and currently undergoing technical review

## PRELIMINARY FUTURE DEVELOPMENT TIMING



**TPL**



# Appendix

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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

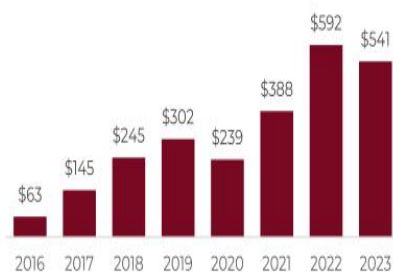
## TPL by the Numbers<sup>1</sup>

Market Value (\$MM)	\$13,550
Cash & Equivalents (\$MM)	\$837
Debt (\$MM)	\$0
Net Royalty Acres (100% net basis)	~23,700
<i>Normalized to 1/8<sup>th</sup></i>	~195,000
Surface Acres	~868,000
2023 Adj. EBITDA Margin	86%
2023 FCF Margin	66%
Average daily trading volume (1-yr avg)	~92,000

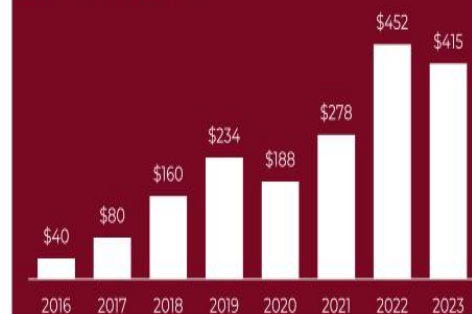
FY 2023 Revenues (\$MM)



Adjusted EBITDA (\$MM)



Free Cash Flow (\$MM)



**TPL**

Note: Adjusted EBITDA and Free Cash Flow are non-GAAP measures. See Appendix for reconciliations of these non-GAAP measures to net income.  
 (1) Balance sheet data as of 3/31/2024. Market value and average daily trading volume as of 4/25/2024. Trading volume reflects 3:1 stock split in March 2024.

# Sustainability is Embedded in Our Strategy

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## Key Opportunities

### Carbon Management

- 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

### Water Management

- Water recycling capabilities allow operators to minimize freshwater usage; ongoing water asset electrification can reduce diesel reliance and manage emissions profile

### Environmental Management

- Adoption of new technology can reduce our costs and environmental impact
- Allowance of easements on land to construct electricity infrastructure supports emissions reductions from our land operators

### Renewable Development

- Expanding efforts to encourage wind and solar development on our surface and exploring all options to increase our existing renewable footprint

### Investing in Our People

- Comprehensive, job-specific training and development opportunities; high employee retention and low turnover rates, with annual employee satisfaction surveys
- Demonstrated commitment to enhancing diversity - 41% of workforce are women and continual assessment of organizational dynamics to cultivate a more inclusive workforce

# Our Environmental Management Initiatives

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## Incidents and Spill Prevention Control



- Implementation of Spill Prevention, Control, and Countermeasure plan and protocol for water assets, which are equipped with tech / containment protections
- Thorough tracking and monitoring of all spills; information is entered into centralized database to allow easy tracking and data management
- Prioritization of continued education and engagement of employees and contractors

## Environmental Impact Assessments



- Prior to acquiring additional surface acreage, on-site Phase 1 Environmental Site Assessments are regularly conducted by environmental consultants to gauge property condition
- Regularly scheduled pipeline maintenance checkups of existing pipeline assets; Health, Safety and Environment team closely monitors assets for spills, leaks or any other release

## Ecological and Biodiversity Partnerships



- Partnership with New Mexico Bureau of Land Management to obtain biodiversity impact guidance
- Contractual requirement for grazing tenants to use proper grazing and stockman standards and participate in conservation, range and wildlife improvement programs

## Operator and Lessee Requirements



- Prioritization of consistent engagement and communications with operators and lessees on TPL's land to ensure maintenance of environmental due diligence
- Requirement of reclamation process to verify land has been restored to environmental condition stipulated by contractual agreement

## Non-GAAP Reconciliations - Consolidated

(\$ in millions)	Year ended December 31,						Three months ended,				
	2018	2019	2020	2021	2022	2023	1Q23	2Q23	3Q23	4Q23	1Q24
<b>Net income</b>	\$ 209.7	\$ 318.7	\$ 176.1	\$ 270.0	\$ 446.4	\$ 405.6	\$ 86.6	\$ 100.4	\$ 105.6	\$ 113.1	\$ 114.4
Income tax expense	52.0	83.6	43.6	93.0	122.5	111.9	23.8	26.8	29.4	32.0	31.6
Depreciation, depletion and amortization	2.6	8.9	14.4	16.3	15.4	14.8	3.4	3.9	3.6	3.9	3.8
<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>\$ 149.8</b>
Revenue	\$ 300.2	\$ 490.5	\$ 302.6	\$ 451.0	\$ 667.4	\$ 631.6	\$ 146.4	\$ 160.6	\$ 158.0	\$ 166.7	\$ 174.1
<i>EBITDA Margin</i>	88.0%	83.8%	77.4%	84.1%	87.5%	84.3%	77.7%	81.6%	87.7%	89.4%	86.0%
EBITDA	\$ 264.3	\$ 411.2	\$ 234.1	\$ 379.3	\$ 584.2	\$ 532.3	\$ 113.7	\$ 131.0	\$ 138.5	\$ 149.0	\$ 149.8
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: employee share-based compensation	—	—	—	—	7.6	9.1	2.2	2.6	2.5	1.9	2.2
<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>\$ 152.0</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	\$ 174.1
<i>Adjusted EBITDA Margin</i>	87.2%	82.0%	79.0%	86.0%	88.7%	85.7%	79.2%	83.2%	89.3%	90.6%	87.3%
Adjusted EBITDA	\$ 245.4	\$ 302.2	\$ 239.1	\$ 388.0	\$ 591.8	\$ 541.4	\$ 115.9	\$ 133.6	\$ 141.0	\$ 150.9	\$ 152.0
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)	(31.9)
Less: capex	(47.9)	(32.7)	(5.1)	(16.4)	(19.0)	(15.4)	(3.8)	(1.4)	(5.2)	(5.0)	(5.7)
Add: tax impact of land sales deemed significant	—	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>\$ 114.5</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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## 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.



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