

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): May 18, 2021

DORCHESTER MINERALS, L.P.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

000-50175
(Commission
File Number)

81-0551518
(IRS Employer
Identification No.)

3838 Oak Lawn, Suite 300, Dallas, Texas 75219
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (214) 559-0300

N/A
(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 (see General Instruction A.2. below):

- ☐ 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))

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Units Representing Limited Partnership Interest	DMLP	NASDAQ Global Select Market

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. ☐

Item 7.01 Regulation FD Disclosure

On May 19, 2021, the Registrant will hold its 2021 Annual Meeting of Limited Partners. As previously reported in the April 5, 2021 Proxy Statement and Notice of Annual Meeting, the Partnership will hold its 2021 Annual Meeting in a “live virtual” meeting format only, via webcast, at www.virtualshareholdermeeting.com/DMLP2021.

The Partnership’s 2021 Annual Meeting slides are attached as Exhibit No. 99.1. Unitholders may submit questions regarding the slides by submitting the questions live during the annual meeting.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

99.1 [Slide Presentation is attached hereto as Exhibit 99.1 and incorporated herein by reference.](#)

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

Limitation on Incorporation by Reference

In accordance with general instructions B.2 and B.6 of Form 8-K, the information disclosed in this report under Item 7.01, including Exhibit 99.1, is being furnished and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, and shall not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended.

SIGNATURE

Pursuant to the requirements 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.

DORCHESTER MINERALS, L.P.
Registrant

by Dorchester Minerals Management LP
its General Partner,

by Dorchester Minerals Management GP LLC
its General Partner

Date: May 18, 2021

By: /s/ William Casey McManemin
William Casey McManemin
Chief Executive Officer

Dorchester Minerals, LP

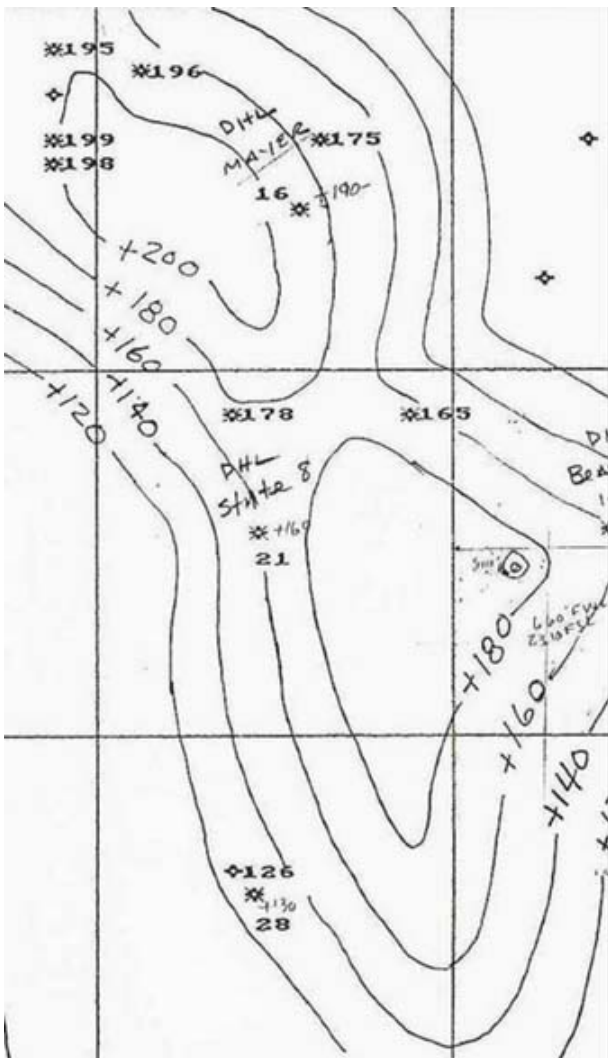
ANNUAL MEETING

May 19, 2021



Forward-Looking Statements

Portions of this presentation may constitute, and our officers and representatives from time to time may make, "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as: "anticipate", "intend", "plan", "goal", "seek", "believe", "project", "estimate", "expect", "strategy", "future", "likely", "may", "should", "will," "continue" or similar words, and the absence of such words does not mean that the statements are not forward-looking. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on (and these statements may discuss) our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections of results of operations or of financial condition, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or projected. Therefore, you should not rely on any of these forward-looking statements. Examples of such uncertainties and risks include, but are not limited to, changes in the price or demand for oil and natural gas, including the recent significant decline in energy prices, public health crises including the worldwide COVID-19 or coronavirus outbreak beginning in early 2020, changes in the operations on or development of the Partnership's properties, changes in economic and industry conditions and changes in regulatory requirements (including changes in environmental requirements) and the Partnership's consolidated financial position, business strategy and other plans and objectives for future operations. These and other factors are set forth in the Partnership's filings with the Securities and Exchange Commission. Any forward-looking statement made by us in this document is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to publicly update or revise any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or circumstances, or otherwise.



OUTLINE

- Observations and Trends
- Distributions
- Production and Reserves
- Summary



Observations and Trends

Challenging Environment on All Fronts

- Prices have recovered but activity still lagging
- Industry has focused on capital efficiency and free cash flow through consolidation, resulting in a drop in rig count and production roll-over. We expect this trend to continue.
- Recovery is not uniform → Commodity price, production response, basin, operator

Impacts on Distributions

- Production curtailments and shut-ins impacted partnership's volumes
- Reduced development drilling has negatively affected production trends and reserve revisions
- Leasing activity suspended → significant lease bonus income unlikely
- Development of Eastern Delaware Basin has been delayed

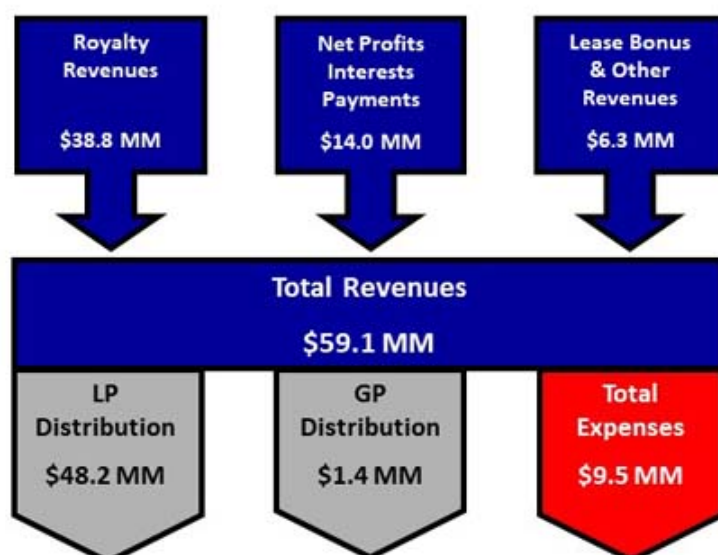
Partnership Response

- Monitoring credit risk of operators
- Continue focus on revenue recovery
- Reduced NPI participation → no long-term commitments
- Conscientious about G&A
- High-grade portfolio → Divestment of non-strategic assets such as Hugoton
- Continue search for accretive M&A opportunities → Bakken royalty acquisition signed 04/30/2021

2020 Distributions

Cash Distributions Paid in Calendar 2020

- Reflects Q4 2019 through Q3 2020 activity
- Distribution is formulaic, not discretionary



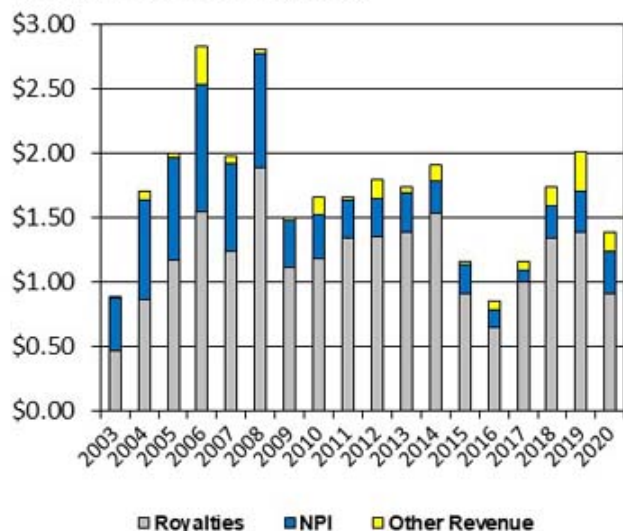
Note: Total expenses includes \$1.7 MM of Royalty Ad Valorem Taxes

2020 Distributions

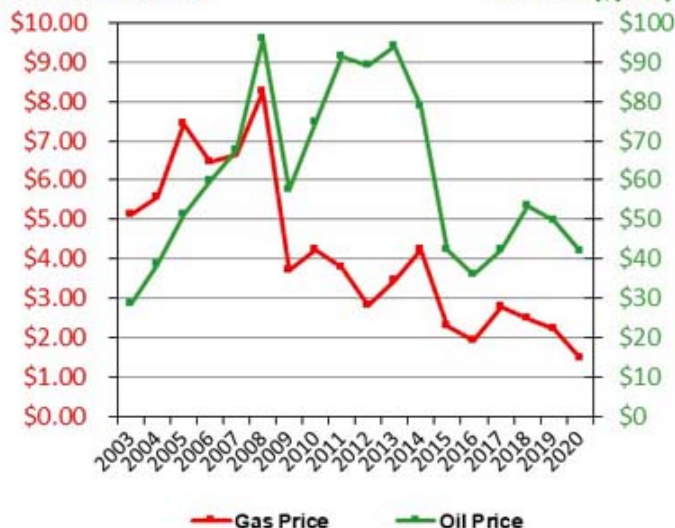
Components and Prices

- Cumulative LP distributions of \$924 MM (\$30.73/unit) from inception through Q4 2020
- Royalty properties contributed 66% to total 2020 Revenues
- Gross Revenue → 80% oil & liquids sales, 10% gas sales, 10% other

LP Distribution History (\$/unit)



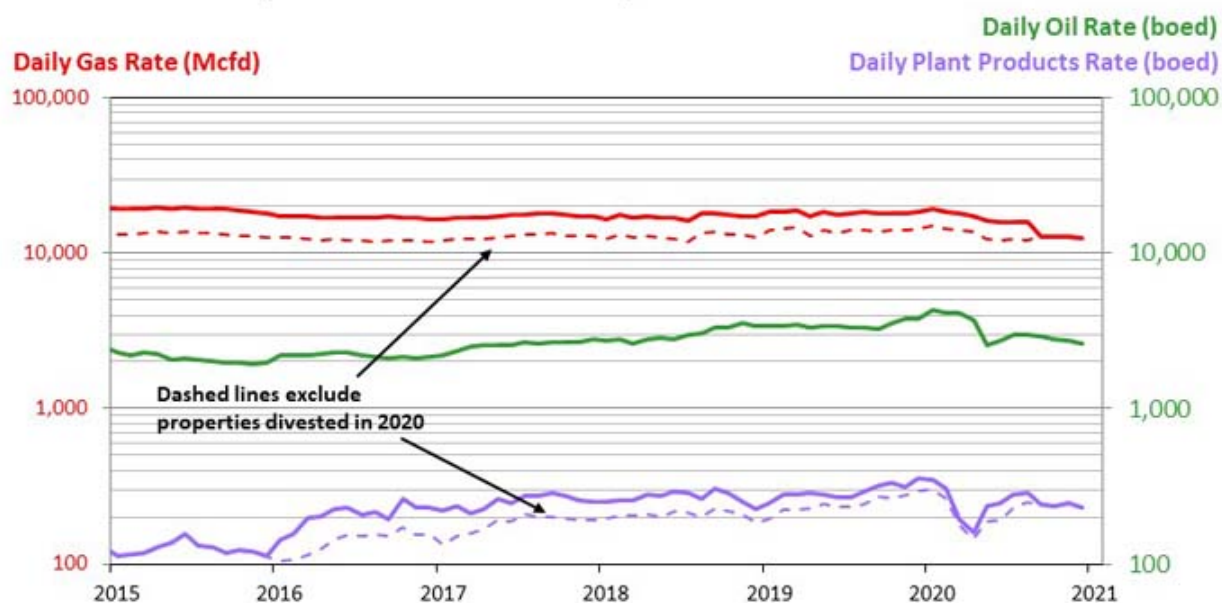
Gas Price (\$/Mcf)



Note: Oil and Gas prices represent realized prices from royalty properties. Oil prices include Plant Products.

Total Production

- Oil production increased by 15% between 2015 and 2020
- Gas production decreased by 34% between 2015 and 2020
- Plant Product production increased by 104% between 2015 and 2020



Note: Production graph limited to "in pay" volumes. Decrease in gas production includes effect of Hugoton Divestiture.

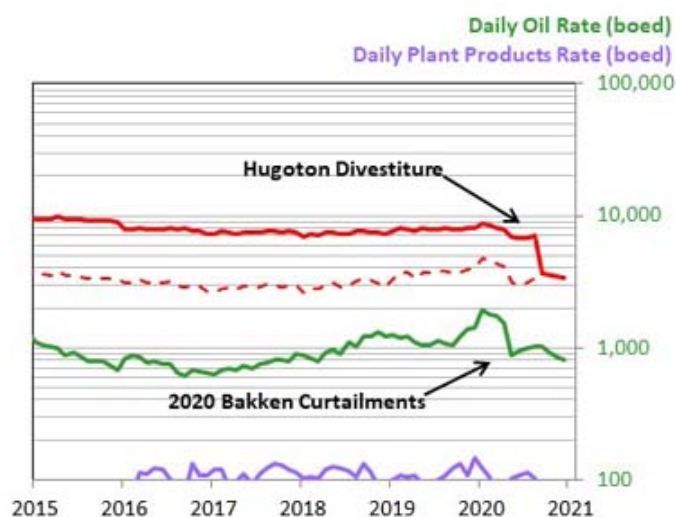
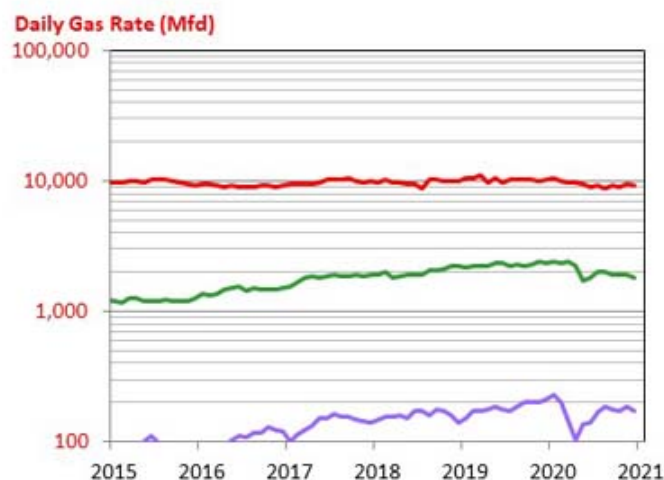
Royalty and NPI Production

Royalty Production

- Oil was driven by robust Midland Basin development
- Gas decline has been suppressed by associated gas from Bakken and Permian
- Effects of curtailments, shut-ins, and reduced activity evident in 2020

NPI Production

- Oil was driven by Bakken participation and contributions from Permian APO WI
- Divestment of the Hugoton Field decreased gas production by 47%



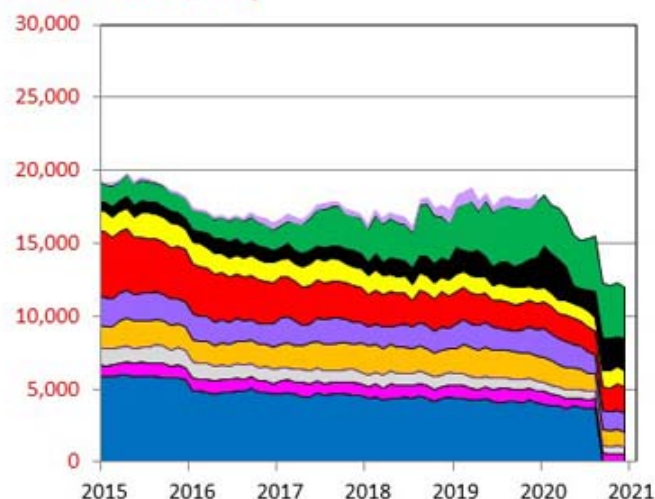
Note: Production graph limited to "in pay" volumes.

Composition of Production

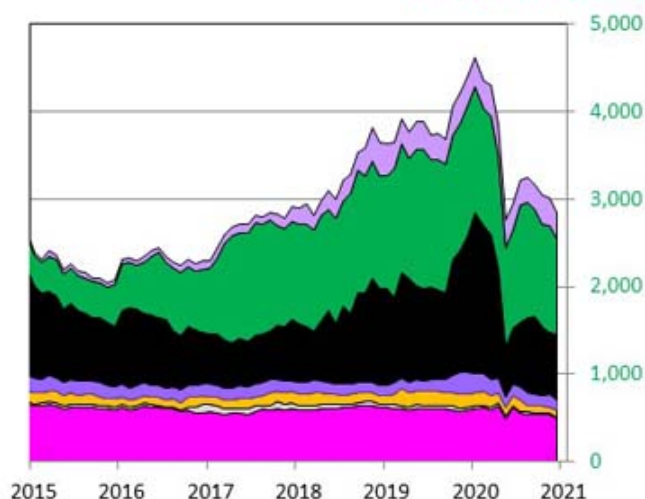
Contribution from Diverse Sources

- Legacy assets provide low-decline production base
- Hugoton divestiture and natural declines have reduced contribution from dry gas basins

Daily Gas Rate (Mcf/d)



Daily Oil Rate (boed)



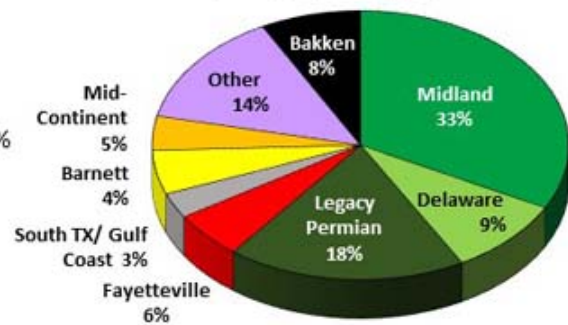
Delaware Core Midland Basin Bakken Barnett Shale Fayetteville Shale Miscellaneous Mid-Continent S. Texas/Gulf Coast Other Permian Hugoton

Note: Volumes attributable to NPI's are included regardless of surplus/deficit status and are burdened by lease operating costs and capital expenses.

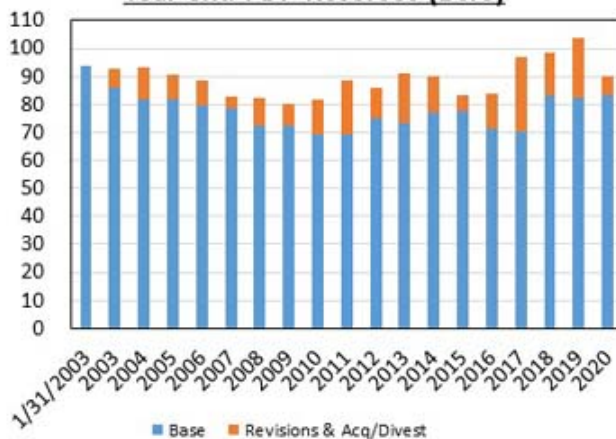
2020 Reserves

- Total Proved Reserves of 89.8 Bcfe on 12/31/2020
- All reserves are Proved Developed Producing (PDP)
- Product mix increasingly liquids weighted → 51% oil, 38% natural gas, 11% plant products
- Permian and Bakken → 83% of total oil reserves
- Hugoton Divestiture → large reduction in NPI gas
- Legacy Permian → low-decline conventional and EOR

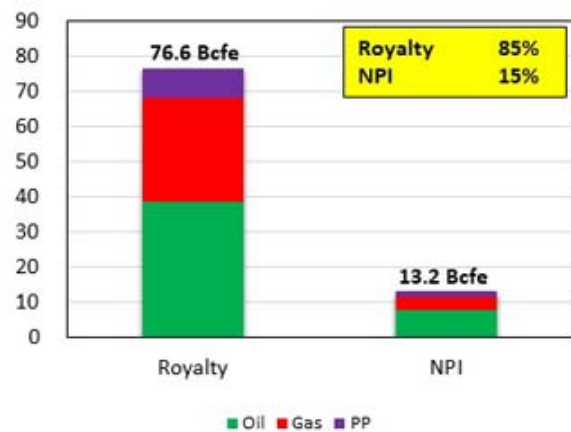
Geographic Split



Year-end PDP Reserves (Bcfe)



Royalty-NPI Split (Bcfe)

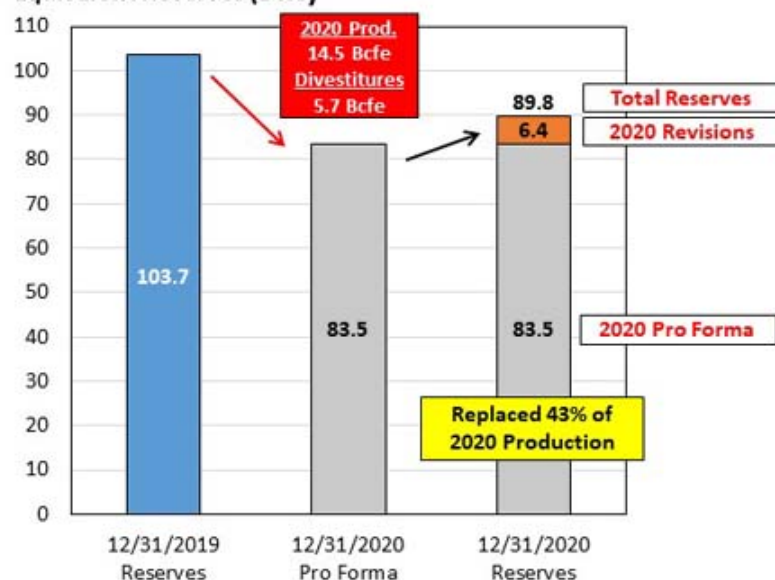


Note: Gas-Oil equivalency of 6:1 ratio is used throughout this presentation.

2020 Reserve Revisions

- Bakken was single largest contributor to upward oil reserve revisions
- Divestitures decreased PDP reserves by 5.7 Bcfe → Hugoton was 19% of gas reserves at YE2019
- History of Reserve Revisions → Year-end reserves only 4.5% less than initial 2003 reserves

Equivalent Reserves (Bcfe)



Natural Gas Reserves (Bcf)

Year-End 2019	45.9
2020 Production	(5.8)
Divestitures	(4.4)
Revisions	(1.9)
Year-End 2020	33.8
26% Year-over-year Decrease	

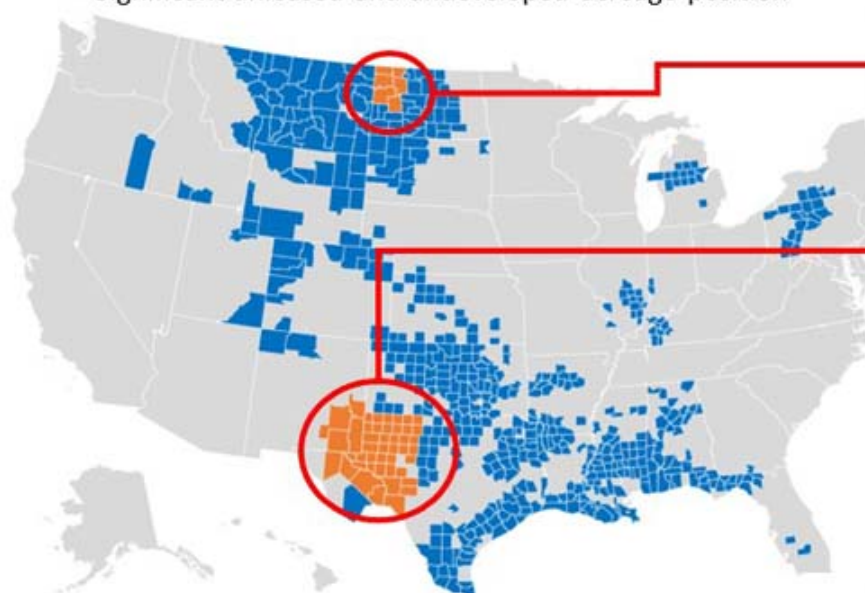
Oil Reserves (Mboe)

Year-End 2019	9,638
2020 Production	(1,459)
Divestitures	(203)
Revisions	1,368
Year-End 2020	9,344
3% Year-over-year Decrease	

Note: Oil reserves include plant products as reported in 2020 10-K. Divestiture reserves presented at closing dates. 2020 Production includes Hugoton through 8/2020. 11

Mineral Portfolio Overview

- Diversified mineral portfolio spanning 581 Counties in 26 States
- Producing and nonproducing mineral, royalty and net profits interest
- Wide geographic footprint with exposure to nearly every domestic producing basin
- Significant unleased and undeveloped acreage position



High Impact Areas

Bakken/Three Forks (ND) 10,000 nma

- Core area with development potential
- Significant unleased mineral position
- Largest contributor to Mineral NPI revenue

Permian (TX & NM) 84,000 nma

- Midland Basin – Large acreage spread across basin with mix of high net interests, blocks of contiguous acreage and unleased NPI wells
- Delaware Basin – Ongoing development of prolific units and large net acreage position in highly prospective areas.
- Legacy Permian – Exposure to long-lived, low decline EOR and conventional CBP units

Mature or Undeveloped Areas

Non-Bakken Rockies	167,000 nma
Non-Permian Texas	77,000 nma
Southeast	45,000 nma
Mid-Continent	38,000 nma
Appalachia	25,000 nma
Other	7,000 nma

Note: Net Mineral Acre (nma) counts are limited to Executive Mineral Interests.

Our Goal and Our Principles

We Want to:

- Assemble and actively manage a portfolio of properties that will enable unitholders to benefit from multiple commodity price and development cycles

We will be:

- Conscientious about G&A
- Aligned
- UBTI-Free

We are:

- Not worried about next quarter's distribution
- Not chasing drill-bits
- Not incentivized or interested in growth for growth's sake
- Committed to achieve our goal through organic growth and accretive acquisitions

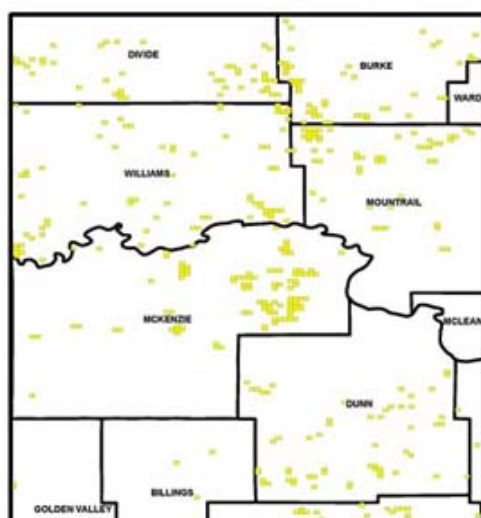


APPENDIX



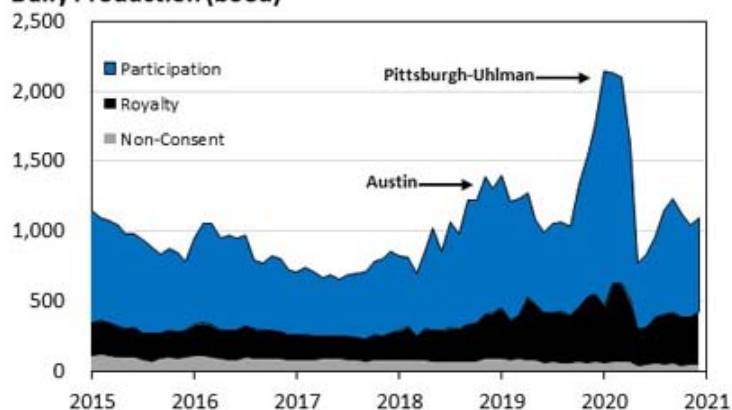
Bakken/Three Forks

- 83,600 gross ac (10,400 net ac) in six core ND counties → majority unleased minerals
- Rig count → 15 in May 2020 to 15 in May 2021
- Operator Exposure → EOG, Continental, Hess
- Effect of well shut-ins was significant



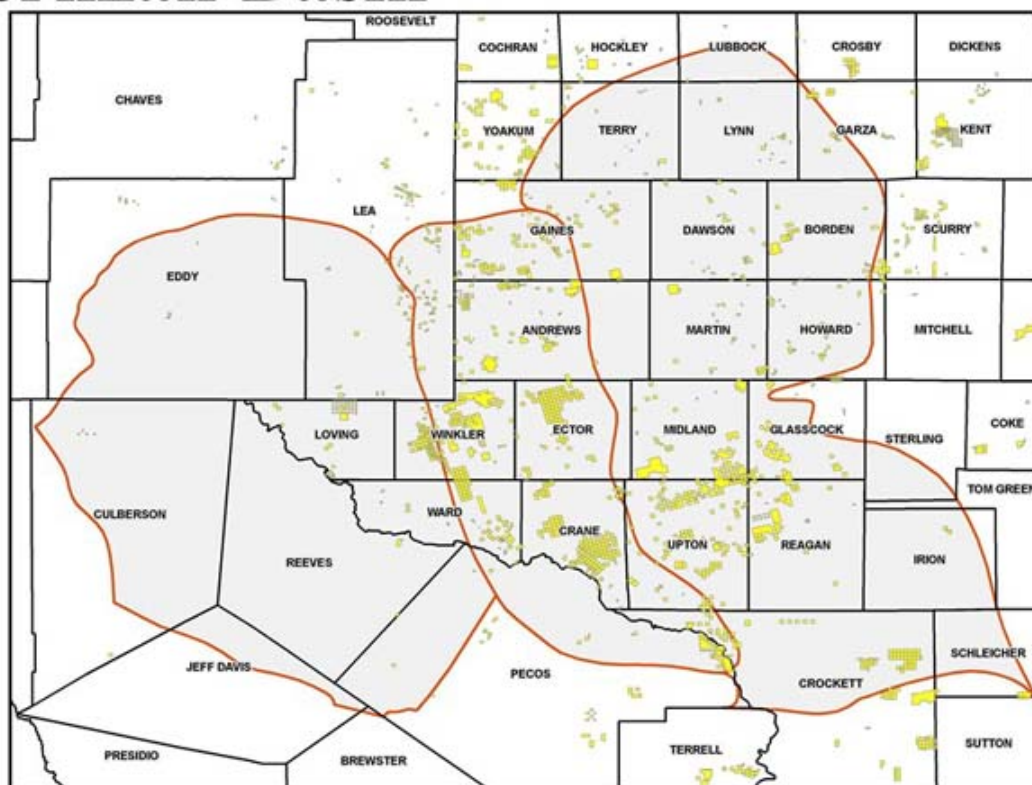
- 1,195 gross producing wells at year-end 2020
 - 2020 → 5 Participation, 20 Non-Consent
 - YTD 2021 → 2 Participation, 6 Non-Consent
- 2020 exit rate → 1,098 boed (65% NPI)
 - Q4 2018 → Austin unit (EOG)
 - Q1 2021 → Pittsburgh-Uhlman Unit (CLR)
- Acquisition of 6,400 NMA expected to close 06/30/2021

Daily Production (boed)



Note: Six core counties include Burke, Divide, Dunn, McKenzie, Mountrail, and Williams. Well count includes both DMLP and DMO.

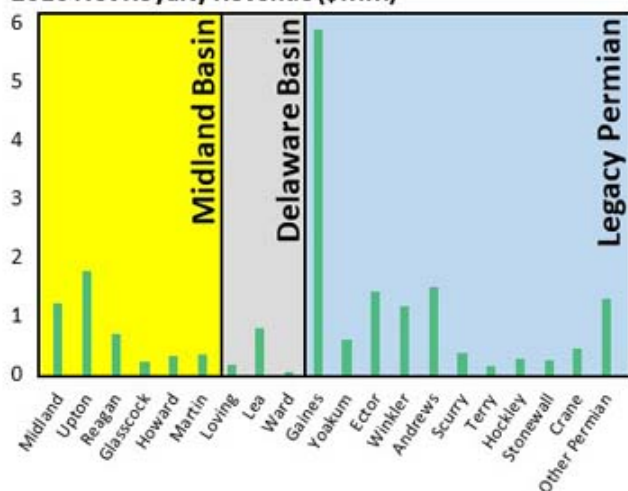
Permian Basin



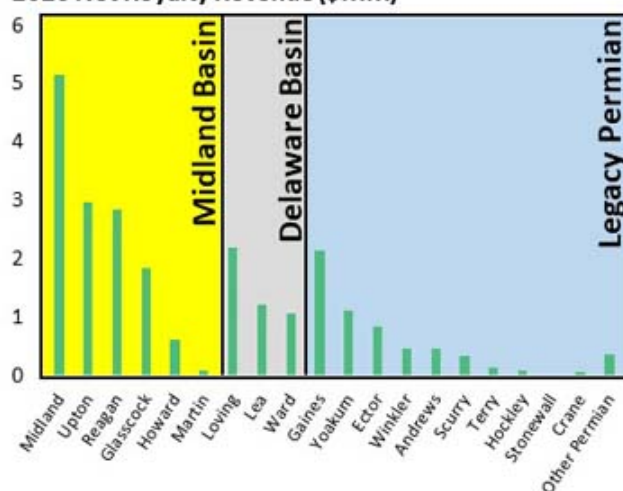
Permian Basin

- Permian net revenue has shifted dramatically from Legacy Permian properties on Central Basin Platform to Midland and Delaware Basins
- Legacy Permian counties contributed 25% of Permian net revenue in 2020

2010 Net Royalty Revenue (\$MM)



2020 Net Royalty Revenue (\$MM)



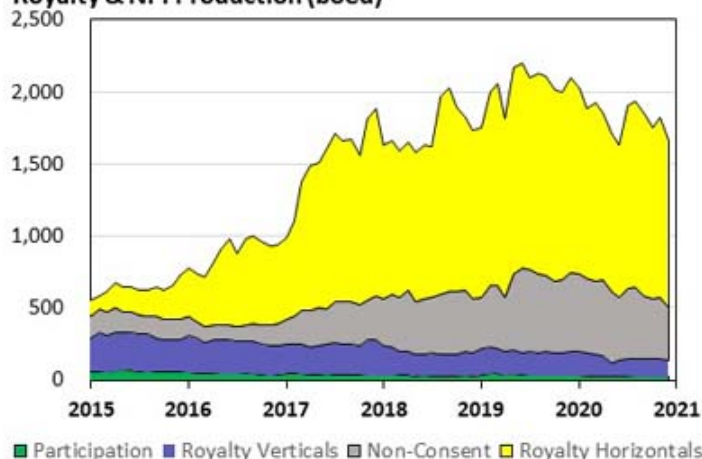
Note: Legacy Permian counties comprised mainly of conventional and EOR units located on the Central Basin Platform.

Midland Basin

- 251,000 gross ac (15,400 net ac) in core
- Unleased at some depths in numerous tracts
- Operator Exposure → Pioneer, ConocoPhillips
- Largest sources are Midland and Upton Co.
- Growth in NPI production is a result of after-payout interest in Non-Consent wells
- 2020 exit rate → 1,660 boed (24% NPI)
 - Added 140 royalty and 33 after payout wells



Royalty & NPI Production (boed)

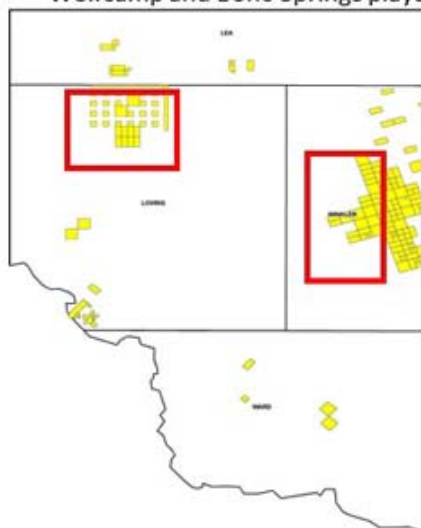


Note: Production graph limited to "in pay" volumes from Glasscock, Howard, Martin, Midland, Reagan, and Upton Counties. Net acreage includes multiple interest types. 18

Delaware Basin

- DMLP Position

- 13,500 gross ac (900 net ac) located in Loving, Reeves and Ward Co., TX and Lea Co., NM
- 640 gross ac of ORRI's
- Majority of tracts are leased at 1/4 royalty
- Prospective in multiple zones within the Wolfcamp and Bone Springs plays



- Silvertip Prospect Area

- Active development in 2020/2021
- Potential for increased well density
- 14 of 21 DSU's contain only 1 well
- 7 of 21 DSU's contain 5 wells or more

- Winkler County Prospect Area

- Future development will determine DMLP exposure to eastern extension of basin

Royalty Production (boed)

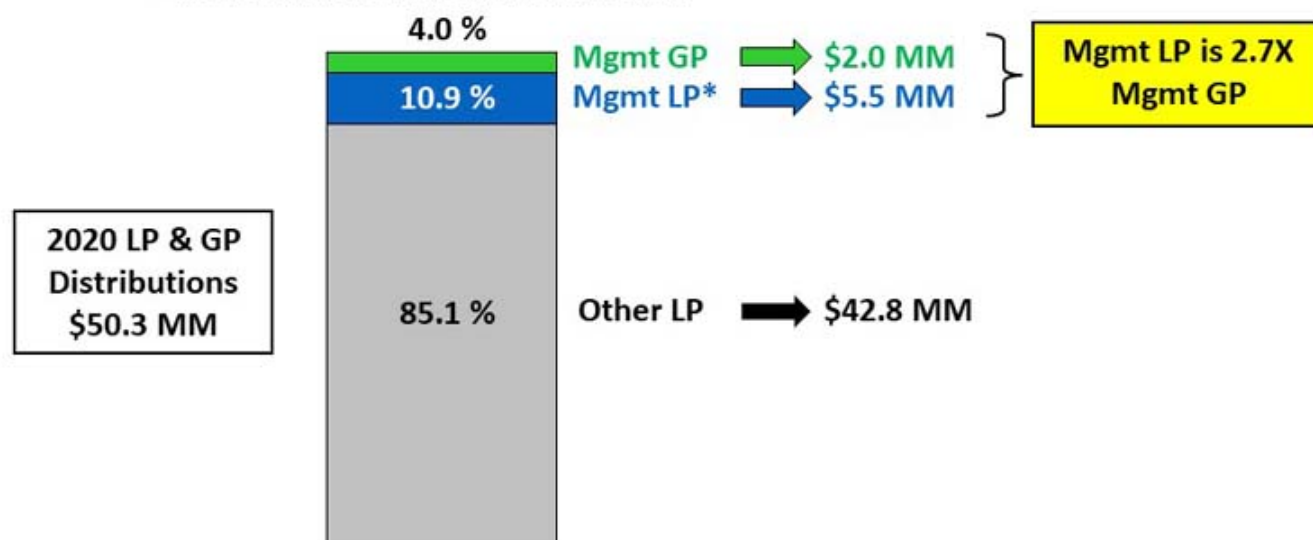


Note: Acreage counts reflect the portions of Lea, Loving, & Ward counties shown above but do not include Winkler County. Net acreage includes multiple interest types. 19

Management Ownership

Alignment of GP and LP interests

- GP has no incentive distribution rights – fixed sharing ratio
- Management's LP interest exceeds its GP interest
- Not incentivized to make dilutive transactions



Note: Mgmt LP interest includes LP units owned by officers, managers, and their immediate families. Full-year 2020 calculation based on units owned at 12/31/2020. Total distributions include DMOLP's 3.03% retainment in the Net Profits Interest.

Minerals NPI

Trailing 12 Months Activity through March 2021

- Trailing 12 months operating margin of 41% versus prior year trailing 12 months operating margin of 67% was highly impacted by 2020 operator curtailments
- NPI was in deficit status from June 2020 through August 2020

Trailing 12 Months Revenue	\$18.5 MM
Trailing 12 Months Expenses (LOE, taxes, etc.)	(\$11.0 MM)
Trailing 12 Months Net Operating Income	\$7.5 MM

Trailing 12 Months Minerals NPI Payments	\$6.8 MM
Trailing 12 Months Minerals NPI Payments \$/unit	\$0.20

**Capital Commitments as of
03/31/2021**



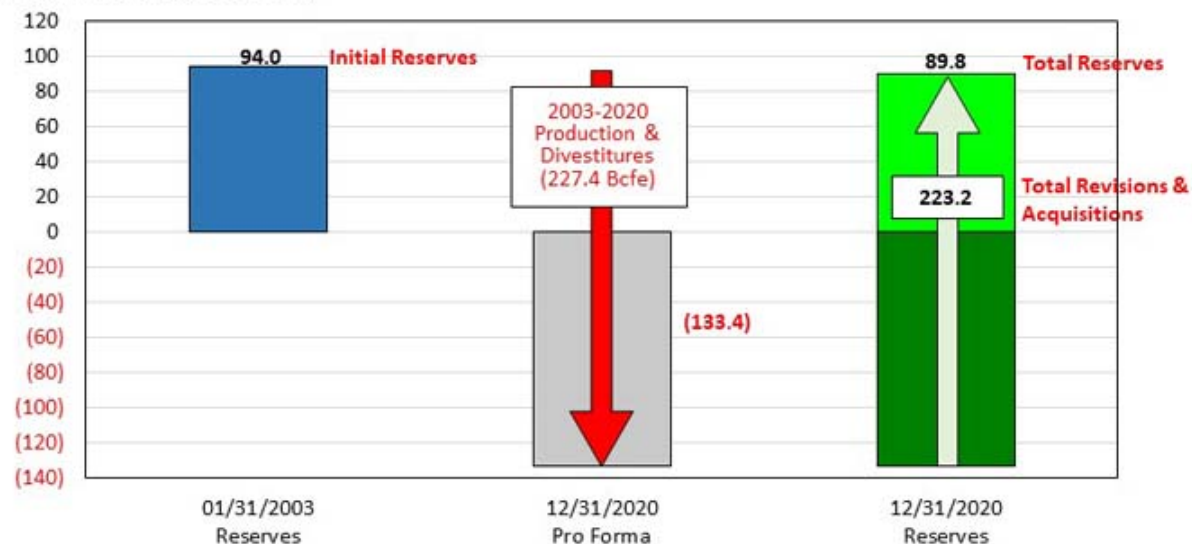
Note: Outstanding Capital Commitments at March 2020 were \$3.3 MM.

2020 Reserves

History of Positive Reserve Revisions

- Cumulative Reserve Revisions have exceeded 100% of Current Reserves
- Production and divestitures have exceeded initial reserves by 133.4 Bcfe

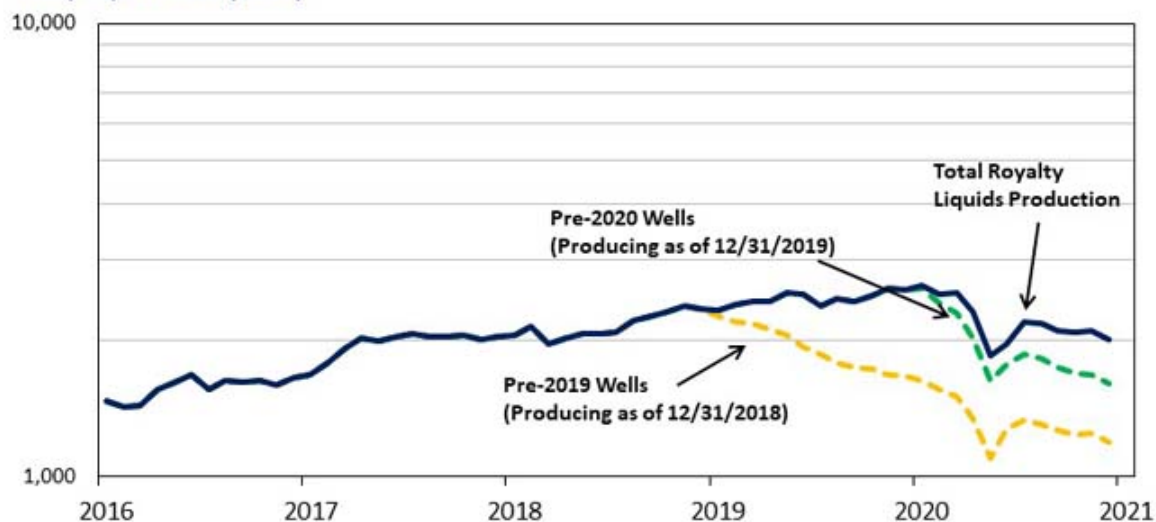
Equivalent Reserves (Bcfe)



Royalty Liquids Production

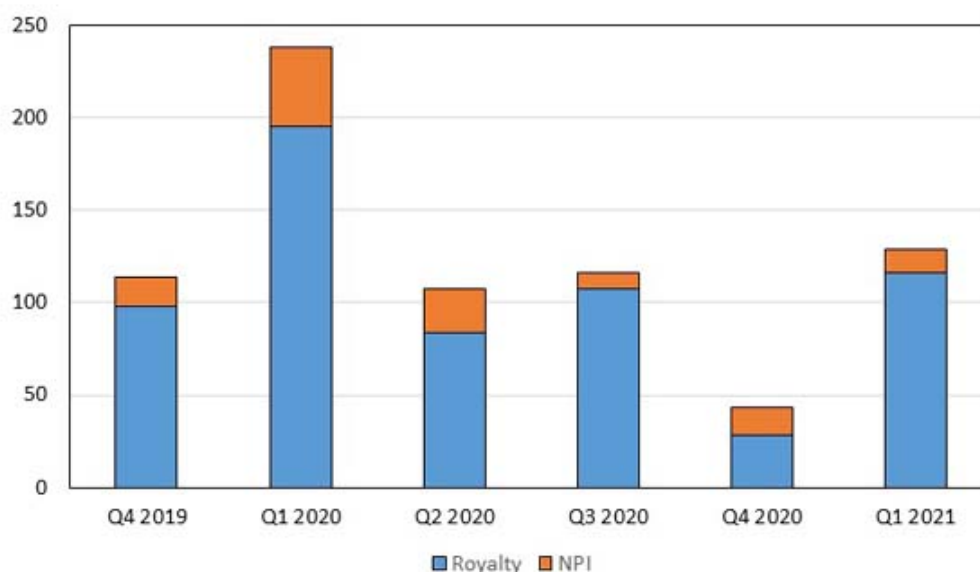
- Incremental contribution from 333 wells in 2020 with an average NRI of 0.551442%
- All Wells → 23% Decline
- Pre-2020 Wells → 38% Decline
- Pre-2019 Wells → 29% Decline

Daily Liquids Rate (boed)



Note: Production graph limited to "in pay" volumes. Liquids include oil and plant products.

New Well Activity



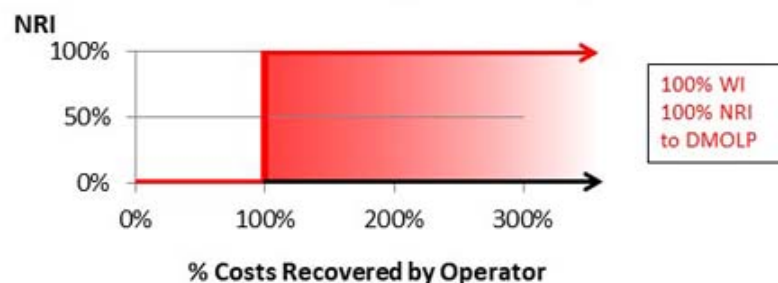
Royalty Wells	98	195	84	107	28	116
NPI Wells	16	43	23	9	15	13
Net Wells	.64	2.52	.97	.76	.49	.73

Note: Well count based on first revenue receipts in indicated period. Wells containing both Royalty and NPI interests will be reflected in both well counts.

Non-Consent/Non-Participation

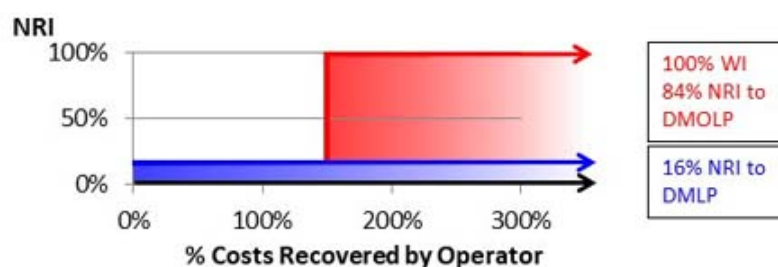
Texas

- Unleased mineral owner backs in for full working interest after operator recovers 100% of costs



North Dakota

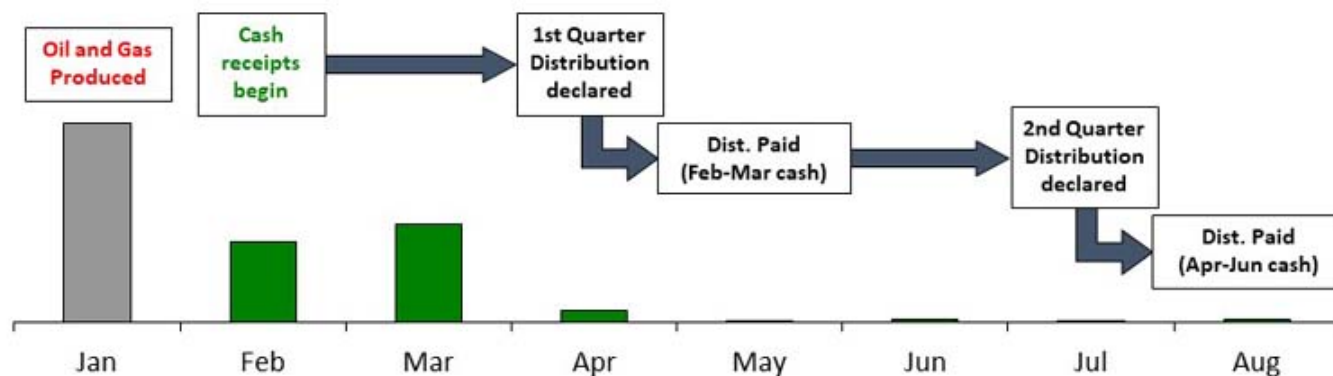
- Unleased mineral owner receives 16% royalty and backs in for full working interest after operator recovers 150% of costs



Royalty Cash Receipts

Long delay between production and cash distribution

- Cash receipts extend over multiple months due to adjustments, releases, etc.
- Prices can change dramatically between production and payment of distribution
- Example of a typical cash receipt cycle:

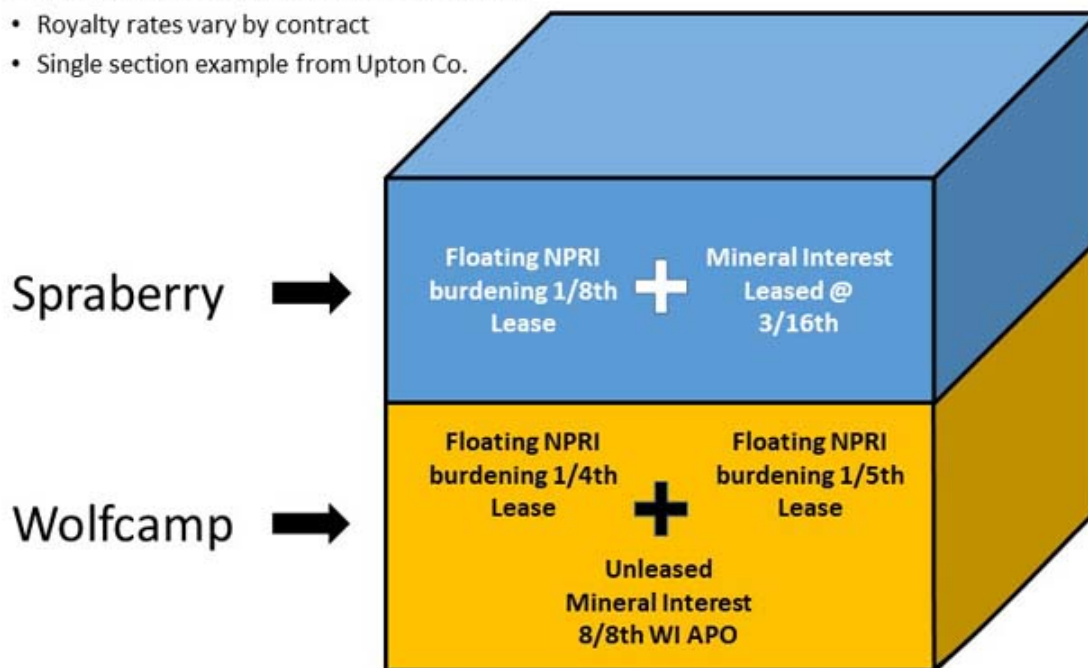


LP distribution of all cash attributable to January production
may occur as late as August, a 7-month time lag

Net Royalty Acres?

Complex mineral ownership is not well represented by Net Royalty Acres

- Royalty rates and lease status vary by depth
- Royalty rates vary by contract
- Single section example from Upton Co.



Notes: Interests arise from multiple leases with different ownership. Each interest type is represented on 8/8th basis before proportional reduction to DMLP share.

Dorchester Minerals, LP

ANNUAL MEETING

May 19, 2021

