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

FORM 10-K

(Mark One)

þ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31 , 2023
or
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ______ to ______

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:	IRS Employer Identification No.:
Delaware	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

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

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes þ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No þ

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes þ No ☐

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

Large Accelerated Filer	þ	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
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. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. þ

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the common stock held by non-affiliates of the registrant as of the last business day of the registrant's most recently completed second fiscal quarter (June 30, 2023) was approximately $ 7.5 billion.

As of February 14, 2024, there were 7,668,422 shares of Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE:

None

TEXAS PACIFIC LAND CORPORATION
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PART I

Statements in this Annual Report on Form 10-K that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including statements regarding management's expectations, hopes, intentions or strategies regarding the future. Words or phrases such as "expects" and "believes," or similar expressions, when used in this Annual Report on Form 10-K or other filings with the Securities and Exchange Commission (the "SEC"), are intended to identify "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements regarding the Company's future operations and prospects, the markets for real estate in the areas in which the Company owns real estate, applicable zoning regulations, the markets for oil and gas including actions of other oil and gas producers or consortiums worldwide such as the Organization of Petroleum Exporting Countries ("OPEC") and Russia (collectively referred to as "OPEC+"), expected competition, management's intent, beliefs or current expectations with respect to the Company's future financial performance and other matters. All forward-looking statements in this Report are based on information available to us as of the date this Report is filed with the SEC, and we assume no responsibility to update any such forward-looking statements, except as required by law. All forward-looking statements are subject to a number of risks, uncertainties and other factors that could cause our actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. These risks, uncertainties and other factors include, but are not limited to, the factors discussed in Item 1A. "Risk Factors" and Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Item 1. Business.

General

Texas Pacific Land Corporation (which, together with its subsidiaries as the context requires, may be referred to as "TPL", the "Company", "our", "we" or "us") is a Delaware Corporation and one of the largest landowners in the State of Texas with approximately 868,000 surface acres of land in West Texas, principally concentrated in the Permian Basin. Additionally, we own a 1/128th nonparticipating perpetual oil and gas royalty interest ("NPRI") under approximately 85,000 acres of land, a 1/16th NPRI under approximately 371,000 acres of land, and approximately 4,000 additional net royalty acres (normalized to 1/8th) ("NRA"), for a collective total of approximately 195,000 NRA all located in the western part of Texas.

The Company was originally organized as Texas Pacific Land Trust (the "Trust") under a Declaration of Trust, dated February 1, 1888 (the "Declaration of Trust"), to receive and hold title to extensive tracts of land in the State of Texas, previously the property of the Texas and Pacific Railway Company. The Declaration of Trust provided for the appointment of trustees (the "Trustees") to manage the assets of the Trust with all of the powers of an absolute owner. On January 11, 2021, the Trust completed its reorganization from a business trust, Texas Pacific Land Trust, into Texas Pacific Land Corporation ("TPL Corporation"), a corporation formed and existing under the laws of the State of Delaware. TPL Corporation is an independent public company and its common stock, par value of $0.01 per share ("Common Stock") is listed under the symbol "TPL" on the New York Stock Exchange (the "NYSE"). See further discussion under "Corporate Reorganization" below. Any references in this Annual Report on Form 10-K to the Company, TPL, our, we or us with respect to periods prior to January 11, 2021, will be in reference to the Trust, and references to periods on that date and thereafter will be in reference to Texas Pacific Land Corporation or TPL Corporation.

Our surface and royalty ownership provide revenue opportunities throughout the oil and gas development value chain. While we are not an oil and gas producer, we benefit from various revenue sources throughout the life cycle of a well. During the initial development phase where infrastructure for oil and gas development is constructed, we receive fixed fee payments for use of our land and revenue for sales of materials (caliche) used in the construction of the infrastructure. During the drilling and completion phase, we generate revenue for providing sourced and/or treated produced water in addition to fixed fee payments for use of our land. During the production phase, we receive revenue from our oil and gas royalty interests and also revenues related to saltwater disposal on our land. In addition, we generate revenue from pipeline, power line and utility easements, commercial leases and temporary permits principally related to a variety of land uses, including, but not limited to, midstream infrastructure projects and processing facilities as hydrocarbons are processed and transported to market.

TPL's mission is to pursue a thoughtful, long-term approach towards optimizing and building upon the commercial and environmental virtues of our extensive lands and resources. TPL has a long history of responsible management of its legacy assets, and in recent years, the Company has expanded its business strategy to generate incremental revenue streams that take advantage of the Company's vast surface and royalty footprint, such as its investments in the Water Services and Operations business segment. Beyond TPL's current businesses, the Company continues to explore new opportunities related to renewable energy, environmental sustainability, and technology, among others, that can leverage the already existing legacy surface and royalty assets. The Company's business model emphasizes high cash flow margins and relatively low ongoing capital expenditure requirements, and new opportunities would generally be expected to align with these priorities. The Company remains focused on optimizing long-term value creation and profitability, fostering responsible stewardship of our assets, providing quality customer service, and engaging with and advocating for employee and stakeholder interests.

Corporate Reorganization

On January 11, 2021, TPL completed its reorganization from a trust into a corporation (the "Corporate Reorganization").

As part of the Corporate Reorganization, on January 11, 2021, shares of TPL Corporation's Common Stock were distributed to holders of sub-share certificates of proprietary interest, par value $0.03-1/3 of the Trust ("Sub-shares") on the basis of one share of Common Stock for every Sub-share (the "Distribution").

Prior to the Corporate Reorganization, as a result of a proxy contest mounted by certain holders of Sub-shares, the Trust entered into a stockholders' agreement dated as of June 11, 2020 and amended as of December 14, 2020 (the "Stockholders' Agreement"), with Horizon Kinetics LLC, Horizon Kinetics Asset Management LLC (together with Horizon Kinetics LLC and its affiliates, "Horizon"), SoftVest Advisors, LLC, SoftVest, L.P. (together with SoftVest Advisors, LLC and its affiliates, "SoftVest," and together with Horizon, the "Investor Group"), and Mission Advisors, LP, ("Mission" and together with the Investor Group, collectively, the "stockholder parties"). The Stockholders' Agreement provided for, among other things, the appointment of Dana F. McGinnis, Eric L. Oliver and Murray Stahl as directors of TPL's board of directors (the "Board") in connection with the Corporate Reorganization. Mr. McGinnis resigned from the Board in March 2022.

Pursuant to the Stockholders' Agreement, the stockholder parties agreed to vote all of the shares of Common Stock they beneficially owned at each annual or special meeting of stockholders of the Company in accordance with the Board's recommendations, subject to certain exceptions. The termination date of the Stockholders' Agreement was to occur immediately following the completion of the 2022 annual meeting of stockholders, except that the respective obligations of the Investor Group were to survive until such time as neither Investor Group designee is serving on the Board.

A dispute arose relating to the voting by the Investor Group on a proposal at the 2022 annual meeting of stockholders. The dispute was eventually resolved by the Delaware Court of Chancery, which ruling is now being appealed, but prior to such resolution, on July 28, 2023, the Company and the Investor Group entered into a Cooperation Agreement (the "Cooperation Agreement") pursuant to which (i) Mr. Stahl, Marguerite Woung-Chapman and Robert Roosa would be nominated by the Company for election at the 2023 annual meeting of stockholders, (ii) the pre-signed conditional resignation letters submitted by Messrs. Stahl and Oliver pursuant to the Stockholders' Agreement were considered withdrawn and no longer effective, and (iii) the Investor Group agreed to vote or cause to be voted all of the shares of Common Stock over which the Investor Group has direct or indirect voting control for the election of the three nominees named above and against any director nominee not recommended by the Board, for proposals regarding approval of executive compensation and ratification of the Company's independent registered public accounting firm, and in accordance with the recommendation of the majority of the Board in respect of any proposals submitted by stockholders. The Cooperation Agreement also provided for mutual non-disparagement covenants and certain standstill obligations for the Investor Group as long as one of Mr. Stahl or Mr. Oliver remain on the Board. In addition, the termination date of the Stockholders' Agreement was changed to occur following the completion of the 2023 annual meeting, which occurred on November 10, 2023.

Historical Operating Performance

The table below reflects our historical operating results for the last five years (in thousands, except per share amounts):

	Years Ended December 31,				
	2023	2022	2021	2020	2019
Revenues	$ 631,595	$ 667,422	$ 450,958	$ 302,564	$ 490,496
Net income	$ 405,645	$ 446,362	$ 269,980	$ 176,049	$ 318,728
Net income per share:					
Basic	$ 52.81	$ 57.80	$ 34.83	$ 22.70	$ 41.09
Diluted	$ 52.77	$ 57.77	$ 34.83	$ 22.70	$ 41.09

Business Segments

We operate our business in two reportable segments: Land and Resource Management and Water Services and Operations. Our segments provide management with a comprehensive financial view of our key businesses. The segments enable the alignment of strategies and objectives of the Company and provide a framework for timely and rational allocation of resources within businesses. See Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and Note 14, “Business Segment Reporting” in Item 8. “Financial Statements and Supplementary Data” in this Annual Report on Form 10-K.

Land and Resource Management

Our Land and Resource Management segment encompasses the business of managing our approximately 868,000 surface acres of land and our oil and gas royalty interests in West Texas, principally concentrated in the Permian Basin. The revenue streams of this segment consist primarily of royalties from oil and gas, revenues from easements, commercial leases and renewables, and land and material sales.

We are not an oil and gas producer. Rather, our oil and gas revenue is derived from our oil and gas royalty interests. Thus, in addition to being subject to fluctuations in response to the market prices for oil and gas, our oil and gas royalties are also subject to decisions made by the owners and operators of the oil and gas wells to which our royalty interests relate as to investments in and production from those wells. Our oil and gas royalty interests require no capital expenditures or operating expense burden from us for well development.

Our revenue from easements is primarily generated from pipelines transporting oil, gas and related hydrocarbons, power line and utility easements, and subsurface wellbore easements. Easements typically have a thirty-plus year term but subsequently renew every ten years with an additional payment. In addition to easements, we also receive revenues from other surface-related operations on our land, including but not limited to, commercial leases, well development and material sales. Commercial lease revenue is derived primarily from processing, storage and compression facilities, and roads. Material sales include caliche, sand, and other material sales to operators. Caliche is used in the construction of oil and gas-related infrastructure, and sand is utilized for completion operations.

In recent years, we entered into agreements with third parties related to renewables and various “next generation” opportunities that will potentially utilize TPL’s surface assets. These agreements include the evaluation of grid-connected batteries, studies on carbon capture and sequestration, and development of bitcoin mining facilities, among other opportunities. Generally, these projects are structured with multi-year terms that allow for feasibility and/or commercial suitability and revenue arrangements that provide royalty, fee, profit sharing, lease and/or rental payments, though contractual terms and timing for commercial operations will vary by project. We do not anticipate these agreements will have a significant impact on our revenues in the short-term but do have the potential to contribute meaningfully to our revenues in the longer term.

As a significant landowner, we also generate revenue from land sales. From time to time, we receive offers from third parties to acquire tracts of our land. Sales demand and related sale prices of particular tracts of land are influenced by many factors, including general economic conditions, the rate of development in nearby areas and the suitability of the particular tract for commercial uses prevalent in West Texas.

Operations

Revenues from the Land and Resource Management segment for the last three years were as follows (dollars presented in thousands):

	Years Ended December 31,					
	2023		2022		2021	
	Segment Revenue	% of Total Consolidated Revenue	Segment Revenue	% of Total Consolidated Revenue	Segment Revenue	% of Total Consolidated Revenue
Oil and gas royalties	$ 357,394	57 %	$ 452,434	68 %	$ 286,468	64 %
Easements and other surface-related income	67,905	11 %	44,569	7 %	32,892	7 %
Land sales and other operating revenue	6,806	1 %	9,972	1 %	1,027	— %
Total Revenue - Land and Resource Management segment	$ 432,105	69 %	$ 506,975	76 %	$ 320,387	71 %

Please see discussion of our financial results at Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Segment Results of Operations.”

Oil and Gas Activity for the Year Ended December 31, 2023

For the year ended December 31, 2023, our share of crude oil, natural gas and natural gas liquid (“NGL”) production was 23.5 thousand barrels of oil equivalent (“Boe”) per day compared to 21.3 thousand Boe per day for the same period of 2022. The total equivalent price was $42.58 per Boe for the year ended December 31, 2023, a decrease of 30.0% compared to the total equivalent price of $60.81 per Boe for the same period of 2022.

For the year ended December 31, 2023, the number of oil and gas wells that had been drilled but are not yet completed (“DUC”) subject to our royalty interest was 675 compared to 584 for the same period of 2022. The number of DUC wells is determined using uniform drilling spacing units with pooled interests for all wells awaiting completion.

Competition

Our Land and Resource Management segment does not have direct peers, as such, in that it sells, leases and generally manages land owned by the Company and, to that extent, any owner of property located in areas comparable to the Company is a potential competitor.

Water Services and Operations

Our Water Services and Operations segment encompasses the business of providing full-service water offerings to operators in the Permian Basin through Texas Pacific Water Resources LLC (“TPWR”), a single member Texas limited liability company owned by the Company.

These full-service water offerings include, but are not limited to, water sourcing, produced-water treatment, infrastructure development, and disposal solutions. We are committed to sustainable water development. Our significant surface ownership in the Permian Basin provides TPWR with a unique opportunity to provide multiple full-service water offerings to operators.

The revenue streams of this segment principally consist of revenue generated from sales of sourced and treated water as well as revenue from produced water royalties. Energy businesses use water for their oil and gas projects while service businesses (i.e., water management service companies) operate water facilities to produce and sell water to energy businesses.

Operations

Revenues from our Water Services and Operations segment for the last three years were as follows (dollars presented in thousands):

	Years Ended December 31,					
	2023		2022		2021	
	Segment Revenue	% of Total Consolidated Revenue	Segment Revenue	% of Total Consolidated Revenue	Segment Revenue	% of Total Consolidated Revenue
Water sales	$ 112,203	18 %	$ 84,725	13 %	$ 67,766	15 %
Produced water royalties	84,260	13 %	72,234	11 %	58,081	13 %
Easements and other surface-related income	3,027	— %	3,488	— %	4,724	1 %
Total Revenue – Water Services and Operations segment	$ 199,490	31 %	$ 160,447	24 %	$ 130,571	29 %

Please see discussion of our financial results at Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Segment Results of Operations.”

Activity for the year ended December 31, 2023

The increase in water sales during 2023 compared to 2022 is principally due to a 21.8% increase in water sales volumes over the same time period.

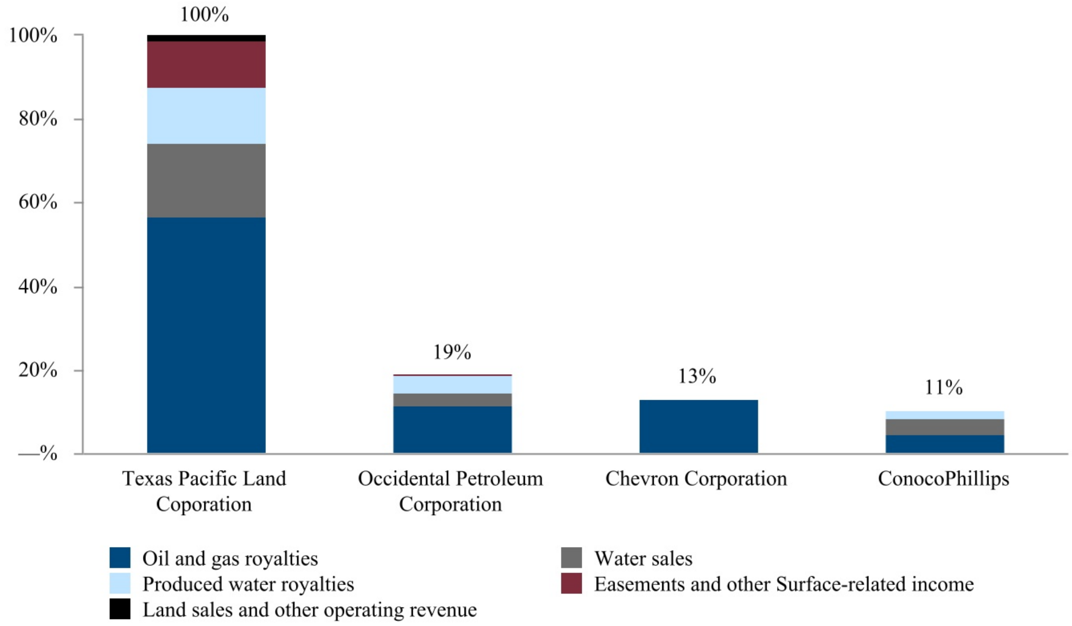
During 2023, we invested $15.2 million in TPWR projects to maintain and/or enhance water sourcing assets and acquired groundwater rights for $3.8 million to provide us access to additional water volumes outside of our existing surface footprint to assist in managing fluctuations in customer demand. We also acquired a saltwater disposal (“SWD”) easement for $17.6 million. The SWD easement covers approximately 49,000 acres and provides us future disposal opportunities to service injection customers seeking disposal solutions located outside of core basins.

Competition

While there is competition in the water service business in the Permian Basin, we believe our position as a significant landowner of approximately 868,000 surface acres in West Texas gives us a unique advantage over our competitors who must negotiate with existing landowners to source water and then for the right of way to deliver the water to the end user.

Major Customers

The chart below depicts our total revenues and revenues from customers representing more than 10% of our 2023 consolidated revenues:



While approximately 43% of our 2023 revenue is derived from only three customers, two of these customers are in the top 10, and the remaining customer is in the top 35, energy companies in the world based on market capitalization, and we believe each of them is a strong and reliable operator. Given their major presence in the Permian Basin and our significant surface lands in the same area, the high concentration of business with these three customers is expected. Further, the choice of whom we do business with largely depends on location of mineral royalties and surface rights on or near our assets and consists of a limited universe of oil and gas companies who operate in the Permian Basin.

Seasonality

While the business of TPL is not seasonal in nature, as that term is generally understood, revenues from oil and gas royalties may fluctuate from period to period based upon market prices for oil and gas and production decisions made by the operators. Our other revenue streams, which include, but are not limited to, water sales and royalties, easements and other surface related income and sales of land, may also fluctuate from period to period. In addition, our results generally rely on the decisions and actions of third parties out of our ultimate control. As a consequence, the results of our operations for any particular period are not necessarily indicative of the results of operations for a full year.

Regulations

We are subject to various federal, state and local laws. Management believes that our operations comply in all material respects with applicable laws and regulations and that the existence and enforcement of such laws and regulations have no more restrictive effect on our method of operations than on other companies similar to TPL.

We cannot determine the extent to which new legislation, new regulations or changes in existing laws or regulations may affect our future operations.

Environmental Considerations

Compliance with Federal, State and local provisions that have been enacted or adopted regulating the discharge of materials into the environment, or otherwise relating to the protection of the environment, have had no material effect upon our business generally, including the capital expenditures, earnings and competitive position of the Company. To date, the Company has not been called upon to expend any funds for these purposes.

Environmental, Social and Governance ("ESG")

In August 2021, the Company published its inaugural Environmental, Social, Governance ("ESG") disclosure highlighting data and processes that began in 2020. The Company's current ESG disclosure is available at the Company's website at www.TexasPacific.com. The ESG disclosure has been prepared in accordance with the frameworks of the Sustainable Accounting Standards Board, the Global Reporting Initiative, and the Task Force on Climate Related Disclosures.

Integrating sustainability and ESG objectives is a priority for our Company. The Company's ESG strategy reflects its dedication to meeting tactical business priorities while managing the environmental impacts of its operations, maintaining principles for social responsibility, and upholding a commitment to strong corporate governance. Our ESG strategy is focused on the overarching priorities of environmental management, employee health and safety, workforce management and equality, community and landowner engagement, and strong corporate governance and ethics. We are committed to sustainability and responsible stewardship across all of our operations and land management activities.

As the Company does not produce oil or gas from the land from which its royalties' revenue stream is derived, it developed its sustainability goals and partnership opportunities in consultation with the entities operating on its land. On the water solutions side of its business, the Company developed a tailored ESG program that addresses the ethical and responsible buildout of water assets and management of water as a natural resource. The Company's continued goal is an integrated and iterative approach to sustainable and responsible resource management.

TPL's ESG accomplishments and goals include but are not limited to:

- Converted from a business trust to a Delaware corporation in January 2021, providing enhanced governance to the Company's stockholders.

- Increased the electrification of the Company's water assets in an effort to reduce costs and mitigate the overall emission profile of the Company by reducing reliance on diesel generators. Cumulatively through December 31, 2023, TPL has spent $15.8 million of capital on electric infrastructure.

- Initiated energy tracking in 2020 to monitor and identify trends in energy consumption and sourcing.

- Prioritizing the health and welfare of TPL's workforce.

- Employed practices for the tracking and monitoring of all spills, regardless if they are within or outside of regulatory reporting requirements. We had zero spills of produced water in 2023 and 2022.

- Partnered with oil & gas operators on the Company's surface estate to collectively discuss and manage ESG risks. Partnership opportunities included: developing renewable energy infrastructure across the Company's land, developing water infrastructure to support the reuse and recycling of produced water—a critical response to climate change, partnering to develop innovative technologies that support emissions management, and more.

- Instituted a governance framework that includes oversight and stewardship of the Company's ESG strategies. The Nominating and Corporate Governance Committee reviews the Company's policies and programs concerning corporate social responsibility, including ESG matters, with the support of the Audit Committee and the Compensation Committee, where appropriate. The committees provide guidance to the Board and management with respect to trends and developments regarding environmental, social, governance, and political matters that could significantly impact the Company.

The disclosure denotes that the Company's ESG strategy, including metrics and targets, will be continuously reviewed and assessed annually to determine if updates or process improvements are needed.

Our full ESG disclosure is available at www.TexasPacific.com/esg.

Human Capital Resources

We believe we have a talented, motivated and dedicated team and we are committed to supporting the development of our team members and continuously building on our strong culture. As of December 31, 2023, the Company had 100 full-time employees, of which 30 were employees of TPWR.

Our business strategy and ability to serve customers relies on employing talented professionals and attracting, training, developing and retaining a knowledgeable skilled workforce. We maintain a good working relationship with our employees. We value our employees and their experience in providing value through land, mineral and water resource management and water solutions. Maintaining a robust pipeline of talent is crucial to our ongoing success and is a key aspect of succession planning efforts across the organization. Our leadership and human resources teams are responsible for attracting and retaining top talent by facilitating an environment where employees feel supported and encouraged in their professional and personal development. We are committed to enhancing gender, racial and ethnic diversity throughout our organization. We believe that diversity is an important factor in bringing people together, encouraging shared commitment and fostering new ideas.

We strive to be a great place for our employees to work. Accordingly, we offer industry competitive pay and benefits, tuition reimbursement and continuing education classes and are committed to maintaining a workplace environment that promotes employee productivity and satisfaction.

Employee safety is also among our top priorities. Accordingly, we have developed and administer company-wide policies to ensure a safe and fair workplace free of discrimination or harassment for each team member and compliance with Occupational Safety and Health Administration ("OSHA") standards, as further discussed in our Code of Business Conduct and Ethics. This commitment applies to recruiting, hiring, compensation, benefits, training, termination, promotions or any other terms and conditions of employment. We maintain our strong focus on safety and have taken measures to protect our employees and maintain safe, reliable operations.

We strive for a goal of zero occupational injuries, illnesses and incidents in our workplace. To ensure that we protect our safety culture, we have in place a dedicated HS&E team with substantial combined years of experience and have in-house authorized trainers for OSHA-required certified training, powered equipment training and PCE-safe land certificated training.

Available Information on our Website

The Company makes available on our website at www.TexasPacific.com, free of charge, its Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act"). Such reports are also available at www.sec.gov. The information contained on our website is not part of this Report.

Item 1A. Risk Factors.

An investment in our securities involves a degree of risk. The risks described below are not the only ones facing us. Additional risks not presently known to us or that we currently deem immaterial may also have a material adverse effect on us. If any of the following risks actually occur, our financial condition, results of operations, cash flows or business could be harmed. In that case, the market price of our stock could decline and you could lose part or all of your investment in our stock.

Risks Related to our Business

Our oil and gas royalties are dependent upon the market prices of oil and gas which fluctuate.

The oil and gas royalties that we receive are dependent upon the market prices for oil and gas. When lower market prices for oil and gas occur, they will have an adverse effect on our oil and gas royalties. The market prices for oil and gas are subject to US and global macroeconomic and geopolitical conditions and infrastructure and logistical constraints, amongst others, and, in the past, have been subject to significant price fluctuations. Price fluctuations for oil and gas have been particularly volatile in recent years due to supply and demand fundamentals, Organization of the Petroleum Exporting Countries (“OPEC”) and Russia (collectively referred to as “OPEC+”) actions, the prolonged Ukraine/Russia conflict and general economic cycles, among other factors. These measures have at times resulted in a reduction of global economic activity and volatility in the global financial markets. The scale and duration of the impact of these factors remain unknowable but could lead to a decrease in our revenues and have a material impact on our business segments and earnings, cash flow and financial condition.

We are not an oil and gas producer. Our revenues from oil and gas royalties are subject to the actions of others.

We are not an oil and gas producer. Our oil and gas income is derived primarily from perpetual non-participating oil and gas royalty interests that we have retained. As oil and gas wells age, their production capacity may decline absent additional investment. However, the owners and operators of the oil and gas wells make all decisions as to investments in, and production from, those wells and our royalties are dependent upon decisions made by those operators, among other factors. Accordingly, a significant portion of our revenues is reliant on the management and actions of third parties, over whom we have no control. There can be no assurance that such third parties will take actions or make decisions that will be beneficial to us, which could result in adverse effects on our financial results and performance.

Our revenues from the sale of land are subject to substantial fluctuation. Land sales are subject to many factors that are beyond our control.

Our land sales vary widely from year to year and quarter to quarter. The total price obtained, the average price per acre, and the number of acres sold in any one year or quarter should not be assumed to be indicative of future land sales. Our desire to sell and the demand and pricing for any particular tract of our land is influenced by many factors, including but not limited to: (i) access and location, (ii) the national and local economies, (iii) the rate of oil and gas well development by operators, (iv) the rate of development in nearby areas, (v) the livestock carrying capacity, and (vi) the condition of the local industries, which itself is influenced by a range of conditions. Our ability to sell land can be, therefore, largely dependent on the actions of adjoining landowners.

Demand for TPWR’s products and services is substantially dependent on the levels of expenditures by our customers.

Demand for TPWR’s products and services depends substantially on demand and expenditures by our customers for the exploration, development and production of oil and natural gas reserves. These expenditures are generally dependent on our customers’ overall financial position, capital allocation priorities, and views of future oil and natural gas prices. Declines, as well as anticipated declines, in oil and gas prices have in the past resulted in, and may in the future result in, lower capital expenditures, project modifications, delays or cancellations, general business disruptions, and delays in payment of, or nonpayment of, amounts that are owed to us, which would adversely affect our earnings, cash flow and financial condition. The results of operations for the Water Services and Operations segment have been impacted from time to time by reduced development pacing and declines in expenditures by our customers in response to varying industry or global circumstances. Our results may continue to be impacted by producer discretion on development pacing and capital expenditures.

We face the risks of doing business in a new and rapidly evolving market for TPWR and may not be able to successfully address such risks and achieve acceptable levels of success or profits.

We have encountered and may continue to encounter the challenges, uncertainties and difficulties frequently experienced in new and rapidly evolving markets with respect to the business of TPWR, including:

- pricing pressure driven by new competition;
- volatile and/or unexpected operating and maintenance costs;
- lack of sufficient customers or loss of significant customers for the new line of business;
- increased regulation, including with respect to environmental and geological uses and impacts on industry operations; and
- uncertainty with outsourced 3rd party provider(s) providing water treatment services.

The impact of government regulation on TPWR could adversely affect our business.

The business of TPWR is subject to applicable state and federal laws and regulations, including laws and regulations on water use, environmental and safety matters. These laws and regulations may increase the costs and timing of planning, designing, drilling, installing, operating and abandoning water wells, source water and treatment facilities and impact our customers' ability to transport, store and/or dispose of produced water in certain locations. Due to increased seismicity in the Delaware and Midland Basins, the Texas Railroad Commission recently began implementing Seismic Response Areas ("SRAs") limiting the permitted capacity and use of certain Saltwater Disposal Wells ("SWDs") for the injection of produced water. The implementation of SRAs could limit the volume of produced water disposed on the Company's surface within the SRAs or, in certain cases, could direct additional volumes of produced water to SWDs on the Company's surface outside of SRAs. These limitations and/or redirections may cause TPWR to adapt its business plans and could affect TPWR's financial performance. The Company continues to actively engage with the Texas Railroad Commission and evaluate the potential effect of SRAs on the Company's produced water royalties.

Our business and financial results could be disrupted by natural or human causes beyond our control .

Our revenues depend on natural and environmental conditions with respect to operations that result in royalties to us, or that use our water services. Our business and financial results are therefore subject to disruption from natural or human causes beyond our control, including physical risks from severe storms, floods, droughts resulting in aquifer declines and other forms of severe weather, war, accidents, civil unrest, political events, fires, earthquakes, system failures, pipeline disruptions, environmental hazards such as oil and produced water spills, terrorist acts and epidemic or pandemic diseases, any of which could result in a material adverse effect on oil and natural gas production and, therefore, our results of operations.

Our business and financial results are subject to major trends in our industry, such as decarbonization, and may be adversely affected by future developments out of our control.

Much of the value of the land we own and upon which we receive royalties is based on the oil and natural gas reserves located there. Our revenues may be negatively affected by changes driven by trends such as decarbonization efforts. Such changes may relate to the types or sources of energy in demand, such as a shift to renewable sources of power generation (for example, wind and solar), along with ongoing changes in regulatory, investor, customer and consumer policies and preferences. The evolution of global energy sources is affected by factors out of our control, such as the pace of technological developments and related cost considerations, the levels of economic growth in different markets around the world and the adoption of climate change-related policies. In addition, the possibility of taxes on energy sources, including oil and gas, may affect the demand for crude oil and natural gas and the operating costs for third party operators on our royalty properties.

Cyber incidents or attacks targeting systems and infrastructure used by the oil and gas industry may adversely impact our operations, and if we are unable to obtain and maintain adequate protection of our data, our business may be adversely impacted.

We and our operators increasingly rely on information technology systems to operate our respective businesses, and the oil and gas industry depends on digital technologies in exploration, development, production, and processing activities. Threats to information technology systems associated with cybersecurity risks and cyber incidents or attacks continue to grow. Our technologies, systems, networks, and those of the operators on our properties, vendors, suppliers, and other business partners, may become the target of cyberattacks or information security breaches that could result in the unauthorized release, gathering, monitoring, misuse, loss or destruction of proprietary, personal and other information, or other disruption of business activities. In addition, certain cyber incidents, such as surveillance, may remain undetected for some period of time. While we utilize various systems, procedures and controls to mitigate exposure to such risk, cyber incidents and attacks are continually evolving and unpredictable. Our information technology systems and any insurance coverage for protecting against cybersecurity risks may not be sufficient. As cyber security threats continue to evolve, we may be required to expend additional resources to continue to modify or enhance our protective measures or to investigate and remediate any vulnerability to cyber incidents. There can be no assurance that our business, finances, systems and assets will not be compromised in a cyber attack.

The loss of key members of our management team or difficulty attracting and retaining experienced technical personnel could reduce our competitiveness and prospects for future success.

The successful implementation of our strategies and handling of other issues integral to our future success will depend, in part, on our experienced management team, including with respect to the business of TPWR. The loss of key members of our management team could have an adverse effect on our business. If we cannot retain our experienced personnel or attract additional experienced personnel, our ability to compete could be harmed.

Global health threats may adversely affect our business.

Our business could be adversely affected by the effects of a widespread outbreak of contagious disease, such as the outbreak of COVID-19. A significant outbreak of contagious diseases in the human population and resulting widespread health crisis could adversely affect the economies and financial markets of many countries, resulting in an economic downturn, reduced demand for oil and gas and interruption to supply chains related to oil and gas. The reduction of economic activity and reduced global demand for oil and gas related to such outbreaks and actions taken by governments to mitigate the spread of a virus or other infectious agent could lead to an increase in our operating costs and have a material impact on our business segments and earnings, cash flow and financial condition.

We face direct and indirect supply chain risks that may adversely affect our business.

Our business could be negatively affected by supply shortages and/or price increases driven by the increased costs of materials and logistics as a result of macroeconomic conditions, including the prolonged Ukraine/Russia conflict, general inflationary pressures, labor shortages, part or equipment availability, manufacturing capacity, tariffs, trade disputes and barriers, natural disasters or pandemics and the effects of climate change. Supply shortages and/or price increases could lead to a reduction in revenues and an increase in our operating costs and could have a material impact on our business segments and earnings, cash flow and financial condition.

Supply chain issues may disrupt the operations and development activities of operators on our land, upon whom much of our revenue relies, which could negatively affect our revenues from oil and gas royalties, easements and our water offerings. Supply chain issues could also lead to an increase in TPWR's operating costs and disrupt its water sourcing and treatment operations, which could further negatively affect our revenues from our water offerings. TPWR has adapted lead times for ordering parts and equipment to mitigate supply chain issues, but given the uncertainty surrounding the macroeconomic factors and geopolitical situation, there can be no assurance that we will not suffer adverse effects on our business operations in the future.

Risks Related to the Corporate Reorganization

The completion of the Corporate Reorganization may implicate conditions and covenants contained in certain agreements to which the Trust was a party and thereby may cause us to lose certain benefits that the Trust historically received. If the Company is unable to obtain consents to, or approval or waiver of, any such conditions or covenants, or is unable to obtain an acknowledgement that any such benefits shall continue for the benefit of TPL Corporation, we may not be entitled to all benefits and other rights under such agreements, which may have an adverse impact on the business and results of operations.

The completion of the Corporate Reorganization may implicate conditions and covenants, contained in certain agreements to which the Trust was, and now TPL Corporation is, a party and thereby may cause us to lose certain benefits that the Trust historically received. Certain counterparties may withhold consent to, or approval or waiver of, certain conditions or covenants in order to obtain more favorable terms from us. If the Company is unable to obtain consents to, or approval or waiver of, any such conditions or covenants, or if the Company is unable to obtain acknowledgement from any counterparties that any such benefits shall continue for the benefit of TPL Corporation, then we may decide to enforce our rights and interests by initiating legal action. In the meantime, and pending the outcome of any such legal proceeding to enforce our rights, we may be unable to continue to obtain all benefits and other rights under such agreements that would otherwise be transferred to us as part of the Corporate Reorganization. This may have an adverse impact on TPL's business and results of operations.

For example, the obligation to pay ad valorem taxes with respect to certain of our royalty interests was assumed by a third party and is now the obligation of the successors in interest to such third party (the "obligors"), so long as such royalty interests are held by the Trustees or their successors in office under the Declaration of Trust. The amount of such taxes depends on the valuations determined by various county taxing authorities with respect to our royalty interests and the tax rates used in assessing such ad valorem taxes. Consequently, the amount of ad valorem taxes that may be assessed against our royalty interests may vary from year to year, and we are unable to reliably predict the amount of any such increases or decreases in future years. We have received an indication from one such obligor that it does not intend to continue to make the ad valorem tax payments that it has been making to date. We have accrued an estimate of such taxes and are making payments on a current basis in order to protect the royalty interests from any potential tax liens for nonpayment of future ad valorem taxes. While we intend to seek reimbursement from the third party following payment of such taxes, there can be no assurance that we will be successful in getting reimbursed. Taking on the cost of such payments will have an adverse impact on our business and results of operations.

The Corporate Reorganization may have adverse tax consequences.

We have obtained an opinion from counsel that the Corporate Reorganization and the Distribution qualified as a tax-free reorganization within the meaning of Section 368(a)(1)(F) of the Code. The opinion of counsel does not address any U.S. state or local or non-U.S. tax consequences of the Corporate Reorganization and the Distribution. The opinion assumed that the Corporate Reorganization and the Distribution was completed according to the terms of certain of the operative agreements and required regulatory filings, and relied on the facts as stated therein and in other ancillary agreements and documents. In addition, the opinion was based on certain representations as to factual matters from, and certain covenants by, us and the Trust. The opinion cannot be relied on if any of the assumptions, representations or covenants were incorrect, incomplete or inaccurate or were violated in any material respect.

The opinion of counsel is not binding on the IRS or the courts, and no assurance can be given that contrary positions will not be taken by the IRS or a court. We have not sought and will not seek a ruling from the IRS regarding the federal income tax consequences of the Corporate Reorganization and the Distribution.

If the Corporate Reorganization and the Distribution were to fail to qualify as a reorganization or for tax-free treatment either under Section 368(a)(1)(F) or any other provision of the Code, then U.S. Holders of Sub-shares would recognize gain or loss, as applicable, equal to the difference between (a) the sum of the fair market value of the shares of TPL Corporation Common Stock received by such holder and (b) its adjusted tax basis in the Sub-shares surrendered in exchange therefor. Further, the Trust would recognize taxable gain as if it sold all of its assets, subject to its liabilities, at fair market value. The consequences of the Corporate Reorganization and the Distribution to any holder will depend on that holder's particular situation.

Risks Related to Our Common Stock

We cannot be certain that an active trading market for our Common Stock will be sustained, and our stock price may fluctuate significantly.

A public market for our Common Stock did not exist until the Corporate Reorganization was effected on January 11, 2021. We cannot guarantee that the active trading market that has developed will be sustained for our Common Stock, nor can we predict the prices at which shares of our Common Stock may trade.

Until the market has fully evaluated our business as a corporation, the prices at which shares of our Common Stock trade may fluctuate more significantly than might otherwise be typical, even with other market conditions, including general volatility, held constant. The increased volatility of our stock price following the Corporate Reorganization may have a material adverse effect on our business, financial condition and results of operations. The market price of our Common Stock may fluctuate significantly due to a number of factors, some of which may be beyond our control, including:

- actual or anticipated fluctuations in our results of operations due to factors related to our business;
- our quarterly or annual earnings, or those of other companies in our industry;

- changes to the regulatory and legal environment under which we operate;
- changes in accounting standards, policies, guidance, interpretations or principles;
- the failure of securities analysts to cover, or positively cover, our Common Stock;
- changes in earnings estimates by securities analysts or our ability to meet those estimates;
- the operating and stock price performance of other comparable companies;
- investor perception of our Company and our industry;
- actual or anticipated fluctuations in commodities prices; and
- domestic and worldwide economic and geopolitical conditions.

There may be substantial changes in our stockholder base.

Investors in the Trust may have held Sub-shares because of a decision to invest in an organization with the Trust's governance profile or operating track record. Since the Corporate Reorganization, the shares of our Common Stock held by those investors represent an investment in a company with a different governance profile, in particular a board of directors at TPL Corporation subject to changes from year to year at annual elections of directors. More frequent changes in the leadership of the organization, particularly on the Board, could lead to changes in the operating policies of TPL Corporation over time. Such changes may not match some stockholders' investment strategies, which could cause them to sell our Common Stock. These changes may also attract new investors who previously did not invest in the Trust because of its structure, governance profile or operating track record. As a result of such changes, our stock price may decline or experience volatility as our stockholder base changes. Additionally, new investors or leadership at TPL Corporation could advocate for business or corporate initiatives that would not be desired by or beneficial for all stockholders, such as an untimely sale of the business.

Our business could be negatively affected as a result of the actions of activists.

Our business could be negatively affected as a result of stockholder activism, which could cause us to incur significant expense, hinder execution of our business strategy, and impact the trading value of our securities. In the past, the Company has been the subject of stockholder activism, and we are subject to the risks associated with any ongoing or future such activism. Stockholder activism, including potential proxy contests, requires significant time and attention by management and our Board, potentially interfering with our ability to execute our strategic plan. We may be required to incur significant legal fees and other expenses related to activist stockholder matters, and the attention of our management may be diverted by such activism. While we welcome our stockholders' constructive input, there can be no assurance that stockholder actions would not result in negative impacts to the Company. Any of these impacts could materially and adversely affect our business and operating results, and the market price of our Common Stock could be subject to significant fluctuation or otherwise be adversely affected by stockholder activism.

If our amended and restated certificate of incorporation is amended to allow for the issuance of additional Common Stock, holders of our Common Stock could experience dilution in the future.

If our amended and restated certificate of incorporation is amended to allow for the issuance of additional Common Stock, holders of our Common Stock could be diluted because of equity issuances for proposed acquisitions or capital market transactions or equity awards proposed to be granted to our directors, officers and employees subject to any required vote of holders of our Common Stock under our amended and restated certificate of incorporation and amended and restated bylaws. We may issue stock-based awards, including annual awards, new hire awards and periodic retention awards, as applicable, to our directors, officers and other employees under any employee benefits plans we have adopted or may adopt, using newly issued shares rather than treasury shares as is currently our practice.

At our 2022 annual meeting of stockholders, our stockholders voted on a proposal to increase the number of shares of Common Stock authorized under our amended and restated certificate of incorporation. A dispute relating to the voting on this proposal was resolved by the Delaware Court of Chancery, which determined that the proposal was approved by stockholders. The decision is currently subject to an appeal, and, therefore, we have not yet taken any action to amend the amended and restated certificate of incorporation.

In addition, our amended and restated certificate of incorporation authorizes us to issue, without the approval of our stockholders, one or more series of preferred stock having such designations, powers, preferences, privileges and relative, participating, optional and special rights, and qualifications, limitations and restrictions as the Board may generally determine in its sole discretion. The terms of one or more classes or series of preferred stock could dilute the voting power or reduce the value of our Common Stock. For example, we could grant the holders of preferred stock the right to elect some number of the members of the Board in all events or upon the happening of specified events, or the right to veto specified transactions. Similarly, the repurchase or redemption rights or liquidation preferences that we could assign to holders of preferred stock could affect the residual value of our Common Stock.

We may not continue the Trust's historical practice of declaring cash dividends. We will evaluate whether to pay cash dividends on our Common Stock in the future and we cannot guarantee the timing, amount or payment of dividends, if any.

The timing, declaration, amount of, and payment of any cash dividends to our stockholders is within the discretion of our Board and will depend upon many factors, including our financial condition, earnings, capital requirements of our operating subsidiaries, covenants associated with any debt service obligations or other contractual obligations, legal requirements, regulatory constraints, industry practice, ability to access capital markets and other factors deemed relevant by the Board. Moreover, should our Board determine to pay any dividend in the future, there can be no assurance that we will continue to pay such dividends or the amount of such dividends.

We may not continue the Trust's historical practice of repurchasing outstanding equity of its holders. We will evaluate whether to repurchase our outstanding Common Stock in the future and we cannot guarantee the timing, amount or payment of share repurchases, if any.

During the year ended December 31, 2023, the Company repurchased 27,619 outstanding shares of Common Stock which repurchased shares were placed in treasury. We expect that we will from time to time offer to repurchase a portion of our outstanding Common Stock. However, any repurchase will be within the discretion of our Board and will depend upon many factors, including market and business conditions, the trading price of our Common Stock, available cash and cash flow, capital requirements and the nature of other investment opportunities.

State law and anti-takeover provisions could enable our Board to resist a takeover attempt by a third party and limit the power of our stockholders.

Our amended and restated certificate of incorporation and amended and restated bylaws contain, and Delaware law contains, provisions that are intended to deter coercive takeover practices and inadequate takeover bids by making such practices or bids unacceptably expensive to the bidder and to encourage prospective acquirers to negotiate with our Board rather than to attempt a hostile takeover. These provisions include, among others: (a) the ability of our remaining directors to fill vacancies on our Board (except in an instance where a director is removed by stockholders and the resulting vacancy is filled by stockholders); (b) the inability of stockholders to call a special meeting of stockholders; (c) rules regarding how stockholders may present proposals or nominate directors for election at stockholder meetings; and (d) the right of our Board to issue preferred stock without stockholder approval.

In addition, we are subject to Section 203 of the Delaware General Corporation Law ("DGCL"), which could have the effect of delaying or preventing a change of control that you may favor. Section 203 provides that, subject to limited exceptions, persons that acquire, or are affiliated with persons that acquire, more than 15% of the outstanding voting stock of a Delaware corporation may not engage in a business combination with that corporation, including by merger, consolidation or acquisitions of additional shares, for a three-year period following the date on which that person or any of its affiliates becomes the holder of more than 15% of the corporation's outstanding voting stock.

We believe these provisions protect our stockholders from coercive or otherwise unfair takeover tactics by requiring potential acquirers to negotiate with our Board and by providing our Board with more time to assess any acquisition proposal. These provisions are not intended to make the Company immune from takeovers; however, these provisions apply even if the offer may be considered beneficial by some stockholders and could delay or prevent an acquisition that our Board determines is not in the best interests of the Company and its stockholders. These provisions may also prevent or discourage attempts to remove and replace incumbent directors.

Our amended and restated certificate of incorporation designates the Court of Chancery of the State of Delaware or the U.S. District Court for the Northern District of Texas as the sole and exclusive forums for certain types of actions and proceedings that may be initiated by our stockholders, which could discourage lawsuits against the Company and our directors and officers.

Our amended and restated certificate of incorporation provides that unless the Company otherwise determines, the Court of Chancery of the State of Delaware (or, if such court does not have jurisdiction, the U.S. District Court for the District of Delaware) or the U.S. District Court for the Northern District of Texas (or, if such court does not have jurisdiction, any district court in Dallas County in the State of Texas) will be the sole and exclusive forums for any derivative action brought on our behalf, any action asserting a claim of breach of a fiduciary duty owed by any of our current or former directors, officers, employees or stockholders, any action or proceeding asserting a claim against us or any of our directors, officers, employees or agents arising pursuant to, or seeking to enforce any right, obligation or remedy under any provision of the DGCL, the laws of the State of Texas, our amended and restated certificate of incorporation or our amended and restated bylaws or any action asserting a claim against us or any of our directors, officers, employees or agents governed by the internal affairs doctrine, in each such case, subject to the applicable court having personal jurisdiction over the indispensable parties named as defendants. Our amended and restated certificate of incorporation also provides that unless our Board otherwise determines, the federal district courts of the United States will be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended (the “Securities Act”).

To the fullest extent permitted by law, this exclusive forum provision will apply to state and federal law claims, including claims under the federal securities laws, including the Securities Act and the Exchange Act, although our stockholders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder. The enforceability of similar exclusive forum provisions in other companies’ certificates of incorporation has been challenged in legal proceedings, and it is possible that, in connection with one or more actions or proceedings described above, a court could rule that one or more parts of the exclusive forum provision in our amended and restated certificate of incorporation is inapplicable or unenforceable.

This exclusive forum provision may limit the ability of our stockholders to bring a claim in a judicial forum that such stockholders find favorable for disputes with the Company or our directors or officers, which may discourage such lawsuits against the Company and our directors and officers. Alternatively, if a court were to find this exclusive forum provision inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings described above, we may incur additional costs associated with resolving such matters in other jurisdictions, which could negatively affect our business, results of operations and financial condition.

Item 1B. Unresolved Staff Comments.

Not Applicable.

Item 1C. Cybersecurity Risk Management, Strategy, Governance, and Incident Disclosure.

We have established policies, standards, processes and practices for assessing, identifying, and managing material risks from cybersecurity threats. We have devoted substantial financial and personnel resources to implement and maintain security measures to meet regulatory requirements, and we intend to continue to make significant investments to maintain the security of our data and cybersecurity infrastructure. There can be no guarantee that our policies and procedures will be properly followed in every instance or that those policies and procedures will be effective. Our risk factors, which can found be found in Item 1A. "Risk Factors," include further detail about the material cybersecurity risks we face. We have had no cybersecurity incidents to date, and can provide no assurance that there will not be incidents in the future or that they will not materially affect us, including our business strategy, results of operations, or financial condition.

Cyber Risk Management and Strategy

Overview

We employ a risk-based approach to cybersecurity which aligns with corporate strategy, risk management and governance, and adaptable information technology ("IT") infrastructure. Our cybersecurity program consists of policies, procedures, systems, controls and technology designed to help prevent, identify, detect and mitigate cybersecurity risk and is based on the National Institute of Standards and Technology ("NIST") Cybersecurity framework.

Collaboration

We have integrated cybersecurity risk management into our overall risk management framework by (i) maintaining disaster recovery, business continuity and security incident recovery plans, (ii) conducting annual enterprise and IT risk assessments, (iii) implementing periodic key risk indicator tracking, and (iv) holding regular cross-departmental meetings to address cybersecurity risks.

Risk Assessment

Our risk management activities and cybersecurity strategy include IT policies, standards, procedures and systems to address and mitigate risks for critical system availability, network integrity, information protection, and operational continuity.

We perform vulnerability and threat monitoring mitigation activities on a regular basis and perform a cybersecurity risk assessment at least annually. Our cybersecurity risk assessment program includes the following assessments and activities:

- ensure program alignment with the NIST Cybersecurity framework; and,
- prioritize, remediate and ensure effectiveness of critical applications, infrastructure, and information.

We regularly collaborate with the Company's internal audit department and third parties with security and infrastructure expertise for review and evaluation of the Company's cybersecurity risk program and the associated IT control environment. We engage third-party service providers to perform annual external penetration testing, disaster recovery testing, and security incident simulations.

Infrastructure; Network and Physical Security

Our IT infrastructure is secured and continually monitored using a number of tools to effect physical and logical security. We strictly regulate and limit access to servers and networks. Network access is controlled by the network firewall and restricted by stringent access control lists. We also employ (i) network and endpoint intrusion prevention and detection throughout our infrastructure, (ii) systems that monitor our infrastructure and alert our management of potential cybersecurity issues and vulnerabilities, and (iii) a seasoned process for managing and installing patches for third-party applications.

We have also implemented the following protective and preventative measures:

- identity management and access control safeguards;
- encryption of data in transit and at rest;

- system and network security and monitoring;
- information protection and governance; and,
- ongoing systems and equipment maintenance.

Incident Response and Recovery Planning

We have instituted cybersecurity event detection systems, methods, and supporting processes to perform continuous monitoring, identify and classify events and anomalies, take appropriate actions when necessary and report incidents to the appropriate parties. Our response and recovery capabilities are designed to, among other things, contain any impacts, analyze and mitigate events, track events to resolution, provide effective stakeholder communication, recover and resume operations, and evaluate and improve systems and methods.

Third-Party Risk Management

We have implemented and continue to maintain the Company's IT policies, standards, procedures, and controls to oversee, identify and manage cybersecurity risks associated with all third-party service providers. These include, but are not limited to, an IT acceptable use policy, a records and information management policy, change control procedures, risk and control registry, attestation report reviews, and configuration standards.

Education and Awareness

Our policies require each of our employees to complete annual information security training, in addition to other training requirements. The result is an educated, informed, and prepared workforce, with an awareness of potential cybersecurity threats, how they may occur, and how to report and escalate such matters. These training efforts are supplemented with regular corporate-led communications and outreach initiatives to facilitate cybersecurity awareness and ensure employees remain vigilant and informed about cybersecurity threats and trends.

Governance

Both management and the Board are actively involved in the oversight of risks from cybersecurity threats. TPL's information security program is designed to ensure that management and the Board are adequately informed about, and provided with the tools necessary to monitor, (i) material risks from cybersecurity threats and (ii) the Company's efforts related to the prevention, detection, mitigation, and remediation of cybersecurity incidents.

Role of the Board

The Board has delegated to the Audit Committee of the Board (the "Audit Committee") primary responsibility for overseeing enterprise risk management, including oversight of risks from cybersecurity threats. The Audit Committee periodically reviews TPL's policies and practices, including incident response plans, for managing cybersecurity risks to ensure that such policies and practices are appropriately tailored to TPL's risk framework. Throughout the year, the Audit Committee receives quarterly IT and cybersecurity updates unless there is a notable event that requires immediate communication. These quarterly updates include cybersecurity risk assessment updates from TPL's Director of Information Technology, including key risk indicators, the steps management has taken to monitor and control such cybersecurity risk exposure, and continuous improvement efforts. In addition to the risk management experience of the Audit Committee members, Ms. Duganier holds the CERT Cybersecurity Oversight Certification from Carnegie Mellon University.

Role of Management

TPL's cybersecurity risk is managed utilizing a multi-tiered approach by the Company's Director of Information Technology. In addition to the Director of Information Technology, the Company also engages the services of a third party chief information security officer ("CISO"). The qualifications of the Director of Information Technology include over 30 years of IT management, cybersecurity, and information governance experience. The CISO, who reports to the Director of Information Technology, has 21 years of cybersecurity, IT management, and infrastructure consulting experience and is a certified CISO. The Director of Information Technology is regularly informed about the latest developments in cybersecurity, including potential threats, vulnerabilities, and innovative risk management techniques. This ongoing knowledge acquisition is crucial for the effective prevention, detection, mitigation, and remediation of cybersecurity incidents.

The Director of Information Technology oversees risk management and strategy through (i) an IT operating committee (“the IT Operating Committee”) made up of the Director of Information Technology, the CISO, and the Company’s department heads, which is responsible for the establishment and review of the Company’s IT governance, risk management and compliance, and (ii) an IT steering committee (the “IT Steering Committee”) made up of the Company’s executives, which provides guidance and oversight to support and achieve TPL’s IT objectives, including cybersecurity. Both the IT Operating Committee and the IT Steering Committee meet on a quarterly basis. The IT Operating Committee reviews monthly reports on cybersecurity incident prevention, mitigation, detection, and remediation and reviews the Company’s plans and policies related to IT processes on an annual basis. The Director of Information Technology also coordinates with the Company’s internal audit department and the Audit Committee to ensure cybersecurity is represented and addressed within the Company’s enterprise risk management strategy.

Item 2. Properties.

As of December 31, 2023, TPL owned the surface estate in 868,446 acres of land, comprised of numerous separate tracts, located in the western part of Texas. There were no material liens or encumbrances on the Company's title to the surface estate in those tracts. Additionally, the Company also owns a 1/128th NPRI under 84,934 acres of land (5,308 NRA) and a 1/16th NPRI under 370,737 acres of land (185,369 NRA) in the western part of Texas. The following table shows our surface ownership and NPRI ownership by county as of December 31, 2023:

	Number of Acres		
County	**Surface**	**1/128th Royalty**	**1/16th Royalty**
Andrews	12,121	—	—
Callahan	—	—	80
Coke	—	—	1,183
Concho	2,592	—	—
Crane	3,622	265	5,198
Culberson	270,893	—	111,513
Ector	19,888	33,633	11,793
El Paso	16,613	—	—
Fisher	—	—	320
Glasscock	27,227	3,600	11,111
Howard	4,788	3,099	1,840
Hudspeth	154,247	—	1,008
Jeff Davis	8,293	—	7,555
Loving	63,284	6,107	48,066
Midland	28,372	12,945	13,120
Mitchell	3,842	1,760	586
Nolan	1,600	2,488	3,157
Palo Pinto	—	—	800
Pecos	43,377	320	16,895
Presidio	—	—	3,200
Reagan	—	6,162	1,274
Reeves	187,320	3,013	116,691
Stephens	—	2,817	160
Sterling	5,212	640	2,080
Taylor	690	—	966
Upton	6,661	6,903	9,101
Winkler	7,804	1,182	3,040
Total	**868,446**	**84,934**	**370,737**

As of December 31, 2023, the Company owned additional royalty interests in the following counties:

County	Number of Net Royalty Acres[1]
Culberson	810
Glasscock	1,062
Howard	770
Loving	10
Martin	578
Midland	450
Reagan	115
Reeves	191
Upton	315
Total	**4,302**

(1) Normalized to 1/8th.

The Company leases office space in Dallas, Texas for its corporate headquarters and in Midland, Texas for TPWR.

Item 3. Legal Proceedings.

TPL is not involved in any material pending legal proceedings other than the item disclosed below.

On November 23, 2022, TPL filed a complaint in Delaware Chancery Court ("the Court") against Horizon Kinetics, LLC, Horizon Kinetics Asset Management LLC, SoftVest Advisors LLC, and SoftVest, L.P. (collectively, the "Stockholder Defendants") under the caption Texas Pacific Land Corporation v. Horizon Kinetics LLC, Horizon Kinetics Asset Management LLC, SoftVest Advisors, LLC, and SoftVest L.P. (C.A. No. 2022-1066-JTL) (the "Action"). Horizon Kinetics LLC and Horizon Kinetics Asset Management LLC are affiliated with Murray Stahl, a member of the Board, and Softvest Advisors, LLC and SoftVest L.P. are affiliated with Eric Oliver, a member of the Board. TPL filed the Action to resolve a disagreement with the Stockholder Defendants over their voting commitments pursuant to the Stockholders' Agreement with the Company. A trial was held on April 17, 2023. On December 1, 2023, the Court ruled that the Stockholder Defendants' shares were deemed voted in favor of Proposal Four, the Company's proposal to increase the number of authorized shares of Common Stock, which the Court deemed approved by holders of a majority of the Company's Stock, at the Company's 2022 annual meeting of stockholders. The decision is currently on appeal.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Security Holder Matters and Issuer Purchases of Equity Securities.

Market Information

Our Common Stock is traded on the NYSE under the ticker symbol "TPL." The Company had 200 registered holders of its Common Stock as of February 14, 2024.

Dividends

For the year ended December 31, 2023 and 2022, the Company paid the following regular and special cash dividends per share:

	Years Ended December 31,			
	2023		2022	
	Regular	Special	Regular	Special
1st Quarter	$ 3.25	$ —	$ 3.00	$ —
2nd Quarter	3.25	—	3.00	20.00
3rd Quarter	3.25	—	3.00	—
4th Quarter	3.25	—	3.00	—
Total	$ 13.00	$ —	$ 12.00	$ 20.00

The Company has paid a cash dividend each year for the preceding 67 years.

The Board has determined to pay dividends on a quarterly basis in March, June, September and December of each year, subject to the discretion of the Board. Such dividends will depend upon the Company's earnings, capital requirements and financial position, applicable requirements of law, general economic conditions and other factors considered relevant by the Board. The Company is not a party to any agreement that would limit its ability to pay dividends in the future.

Issuer Purchases of Common Stock

During the three months ended December 31, 2023, the Company repurchased shares of its Common Stock as follows:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs[(1)]
October 1 through October 31, 2023	1,181	$ 1,847	1,181	
November 1 through November 30, 2023	1,228	1,693	1,228	
December 1 through December 31, 2023	3,844	1,557	3,844	
Total	6,253	$ 1,639	6,253	$ 207,583,010

(1) On November 1, 2022, our Board approved a stock repurchase program to purchase up to an aggregate of $250 million of our outstanding Common Stock effective beginning January 1, 2023. The Company intends to purchase stock under the repurchase program opportunistically with funds generated by cash from operations. This repurchase program may be suspended from time to time, modified, extended or discontinued by the Board at any time. Purchases under the stock repurchase program may be made through a combination of open market repurchases in compliance with Rule 10b-18 promulgated under the Securities Exchange Act of 1934, as amended, privately negotiated transactions, and/or other transactions at the Company's discretion, including under a Rule 10b5-1 trading plan implemented by the Company, and will be subject to market conditions, applicable legal requirements and other factors.

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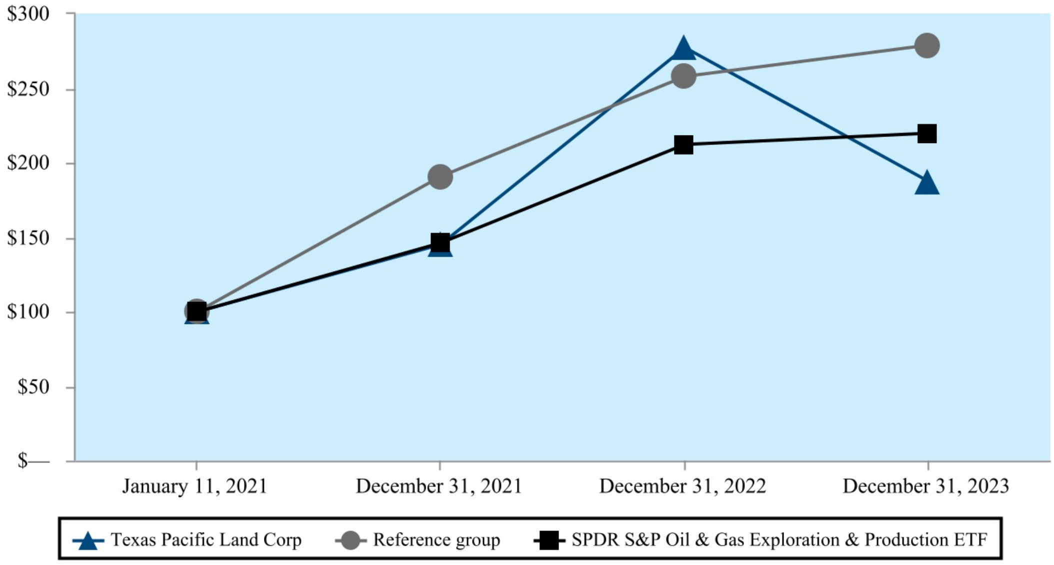
Performance Graph

The following graph compares the cumulative total return from January 11, 2021 (the date of our Corporate Reorganization) through December 31, 2023 of TPL common stock; the SPDR® S&P® Oil & Gas Exploration & Production ETF ("XOP"), which includes TPL; and the Reference Group. The graph assumes that $100 was invested at the beginning of the period and that all dividends were reinvested for each TPL, the XOP, and the Reference Group.

The Reference Group consists of the companies referenced in Item 11 "Executive Compensation" in this Annual Report on Form 10-K.



	January 11, 2021	December 31, 2021	December 31, 2022	December 31, 2023
Texas Pacific Land Corporation	$100	$145	$277	$187
Reference Group	$100	$190	$258	$279
SPDR S&P Oil & Gas Exploration & Production ETF	$100	$146	$212	$220

The information contained in the graph above is furnished and therefore not to be considered "filed" with the SEC, and is not incorporated by reference into any document that incorporates this Annual Report on Form 10-K by reference.

Item 6. Reserved.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following Management's Discussion and Analysis of Financial Condition and Results of Operation ("MD&A") is intended to help the reader understand the results of operations and financial condition of Texas Pacific Land Corporation. MD&A is provided as a supplement to, and should be read in conjunction with, our consolidated financial statements and the accompanying Notes to Financial Statements included in Part II, Item 8 of this Form 10-K. This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including, but not limited to, those factors presented in Item 1A. "Risk Factors" and elsewhere in this Annual Report on Form 10-K. This section generally discusses the results of our operations for the year ended December 31, 2023 compared to the year ended December 31, 2022. For a discussion of the year ended December 31, 2022 compared to the year ended December 31, 2021, please refer to Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2022.

Overview

TPL was originally organized in 1888 as a business trust to hold title to extensive tracts of land in numerous counties in West Texas which were previously the property of the Texas and Pacific Railway Company. As discussed in Item 1. "Business — General — Corporate Reorganization," on January 11, 2021, we completed our Corporate Reorganization from a business trust to a corporation changing our name from Texas Pacific Land Trust to Texas Pacific Land Corporation.

For an overview of our business and discussion of our business segments, see Item 1. "Business — General."

Our business activity is generated from our surface and royalty interest ownership in West Texas, primarily in the Permian Basin. Our revenues are primarily derived from oil, gas and produced water royalties, sales of water and land, easements, and commercial leases. Due to the nature of our operations and concentration of our ownership in one geographic location, our revenue and net income are subject to substantial fluctuations from quarter to quarter and year to year. In addition to fluctuations in response to changes in the market price for oil and gas, our financial results are also subject to decisions by the owners and operators of not only the oil and gas wells to which our oil and gas royalty interests relate, but also to other owners and operators in the Permian Basin as it relates to our other revenue streams, principally water sales, easements and other surface-related revenue.

Market Conditions

Global Oil and Natural Gas Market Impact in 2023

Average oil and gas prices during 2023 have declined compared to average prices during 2022. Oil prices continue to be impacted by certain actions by OPEC+, geopolitical factors, and evolving global supply and demand trends, among other factors. Global and domestic natural gas markets have experienced volatility due to macroeconomic conditions, infrastructure and logistical constraints, weather, and geopolitical issues, among other factors. In 2023, domestic natural gas prices have declined in part to growing supply. Since mid-2022, the Waha Hub located in Pecos County, Texas has at times experienced significant negative price differentials relative to Henry Hub, located in Erath, Louisiana, due in part to growing local Permian natural gas production and limited natural gas pipeline takeaway capacity. Midstream infrastructure is currently under construction by operators to provide additional takeaway capacity, though the impact on future basis differentials will be dependent on future natural gas production and other factors. Changes in macro-economic conditions, including rising interest rates and lower global economic activity, could result in additional shifts in oil and gas supply and demand in future periods. Although our revenues are directly and indirectly impacted by changes in oil and natural gas prices, we believe our royalty interests (which require no capital expenditures or operating expense burden from us for well development), strong balance sheet, and liquidity position will help us navigate through potential commodity price volatility.

Permian Basin Activity

The Permian Basin is one of the oldest and most well-known hydrocarbon-producing areas and currently accounts for a substantial portion of oil and gas production in the United States, covering approximately 86,000 square miles in 52 counties across southeastern New Mexico and western Texas. Exploration and production ("E&P") companies active in the Permian have generally increased their drilling and development activity in 2023 compared to recent prior year activity levels. Per the U.S. Energy Information Administration ("EIA"), Permian production is approximately six million barrels per day, which is higher than the average daily production of any year prior to 2023.

With our ownership concentration in the Permian Basin, our revenues are directly impacted by oil and gas pricing and drilling activity in the Permian Basin. Below are metrics for the years ended December 31, 2023 and 2022:

	Years Ended December 31,	
	2023	2022
Oil and Gas Pricing Metrics: (1)		
WTI Cushing average price per bbl	$ 77.58	$ 94.90
Henry Hub average price per mmbtu	$ 2.53	$ 6.45
Activity Metrics specific to the Permian Basin: (1)(2)		
Average monthly horizontal permits	499	627
Average monthly horizontal wells drilled	422	511
Average weekly horizontal rig count	323	318
DUCs as of December 31 for each applicable year	4,656	4,526
Total Average US weekly horizontal rig count (2)	620	659

(1) Commonly used definitions in the oil and gas industry provided in the table above are defined as follows: WTI Cushing represents West Texas Intermediate. Bbl represents one barrel of 42 U.S. gallons of oil. Mmbtu represents one million British thermal units, a measurement used for natural gas. DUCs represent drilled but uncompleted wells. DUC classification is based on well data and date stamps provided by Enverus. DUCs is based on wells that have a drilled/spud date stamp but do not have a completed or first production date stamp. Excludes wells that have been labeled plugged and abandoned or permit expired and wells drilled/spud more than five years ago.

(2) Permian Basin specific information per Enverus analytics. US weekly horizontal rig counts per Baker Hughes United States Rotary Rig Count for horizontal rigs. Statistics for similar data are also available from other sources. The comparability between these other sources and the sources used by the Company may differ.

The metrics above show selected domestic benchmark oil and natural gas prices and approximate activity levels in the Permian Basin for the years ended December 31, 2023 and 2022. Our oil and gas royalties are impacted by both oil and gas prices as well as production levels. Oil and gas prices in 2023 have declined compared to the comparable period in 2022. Despite declining commodity prices, drilling and development activities across the Permian generally remained strong in 2023. As we are a significant landowner in the Permian Basin and not an oil and gas producer, our revenue is affected by the development decisions made by companies that operate in the areas where we own royalty interests and land. Accordingly, these decisions made by others affect not only our production and produced water disposal volumes, but also directly impact our surface-related income and water sales.

Liquidity and Capital Resources

Overview

Our principal sources of liquidity are cash and cash flows generated from our operations. Our primary liquidity and capital requirements are for capital expenditures related to our Water Services and Operations segment (the extent and timing of which are under our control), working capital and general corporate needs.

We continuously review our liquidity and capital resources. If market conditions were to change and our revenues were to decline significantly or operating costs were to increase significantly, our cash flows and liquidity could be reduced. Should this occur, we could seek alternative sources of funding. We have no debt or credit facilities, nor any off-balance sheet arrangements as of December 31, 2023.

As of December 31, 2023, we had cash and cash equivalents of $725.2 million that we expect to utilize, along with cash flow from operations, to provide capital to support our business, to repurchase our Common Stock subject to market conditions, to pay dividends subject to the discretion of our Board, for potential acquisitions and for general corporate purposes. For the year ended December 31, 2023, we paid $100.0 million in dividends to our stockholders and repurchased $42.4 million of our Common Stock (including the share repurchases not settled at the end of the period).

We acquired intangible assets of $21.4 million during the year ended December 31, 2023, consisting of a SWD easement and groundwater rights. Additionally, we invested approximately $15.2 million in TPWR projects to maintain and/or enhance our water sourcing assets, of which $3.1 million related to water wells and related infrastructure acquired in conjunction with the acquisition of groundwater rights during the year ended December 31, 2023. The SWD easement covers approximately 49,000 acres and provides us future disposal opportunities to service injection customers seeking disposal solutions located outside of core basins. The groundwater rights provide us access to additional water volumes outside of our existing surface footprint to assist in managing fluctuations in customer demand.

We believe that cash from operations, together with our cash and cash equivalents balances, will be sufficient to meet ongoing capital expenditures, working capital requirements and other cash needs for the foreseeable future.

Cash Flows from Operating Activities

For the years ended December 31, 2023 and 2022, net cash provided by operating activities was $418.3 million and $447.1 million, respectively. Our cash flow provided by operating activities is primarily from oil, gas and produced water royalties, water and land sales, easements, and other surface-related income. Cash flow used in operations generally consists of operating expenses associated with our revenue streams, general and administrative expenses and income taxes.

The decrease in cash flows provided by operating activities for the year ended December 31, 2023 compared to the same period of 2022, was primarily related to changes in working capital requirements over the same time period.

Cash Flows Used in Investing Activities

For the years ended December 31, 2023 and 2022, net cash used in investing activities was $60.3 million and $21.4 million, respectively. Our cash flows used in investing activities are primarily related to land acquisitions, intangible assets such as subsurface easements, and capital expenditures related to our water services and operations segment.

Acquisitions of intangible assets and land increased $21.4 million and $19.7 million, respectively, for the year ended December 31, 2023 compared to the same period of 2022 and were partially offset by a decrease of $4.2 million in capital expenditures during the same time period.

Cash Flows Used in Financing Activities

For the years ended December 31, 2023 and 2022, net cash used in financing activities was $144.6 million and $336.8 million, respectively. Our cash flows used in financing principally consist of activities which return capital to our stockholders such as payment of dividends and repurchases of our Common Stock.

During the year ended December 31, 2023, we paid total dividends of $100.0 million, consisting of cumulative paid cash dividends of $13.00 per share. During the year ended December 31, 2022, we paid total dividends of $247.3 million consisting of cumulative cash dividends of $12.00 per share and a special dividend of $20.00 per share. We repurchased $42.4 million and $87.9 million of our Common Stock (including share repurchases not settled at the end of the period) during the years ended December 31, 2023 and 2022, respectively.

Results of Operations - Consolidated

The following table shows our consolidated results of operations for the years ended December 31, 2023, 2022, and 2021 (in thousands):

	Years Ended December 31,		
	2023	2022	2021
Revenues:			
Oil and gas royalties	$ 357,394	$ 452,434	$ 286,468
Water sales	112,203	84,725	67,766
Produced water royalties	84,260	72,234	58,081
Easements and other surface-related income	70,932	48,057	37,616
Land sales and other operating revenue	6,806	9,972	1,027
Total revenues	631,595	667,422	450,958
Expenses:			
Salaries and related employee expenses	43,384	41,402	40,012
Water service-related expenses	33,566	17,463	13,233
General and administrative expenses	14,928	13,285	11,638
Legal and professional fees	31,522	8,735	7,281
Ad valorem and other taxes	7,385	8,854	144
Depreciation, depletion and amortization	14,757	15,376	16,257
Total operating expenses	145,542	105,115	88,565
Operating income	486,053	562,307	362,393
Other income, net	31,508	6,548	624
Income before income taxes	517,561	568,855	363,017
Income tax expense (benefit):			
Current	110,517	121,230	93,265
Deferred	1,399	1,263	(228)
Total income tax expense	111,916	122,493	93,037
Net income	$ 405,645	$ 446,362	$ 269,980

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

Consolidated Revenues and Net Income:

Total revenues decreased $35.8 million, or 5.4%, to $631.6 million for the year ended December 31, 2023 compared to $667.4 million for the year ended December 31, 2022. This decrease was principally due to the $95.0 million decrease in oil and gas royalty revenue and was partially offset by the combined increase of $39.5 million in water sales and produced water royalties, and the $22.9 million increase in easements and other surface-related income, over the same period. Individual revenue line items are discussed below under “Segment Results of Operations.” Net income of $405.6 million for the year ended December 31, 2023 was 9.1% lower than the comparable period of 2022, principally as a result of both the decrease in revenues discussed above and the increase in operating expenses discussed further below under “Consolidated Expenses.”

Consolidated Expenses:

Salaries and related employee expenses . Salaries and related employee expenses were $43.4 million for the year ended December 31, 2023 compared to $41.4 million for the comparable period of 2022. The increase in salaries and related employee expenses is principally related to market compensation adjustments.

Water service-related expenses. Water service-related expenses increased $16.1 million to $33.6 million for the year ended December 31, 2023 compared to the same period of 2022. Certain types of water service-related expenses, including, but not limited to, transfer, treatment, and water purchases, will vary from period to period as our customers' needs and requirements change. Water sales, which increased 32.4% during 2023, were impacted not only by increased customer volumes, but also by higher demand within shorter time commitments and resulted in increased water purchase, treatment and transfer expenses. While these dynamics in demand resulted in a 92.2% increase in water service-related expenses for the year ended December 31, 2023 compared to the same period of 2022, the operational decision to meet these demands resulted in increased revenues and operating income over the same time period.

General and administrative expenses. General and administrative expenses increased $1.6 million to $14.9 million for the year ended December 31, 2023 from $13.3 million for the same period of 2022. The increase in general and administrative expenses during the year ended December 31, 2023 compared to the same period of 2022 was principally related to increased expenses for technology applications and increased board fees due to the expansion of our board to 10 directors in April 2022.

Legal and professional fees. Legal and professional fees were $31.5 million for the year ended December 31, 2023 compared to $8.7 million for the comparable period of 2022. The increase is principally related to legal expenses associated with stockholder matters. See further discussion in Part I - Item 3. Legal Proceedings.

Ad valorem and other taxes. Ad valorem and other taxes were $7.4 million for the year ended December 31, 2023, compared to $8.9 million for the comparable period of 2022. Ad valorem taxes for the year ended December 31, 2022 included payments for prior year ad valorem tax liabilities which had not been paid by the third party responsible for those ad valorem taxes. Prior to January 1, 2022, the ad valorem taxes with respect to our historical royalty interests were paid directly by third parties pursuant to an existing arrangement. Since the completion of our Corporate Reorganization on January 11, 2021, we have received notice from a third party that it no longer intends to pay the ad valorem taxes related to such historical royalty interests. While we continue to believe the obligation to pay these ad valorem taxes should belong to the third party, we have accrued and/or paid an estimate of such taxes in order to protect the royalty interests from any potential tax liens for nonpayment of ad valorem taxes. While we intend to seek reimbursement from the third party following payment of such taxes, we are unable to determine the amount and/or likelihood of such reimbursement, and accordingly, have not recorded a loss recovery receivable as of December 31, 2023.

Other income, net. Other income, net was $31.5 million and $6.5 million for the years ended December 31, 2023 and 2022, respectively. The increase in other income, net is primarily related to increased interest income earned on our cash balances during 2023. Higher cash balances and interest yields during this period contributed to the increase in interest income.

Total income tax expense. Total income tax expense was $111.9 million and $122.5 million for the years ended December 31, 2023 and 2022, respectively. The decrease in income tax expense is primarily related to decreased operating income resulting from decreased oil and gas royalty revenue and increased operating expenses.

Segment Results of Operations

We operate our business in two reportable segments: Land and Resource Management and Water Services and Operations. We eliminate any inter-segment revenues and expenses upon consolidation.

We evaluate the performance of our operating segments separately to monitor the different factors affecting financial results. The reportable segments presented are consistent with our reportable segments discussed in Note 14, “Business Segment Reporting” in Item 8. “Financial Statements and Supplementary Data” in this Annual Report on Form 10-K. We monitor our reporting segments based upon revenue and net income calculated in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

Our oil and gas royalty revenue, and, in turn, our results of operations for the year ended December 31, 2023 have been impacted by lower average commodity prices compared to 2022. The decline in oil and gas royalty revenues has been partially offset by increases in revenues derived from water sales, easements and other surface-related income, and produced water royalties which have been positively impacted by ongoing development activity in the Permian Basin.

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

The following is an analysis of our operating results for the comparable periods by reportable segment (dollars presented in thousands):

	Years Ended December 31,			
	2023		2022	
Revenues:				
Land and resource management:				
Oil and gas royalties	$ 357,394	57 %	$ 452,434	68 %
Easements and other surface-related income	67,905	11 %	44,569	7 %
Land sales and other operating revenue	6,806	1 %	9,972	1 %
Total Land and resource management	432,105	69 %	506,975	76 %
Water services and operations:				
Water sales	112,203	18 %	84,725	13 %
Produced water royalties	84,260	13 %	72,234	11 %
Easements and other surface-related income	3,027	— %	3,488	— %
Total Water services and operations	199,490	31 %	160,447	24 %
Total consolidated revenues	$ 631,595	100 %	$ 667,422	100 %
Net income:				
Land and resource management	$ 306,706	76 %	$ 365,041	82 %
Water services and operations	98,939	24 %	81,321	18 %
Total consolidated net income	$ 405,645	100 %	$ 446,362	100 %

Land and Resource Management

Land and Resource Management segment revenues decreased $74.9 million, or 14.8%, to $432.1 million for the year ended December 31, 2023 as compared to the same period of 2022. The decrease in Land and Resource Management segment revenues is due to a $95.0 million decrease in oil and gas royalties for the year ended December 31, 2023 compared to the same period of 2022. The decrease in oil and gas royalty revenue was partially offset by a $23.3 million increase in easements and other surface-related income over the same time period.

Oil and gas royalties. Oil and gas royalty revenue was $357.4 million for the year ended December 31, 2023 compared to $452.4 million for the year ended December 31, 2022, a decrease of 21.0%. Oil and gas royalties for the year ended December 31, 2023 included an $8.7 million recovery, discussed further in the following paragraph. Excluding the $8.7 million recovery, oil and gas royalties decreased $103.7 million due to lower average commodity prices during the year ended December 31, 2023 compared to the same period of 2022. The average realized prices declined 30.0% to $42.58 per Boe for the year ended December 31, 2023 from $60.81 per Boe for the same period of 2022. Our share of crude oil, natural gas and NGL production volumes was 23.5 thousand Boe per day for the year ended December 31, 2023 compared to 21.3 thousand Boe per day for the same period of 2022.

As part of an ongoing arbitration between TPL and an operator with respect to underpayment of oil and gas royalties resulting from improper deductions of post-production costs by the operator for production periods before and through June 2023, the operator has agreed to pay $10.1 million to TPL, comprised of $8.7 million of unpaid oil and gas royalties, $0.9 million of interest and $0.5 million of damages (the “O&G Settlement”). The full amount of $10.1 million has been recorded as a receivable, $8.7 million has been included in oil and gas royalty revenue and the remaining $1.4 million has been recorded as other income in the consolidated financial statements for the year ended December 31, 2023. The Company received payment from the operator for the full amount in January 2024.

The table below provides financial and operational data by royalty stream for the years ended December 31, 2023 and 2022 and excludes the O&G Settlement discussed above:

	Years Ended December 31,	
	2023	2022
Our share of production volumes [(1) (2)]:		
Oil (MBbls)	3,701	3,401
Natural gas (MMcf)	14,528	13,086
NGL (MBbls)	2,453	2,208
Equivalents (MBoe)	8,575	7,791
Equivalents per day (MBoe/d)	23.5	21.3
Oil and gas royalties (in thousands) [(2)]:		
Oil royalties	$ 273,304	$ 307,606
Natural gas royalties	29,915	74,866
NGL royalties	45,510	69,962
Total oil and gas royalties	$ 348,729	$ 452,434
Realized prices [(2)]:		
Oil ($/Bbl)	$ 77.33	$ 94.69
Natural gas ($/Mcf)	$ 2.23	$ 6.19
NGL ($/Bbl)	$ 20.05	$ 34.25
Equivalents ($/Boe)	$ 42.58	$ 60.81

(1) Commonly used definitions in the oil and gas industry not previously defined: Boe represents barrels of oil equivalent. MBbls represents one thousand barrels of crude oil, condensate or NGLs. Mcf represents one thousand cubic feet of natural gas. MMcf represents one million cubic feet of natural gas. MBoe represents one thousand Boe. MBoe/d represents one thousand Boe per day.

(2) The metrics provided exclude the impact of the $8.7 million *of oil and gas royalties from the O&G Settlement discussed above.*

Easements and other surface-related income. Easements and other surface-related income was $67.9 million for the year ended December 31, 2023, an increase of 52.4% compared to $44.6 million for the year ended December 31, 2022. Easements and other surface-related income includes revenue related to the use and crossing of our land for oil and gas exploration and production, renewable energy, and agricultural operations. The increase in easements and other surface-related income is principally related to increases of $13.6 million in pipeline easements and $5.3 million in material sales (caliche and sand) for the year ended December 31, 2023 compared to the same period of 2022. The amount of income derived from pipeline easements is a function of the term of the easement, the size of the easement and the number of easements entered into for any given period. Easements and other surface-related income is dependent on development decisions made by companies that operate in the areas where we own land and is, therefore, unpredictable and may vary significantly from period to period. See “Market Conditions” above for additional discussion of development activity in the Permian Basin during the year ended December 31, 2023.

Land sales and other operating revenue. Land sales and other operating revenue was $6.8 million and $10.0 million for the years ended December 31, 2023 and 2022, respectively. For the year ended December 31, 2023, we sold 18,061 acres of land for an aggregate sales price of $6.8 million. For the year ended December 31, 2022, we sold 6,392 acres of land for an aggregate sales price of approximately $9.7 million.

Net income. Net income for the Land and Resource Management segment decreased 16.0% to $306.7 million for the year ended December 31, 2023 compared to $365.0 million for the comparable period in 2022. Segment operating income decreased $98.2 million for the year ended December 31, 2023 compared to the same period of 2022, largely driven by the $95.0 million decrease in oil and gas royalty revenue. Expenses are discussed further above under “Results of Operations.”

Water Services and Operations

Water Services and Operations segment revenues increased 24.3%, to $199.5 million for the year ended December 31, 2023 as compared with $160.4 million for the comparable period of 2022. The increase in Water Services and Operations segment revenues is principally due to increases in water sales revenue and produced water royalties, which are discussed below. As discussed in “Market Conditions” above, our segment revenues are directly influenced by development decisions made by our customers and the overall activity level in the Permian Basin. Accordingly, our segment revenues and sales volumes, as further discussed below, will fluctuate from period to period based upon those decisions and activity levels.

Water sales. Water sales revenue increased $27.5 million, or 32.4% to $112.2 million for the year ended December 31, 2023 compared to the same period of 2022. The growth in water sales is principally due to an increase of 21.8% in water sales volumes for the years ended December 31, 2023 compared to the year ended December 31, 2022.

Produced water royalties. Produced water royalties are royalties received from the transfer or disposal of produced water on our land. Produced water royalties are contractual and not paid as a matter of right. We do not operate any salt water disposal wells. Produced water royalties were $84.3 million for the year ended December 31, 2023 compared to $72.2 million for the same period in 2022. This increase is principally due to increased produced water volumes for the year ended December 31, 2023 compared to the same period of 2022.

Net income. Net income for the Water Services and Operations segment was $98.9 million for the year ended December 31, 2023 compared to $81.3 million for the year ended December 31, 2022. Segment operating income increased $22.0 million for the year ended December 31, 2023 compared to the same period of 2022. The increase is principally due to the $39.0 million increase in segment revenues which were partially offset by the $16.1 million increase in water service-related expenses and the $5.4 million increase in income tax expense. Expenses are discussed further above under “Results of Operations.”

Non-GAAP Performance Measures

In addition to amounts presented in accordance with 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, 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 excluding employee share-based compensation. Its purpose is to highlight earnings without non-cash activity such as share-based compensation and/or other non-recurring or unusual items. 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 years ended December 31, 2023, 2022, and 2021 (in thousands):

	Years Ended December 31,		
	2023	2022	2021
Net income	$ 405,645	$ 446,362	$ 269,980
Add:			
Income tax expense	111,916	122,493	93,037
Depreciation, depletion and amortization	14,757	15,376	16,257
EBITDA	532,318	584,231	379,274
Add:			
Employee share-based compensation	9,124	7,583	—
Severance costs	—	—	6,680
Conversion costs related to corporate reorganization	—	—	2,026
Adjusted EBITDA	541,442	591,814	387,980
Less:			
Current income tax expense	(110,517)	(121,230)	(93,265)
Capital expenditures	(15,431)	(18,967)	(16,415)
Free Cash Flow	$ 415,494	$ 451,617	$ 278,300

Off-Balance Sheet Arrangements

The Company has not engaged in any off-balance sheet arrangements.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. It is our opinion that we fully disclose our significant accounting policies in the Notes to the Consolidated Financial Statements. Consistent with our disclosure policies, we include the following discussion related to what we believe to be our most critical accounting policies that require our most difficult, subjective or complex judgment.

Accrual of Oil and Gas Royalties

The Company accrues oil and gas royalties. An accrual is necessary due to the time lag between the removal of crude oil and natural gas products from the respective mineral reserve locations and generation of the actual payment by operators. The oil and gas royalty accrual is based upon historical production volumes, estimates of the timing of future payments and recent market prices for oil and gas.

New Accounting Pronouncements

For further information regarding recently issued accounting pronouncements, see Note 2, “Summary of Significant Accounting Policies” in Item 8. “Financial Statements and Supplementary Data.”

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

The Company’s financial instruments consist of cash and cash equivalents (consisting of U.S. Treasury Bills and commercial paper), accounts payable and other liabilities and the carrying amounts of these instruments approximate fair value due to the short-term nature of these instruments.

Item 8. Financial Statements and Supplementary Data.

The information required by this Item 8 is included in our consolidated financial statements and the notes thereto included in this Annual Report on Form 10-K.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

Not applicable.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We conducted an evaluation of the effectiveness of our controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act, referred to herein as "Disclosure Controls") as of December 31, 2023. The controls evaluation was performed under the supervision and with the participation of management, including our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"). Based upon that evaluation, our CEO and CFO have concluded that our Disclosure Controls and procedures were effective.

Management's Annual Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control-Integrated Framework (2013)*. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2023. Based on this assessment, our CEO and CFO concluded our internal control over financial reporting was effective as of December 31, 2023.

Deloitte & Touche LLP, our independent registered public accounting firm, has audited our internal control over financial reporting as of December 31, 2023. Deloitte & Touche LLP's opinion appears in Part II, Item 8 of this Annual Report on Form 10-K.

Changes in Internal Control over Financial Reporting

There have been no changes during the quarter ended December 31, 2023 in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Texas Pacific Land Corporation

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Texas Pacific Land Corporation (the "Company") as of December 31, 2023, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2023, of the Company and our report dated February 21, 2024, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management Representation Letter. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

Dallas, Texas
February 21, 2024

Item 9B. Other Information.

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

As discussed in Item 1. “Business — General — Corporate Reorganization”, on January 11, 2021, we completed our Corporate Reorganization from a business trust to a corporation changing our name from Texas Pacific Land Trust to Texas Pacific Land Corporation. Our Corporate Reorganization included a change in our governance structure to a board of directors from our previous structure of being governed by Trustees.

Directors

Rhys J. Best, **77**, serves as Chair of the Board and has been a member of the Board since April 15, 2022. Mr. Best currently serves on the board of Arcosa Inc. (NYSE: ACA) (since 2018), where he serves as the non-executive Chairman of the Board. Mr. Best previously served on the board of Cabot Oil and Gas Corp. (from 2008 to 2021), his term ending after the company merged with Cimarex Energy in 2021 to form Coterra Energy (NYSE: CTRA). Mr. Best also previously served on the boards of Commercial Metals Company (NYSE: CMC) (from 2010 to 2022), Crosstex Energy, LP, an integrated, multi-commodity midstream enterprise (NASDAQ: XTEX) (from 2004 to 2014, including serving as Chairman of the Board from 2009 to 2014), MRC Global, Inc., a pipe, valve and fitting distribution business (NYSE: MRC) (from 2008 to 2022, including serving as Chairman of the Board from 2016 to 2022), Trinity Industries, Inc. (NYSE: TRN) (from 2005 to 2018), and Austin Industries, an employee-owned construction company (from 2007 to 2018, including serving as Chairman of the Board from 2013 to 2018). Mr. Best is the former Chairman, President and Chief Executive Officer of Lone Star Technologies, Inc., an energy services and supply company, a role he retired from in 2007 after the successful merger with United States Steel Company (NYSE: X). Since 2022, Mr. Best has completed various board education programs with NACDNTX, UT’s Government Enforcement Institute, Pearson Partners International and Latino Corporate Directors Program, including presenting or participating as a panel member in programs on risk and diversity.

Mr. Best became the Chair of the Board on November 10, 2023, and as such, no longer serves on any committees of the Board.

General Donald G. Cook, USAF (Ret.) 77, has been a member of the Board since January 11, 2021. General Cook currently serves on the board of Cybernance, Inc. (since 2016). General Cook previously served on the boards of Crane Co. (NYSE: CR) (from 2005 to 2022), USAA Federal Savings Bank (from 2007 to 2018), U.S. Security Associates Inc., a Goldman Sachs portfolio company (from 2011 to 2018), and Beechcraft LLC, formerly known as Hawker Beechcraft Inc. (from 2007 to 2014). General Cook served on the board of Burlington Northern Santa Fe Railroad for almost five years until it was sold to Berkshire Hathaway in 2010 in a transaction valued at $44 billion. He also consults for Lockheed Martin Corporation. In addition to his extensive corporate governance experience, General Cook has been the Chairman of the San Antonio advisory board of the NACD Texas TriCities Chapter, a group recognized as the authority on leading boardroom practices. General Cook had numerous command and high-level staff assignments during his 36-year career with the U.S. Air Force and retired as a four-star General. He commanded a flying training wing and two space wings, the 20th Air Force (the nation’s nuclear Intercontinental Ballistic Missile force) and was interim Commander of Air Combat Command during the September 11 attacks. General Cook served as the Chief of the Senate Liaison Office and on the staff of the House Armed Services Committee in the U.S. House of Representatives. Prior to his retirement from the Air Force in August 2005, General Cook’s culminating assignment was Commander, Air Education and Training Command at Randolph Air Force Base in Texas, where he was responsible for executing the $8 billion annual budget to recruit, train and educate Air Force personnel, safely implementing the 500,000-hour annual flying hour program and providing for the leadership, welfare, and oversight of 90,000 military and civilian personnel in the command. He was twice awarded the Distinguished Service Medal for exceptional leadership.

General Cook serves on and is the chairperson of the Nominating and Corporate Governance Committee and also serves on the Compensation Committee of the Board.

Barbara J. Duganier, 65, has been a member of the Board since January 11, 2021. Ms. Duganier currently serves on the board of MRC Global Inc. (NYSE: MRC) (since 2015), an industrial distributor of pipe, valves and other related products and services to the energy industry, where she chairs the ESG and enterprise risk committee and serves on the audit committee (and previously chaired the audit committee). Additionally, Ms. Duganier serves on the board of Arcadis NV (Euronext: ARCADIS) where she serves on the Sustainability Committee and the Audit and Risk Committee. Ms. Duganier also serves on the boards of two private companies: McDermott International, Ltd. (since 2020), a fully-integrated provider of engineering and construction solutions to the energy industry, where she chairs the audit committee and serves on the risk committee; and Pattern Energy Group LP (since 2020), a private renewable energy company focused on wind, solar, transmission and storage where she chairs the audit committee. Ms. Duganier previously served on the boards of the general partner of Buckeye Partners, L.P. (NYSE: BPL), a midstream oil and gas master limited partnership, where she chaired the audit committee and served on the compensation committee until the company's sale in November 2019; of Noble Energy (NASDAQ: NBL), an exploration and production company, where she served as a member of the audit and nominating and governance committees until the company's sale in October 2020; and West Monroe Partners, a management and technology consulting firm, where she was the lead independent director and nominating and governance committee chair until the sale of the company in November 2021. Ms. Duganier is also a former director and member of the enterprise and risk oversight and compensation committees of HCC Insurance Holdings, a property and casualty insurance underwriter, which was sold in 2015.

From 2004 to 2013, Ms. Duganier was a Managing Director at Accenture, a multinational professional services company that provides services in strategy, consulting, digital technology, and operations. She held various leadership and management positions in Accenture's outsourcing business, including Global Chief Strategy Officer and Global Growth and Offering Development Lead. A year prior to joining Accenture, she served as an independent consultant to Duke Energy North America. From 1979 to 2002, Ms. Duganier, who is a licensed certified public accountant in the State of Texas, worked at Arthur Andersen LLP, where she served as an auditor and financial consultant, as well as in various leadership and management roles, including Global Chief Financial Officer of Andersen Worldwide. Ms. Duganier also serves on the boards of John Carroll University and the National Association of Corporate Directors Texas TriCities Chapter (NACD TTC), and is the past Chairperson of the NACD TTC board of directors. Ms. Duganier holds the NACD Director Certification, is an NACD Leadership Fellow, and also holds the CERT Cybersecurity Oversight Certification from Carnegie Mellon University.

Ms. Duganier serves on and is the chairperson of the Compensation Committee and also serves on the Audit Committee of the Board.

Donna E. Epps, 59, has been a member of the Board since January 11, 2021. Ms. Epps currently serves on the board of Saia, Inc. (NASDAQ: SAIA) (since 2019), where she serves on the audit committee and the nominating and governance committee, and on the board of Texas Roadhouse, Inc. (NASDAQ: TXRH), where she serves as Chair of the audit committee, and as a member of the nominating and governance committee and the compensation committee. Ms. Epps was with Deloitte LLP, a multinational professional services network, for over 30 years. Ms. Epps served as an attest Partner of Deloitte LLP from 1998 through 2003 and as a Risk and Financial Advisory Partner of Deloitte LLP from 2004 until her retirement in 2017. During her time at Deloitte LLP, Ms. Epps helped companies develop and implement proactive enterprise risk and compliance programs, focusing on value protection and creation, and provided attest services and financial advisory services in governance, risk and compliance matters to private and public companies across multiple industries. Ms. Epps is currently a licensed certified public accountant in the State of Texas and a member of the North Texas Chapter of the National Association of Corporate Directors Board. Ms. Epps has served as Chair of the Girl Scouts of Northeast Texas Board since April 2021 and Treasurer and Finance Committee Chair of Readers2Leaders in Dallas, Texas since 2019.

Ms. Epps serves on and is the chairperson of the Audit Committee and also serves on the Nominating and Corporate Governance Committee of the Board.

Karl F. Kurz, 62, has been a member of the Board since April 15, 2022. Mr. Kurz is currently a non-executive Chairman of the board at American Water Works Co., Inc. (NYSE: AWK) and a member of the board at Devon Energy Corporation (NYSE: DVN) where he serves on the Compensation Committee, Governance, Environmental & Public Policy Committee and Reserves Committee. Mr. Kurz previously served on the board of Global Geophysical Services Inc. (NYSE: GGS), SemGroup Corporation (NYSE: SEMG), Western Gas Partners LP (NYSE: WES), WPX Energy Inc. (NYSE: WPX), Chaparral Energy Inc.(private) and Siluria Technologies Inc. (private). Mr. Kurz spent nine years at Anadarko Petroleum Corporation, where he held roles as Chief Operating Officer and Senior Vice President of Northern America Operations, Midstream and Marketing. Mr. Kurz also has extensive private equity experience that includes serving as a senior investment executive at Ares Capital and CCMP Capital Advisors, where he focused on investments in the oil and gas upstream and midstream sectors.

Mr. Kurz serves on the Compensation Committee of the Board.

Eric. L Oliver, 64, has been a member of the Board since January 11, 2021. Mr. Oliver currently serves as the President of SoftVest Advisors, a registered investment adviser that acts as an investment manager for private fund clients. Mr. Oliver additionally serves as the President of HeartsBluff Music Partners, LLC and Carrizo Springs Music Partners, LLC, both of which are registered investment advisers pursuant to an umbrella registration filed by SoftVest Advisors, LLC. Previously, Mr. Oliver was President of Midland Map Company, LLC, a Permian Basin oil and gas lease and ownership map producer from 1997 until its sale in January of 2019 to Drilling-Info, and was Principal of Geologic Research Centers LLC, a log library providing geological data to the oil and gas industry with a library in Abilene, Texas, sold in 2019. Additionally, Mr. Oliver served on the board of Texas Mutual Insurance Company from 2009 until he retired in July 2021. He has also served as a director on the board of AMEN Properties, Inc. (OTC: AMEN) since July 2001 and was appointed Chairman of the Board in September 2002. AMEN Properties directly or indirectly owns certain oil and gas royalty and working interest properties. Furthermore, Mr. Oliver serves on the board of Abilene Christian Investment Management Company, Abilene Christian University's endowment management company, and is a former member of the Abilene Community Foundation's investment committee. Mr. Oliver received a B.A. in Chemistry from Abilene Christian University in 1981. Mr. Oliver was the SoftVest Designee pursuant to the Stockholders' Agreement.

Mr. Oliver serves on the Audit Committee of the Board.

Robert Roosa, 53, has been a member of the Board since November 10, 2023. Mr. Roosa is a Partner in Brigham Royalties, and has served as its Chief Executive Officer since January 2023. Mr. Roosa previously served as President of Brigham Minerals, Inc. (NYSE: MNRL) ("Brigham") from its inception in November 2012 and as its Chief Executive Officer from July 2017 until its acquisition by Sitio Royalties Corp. in December 2022. Mr. Roosa also served as a director of Brigham from May 2018 until 2022. Mr. Roosa served as the President of Anthem Ventures, LLC, a family office, between January 2012 and January 2017. Mr. Roosa held various roles, including Director of Finance and Investor Relations, while at Brigham Exploration Company from 2006 until its sale to Statoil ASA in December 2011. From 2000 to 2006, Mr. Roosa held a series of positions at Exxon Mobil Corporation (NYSE: XOM), an oil and gas company, in the Corporate Treasurer's Department. Prior to 2000, Mr. Roosa worked for Cooper Industries, an electrical products manufacturing company, in its Corporate Controllers and Audit Groups and with the accounting firm Deloitte & Touche LLP in its audit function. Mr. Roosa graduated from Southern Methodist University with a Master of Business Administration and from the University of Texas at Austin with a Bachelor of Business Administration. Mr. Roosa was nominated for election as a director pursuant to the Cooperation Agreement. Mr. Roosa brings extensive knowledge of the mineral royalty acquisitions industry and executive experience to the Board.

Mr. Roosa serves on the Audit Committee and also serves on the Compensation Committee of the Board.

Murray Stahl, 70, has been a member of the Board since January 11, 2021. Mr. Stahl is the Chief Executive Officer, Chairman of the Board and co-founder of Horizon Kinetics LLC and serves as Chief Investment Officer of Horizon Kinetics Asset Management LLC, a wholly owned subsidiary of Horizon Kinetics LLC (together, "Horizon Kinetics"). He has over 30 years of investing experience and is responsible for overseeing Horizon Kinetics' proprietary research and chairs the firm's investment committee, which is responsible for portfolio management decisions across the entire firm. He is also the Co-Portfolio Manager for a number of registered investment companies, private funds, and institutional separate accounts. Mr. Stahl is the Chairman and Chief Executive Officer of FRMO Corp. (OTC: FRMO) and has been a director since 2001. He is also a member of the board of RENN Fund, Inc. (NYSE: RCG) (since 2017), the Bermuda Stock Exchange, MSRH, LLC, and the Minneapolis Grain Exchange. He was a member of the board of Winland Electronics, Inc. (from 2015 to 2020) and IL&FS Securities Services Limited (from 2008 to 2020). Prior to co-founding Horizon Kinetics, Mr. Stahl spent 16 years at Bankers Trust Company (from 1978 to 1994) as a senior portfolio manager and research analyst. As a senior fund manager, he was responsible for investing the Utility Mutual Fund, along with three of the bank's Common Trust Funds: The Special Opportunity Fund, The Utility Fund and The Tangible Assets Fund. He was also a member of the Equity Strategy Group and the Investment Strategy Group, which established asset allocation guidelines for the Private Bank. Mr. Stahl was nominated for election as a director pursuant to the Cooperation Agreement.

Mr. Stahl serves on the Nominating and Corporate Governance Committee of the Board.

Marguerite Woung-Chapman, 58, has been a member of the Board since November 10, 2023. Ms. Woung-Chapman serves as a director of the General Partner of Summit Midstream Partners, LP (NYSE: SMLP), a limited partnership focused on developing, owning and operating midstream energy infrastructure assets located in unconventional resource basins, primarily shale formations, in the continental United States. She currently serves as Chair of their Nominating, Governance and Sustainability Committee and as a member of their Compensation Committee. Ms. Woung-Chapman serves on the board of directors of Chord Energy Corporation (NASDAQ: CHRD) and serves on the Compensation and Human Resources Committee, and as Chair of the Nominating and Governance Committee. She was previously a member of the board directors of Oasis Petroleum, Inc. and Chair of the board of directors and President of the Council of the Girl Scouts of San Jacinto Council. Ms. Woung-Chapman began her career as a corporate attorney with El Paso Corporation (including its predecessors) and during her tenure from 1991 until 2012, served as Vice President, Legal Shared Services, Corporate Secretary and Chief Governance Officer, among other positions. From 2012 to 2017, Ms. Woung-Chapman served in various capacities at EP Energy Corporation, a private company that subsequently became an NYSE-listed independent oil and gas exploration and production company, including, among others, Senior Vice President, Land Administration, General Counsel and Corporate Secretary. In 2018, Ms. Woung-Chapman served as Senior Vice President, General Counsel and Corporate Secretary of Energy XXI Gulf

Coast, Inc., an independent exploration and production company that was engaged in the development, exploitation and acquisition of oil and natural gas properties in the U.S. Gulf Coast region until its acquisition by Cox Oil. Ms. Woung-Chapman holds a Bachelor of Science in Linguistics from Georgetown University and a J.D. from the Georgetown University Law Center. Ms. Woung-Chapman was nominated for election as a director pursuant to the Cooperation Agreement. Ms. Woung-Chapman brings valuable expertise in all aspects of management and strategic direction of publicly-traded energy companies with a unique combination of experience in corporate governance, regulatory, compliance, corporate and asset transactions, legal and business administration.

Ms. Woung-Chapman serves on the Audit Committee and also serves on the Nominating and Corporate Governance Committee of the Board.

Tyler Glover, 39, has been a member of the Board since January 11, 2021. Mr. Glover serves as TPL's President and Chief Executive Officer. Mr. Glover served as Chief Executive Officer, Co-General Agent and Secretary of the Trust from November 2016 to January 11, 2021. Mr. Glover also currently serves as President and Chief Executive Officer of TPWR, a wholly owned subsidiary of TPL, in which capacity he has acted since its formation in June 2017. Mr. Glover previously served as Assistant General Agent of the Trust from December 2014 to November 2016, and has over 10 years of energy services and land management experience.

Our directors bring to the Board a wide range of skills, qualifications, experience, perspectives and diverse characteristics that enhance the Board's ability to carry out its oversight on behalf of our stockholders. The table below sets forth a summary of the qualifications and experiences that each director brings to the Board, each of which we believe to be relevant to our business. Because this is a summary, it does not include all of the skills, experiences and qualifications that each director offers.

Qualifications and Experience	Best	Cook	Duganier	Epps	Glover	Kurz	Oliver	Roosa	Stahl	Woung-Chapman
Public Company CEO or COO Experience	l				l	l		l	l	
Financial Oversight/Accounting Senior executive level experience in financial accounting and reporting, auditing, corporate financing and/or internal controls or experience in the financial services industry	l		l	l		l	l	l		
Industry Experience Experience as an executive or director in, or in other leadership positions working with the oil and gas industry and knowledge of the risks related to the industry	l	l	l		l	l	l	l		l
Public Policy/Regulatory Experience in or a strong understanding of the regulatory issues facing the oil and gas industry and public policy on a local, state and national level	l				l	l		l		l
HES Experience Experience with direct control or oversight for health, environmental, safety and social responsibility management	l	l	l	l	l	l				l
Risk Management Executive experience evaluating significant risks and providing effective oversight of risk management processes, including cyber security risk and financial risk	l	l	l	l	l	l	l	l	l	l
Independence Satisfies the independence requirements of the NYSE and SEC	l	l	l	l		l	l	l	l	l
Public Company Board Experience Including corporate governance experience	l	l	l	l	l	l	l	l	l	l

Gender:	Female	Male
	3	7
Demographics:		
African American or Black		
Native American		
Asian		
Hispanic or Latino		
Caucasian	2	7
Two or More Races or Ethnicities	1	

Executive Officers

Tyler Glover, **39**, serves as TPL's President and Chief Executive Officer. Biographical information for Mr. Glover is included above.

Chris Steddum, 43, serves as TPL's Chief Financial Officer since June 1, 2021. Prior to that, Mr. Steddum served as Vice President, Finance and Investor Relations of TPL and also served as Vice President, Finance and Investor Relations of the Trust. Prior to joining the Trust in 2019, Mr. Steddum spent 10 years working in oil and gas investment banking, most recently as a Director at Stifel Financial Corporation from 2016 to 2019, and prior to that served as a Director at GMP Securities from 2014 to 2016.

Micheal W. Dobbs, 51, serves as TPL's Senior Vice President, Secretary and General Counsel. Mr. Dobbs also served as Senior Vice President and General Counsel of the Trust from August 2020 until January 11, 2021. Prior to joining the Trust, Mr. Dobbs had been a partner at Kelley Drye & Warren LLP.

Significant Employees

Robert A. Crain, **45**, serves as Executive Vice President of TPWR, in which capacity he has served since its formation in June 2017. From 2015 to 2017, Mr. Crain was Water Resources Manager with EOG Resources where he led the development of EOG's water resource development efforts across multiple basins including the Permian and Eagle Ford. During his career, he has successfully developed multiple large-scale water sourcing, distribution and treatment systems across multiple platforms and industries.

Stephanie Buffington, **57**, serves as TPL's Chief Accounting Officer, in which capacity she has served since June 1, 2021. From September 2020 through May 2021, Ms. Buffington served as Vice President of Financial Reporting and from December 2017 through September 2021 served as Director of Financial Reporting. Prior to joining the Company, Ms. Buffington most recently served as Vice President of Financial Reporting at Monogram Residential Trust, Inc., a publicly traded REIT, from 2014 to 2017. Ms. Buffington has over 25 years of public company experience and began her career at KPMG. She is a licensed Certified Public Accountant in the State of Texas.

Matters Relating to Our Governance

Code of Business Conduct and Ethics

The Board has adopted a Code of Business Conduct and Ethics applicable to all members of the Board, executive officers and employees. A copy of the Code of Business Conduct and Ethics is available on the Company's corporate website at www.TexasPacific.com. The information contained on our website is not part of this Report. We intend to disclose any amendment to, or waiver of, a provision of our Code of Business Conduct and Ethics by filing a Current Report on Form 8-K with the SEC.

Communication with Directors

The Board is committed to meaningful engagement with stockholders and other interested persons and welcomes input and suggestions. Information regarding how stockholders can contact the Chair or non-management members of the Board is set forth in our Corporate Governance Guidelines that are posted on our website, www.TexasPacific.com. Stockholders and other interested persons who wish to contact the Board may do so by submitting any communications to the Company by mail at 1700 Pacific Avenue, Suite 2900, Dallas, Texas 75201, Attention: Investor Relations.

Board Leadership Structure and Risk Oversight

Mr. Best serves as the chair of the Board (the “Chair”). The Chair of the Board is an independent director. The Company believes that having an independent chair of the Board will provide independent leadership for the Board and help ensure critical and independent thinking with respect to the Company’s strategy and performance. Our Chief Executive Officer is also expected to serve as a member of the Board as the management representative. The Company believes this is important to make information and insight directly available to the directors in their deliberations. This structure gives the Company an appropriate, well-functioning balance between non-management and management directors that combines experience, accountability, and effective risk oversight. The duties of the Chair are set forth in our Corporate Governance Guidelines, and include chairing Board meetings and meetings of stockholders, except as otherwise provided by our Bylaws, establishing the agenda for each Board meeting, leading executive sessions of the Board (if the Chair qualifies as independent), having authority to call Board meetings, approving meeting schedules for the Board and information distributed to the Board, consulting with the Nominating and Corporate Governance Committee with regard to the membership and performance evaluations of the Board and committee members, and performing such other duties and responsibilities as requested by the Board.

Our Corporate Governance Guidelines allow for the Chair of the Board and the Chief Executive Officer roles to be filled by a single individual. In the event the Chair does not qualify as independent, the independent directors shall select from among themselves a lead independent director. The duties of a lead independent director are set forth in our Corporate Governance Guidelines, and include chairing Board meetings in the absence of the Chair, convening and leading executive sessions of the Board, serving as a liaison between the Chair and the independent directors, being available for consultation and director communication with major stockholders as directed by the Board, and performing such other duties and responsibilities as requested by the Board.

The Company believes that risk oversight is the responsibility of the Board as a whole and not solely of any one of its committees. The Board periodically reviews the processes established by management to identify and manage risks and communicates with management about these processes. In addition to these measures, the Audit Committee regularly discusses policies with respect to risk assessment and risk management, the Company’s major litigation and financial risk exposures, compliance, cybersecurity, information technology and the steps management has taken to monitor and control such exposures, and the Compensation Committee oversees risks arising from the Company’s compensation and employee benefits plans, policies and programs for its employees. The Nominating and Corporate Governance Committee, with assistance from the Audit Committee and the Compensation Committee, oversees our ESG program and monitors related risks. The Board, and the various committee chairs, address any issues identified in such discussions and reviews with management as they arise, and monitors actions, procedures or processes implemented in response.

Our General Counsel serves as our chief compliance officer, and periodically reviews the effectiveness of the Company’s compliance programs and responds to, and monitors the status and response to, compliance issues that may arise from time to time. The General Counsel reports to the Chief Executive Officer.

Audit Committee Procedures; Procedures for Approval of Related Person Transactions

The Audit Committee meets separately and periodically with the Company’s independent auditor, the Company’s chief financial officer and a representative of the internal audit function to assess certain matters, including the status of the independent audit process, management and the independent auditor’s assessments of the Company’s financial reporting and internal controls and compliance with legal and regulatory requirements, and management’s views as to the competence, performance and independence of the independent auditor. The Audit Committee oversees the internal audit function, including its structure, personnel, budget, and annual internal audit plans. In addition, the Audit Committee, as a whole, reviews and meets to discuss the annual audited financial statements and quarterly financial statements with management and the independent auditor. The Audit Committee makes a recommendation to the Board each year as to whether the annual audited financial statements should be included in the Company’s Annual Report on Form 10-K.

Information about the procedures for approval of related person transactions is available below in Item 13. “Certain Relationships and Related Transactions, and Director Independence — Transactions with Related Persons.”

Qualifications and Nominations of Directors

The Nominating and Corporate Governance Committee charter provides that the Nominating and Corporate Governance Committee screen, recruit and interview individuals that the Nominating and Corporate Governance Committee believes are qualified to become members of the Board, consistent with criteria approved by the Board from time to time, and to recommend to the Board the (a) director nominees to be selected by the Board to stand for election or re-election at the annual meeting of stockholders and (b) director candidates to be appointed by the Board to fill vacancies and newly created directorships. The Nominating and Corporate Governance Committee reviews periodically the size of the Board and oversees an annual self-evaluation of the Board and its committees. The Nominating and Corporate Governance Committee may also consider such other factors as it may deem to be in the best interests of the Company and its stockholders.

Whenever the Nominating and Corporate Governance Committee concludes, based on the reviews or considerations described above or due to a vacancy, that a new nominee to the Board is required or advisable, it will consider recommendations from directors, management, stockholders and, if it deems appropriate, consultants retained for that purpose. In such circumstances, it will evaluate individuals recommended by stockholders in the same manner as nominees recommended from other sources. Stockholders who wish to nominate an individual for election as a director directly, without going through the Nominating and Corporate Governance Committee, must comply with the procedures in the Company’s amended and restated bylaws. The Company’s amended and restated bylaws are provided on our website at www.TexasPacific.com.

Our Board has adopted a “majority vote policy.” Under this policy any nominee for director in an uncontested election who does not receive a majority of the votes cast is required to tender his or her resignation following certification of the stockholder vote. The Nominating and Corporate Governance Committee will consider the tendered resignation and make a recommendation to the Board whether to accept or reject the resignation.

Insider Trading Policy; Anti-Hedging Policy

We have an Insider Trading Policy that sets forth terms, conditions, timing, limitations, and prohibitions with respect to trading in the Company’s securities. The Insider Trading Policy prohibits all employees, executive officers, directors, agents, consultants and contractors from trading in the Company’s securities while in possession of material nonpublic information. Such persons are also generally prohibited from hedging, including engaging in publicly-traded options, puts, calls, or other derivative instruments relating to the Company’s securities, or selling the Company’s securities “short.” The Insider Trading Policy also requires that such persons obtain pre-approval from the Company’s General Counsel for all pledges, and the deposit in margin accounts, of the Company’s securities and the securities of any other company designated by the Company’s General Counsel. The Insider Trading Policy also restricts directors, officers subject to Section 16 of the Exchange Act, and certain other specifically designated employees from trading in the Company’s securities during certain periods and only after they have obtained pre-clearance for trades in the Company’s securities from the Company’s General Counsel (or, in the case of the General Counsel, the Chief Financial Officer).

Clawback Policy

The Company has adopted a Clawback Policy in accordance with Section 10D of the Exchange Act and Rule 10D-1 promulgated thereunder (collectively, “Section 10D”). In the event the Company is required to prepare an accounting restatement of its financial statements due to the Company’s material noncompliance with any such financial reporting requirement, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period, the Clawback Policy requires that covered executives must reimburse the Company, or forfeit, any excess incentive compensation received by such covered executive during the three completed fiscal years immediately preceding the date on which the Company is required to prepare the restatement. Executives covered by the Clawback Policy are current and former executive officers, as determined by the Board in accordance with Section 10D and the listing standards of the NYSE. Incentive compensation subject to the Clawback Policy includes any cash or equity compensation that is granted, earned or vested based wholly or in part on the attainment of a financial reporting measure as defined in Section 10D. The amount subject to recovery is the excess of the incentive compensation received based on the erroneous data over the incentive compensation that would have been received had it been based on the restated results.

Environmental, Social and Governance

Please see our ESG discussion in Item 1. “Business.”

Human Capital

Please see our Human Capital Resources discussion in Item 1. “Business.”

Board of Directors

The Board currently consists of ten (10) directors, nine (9) of whom - Mr. Best, Gen. Cook, Ms. Duganier, Ms. Epps, Mr. Kurz, Mr. Oliver, Mr. Roosa, Mr. Stahl and Ms. Woung-Chapman - are considered “independent” under the rules of the SEC and the NYSE. No director may be deemed independent unless the Board determines that he or she has no material relationship with TPL. Mr. Best is the Chair of the Board. In light of Mr. Best’s extensive experience in the energy industry and service on public company boards, he is well-positioned to serve as Chair.

The Board meets at least quarterly and the independent directors serving on the Board intend to meet in executive session (i.e., without the presence of any non-independent directors and management) immediately following regularly scheduled Board meetings. During the fiscal year ended December 31, 2023 (the “Last Fiscal Year”), the Board met six (6) times and acted by written consent in lieu of holding a meeting one (1) time. All of the directors attended at least 75% of the total number of meetings held by the Board and of the committees on which they served during the Last Fiscal Year. Each director is also expected to attend the Company’s annual meetings of stockholders.

The Board has three standing committees, consisting of a Nominating and Corporate Governance Committee, an Audit Committee, and a Compensation Committee. Membership in each committee is shown in the following table.

Name	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee
Rhys J. Best			
Donald G. Cook		l	▲
Barbara J. Duganier	l	▲	
Donna E. Epps	▲		l
Tyler Glover			
Karl F. Kurz		l	
Eric L. Oliver	l		
Robert Roosa	l	l	
Murray Stahl			l
Marguerite Woung-Chapman	l		l

▲Chair   l Member

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee consists of Donald G. Cook, the chair, Donna E. Epps, Murray Stahl and Marguerite Woung-Chapman. The committee members have met the independence requirements for service on the Nominating and Corporate Governance Committee in accordance with rules of the NYSE. The Nominating and Corporate Governance Committee is responsible for identifying, evaluating and recommending individuals qualified to become members of the Board, and for overseeing corporate governance matters. During the Last Fiscal Year, the Nominating and Corporate Governance Committee held five (5) meetings.

The Board has adopted the Nominating and Corporate Governance Committee Charter which is provided on the Company’s corporate website at www.TexasPacific.com.

Audit Committee and Audit Committee Financial Expert

The Audit Committee consists of Donna E. Epps, the chair, Barbara J. Duganier, Eric L. Oliver, Robert Roosa and Marguerite Woung-Chapman. The Board has determined that Ms. Epps, Ms. Duganier, and Mr. Roosa are “audit committee financial experts," as defined by the rules of the SEC. The biographies of Ms. Epps and Ms. Duganier have been provided above. Additionally, the members of the Audit Committee meet the independence requirements for service on the Audit Committee in accordance with the rules of the NYSE and Section 10A(m)(3) of the Exchange Act.

The Audit Committee is responsible for, among other things, ensuring that the Company has adequate internal controls and is required to meet with the Company's auditors to review these internal controls and to discuss other financial reporting matters. The Audit Committee is also responsible for the appointment, pre-approval of work, compensation, and oversight of the auditors. During the Last Fiscal Year, the Audit Committee of the Company held five (5) meetings.

The Board has adopted an Audit Committee Charter which is provided on the Company's corporate website at www.TexasPacific.com.

Compensation Committee

The Compensation Committee consists of Barbara J. Duganier, the chair, Donald G. Cook, Karl F. Kurz and Robert Roosa. The Board has determined that each member of the Compensation Committee is independent, as defined by the rules of the NYSE and that they qualify as "non-employee directors" for purposes of Rule 16b-3 under the Exchange Act. The primary function of the Compensation Committee is to review, approve and recommend corporate goals and objectives relevant to compensation of TPL's Named Executive Officers (as defined below), reviewing and approving TPL's compensation plans and reviewing and making recommendations regarding compensation for non-employee directors. During the Last Fiscal Year, the Compensation Committee held six (6) meetings and acted by written consent in lieu of holding a meeting four (4) times.

The Board has adopted a Compensation Committee Charter which is provided on the Company's corporate website at www.TexasPacific.com.

Ad Hoc Committees

From time to time, the Board constitutes ad hoc committees, the membership, duties and compensation, if any, of which are determined by the Board.

Item 11. Executive Compensation.

Compensation Discussion and Analysis

This Compensation Discussion and Analysis ("CD&A") provides information on the compensation arrangements for each of TPL's Chief Executive Officer, Chief Financial Officer and up to three other most highly compensated individuals who were serving as an executive officer at the end of the Last Fiscal Year, and up to two other individuals who would have been included as other most highly compensated individuals but were not serving as executive officers at the end of the Last Fiscal Year, for services rendered in all capacities during the Last Fiscal Year (the "Named Executive Officers"). The compensation disclosures below reflect Fiscal Year 2023.

For Fiscal Year 2023, the following officers represented our Named Executive Officers:

- Tyler Glover, our President and Chief Executive Officer
- Chris Steddum, our Chief Financial Officer
- Micheal W. Dobbs, our Senior Vice President, Secretary, and General Counsel

Executive Summary

TPL was originally organized in 1888 as a business trust to hold title to extensive tracts of land in numerous counties in West Texas which were previously the property of the Texas and Pacific Railway Company. On January 11, 2021, we completed our Corporate Reorganization from a business trust to a corporation changing our name from Texas Pacific Land Trust to Texas Pacific Land Corporation.

Our business activity is generated from our surface and royalty interest ownership in West Texas, primarily in the Permian Basin. Our revenues are derived from oil, gas and produced water royalties, sales of water and land, easements and commercial leases. Due to the nature of our operations and concentration of our ownership in one geographic location, our revenue and net income are subject to substantial fluctuations from quarter to quarter and year to year. In addition to fluctuations in response to changes in the market price for oil and gas, our financial results are also subject to decisions by the owners and operators of not only the oil and gas wells to which our oil and gas royalty interests relate, but also to other owners and operators in the Permian Basin as it relates to our other revenue streams, principally water sales, easements and other surface-related revenue.

Business and Financial Performance 2023 Highlights

- Net income of $405.6 million, or $52.81 per share (basic) and $52.77 (diluted)
- Revenues of $631.6 million
- Adjusted EBITDA[(1)] of $541.4 million
- Free cash flow[(1)] of $415.5 million
- Royalty production of 23.5 thousand barrels of oil equivalent per day
- Total cash dividends of $13.00 per share paid during 2023
- Published annual update of ESG disclosure, including metrics for 2022

(1) Reconciliations of Non-GAAP measures are provided in Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations — Non-GAAP Performance Measures."

Key Aspects of 2023 Design

Following a substantial redesign of our compensation programs in 2022, the Compensation Committee generally maintained the overall program structure in 2023. This program design is based on typical practices among our Reference Group (see below) while reflecting the unique aspects of TPL. The compensation program design is intended to meet the following objectives:

- Align executives' financial interests more closely with stockholders;
- Tie executive compensation with long-term performance (both stock price and financial performance) incorporating risk into the awards, while relying heavily on formulaic incentive compensation;
- Incorporate long-term vesting periods to help ensure continuity of the management team;
- Ensure transparency for participants and stockholders about how outcomes are determined with an appropriate and competitive level of pay at risk;
- Meet common governance standards for public companies, and assess and control the program to avoid creating undue risk or encouraging excessive risk-tasking by executives; and
- Ensure a competitive compensation program.

We believe that our program, including awards under the 2021 Incentive Plan, has an appropriate balance of risk and reward in relation to our overall business strategy and that the balance of compensation elements discourages excessive risk-taking.

We have maintained this general structure for 2024.

Decision-Making Process

Compensation Philosophy and Approach

TPL's 2023 executive compensation program is designed to recruit and retain an executive team and to reward performance in achieving TPL's goals of protecting and maintaining the assets of TPL. The 2023 executive compensation program consists principally of a salary, an annual cash bonus (sometimes referred to as awards under a non-equity incentive plan commencing in 2022), and share-based compensation. Base salaries provide our Named Executive Officers with a steady income stream that is not contingent on TPL's performance. Differences in salary for the Named Executive Officers may reflect the differing responsibilities of their respective positions, the differing levels of experience of the individuals and internal pay-equity considerations. The cash bonus allows the Compensation Committee flexibility to recognize and reward the Named Executive Officers' contributions to TPL's performance in any given year. Salaries are reviewed annually, and salary adjustments and the amounts of cash bonuses are determined by the Compensation Committee and the Board, as applicable, based upon an evaluation of the Named Executive Officer's performance and contributions, as well as overall performance of the Company, against the goals and objectives of TPL in accordance with the relevant employment agreements in effect, as applicable. Share-based compensation awards link pay to performance and aligns executive officers' interests with those of the Company and its stockholders over the long term.

As part of its compensation program, TPL maintains both a qualified defined benefit pension plan and a qualified defined contribution plan which are both available to employees generally, as well as to the Named Executive Officers. These plans are designed to assist employees in planning for their retirement.

Consideration of 2023 Say on Pay Vote

At our November 2023 stockholder meeting, the majority of our stockholders voted to approve our executive compensation program, with approximately 81% approval among votes cast. The Compensation Committee viewed this as support of its approach and philosophy and as a basis for continuing with the program described in this CD&A for 2023.

Following our lower support in 2022, at the direction of our Compensation Committee, TPL management reached out to 10 of our largest stockholders, representing more than 20% of our outstanding shares, to discuss our executive compensation program along with other topics of importance to them, including governance, sustainability and strategy. Four stockholders representing approximately 10% of our outstanding shares accepted our invitation to share feedback, and members of management and of the Board engaged at length with them. The remaining six stockholders we contacted either did not respond or confirmed that they did not have any concerns with our executive compensation program and therefore no engagement was necessary.

Independent members of our Board participated in and led each of these meetings with stockholders. Each meeting included some combination of our Compensation Committee Chair and at least one other member of the Board. They were joined in these meetings by most or all of the Company's CEO, CFO, Secretary and General Counsel and Vice President of Finance and Investor Relations.

Following these meetings, the Compensation Committee met with senior management to discuss what we learned during this comprehensive outreach process. In general, we learned that institutional stockholders were not seeking significant changes to our compensation program; many expressed support for our overall compensation philosophy and instead suggested modest changes, including enhancing our proxy statement disclosures and increasing the proportion of performance-based equity over time.

In response to this feedback, we have added new disclosures to our proxy statement intended to provide greater transparency into the functioning of our executive compensation program. Additionally, we intend to evolve our compensation program over time, and we may make further changes to the structure of our compensation program based on the needs of the Company.

Role of the Committee

The Compensation Committee has the sole authority to determine the compensation of the Named Executive Officers other than the Chief Executive Officer and to make recommendations to the Board, which has the authority to make final decisions, with respect to the compensation of the Chief Executive Officer. The Compensation Committee is also responsible for developing and overseeing an equity compensation program for the Company generally for other employees, and for making recommendations to the Board with respect to compensation for non-employee directors, with assistance from the Compensation Committee's independent compensation consultant.

In establishing the Named Executive Officers' compensation for 2023, the Compensation Committee Chair and the full Compensation Committee met multiple times, including with management and/or the Compensation Committee's independent compensation consultant, to review market practices, evaluate potential alternatives, determine appropriate metrics and goals, and review strategic goals and performance.

Role of Management

Our CEO, Mr. Glover, provided recommendations for compensation for his direct reports. Additionally, the management team provided the Compensation Committee with financial performance information to assist with the assessment of company and individual performance in determining the bonuses for 2023. The Compensation Committee considered this information in its decision-making process. No member of management participated in discussions relating to his or her own compensation.

Role of the Independent Consultant

Since 2021, the Compensation Committee has used Meridian as its independent compensation consultant to assist the Compensation Committee in fulfilling its responsibilities related to the oversight of TPL Corporation's executive officer and non-employee director compensation. The Compensation Committee determined that Meridian was independent from management based upon the consideration of various relevant factors, including that Meridian did not provide any services to TPL except advisory services to the Compensation Committee, and that Meridian had and adhered to policies and procedures that were designed to prevent conflicts of interests.

The independent compensation consultant advises the Compensation Committee in the development of pay strategies regarding our executive officers, including our CEO, and non-employee directors. The Compensation Committee reviews and discusses matters involving executive officer and non-employee director compensation. Following this review, the Compensation Committee makes a determination and/or recommendation to the Board, as applicable under the Compensation Committee's charter, regarding, among other things (a) the compensation of the CEO and the compensation of executive officers other than the CEO, in each case including salary, bonus, benefits, incentive awards and perquisites, and (b) compensation for TPL's non-employee directors.

Benchmarking Process

Determining the 2023 Compensation Program

As described below, the Compensation Committee asked Meridian to review market data as part of the process of establishing 2023 compensation for our Named Executive Officers. As part of this process, the Compensation Committee noted that TPL is a unique organization in a number of ways:

- It is the largest publicly-traded mineral royalty focused organization, with a market capitalization more than double the next largest publicly-traded mineral royalty focused organization;
- Unlike most mineral royalty focused organizations, TPL also owns and manages a large amount of surface rights;
- These surface rights allow the creation of additional business lines, such as our water business and Surface Leases, Easements and Material (referred to as "SLEM");
- TPL's legacy assets carry zero basis on the balance sheet; and
- TPL's financial profile is unusual with no debt, limited book assets, and high margins. TPL also returns a significant portion of its cash flow to stockholders through dividends and share repurchases.

As a result of these unique characteristics, TPL does not have any direct peers. Instead of reviewing peer group market data, the Compensation Committee asked Meridian to review compensation for a group of comparable reference companies (the "Reference Group"). The Reference Group (listed below) represents companies which operate in ancillary businesses such as royalty companies, midstream companies, and E&P companies that have business lines similar to TPL and are similar in market capitalization, enterprise value, and/or Adjusted EBITDA.

Royalty Companies	Midstream Companies	E&P Companies
PrairieSky Royalty Ltd.	Western Midstream Partners, LP	Marathon Oil Corporation
Black Stone Minerals, L.P.	DCP Midstream, LP	PDC Energy, Inc.
Sitio Royalties Corporation	EnLink Midstream, LLC	Matador Resources Company
Kimbell Royalty Partners	NuStar Energy L.P.	SM Energy Company
	Crestwood Equity Partners LP	Callon Petroleum Company
	Magellan Midstream Partners	Southwestern Energy Company
	Equitrans Midstream Corporation	Range Resources Corporation

Market data from this Reference Group, plus additional broad survey data from general industry and the E&P industry, was used by the Compensation Committee as a reference to help determine the 2023 compensation program design and individual pay levels as well as in determining the 2023 compensation, which is described below. During 2023, in preparation for decisions regarding 2024 compensation, the Compensation Committee refreshed the listing of companies in the Reference Group to account for mergers/acquisitions occurring during 2023. The following companies were removed from the Reference Group for 2024: DCP Midstream, LP, Crestwood Equity Partners LP, and Magellan Midstream Partners (Midstream Companies) and PDC Energy, Inc. (E&P Companies). The following companies were added to the Reference Group for 2024: Northern Oil and Gas, Inc. (Royalty Companies) and DT Midstream, Inc. (Midstream Companies).

2023 Compensation Program

TPL's 2023 executive compensation program is designed to reward performance in achieving TPL's goals of protecting and maintaining the assets of TPL as detailed below.

Base Salaries

Our Named Executive Officers receive a base salary to provide a competitive level of fixed compensation based on each individual's role, experience, qualifications, and individual performance. The base salaries as of the end of 2023 for our Named Executive Officers were as follows:

Named Executive Officer	Base Salary as of December 31, 2023
Tyler Glover	$ 850,000
Chris Steddum	$ 500,000
Micheal W. Dobbs	$ 420,000

The base salary for Mr. Glover is unchanged from 2022. The Compensation Committee increased the base salaries for Mr. Steddum and Mr. Dobbs for 2023 to better align with market data from the Reference Group.

2023 Annual Incentive Targets

Each of the executive officers has a target bonus expressed as a percentage of salary established based on references to market data as described above. The target bonuses as a percentage of salary for each of our Named Executive Officers for 2023 is as follows:

Named Executive Officer	2023 Target Bonus as a % of Salary
Tyler Glover	110%
Chris Steddum	90%
Micheal W. Dobbs	75%

These are unchanged from 2022.

The Committee has also established a structured annual incentive program, with goals tied to key metrics for the company. For 2023, the metrics included two financial metrics (Adjusted EBITDA Margin % and Free Cash Flow/share (FCF/share)) as well as several strategic objectives, as outlined below.

2023 Annual (Short-Term) Incentive Program Summary

Metric	Weight	Rationale
Adjusted EBITDA Margin %	37.5%	TPL has one of the highest Adjusted EBITDA margins of any company in the oil and gas industry and maintaining high margins is a high priority for the management team.
FCF per share	37.5%	Generating FCF is a high priority for TPL, which enables greater returns to stockholders in the form of dividends and share repurchases.
Strategic Objectives	25%	These objectives were established based on key strategic priorities to ensure long-term success, such as safety, ESG progress against goals/metrics, increasing use of TPL's land, SLEM, and water services, and leveraging TPL's land to explore other non-oil and gas revenue streams.

Goals for each of the 2023 metrics were established at the beginning of 2023, based on expectations for the year. The Threshold, Target, and Maximum level of performance for each financial metric are outlined below. At Threshold, Target, and Maximum performance levels, 50%, 100%, and 200% of the target bonus would be earned, respectively, for each metric.

Metric	Weighting	Threshold	Target	Maximum	Actual Results
Adjusted EBITDA Margin %	37.5%	80.5%	84.0%	86.5%	85.7%
FCF per fully diluted share of Common Stock	37.5%	$37.00	$48.00	$60.00	$54.05

TPL's performance against the pre-established financial goals can be heavily influenced by the impact of changes in commodity prices. To mitigate this impact, the Committee implemented a commodity adjustment calculation, which uses a collar on commodity prices. Within the collar range, no adjustment is made for commodity prices. If commodity prices fall below or rise above the collar range, a floor or cap on prices is applied. This provides our management team with some exposure to commodity price, in line with our stockholders, but limits the exposure with significant changes in commodity prices. In 2023, the collar for commodity prices ranged from $37.65 per Boe to $54.56 per Boe. Actual realizations of $42.58 per Boe were within the range of the collar for 2023, thus no adjustment to price per Boe was necessary for determining adjusted EBITDA margin and FCF per share.

Based on final financial results, TPL exceeded the Target level on both of the financial metrics, earning 169% of target on the Adjusted EBITDA metric and 150% of target on the FCF metric.

The Compensation Committee also approved strategic objectives for the year which were intended to encourage our management team to take action to improve TPL's long-term opportunities for success, but which didn't directly impact financial results in 2023. The material aspects of the objectives are outlined below.

Strategic Objectives	Results
Expansion of non-oil and gas revenues – increase contracted renewable megawatts ("MW") on TPL surface by 100%	Contracted additional 510 MWs of renewable energy, representing a 307% increase in 2023 compared to 2022
Market share – maintain development capture rate above TPL's acreage ownership share	Achieved lateral feet drilled capture rate of 15% above average ownership level
Safety - maintain TRIR at or below industry average,	No reported safety incidents; TRIR score of zero
Zero produced water spills and maintain 100% safety training	Zero spills and 99% safety training with the outstanding training completed in February 2024
Environmental – maintain Scope 1 emission levels below 2021 levels	2023 Scope 1 emissions declined 14% from 2021 levels due to lower fuel consumption as a direct result of electrification of water facilities

Given the strong results relative to the Strategic Objectives, the Committee scored the Strategic Objectives at 125% of target.

As a result of the combined weighted results for Adjusted EBITDA Margin, FCF per share and Strategic Objectives, our Named Executive Officers earned 151.1% of the targeted 2023 Short Term Incentive Program, as outlined below:

Named Executive Officer	Actual Bonus for 2023
Tyler Glover	$ 1,412,785
Chris Steddum	$ 679,950
Micheal W. Dobbs	$ 475,965

2023 Long-Term Incentive Program

As part of the program redesign in 2022, the Compensation Committee implemented a long-term incentive plan for key employees at TPL, including Named Executive Officers. The goals of the long-term incentive plan include:

- Align executives' financial interests with stockholders.
- Tie executive compensation with long-term performance.
- Create a retention incentive through a substantial forfeitable balance with long-term vesting.
- Provide a competitive compensation program aligned with typical company practices.

To meet the objectives of the program, the Committee established a long-term incentive program for the Named Executive Officers that uses a combination of Performance Share Units (PSUs) and Restricted Stock Units (RSUs). Each of the primary vehicles are summarized in the table below and described in more detail later in this section.

Vehicle	Weight	Rationale
PSUs Tied to Relative Total Stockholder Return ("RTSR") against the XOP Index	25%	Earned if TPL performs well against a broad group of energy companies included in the XOP index. The maximum amount can only be earned if TPL is in the top 10% of this index.
PSUs Tied to 3-year Cumulative FCF per Share	25%	Earned if TPL meets pre-established goals for generating FCF over the three-year performance period. Generating FCF enables greater returns to stockholders in the form of dividends and share repurchases.
Time-Based Restricted Stock Units (RSUs)	50%	Increases alignment between executives' interests and stockholders through share ownership of our executive team. Encourages continuity of the management team due to long-term (three-year) vesting provisions.

Performance Share Units (PSUs)

PSUs comprise 50% of our Named Executive Officers long-term incentive compensation. The PSUs create alignment between our executive officers and our long-term performance as measured by RTSR against a broad energy industry index (50% of PSUs) and the generation of Free Cash Flow per share over a 3 year period (50% of PSUs). These awards vest, if at all, at the end of a three year performance period.

The RTSR PSUs are intended to measure the performance of TPL's stock against a broad set of energy industry companies included in the XOP index. Measuring RTSR against this group helps mitigate the impact of commodity price swings on the measurement of our performance. While TPL does not have any direct peers, the broad XOP index comprises many of our customers and other companies that are similarly-impacted by commodity prices.

The RTSR PSUs can be earned between 0% and 200% of the targeted number of shares based on our RTSR percentile ranking against the constituents of the XOP index as follows:

Percentile Rank	Shares Earned as a % of Target[(1)]
90th or above	200%
70th	150%
50th	100%
25th	25%
< 25th	—%

(1) Payouts are interpolated between the points in the table.

RTSR is measured using an average closing price at the beginning and end of the performance period. In the case of the 2023 awards, the average closing price over the month of January 2026 will be compared against the average closing price over the month of January 2023 with the addition of reinvested dividends from February 1, 2023 to January 31, 2026.

The FCF PSUs measure our cumulative FCF/share against our initial targets over a three-year period. If the Company is able to outperform and generate greater FCF, it will enable an increase in returns to stockholders through dividends and share repurchases. By measuring FCF on a per share basis, it requires our management team to ensure any dilution to our stockholders results in sufficiently greater FCF on an absolute basis.

The FCF PSUs can be earned between 0% and 200% of the targeted number of shares based on cumulative FCF per share as follows:

Performance Level	Cumulative 3 Year FCF/Share	Shares Earned as a % of Target[(1)]
Maximum	$195/Share	200%
Target	$155/Share	100%
Threshold	$115/Share	25%
Below Threshold	<$115/Share	—%

(1) Payouts are interpolated between the points in the table.

Restricted Stock Units (RSUs)

RSUs comprise the other 50% of our Named Executive Officers’ long-term incentive compensation. Regular grants of RSUs are intended to help build an ownership stake in TPL, thereby aligning the executives with TPL stockholders. The RSUs serve as a retention tool by creating a substantial forfeitable stake in the Company. The RSUs vest based on continued service to TPL at a rate of 33%/year, beginning with the first anniversary of the grant date.

2023 Long-Term Incentive Grants

At the beginning of 2023, the Committee established target long-term incentive grant levels for each of its Named Executive Officers based on a review of market data from the reference group and consideration of other factors such as experience and expertise, individual and company performance, and potential competitive opportunities for each of our Named Executive Officers. The target long-term incentive grant levels were established as a percentage of salary and converted into a number of shares based on the stock price on the grant date of $1,923.78 per share (the closing price of our Common Stock on the date the awards were granted).

The February 2023 awards are summarized in the table below:

Name and Position	Base Salary	Target LTI as % of Base Salary	Target LTI Dollar Amount (1)	Number of PSUs (at Target)	Number of RSUs
Tyler Glover	$ 850,000	400 %	$ 3,400,000	884	884
Chris Steddum	$ 500,000	325 %	$ 1,625,000	424	423
Micheal W. Dobbs	$ 420,000	250 %	$ 1,050,000	274	273

(1) *The Target LTI Dollar Amount does not match the accounting values in the Summary Compensation Table as the accounting value of the RTSR PSUs reflects a Monte Carlo valuation.*

Other Compensation

TPL's Named Executive Officers are eligible to participate in the same benefit programs as are available to all TPL employees generally. These include both a qualified defined benefit pension plan and a qualified defined contribution plan. These plans are designed to assist employees in planning for their retirement. There are no supplemental non-qualified programs solely for the benefit of our executives.

TPL also provides certain executive officers with minimal perquisites, including an automobile allowance.

Other Governance Features

Stock Ownership Guidelines

The Company believes that it is in the best interests of our stockholders for our Named Executive Officers and other executive officers to maintain a significant ownership position in TPL to create substantial alignment between our senior management and our stockholders. Therefore, we have established stock ownership guidelines applicable to all of our executive officers. The ownership guidelines require each of our executive officers to hold shares of Common Stock with an aggregate value of at least a specified multiple of base salary as follows:

- CEO – 5x base salary
- Other Named Executive Officers – 2x base salary
- Other Executive Officers – 1x base salary

Shares counting towards the guideline include TPL shares held outright and unvested time-based restricted shares. Performance shares do not count until earned. Until and unless each officer has achieved the desired ownership level, he or she is required to retain at least 50% of the after-tax shares received upon vesting of equity awards.

Employment Agreements

The Company has entered into employment agreements with each Named Executive Officer following approval from the Compensation Committee. These employment agreements provide for minimum levels of compensation and provide severance protections for the officer upon a termination of employment without Cause or for Good Reason (as defined in the agreements). These agreements help match competitive practices and also include certain restrictive covenants which help protect the Company. The provisions of these agreements are summarized under the "Employment Agreements" below.

Accounting and Tax Considerations

In setting the components of our executive compensation program, the Committee considers the impact of the following tax and accounting provisions:

Code Section 162(m). Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code") generally disallows a tax deduction by public companies for compensation over $1 million paid individually to covered employees, as defined in the Code. Tax deductibility is only one factor considered by the Committee in making compensation decisions that are in the best interest of TPL and our stockholders.

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 718, "Stock Compensation" ("ASC Topic 718"). ASC Topic 718 requires a public company to measure the cost of employee services received in exchange for an award of equity based on the grant date fair value of the award. Our equity awards to the Named Executives Officers (and to our other employees) are structured to maintain the appropriate accounting treatment.

Code Section 409A. Section 409A of the Code provides that deferrals of compensation under a nonqualified deferred compensation plan or arrangement are to be included in an individual's current gross income to the extent that such deferrals are not subject to a substantial risk of forfeiture and have not previously been included in the individual's gross income, unless certain requirements are met. We structure our stock plans, change of control agreements, severance plans and agreements and other incentive plans and agreements, each to the extent they are subject to Section 409A, to be in compliance with Section 409A.

Code Sections 280G and 4999. The change of control benefits in our Named Executive Officers' employment agreements provide that, upon a change of control, we will either (i) reduce the amount of severance benefits otherwise payable to the executive officer so that such severance benefits will not be subject to excise tax for purposes of Code Sections 280G and 4999 or (ii) pay the full amount of severance benefits to the executive officer (but with no tax "gross-up"), whichever produces the better after-tax result for the executive officer (often referred to as the "best-of-net" approach).

Risk Assessment

The Compensation Committee has reviewed the relationship between our risk management policies and compensation policies and practices and concluded that we do not have any compensation policies or practices that expose us to risks that are reasonably likely to have a material adverse effect on TPL.

Other Compensation-Related Policies

We have an Insider Trading Policy that sets forth terms, conditions, timing, limitations, and prohibitions with respect to trading in the Company's securities. The Insider Trading Policy also generally prohibits executive officers, among others, from hedging, including engaging in publicly-traded options, puts, calls, or other derivative instruments relating to the Company's securities, or selling the Company's securities "short." The Insider Trading Policy also requires that such persons obtain pre-approval from the Company's General Counsel for all pledges, and the deposit in margin accounts, of the Company's securities. The Insider Trading Policy is discussed further under "Insider Trading Policy; Anti-Hedging Policy" below.

We have a Clawback Policy that requires covered executives to reimburse the Company, or forfeit, any excess incentive compensation received by them during the three completed fiscal years immediately preceding the date on which the Company is required to prepare an accounting restatement of its financial statements due to the Company's material noncompliance with any such financial reporting requirement. The Clawback Policy is discussed further under "Matters Relating to Our Governance" above.

Summary Compensation Table

The following table sets forth information concerning compensation for services in all capacities awarded to, earned by, or paid to, the Named Executive Officers:

Name and Position	Year	Salary	Bonus (1)	Stock Awards (2)	Non-Equity Incentive Plan (3)	Change in Actuarial Present Value of Accumulated Benefits (4)	All Other Compensation(5)(6)	Total
Tyler Glover	2023	$ 850,000	$ —	$ 3,771,255	$ 1,412,785	$ 40,477	$ 34,200	$ 6,108,717
President and Chief Executive Officer	2022	$ 850,000	$ —	$ 3,766,469	$ 1,636,250	$ —	$ 32,700	$ 6,285,419
	2021	$ 850,000	$ 2,550,000	$ 1,500,848	$ —	$ 37,183	$ 31,800	$ 4,969,831
Chris Steddum	2023	$ 500,000	$ —	$ 1,806,913	$ 679,950	$ 26,724	$ 19,800	$ 3,033,387
Chief Financial Officer(7)	2022	$ 475,000	$ —	$ 1,554,798	$ 748,125	$ —	$ 18,300	$ 2,796,223
	2021	$ 464,769	$ 1,068,750	$ 900,008	$ —	$ 32,017	$ 17,400	$ 2,482,944
Micheal W. Dobbs	2023	$ 420,000	$ —	$ 1,166,994	$ 475,965	$ 31,869	$ 19,800	$ 2,114,628
Senior Vice President, Secretary and General Counsel (8)	2022	$ 400,000	$ —	$ 957,084	$ 525,000	$ 24,285	$ 18,000	$ 1,924,369
	2021	$ 400,000	$ 600,000	$ 500,700	$ —	$ —	$ 12,000	$ 1,512,700

(1) *Represents the bonus amount approved by the Compensation Committee, with respect to all Named Executive Officers for 2021. Bonuses for 2021 were accrued as of December 31, 2021 and were paid before March 15, 2022. Mr. Steddum's 2021 bonus amount includes a $50,000 promotion bonus that was paid during 2021.*

(2) *Amounts reflect rounding up to full shares upon conversion of approved dollar-denominated awards.*

(3) *Amounts consist of cash bonuses approved by the Compensation Committee, with respect to all Named Executive Officers for the respective year. Bonuses were accrued as of December 31 of each respective year and paid and/or expected to be paid on or before March 15 of the following year.*

(4) *Represents the aggregate change in the actuarial present value of the Named Executive Officer's accumulated benefit under TPL's pension plan over the prior year. For further information regarding TPL's pension plan, see Note 7, "Pension and Other Postretirement Benefits" in our consolidated financial statements included in this Annual Report on Form 10-K in Item 8. "Financial Statements and Supplementary Data." The reported amounts for 2023 reflect the aggregate change in the actuarial present value for accumulated benefits from December 31, 2022 to December 31, 2023. For 2022, the actuarial present value of accumulated benefits decreased by $122,716 for Mr. Glover and decreased by $7,421 for Mr. Steddum, and as amounts are negative, are reported as zero in the table.*

(5) *The amount presented includes contributions by TPL to the account of the Named Executive Officer under the Company's defined contribution retirement plan.*

(6) *The aggregate value of the perquisites and other personal benefits, if any, received by the Named Executive Officers for all years presented have not been reflected in the table because the amount was below the SEC's $10,000 threshold for disclosure except for Mr. Glover, whose perquisites consisted of $14,400 in automobile allowance for 2023, 2022, and 2021.*

(7) *Mr. Steddum became Chief Financial Officer effective June 1, 2021.*

(8) *Mr. Dobbs joined TPL as Senior Vice President and General Counsel effective August 3, 2020. Mr. Dobbs became eligible for TPL's defined benefit plan on January 1, 2022.*

Grants of Plan Based Awards

The following table sets forth certain information concerning equity awards granted to our Named Executive Officers during the Last Fiscal Year:

Name	Award Type	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (#) [2]	Grant Date Fair Value of Stock and Option Awards ($) [3]
			Threshold ($)	Target ($)	Maximum ($)	Threshold (in units) [1]	Target (in units) [1]	Maximum (in units) [1]		
Tyler Glover										
	Bonus		$ 467,500	$ 935,000	$ 1,870,000					
	RTSR PSU	February 10, 2023				111	442	884		$ 1,220,322
	FCF PSU	February 10, 2023				111	442	884		$ 850,311
	RSU	February 10, 2023							884	$ 1,700,622
Chris Steddum										
	Bonus		$ 225,000	$ 450,000	$ 900,000					
	RTSR PSU	February 10, 2023				53	212	424		$ 585,313
	FCF PSU	February 10, 2023				53	212	424		$ 407,841
	RSU	February 10, 2023							423	$ 813,759
Micheal W. Dobbs										
	Bonus		$ 157,500	$ 315,000	$ 630,000					
	RTSR PSU	February 10, 2023				35	137	274		$ 378,245
	FCF PSU	February 10, 2023				35	137	274		$ 263,558
	RSU	February 10, 2023							273	$ 525,192

(1) These PSUs will vest three years after grant if certain performance metrics are met. For further discussion of performance metrics, see Note 8, "Share-Based Compensation" in our consolidated financial statements included in this Annual Report on Form 10-K in Item 8. "Financial Statements and Supplementary Data."

(2) These RSUs will vest in one-third increments over a three-year period. For further discussion, see Note 8, "Share-Based Compensation" in our consolidated financial statements included in this Annual Report on Form 10-K in Item 8. "Financial Statements and Supplementary Data."

(3) For RSUs and FCF PSUs, grant date fair value is based upon the closing stock price on the grant date. For RTSR PSUs, grant date fair value is determined using a Monte Carlo simulation model. Grant date fair value reflected in the table is based upon target units for both FCF PSUs and RTSR PSUs.

The following table sets forth certain information concerning outstanding equity awards of our Named Executive Officers at the end of the Last Fiscal Year. All outstanding stock awards reported in this table represent restricted stock awards, restricted stock units and performance stock units that vest as described in the footnotes to the table. At the end of the Last Fiscal Year, no options or stock appreciation rights awards have been granted under TPL's long term incentive plan.

		Outstanding Equity Awards at December 31, 2023			
		Stock Awards			
Name	**Award Type**	**Number of Shares or Units of Stock that have Not Vested (#) (1)**	**Market Value of Shares or Units of Stock that have Not Vested ($) (2)**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights that have Not Vested (#)**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights that have Not Vested ($) (4)**
Tyler Glover					
	RSU	1,718	$ 2,701,469		
	RTSR PSU			1,067 (3)	$ 1,776,366
	FCF PSU			1,692 (4)	$ 2,660,585
Chris Steddum					
	RSU	767	$ 1,206,069		
	RTSR PSU			470 (3)	$ 771,348
	FCF PSU			728 (4)	$ 1,144,744
Micheal W. Dobbs					
	RSU	485	$ 762,638		
	RTSR PSU			296 (3)	$ 483,546
	FCF PSU			455 (4)	$ 715,465

(1) Vesting of RSUs will occur as follows:

	February 10, 2024	*February 11, 2024*	*February 10, 2025*	*February 11, 2025*	*February 10, 2026*
Tyler Glover	*294*	*416*	*294*	*418*	*296*
Chris Steddum	*141*	*172*	*141*	*172*	*141*
Micheal W. Dobbs	*91*	*105*	*91*	*107*	*91*

(2) The market value for RSUs is calculated based upon the closing price of our Common Stock of $1,572.45 per share as of December 31, 2023.

(3) The RTSR PSUs will vest three years after grant if certain performance metrics are met. Numbers presented represent number of target units. For further discussion of performance metrics, see "2023 Compensation Program" above. Fair value determined using a Monte Carlo simulation model updated as of December 31, 2023. The fair value as of December 31, 2023 is $1,288.47 per share for RTSR PSUs granted on February 10, 2023 and $1,930.98 per share for RTSR PSUs granted on February 11, 2022.

(4) The FCF PSUs will vest three years after grant if certain performance metrics are met. For FCF PSUs granted on February 11, 2022, numbers presented represent maximum number of units based upon probability analysis as of December 31, 2023 that the maximum level will be achieved at the end of the three year measurement period. For FCF PSUs granted on February 10, 2023, numbers presented represent target number of units based upon probability analysis as of December 31, 2023. Fair value for FCF PSUs at December 31, 2023 is based on the closing stock price of $1,572.45 per share as of December 31, 2023.

The following table presents information concerning the vesting of stock, consisting of shares of restricted stock, for our Named Executive Officers during the fiscal year ended December 31, 2023:

		Stock Awards Vested During Year Ended December 31, 2023	
Name	**Award Type**	**Number of Shares Acquired on Vesting**	**Value Realized on Vesting**
Tyler Glover			
	RSA	480	$ 754,776
	RSU	416	$ 800,292
Chris Steddum			
	RSA	288	$ 452,866
	RSU	172	$ 330,890
Micheal W. Dobbs			
	RSA	160	$ 251,592
	RSU	105	$ 201,997

Pay Ratio Disclosure

For purposes of calculating the 2023 ratio of the median annual total compensation of all employees to the total annual compensation of the Chief Executive Officer, TPL included base salary, annual bonus amounts, equity compensation, if any, and all other amounts deemed compensation in its calculation of annual total compensation. We used December 31, 2023 as the measurement date. Base salary amounts were annualized for any employee who had less than a full year of service during 2023. Total compensation for Mr. Glover, the Chief Executive Officer, was determined to be $6,108,717 and was approximately 40 times the median annual compensation of all of our employees, excluding the Chief Executive Officer, of $152,405. For purposes of this calculation, the Company had 99 employees, excluding the Chief Executive Officer.

Employment Agreements

Mr. Glover

On October 13, 2023, the Company entered into a new employment agreement with Mr. Glover, its President and Chief Executive Officer (the "Glover Agreement"). The Glover Agreement was effective as of October 13, 2023 and replaced and superseded the Company's prior employment agreement with Mr. Glover that became effective on January 1, 2022 ("Prior Glover Agreement") and before that, Mr. Glover's earlier employment agreement with the Company (then the Trust) that was effective January 11, 2021 ("2021 Glover Agreement").

The term of the Glover Agreement ends on December 31, 2026, with automatic one (1) year extensions unless notice not to renew is given at least 120 days prior to the relevant end date.

Under the Glover Agreement, Mr. Glover receives a base salary of $850,000 per annum, subject to annual review, and is eligible for an annual cash bonus ("Bonus") of up to 110% of such base salary for achievement of specified performance targets. Mr. Glover is also eligible to receive annual long-term incentive awards under the Company's 2021 Incentive Plan ("LTI Awards") as determined by the Company, the target amount of which, when added to Mr. Glover's target Bonus for the year, will be at least 300% of his base salary for the relevant year. Prior to the effective date of the Glover Agreement, in accordance with the terms of the Prior Glover Agreement and the 2021 Glover Agreement, Mr. Glover's base salary, Bonus and LTI Award amounts were as follows:

Date	Base Salary		Bonus	LTI Awards
2021				
1/1/2021 - 12/31/2021	$	850,000	300% of base salary	N/A
2022				
1/1/2022 - 12/31/2022	$	850,000	100% of base salary	Total of Bonus and target LTI Awards shall be at least 300% of base salary
2023				
1/1/2023 - 10/12/2023	$	850,000	100% of base salary	Total of Bonus and target LTI Awards shall be at least 300% of base salary

The Glover Agreement provides for payment of severance benefits if Mr. Glover's employment is terminated by the Company without cause or by Mr. Glover for good reason, provided that Mr. Glover executes a general waiver and release of claims and complies with the restrictive covenants described below. The severance benefits include (i) accrued but unpaid Bonuses, (ii) LTI Award benefits to the extent provided for pursuant to the underlying award and plan documents, (iii) a pro rata Bonus for the year of termination, (iv) monthly payments for up to 18 months of COBRA premiums for continued group health, dental and vision coverage for Mr. Glover and his dependents, and (v) an amount equal to two times the greater of (A) the average of his base salary and Bonus for the preceding three years, or (B) his base salary and target Bonus for the year of termination. If Mr. Glover's employment is terminated by the Company without cause; or by Mr. Glover for good reason within 24 months following a change in control of the Company as defined in the Glover Agreement, then, in lieu of the amount specified in clause (v), Mr. Glover will be entitled to an amount ("CIC Severance Amount") equal to 2.99 times the greater of (a) the average of his base salary and Bonus for the three years preceding the year in which the change in control occurs, and (b) his base salary and target Bonus for the year in which the change in control occurs, and in addition to the foregoing, Mr. Glover shall also be entitled to (x) a payment equal to the value of his restrictive covenants, which payment shall offset an equal amount of the CIC Severance Amount; (y) 12 months of outplacement services paid for by the Company (not to exceed $30,000); and (z) 12 months of financial planning services paid for by the Company (not to exceed $30,000). If Mr. Glover's employment terminates due to death or disability, he or his estate will be entitled to the benefits described in clauses (i), (ii) and (iii) above. Mr. Glover will also be entitled to payment of accrued but unpaid salary, accrued but unused vacation, unsubsidized COBRA benefits, and unreimbursed business expenses, following termination of employment for any reason.

The Glover Agreement provides that Mr. Glover is entitled to participate in all benefit plans provided to the Company's executives of like status from time to time in accordance with the applicable plan, policy or practices of the Company. It also provides for four weeks of annual paid vacation, reimbursement of business expenses, and indemnification rights.

The Glover Agreement contains restrictive covenants prohibiting Mr. Glover from disclosing the Company's confidential information at any time, from competing with the Company in specified counties where the Company does business during his employment, subject to certain exceptions, and for one year thereafter (or six months thereafter if he terminates his employment voluntarily without good reason), and from soliciting the Company's clients, suppliers and business partners during his employment and for one year thereafter.

Mr. Steddum

On October 13, 2023, the Company entered into a new employment agreement with Mr. Steddum, its Chief Financial Officer (the "Steddum Agreement"). The Steddum Agreement was effective as of October 13, 2023 and replaced and superseded the Company's prior employment agreement with Mr. Steddum that became effective on January 1, 2022 ("Prior Steddum Agreement") and before that, Mr. Steddum's earlier employment agreement with the Company that was effective June 1, 2021 ("Second 2021 Steddum Agreement"), and before that, Mr. Steddum's earlier employment agreement with the Company (then the Trust) that was effective January 11, 2021 ("First 2021 Steddum Agreement"). The term of the Steddum Agreement ends on December 31, 2026, with automatic one (1) year extensions unless notice not to renew is given at least 120 days prior to the relevant end date.

Under the Steddum Agreement, Mr. Steddum receives a base salary of $500,000 per annum, subject to annual review, and is eligible for an annual cash Bonus of up to 90% of such base salary for achievement of specified performance targets. Mr. Steddum is also eligible to receive annual LTI Awards as determined by the Company, the target amount of which, when added to Mr. Steddum's target Bonus for the year, will be at least 225% of his base salary for the relevant year. Prior to the effective date of the Steddum Agreement, in accordance with the terms of the Prior Steddum Agreement, the First Steddum Agreement and the Second 2021 Steddum Agreements, Mr. Steddum's base salary, Bonus and LTI Award amounts were as follows:

Date	Base Salary	Bonus	LTI Awards
2021			
1/11/2021 - 5/31/2021	$ 450,000	225% of base salary	N/A
6/1/2021 - 12/31/2021	$ 475,000	225% of base salary	N/A
2022			
1/1/2022 - 12/31/2022	$ 475,000	90% of base salary	Total of Bonus and target LTI Awards shall be at least 225% of base salary
2023			
1/1/2023 - 10/12/2023	$ 500,000	90% of base salary	Total of Bonus and target LTI Awards shall be at least 225% of base salary

The Steddum Agreement provides for payment of severance benefits if Mr. Steddum's employment is terminated by the Company without cause or by Mr. Steddum for good reason, provided that Mr. Steddum executes a general waiver and release of claims and complies with the restrictive covenants described below. The severance benefits include (i) accrued but unpaid Bonuses, (ii) LTI Award benefits to the extent provided for pursuant to the underlying award and plan documents, (iii) a pro rata Bonus for the year of termination, (iv) monthly payments for up to 18 months of COBRA premiums for continued group health, dental and vision coverage for Mr. Steddum and his dependents, and (v) an amount equal to two times the greater of (A) the average of his base salary and Bonus for the preceding three years, or (B) his base salary and target Bonus for the year of termination. If Mr. Steddum's employment is terminated by the Company without cause or by Mr. Steddum for good reason within 24 months following a change in control of the Company as defined in the Steddum Agreement, then, in lieu of the amount specified in clause (v), Mr. Steddum will be entitled to an amount ("CIC Severance Amount") equal to 2.99 times the greater of (a) the average of his base salary and Bonus for the three years preceding the year in which the change in control occurs, and (b) his base salary and target Bonus for the year in which the change in control occurs, and in addition to the foregoing, Mr. Steddum shall also be entitled to (x) a payment equal to the value of his restrictive covenants, which payment shall offset an equal amount of the CIC Severance Amount; (y) 12 months of outplacement services paid for by the Company (not to exceed $30,000); and (z) 12 months of financial planning services paid for by the Company (not to exceed $30,000). If Mr. Steddum's employment terminates due to death or disability, he or his estate will be entitled to the benefits described in clauses (i), (ii) and (iii) above. Mr. Steddum will also be entitled to payment of accrued but unpaid salary, accrued but unused vacation, unsubsidized COBRA benefits, and unreimbursed business expenses, following termination of employment for any reason.

The Steddum Agreement provides that Mr. Steddum is entitled to participate in all benefit plans provided to the Company's executives of like status from time to time in accordance with the applicable plan, policy or practices of the Company. It also provides for four weeks of annual paid vacation, reimbursement of business expenses, and indemnification rights.

The Steddum Agreement contains restrictive covenants prohibiting Mr. Steddum from disclosing the Company's confidential information at any time, from competing with the Company in specified counties where the Company does business during his employment, subject to certain exceptions, and for one year thereafter (or six months thereafter if he terminates his employment voluntarily without good reason), and from soliciting the Company's clients, suppliers and business partners during his employment and for one year thereafter.

Mr. Dobbs

On October 13, 2023, the Company entered into a new employment agreement with Mr. Dobbs, its Senior Vice President, Secretary and General Counsel (the "Dobbs Agreement"). The Dobbs Agreement was effective as of October 13, 2023 and replaced and superseded the Company's prior employment agreement with Mr. Dobbs that became effective on January 1, 2022 ("Prior Dobbs Agreement") and before that, Mr. Dobbs' earlier employment agreement with the Company (then the Trust) that was effective January 11, 2021 ("2021 Dobbs Agreement").

The term of the Dobbs Agreement ends on December 31, 2026, with automatic one (1) year extensions unless notice not to renew is given at least 120 days prior to the relevant end date.

Under the Dobbs Agreement, Mr. Dobbs receives a base salary of $420,000 per annum, subject to annual review, and is eligible for an annual cash Bonus of up to 75% of such base salary for achievement of specified performance targets. Mr. Dobbs is also eligible to receive annual LTI Awards as determined by the Company, the target amount of which, when added to Mr. Dobbs's target Bonus for the year, will be at least 175% of his base salary for the relevant year. Prior to the effective date of the Dobbs Agreement, in accordance with the terms of the Prior Dobbs Agreement and the 2021 Dobbs Agreement, Mr. Dobbs' base salary, Bonus and LTI Award amounts were as follows:

Date	Base Salary	Bonus	LTI Awards
2021			
1/1/2021 - 12/31/2021	$ 400,000	100% of base salary	N/A
2022			
1/1/2022 - 12/31/2022	$ 400,000	75% of base salary	Total of Bonus and target LTI Awards shall be at least 175% of base salary
2023			
1/1/2023 - 10/12/2023	$ 420,000	75% of base salary	Total of Bonus and target LTI Awards shall be at least 175% of base salary

The Dobbs Agreement provides for payment of severance benefits if Mr. Dobbs's employment is terminated by the Company without cause or by Mr. Dobbs for good reason, provided that Mr. Dobbs executes a general waiver and release of claims and complies with the restrictive covenants described below. The severance benefits include (i) accrued but unpaid Bonuses, (ii) LTI Award benefits to the extent provided for pursuant to the underlying award and plan documents, (iii) a pro rata Bonus for the year of termination, (iv) monthly payments for up to 18 months of COBRA premiums for continued group health, dental and vision coverage for Mr. Dobbs and his dependents, and (v) an amount equal to two times the greater of (A) the average of his base salary and Bonus for the preceding three years, or (B) his base salary and target Bonus for the year of termination. If Mr. Dobbs's employment is terminated by the Company without cause or by Mr. Dobbs for good reason within 24 months following a change in control of the Company as defined in the Dobbs Agreement, then, in lieu of the amount specified in clause (v), Mr. Dobbs will be entitled to an amount ("CIC Severance Amount") equal to 2.99 times the greater of (a) the average of his base salary and Bonus for the three years preceding the year in which the change in control occurs, and (b) his base salary and target Bonus for the year in which the change in control occurs, and in addition to the foregoing, Mr. Dobbs shall also be entitled to (x) a payment equal to the value of his restrictive covenants, which payment shall offset an equal amount of the CIC Severance Amount; (y) 12 months of outplacement services paid for by the Company (not to exceed $30,000); and (z) 12 months of financial planning services paid for by the Company (not to exceed $30,000). If Mr. Dobbs's employment terminates due to death or disability, he or his estate will be entitled to the benefits described in clauses (i), (ii) and (iii) above. Mr. Dobbs will also be entitled to payment of accrued but unpaid salary, accrued but unused vacation, unsubsidized COBRA benefits, and unreimbursed business expenses, following termination of employment for any reason.

The Dobbs Agreement provides that Mr. Dobbs is entitled to participate in all benefit plans provided to the Company's executives of like status from time to time in accordance with the applicable plan, policy or practices of the Company. It also provides for four weeks of annual paid vacation, reimbursement of business expenses, and indemnification rights.

The Dobbs Agreement contains restrictive covenants prohibiting Mr. Dobbs from disclosing the Company's confidential information at any time, from competing with the Company in specified counties where the Company does business during his employment, subject to certain exceptions, and for one year thereafter (or six months thereafter if he terminates his employment voluntarily without good reason), and from soliciting the Company's clients, suppliers and business partners during his employment and for one year thereafter.

Pension Benefits

Name	Plan Name	Number of Years Credited Service	Present Value of Accumulated Benefit	Payments During Last Fiscal Year
Tyler Glover	Restated Texas Pacific Land Corporation Employees' Pension Plan	11.0	$ 170,455	$ —
Chris Steddum	Restated Texas Pacific Land Corporation Employees' Pension Plan	3.5	$ 68,543	$ —
Micheal W. Dobbs	Restated Texas Pacific Land Corporation Employees' Pension Plan	2.0	$ 56,154	$ —

The Restated Texas Pacific Land Corporation Employees' Pension Plan is a noncontributory defined benefit pension plan qualified under Section 401 of the Code in which the employees participate. The remuneration covered by the Plan is Salary. The Plan provides a normal retirement benefit equal to 1.5% of a participant's average Salary for the last five years prior to retirement for each year of Credited Service under the Plan. Credited Service is earned from the participant's date of membership in the Plan, which is generally not the participant's date of hire by the Company. For information concerning the valuation method and material assumptions used in quantifying the present value of the Named Executive Officers' current accrued benefits, see Note 7, "Pension and Other Postretirement Benefits" of the Notes to Financial Statements incorporated by reference in Item 8 of this Report.

As of December 31, 2023, the annual accrued normal retirement benefits are estimated to be $49,170 for Mr. Glover, $15,881 for Mr. Steddum, and $9,250 for Mr. Dobbs.

The Plan provides for early retirement after 20 years of service with the Company. Early retirement benefits are calculated in the same manner as the normal retirement benefit, but are reduced by 1/15 for each of the first five years and 1/30 for each of the next five years that benefits commence prior to normal retirement. If benefits commence more than 10 years prior to normal retirement, the early retirement benefit payable at age 55 is reduced actuarially for the period prior to age 55. None of the listed participants are currently eligible for early retirement benefits.

Directors' Compensation

As discussed in Item 10. "Directors, Executive Officers and Corporate Governance," our Corporate Reorganization was completed on January 11, 2021 and included a change in our governance structure to the Board from our previous structure of being governed by Trustees.

The following table sets forth information concerning compensation paid to the Board during the year ended December 31, 2023:

Name	Fees Earned or Paid in Cash (1)	Stock Awards	Total
John R. Norris III (2)	$ 133,519	$ 126,588	$ 260,107
David E. Barry (2)	$ 133,519	$ 126,588	$ 260,107
Rhys J. Best	$ 142,808	$ 126,588	$ 269,396
Donald G. Cook	$ 142,000	$ 126,588	$ 268,588
Barbara J. Duganier	$ 152,000	$ 126,588	$ 278,588
Donna E. Epps	$ 157,000	$ 126,588	$ 283,588
Karl F. Kurz	$ 130,000	$ 126,588	$ 256,588
Eric L. Oliver	$ 115,000	$ 126,588	$ 241,588
Robert Roosa (3)	$ 17,808	$ 18,051	$ 35,859
Murray Stahl	$ 115,000	$ 126,588	$ 241,588
Marguerite Woung-Chapman (3)	$ 17,808	$ 18,051	$ 35,859

(1) *From time to time, the Board constitutes ad hoc committees and determines whether any, and if so how much, compensation is paid for such service. Any such payments made to directors during the year ended December 31, 2023 are reflected in the "Fees Earned or Paid in Cash" column of the table above.*

(2) *Mr. Norris and Mr. Barry resigned from the Board effective November 10, 2023.*

(3) *Mr. Roosa and Ms. Woung-Chapman joined the Board effective November 10, 2023.*

On an annual basis, all non-employee directors receive a base retainer of $230,000, of which $105,000 is paid in cash and $125,000 is paid in shares of Common Stock unless otherwise determined by the Company, valued at the closing price of the Common Stock on the NYSE on the date of grant of January 1 of each year, and vesting on the first anniversary of grant for grants dated prior to October 31, 2023. Commencing October 31, 2023, any shares granted to non-employee directors are immediately vested. In addition, non-employee directors receive the following amounts for additional Board and committee service: $125,000 for Board Chair, $10,000 for committee service (per committee), $10,000 for Audit Committee chair, $5,000 for Nominating and Corporate Governance Committee Chair, and $5,000 for Compensation Committee Chair. Directors serving in multiple leadership roles receive incremental compensation for each role, including that committee chairs receive both the committee service fee plus the specified amount for chairing such committee. Directors are not expected to receive additional compensation for attending regularly scheduled Board or committee meetings. For less than full years of service, the compensation paid to the non-employee directors will be prorated based on the number of days of service.

Stock Ownership Guidelines

The Company believes that it is in the best interests of our stockholders for our directors to maintain a significant ownership position in TPL to create substantial alignment with our stockholders. Therefore, we have established stock ownership guidelines applicable to our non-employee directors. The ownership guidelines require each of our non-employee directors to acquire, within five (5) years, and hold shares of Common Stock with an aggregate value of at least five (5) times the base cash retainer. Shares counting towards the guidelines include TPL shares held outright and unvested time-based restricted shares. However, non-employee directors are permitted to sell shares of Common Stock to facilitate tax obligations in connection with the vesting of restricted shares. If a non-employee director falls below the applicable multiple due solely to a decline in the value of shares of Common Stock, such non-employee director will not be required to acquire additional shares to meet the applicable multiple.

Compensation Committee Interlocks and Insider Participation

Our Compensation Committee consists of Ms. Duganier, the chair, Gen. Cook, Mr. Kurz and Mr. Roosa. None of Ms. Duganier, Gen. Cook, Mr. Kurz and Mr. Roosa, the members of the Compensation Committee, was an officer or employee of TPL during the Last Fiscal Year or had any relationship requiring disclosure by the Company pursuant to Item 404 of Regulation S-K. There are no interlocking relationships requiring disclosure by the Company pursuant to Item 407(e)(4)(iii) of Regulation S-K.

Compensation Committee Report

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis section of this Item 11 with management and, based on such review and discussion, recommended that it be included in this Report.

Barbara J. Duganier, Chair
Donald G. Cook
Karl F. Kurz
Robert M. Roosa

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Security Holder Matters.

Our Common Stock is listed on the NYSE under the symbol “TPL.”

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth certain information, as of December 31, 2023, regarding the shares of our Common Stock authorized for issuance under our equity compensation plans.

Plan	Number of shares of Common Stock issuable upon exercise of outstanding options, warrants or rights	Weighted average of exercise price of outstanding	Number of shares of Common Stock remaining available for future issuance
Texas Pacific Land Corporation 2021 Incentive Plan approved by stockholders	—	—	55,089
Texas Pacific Land Corporation 2021 Director Stock and Deferred Compensation Plan approved by stockholders	—	—	8,793
Equity compensation plans not approved by stockholders	—	—	—

2021 Incentive Plan

We maintain our 2021 Incentive Plan (the “2021 Plan”), pursuant to which we may grant to any employee of the Company, an affiliate or a subsidiary nonqualified stock options, incentive stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance units, cash-based awards and other stock-based awards. The 2021 Plan was approved by our Board on August 11, 2021 and by our stockholders on December 29, 2021, and amended on October 31, 2023, and will expire on December 29, 2031. The maximum aggregate number of shares of Common Stock that may be issued under the 2021 Plan is 75,000 shares, which may consist, in whole or in part, of authorized and unissued shares (if any), treasury shares, or shares reacquired by the Company in any manner.

Unless otherwise provided in an award agreement, a severance plan sponsored by the Company, or in an applicable employment agreement, or otherwise determined by the Compensation Committee, upon a Change in Control of the Company the following shall occur:

- For awards other than performance awards, a Replacement Award (that is, an award with a value and terms that are at least as favorable as the outstanding award) may be issued;
- For awards other than performance awards, if a Replacement Award is not issued and the Company’s Common Stock ceases to be publicly traded after the change in control, such awards shall be immediately vested and exercisable upon such change in control;
- For unearned performance awards, the award shall be (i) earned on a pro-rata basis at the higher of actual or target performance and (ii) measured as of the end of the calendar quarter before the change in control date or, if the award is stock-price based, as of the effective date of the change in control;
- For earned but unvested performance awards, the earned award shall be immediately vested and payable as of the change in control;
- For awards other than performance awards, if the Company’s Common Stock continues to be publicly traded after change in control, such awards shall continue under their applicable terms, unless otherwise determined by the Compensation Committee.

Notwithstanding the forgoing, in the case of awards other than performance awards, the Compensation Committee may cancel such awards, and the award holders shall receive shares or cash equal to the difference between the amount stockholders receive for their shares and the purchase price per share, if any, under the award. Except as may be provided in an employment or severance compensation agreement between the Company and the Participant, if, in connection with a change in control, a Participant’s payment of any awards will cause the Participant to be liable for federal excise tax levied on certain “excess parachute payments,” then either (i) all payments otherwise due; or (ii) the reduced payment amount to avoid an excess parachute payment, whichever will provide the Participant with the greater after-tax economic benefit taking into account any applicable excise tax, shall be paid to the Participant. In no event will any Participant be entitled to receive any kind of gross-up payment or reimbursement for any excise taxes payable in connection with change in control payments.

2021 Non-Employee Director Stock and Deferred Compensation Plan

We maintain our 2021 Non-Employee Director and Deferred Compensation Plan (the "2021 Director Plan"), pursuant to which we may grant shares of Common Stock to each of our non-employee directors and our non-employee directors may defer some or all of their directors' cash fees and stock compensation. The 2021 Director Plan was approved by our Board on August 11, 2021 and by our stockholders on December 29, 2021, and amended on October 31, 2023, and will expire on December 29, 2031. The 2021 Director Plan provides for annual grants of shares of Common Stock to each non-employee directors. As of October 31, 2023, the share grants are fully vested upon grant, unless the Compensation Committee or Board determines otherwise.

The maximum aggregate number of shares of Common Stock that may be issued under the 2021 Director Plan is 10,000 shares, and the aggregate fair market value of shares that may be issued to a non-employee director in a calendar year is limited to $500,000. Shares granted under the Plan may consist, in whole or in part, of authorized and unissued shares (if any), treasury shares, or shares reacquired by the Company in any manner.

In light of the October 31, 2023 amendment, which provided for full vesting of shares upon grant, change in control provisions previously in the Plan that no longer served any purpose were deleted.

Security Ownership of Certain Beneficial Owners

The following table shows all holders known to The Company to be the beneficial owner of more than 5% of the outstanding shares of Common Stock as of February 14, 2024:

Name and Address	Number of Securities Beneficially Owned	Percent of Class
Horizon Kinetics LLC (1) 470 Park Avenue South, 4th Floor South, New York, New York 10016	1,281,215	16.7%
The Vanguard Group (2) 100 Vanguard Blvd. Malvern, Pennsylvania 19355	634,083	8.3%
BlackRock, Inc. (3) 50 Hudson Yards New York, New York 10001	461,334	6.0%

(1) *The information set forth is based on Amendment No. 6 to Schedule 13D (the "Schedule 13D") filed on February 7, 2024 by Horizon Kinetics Asset Management LLC ("Horizon"), a wholly owned subsidiary of Horizon Kinetics LLC (collectively, "Horizon Kinetics"), which indicates that Horizon has sole voting and sole dispositive power with respect to all shares beneficially owned. Horizon Kinetics, through its registered investment adviser, Horizon, acts as a discretionary investment manager on behalf of its clients, who maintain beneficial interest in TPL. Murray Stahl, CEO and CIO of Horizon Kinetics, is a director of TPL. The number of shares beneficially owned excludes shares held by portfolio managers and other employees of Horizon personally.*

(2) *The information set forth is based on Amendment No. 2 to Schedule 13G filed on February 13, 2024 by The Vanguard Group.*

(3) *The information set forth is based on the Schedule 13G filed on January 29, 2024 by BlackRock, Inc.*

Stock Ownership Information for Directors and Officers

The following table shows the number of shares of Common Stock beneficially owned directly or indirectly as of February 14, 2024 by our current directors, Named Executive Officers, and our directors and current executive officers as a group:

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Directors and Named Executive Officers:		
Rhys J. Best	261	*
Donald G. Cook	234	*
Barbara J. Duganier	219	*
Donna E. Epps	219	*
Karl F. Kurz	186	*
Eric L. Oliver	133,419 (1)	1.7%
Robert Roosa	91	*
Murray Stahl	1,283,728 (2)	16.7%
Marguerite Woung-Chapman	91	*
Tyler Glover	1,623	*
Chris Steddum	674	*
Micheal W. Dobbs	310	*
All Directors and Named Executive Officers as a Group (12 persons)	1,421,055	18.5%

* *Indicates ownership of less than 1% of the class.*

(1) *Includes (i) 319 shares held by Eric L. Oliver, (ii) 130,500 shares held by SoftVest, L.P., a Delaware limited partnership ("SoftVest LP"), (iii) 350 shares held by trusts administered for the benefit of Mr. Oliver's grandchildren (the "Trust Shares"), and (iv) 2,250 shares owned by Debeck LLC and Debeck Properties LP (together, "Debeck"). The general partner of SoftVest LP is SoftVest GP I, LLC, a Delaware limited liability company ("SV GP"). SoftVest Advisors, LLC, a Delaware limited liability company ("SoftVest Advisors") is investment manager of SoftVest LP. Mr. Oliver is the managing member of SV GP. SoftVest LP, SoftVest Advisors and Mr. Oliver may be deemed to share voting and dispositive power with respect to shares beneficially owned by them. Mr. Oliver disclaims beneficial ownership of the 130,500 shares of Common Stock held by SoftVest LP for purposes of Section 16 of the Exchange Act, except for his pecuniary interest therein. Mr. Oliver has sole voting and dispositive power with respect to the Trust Shares and disclaims any pecuniary interest in such shares. Mr. Oliver controls Debeck and has sole voting and dispositive power with respect to the shares beneficially owned by Debeck, but Mr. Oliver disclaims any pecuniary interest therein. Based on Form 4 filed by Mr. Oliver on January 3, 2024.*

(2) *Includes (i) 2,453 shares held by Murray Stahl, based on Form 4 filed by Mr. Stahl on February 15, 2024 (the "Form 4"), (ii) 60 shares held by Mr. Stahl's spouse, based on the Form 4, and (iii) 1,281,215 shares beneficially owned by Horizon Kinetics, based on Amendment No. 6 to Schedule 13D filed on February 7, 2024 by Horizon. Mr. Stahl serves as CEO, Chairman of the Board, co- founder and CIO of Horizon Kinetics, and reports sole voting power over the 2,453 shares he holds directly and shared voting power over the 1,281,215 shares directly beneficially owned by Horizon. Mr. Stahl does not participate in investment decisions with respect to the securities of TPL and reports dispositive power over no shares of TPL.*

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Transactions with Related Persons

There have been no significant reportable transactions or currently proposed transactions between TPL and any TPL director or executive officer of TPL or any 5% security holder of TPL or any member of the immediate family of any of the foregoing persons, since the beginning of the Last Fiscal Year.

Procedures for Approval of Related Person Transactions

TPL generally does not engage in transactions in which TPL's executive officers or directors (or any of their immediate family members) or any of TPL's stockholders owning 5% or more of TPL's outstanding shares of Common Stock have a material interest. Should a proposed transaction or series of similar transactions involve any such persons in an amount that exceeds $120,000 in any fiscal year, it will be subject to review and approval by the Audit Committee in accordance with its written policy and procedures adopted by the Board. Transactions entered into that were not related person transactions at the time that they were consummated, but that later become related person transactions during the course of the transaction will also be subject to review by the Audit Committee in accordance with a written policy adopted by the Board.

Independence

The Board has affirmatively determined that all of the directors, other than Mr. Glover, who is employed by TPL, are independent under the independence standards established by the Sarbanes-Oxley Act and the applicable rules of the SEC and the NYSE.

No director may be deemed independent unless the Board determines that he or she has no material relationship with TPL, directly or as an officer, stockholder or partner of an organization that has a material relationship with TPL.

Item 14. Principal Accountant Fees and Services.

The following table presents fees billed to TPL for professional services rendered by our independent registered public accounting firm Deloitte & Touche LLP ("Deloitte"), for the years ended December 31, 2023 and 2022:

	Years Ended December 31,	
	2023	**2022**
Type of Fees:		
Audit fees	$ 694,480	$ 664,164
Audit-related fees	—	—
Tax fees	—	—
All other fees [(1)]	2,051	4,301
	$ 696,531	$ 668,465

(1) Represents fees associated with Deloitte sponsored educational seminars and accounting research tools.

For the year ended December 31, 2023, the Audit Committee approved all of the services provided by, and fees paid to, Deloitte.

The Audit Committee has established a policy requiring Audit Committee approval of all fees for audit and non-audit services to be provided by TPL's independent registered public accountants, prior to commencement of such services. Consideration and approval of fees generally occurs at the Committee's regularly scheduled meetings or, to the extent that such fees may relate to other matters to be considered at special meetings, at those special meetings.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

Financial Statements

See "Index to Financial Statements."

Exhibits

EXHIBIT INDEX

Exhibit Number	Exhibit Description
3.1	Amended and Restated Certificate of Incorporation of Texas Pacific Land Corporation (incorporated by reference to Exhibit 3.1 to our Form 8-K filed on January 11, 2021 (File No. 001-39804)).
3.1.1	Second Amended and Restated Certificate of Incorporation, dated May 18, 2023 (incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K filed on May 19, 2023 (File No. 001-39804)).
3.2	Amended and Restated Bylaws of Texas Pacific Land Corporation (incorporated by reference to Exhibit 3.2 to our Form 8-K filed on January 11, 2021 (File No. 001-39804)).
4.1*	Description of Securities of Texas Pacific Land Corporation.
10.1†	Form of Indemnification Agreement by and between Texas Pacific Land Corporation and individual directors or officers (incorporated by reference to Exhibit 10.2 to our Form 8-K filed on January 11, 2021 (File No. 001-39804)).
10.2†	Amended and Restated Employment Agreement by and between Texas Pacific Land Corporation and Tyler Glover (incorporated by reference to Exhibit 10.3 to our Form 8-K filed on January 11, 2021 (File No. 001-39804).
10.2.1†	Amended and Restated Employment Agreement by and between Texas Pacific Land Corporation and Tyler Glover dated as of February 8, 2022 (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed on February 14, 2022 (File No. 001-39804).
10.2.2†	Amended and Restated Employment Agreement between Texas Pacific Land Corporation and Tyler Glover, dated October 13, 2023 (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed on October 13, 2023 (File No. 1-39804)).
10.3†**	Employment Agreement between Texas Pacific Land Corporation and Chris Steddum dated May 31, 2021 (incorporated by referenced to Exhibit 10.1 to our Current Report on Form 8-K filed on June 3, 2021 (File No. 001-39804)).
10.3.1†	Amended and Restated Employment Agreement by and between Texas Pacific Land Corporation and Chris Steddum dated as of February 8, 2022 (incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K filed on February 14, 2022 (File No. 001-39804).
10.3.2†	Amended and Restated Employment Agreement between Texas Pacific Land Corporation and Chris Steddum, dated October 13, 2023 (incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K filed on October 13, 2023 (File No. 1-39804)).
10.4†	Employment Agreement between Texas Pacific Land Corporation and Micheal W. Dobbs dated as of December 30, 2020. (incorporated by reference to Exhibit 10.6 to our Annual Report on Form 10-K filed on February 25, 2021 (File No. 001-39804)).
10.4.1†	Amended and Restated Employment Agreement by and between Texas Pacific Land Corporation and Micheal W. Dobbs dated as of February 8, 2022 (incorporated by reference to Exhibit 10.3 to our Current Report on Form 8-K filed on February 14, 2022 (File No. 001-39804).
10.4.2†	Amended and Restated Employment Agreement between Texas Pacific Land Corporation and Micheal W. Dobbs, dated October 13, 2023 (incorporated by reference to Exhibit 10.3 to our Current Report on Form 8-K filed on October 13, 2023 (File No. 1-39804)).
10.5	Stockholders' Agreement dated June 11, 2020 (incorporated by reference to Exhibit 10.1 to the Trust's Current Report on Form 8-K filed on June 15, 2020 (File No. 001-00737)).
10.5.1	First Amendment to Stockholder's Agreement, dated December 14, 2020 (incorporated by reference to Exhibit 10.1 to the Trust's Current Report on Form 8-K filed on December 14, 2020 (File No. 001-00737)).
10.6†	2021 Incentive Plan (incorporated by reference to Exhibit 10.1 to our Registration Statement on Form S-8 filed on December 29, 2021 (File No. 333-261938)).
10.6.1†	Amendment No. 1 to 2021 Incentive Plan dated October 31, 2023 (incorporated by reference to Exhibit 10.1 to our Quarterly Report on Form 10-Q filed on November 1, 2023 (File No. 1-39804)).

10.6.2†	Form of Restricted Stock Award Agreement (Employees) (incorporated by reference to Exhibit 10.2 to Texas Pacific Land Corporation's Registration Statement on Form S-8 filed on December 29, 2021 (File No. 333-261938)).
10.6.3†	Form of Restricted Stock Unit Award Agreement (2021 Grants) (incorporated by reference to Exhibit 10.4 to Texas Pacific Land Corporation's Registration Statement on Form S-8 filed on February 14, 2022 (File No. 001-39804)).
10.6.4†	Form of RTSR Performance Unit Award Agreement (2021 Grants) (incorporated by reference to Exhibit 10.5 to Texas Pacific Land Corporation's Registration Statement on Form S-8 filed on February 14, 2022 (File No. 001-39804)).
10.6.5†	Form of FCF/Share Performance Unit Award Agreement (2021 Grants) (incorporated by reference to Exhibit 10.6 to Texas Pacific Land Corporation's Registration Statement on Form S-8 filed on February 14, 2022 (File No. 001-39804)).
10.6.6†	Form of Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.1 to Texas Pacific Land Corporation's Current Report on Form 8-K filed on February 13, 2023 (File No. 001-39804)).
10.6.7†	Form of RTSR Performance Unit Award Agreement (incorporated by reference to Exhibit 10.2 to Texas Pacific Land Corporation's Current Report on Form 8-K filed on February 13, 2023 (File No. 001-39804)).
10.6.8†	Form of FCF/Share Performance Unit Award Agreement (incorporated by reference to Exhibit 10.3 to Texas Pacific Land Corporation's Current Report on Form 8-K filed on February 13, 2023 (File No. 001-39804)).
10.6.9†	Form of Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.2 to our Quarterly Report on Form 10-Q filed on November 1, 2023 (File No. 1-39804)).
10.6.10†	Form of RTSR Performance Unit Award Agreement (incorporated by reference to Exhibit 10.3 to our Quarterly Report on Form 10-Q filed on November 1, 2023 (File No. 1-39804)).
10.6.11†	Form of FCF/Share Performance Unit Award Agreement (incorporated by reference to Exhibit 10.4 to our Quarterly Report on Form 10-Q filed on November 1, 2023 (File No. 1-39804)).
10.6.12†*	Form of FCF/Share Performance Unit Award Agreement (2024)
10.7†	2021 Non-Employee Director Stock and Deferred Compensation Plan (incorporated by reference to Exhibit 10.3 to our Registration Statement on Form S-8 filed on December 29, 2021 (File No. 333-261938)).
10.7.1†	Amendment No. 1 to 2021 Non-Employee Director Stock and Deferred Compensation Plan dated October 31, 2023 (incorporated by reference to Exhibit 10.1 to our Quarterly Report on Form 10-Q filed on November 1, 2023 (File No. 1-39804)).
10.7.2†	Form of Restricted Stock Award Agreement (Directors) (incorporated by reference to Exhibit 10.4 to our Registration Statement on Form S-8 filed on December 29, 2021 (File No. 333-261938)).
10.8	Cooperation Agreement, dated as of July 28, 2023 (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed on August 1, 2023 (File No. 001-39804)).
21.1*	List of Subsidiaries.
23.1*	Consent of Deloitte & Touche LLP.
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) under the Exchange Act.
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) under the Exchange Act.
32.1*	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
97.1*	Clawback Policy
101*	The following information from our Annual Report on Form 10-K for the year ended December 31, 2023, formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) Consolidated Balance Sheets; (ii) Consolidated Statements of Income and Total Comprehensive Income; (iii) Consolidated Statements of Equity and (iv) Consolidated Statements of Cash Flows.
104	The cover page from our Annual Report on Form 10-K formatted in iXBRL.

* Filed or furnished herewith.

** Portions of this exhibit have been omitted pursuant to Rule 601(b)(10) of Regulation S-K. The omitted information is not material and would likely cause competitive harm to the registrant if publicly disclosed.

† Management compensatory arrangement.

Item 16. Form 10-K Summary.

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 21st day of February, 2024.

TEXAS PACIFIC LAND CORPORATION

By: /s/ Tyler Glover
Tyler Glover
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on the 21st day of February, 2024.

Signature	Title(s)
/s/ Tyler Glover Tyler Glover	President, Chief Executive Officer and Director (Principal Executive Officer)
/s/ Chris Steddum Chris Steddum	Chief Financial Officer (Principal Financial Officer)
/s/ Stephanie Buffington Stephanie Buffington	Chief Accounting Officer (Principal Accounting Officer)
/s/ Rhys J. Best Rhys J. Best	Chair of Board and Director
/s/ Donald G. Cook Donald G. Cook	Director
/s/ Barbara J. Duganier Barbara J. Duganier	Director
/s/ Donna E. Epps Donna E. Epps	Director
/s/ Karl F. Kurz Karl F. Kurz	Director
/s/ Eric L. Oliver Eric L. Oliver	Director
/s/ Robert Roosa Robert Roosa	Director
/s/ Murray Stahl Murray Stahl	Director
/s/ Marguerite Woung-Chapman Marguerite Woung-Chapman	Director

Item 15(a). Financial Statements.

INDEX TO FINANCIAL STATEMENTS

All schedules have been omitted because the required information is contained in the consolidated financial statements or related notes, or is not applicable or immaterial.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Texas Pacific Land Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Texas Pacific Land Corporation (the "Company") as of December 31, 2023 and 2022, the related consolidated statements of income and total comprehensive income, equity, and cash flows for each of the three years in the period ended December 31, 2023, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 21, 2024, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Accrual of Oil and Gas Royalties — Refer to Note 2 to the financial statements

Critical Audit Matter Description

The Company records an accrual for oil and gas royalty revenues in accounts receivable and accrued receivables, net in the accompanying consolidated balance sheet. The accrual is necessary due to the time lag between the production of oil and gas and generation of the actual payment by operators, which is typically one to two months after the production of oil and gas. The determination of the oil and gas royalty accrual involves an analysis of historical production volumes, estimates of the timing of future payments, and recent market prices for oil and gas. The realized transaction prices for oil and gas royalty revenues are subject to national and international economic and political considerations and locational and contractual basis differences.

Given the significant judgment in determining future estimated payments based on estimated production volumes, payment timing, and realized prices for oil and gas products made by the Company, performing audit procedures to evaluate the Company’s estimate of accrued oil and gas royalties required a high degree of auditor judgment in evaluating audit evidence and an increased extent of effort.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the Company’s accrual of oil and gas royalties included the following, among others:

- We tested the operating effectiveness of internal controls related the Company’s estimate of the accrual of revenues from oil and gas royalties
- We evaluated the method used by management to develop the estimate considering historical production, payments, and timing of payments
- We evaluated the Company’s estimation process by performing a retrospective review of variances between accrued revenue estimates and subsequent receipts of payments of oil and gas royalties
- We tested the completeness and accuracy of historical production and payment data used in the estimating payments not yet received for production during the current period, and assessed the relevance of historical data to the current period estimate
- We assessed the estimate of realized prices for oil and gas royalties used in the accrual of oil and gas royalties based on market pricing data and historical price differentials

/s/ Deloitte & Touche LLP

Dallas, Texas
February 21, 2024

We have served as the Company's auditor since 2021.

Item 1. Financial Statements

TEXAS PACIFIC LAND CORPORATION
CONSOLIDATED BALANCE SHEETS
(in thousands, except shares and per share amounts)

	December 31, 2023	December 31, 2022
ASSETS		
Cash and cash equivalents	$ 725,169	$ 510,834
Accounts receivable and accrued receivables, net	128,971	103,983
Prepaid expenses and other current assets	2,944	7,427
Tax like-kind exchange escrow	5,380	6,348
Prepaid income taxes	—	4,809
Total current assets	862,464	633,401
Real estate acquired	130,024	109,704
Property, plant and equipment, net	89,587	85,478
Royalty interests acquired, net	46,609	45,025
Intangible assets, net	21,025	—
Real estate and royalty interests assigned through the Declaration of Trust, no value assigned:		
Land (surface rights)	—	—
1/16th nonparticipating perpetual royalty interest	—	—
1/128th nonparticipating perpetual royalty interest	—	—
Operating lease right-of-use assets	1,861	2,525
Other assets	4,828	1,294
Total assets	$ 1,156,398	$ 877,427
LIABILITIES AND EQUITY		
Accounts payable and accrued expenses	$ 22,501	$ 23,443
Ad valorem and other taxes payable	10,761	8,497
Income taxes payable	4,795	3,167
Unearned revenue	6,330	4,488
Total current liabilities	44,387	39,595
Deferred taxes payable	42,365	41,151
Unearned revenue - noncurrent	25,006	21,708
Operating lease liabilities	1,170	1,955
Accrued liabilities - noncurrent	274	131
Total liabilities	113,202	104,540
Commitments and contingencies	—	—
Equity:		
Preferred stock, $ 0.01 par value; 1,000,000 shares authorized, none outstanding as of December 31, 2023 and 2022	—	—
Common stock, $ 0.01 par value; 7,756,156 shares authorized and 7,669,227 and 7,695,679 outstanding as of December 31, 2023 and 2022, respectively	78	78
Treasury stock, at cost; 86,929 and 60,477 shares as of December 31, 2023 and 2022, respectively	(144,998)	(104,139)
Additional paid-in capital	14,613	8,293
Accumulated other comprehensive income	1,831	2,516
Retained earnings	1,171,672	866,139
Total equity	1,043,196	772,887
Total liabilities and equity	$ 1,156,398	$ 877,427

See accompanying notes to consolidated financial statements.

TEXAS PACIFIC LAND CORPORATION

CONSOLIDATED STATEMENTS OF INCOME AND TOTAL COMPREHENSIVE INCOME

(in thousands, except shares and per share amounts)

	Years Ended December 31,		
	2023	**2022**	**2021**
Revenues:			
Oil and gas royalties	$ 357,394	$ 452,434	$ 286,468
Water sales	112,203	84,725	67,766
Produced water royalties	84,260	72,234	58,081
Easements and other surface-related income	70,932	48,057	37,616
Land sales and other operating revenue	6,806	9,972	1,027
Total revenues	631,595	667,422	450,958
Expenses:			
Salaries and related employee expenses	43,384	41,402	40,012
Water service-related expenses	33,566	17,463	13,233
General and administrative expenses	14,928	13,285	11,638
Legal and professional fees	31,522	8,735	7,281
Ad valorem and other taxes	7,385	8,854	144
Depreciation, depletion and amortization	14,757	15,376	16,257
Total operating expenses	145,542	105,115	88,565
Operating income	486,053	562,307	362,393
Other income, net	31,508	6,548	624
Income before income taxes	517,561	568,855	363,017
Income tax expense (benefit):			
Current	110,517	121,230	93,265
Deferred	1,399	1,263	(228)
Total income tax expense	111,916	122,493	93,037
Net income	$ 405,645	$ 446,362	$ 269,980
Amortization of net actuarial costs, net of income taxes of $(27), $ 9 , and $ 30 for the years ended December 31, 2023, 2022 and 2021, respectively	(103)	32	114
Net actuarial (loss) gain on pension plan, net of income taxes of $(157), $ 931 , and $ 418 as of December 31, 2023, 2022 and 2021, respectively	(582)	3,491	1,572
Total other comprehensive income (loss)	(685)	3,523	1,686
Total comprehensive income	$ 404,960	$ 449,885	$ 271,666
Net income per share of common stock			
Basic	$ 52.81	$ 57.80	$ 34.83
Diluted	$ 52.77	$ 57.77	$ 34.83
Weighted average number of shares of common stock outstanding			
Basic	7,681,435	7,721,957	7,752,027
Diluted	7,686,615	7,726,809	7,752,054

See accompanying notes to consolidated financial statements.

TEXAS PACIFIC LAND CORPORATION
CONSOLIDATED STATEMENTS OF EQUITY
(in thousands, except shares and per share amounts)

	Sub-share Certificates	Common Stock		Additional	Treasury Stock		Accum. Other		Net Proceeds	
	Shares	Shares	Amount	Paid-in Capital	Shares	Amount	Comp. Inc/(Loss)	Retained Earnings	From All Sources	Total Equity
Balances as of January 1, 2021	7,756,156	—	$ —	$ —	—	$ —	$ (2,693)	$ —	$ 487,877	$ 485,184
Net income	—	—	—	—	—	—	—	269,980	—	269,980
Conversion of Sub-shares into shares of common stock	(7,756,156)	7,756,156	78	—	—	—	—	487,799	(487,877)	—
Repurchases of common stock	—	(14,791)	—	—	14,791	(19,903)	—	—	—	(19,903)
Dividends paid and accrued — $ 11.00 per share of common stock	—	—	—	—	—	—	—	(85,264)	—	(85,264)
Share-based compensation, net of forfeitures	—	3,330	—	28	(3,330)	4,486	—	(4,486)	—	28
Periodic pension costs, net of income taxes of $ 448	—	—	—	—	—	—	1,686	—	—	1,686
Balances as of December 31, 2021	—	7,744,695	78	28	11,461	(15,417)	(1,007)	668,029	—	651,711
Net income	—	—	—	—	—	—	—	446,362	—	446,362
Repurchases of common stock	—	(48,959)	—	—	48,959	(87,900)	—	—	—	(87,900)
Regular dividends paid and accrued — $ 12.00 per share of common stock	—	—	—	—	—	—	—	(92,737)	—	(92,737)
Special dividends paid and accrued - $ 20.00 per share of common stock	—	—	—	—	—	—	—	(154,742)	—	(154,742)
Share-based compensation, net of forfeitures	—	699	—	8,265	(699)	940	—	(773)	—	8,432
Shares exchanged for tax withholdings	—	(756)	—	—	756	(1,762)	—	—	—	(1,762)
Periodic pension costs, net of income taxes of $ 940	—	—	—	—	—	—	3,523	—	—	3,523
Balances as of December 31, 2022	—	7,695,679	78	8,293	60,477	(104,139)	2,516	866,139	—	772,887
Net income	—	—	—	—	—	—	—	405,645	—	405,645
Repurchases of common stock, including excise taxes of $ 384	—	(27,619)	—	—	27,619	(42,801)	—	—	—	(42,801)
Regular dividends paid and accrued — $ 13.00 per share of common stock	—	—	—	—	—	—	—	(99,972)	—	(99,972)
Share-based compensation, net of forfeitures	—	2,332	—	6,320	(2,332)	4,006	—	(140)	—	10,186
Shares exchanged for tax withholdings	—	(1,165)	—	—	1,165	(2,064)	—	—	—	(2,064)
Periodic pension costs, net of income taxes of $ 184	—	—	—	—	—	—	(685)	—	—	(685)
Balances as of December 31, 2023	—	7,669,227	$ 78	$ 14,613	86,929	$ (144,998)	$ 1,831	$1,171,672	$ —	$1,043,196

See accompanying notes to consolidated financial statements.

TEXAS PACIFIC LAND CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Years Ended December 31,		
	2023	2022	2021
Cash flows from operating activities:			
Net income	$ 405,645	$ 446,362	$ 269,980
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, depletion and amortization	14,757	15,376	16,257
Share-based compensation	10,343	8,432	28
Deferred taxes	1,399	1,263	220
Changes in operating assets and liabilities:			
Receivables and other assets	(24,457)	(13,833)	(47,603)
Prepaid income taxes	4,809	(4,809)	—
Income taxes payable	1,628	(25,916)	25,029
Unearned revenue	5,140	1,938	(1,910)
Operating liabilities, excluding income taxes	(3,240)	10,015	3,152
Ad valorem and other taxes payable	2,264	8,321	10
Cash provided by operating activities	418,288	447,149	265,163
Cash flows from investing activities:			
Acquisitions of intangible assets	(21,403)	—	—
Acquisition of real estate	(20,320)	(633)	(535)
Acquisition of royalty interests	(3,566)	(1,662)	—
Purchase of fixed assets	(15,028)	(19,212)	(15,548)
Proceeds from sales of fixed assets	5	106	1,086
Cash used in investing activities	(60,312)	(21,401)	(14,997)
Cash flows from financing activities:			
Dividends paid	(99,972)	(247,281)	(85,264)
Repurchases of common stock	(42,573)	(87,765)	(19,684)
Shares exchanged for tax withholdings	(2,064)	(1,762)	—
Cash used in financing activities	(144,609)	(336,808)	(104,948)
Net increase in cash, cash equivalents and restricted cash	213,367	88,940	145,218
Cash, cash equivalents and restricted cash, beginning of period	517,182	428,242	283,024
Cash, cash equivalents and restricted cash, end of period	$ 730,549	$ 517,182	$ 428,242
Supplemental disclosure of cash flow information:			
Income taxes paid	$ 104,079	$ 151,956	$ 68,223
Supplemental non-cash investing and financing information:			
Nonmonetary exchange of assets	$ 880	$ 4,174	$ —
(Decrease) increase in accounts payable related to capital expenditures	$ 403	$ (245)	$ 867
Accrued dividends on unvested stock awards	$ 158	$ 198	$ —
Share repurchases and associated excise taxes not settled at the end of the period	$ 582	$ 354	$ 219
Issuance of common stock	$ —	$ —	$ 78
Operating lease right-of-use assets	$ —	$ 1,364	$ —

See accompanying notes to consolidated financial statements.

TEXAS PACIFIC LAND CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Description of Business Segments

Texas Pacific Land Corporation (which, together with its subsidiaries as the context requires, may be referred to as "TPL", the "Company", "our", "we" or "us") is a Delaware corporation and one of the largest landowners in the State of Texas with approximately 868,000 surface acres of land in West Texas, principally concentrated in the Permian Basin. Additionally, we own a 1/128th nonparticipating perpetual oil and gas royalty interest ("NPRI") under approximately 85,000 acres of land, a 1/16th NPRI under approximately 371,000 acres of land, and approximately 4,000 additional net royalty acres (normalized to 1/8th) ("NRA") for a collective total of approximately 195,000 NRA located in the western part of Texas.

TPL's income is derived primarily from oil, gas and produced water royalties, sales of water and land, easements, and commercial leases of the Company's land.

On January 11, 2021, we completed our reorganization from a business trust, Texas Pacific Land Trust (the "Trust"), organized under a Declaration of Trust dated February 1, 1888 (the "Declaration of Trust"), into Texas Pacific Land Corporation, a corporation formed and existing under the laws of the state of Delaware (the "Corporate Reorganization").

We operate our business in two segments: Land and Resource Management and Water Services and Operations. Our segments provide management with a comprehensive financial view of our key businesses. The segments enable the alignment of strategies and objectives of TPL and provide a framework for timely and rational allocation of resources within businesses. See Note 14, "Business Segment Reporting" for further information regarding our segments.

2. Summary of Significant Accounting Policies

Principles of Consolidation and Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and include our consolidated accounts and the accounts of our wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates in the Preparation of Financial Statements

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates. In the event estimates and/or assumptions prove to be different from actual amounts, adjustments are made in subsequent periods to reflect more current information.

Revenue Recognition

Oil and Gas Royalties

Oil and gas royalties are received in connection with royalty interests owned by TPL. Oil and gas royalties are reported net of production taxes and are recognized as revenue when crude oil and natural gas products are removed from the respective mineral reserve locations. Oil and gas royalty payments are generally received one to two months after the crude oil and gas products are removed. An accrual for amounts not received during the month crude oil and natural gas products are removed is included in accounts receivable and accrued receivables, net based on historical trends.

The oil and gas royalties which we receive are dependent upon the market prices for oil and gas, and locational and contractual price differences. The market prices for oil and gas are subject to national and international economic and political conditions and subject to significant price fluctuations.

TPL has analyzed public reports of drilling activities by the oil companies operating where we have an oil and gas royalty interest in an effort to identify unpaid royalties associated with royalty interests we own. Rights to certain oil and gas royalties we believe to be due and payable may be subject to dispute with the oil company involved as a result of disagreements with respect to drilling and related engineering information. Disputed oil and gas royalties are recorded when these contingencies are resolved.

Water Sales

Water sales revenue encompasses sales of water to operators and other customers, royalties received related to areas of mutual interest ("AMI"), and royalties received pursuant to legacy agreements with operators. In certain instances, we enter into agreements with third parties to provide various water services, including but not limited to, the purchase, sale or transfer of water within a specific geographic area, also known as an AMI. Our performance obligation is deemed satisfied upon the delivery of water at which point, revenue is recognized. In instances where a third party other than the customer is involved in the sale and/or transport of water, such as a revenue share agreement, brokered water sale transaction or third party acquisition of water, the Company will either be acting as the principal or the agent in the water sales transaction. If the Company is deemed to be acting as a principal, the associated revenues are reported on a gross basis in water sales revenue and the corresponding costs associated with the sale are reported as an operating expense in water service-related expenses in the consolidated income statement. If the Company is deemed to be acting as an agent, principally in brokered water transactions, the associated water sales revenue is reported net of the corresponding costs associated with the sale and included in the water sales revenue line item on the consolidated income statement.

Purchases of water from third parties, transfer costs and treatment expenses associated with water sales are included in water service-related expenses.

Produced Water Royalties

Produced water royalties represent revenue from the transfer and disposal of saltwater from producing oil and gas wells on our land. Revenue is recognized when the water is transported across or injected into our land.

Easements and Other Surface-Related Income

Easement contracts represent contracts which permit companies to install pipelines, electric lines and other equipment on land owned by TPL. When TPL receives a signed contract and payment, we make available the respective parcel of land to the grantee. Easement income is recognized upon the execution of the easement agreement, or in the event of a renewal upon receipt of the renewal payment, as at that point in time, we have satisfied our performance obligation and the customer has right of use.

Leases of our surface acreage include, but are not limited to, facility, roadway and surface leases with a typical lease term of ten years and generally require fixed annual payments. Lease cancellations are allowed under certain circumstances, but initial lease deposits are generally nonrefundable. The initial lease deposits and annual payments are recorded as unearned revenue upon receipt and amortized over the life of the lease. Advance lease payments are deferred and amortized over the appropriate accounting period.

Other surface-related income includes revenue from permits, material sales, and renewable energy sources. Revenue from permits is recognized upon execution of the contract and receipt of payment. Revenue from material sales is recognized upon the removal of materials by the customer. Revenue from renewable energy sources, such as wind and solar power, generally consist of leases, some of which may include a provision for future royalties once certain circumstances occur. As discussed above, lease payments are recorded as unearned revenue and amortized over the life of the lease. Royalties are recognized based upon actual production.

Land Sales and Exchanges

We consider purchasers of land to be our customers as land management, leasing and sales are normal operating activities for TPL. Revenue is recognized on land sales when the performance obligation to the purchaser (customer) is complete. Revenue from land exchanges is recognized based upon the estimated fair value of the consideration exchanged.

Cash, Cash Equivalents and Restricted Cash

We consider investments in bank deposits, money market funds, and highly-liquid cash investments with original maturities of three months or less to be cash equivalents. The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated balance sheets that sum to the total of the same such amounts shown in the consolidated statements of cash flows (in thousands):

	December 31, 2023	December 31, 2022
Cash and cash equivalents	$ 725,169	$ 510,834
Tax like-kind exchange escrow	5,380	6,348
Total cash, cash equivalents and restricted cash shown in the statement of cash flows	$ 730,549	$ 517,182

Receivables

Receivables consist primarily of royalty income due related to our oil, gas and produced water royalties and trade accounts receivable related to water and material sales. An allowance is recorded for expected credit losses and is based upon our historical write-off experience, aging of trade accounts receivable and collectability patterns of our customers. The allowance for expected credit loss was approximately $ 0.2 million as of December 31, 2023 and 2022, respectively.

Accrual of Oil and Gas Royalties

The Company accrues oil and gas royalties, which are included in accounts receivable and accrued receivables, net. An accrual is necessary due to the time lag between the removal of crude oil and natural gas products from the respective mineral reserve locations and generation of the actual payment by operators. The oil and gas royalty accrual is based upon historical production volumes, estimates of the timing of future payments and recent market prices for oil and gas. Accrued oil and gas royalties included in accounts receivable and accrued receivables, net totaled $ 52.2 million and $ 50.1 million as of December 31, 2023 and 2022, respectively.

Real Estate Acquired

Real estate acquired is recorded at cost and carried at the lower of cost or market. Valuations are periodically performed or obtained by management whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairments, if any, are recorded by a charge to net income and a valuation allowance if the carrying value of the property exceeds its estimated fair value. Minimal real estate improvements are made to land. No impairments were recorded for the years ended December 31, 2023, 2022 and 2021.

Property, Plant and Equipment

Property, plant and equipment is carried at cost less accumulated depreciation. Maintenance and repair costs are expensed as incurred. Costs associated with our development of infrastructure for sourcing and treating water are capitalized. We account for depreciation of property, plant and equipment on the straight-line method over the estimated useful lives of the assets. Depreciable lives by category are as follows:

	Range of Estimated Useful Lives (in years)		
Water wells and other water-related assets	3	to	20
Furniture, fixtures and equipment	3	to	15

Royalty Interests Acquired

We follow the successful efforts method of accounting for our royalty interests acquired, which are carried at the lower of cost or market. Valuations are periodically performed or obtained by management whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairments, if any, are recorded by a charge to net income and a reduction in the carrying value of our royalty interests if the carrying value exceeds the estimated fair value. No impairments were recorded for the years ended December 31, 2023, 2022 and 2021.

Depletion is recorded based upon a units of production basis. Depletion expense was approximately $ 2.0 million, $ 1.0 million and $ 1.3 million for the years ended December 31, 2023, 2022 and 2021, respectively.

Real Estate and Royalty Interests Assigned Through the Declaration of Trust

The fair market value of the land and royalty interests that were assigned through the Declaration of Trust (referred to as "Assigned" land and royalty interests) was not determined in 1888 when the Trust was formed; therefore, no value is assigned in the accompanying consolidated balance sheets to the Assigned land and royalty interests. Consequently, in the consolidated statements of income and total comprehensive income, no allowance is made for depletion and no cost is deducted from the proceeds of sales of the Assigned land and royalty interests. Even though the 1888 value of real properties cannot be precisely determined, it has been concluded that the effect of this matter can no longer be significant to our financial position or results of operations. Minimal real estate improvements are made to land.

Intangible Assets, Net

Intangible assets include a saltwater disposal easement and acquired groundwater rights. When the Company acquires intangible assets that are attached to real estate and/or other tangible assets, an allocation of the total purchase price, including any direct costs of the acquisition, is made at the date of acquisition based on the estimated relative fair values of the assets acquired.

Intangible assets are amortized on a straight-line basis over their estimated useful lives ranging from 15 to 20 years. Intangible assets are tested for recoverability whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. In such event, the fair value of the asset is determined using an undiscounted cash flow analysis of the asset at the lowest level for which identifiable cash flows exist. If an impairment has occurred, a loss for the difference between the carrying value and the estimated fair value of the intangible asset is recognized in the statement of income.

Leases

We lease certain facilities under operating leases. A determination of whether a contract contains a lease is made at the inception of the arrangement. Our leased facilities include our administrative offices located in Dallas and Midland, Texas, as well as some modular buildings in our West Texas yards.

Our leases generally contain options to extend or terminate the lease. We reevaluate our leases on a regular basis to consider the economic and strategic incentives of exercising the renewal options, and how they align with our operating strategy. Therefore, substantially all of the renewal option periods are not included within the lease term and the associated payments are not included in the measurement of the right-of-use asset and lease liability as the options to extend are not reasonably certain at lease commencement. Short-term leases with an initial term of 12 months or less are not recognized in the right-to-use asset and lease liability on the consolidated balance sheets.

The lease liabilities are measured at the lease commencement date and determined using the present value of the minimum lease payments not yet paid and our incremental borrowing rate, which approximates the rate at which we would borrow, on a collateralized basis, over the term of a lease in the applicable currency environment. The interest rate implicit in the lease is generally not determinable in transactions where we are the lessee.

For real estate leases, we account for lease components and non-lease components (such as common area maintenance) as a single lease component. Certain real estate leases require reimbursement for real estate taxes, common area maintenance and insurance, which are expensed as incurred as variable lease costs. Certain leases contain fixed lease payments for items such as common area maintenance and parking. These fixed payments are considered part of the lease payment and included in the right-of-use assets and lease liabilities. See Note 12, "Commitments" for additional information.

Income Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

When tax returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50% likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for unrecognized tax benefits in the accompanying balance sheet along with any associated interest and penalties that would be payable to the taxing authorities upon examination. The liability for unrecognized tax benefits is zero as of December 31, 2023 and 2022. We recognize interest and penalties related to unrecognized tax benefits in the provision for income taxes in the consolidated statements of income and total comprehensive income.

Share-Based Compensation

The Company utilizes the closing stock price on the date of grant to determine the fair value of stock awards and service-vesting awards, which for the Company includes stock awards, restricted stock awards (“RSAs”), restricted stock units (“RSUs”), and performance stock units (“PSUs”) with a performance condition. For PSUs with a market condition, grant date fair value is determined using a Monte Carlo simulation model. Unvested awards are entitled to dividends or dividend equivalents which are accrued and distributed to award recipients at the time such awards vest. Dividends are forfeitable if the related award is forfeited. For RSAs, RSUs and PSUs with performance conditions, forfeitures are recognized in the period in which they occur. For PSU awards with market conditions, forfeitures are only recognized if the award recipient does not render the required service during the measurement period.

Share-based compensation expense for stock awards is recognized in the financial statements immediately on date of grant as there is no requisite service period. Share-based compensation expense for RSUs and RSAs is recognized in the financial statements over the awards’ vesting periods using the graded-vesting method. Share-based compensation expense for PSU awards with performance conditions is recognized ratably over the measurement period at such time as the awards are probable and estimable. Share-based compensation expense for PSU awards with market conditions is recognized ratably over the measurement period whether the market condition is satisfied or not if the service for the award is rendered. Share-based compensation is reported on the consolidated statements of income and total comprehensive income as a component of salaries and related employee expenses for employee awards and in general and administrative expenses for director awards.

Net Income Per Share

Basic income per share is based on the weighted average number of shares outstanding during the period. Diluted net income per share is computed based upon the weighted average number of shares outstanding during the period plus unvested shares issued pursuant to our equity and deferred compensation plans. See Note 11, “Earnings Per Share.”

Treasury Stock

Treasury stock purchases are accounted for under the cost method whereby the entire cost of the acquired Common Stock is recorded as treasury stock. The cost associated with issuance of treasury stock is based on the average cost of treasury stock as of the date of issuance.

Comprehensive Income (Loss)

Comprehensive income (loss) consists of net income and other gains and losses affecting capital that, under GAAP, are excluded from net income.

Concentrations of Credit Risk

We invest our cash and cash equivalents (which include U.S. Treasury bills, money market funds, and commercial paper with maturities of three months or less) among two major financial institutions in an attempt to minimize exposure to risk from any one of these entities. As of December 31, 2023 and 2022, we had cash and cash equivalents deposited in our financial institutions in excess of federally-insured levels. We regularly monitor the financial condition of these financial institutions and believe that we are not exposed to any significant credit risk in cash and cash equivalents.

Significant Customers

Three customers represented, in the aggregate, 42.5 % of TPL's total revenues for the year ended December 31, 2023. Four customers represented, in the aggregate, 51.8 % of TPL's total revenues for the year ended December 31, 2022. Three customers represented, in the aggregate, 41.0 % of TPL's total revenues for the year ended December 31, 2021.

Reclassifications

Certain financial information on the consolidated balance sheet as of December 31, 2022 and consolidated statement of income and total comprehensive income for the year ended December 31, 2022 and December 31, 2021, respectively, have been revised to conform to the current year presentation. These revisions include a balance sheet reclassification of $ 454,000 of other taxes payable previously included in accounts payable and accrued expenses to ad valorem and other taxes payable, an income statement reclassification of $ 120,000 of property taxes previously included in general and administrative expenses to ad valorem and other taxes, an income statement reclassification of $ 55,000 from land sales expenses to general and administrative expenses for the year ended December 31, 2022 and an income statement reclassification of $ 144,000 of property taxes previously included in general and administrative expenses to ad valorem and other taxes for the year ended December 31, 2021.

3. Real Estate Activity

As of December 31, 2023 and 2022, TPL owned the following land and real estate (in thousands, except number of acres):

	December 31, 2023		December 31, 2022	
	Number of Acres	Net Book Value	Number of Acres	Net Book Value
Land (surface rights) [(1)]	798,999	$ —	817,060	$ —
Real estate acquired	69,447	130,024	57,306	109,704
Total real estate situated in Texas	868,446	$ 130,024	874,366	$ 109,704

(1) Real estate assigned through the Declaration of Trust.

The Assigned land held by TPL was recorded with no value at the time of acquisition. See Note 2, "Summary of Significant Accounting Policies — Real Estate and Royalty Interests Assigned Through the Declaration of Trust" for further information regarding the Assigned land. Real estate acquired includes land parcels which have either been acquired through foreclosure or transactions with third parties.

Land Sales

For the year ended December 31, 2023, we sold 18,061 acres of land in Texas for an aggregate sales price of $ 6.8 million.

For the year ended December 31, 2022, we sold 6,392 acres of land in Texas for an aggregate sales price of $ 9.7 million.

For the year ended December 31, 2021, we sold 30 acres of land in Texas for an aggregate sales price of approximately $ 0.7 million.

Land Acquisitions

For the year ended December 31, 2023, we acquired 12,141 acres of land in Texas for an aggregate purchase price of $ 20.0 million.

For the year ended December 31, 2022, we acquired 177 acres of land in Texas for an aggregate purchase price of $ 0.6 million.

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For the year ended December 31, 2021, we acquired 88 acres of land in Texas for an aggregate purchase price of approximately $ 0.5 million.

4. Property, Plant and Equipment

Property, plant and equipment, net consisted of the following as of December 31, 2023 and 2022 (in thousands):

	December 31, 2023	December 31, 2022
Property, plant and equipment, at cost:		
Water service-related assets	$ 136,340	$ 125,166
Furniture, fixtures and equipment	9,801	9,718
Other	598	598
Total property, plant and equipment, at cost	146,739	135,482
Less: accumulated depreciation	(57,152)	(50,004)
Property, plant and equipment, net	$ 89,587	$ 85,478

Depreciation expense was $ 12.2 million, $ 14.2 million and $ 14.8 million for the years ended December 31, 2023, 2022 and 2021, respectively.

5. Oil and Gas Royalty Interests

As of December 31, 2023 and 2022, we owned the following oil and gas royalty interests (in thousands):

	December 31, 2023	December 31, 2022
Oil and gas royalty interests:		
1/16th nonparticipating perpetual royalty interests (1)	$ —	$ —
1/128th nonparticipating perpetual royalty interests (2)	—	—
Royalty interests acquired, at cost (3)	51,494	47,928
Total royalty interests	51,494	47,928
Less: accumulated depletion	(4,885)	(2,903)
Royalty interests, net	$ 46,609	$ 45,025

(1) Nonparticipating perpetual royalty interests in 370,737 gross royalty acres as of December 31, 2023 and 2022.

(2) Nonparticipating perpetual royalty interests in 84,934 gross royalty acres as of December 31, 2023 and 2022.

(3) Royalty interest in 4,302 and 4,182 net royalty acres as of December 31, 2023 and 2022, respectively.

Royalty Interests Assigned Through the Declaration of Trust

The fair market value of the Trust's Assigned royalty interests was not determined in 1888 when the Trust was formed, and accordingly, these Assigned royalty interests were recorded with no value. See Note 2, "Summary of Significant Accounting Policies — Real Estate and Royalty Interests Assigned Through the Declaration of Trust" for further information regarding the Assigned royalty interests. The Assigned royalty interests include 1/16th and 1/128th royalty interests.

Royalty Interest Transactions

For the year ended December 31, 2023, we acquired oil and gas royalty interests in 119 net royalty acres (normalized to 1/8th) for an aggregate purchase price of approximately $ 3.6 million.

For the year ended December 31, 2022, we acquired oil and gas royalty interests in 92 net royalty acres (normalized to 1/8th) for an aggregate purchase price of approximately $ 1.7 million.

There were no oil and gas royalty interest transactions for the year ended December 31, 2021.

6. Intangible Assets

Intangible assets, net consisted of the following as of December 31, 2023 and 2022 (in thousands):

	December 31, 2023	December 31, 2022
Intangible assets, at cost:		
Saltwater disposal easement	$ 17,557	$ —
Groundwater rights acquired	3,846	—
Total intangible assets, at cost [(1)]	21,403	—
Less: accumulated amortization	(378)	—
Intangible assets, net	$ 21,025	$ —

(1) The remaining weighted average amortization period for total intangible assets was 18.8 years as of December 31, 2023.

Acquisitions

For the year ended December 31, 2023, we acquired a saltwater disposal easement and groundwater rights in separate transactions for an aggregate cost of approximately $ 21.4 million. We had no intangible assets as of December 31, 2022.

Amortization of intangible assets was $ 0.4 million for the year ended December 31, 2023. The estimated future annual amortization expense of intangible assets is $ 1.1 million for each year of 2024 through 2028, and $ 15.5 million thereafter.

7. Pension and Other Postretirement Benefits

TPL has a defined contribution plan available to all eligible employees. Qualifying participants may receive a matching contribution based on the amount participants contribute to the plan up to 6 % of their qualifying compensation. TPL contributed approximately $ 0.8 million, $ 0.7 million and $ 0.6 million for the years ended December 31, 2023, 2022 and 2021, respectively.

TPL has a noncontributory pension plan (the “Pension Plan”) available to all eligible employees who have completed one year of continuous service with TPL during which they completed at least 1,000 hours of service. The Pension Plan provides for a normal retirement benefit at age 65. Contributions to the Pension Plan reflect benefits accrued with respect to participants’ services to date, as well as the amount actuarially determined to pay lifetime benefits to participants and their beneficiaries upon retirement.

The following table sets forth the Pension Plan's changes in benefit obligation, changes in fair value of assets, and funded status as of December 31, 2023 and 2022 using a measurement date of December 31 (in thousands):

	December 31, 2023	December 31, 2022
Change in projected benefits obligation:		
Projected benefit obligation at beginning of year	$ 8,177	$ 11,324
Service cost	1,537	2,870
Interest cost	423	336
Actuarial gain (loss)	658	(6,111)
Benefits paid	(242)	(242)
Projected benefit obligation at end of year	$ 10,553	$ 8,177
Change in Pension Plan assets:		
Fair value of Pension Plan assets at beginning of year	$ 11,650	$ 10,713
Actual return on Pension Plan assets	725	(947)
Contributions by employer	2,068	2,126
Benefits paid	(242)	(242)
Fair value of Pension Plan assets at end of year	14,201	11,650
Funded status at end of year	$ 3,648	$ 3,473

The projected Pension Plan benefit obligation as of December 31, 2023 was impacted by changes in assumptions used as of that date compared to assumptions used as of December 31, 2022. These changes included a decrease in the discount rate from 5.25 % as of December 31, 2022 to 5.00 % as of December 31, 2023. The effect of the assumption changes was an increase in the projected benefit obligation of approximately $ 0.6 million.

Amounts recognized in the balance sheets as of December 31, 2023 and 2022 consist of (in thousands):

	December 31, 2023	December 31, 2022
Assets	$ 3,648	$ 3,473
Liabilities	—	—
	$ 3,648	$ 3,473

Amounts recognized in accumulated other comprehensive income on the Consolidated Balance Sheets consist of the following as of December 31, 2023 and 2022 (in thousands):

	December 31, 2023	December 31, 2022
Net actuarial gain	$ 2,319	$ 3,189
Amounts recognized in accumulated other comprehensive income, before taxes	2,319	3,189
Income tax expense	(488)	(673)
Amounts recognized in accumulated other comprehensive income, after taxes	$ 1,831	$ 2,516

Net periodic benefit cost for the years ended December 31, 2023, 2022 and 2021 include the following components (in thousands):

	Years Ended December 31,		
	2023	2022	2021
Components of net periodic benefit cost:			
Service cost	$ 1,537	$ 2,870	$ 3,225
Interest cost	423	336	264
Expected return on Pension Plan assets	(807)	(741)	(521)
Recognized actuarial (gain) loss	(130)	41	144
Net periodic benefit cost	$ 1,023	$ 2,506	$ 3,112

Service cost, a component of net periodic benefit cost, is reflected in our consolidated statements of income and total comprehensive income within salaries and related employee expenses. The other components of net periodic benefit cost are included in other income, net on the consolidated statements of income and total comprehensive income.

Other changes in Pension Plan assets and benefit obligations recognized in other comprehensive (income) loss for the years ended December 31, 2023, 2022 and 2021 (in thousands):

	Years Ended December 31,		
	2023	2022	2021
Net actuarial (gain) loss	$ 739	$ (4,422)	$ (1,990)
Recognized actuarial gain (loss)	130	(41)	(144)
Total recognized in other comprehensive (income) loss, before taxes	$ 869	$ (4,463)	$ (2,134)
Total recognized in net benefit cost and other comprehensive (income) loss, before taxes	$ 1,892	$ (1,958)	$ 978

TPL reclassified less than $ 0.6 million (net of income tax benefit of less than $ 0.2 million) out of accumulated other comprehensive loss for net periodic benefit cost to other income, net for the year ended December 31, 2023, $ 0.4 million (net of income tax benefit of less than $ 0.1 million) for the year ended December 31, 2022 and $ 0.2 million (net of income tax benefit of less than $ 0.1 million) for the year ended December 31, 2021.

The following table summarizes the projected benefit obligation in excess of Pension Plan assets and Pension Plan assets in excess of accumulated benefit obligation as of December 31, 2023 and 2022 (in thousands):

	December 31, 2023	December 31, 2022
Projected benefit obligation in excess of Pension Plan assets:		
Projected benefit obligation	$ 10,553	$ 8,177
Fair value of Pension Plan assets	$ 14,201	$ 11,650
Plan assets in excess of accumulated benefit obligation:		
Accumulated benefit obligation	$ 6,417	$ 5,277
Fair value of Pension Plan assets	$ 14,201	$ 11,650

The following are weighted-average assumptions used to determine benefit obligations and costs as of December 31, 2023, 2022 and 2021:

	Years Ended December 31,		
	2023	2022	2021
Weighted average assumptions used to determine benefit obligations as of December 31:			
Discount rate	5.00 %	5.25 %	3.00 %
Rate of compensation increase	7.29 %	7.29 %	7.29 %
Weighted average assumptions used to determine benefit costs for the years ended December 31:			
Discount rate	5.25 %	3.00 %	2.75 %
Expected return on Pension Plan assets	7.00 %	7.00 %	7.00 %
Rate of compensation increase	7.29 %	7.29 %	7.29 %

The expected return on Pension Plan assets assumption of 7.0 % was selected by TPL based on historical real rates of return for the current asset mix and an assumption with respect to future inflation. The rate was determined based on a long-term allocation of about two-thirds fixed income and one-third equity securities; historical real rates of return of about 2.5 % and 8.5 % for fixed income and equity securities, respectively; and assuming a long-term inflation rate of 2.5 %.

The Pension Plan has a formal investment policy statement. The Pension Plan's investment objective is balanced income, with a moderate risk tolerance. This objective emphasizes current income through a 30.0 % to 80.0 % allocation to fixed income securities, complemented by a secondary consideration for capital appreciation through an equity allocation in the range of 20.0 % to 60.0 %. Diversification is achieved through investment in equities and bonds. The asset allocation is reviewed annually with respect to the target allocations and rebalancing adjustments and/or target allocation changes are made as appropriate. Our current funding policy is to maintain the Pension Plan's fully funded status on an ERISA minimum funding basis.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date.

The fair value accounting standards establish a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect our assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs used in measuring fair value, as follows:

Level 1 – Inputs are based on unadjusted quoted prices in active markets for identical assets or liabilities that we have the ability to access. Since inputs are based on quoted prices that are readily and regularly available in an active market, Level 1 inputs require the least judgment.

Level 2 – Inputs are based on quoted prices for similar instruments in active markets, or are observable either directly or indirectly. Inputs are obtained from various sources including financial institutions and brokers.

Level 3 – Inputs that are unobservable and significant to the overall fair value measurement. The degree of judgment exercised by us in determining fair value is greatest for fair value measurements categorized in Level 3.

The fair values of the Pension Plan assets by major asset category as of December 31, 2023 and 2022, are as follows (in thousands):

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
As of December 31, 2023:				
Cash and cash equivalents — money markets	$ 1,179	$ 1,179	$ —	$ —
Equities	8,182	8,182	—	—
Equity funds	401	401	—	—
Fixed income funds	1,000	1,000	—	—
Taxable bonds	3,439	3,439	—	—
Total	$ 14,201	$ 14,201	$ —	$ —
As of December 31, 2022:				
Cash and cash equivalents — money markets	$ 2,571	$ 2,571	$ —	$ —
Equities	392	392	—	—
Equity funds	2,884	2,884	—	—
Fixed income funds	598	598	—	—
Taxable bonds	5,205	5,205	—	—
Total	$ 11,650	$ 11,650	$ —	$ —

Management intends to at least fund the minimum ERISA amount for 2024 and may make some discretionary contributions to the Pension Plan, the amounts of which have not yet been determined.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid for the following ten-year period (in thousands):

Year ending December 31,	Amount
2024	$ 261
2025	257
2026	257
2027	263
2028	329
2029 to 2033	2,059

8. Share-Based Compensation

The Company grants share-based compensation to employees under the Texas Pacific Land Corporation 2021 Incentive Plan (the “2021 Plan”) and to its non-employee directors under the 2021 Non-Employee Director Stock and Deferred Compensation Plan (the “2021 Directors Plan”). As of December 31, 2023, share-based compensation granted under the plans has included these award types: stock awards, RSAs, RSUs and PSUs. Currently, all awards granted under the plans are entitled to receive dividends (which are accrued and distributed to award recipients upon vesting) or have dividend equivalent rights. Dividends and dividend equivalent rights are subject to the same vesting conditions as the awards to which they relate and are forfeitable if the related awards are forfeited. RSUs granted under the 2021 Plan vest in one-third increments and PSUs granted under the 2021 Plan cliff vest at the end of three years if the performance metrics are achieved (as discussed further below). RSAs granted under the 2021 Directors Plan vest on the first anniversary of the award. Effective October 31, 2023, the 2021 Directors Plan was amended to eliminate vesting requirements on stock awards granted after October 31, 2023.

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Incentive Plan for Employees

The maximum aggregate number of shares of the Company's Common Stock that may be issued under the 2021 Plan is 75,000 shares, which may consist, in whole or in part, of authorized and unissued shares (if any), treasury shares, or shares reacquired by the Company in any manner. As of December 31, 2023, 55,089 shares of Common Stock remained available under the 2021 Plan for future grants.

The following table summarizes activity related to RSAs and RSUs under the 2021 Plan for the years ended December 31, 2023 and 2022:

	Years Ended December 31,							
	2023				2022			
	Restricted Stock Awards [1]		Restricted Stock Units [2]		Restricted Stock Awards [1]		Restricted Stock Units [2]	
	Number of RSAs	Weighted-Average Grant-Date Fair Value per Share	Number of RSUs	Weighted-Average Grant-Date Fair Value per Share	Number of RSAs	Weighted-Average Grant-Date Fair Value per Share	Number of RSUs	Weighted-Average Grant-Date Fair Value per Share
Nonvested at beginning of period	1,337	$ 1,252	5,612	$ 1,323	3,330	$ 1,252	—	$ —
Granted	—	—	2,848	1,924	—	—	5,612	1,323
Vested [3]	(1,297)	1,252	(1,864)	1,324	(1,993)	1,252	—	—
Cancelled and forfeited	(40)	1,252	(371)	1,602	—	—	—	—
Nonvested at end of period	—	$ —	6,225	$ 1,581	1,337	$ 1,252	5,612	$ 1,323

(1) RSAs were granted on December 29, 2021: 1,993 shares vested on December 29, 2022, 40 shares were forfeited during 2023 and 1,297 shares vested on December 29, 2023.

(2) RSUs vest in one-third increments over a three-year period.

(3) Of the 3,161 shares that vested during the year ended December 31, 2023, 1,165 shares were surrendered upon vesting by employees to the Company to settle tax withholding obligations.

The following table summarizes activity related to PSUs for the years ended December 31, 2023 and 2022:

	Years Ended December 31,			
	2023		2022	
	Number of Target PSUs	Weighted-Average Grant-Date Fair Value per Share	Number of Target PSUs	Weighted-Average Grant-Date Fair Value per Share
Nonvested at beginning of period [1]	2,394	$ 1,355	—	$ —
Granted [2]	1,852	2,342	2,394	1,355
Vested	—	—	—	—
Cancelled and forfeited	—	—	—	—
Nonvested at end of period	4,246	$ 1,786	2,394	$ 1,355

(1) The PSUs were granted on February 11, 2022 and include 1,197 RTSR (as defined below) PSUs (based on target) with a grant date fair value of $ 1,605 per share and 1,197 FCF (as defined below) PSUs (based on target) with a grant date fair value of $ 1,105 per share. If the maximum performance potential metrics described in the PSU agreements are achieved, the actual number of units that will ultimately be awarded under the PSU agreements will exceed target units by 100 % (i.e., a collective 2,394 additional units would be issued).

(2) The PSUs were granted on February 10, 2023 and include 926 RTSR PSUs (based on target) with a grant date fair value of $ 2,761 per share and 926 FCF PSUs (based on target) with a grant date fair value of $ 1,924 per share. If the maximum performance potential metrics described in the PSU agreements are achieved, the actual number of units that will ultimately be awarded under the PSU agreements will exceed target units by 100 % (i.e., a collective 1,852 additional units would be issued).

Each PSU has a value equal to one share of Common Stock. The PSUs will vest three years after grant if certain performance metrics are met, as follows: 50 % of the PSUs may be earned based on the Company's relative total stockholder return ("RTSR") over the applicable three-year measurement period compared to the SPDR® S&P® Oil & Gas Exploration & Production ETF ("XOP") Index, and 50 % of the PSUs may be earned based on the cumulative free cash flow per share ("FCF") over the three-year vesting period. As the RTSR PSU is a market-based award, its grant date fair value was determined using a Monte Carlo simulation model that uses the same input assumptions as the Black-Scholes model to determine the expected potential ranking of the Company against the XOP Index, i.e., the probability of satisfying the market condition defined in the award. Expected volatility in the model was estimated based on the volatility of historical stock prices over a period matching the expected term of the award. The risk-free interest rate was based on U.S. Treasury yield constant maturities for a term matching the expected term of the award.

Equity Plan for Non-Employee Directors

The maximum aggregate number of shares of Common Stock that may be issued under the 2021 Directors Plan is 10,000 shares, which may consist, in whole or in part, of authorized and unissued shares (if any), treasury shares, or shares reacquired by the Company in any manner. As of December 31, 2023, 8,793 shares of Common Stock remained available under the 2021 Directors Plan for future grants.

The following table summarizes activity related to the RSAs under the 2021 Directors Plan for the years ended December 31, 2023 and 2022:

	Years Ended December 31,			
	2023		2022	
	Restricted Stock Awards		Restricted Stock Awards	
	Number of RSAs	Weighted-Average Grant-Date Fair Value per Share	Number of RSAs	Weighted-Average Grant-Date Fair Value per Share
Nonvested at beginning of period	699	$ 1,281	—	$ —
Granted (1)	486	2,344	784	1,277
Vested	(807)	1,423	—	—
Cancelled and forfeited	—	—	(85)	1,249
Nonvested at end of period	378	$ 2,344	699	$ 1,281

(1) *RSAs vest on the first anniversary of the grant date.*

As noted above, there are no vesting requirements associated with stock awards granted under the 2021 Directors Plan effective for awards granted subsequent to October 31, 2023. In November 2023, the Company granted a total of 22 shares of Common Stock to two new members of the Company's board of directors. The grant date fair value was $ 1,641 per share, the closing price of its Common Stock as of November 10, 2023.

Share-Based Compensation Expense

The following table summarizes our share-based compensation expense by line item in the consolidated statements of income (in thousands):

	Years Ended December 31,		
	2023	2022	2021
Salaries and related employee expenses (employee awards)	$ 9,124	$ 7,583	$ 28
General and administrative expenses (director awards)	1,219	849	—
Total share-based compensation expense (1)	$ 10,343	$ 8,432	$ 28

(1) *The Company recognized a tax benefit of $ 2.2 million and $ 1.8 million related to share-based compensation for the years ended December 31, 2023 and 2022, respectively.*

As of December 31, 2023, there was $ 8.6 million of total unrecognized compensation cost related to unvested share-based compensation arrangements granted under existing share-based plans expected to be recognized over a weighted average period of 1.1 years.

9. Other Income, Net

Other income, net, includes interest earned on our cash balances, other employee pension costs, and other miscellaneous income (expense). Miscellaneous income (expense) includes insurance proceeds and gains and losses on disposals of capital assets.

Other income, net for the years ended December 31, 2023, 2022 and 2021 was as follows (in thousands):

	Years Ended December 31,		
	2023	**2022**	**2021**
Other income, net:			
Interest earned on cash and cash equivalents, net	$ 28,630	$ 6,207	$ 78
Other employee pension costs	514	363	113
Miscellaneous other income (expense), net [1]	2,364	(22)	433
Total other income, net	$ 31,508	$ 6,548	$ 624

(1) For the year ended December 31, 2023, miscellaneous other income (expense), net includes $ 1.4 million of interest and damages resulting from an arbitration settlement with an operator. See Note 12, "Commitments" for further information regarding the arbitration.

10. Income Taxes

The income tax provision charged to operations for the years ended December 31, 2023, 2022 and 2021 was as follows (in thousands):

	Years Ended December 31,		
	2023	**2022**	**2021**
Current:			
U.S. Federal	$ 106,721	$ 117,395	$ 90,920
State and local	3,796	3,835	2,345
Current income tax expense	110,517	121,230	93,265
Deferred (benefit) expense	1,399	1,263	(228)
Total income tax expense	$ 111,916	$ 122,493	$ 93,037

Although TPL was a trust until January 11, 2021, it was historically taxed as if it were a corporation for income tax purposes prior to its conversion to a corporation.

Total income tax expense differed from the amounts computed by applying the U.S. Federal income tax rate of 21% for the years ended December 31, 2023, 2022 and 2021 to income before Federal income taxes as a result of the following (in thousands):

	Years Ended December 31,		
	2023	2022	2021
Computed tax expense at the statutory rate of 21%	$ 108,688	$ 119,460	$ 76,234
Reduction in income taxes resulting from:			
Statutory depletion	(682)	(823)	(584)
State taxes	3,439	3,045	1,740
Executive compensation	1,117	1,146	1,687
Prior year tax adjustments	(305)	(13)	18
Correction of historical tax depletion	—	805	12,975
Estimated penalties and interest	—	(763)	1,022
Other, net	(341)	(364)	(55)
Total income tax expense	$ 111,916	$ 122,493	$ 93,037
Effective tax rate	21.6 %	21.5 %	25.6 %

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities as of December 31, 2023 and 2022 are as follows (in thousands):

	December 31, 2023	December 31, 2022
Unearned revenue	$ 6,717	$ 5,621
Stock compensation	2,097	1,256
Other	760	48
Total deferred tax assets	9,574	6,925
Property, plant and equipment	17,532	16,958
Real estate and royalty interests	33,215	30,387
Pension plan asset	767	731
Other, net	425	—
Total deferred tax liabilities	51,939	48,076
Deferred taxes payable	$ (42,365)	$ (41,151)

TPL is subject to taxation in the United States and Texas. TPL is no longer subject to U.S. Federal income tax examination by tax authorities for tax years before 2020.

11. Earnings Per Share

Basic earnings per share ("EPS") is computed based on the weighted average number of shares outstanding during the period. Diluted EPS is computed based upon the weighted average number of shares outstanding during the period plus unvested restricted stock and other unvested awards granted pursuant to our incentive and equity compensation plans. The computation of diluted EPS reflects the potential dilution that could occur if all outstanding awards under the incentive and equity compensation plans were converted into shares of Common Stock or resulted in the issuance of shares of Common Stock that would then share in the earnings of the Company. The number of dilutive securities is computed using the treasury stock method.

The following table sets forth the computation of EPS for the years ended December 31, 2023, 2022 and 2021 (in thousands, except number of shares and per share data):

	Years Ended December 31,		
	2023	2022	2021
Net income	$ 405,645	$ 446,362	$ 269,980
Basic earnings per share:			
Weighted average shares outstanding for basic earnings per share	7,681,435	7,721,957	7,752,027
Basic earnings per share	$ 52.81	$ 57.80	$ 34.83
Diluted earnings per share:			
Weighted average shares outstanding for basic earnings per share	7,681,435	7,721,957	7,752,027
Effect of Dilutive securities:			
Stock-based incentive plan	5,180	4,852	27
Weighted average shares outstanding for diluted earnings per share	7,686,615	7,726,809	7,752,054
Diluted earnings per share	$ 52.77	$ 57.77	$ 34.83

Restricted stock is included in the number of shares of Common Stock issued and outstanding, but omitted from the basic earnings per share calculation until such time as the shares of restricted stock vest. Certain stock awards granted are not included in the dilutive securities in the table above as they are anti-dilutive for the year ended December 31, 2023.

12. Commitments

Litigation

Management is not aware of any legal, environmental or other commitments or contingencies that would have a material effect on the Company's financial condition, results of operations or liquidity as of December 31, 2023.

Prior to January 1, 2022, ad valorem taxes with respect to our historical royalty interests were paid directly by third parties pursuant to an existing arrangement. Since the completion of our Corporate Reorganization, we have received notice from a third party that they no longer intend to pay the ad valorem taxes related to such historical royalty interests. In order to protect the historical royalty interests from any potential tax liens for non-payment of ad valorem taxes, we have accrued and/or paid such ad valorem taxes since January 1, 2022. While we intend to seek reimbursement from the third party for such taxes, we are unable to estimate the amount and/or likelihood of such reimbursement, and accordingly, no loss recovery receivable has been recorded as of December 31, 2023.

Ongoing Arbitration with an Operator

As part of an ongoing arbitration between TPL and an operator with respect to underpayment of oil and gas royalties resulting from improper deductions of post-production costs by the operator for production periods before and through June 2023, the operator has agreed to pay $ 10.1 million to TPL, comprised of $ 8.7 million of unpaid oil and gas royalties, $ 0.9 million of interest and $ 0.5 million of damages. The full amount of $ 10.1 million has been recorded as a receivable, $ 8.7 million has been included in oil and gas royalty revenue and the remaining $ 1.4 million has been recorded as other income in the consolidated financial statements for the year ended December 31, 2023. The Company received payment from the operator for the full amount in January 2024.

Lease Commitments

As of December 31, 2023 and 2022, we have recorded right-of-use assets of $ 1.9 million and $ 2.5 million, respectively, and lease liabilities for $ 2.0 million and $ 2.8 million, respectively, primarily related to operating leases in connection with our administrative offices located in Dallas and Midland, Texas. The office lease agreements require monthly rent payments and expire in December 2025 and July 2027, respectively. Operating lease expense is recognized on a straight-line basis over the lease term. Operating lease cost for each of the years ended December 31, 2023 and 2022 was $ 0.8 million.

While certain of our lease agreements contain covenants governing the use of the leased assets or require us to maintain certain levels of insurance, none of our lease agreements include material financial covenants or limitations. There are no residual value guarantees in our lease commitments. The weighted-average lease term for our operating lease liabilities is approximately 33 months. The weighted average discount rate of our operating leases is 4.7 %.

Future minimum lease payments were as follows as of December 31, 2023 (in thousands):

Year ending December 31,	Amount
2024	$ 854
2025	826
2026	316
2027	187
Total lease payments	2,183
Less: imputed interest	(159)
Total operating lease liabilities	$ 2,024

Rent expense for these lease agreements amounted to approximately $ 0.8 million for each of the years ended December 31, 2023, 2022 and 2021.

13. Equity

Corporate Reorganization

On January 11, 2021, TPL completed its Corporate Reorganization. As part of the implementation of the Corporate Reorganization, prior to the market opening on January 11, 2021, the Trust distributed all of the shares of Common Stock of TPL Corporation to holders of Sub-shares of the Trust, on a pro rata, one -for-one, basis in accordance with their interests in the Trust (the "Distribution"). As a result of the Distribution, TPL Corporation is a corporation with its Common Stock listed under the symbol "TPL" on the New York Stock Exchange.

Stock Repurchase Program

On November 1, 2022, our board of directors approved a stock repurchase program, which became effective January 1, 2023, to purchase up to an aggregate of $ 250 million of our outstanding Common Stock.

The Company repurchases stock under a repurchase program opportunistically with funds generated by cash from operations. This repurchase program may be suspended from time to time, modified, extended or discontinued by the board of directors at any time. Purchases under the stock repurchase program may be made through a combination of open market repurchases in compliance with Rule 10b-18 promulgated under the Securities Exchange Act of 1934, as amended, privately negotiated transactions, and/or other transactions at the Company's discretion, including under a Rule 10b5-1 trading plan implemented by the Company, and will be subject to market conditions, applicable legal requirements and other factors.

For the year ended December 31, 2023, we repurchased 27,619 shares of Common Stock totaling $ 42.4 million for an average price per share of $ 1,536 . For the year ended December 31, 2022, we repurchased 48,959 shares of Common Stock totaling $ 87.9 million for an average price per share of $ 1,795 .

Dividends

For the year ended December 31, 2023, we paid total cash dividends of $ 13.00 per share of Common Stock. For the year ended December 31, 2022, we paid total cash dividends of $ 12.00 per share of Common Stock and special dividends of $ 20.00 per share of Common Stock.

14. Business Segment Reporting

During the periods presented, we reported our financial performance based on the following segments: Land and Resource Management and Water Services and Operations. Our segments provide management with a comprehensive financial view of our key businesses. The segments enable the alignment of our strategies and objectives and provide a framework for timely and rational allocation of resources within businesses. We eliminate any inter-segment revenues and expenses upon consolidation.

The Land and Resource Management segment encompasses the business of managing our approximately 868,000 surface acres of land and our oil and gas royalty interests in West Texas, principally concentrated in the Permian Basin. The revenue streams of this segment consist primarily of royalties from oil and gas, revenues from easements and commercial leases, and land and material sales.

The Water Services and Operations segment encompasses the business of providing a full-service water offering to operators in the Permian Basin. The revenue streams of this segment primarily consist of revenue generated from sales of sourced and treated water as well as revenue from produced water royalties.

The following table presents s egment financial results for the years ended December 31, 2023, 2022 and 2021 were as follows (in thousands):

	Years Ended December 31,		
	2023	**2022**	**2021**
Revenues:			
Land and resource management	$ 432,105	$ 506,975	$ 320,387
Water services and operations	199,490	160,447	130,571
Total consolidated revenues	$ 631,595	$ 667,422	$ 450,958
Net income:			
Land and resource management	$ 306,706	$ 365,041	$ 208,897
Water services and operations	98,939	81,321	61,083
Total consolidated net income	$ 405,645	$ 446,362	$ 269,980
Capital Expenditures:			
Land and resource management	$ 241	$ 393	$ 4,688
Water services and operations	15,190	18,574	11,727
Total capital expenditures	$ 15,431	$ 18,967	$ 16,415
Depreciation, depletion and amortization:			
Land and resource management	$ 3,073	$ 2,234	$ 2,397
Water services and operations	11,684	13,142	13,860
Total depreciation, depletion and amortization	$ 14,757	$ 15,376	$ 16,257

The following table presents total assets and property, plant and equipment, net by segment as of December 31, 2023 and 2022 (in thousands):

	December 31, 2023	December 31, 2022
Assets:		
Land and resource management	$ 975,136	$ 735,193
Water services and operations	181,262	142,234
Total consolidated assets	$ 1,156,398	$ 877,427
Property, plant and equipment, net:		
Land and resource management	$ 5,322	$ 5,998
Water services and operations	84,265	79,480
Total consolidated property, plant and equipment, net	$ 89,587	$ 85,478

15. Subsequent Events

We evaluated events that occurred after the balance sheet date through the date these financial statements were issued, and the following events that met recognition or disclosure criteria were identified:

Dividends Declared

On February 13, 2024, our board of directors declared a quarterly cash dividend of $ 3.50 per share, payable on March 15, 2024 to stockholders of record at the close of business on March 1, 2024.

16. Oil and Gas Producing Activities (Unaudited)

We measure our share of oil and gas produced in barrels of oil equivalent ("Boe"). One Boe equals one barrel of crude oil, condensate, NGLs (natural gas liquids) or approximately 6,000 cubic feet of gas. For the years ended December 31, 2023, 2022 and 2021, our share of oil and gas produced was approximately 23.5 , 21.3 and 18.6 thousand Boe per day, respectively. Reserves related to our royalty interests are not presented because the information is unavailable.

There are a number of oil and gas wells that have been drilled but are not yet completed ("DUC") where we have a royalty interest. The number of DUC wells is determined using uniform drilling spacing units with pooled interests for all wells awaiting completion. We have identified 675 , 584 , and 452 DUC wells subject to our royalty interest as of December 31, 2023, 2022 and 2021, respectively.

*****

Exhibit No. 4.1

DESCRIPTION OF CAPITAL STOCK

General

Texas Pacific Land Corporation's ("TPL") authorized capital stock consists of 7,756,156 shares of TPL common stock, par value $0.01 per share, and 1,000,000 shares of preferred stock, par value $0.01 per share.

Common Stock

As of February 14, 2024, 7,668,422 shares of TPL common stock were issued and outstanding, all of which were fully paid and nonassessable.

Voting Rights

Except as provided by law or in a preferred stock designation, holders of TPL common stock will be entitled to one vote for each share held upon all matters which holders of TPL common stock are entitled to vote, and the holders of shares of TPL common stock shall have the exclusive right to vote for the election of directors and on all other matters upon which the stockholders are entitled to vote. Holders of TPL common stock do not have cumulative voting rights. The number of authorized shares of TPL common stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority in voting power of the outstanding shares of stock of TPL entitled to vote thereon irrespective of the provisions of Section 242(b)(2) of the Delaware General Corporation Law (or any successor provision thereto) ("DGCL"), and no vote of the holders of either preferred stock or TPL common stock voting separately as a class shall be required therefor.

Dividend Rights

Subject to the rights and preferences, if any, applicable to shares of preferred stock or any series thereof, the holders of shares of TPL common stock will be entitled to receive, ratably in proportion to the number of shares of TPL common stock held by them, such dividends and distributions (payable in cash, stock or property), if, when and as may be declared thereon by the TPL board, at any time and from time to time, out of any funds or assets of TPL that are legally available therefor at such time and in such amounts as the TPL board in its direction will determine.

Liquidation Rights

In the event of any voluntary or involuntary liquidation, dissolution or winding up of TPL, holders of TPL common stock will be entitled to share ratably in all assets of TPL remaining, after TPL pays all of its debts and other liabilities and any amounts TPL may owe to the holders of preferred stock, if any.

Other Matters

Holders of TPL common stock will not have preemptive or preferential rights. There are no redemption or sinking fund provisions applicable to TPL common stock.

Preferred Stock

Our second amended and restated certificate of incorporation (the “Certificate of Incorporation”) authorizes the TPL board, subject to any limitations prescribed by law and the rights of any series of preferred stock then outstanding, if any, without further stockholder approval, to authorize the issuance of preferred stock from time to time in one or more series, par value $0.01 per share, covering up to an aggregate of 1,000,000 shares of preferred stock. The TPL board is authorized under the Certificate of Incorporation to fix the designations, powers, preferences, privileges, and relative, participating, optional, or special rights, and qualifications, limitations and restrictions relating to each such series of preferred stock, including, but not limited to, voting rights, the number of shares to constitute the series, restrictions on issuance, redemption rights, dividend rights, liquidation preferences and conversion rights. Except as provided by law or in a preferred stock designation, the holders of preferred stock will not be entitled to vote at any meeting of stockholders.

Anti-Takeover Effects of Delaware Law and Provisions of Our Second Amended and Restated Certificate of Incorporation and Our Amended and Restated Bylaws

Some provisions of Delaware law contain, and our Certificate of Incorporation and our amended and restated bylaws (the “Bylaws”) will contain, provisions that could make the following transactions more difficult: acquisitions of us by means of a tender offer, a proxy contest or removal of our incumbent officers and directors. These provisions may also have the effect of preventing changes in our management. It is possible that these provisions could make it more difficult to accomplish or could deter transactions that stockholders may otherwise consider to be in their best interest or in our best interests, including transactions that might result in a premium over the market price for our shares.

These provisions, summarized below, are expected to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to negotiate with us first. We believe that the benefits of increased protection and our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging these proposals because, among other things, negotiation of these proposals could result in an improvement of their terms.

Delaware Law

TPL will be subject to the provisions of Section 203 of the DGCL (“Section 203”) regulating corporate takeovers. In general, those provisions prohibit a Delaware corporation, including those whose securities are listed for trading on the NYSE, from engaging in any business combination with any interested stockholder for a period of three years following the date that the stockholder became an interested stockholder, unless:

- the transaction is approved by the TPL board before the date the interested stockholder attained that status;
- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of TPL outstanding at the time the transaction commenced; or

- on or after such time the business combination is approved by the TPL board and authorized at a meeting of stockholders by at least two-thirds of the outstanding voting stock that is not owned by the interested stockholder.

Except as otherwise set forth in Section 203, an interested stockholder is defined to include: (a) any person that is the owner of 15% or more of the outstanding voting stock of the corporation, or is an affiliate or associate of the corporation and was the owner of 15% or more of the outstanding voting stock of the corporation at any time within the three years immediately prior to the date of determination; and (b) the affiliates and associates of any such person.

Section 203 may make it more difficult for a person who would be an interested stockholder to effect various business combinations with a corporation for a three-year period. The provisions of Section 203 may encourage persons interested in acquiring us to negotiate in advance with the TPL board, because the stockholder approval requirement would be avoided if a majority of the directors then in office approve either the business combination or the transaction that results in any such person becoming an interested stockholder. These provisions also may have the effect of preventing changes in our management. It is possible that these provisions could make it more difficult to accomplish transactions that our stockholders may otherwise deem to be in their best interests.

Our Certificate of Incorporation and Our Bylaws

Certain provisions of our Certificate of Incorporation and our Bylaws may delay or discourage transactions involving an actual or potential change in control or change in our management, including transactions in which stockholders might otherwise receive a premium for their shares or might otherwise deem to be in their best interest. Therefore, these provisions could adversely affect the price of TPL common stock.

Our Certificate of Incorporation and Bylaws:

- establish advance notice procedures with regard to stockholder proposals relating to the nomination of candidates for election as directors or new business to be brought before meetings of our stockholders. These procedures provide that notice of stockholder proposals must be timely and given in writing to our corporate secretary prior to the meeting at which the action is to be taken. Generally, to be timely, notice must be received by our corporate secretary at our principal executive offices not earlier than the close of business on the 120th day before the one-year anniversary of the immediately preceding year's annual meeting and not later than the close of business on the 90th day before such anniversary. These requirements may preclude stockholders from bringing matters before the stockholders at an annual or special meeting;

- provide the TPL board the ability to authorize undesignated preferred stock. This ability makes it possible for the TPL board to issue, without stockholder approval, preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of us. These and other provisions may have the effect of deferring hostile takeovers or delaying changes in control or management of our company;

- provide that, subject to the rights of holders of any series of preferred stock, the authorized number of directors shall be fixed from time to time, within a range of seven to eleven directors, by a resolution of the majority of the authorized directors;

- provide that members of the TPL board will generally be elected by a majority of the votes cast with respect to the director at any meeting for the election of directors at which a quorum is present, provided that in the case of a contested election, the directors shall be elected by the vote of a plurality of the votes cast;

- provide that any newly created directorship that results from an increase in the number of directors or any vacancy that arises on the Board shall be filled by a majority of the directors then in office;

- provide that our bylaws can be amended or repealed by a majority of the TPL board;

- provide that, subject to the rights of holders of any series of preferred stock, any action required or permitted to be taken by our stockholders must be taken at a duly held annual or special meeting of stockholders and may not be taken by any consent in writing of such stockholders, except as otherwise authorized by the TPL board;

- provide that special meetings of our stockholders may be called only pursuant to a resolution adopted by the TPL board;

- provide that the TPL board's division of directors into classes will terminate effective at the 2025 annual meeting of stockholders, with each director elected after the 2022 annual meeting of shareholders serving a one-year term, other than directors that may be elected by holders of our preferred stock, if any;

- provide that the affirmative vote of a majority of the voting power of the outstanding shares of stock of TPL shall be required to remove any or all of the directors from office, subject to any greater vote provided for directors elected by holders of our preferred stock, if any, and such removal may be with or without cause; provided that, any director serving in a class of directors serving a three-year term may only be removed with cause; and

- prohibit cumulative voting on all matters.

Forum Selection

Our Certificate of Incorporation provides that unless TPL consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if such court does not have jurisdiction, the U.S. District Court for the District of Delaware) or the U.S. District Court for the Northern District of Texas in Dallas, Texas (or if such court does not have jurisdiction, any district court in Dallas County in the State of Texas) will, to the fullest extent permitted by applicable law, be the sole and exclusive forums for: (a) any derivative action or proceeding brought on our behalf; (b) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any of our current or former directors, officers, employees, agents or stockholders; (c) any action or proceeding asserting a claim against us or any of our directors, officers, employees or agents arising pursuant to, or seeking to enforce any right, obligation or remedy under any provision of the DGCL, the laws of the State of Texas, the Certificate of Incorporation or the Bylaws; or (d) any action or proceeding asserting a claim against us or any of our directors, officers, employees or agents governed by the internal affairs doctrine, in each such case, subject to the applicable court having personal jurisdiction over the indispensable parties named as defendants. Our Certificate of Incorporation also provide that unless TPL consents in writing to the selection of an alternative forum, the federal district courts of the United States will be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended.

Our Certificate of Incorporation also provides that any person or entity purchasing or otherwise acquiring or holding any interest in shares of our capital stock will be deemed to have notice of, and to have consented to, our forum selection provision. Although we believe these provisions will benefit us by providing increased consistency in the application of law for the specified types of actions and proceedings, this provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, employees and agents, which may discourage such lawsuits. If a court were to find that any of these provisions are inapplicable or unenforceable in an action, we could incur additional costs associated with resolving such action in other jurisdictions, which could have a material adverse effect on our business, financial condition and results of operations.

Limitation of Liability and Indemnification Matters

Our Certificate of Incorporation limits the liability of our directors for monetary damages for breach of their fiduciary duty as directors, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL as it now exists. The DGCL authorizes corporations to limit or eliminate the personal liability of directors to corporations and their stockholders for monetary damages for breaches of directors' fiduciary duties as directors, except: (a) for any breach of their duty of loyalty to us or our stockholders; (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (c) for unlawful payment of dividends or unlawful stock repurchases or redemptions, as provided under Section 174 of the DGCL; or (d) for any transaction from which the director derived an improper personal benefit. Any amendment, repeal or modification of these provisions in the Certificate of Incorporation will be prospective only and will not affect any limitation on liability of a director for acts or omissions that occurred prior to any such amendment, repeal or modification.

Our Bylaws also provide that we will indemnify and hold harmless to the fullest extent permitted by law any person who becomes involved in any legal proceeding by reason of the fact that they are or were a director, trustee or officer of TPL or any predecessor in interest to the assets of TPL a ("predecessor"). Our Bylaws also provide that TPL will indemnify and advance expenses to any such covered person on the condition that such person will repay all amounts advanced if it is ultimately determined by a court that such person is not entitled to be indemnified.

Our Bylaws permit us to purchase and maintain insurance, at our expense, to protect ourselves and any person who is or was serving as a director, trustee, officer, employee or agent of TPL or any predecessor, regardless of whether we could have the power to indemnify such person against such expense, liability or loss under the DGCL, the amended and restated bylaws or otherwise.

We have entered into, and intend to enter into, indemnification agreements with each of our current and future directors and we may enter into indemnification agreements with our future officers. These agreements would require us to indemnify such individuals to the fullest extent permitted under Delaware law against liability that may arise by reason of their service to us, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified. We believe that the limitation of liability provision that will be in our Certificate of Incorporation, the indemnification and insurance-related provisions that will be in our amended and restated bylaws and indemnification agreements will facilitate our ability to continue to attract and retain qualified individuals to serve TPL.

Transfer Agent and Registrar

The transfer agent and registrar for TPL common stock is American Stock Transfer & Trust Company, LLC.

Listing

The TPL common stock is listed on the NYSE under the symbol “TPL.”

NOTICE OF FCF/SHARE PERFORMANCE UNIT AWARD

under the

TEXAS PACIFIC LAND CORPORATION 2021 INCENTIVE PLAN

This AWARD, made as of the ___ day of _________, 20__, by Texas Pacific Land Corporation, a Delaware corporation (the "Company"), to **«Name»** ("Participant"), is made pursuant to and subject to the provisions of the Texas Pacific Land Corporation 2021 Incentive Plan (the "Plan"). All terms that are used herein that are defined in the Plan shall have the same meanings given them in the Plan.

Contingent Performance Units

1. **Grant Date**. Pursuant to the Plan, the Company, on______________, 20__ (the "Grant Date"), granted Participant an incentive award ("Award") in the form of **«# of Units» FCF/Share Performance Units** (which number of Units is also referred to herein as the "Target Units"), subject to the terms and conditions of the Plan and subject to the terms and conditions set forth herein.

2. **Value**. The value of each FCF/Share Performance Unit shall be equal to the value of one Share of the common stock; and the value of the Company's Shares is the Fair Market Value (as defined in the Plan) on the date any FCF/Share Performance Units become vested and payable hereunder, or such other relevant date as may be referenced in this Award.

3. **Definitions**. Terms used in this Award Notice shall have the following meanings:

   (a) **"Measurement Period"** means the 20__, 20__ and 20___ calendar period.

   (b) **"Free Cash Flow"** shall be determined using the following formula—

   X minus **Y** minus **Z**, where:

   X = Adjusted EBITDA (defined as [To Be Inserted]);

   Y = Current income tax expense (defined as [To Be Inserted]); and

   Z = Capital Expenditures (defined as [To Be Inserted]).

   (c) **"Cumulative Free Cash Flow"** means the total Free Cash Flow during the Measurement Period.

   (d) **"Cumulative Free Cash Flow/Share"** means the total Free Cash Flow during the Measurement Period divided by the weighted average shares outstanding (as reported in the Company's 10-K balance sheet.

4. **Performance Criteria**. Except as otherwise provided herein, Participant's FCF/Share Performance Units shall be earned on the Award Date (defined in paragraph 5) in a percentage determined by the performance level for the Cumulative 3-Year FCF/Share achieved during the Measurement Period, as set forth in paragraph 3 and on Exhibit A. The performance criteria set forth on Exhibit A may be adjusted by the Committee in its sole and absolute discretion to reflect any extraordinary or significant events that affect Free Cash Flow.

Earning and Vesting of FCF/Share Performance Units

5. **Earned Awards**. As soon as practicable after the end of the Measurement Period, a determination shall be made by the Committee of the number of whole FCF/Share Performance Units that Participant has earned. The date as of which the Committee determines the number of FCF/Share Performance Units earned shall be the "Award Date."

6. **Vesting of Earned Awards**. Participant's interest in the earned FCF/SHARE Performance Units shall become vested and non-forfeitable **[***on the Award Date* ***OR*** ______________***]***and will be paid as soon as practicable thereafter.

7. ***[IF APPLICABLE*** *Qualifying Termination Events. (a) Notwithstanding anything in this Notice of Award to the contrary, if a Participant separates from service prior to the Award Date on account of a Qualifying Termination Event (as defined below), then the Participant's FCF/Share Performance Units shall be earned under paragraph 6 above as of the Award Date* ***[in full OR as to a pro-rata portion of the unearned Award]****, based on the actual level of achievement of the performance criteria set forth in paragraph 3 above and Exhibit A, and the earned FCF/Share Performance Units shall be fully vested as of the Award Date, and payable pursuant to paragraphs 10-13 hereof.*

[IF APPLICABLE: *The pro-rata portion of the unearned Award that shall vest pursuant to the preceding sentence shall be equal to a fraction of the unearned Award where the numerator of such fraction shall equal the number of full months of service performed by the Participant on and after (and including the month of) the Date of Grant, and prior to the Qualifying Termination Event; and the denominator of the fraction shall equal 36.****]***

The unearned portion of the Award shall be forfeited.

(b) For purposes of this Award, Qualifying Termination Event shall mean the Participant's death, Disability, or involuntary termination by the Company or an Affiliate other than for Cause ***[, or a voluntary termination by the Participant for Good Reason]****. A Disability for purposes of this sub-paragraph (b) means a Participant's Permanent Disability as defined in Section 22(e)(3) of the Code.*

*(c) Unless otherwise specified in an applicable employment agreement between the Company and the Participant, for purposes of this Award, Cause [****and Good Reason****] shall have the meaning[****s****] set forth in the Plan and the Committee shall have the authority to determine whether Participant's termination from employment is for Cause [****or Good Reason****] or for any reason other than Cause* ***or Good Reason****].]*

8. **Effects of a Change in Control**.

(a) The provisions of this paragraph 8, as well as the provisions of Article 17 of the Plan, shall apply in the event of a Change in Control (as defined in the Plan) prior to the forfeiture of the FCF/Share Performance Units under paragraph 9.

(b) Upon a Change in Control prior to the Award Date, a pro-rata number (as defined in the next sentence) of the Target Units will be immediately earned, vested and paid, based on achievement of the Target level of 3 -Year FCF/Share as described in Exhibit A. The pro-rata number of Units earned shall be equal to 1/36th of the Units granted, for each full month of service performed by Participant during the Measurement Period, as of the date of the Change in Control**.** The number of FCF/Share Performance Units earned under this paragraph 9 shall be determined by the Committee (as it exists immediately prior to the Change in Control) in its sole and absolute discretion within the limits provided in the Plan, and the earned FCF/Share Performance Units shall be vested and paid pursuant to paragraphs 10-13 hereof, no later than March 15th of the calendar year after the year in which the Change in Control occurs.

9. **Forfeiture**. Except as provided in paragraphs 8 and 9 hereof, all FCF/Share Performance Units that are forfeitable shall be forfeited if Participant's employment with the Company or an Affiliate terminates for any reason other than by reason of a Qualifying Termination Event or Change in Control as outlined in paragraphs 7 and 8.

    (a) Notwithstanding the foregoing, if the events described in paragraph 7 or paragraph 8 occur after the date that the Participant is advised (upon recommendation by the Committee) that their employment is being, or will be, terminated for Cause, or on account of performance or in circumstances that prevent them from being in good standing with the Company, accelerated vesting shall not occur and all rights to this Award shall terminate on the date of Participant's termination of employment.

Payment of Awards

10. **Time of Payment**. Payment of Participant's FCF/Share Performance Units shall be made as soon as practicable after the Units have become non-forfeitable (or the Award Date, if later), but in no event later than March 15th of the calendar year after the year in which the Units become earned and non-forfeitable.

11. **Form of Payment**. The vested FCF/Share Performance Units shall be paid in (a) whole Shares of the Company's common stock, (b) cash, or (c) a combination of whole Shares of the Company's common stock and cash, as determined solely at the discretion of the Company.

12. **Death of Participant**. If Participant dies prior to the payment of his or her earned and vested FCF/Share Performance Units, an amount equal to the amount of Participant's non-forfeitable FCF/Share Performance Units shall be paid to his or her Beneficiary. Participant shall have the right to designate a Beneficiary in accordance with procedures established under the Plan for such purpose. If Participant fails to designate a Beneficiary, or if at the time of Participant's death there is no surviving Beneficiary, any amounts payable will be paid to Participant's estate.

13. **Taxes**. The Company may, at the request of the Participant, withhold from the Award, to the extent paid in Shares, the number of whole shares of common stock necessary to satisfy Federal tax-withholding requirements and state and local tax-withholding requirements with respect to the state and locality designated by Participant as their place of residence in the Company's system of record at the time the Award becomes taxable. It is Participant's responsibility to properly report all income and remit all Federal, state, and local taxes that may be due to the relevant taxing authorities as the result of receiving this Award.

General Provisions

14. **Accounts**. FCF/Share Performance Units granted to Participant shall be credited to an account (the 'Account") established and maintained for Participant. The Account of Participant shall be the record of FCF/Share Performance Units granted to Participant under the Plan, is solely for accounting purposes and shall not require a segregation of any Company assets.

15. **No Right to Continued Employment**. Neither this Award nor the granting, earning or vesting of FCF/Share Performance Units shall confer upon Participant any right with respect to continuance of employment by the Company or an Affiliate, nor shall it interfere in any

way with the right of the Company or an Affiliate to terminate Participant’s employment at any time.

16. **<u>Change in Capital Structure</u>**. In accordance with the terms of the Plan, the terms of this Award shall be adjusted as the Committee determines is equitable in the event the Company effects one or more stock dividends, stock split-ups, subdivisions or consolidations of shares or other similar changes in capitalization.

17. **<u>Governing Law</u>**. This Award shall be governed by the laws of the State of Texas and applicable Federal law. All disputes arising under this Award shall be adjudicated solely within the state or Federal courts located within the State of Texas, Dallas County.

18. **<u>Conflicts</u>**. In the event of any conflict between the provisions of the Plan as in effect on the Grant Date and the provisions of this Award, the provisions of the Plan shall govern. All references herein to the Plan shall mean the Plan as in effect on the Grant Date.

19. **<u>Participant Bound By Plan</u>**. Participant has been provided a copy of the Plan and shall be bound by the terms and provisions thereof.

20. **<u>Binding Effect</u>**. Subject to the limitations stated above and in the Plan, this Award shall be binding upon and inure to the benefit of the legatees, distributees, and personal representatives of Participant and the successors of the Company.

21. ***[IF APPLICABLE: <u>Dividend Equivalents</u>***. *(a) If, prior to the earning, vesting and payment of the FCF/Share Performance Units, the Company declares a cash or stock dividend on its Shares, then* ***[Accrual, Treatment and Payment of Dividend Equivalents to be described.]***

22. **<u>Recoupment</u>**. In addition to any other applicable provision of the Plan, this Award is subject to the terms of any separate Clawback Policy maintained by the Company, as such Policy may be amended from time to time.

IN WITNESS WHEREOF, the Company has caused this Award to be signed on its behalf.

TEXAS PACIFIC LAND CORPORATION

By: ________________________________

EXHIBIT A

FCF/Share Performance Goals

3 -Year FCF/Share Achieved in Measurement Period	Percentage of Target Units Earned*
Less than Threshold-- $	0%
Threshold--- $	___%
Target--- $	%
Maximum---$	___%

* The percentage of Target Units earned for performance between the Threshold, Target and Maximum Performance Levels will be determined by linear interpolation. No percentage of the Target Units will be earned for performance below the Threshold Performance Level. The number of FCF/Share Performance Units earned hereunder shall be rounded to the nearest whole number.

Exhibit No. 21.1

TEXAS PACIFIC LAND CORPORATION

List of Subsidiaries

Entity	Jurisdiction
Texas Pacific Resources LLC	Texas
Texas Pacific Water Resources LLC	Delaware
Transmissive Water Services LLC (under Texas Pacific Water Resources LLC)	Texas
TPL Holdings LLC	Texas
Texas Eagle Ranches, LLC	Texas
Texas Pacific Royalty Acquisitions, LLC	Texas
Riverton Holdings, LLC	Texas

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-261938 on Form S-8 of our reports dated February 21, 2024, relating to the financial statements of Texas Pacific Land Corporation and the effectiveness of Texas Pacific Land Corporation's internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended December 31, 2023.

/s/ Deloitte & Touche LLP

Dallas, Texas
February 21, 2024

Exhibit No. 31.1

CERTIFICATION

I, Tyler Glover, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2023 of Texas Pacific Land Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 21, 2024

By: /s/ Tyler Glover

Tyler Glover, President and
Chief Executive Officer

Exhibit No. 31.2

CERTIFICATION

I, Chris Steddum, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2023 of Texas Pacific Land Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 21, 2024

By: /s/ Chris Steddum

Chris Steddum, Chief Financial Officer

Exhibit No. 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K for the year ended December 31, 2023 of Texas Pacific Land Corporation (the “Company”) as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Tyler Glover, Chief Executive Officer of the Company, certifies, to the best of his knowledge, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date:	February 21, 2024	By:	/s/ Tyler Glover
			Tyler Glover, President and Chief Executive Officer

Exhibit No. 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K for the year ended December 31, 2023 of Texas Pacific Land Corporation (the “Company”) as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Chris Steddum, Chief Financial Officer of the Company, certifies, to the best of his knowledge, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date:	February 21, 2024	By:	/s/ Chris Steddum
			Chris Steddum, Chief Financial Officer

TEXAS PACIFIC LAND CORPORATION

CLAWBACK POLICY

As adopted by the Board of Directors, effective November 1, 2023

Introduction

The Board of Directors ("**Board**") of Texas Pacific Land Corporation (the "**Company**") believes that it is in the best interests of the Company and its shareholders to maintain a culture that emphasizes integrity and accountability and that reinforces the Company's pay-for-performance compensation philosophy. To implement this goal, the Board has adopted this policy (the "**Policy**") which provides for the recoupment of certain executive compensation in the event of an accounting restatement resulting from material noncompliance with financial reporting requirements under the federal securities laws. This Policy is designed to comply with Section 10D of the Securities Exchange Act of 1934, as amended, and Rule 10D-1 promulgated thereunder (collectively, "**Section 10D**").

Employees Covered by the Policy

This Policy applies to the Company's current and former executive officers, as determined by the Board in accordance with Section 10D and the listing standards of the national securities exchange on which the Company's securities are listed (the "**Listing Standards**"), as well as such other senior executives and employees who may from time to time be deemed subject to the Policy by the Board ("**Covered Executives**").

Administration

This Policy shall be administered by the Board or, if so designated by the Board, the Compensation Committee of the Board ("**Committee**"), in which case references herein to the Board shall be deemed references to the Committee. Any determinations made by the Board shall be final and binding on all affected individuals.

Clawbacks Due to Accounting Restatements

In the event the Company is required to prepare an accounting restatement of its financial statements due to the Company's material noncompliance with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period, the Board will require reimbursement or forfeiture of any excess Incentive Compensation received by any Covered Executive during the three completed fiscal years immediately preceding the date on which the Company is required to prepare an accounting restatement (or any transition period that results from a change in the Company's fiscal year (as set forth in the Listing Standards)), as determined in accordance with Section 10D and any applicable rules or Listing Standards. The date on which the Company is required to prepare an accounting restatement is the earlier to occur of (A) the date the Board or a Board committee (or authorized officers of the Company if Board action is not required) concludes, or reasonably should have concluded, that the Company is required to prepare an accounting restatement or (B) the date a court, regulator, or other legally authorized body directs the Company to prepare an accounting restatement.

Incentive Compensation

For purposes of this Policy, "Incentive Compensation" means any compensation that is granted, earned, or vested based wholly or in part on the attainment of a "financial reporting measure" (as defined under Section 10D, and including, for the avoidance of doubt, stock price and total stockholder return ("**TSR**") measures), including, but not limited to, performance-based cash, stock, options or other equity-based awards paid or granted to the Covered Executive. Compensation that is granted, vests or is earned based solely upon the occurrence of non-financial events, such as base salary, restricted stock or options with time-based vesting, or a bonus awarded solely at the discretion of the Board and not based on the attainment of any financial measure, is not subject to this Policy.

Amounts Subject to Recovery

The amounts to be recovered pursuant to this Policy will be the excess of the Incentive Compensation received by the Covered Executive based on the erroneous data, over the Incentive Compensation that would have been received by the Covered Executive had it been based on the restated results, as determined by the Board and without regard to any taxes paid or withheld.

Incentive Compensation, for purposes of being subject to recoupment, will be deemed received in the fiscal period during which the financial reporting measure on which the Incentive Compensation is based is attained or purportedly attained, regardless of whether the Incentive Compensation is granted or paid after the end of that fiscal period.

For Incentive Compensation based on stock price or TSR, where the amount of erroneously awarded compensation is not subject to mathematical recalculation directly from the information in the financial restatement, then the Board shall determine the amount to be recovered based on a reasonable estimate of the effect of the financial restatement on the stock price or TSR upon which the Incentive Compensation was received and the Company shall document the determination of that estimate and provide it to national securities exchange on which the Company's securities are listed.

The compensation recouped under this Policy shall not include Incentive Compensation received by a Covered Executive (i) prior to beginning service as a Covered Executive or (ii) if he or she did not serve as a Covered Executive at any time during the performance period applicable to the Incentive Compensation in question.

Method of Recoupment

The Board will determine, in its sole discretion, the method for recouping Incentive Compensation hereunder, and such method shall be such that the excess compensation is corrected reasonably promptly, the recoupment is not permitted to be paid in installments, and the method used shall consider the implications of other relevant laws including, but not limited to, Section 409A of the Internal Revenue Code. Covered Executives shall be solely responsible for any tax consequences to them that result from the recoupment or recovery of any amount pursuant to this Policy, and the Company shall have no obligation to administer the Policy in a manner that avoids or minimizes any such tax consequences.

No Indemnification

The Company shall not indemnify any Covered Executives against the loss of any Incentive Compensation resulting from recoupment pursuant to this Policy, including paying premiums on an insurance policy that would cover a Covered Executives' Incentive Compensation reimbursement obligation or any claims relating to the Company's enforcement of rights under this Policy.

Interpretation

The Board is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. This Policy shall be interpreted in a manner that is consistent with the requirements of Section 10D and any applicable rules or standards adopted by the Securities and Exchange Commission or any national securities exchange on which the Company's securities are listed and, to the extent this Policy is in any manner deemed inconsistent with such rules, this Policy shall be treated as retroactively amended to be compliant with such rules.

Amendment

The Board may amend, replace or terminate this Policy from time to time in its discretion.

Other Recoupment Rights and Rules

The Board intends that this Policy will be applied to the fullest extent of the law. Each Covered Executive may be required to sign and return to the Company the acknowledgement form attached hereto as Exhibit A pursuant to which such Covered Executive will agree to be bound by the terms of, and comply with, this Policy. For the avoidance of doubt, each Covered Executive shall be fully bound by, and must comply with, the Policy, whether or not such Covered Executive has executed and returned such acknowledgment form to the Company. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other legal or equitable remedies or rights of recoupment that may be available to the Company, whether arising under applicable law (including pursuant to Section 304 of the Sarbanes-Oxley Act of

2002), regulation or pursuant to the terms of any policy of the Company, employment agreement, equity award agreement, or similar agreement.

The Board shall recover any excess Incentive Compensation in accordance with this Policy unless such recovery would be impracticable, as determined by the Board in accordance with Section 10D and the Listing Standards. In the event that the Board determines recovery to be impracticable, the Company shall comply with any related documentation requirements under Section 10D and the Listing Standards.

The Company shall comply with the disclosure requirements relating to Section 10D and any actions taken in compliance therewith as promulgated by the Securities and Exchange Commission and the Listing Standards.

No-Fault Recovery

Recoupment under this Policy shall be required regardless of whether the Covered Executive or any other person was at fault or responsible for accounting errors that contributed to the need for the financial restatement or engaged in any misconduct.

Effective Date

This Policy has been adopted by the Board on November 1, 2023, and shall apply to any Incentive Compensation that is received by a Covered Executive on or after October 2, 2023. Any Incentive Compensation received by a Covered Executive prior to October 2, 2023 shall be subject to the Policy as then in effect.

Successors

This Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators, or other legal representatives.

EXHIBIT A

DODD-FRANK COMPENSATION CLAWBACK POLICY

ACKNOWLEDGEMENT FORM

Capitalized terms used but not otherwise defined in this Acknowledgement Form (this "***Acknowledgement Form***") shall have the meanings ascribed to such terms in the Policy.

By signing this Acknowledgement Form, the undersigned acknowledges, confirms and agrees that the undersigned: (i) has received and reviewed a copy of the Policy; (ii) is and will continue to be subject to the Policy and that the Policy will apply both during and after the undersigned's employment with the Company; and (iii) will abide by the terms of the Policy, including, without limitation, by reasonably promptly returning any recoverable compensation to the Company as required by the Policy, as determined by the Compensation Committee in its sole discretion.

Sign: ______________________________
Name: [Employee]

Date: ______________________________