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

FORM 8-K
CURRENT REPORT

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

Date of report (Date of earliest event reported): December 29, 2021

TEXAS PACIFIC LAND CORPORATION
(Exact Name of Registrant as Specified in its Charter)

Not Applicable	**1-737**	**75-0279735**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification Number)

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

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

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Emerging growth company ☐

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

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

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

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Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Approval of Plans

On December 29, 2021, Texas Pacific Land Corporation (the "Company") adopted its 2021 Incentive Plan (the "2021 Plan") and its 2021 Non-Employee Director Stock and Deferred Compensation Plan (the “2021 Directors Plan”). The 2021 Plan and the 2021 Directors Plan were approved by the Company’s Board of Directors (the “Board”) on August 11, 2021 and by the Company’s stockholders on December 29, 2021.

2021 Plan

The 2021 Plan will be administered by the Compensation Committee of the Board (the “2021 Plan Administrator”). Employees of the Company, its affiliates or subsidiaries are eligible to participate in the 2021 Plan if selected by the 2021 Plan Administrator. The 2021 Plan Administrator’s authority includes, but is not limited to, selecting award recipients, establishing all award terms and conditions, including the terms and conditions set forth in award agreements, granting awards as an alternative to or as the form of payment for grants or rights earned or due under compensation plans or arrangements of the Company, construing any ambiguous provision of the 2021 Plan or any award agreement, and, subject to stockholder or participant approvals as may be required, adopting modifications and amendments to the 2021 Plan or any award agreement. The 2021 Plan provides for the grant of 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. Awards granted under the 2021 Plan are generally subject to a minimum vesting period of at least one year. Awards may be subject to cliff-vesting or graded-vesting conditions, with graded vesting starting no earlier than one year after the grant date. The Administrator may provide for shorter vesting periods in an award agreement for no more than five percent of the maximum number of shares authorized for issuance under the 2021 Plan. The maximum aggregate number of shares of the Company’s common stock, par value $.01 per share (the “Common Stock”) that may be issued under the 2021 Plan is 75,000 shares.

2021 Directors Plan

The 2021 Directors Plan will be administered by the Company's General Counsel (the "2021 Directors Plan Administrator"). Each non-employee director of the Company is eligible to be a participant in the 2021 Directors Plan until they no longer serve as a non-employee director. The 2021 Directors Plan provides for the grant of shares of Common Stock subject to one-year vesting requirements unless otherwise determined by the 2021 Directors Plan Administrator. As of the first day of each compensation year (as defined in the 2021 Directors Plan), the Company will grant each participant a number of shares of Common Stock for such year determined by (i) dividing the amount of each participant's cash retainer for the compensation year by the fair market value of the shares on the first day of the compensation year, and (ii) rounding such number of shares up to the nearest whole share. The Company may revise the foregoing formula for any year without stockholder approval, subject to the 2021 Directors Plan's overall share limits. The maximum aggregate number of shares of Common Stock that may be issued under the 2021 Plan is 10,000 shares. In addition to the grant of shares, the 2021 Directors Plan also provides for the deferral by participants of all or part of their cash compensation (in 10% increments) into a deferred cash account and all or part of their stock compensation (in 10% increments) into a deferred stock account. Distributions of deferrals under the 2021 Directors Plan will generally be paid in a lump sum unless the participant specifies installment payments over a period up to 10 years. Deferred cash account amounts are paid in cash, and deferred stock is paid in whole shares of common stock. Unless otherwise elected by the participant, distributions will begin on February 15 of the year following the year in which the participant ceases to be a non-employee director. The participant can also elect to have their distributions commence on (a) the February 15th of the year following the later of the year in which they cease to be a non-employee director and the year in which they attain a specified age, or (b) the February 15th of the year following the year in which they attain a specified age, without regard to whether they are still a non-employee director.

The foregoing descriptions of the 2021 Incentive Plan and the 2021 Directors Plan are qualified in their entirety by reference to the respective plan documents, which are filed herewith as Exhibits 10.1 and 10.3.

Item 5.07 Submission of Matters to a Vote of Security Holders.

(a) At the Annual Meeting of Stockholders of the Company on December 29, 2021 (the "Annual Meeting"), the stockholders of the Company voted on seven proposals.

Each stockholder of record is entitled to one vote per share of common stock. On November 29, 2021, the record date for the Annual Meeting (the "Record Date"), there were 7,746,356 votes underlying the issued and outstanding shares of common stock. Present at the Annual Meeting in person or by proxy were holders common stock representing an aggregate of 4,603,632 votes, or 59.43% of the voting power underlying the issued and outstanding shares entitled to vote at the Annual Meeting as of the Record Date, constituting a quorum.

(b) The Inspector of Election issued its final report which certified the final voting results for the Annual Meeting. Set forth below are the final voting results as provided by the independent Inspector of Election:

Proposal 1:

1. To elect three (3) Class I members of the Company's Board of Directors to serve until the 2024 Annual Meeting of Stockholders (or until successors are elected or directors resign or are removed).

	Votes For	Votes Against	Abstentions	Broker Non-Votes	Votes Cast	% Votes For
Barbara J. Duganier	3,759,167	801,458	43,006	0	4,603,631	81.66%
Tyler Glover	3,729,723	837,917	35,991	0	4,603,631	81.02%
Dana F. McGinnis	2,259,914	2,302,696	41,021	0	4,603,631	49.09%

Proposal 2:

	Votes For	Votes Against	Abstentions	Broker Non-Votes	Votes Cast	% Votes For
To approve, by advisory non-binding vote, executive compensation.	3,655,110	894,665	53,856	0	4,603,631	79.40%

Proposal 3:

	1 Year	2 Years	3 Years	Abstentions	Votes Cast
To determine, by advisory non-binding vote, the frequency of future stockholder advisory votes on executive compensation.	4,231,579	18,922	81,467	271,663	4,603,631

Proposal 4:

	Votes For	Votes Against	Abstentions	Broker Non-Votes	Votes Cast	% Votes For
To approve the Company's 2021 Incentive Plan.	3,639,736	883,466	80,429	0	4,603,631	79.06%

Proposal 5:

	Votes For	Votes Against	Abstentions	Broker Non-Votes	Votes Cast	% Votes For
To approve the Company's 2021 Non-Employee Director Stock and Deferred Compensation Plan.	3,636,563	894,375	72,693	0	4,603,631	78.99%

Proposal 6:

	Votes For	Votes Against	Abstentions	Broker Non-Votes	Votes Cast	% Votes For
To ratify the appointment of Deloitte & Touche LLP as our independent auditors for the fiscal year ending December 31, 2021.	4,094,454	474,117	35,060	0	4,603,631	88.94%

Proposal 7:

	Votes For	Votes Against	Abstentions	Broker Non-Votes	Votes Cast	% Votes For
To consider a stockholder proposal requesting that the Board take actions to declassify the Board.	2,574,211	1,984,284	45,136	0	4,603,631	55.92%

No other matters were properly presented for consideration or stockholder action at the Annual Meeting.

Notwithstanding the terms of the stockholders' agreement (the "Stockholders' Agreement"), entered into on June 11, 2020 among Texas Pacific Land Trust (and later assigned to the Company), Horizon Kinetics LLC and Horizon Kinetics Asset Management LLC (together with Horizon Kinetics LLC and its affiliates, "Horizon"), SoftVest Advisors, LLC ("SoftVest Advisors") and SoftVest, L.P. (together with SoftVest Advisors and its affiliates, "SoftVest"), and Mission Advisors, LP, Horizon and SoftVest did not vote for the re-election of Mr. McGinnis. If Horizon and SoftVest had voted for Mr. McGinnis, he would have received a majority of the votes cast.

Pursuant to the Company's Amended and Restated Bylaws (the "Bylaws"), Mr. McGinnis is required to promptly tender his resignation to the Board, and the Nominating and Corporate Governance Committee of the Board will make a recommendation to the Board as to whether to accept or reject the tendered resignation. The Board will act on the tendered resignation, taking into account the Nominating and Corporate Governance Committee's recommendation and the failure of Horizon and Soft Vest to vote for Mr. McGinnis as described in the previous paragraph, and publicly disclose its decision regarding the tendered resignation within ninety days of the date of the certification of the Annual Meeting results.

Item 8.01. Other Events.

Our annual meeting of stockholders for 2022 is scheduled to be held on November 16, 2022. Any director nomination or stockholder proposal submitted outside the processes of Rule 14a-8 promulgated under the Securities Exchange Act of 1934, as amended, which a stockholder intends to present at the Company's 2022 annual meeting of stockholders, will be untimely unless it is received between July 19, 2022 and August 18, 2022 in accordance with our bylaws. Please refer to our bylaws for additional requirements in connection with such submissions.

At the Annual Meeting on December 29, 2021, Tyler Glover, the Chief Executive Officer of the Company, delivered remarks to stockholders. The remarks are attached hereto as Exhibit 99.1.

Cautionary Statement Regarding Forward-Looking Statements

Statements made in the remarks may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E *of the Securities Exchange Act of 1934, as amended*, that are based on the Company's beliefs, as well as assumptions made by, and information currently available to, the Company, and therefore involve risks and uncertainties that are difficult to predict. Generally, future or conditional verbs such as "will," "would," "should," "could," or "may" and the words "believe," "anticipate," "continue," "intend," "expect" and similar expressions identify forward-looking statements. Forward-looking statements include, but are not limited to, references to strategies, plans, objectives, expectations, intentions, assumptions, future operations and prospects and other statements that are not historical facts. You should not place undue reliance on forward-looking statements. Although the Company believes that plans, intentions and expectations reflected in or suggested by any forward-looking statements made herein are reasonable, the Company may be unable to achieve such plans, intentions or expectations and actual results, and performance or achievements may vary materially and adversely from those envisaged in the statements made in the remarks.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
10.1	Texas Pacific Land Corporation 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))
10.2	Form of Restricted Stock Award Agreement (Employees) (incorporated by reference to Exhibit 10.2 to our Registration Statement on Form S-8 filed on December 29, 2021 (File No. 333-261938))
10.3	Texas Pacific Land Corporation 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))
10.4	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))
99.1	Remarks of Tyler Glover at Annual Meeting of Stockholders on December 29, 2021.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURE

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

TEXAS PACIFIC LAND CORPORATION

Date: January 5, 2022

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

Exhibit 99.1

Remarks of Tyler Glover
at
Annual Meeting of Stockholders
of
Texas Pacific Land Corporation
December 29, 2021

As many of you know, TPL has a deep and rich history. Since 1888, the Company has owned a large land and resource position in Texas. Today, we believe TPL has formed the premiere royalty and surface company in the US. I'd like to take some time and reflect on the TPL of old, how we got to where we are now, and our vision for the future.

Some of you may remember this, but a decade ago, the notable shale plays in the US were the Marcellus, Barnett, Fayetteville, and Eagle Ford. The Permian Basin was almost an afterthought.

In fact, in 2011, the US Department of Energy did a study on major shale plays. Back then, they estimated that the Monterrey and Santos shale plays located in California had 10 times more recoverable oil compared to the Permian Basin. And at that time, California was producing about half-a-million barrels per day while the Permian was producing about 1 million barrels per day mostly from vertical wells. With this new shale potential, it might have been a reasonable bet that California's oil production would one day exceed the Permian.

But today, we don't hear much about California shale plays. Permian daily oil production went from 1 million 10 years ago to 5 million barrels today, while California production has declined over 30% during that same span.

I mention all this, because back then, the Permian was still in its early stages, and TPL was likewise fairly inactive. When I joined TPL 10 years ago, we had 8 employees, a few maps, typewriters, and a couple phones. We were basically a company with a million checkerboarded acres in West Texas and a mailbox in Dallas.

Thankfully, the oil industry is one of the most innovative industries this country has, and over the last decade we've seen incredible engineering and technological advances for horizontal drilling and fracking. With this growing expertise, the industry figured out how to unlock the value that was embedded in the incredibly rich shale rock in the Permian.

And so things started changing out in West Texas for TPL. Over on the Midland side, we started seeing activity accelerate. We'd get a few more phone calls than normal. And on the Delaware too, we could see that people were starting to drill more wells.

I knew we could extract more value from our large surface and royalty footprint if we adopted an active management approach, and in late 2016 that's exactly what we did. It may seem obvious now in hindsight, but consider back then, TPL was a quiet little company that not many knew about, with only a few employees, and whose whole 100-year operating history was as a self-liquidating trust. The TPL corporate personnel of the past was mostly administrative staff.

Looking back, when I joined TPL:

- There was no data management system – everything was managed with paper files.
- There were no mapping systems – maps were hand drawn and there wasn't any idea of where anything on our property was.
- Payment diligence was often done on the "honor system". We had no systems in place to track anything.
- Caliche and water were being stolen from our land.
- Easements were being granted with a perpetual term with zero future value.
- And probably worst of all, operators often avoided developing TPL royalties. One thing to know about the oil and gas industry is that they don't stop for anyone. So if you're not responsive, they'll get tired of you and they will push their development activities onto someone else. The old TPL business practices were not able to accommodate customers, so customers would avoid us if they could. Other times, operators just went ahead and trespassed because they knew we were unlikely to notice them.

And even with all that inefficiency, there was still a lot of inertia to leave TPL as a passively run business. And why not – despite all its limitations, the business still managed to make tens of millions of dollars in revenues, while expenses were minimal. Few people would have criticized us if we left TPL that way. But we believed in our assets, we understood the potential, we were motivated to work for it, and so we made the transition to active management.

The transformation happened quickly, led by a number of people part of TPL's management team today.

- We hired additional staff with industry experience to manage our surface and royalty acreage.
- We hired an experienced water team to develop a system that would efficiently deliver water to our customers across our vast footprint and to leverage our surface rights into creating new and valuable cash flow streams.
- We enhanced our accounting, finance, and legal functions to scale the business, negotiate and enforce contracts, and more efficiently handle and monitor the checks stubs and data we were receiving.

So, what happened, what did TPL get out of this new approach?

Let’s start with the water side. First, it’s important to understand that producers cannot drill wells without water, and back then there was not a water solution for a large part of our royalty acreage located in a very arid West Texas. Before active management, TPL had tried a passive approach where it granted a few companies access to water aquifers in return for a royalty. TPL received some checks for that, amounting to a few million dollars a year.

But it didn’t take long to realize that these water operators weren’t always aligned with TPL’s best interests. We were beholden to our partners to spend capital to develop water infrastructure, and they did not have the same urgency we did to serve drilling operators. And if our operator customers couldn’t get adequate water volumes at a reasonable price on our royalty acreage, well the operator was just going to drill inventory elsewhere. Maintaining a passive approach was simply not a viable strategy for TPL.

After our deliberate decision to pursue and develop an operated source water platform in 2017, today we now control our own destiny in being able to deliver water to drilling operators. We use this to prioritize and facilitate development of TPL royalties. We now have deeper relationships with operators, which provides TPL more opportunities beyond just selling them water. We can also manage our aquifers in an environmentally sustainable way, ensuring their long-term productivity.

Our active management approach also significantly enhanced our produced water royalties. Without sufficient personnel to watch over the surface and negotiate, execute, and enforce contracts, then good luck getting paid royalties on a waste product. But with our active management, we began to assert our surface rights and then successfully negotiated numerous long-term contracts that provide high-margin, fee-based royalty cash flows, strong indemnification clauses, and enforceability provisions.

Through all of this, we have received feedback from a few investors over the years that doubted the wisdom of starting a water business. Our total operating expense in the water business year-to-date as of September 30, 2021 is approximately $40 million dollars, which includes depreciation expenses from the initial investment. It’s fair to say that most of that expense did not exist under our passive strategy.

But what did TPL get in return? For that same year-to-date September 30, 2021 period, our water business has generated over $90 million in revenues and over $40 million in earnings. Our water business continues to generate strong earnings and free cash flow, and it also provides TPL tangible strategic advantages beyond just its direct profits. And these are water cash flows and earnings that you – our shareholders – will be able to benefit from for years to come as Permian development remains active.

Moving to the land side. Under the old passive management approach, business was mostly done on the phone or with a handshake. Need a pipeline right-of-way? A customer would call, and we’d say sure, and maybe we’d deposit a check for a few thousand dollars, and they would walk away with an easement with a perpetual term. And that’s if they would even bother to ask prior to construction.

With our active management approach today, we proactively enforce our surface rights to extract value. Our team made a hard push in 2017, ’18, and ’19 to actively engage operators and help them plan out years of infrastructure buildouts to ensure that TPL acreage had a clear path for prioritized development. This ensured that wells on our royalty acreage could be quickly turned in line and ultimately to TPL’s bottom line.

The additional staff we added at TPL are responsible for the thousands of agreements we sign with customers every year. We are talking to operators constantly, making sure we understand and are responsive to their needs. Our goal is to make it as easy as possible to drill on TPL’s royalty acreage. Today, we generate meaningful revenue from rights-of-way and easements, and a majority of these contracts have a 10-year term with inflation escalators and minimum renewal payment increases. In fact, we’ve had a couple years where we generated over $70 million in surface related revenues.

If this doesn’t sound easy, it’s because it wasn’t. There was tremendous push back from operators initially. They liked the TPL of old where they could construct and operate infrastructure with limited costs. But we stood firm, we understood the value of our assets, and today, we have a good, constructive relationship with our customers where everyone benefits.

All of these active management efforts ultimately benefit TPL’s royalties. As outlined earlier, our integrated business model helps drive development of our royalty acreage. We make it easy for operators to focus on what they do best, which is drill new wells. Whether it’s providing them millions of barrels of water at a reasonable cost for a frac job or granting them easements for roads or a pipe or other infrastructure, we use every tool in our toolbox to get them to drill on our land. One way to see that our efforts have succeeded is that TPL royalty production growth rate far surpasses that of broader Permian production growth rate.

Now let’s talk a little more about the future for TPL.

When we talk to our operators, we talk about water, we talk about getting them the easements and access for roads and well pads. And now, we’re increasingly there to also talk about next-gen opportunities like micro grids, bitcoin mining, carbon capture, and other sustainability initiatives. Our staff is working hard on these exciting new initiatives, and we hope to turn these ideas into new revenue streams over the coming years.

In addition to those organic opportunities, we’re also currently seeing an exciting and vast set of external asset packages that complement our legacy royalties, water, and surface assets.

TPL – with our size, our one-of-a-kind asset base and vertically integrated business model, our experienced team, and our investments in people and technology – we are uniquely positioned to capture and exploit this valuable potential. We strongly believe we can drive meaningful value creation through these growth endeavors.

We, of course, will remain disciplined and selective. We understand that growth itself does not create value. Rather, we want to grow accretively. We want to provide more royalties, more surface, more next gen opportunities, more profits, more free cash flow; all of that, on a per share basis. Our plan for the future is to own more of the same type of high-quality assets that we already own and manage on a massive scale today. With everything our team has built over the last few years, we have the people and systems in place to acquire, integrate, and manage more of these assets with minimal incremental cost.

We will remain thoughtful on our capital allocation approach. If we can’t invest capital to grow the company accretively, then we will look to return cash back to shareholders so that they can use that cash and do something else with it.

We have a built a tremendous team here at TPL. Everyone here wears a lot of hats. And everyone here is singularly focused on working together to create more value for shareholders. As TPL transitions from a self-liquidating trust, and now into a new era as a Delaware corporation, we have every intention of making this the best land and royalty company in the world, we have every intention to build something that will endure, and we have every intention of maximizing value for shareholders over the long-term.

And with that, I would like to thank all our shareholders for their support.