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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC. 20549
FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **June 30, 2020**
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 **000-50175**

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

Delaware	**81-0551518**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

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

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

None
(Former name, former address and former fiscal year, if changed since last report)

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 Units Representing Limited Partnership Interest	DMLP	NASDAQ Global Select Market

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 ☒ 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 (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth 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.

Large accelerated filer ☐	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 is a shell company (as defined in Rule 12b-2 of the Exchange Act.): Yes ☐ No ☒

Number of common units representing limited partnership interests outstanding as of August 6, 2020: 34,679,774

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DORCHESTER MINERALS, L.P.
(A Delaware Limited Partnership)

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

Statements included in this report that are not historical facts (including any statements concerning plans and objectives of management for future operations or economic performance, or assumptions or forecasts related thereto), are forward-looking statements. These statements can be identified by the use of forward-looking terminology including "may," "believe," "will," "expect," "anticipate," "estimate," "continue" or other similar words. These statements discuss future expectations, contain projections of results of operations or of financial condition or state other forward-looking information. In this report, the terms "us", "our", "we", and "its" are sometimes used as abbreviated references to the Partnership.

These forward-looking statements are made based upon management's current plans, expectations, estimates, assumptions and beliefs concerning future events impacting us and, therefore, involve a number of risks and uncertainties. We caution that forward-looking statements are not guarantees and that actual results could differ materially from those expressed or implied in the forward-looking statements for a number of important reasons, including those discussed under Item 1A. "Risk Factors" in the Partnership's annual report on Form 10-K and in this report, in its other filings with the Securities and Exchange Commission and elsewhere in this report. Examples of such reasons 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 our properties, changes in economic and industry conditions and changes in regulatory requirements (including changes in environmental requirements) and our financial position, business strategy and other plans and objectives for future operations.

You should read these statements carefully because they discuss our expectations about our future performance, contain projections of our future operating results or our future financial condition, or state other forward-looking information. Before you invest, you should be aware that the occurrence of any of the events herein described in Item 1A. "Risk Factors" in the Partnership's annual report on Form 10-K and its other filings with the Securities and Exchange Commission and elsewhere in this report could substantially harm our business, results of operations and financial condition and that upon the occurrence of any of these events, the trading price of our common units could decline, and you could lose all or part of your investment.

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

See attached financial statements on the following pages.

DORCHESTER MINERALS, L.P.
(A Delaware Limited Partnership)

CONDENSED CONSOLIDATED BALANCE SHEETS
(In Thousands)
(Unaudited)

	June 30, 2020	December 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	$ 11,753	$ 15,339
Trade and other receivables	3,141	7,061
Net profits interests receivable - related party	317	5,882
Total current assets	15,211	28,282
Property and leasehold improvements - at cost:		
Oil and natural gas properties (full cost method)	405,670	405,670
Accumulated full cost depletion	(325,795)	(319,544)
Total	79,875	86,126
Leasehold improvements	989	989
Accumulated amortization	(192)	(146)
Total	797	843
Operating lease right-of-use asset	1,510	1,632
Total assets	$ 97,393	$ 116,883
LIABILITIES AND PARTNERSHIP CAPITAL		
Current liabilities:		
Accounts payable and other current liabilities	$ 2,764	$ 2,052
Operating lease liability	305	310
Total current liabilities	3,069	2,362
Operating lease liability	2,033	2,185
Total liabilities	5,102	4,547
Commitments and contingencies (Note 3)		
Partnership capital:		
General Partner	629	1,228
Unitholders	91,662	111,108
Total partnership capital	92,291	112,336
Total liabilities and partnership capital	$ 97,393	$ 116,883

The accompanying notes are an integral part of these condensed consolidated financial statements.

DORCHESTER MINERALS, L.P.
(A Delaware Limited Partnership)

CONDENSED CONSOLIDATED INCOME STATEMENTS

(In Thousands, except per unit amounts)
(Unaudited)

	Three Months Ended June 30, 2020	Three Months Ended June 30, 2019	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
Net operating revenues:				
Royalties	$ 6,505	$ 15,975	$ 16,455	$ 30,554
Net profits interests	278	3,885	5,446	8,264
Lease bonus	6	419	269	422
Other	6	321	101	391
Total net operating revenues	6,795	20,600	22,271	39,631
Costs and expenses:				
Operating, including production taxes	1,350	1,789	2,790	3,401
Depreciation, depletion and amortization	2,940	3,930	6,297	6,237
General and administrative expenses	1,313	1,285	3,231	2,418
Total costs and expenses	5,603	7,004	12,318	12,056
Net income	$ 1,192	$ 13,596	$ 9,953	$ 27,575
Allocation of net income:				
General partner	$ 60	$ 455	$ 298	$ 901
Unitholders	$ 1,132	$ 13,141	$ 9,655	$ 26,674
Net income per common unit (basic and diluted)	$ 0.03	$ 0.38	$ 0.28	$ 0.80
Weighted average basic and diluted common units outstanding	34,680	34,680	34,680	33,480

The accompanying notes are an integral part of these condensed consolidated financial statements.

DORCHESTER MINERALS, L.P.
(A Delaware Limited Partnership)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN PARTNERSHIP CAPITAL
(In Thousands)
(Unaudited)

	General Partner	Unitholders	Total	Unitholder Units
Three Months Ended June 30, 2019				
Balance at April 1, 2019	$ 1,709	$ 125,503	$ 127,212	34,680
Net income	455	13,141	13,596	
Distributions ($0.482315 per Unit)	(553)	(16,726)	(17,279)	
Balance at June 30, 2019	$ 1,611	$ 121,918	$ 123,529	34,680
Three Months Ended June 30, 2020				
Balance at April 1, 2020	$ 1,041	$ 107,103	$ 108,144	34,680
Net income	60	1,132	1,192	
Distributions ($0.477891 per Unit)	(472)	(16,573)	(17,045)	
Balance at June 30, 2020	$ 629	$ 91,662	$ 92,291	34,680

	General Partner	Unitholders	Total	Unitholder Units
Six Months Ended June 30, 2019				
Balance at January 1, 2019	$ 1,826	$ 84,821	$ 86,647	32,280
Net income	901	26,674	27,575	
Acquisition of assets for units	-	43,824	43,824	2,400
Distributions ($0.998887 per Unit)	(1,116)	(33,401)	(34,517)	
Balance at June 30, 2019	$ 1,611	$ 121,918	$ 123,529	34,680
Six Months Ended June 30, 2020				
Balance at January 1, 2020	$ 1,228	$ 111,108	$ 112,336	34,680
Net income	298	9,655	9,953	
Distributions ($0.839133 per Unit)	(897)	(29,101)	(29,998)	
Balance at June 30, 2020	$ 629	$ 91,662	$ 92,291	34,680

The accompanying notes are an integral part of these condensed consolidated financial statements

DORCHESTER MINERALS, L.P.
(A Delaware Limited Partnership)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)
(Unaudited)

	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
Net cash provided by operating activities	$ 26,412	$ 35,300
Cash flows provided by investing activities:		
Net cash contributed in acquisition	-	1,406
Proceeds from the sale of oil and natural gas properties	-	350
Total cash flows provided by investing activities	-	1,756
Cash flows used in financing activities:		
Distributions paid to General Partner and unitholders	(29,998)	(34,517)
(Decrease) increase in cash and cash equivalents	(3,586)	2,539
Cash and cash equivalents at beginning of period	15,339	18,285
Cash and cash equivalents at end of period	$ 11,753	$ 20,824
Non-cash investing and financing activities:		
Fair value of common units issued for acquisition	$ -	$ 43,824

The accompanying notes are an integral part of these condensed consolidated financial statements

DORCHESTER MINERALS, L.P.
(A Delaware Limited Partnership)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Basis of Presentation

Dorchester Minerals, L.P. (the “Partnership”) is a publicly traded Delaware limited partnership that was formed in December 2001, and commenced operations on January 31, 2003. The unaudited condensed consolidated financial statements include the accounts of the Partnership and its wholly-owned subsidiaries Dorchester Minerals Oklahoma LP, Dorchester Minerals Oklahoma GP, Inc., Maecenas Minerals LLP, Dorchester-Maecenas GP LLC, The Buffalo Co., A Limited Partnership, and DMLPTBC GP LLC.

The accompanying unaudited condensed consolidated financial statements of the Partnership have been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP") and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”). The unaudited condensed consolidated financial statements reflect all adjustments (consisting only of normal and recurring adjustments unless indicated otherwise) that are, in the opinion of management, necessary for the fair presentation of our financial position and operating results for the interim period. Interim period results are not necessarily indicative of the results for the calendar year. For more information regarding limitations on the forward-looking statements contained herein, see page 1 of this Quarterly Report on Form 10-Q. Per unit information is calculated by dividing the income or loss applicable to holders of the Partnership’s common units by the weighted average number of units outstanding. The Partnership has no potentially dilutive securities and, consequently, basic and diluted income per unit do not differ. The accompanying unaudited condensed consolidated financial statements and related notes should be read in conjunction with the consolidated financial statements and notes thereto included in the Partnership’s 2019 Annual Report on Form 10-K.

The accompanying unaudited condensed consolidated financial statements include the consolidated results of the Partnership. All significant intercompany balances and transactions have been eliminated in consolidation.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. For example, estimates of uncollected revenues and unpaid expenses from Royalty Properties (which are interests in oil and natural gas leases that give the Partnership the right to receive a portion of the production from the leased acreage, without bearing the costs of such production) and net profits overriding royalty interests (referred to as the Net Profits Interests, or “NPIs”) operated by non-affiliated entities are particularly subjective due to our inability to gain accurate and timely information. Therefore, actual results could differ from those estimates.

Recent Events – In January 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus (“COVID-19”) and the significant risks to the international community and economies as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified COVID-19 as a pandemic, based on the rapid increase in exposure globally, and throughout the second quarter of 2020 and thereafter, COVID-19 continued to spread throughout the U.S. In addition, after the Organization of the Petroleum Exporting Countries (“OPEC”) and a group of oil producing nations led by Russia failed in March 2020 to agree on oil production cuts, Saudi Arabia announced that it would cut oil prices and increase production, leading to a sharp further decline in oil and natural gas prices. While OPEC, Russia and other oil producing countries reached an agreement in April 2020 to reduce production levels, and U.S. production has declined, a significant crude oil price recovery is not expected until global supply matches current lower levels of demand caused by a number of factors, including the uncertainty around the extent and timing of an economic recovery due to the COVID-19 pandemic. The effects of COVID-19 and concerns regarding its domestic and global spread, as well as the recent actions by Russia and Saudi Arabia, could continue to negatively impact the domestic and international supply and demand for oil and natural gas, to sustain continued price volatility and impact the price paid for oil and natural gas and to materially and adversely affect the demand for and marketability of oil and natural gas production.

We are closely monitoring the current and potential impact of the COVID-19 pandemic and future OPEC actions on all aspects of our business, including how these events may impact our future operations, financial results, liquidity, employees and producers. The impact of the COVID-19 pandemic and the related economic downturn and the historically low oil and natural gas prices on the account of the oil price war between OPEC and other oil producing countries is rapidly evolving. We cannot predict the long-term impact of these events on our liquidity, financial position, results of operations or cash flows due to uncertainties including the severity of COVID-19, the duration of the outbreak domestically and worldwide, additional governmental or other actions taken to combat COVID-19 and the effect COVID-19 and the current depressed oil prices will have on the demand for oil and natural gas. These situations remain fluid and unpredictable, and we are actively managing our response.

Revenue Recognition – Revenues from Royalty Properties and NPIs are recorded under the cash receipts approach as directly received from the remitters' statement accompanying the revenue check. Since the revenue checks are generally received two to four months after the production month, the Partnership accrues for revenue earned but not received by estimating production volumes and product prices. Identified differences between our accrued revenue estimates and actual revenue received historically have not been significant.

The Partnership does not record revenue for unsatisfied or partially unsatisfied performance obligations. The Partnership's right to revenues from Royalty Properties and NPIs occurs at the time of production, at which point, payment is unconditional, and no remaining performance obligation exists for the Partnership. Accordingly, the Partnership's revenue contracts for Royalty Properties and NPIs do not generate contract assets or contract liabilities.

Revenues from lease bonus payments are recorded upon receipt. The lease bonus is separate from the lease itself and is recognized as revenue to the Partnership upon receipt of payment. The Partnership generates lease bonus revenue by leasing its mineral interests to exploration and production companies, and includes proceeds from assignments of leasehold interests where the Partnership retains an interest. A lease agreement represents the Partnership's contract with a lessee and generally transfers the rights to develop oil or natural gas, grants the Partnership a right to a specified royalty interest, and requires that drilling and completion operations commence within a specified time period. Upon signing a lease agreement, no further performance obligation exists for the Partnership, and therefore, no contract assets or contract liabilities are generated.

2. Acquisition for Units

On March 29, 2019, pursuant to a Contribution and Exchange Agreement with H. Huffman & Co., A Limited Partnership, an Oklahoma limited partnership ("HHC"), The Buffalo Co., A Limited Partnership, an Oklahoma limited partnership ("TBC" and together with HHC, the "Acquired Entities"), Huffman Oil Co., L.L.C., an Oklahoma limited liability company, and the equity holders of the Acquired Entities, the Partnership acquired (i) a 96.97% net profits interest in certain working interests in various oil and natural gas properties owned by HHC, (ii) all of the minerals and royalty interests held by HHC, and (iii) all of the minerals and royalty interests held by TBC in exchange for 2,400,000 common units representing limited partnership interests in the Partnership ("Common Units") valued at $43.8 million and issued pursuant to the Partnership's acquisition shelf registration statements on Form S-4. We believe that the acquisition is considered complimentary to our business. The Acquired Entities were accounted for as an acquisition of assets under U.S. GAAP. Accordingly, the cost of the acquisition was allocated on a relative fair value basis and transaction costs were capitalized as a component of the cost of the assets acquired. The consolidated balance sheet as of December 31, 2019 includes $42.9 million in net property additions. Net property additions for the six months ended June 30, 2019 includes $4.3 million of unproved properties acquired that were recorded to the oil and natural gas properties full cost pool, thereby accelerating the costs subject to depletion.

The Partnership subsequently filed an acquisition shelf registration statement on Form S-4 that became effective June 6, 2019 and a shelf registration statement on Form S-3 that became effective August 21, 2019. 20,000,000 units remain available for issuance under the Partnership's registration statements.

3. Commitments and Contingencies

The Partnership and Dorchester Minerals Operating L.P., a Delaware limited partnership owned directly and indirectly by our General Partner, are involved in legal and/or administrative proceedings arising in the ordinary course of their businesses, none of which have predictable outcomes and none of which are believed to have any significant effect on our consolidated financial position, cash flows, or operating results.

4. Distributions to Holders of Common Units

Distributions for both the second quarter of 2020 and the second quarter of 2019 were paid on 34,679,774 common units. The second quarter 2020 distribution of $0.226318 per common unit will be paid on August 13, 2020. Our partnership agreement requires the third quarter cash distribution to be paid by November 12, 2020.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion contains forward-looking statements. For a description of limitations inherent in forward-looking statements, see page 1 of this Quarterly Report on Form 10-Q.

Overview

We own producing and nonproducing mineral, royalty, overriding royalty, net profits and leasehold interests. We refer to these interests as the Royalty Properties. We currently own Royalty Properties in 592 counties and parishes in 27 states.

We own six net profits overriding royalty interests (referred to as the Net Profits Interests, or "NPIs") in various properties owned by Dorchester Minerals Operating LP (the "Operating Partnership"), a Delaware limited partnership owned directly and indirectly by our General Partner. We receive monthly payments equaling 96.97% of the net profits actually realized by the Operating Partnership from these properties in the preceding month. In the event that costs, including budgeted capital expenditures, exceed revenues on a cash basis in a given month for properties subject to a Net Profits Interest, no payment is made and any deficit is accumulated and reflected in the following month's calculation of net profit.

Each of the six NPIs (including the Minerals NPI, which is our largest NPI) have previously had cumulative revenue that exceeded cumulative costs, such excess constituting net proceeds on which NPI payments were determined. In the event an NPI has a deficit of cumulative revenue versus cumulative costs, the deficit will be borne solely by the Operating Partnership.

From a cash perspective, as of June 30, 2020, the Minerals NPI was in a deficit position and had outstanding capital commitments of $2.6 million, exceeding cash on hand of $2.5 million.

Commodity Price Risks

Our profitability is affected by oil and natural gas market prices. Oil and natural gas market prices have fluctuated significantly in recent years in response to changes in the supply and demand for oil and natural gas in the market, along with domestic and international political and economic conditions.

In January 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus ("COVID-19") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 as a pandemic, based on the rapid increase in exposure globally, and subsequently, throughout the second quarter of 2020 and thereafter, COVID-19 continued to spread throughout the U.S. In addition, after OPEC, and a group of oil producing nations led by Russia failed in March 2020 to agree on oil production cuts, Saudi Arabia announced that it would cut oil prices and increase production, leading to a sharp further decline in oil and natural gas prices. While OPEC, Russia and other oil producing countries reached an agreement in April 2020 to reduce production levels, and U.S. production has declined, oil prices remain low.

The COVID-19 pandemic and oil and natural gas market volatility have resulted in a significant decrease in oil prices and significant disruption and uncertainty in the oil and natural gas market. These recent events have impacted operators throughout the energy industry, and as described below, our revenues have decreased on account of lower commodity prices and related operator curtailment. Please see "--- Results of Operations." While these market disruptions may be temporary, we cannot reliably estimate the duration of the COVID-19 pandemic or current market conditions, or the ultimate impact these events will have on our future financial position, results of operations, cash flows or liquidity.

Results of Operations

Huffman Acquisition

On March 29, 2019, the Partnership acquired (the "Huffman Acquisition") producing and nonproducing mineral, royalty and net profits interests pursuant to a Contribution and Exchange Agreement with H. Huffman & Co., A Limited Partnership, an Oklahoma limited partnership ("HHC"), The Buffalo Co., A Limited Partnership, an Oklahoma limited partnership ("TBC" and, together with HHC, the "Acquired Entities"), Huffman Oil Co., L.L.C., an Oklahoma limited liability company, and the equity holders of the Acquired Entities (the "Contribution and Exchange Agreement"). The mineral and royalty properties acquired pursuant to the Contribution and Exchange Agreement consisted of varying undivided interests totaling approximately 76,000 net acres located in 169 counties in 14 states, including positions in the Bakken Trend of North Dakota and interests in multiple enhanced oil recovery units in the Permian Basin. In addition to conveying mineral, royalty and net profits interests to the Partnership, the Acquired Entities delivered funds to the Partnership in an amount equal to their cash receipts during the period from January 1, 2019 through March 29, 2019 of $1.4 million (including adjustments made post-closing). The contributing entities conveyed their interests to the Partnership and affiliates of its General Partner in exchange for 2,400,000 common limited partnership units.

Three and Six Months Ended June 30, 2020 as compared to Three and Six Months Ended June 30, 2019

Our period-to-period changes in net income and cash flows from operating activities are principally determined by changes in oil and natural gas sales volumes and prices. Our portion of oil and natural gas sales and weighted average prices were:

	Three Months Ended June 30,			Six Months Ended June 30,		
Accrual basis sales volumes:	2020	2019	% Change	2020	2019	% Change
Royalty properties natural gas sales (mmcf)	839	1,215	(31%)	1,708	2,146	(20%)
Royalty properties oil sales (mbbls)	227	274	(17%)	446	536	(17%)

NPI natural gas sales (mmcf)		611		721	(15%)		1,356		1,344	1%
NPI oil sales (mbbls)		117		121	(3%)		301		267	13%
Accrual basis weighted average sales price:										
Royalty properties natural gas sales ($/mcf)	$	1.16	$	1.79	(35%)	$	1.40	$	2.03	(31%)
Royalty properties oil sales ($/bbl)	$	24.36	$	50.22	(51%)	$	31.54	$	48.83	(35%)
NPI natural gas sales ($/mcf)	$	1.59	$	2.02	(21%)	$	1.35	$	2.22	(39%)
NPI oil sales ($/bbl)	$	24.46	$	48.44	(50%)	$	36.67	$	45.10	(19%)

Both oil and natural gas sales price changes reflected in the table above resulted from changing market conditions.

The decrease in oil sales volumes attributable to our Royalty properties during the second quarter and first six months of 2020 compared to the same periods of 2019 is primarily a result of decreased Permian Basin production due to operator curtailments based on the low commodity price environment and natural declines. The decrease in natural gas sales volumes attributable to our Royalty properties during the second quarter and first six months of 2020 compared to the same periods of 2019 is a result of decreased production across multiple regions due to operator curtailments based on the low commodity price environment and natural declines.

The increase in oil and natural gas sales volumes attributable to our NPI properties during the first six months of 2020 compared to the same period of 2019 is primarily a result of higher suspense releases for new wells in the Bakken and Permian Basin and increased production in the Mid-Continent, primarily during the first quarter of 2020 versus the first quarter of 2019 partially offset by second quarter 2020 Bakken curtailments due to the low commodity price environment. The decrease in oil and natural gas sales volumes attributable to our NPI properties in the second quarter of 2020 compared to the same period of 2019 is due to decreases in production across multiple regions due to operator curtailments based on the low commodity price environment and natural declines.

Operating revenues decreased 67% from $20.6 million during the second quarter of 2019 to $6.8 million during the same period of 2020. Operating revenues also decreased 44% from $39.6 million to $22.3 million during the first six months of 2019 compared to the same period of 2020. The decrease in both periods are primarily a result of lower realized oil and natural gas sales prices and oil and natural gas sales volumes attributable to our Royalty Properties and our NPI properties due to operator curtailments based on the low commodity price environment.

Second quarter operating costs, including production taxes, decreased 22% from $1.8 million in 2019 to $1.4 million in 2020. Operating costs during the first six months of 2020 decreased 18% from $3.4 million during 2019 to $2.8 million during the same period of 2020. The decrease in both periods is primarily a result of lower production taxes and marketing costs due to lower oil and natural gas sales volumes and lower oil and natural gas prices.

Depletion and amortization costs of $3.9 million during the second quarter of 2019 decreased 26% to $2.9 million during the same period of 2020. Depletion and amortization costs of $6.3 million during the first six months of 2020 remained consistent at $6.2 million during the same period of 2019. We adjust our depletion rate each quarter for significant changes in our estimates of oil and natural gas reserves, including acquisitions.

General and administrative expenses remained consistent at $1.3 million during the second quarter of 2020 to the same period of 2019. General and administrative expenses increased 33% to $3.2 million in the first six months of 2020 compared to $2.4 million in the same period of 2019. The increase is primarily a result of higher information technology project costs and higher public company compliance costs in the first quarter of 2020 versus the first quarter of 2019.

Net cash provided by operating activities decreased 25% to $26.4 million for the first six months of 2020 compared to $35.3 million in the same period of 2019 primarily as a result of lower net operating revenues driven by lower sales volumes and prices for both oil and natural gas, for the first six months of 2020 compared to the same period of 2019.

In an effort to provide the reader with information concerning prices of oil and natural gas sales that correspond to our quarterly distributions, management calculates the weighted average price by dividing gross revenues received by the net volumes of the corresponding product without regard to the timing of the production to which such sales may be attributable. This "indicated price" does not necessarily reflect the contract terms for such sales and may be affected by transportation costs, location differentials, and quality and gravity adjustments. While the relationship between our cash receipts and the timing of the production of oil and natural gas may be described generally, actual cash receipts may be materially impacted by purchasers' release of suspended funds and by purchasers' prior period adjustments.

Cash receipts attributable to our Royalty Properties during the second quarter of 2020 totaled $6.3 million. Approximately 62% of these receipts reflect oil sales during March 2020 through May 2020 and natural gas sales during February 2020 through April 2020, and approximately 38% from prior sales periods. The weighted average indicated prices for oil and natural gas sales received during the second quarter of 2020 attributable to the Royalty Properties were $25.36/bbl and $1.29/mcf, respectively.

Cash receipts attributable to our NPIs during the second quarter of 2020 totaled $4.0 million. Approximately 59% of these receipts reflect oil sales and natural gas sales during February 2020 through April 2020, and approximately 41% from prior sales periods. The weighted average indicated prices for oil and natural gas sales received during the second quarter of 2020 attributable to our NPIs were $37.49/bbl and $1.74/mcf, respectively.

Liquidity and Capital Resources

Capital Resources

Our primary sources of capital are our cash flows from the NPIs and the Royalty Properties. Our partnership agreement requires that we distribute quarterly an amount equal to all funds that we receive from the NPIs and the Royalty Properties (other than cash proceeds received by the Partnership from a public or private offering of securities of the Partnership) less certain expenses and reasonable reserves. Additional cash requirements include the payment of oil and natural gas production and property taxes not otherwise deducted from gross production revenues and general and administrative expenses incurred on our behalf and allocated to the Partnership in accordance with the partnership agreement. Because the distributions to our unitholders are, by definition, determined after the payment of all expenses actually paid by us, the only cash requirements that may create liquidity concerns for us are the payment of expenses. Because many of these expenses vary directly with oil and natural gas sales prices and volumes, we anticipate that sufficient funds will be available at all times for payment of these expenses. See Note 4 to the unaudited Condensed Consolidated Financial Statements included in Item 1 of this Quarterly Report on Form 10-Q for additional information regarding cash distributions to unitholders.

We are not directly liable for the payment of any exploration, development or production costs. We do not have any transactions, arrangements or other relationships that could materially affect our liquidity or the availability of capital resources. We have not guaranteed the debt of any other party, nor do we have any other arrangements or relationships with other entities that could potentially result in unconsolidated debt.

Pursuant to the terms of the partnership agreement, we cannot incur indebtedness, other than trade payables, (i) in excess of $50,000 in the aggregate at any given time or (ii) which would constitute "acquisition indebtedness" (as defined in Section 514 of the Internal Revenue Code of 1986, as amended).

We currently expect to have sufficient liquidity to fund our distributions to unitholders and operations despite potential material uncertainties that may impact us as a result of the COVID-19 pandemic and oil and natural gas market volatility. Our ability to fund future distributions to unitholders may be affected by the prevailing economic conditions in the oil and natural gas market and other financial and business factors, including the ongoing COVID-19 pandemic, which are beyond our control. If market conditions were to change due to further declines in oil prices or uncertainty created by the ongoing COVID-19 pandemic, and our revenues were reduced significantly or our operating costs were to increase significantly, our cash flows and liquidity could be reduced. We continue to evaluate potential reductions in all discretionary spending. The current economic environment is rapidly evolving and therefore, we cannot predict the ultimate impact on our liquidity or cash flows.

Expenses and Capital Expenditures

The Operating Partnership continues to assess the opportunity to increase production based on prevailing market conditions in Oklahoma with techniques that may include fracture treating, deepening, recompleting, and drilling. Costs vary widely and are not predictable as each effort requires specific engineering. Such activities by the Operating Partnership could influence the amount we receive from the NPIs.

The Operating Partnership owns and operates the wells, pipelines and natural gas compression and dehydration facilities located in Oklahoma. The Operating Partnership does not anticipate incurring significant expense to replace these facilities at this time. These capital and operating costs are reflected in the NPI payments we receive from the Operating Partnership.

In 1998, Oklahoma regulations removed production quantity restrictions in the Guymon-Hugoton field and did not address efforts by third parties to persuade Oklahoma to permit infill drilling in the Guymon-Hugoton field. Infill drilling could require considerable capital expenditures. The outcome and the cost of such activities are unpredictable and could influence the amount we receive from the NPIs. The Operating Partnership believes it now has sufficient field compression and permits for vacuum operation for the foreseeable future.

Liquidity and Working Capital

Cash and cash equivalents totaled $11.8 million at June 30, 2020 and $15.3 million at December 31, 2019.

Critical Accounting Policies

As of June 30, 2020, there have been no significant changes to our critical accounting policies and related estimates previously disclosed in our 2019 Annual Report on Form 10-K.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this report, our principal executive officer and principal financial officer carried out an evaluation of the effectiveness of our disclosure controls and procedures. Based on their evaluation, they have concluded that our disclosure controls and procedures were effective.

Changes in Internal Control

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) of the Securities Exchange Act of 1934) during the quarter ended June 30, 2020 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Partnership and the Operating Partnership are involved in legal and/or administrative proceedings arising in the ordinary course of their businesses, none of which have predictable outcomes, and none of which are believed to have any significant effect on consolidated financial position, cash flows, or operating results.

ITEM 1A. RISK FACTORS

This section supplements and updates certain risk factors disclosed in Item 1A of Part I of the Partnership's annual report on Form 10-K for the year ended December 31, 2019 (the "Annual Report") and the Partnership's quarterly report on Form 10-Q for the quarter ended March 31, 2020 (the "First Quarter Report" and together with the Annual Report, the "Former Reports"). The following risk factors supersede the corresponding risks described in the Former Reports and should be read together with the other risk factors disclosed in the Former Reports. In addition to the other information in this report, all of these risk factors should be carefully considered in evaluating us and our common units. Any of these risks, many of which are beyond our control, could materially and adversely affect our financial condition, results of operations or cash flows, or cause our actual results to differ materially from those projected in any forward-looking statements. We may also face other risks and uncertainties that are not presently known, are not currently believed to be material, or are not identified below because they are common to all businesses. Past financial performance may not be a reliable indicator of future performance, and historical trends should not be used to anticipate results or trends in future periods. For more information, see "Disclosure Regarding Forward-Looking Statements" on page 1 of this report

The Company may be adversely affected by the recent oversupply of oil and natural gas as a result of the actions of Saudi Arabia and Russia.

Recent actions by Saudi Arabia and Russia have caused a worldwide oversupply in oil and natural gas. After OPEC and a group of oil producing nations led by Russia failed in March 2020 to agree on oil production cuts, Saudi Arabia announced that it would cut oil prices and increase production, leading to a sharp further decline in oil and natural gas prices. While OPEC, Russia and other oil producing countries reached an agreement in April 2020 to reduce production levels, and U.S. production has declined, oil prices remain low on account of an oversupply of oil and natural gas, with a simultaneous decrease in demand as a result of the impact of COVID-19 on the global economy, and such significant decrease in the prices of hydrocarbons may have a material adverse effect on our cash distributions. Oil and natural gas operators on our properties may suspend drilling programs and may lose significant customers as purchasers, which would impact our revenues and operating income. In the event that any wells on our properties are shut-in, restarting wells may require significant costs from our operators, and we cannot guarantee that they would be able to restart at the same level. Moreover, due to the extremely volatile market conditions, we are unable to predict the degree or duration of any adverse impact on our operations and financial condition and other risks in our industry may be enhanced by such conditions

The outcome of pending litigation related to the Dakota Access Pipeline could have a material adverse effect on our revenue and cash distributions.

In connection with ongoing litigation initiated in February 2017 by the Standing Rock Sioux Tribe and the Cheyenne River Sioux Tribe contesting the validity of the process used by the United States Army Corps of Engineers (the "Army Corps") to permit the Dakota Access Pipeline, on July 6, 2020, the United States Court for the District of Columbia (the "Court") issued an order vacating the Army Corps' easement for the Dakota Access Pipeline and requiring that the pipeline be shut down by August 5, 2020. Dakota Access, LLC and the Army Corps appealed the decision and filed a motion for a stay pending appeal with the United States Court of Appeals for the District of Columbia Circuit (the "Court of Appeals"). On July 14, 2020, the Court of Appeals granted a temporary administrative stay to allow the Court time to consider briefing on whether to continue the stay until the appeal is decided on the merits. While this litigation does not directly impact our operations, we derive a significant amount of revenue from the Royalty Properties and NPIs we hold in the Bakken region, the region for which the Dakota Access Pipeline is intended to be a key pipeline. The outcome of this litigation may have a material adverse affect on our Royalty and NPI revenues derived from the Bakken region based on the timing of future development of wells on, or production of oil and natural gas from, or the method and cost of transportation related to the production on the properties. We have no control over the operation of such properties.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

Period	(a) Total Number of Units Purchased	(b) Average Price Paid per Unit	(c) Total Number of Units Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number of Units that May Yet Be Purchased Under the Plans or Programs
April 1, 2020 – April 30, 2020	15,000(2)	$ 10.22	15,000	84,984(1)
May 1, 2020 – May 31, 2020	-	N/A	-	84,984(1)
June 1, 2020 – June 30, 2020	-	N/A	-	84,984(1)
Total	15,000(2)	$ 10.22	15,000	84,984(1)

(1) The number of common units that the Operating Partnership may grant under the Dorchester Minerals Operating LP Equity Incentive Program, which was approved by our common unitholders on May 20, 2015 (the "Equity Incentive Program"), each fiscal year may not exceed 0.333% of the number of common units outstanding at the beginning of the fiscal year. In 2020, the maximum number of common units that could be purchased under the Equity Incentive Program is 115,484 common units.

(2) Open-market purchases by the Operating Partnership, an affiliate of the Partnership, pursuant to a Rule 10b5-1 plan adopted on May 14, 2019 for the purpose of satisfying equity awards to be granted pursuant to the Equity Incentive Program.

ITEM 6. EXHIBITS

Number	Description
3.1	Certificate of Limited Partnership of Dorchester Minerals, L.P. (incorporated by reference to Exhibit 3.1 to Dorchester Minerals' Registration Statement on Form S-4, Registration Number 333-88282)
3.2	Amended and Restated Agreement of Limited Partnership of Dorchester Minerals, L.P. (incorporated by reference to Exhibit 3.2 to Dorchester Minerals' Annual Report on Form 10-K filed for the year ended December 31, 2002)
3.3	Amendment No. 1 to Amended and Restated Partnership Agreement of Dorchester Minerals, L.P. (incorporated by reference to Exhibit 3.1 to Dorchester Minerals' Current Report on Form 8-K filed with the SEC on December 22, 2017)
3.4	Amendment No. 2 to Amended and Restated Partnership Agreement of Dorchester Minerals, L.P. (incorporated by reference to Exhibit 3.4 to Dorchester Minerals' Quarterly Report on Form 10-Q filed with the SEC on August 6, 2018)
3.5	Certificate of Limited Partnership of Dorchester Minerals Management LP (incorporated by reference to Exhibit 3.4 to Dorchester Minerals' Registration Statement on Form S-4, Registration Number 333-88282)
3.6	Amended and Restated Limited Partnership Agreement of Dorchester Minerals Management LP (incorporated by reference to Exhibit 3.4 to Dorchester Minerals' Annual Report on Form 10-K for the year ended December 31, 2002)
3.7	Certificate of Formation of Dorchester Minerals Management GP LLC (incorporated by reference to Exhibit 3.7 to Dorchester Minerals' Registration Statement on Form S-4, Registration Number 333-88282)
3.8	Amended and Restated Limited Liability Company Agreement of Dorchester Minerals Management GP LLC (incorporated by reference to Exhibit 3.6 to Dorchester Minerals' Annual Report on Form 10-K for the year ended December 31, 2002)
3.9	Certificate of Formation of Dorchester Minerals Operating GP LLC (incorporated by reference to Exhibit 3.10 to Dorchester Minerals' Registration Statement on Form S-4, Registration Number 333-88282)
3.10	Limited Liability Company Agreement of Dorchester Minerals Operating GP LLC (incorporated by reference to Exhibit 3.11 to Dorchester Minerals' Registration Statement on Form S-4, Registration Number 333-88282)
3.11	Certificate of Limited Partnership of Dorchester Minerals Operating LP (incorporated by reference to Exhibit 3.12 to Dorchester Minerals' Registration Statement on Form S-4, Registration Number 333-88282)
3.12	Amended and Restated Agreement of Limited Partnership of Dorchester Minerals Operating LP (incorporated by reference to Exhibit 3.10 to Dorchester Minerals' Annual Report on Form 10-K for the year ended December 31, 2002)
3.13	Certificate of Limited Partnership of Dorchester Minerals Oklahoma LP (incorporated by reference to Exhibit 3.11 to Dorchester Minerals' Annual Report on Form 10-K for the year ended December 31, 2002)
3.14	Agreement of Limited Partnership of Dorchester Minerals Oklahoma LP (incorporated by reference to Exhibit 3.12 to Dorchester Minerals' Annual Report on Form 10-K for the year ended December 31, 2002)
3.15	Certificate of Incorporation of Dorchester Minerals Oklahoma GP, Inc. (incorporated by reference to Exhibit 3.13 to Dorchester Minerals' Annual Report on Form 10-K for the year ended December 31, 2002)
3.16	Bylaws of Dorchester Minerals Oklahoma GP, Inc. (incorporated by reference to Exhibit 3.14 to Dorchester Minerals' Annual Report on Form 10-K for the year ended December 31, 2002)
31.1*	Certification of Chief Executive Officer of the Partnership pursuant to Rule 13a-14(a) / 15d-14(a) of the Securities Exchange Act of 1934
31.2*	Certification of Chief Financial Officer of the Partnership pursuant to Rule 13a-14(a) / 15d-14(a) of the Securities Exchange Act of 1934
32.1**	Certification of Chief Executive Officer and Chief Financial Officer of the Partnership pursuant to 18 U.S.C. Sec. 1350
101.INS**	XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH**	Inline XBRL Taxonomy Extension Schema Document
101.CAL**	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF**	Inline XBRL Taxonomy Extension Definition Document
101.LAB**	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE**	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith
**Furnished herewith

Table of Contents

SIGNATURES

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.

By: Dorchester Minerals Management LP
its General Partner

By: Dorchester Minerals Management GP LLC
its General Partner

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

Date: August 6, 2020

By: /s/ Leslie Moriyama
Leslie Moriyama
Chief Financial Officer

Date: August 6, 2020

Exhibit 31.1

CERTIFICATIONS

I, William Casey McManemin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Dorchester Minerals, L.P.;

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.

/s/ William Casey McManemin

William Casey McManemin
Chief Executive Officer of
Dorchester Minerals Management GP LLC
The General Partner of Dorchester Minerals
Management LP
The General Partner of Dorchester Minerals, L. P.

Date: August 6, 2020

Exhibit 31.2

I, Leslie Moriyama, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Dorchester Minerals, L.P.;

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.

/s/ Leslie Moriyama
Leslie Moriyama
Chief Financial Officer of
Dorchester Minerals Management GP LLC,
The General Partner of Dorchester Minerals
Management LP
The General Partner of Dorchester Minerals, L.P.

Date: August 6, 2020

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)

In connection with the accompanying Quarterly Report of Dorchester Minerals, L.P., (the "Partnership") on Form 10-Q for the period ended June 30, 2020 (the "Report”), each of the undersigned officers of Dorchester Minerals Management GP LLC, General Partner of Dorchester Minerals Management LP, General Partner of the Partnership, hereby certifies that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

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

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

Date: August 6, 2020

/s/ Leslie Moriyama
Leslie Moriyama
Chief Financial Officer

Date: August 6, 2020