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October 6, 2021

Office of the Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

By Electronic Mail (shareholderproposals@sec.gov)

Re: Shareholder Proposal to Texas Pacific Land Corporation

Dear Sir/Madam,

I am writing in response to the no-action letter (the 'Company Letter') sent on October 6, 2021 by Texas Pacific Land Corporation (the 'Company'). The Company asserts that it may exclude the shareholder proposal (the 'Proposal') from the Company's proxy materials on the basis that it contravenes SEC regulations relating to ordinary business operations and seeks to micromanage the company as laid out in Rule 14a-8(i)(7). The Company has requested that the Commission's Division of Corporation Finance (the 'Staff") shall not recommend enforcement action if the Company omits the Proposal from their proxy materials. I respectfully disagree and ask that you do not affirm this request.

I will do the Staff the service of not wasting time citing the litany of prior opinions, decisions and case law that support my position and with which they are undoubtedly familiar. I simply ask one question and will provide a brief statement in support of the Proposal. The question: If shareholders are to be excluded from being heard and allowed to vote on how portions of the profits of the Company they own are returned to them, what is the point of owning stock at all?

The Proposal submitted requests "That the Company repurchase no less than 1% of the outstanding stock on an annual basis and retire those shares." The Company seeks to exclude the Proposal alleging that it "deals with matters relating to the company's ordinary business operations." It stretches the imagination to envision how setting a broad goal for how a portion of Company

profits, our profits, are to be spent in a manner that is most beneficial to shareholders in any way micromanages the day-to-day operations of the Company. The Proposal is intentionally silent as to when, where, how and under what circumstances the policy would be effectuated, there is neither anything micro nor managed about it.

Further, I can't envision a matter more clearly distinguishable from ordinary business than a Proposal that touches and concerns the very fabric of the Company's inception. For the last 133 years the Company has made it a practice to buy back shares and then cancel them. Indeed, it was part and parcel of the original declaration of trust from 1888. That document stated:

"The trustees shall have power to purchase and acquire, in their discretion, any of the outstanding Income and Land Grant bonds and scrip of the Texas and Pacific Railway Company for the benefit of the trust, and they shall have full power and authority to borrow from time to time such sums of money as they shall deem necessary to enable them to purchase such bonds and scrip and also to pay taxes and other expenses connected with the trust, and to secure repayment of the sums so borrowed by a pledge or mortgage of the trust property or any part thereof. In case of such purchase or acquisition the certificate or certificates of proprietary interest under this trust representing the securities so purchased or acquired shall be canceled by the trustees, or, in their discretion, sold and disposed of for the benefit of the trust"

The Proposal does not seek to create any burdensome and unreasonable mandate, it merely seeks to perpetuate that which has become custom for the Company for over 100 years. The Company's existing stock repurchase program, which is due to expire at the end of 2021, is outlined in their August 5, 2021 press release.

"In May 2021, our board of directors approved a stock repurchase program to purchase up to an aggregate of $20.0 million of shares of our outstanding common stock. In connection with the stock repurchase program, the Company entered into a Rule 10b5-1 trading plan that generally permits the Company to repurchase shares at times when it might otherwise be prevented from doing so under securities laws. The stock repurchase program will expire on December 31, 2021 unless otherwise modified or earlier terminated by our board of directors at any time in its sole discretion. Repurchased shares will be held in treasury. The Company repurchased $2.5 million of shares during the six months ended June 30, 2021."

The Company's protestations that the Proposal will somehow force or dictate a course of action that would be detrimental to shareholder's are wholly without merit. The Company has presently achieved only 12.5% of it's stated goal to repurchase stock and they haven't ceased to exist and aren't otherwise

facing termination or dissolution. The assertion that shareholders lack the ability to evaluate how profits of the business they own a portion of should be returned to them and that they should defer such decisions to management's expertise and duty to act in their best interest are equally without merit. While the Company may employ individuals who possess particular expertise with respect to running the day-to-day operations of the business, they've presented no evidence or proof qualification that they are more expert at representing the best interests of shareholders than shareholders themselves. It's notable that none of the employees of the company own a single share of the Company per the most recent proxy materials.

Texas Pacific Land Corporation is exactly that, a land corporation. They own land, they lease the land, they collect the rent and royalties thereon. Forgive the oversimplification, there are some smaller ancillary businesses, but it's important to maintain context with matters that are addressed on a case-by-case basis and this is what the Company is at the core. We're not dealing with a complicated business structure or cutting-edge technology or product or even competition from businesses. The Company does not create or produce anything other than rent and royalties on the land that it owns, that the shareholders own, and the Proposal does not in any way dictate or direct how that is to be effectuated or carried out. It merely seeks to let shareholders have a vote in what happens to a portion of the profits after they've done what they do.

I'm truly nonplussed by the fact that the Company would spend millions of dollars of shareholder money to combat a shareholder proxy that would see them converted from a Trust to a Corporation only to ensconce themselves within the veils of corporate vaguery to further prevent shareholders from being heard within the first year of corporate existence, but here we are.

In light of the foregoing, I respectfully submit that the staff not concur with the Company's no-action request as the Proposal does not seek to micro-manage ordinary business activities and in any event clearly presents a significant policy issue which transcends the day-to-day business of the Company and therefore is not properly excludable pursuant to Rule 14a-8(i)(7).

Sincerely,

Robert J. Zaccheo, Jr.

Cc: Michael W. Dobbs
Texas Pacific Land Corporation
1700 Pacific Avenue, Suite 2900
Dallas, Texas 752201
mdobbs@texaspacific.com

October 6, 2021

VIA EMAIL (*shareholderproposals@sec.gov*)

SEC Division of Corporation Finance
Office of Chief Counsel
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: Texas Pacific Land Corporation
Stockholder Proposal of Robert J. Zaccheo, Jr.

Ladies and Gentlemen:

This letter is submitted by Texas Pacific Land Corporation, a Delaware corporation (the "Company") pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934, to request confirmation that the staff (the "Staff") of the Securities and Exchange Commission (the "Commission" or the "SEC") will not recommend enforcement action if, in reliance on Rule 14a-8, the Company continues to exclude from the proxy materials for the Company's 2021 Annual Meeting of Stockholders a proposal submitted by Robert J. Zaccheo, Jr. (the "Proponent") and received by the Company on September 9, 2021 (the "Proposal").

Pursuant to Rule 14a-8(j),

(a) a copy of the Proposal is attached hereto as Exhibit A; and

(b) a copy of this letter is being sent to notify the Proponent of the Company's omission of the Proposal from its 2021 proxy materials.

The Company has already filed and printed its definitive proxy materials for the 2021 Annual Meeting of Stockholders on October 4, 2021, excluding the Proposal. Due to the timing of receipt of the Proposal, prior submission and subsequent discussions with the Proponent regarding a potential withdraw, the Company was unable to submit this letter prior to 80 calendar days before the Company filed its definitive 2021 proxy materials. The 2021 Annual Meeting of Stockholders will be the Company's first annual meeting following its reorganization in January 2021. The Company did not hold an annual meeting in 2020, but the Company's Amended and Restated Bylaws and the Information Statement filed as part of the reorganization set a deemed annual meeting date of November 16, 2021. Pursuant to *Staff Legal Bulletin No. 14D (Nov. 7, 2008)*, this letter and its exhibits are being submitted via email to *shareholderproposals@sec.gov*.

The Company previously submitted a letter to the Staff on September 23, 2021 to request confirmation that the Staff would not recommend an enforcement action to the Commission if the

Company excluded the Proposal from its 2021 proxy materials in reliance on Rule 14a-8(e)(2). On September 28, 2021, the Company was notified that the Staff was unable to concur that Rule 14a-8(e)(2) provides a basis to exclude the Proposal. The Company is now submitting this additional request on a different basis for exclusion (Rule 14a-8(i)(7)), as set forth below.

The Proposal reads as follows:

> RESOLVED, That the Company repurchase no less than 1% of the outstanding stock on an annual basis and retire those shares.

I. The Proposal May be Properly Omitted from the Company's Proxy Materials Under Rule 14a-8(i)(7) Because the Proposal Deals with Matters Relating to the Company's Ordinary Business Operations and Seeks to Micromanage the Company

Rule 14a-8(i)(7) permits a company to omit a proposal from its proxy materials if the proposal "deals with matters relating to the company's ordinary business operations." The purpose of the ordinary business exclusion is "to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting." *See Release No. 34-40018 (May 21, 1998).* As explained by the Commission, the term "ordinary business" in this context refers to "matters that are not necessarily 'ordinary' in the common meaning of the word, and is rooted in the corporate law concept providing management with flexibility in directing certain core matters involving the company's business and operations." *Id.*

There are two central components of the ordinary business exclusion. First, as it relates to the subject matter of the proposal, "[c]ertain tasks are so fundamental to management's ability to run a company on a day-to-day basis" that they are not a proper subject matter for shareholder oversight. *Id.* The Commission has differentiated between these ordinary business matters and "significant social policy issues" that "transcend the day-to-day business matters and raise policy issues so significant that it would be appropriate for a shareholder vote." *Id.* The latter is not excludable as pertaining to ordinary business matters, and in assessing whether a particular proposal raises a "significant social policy issue," the Staff will review the terms of the proposal as a whole, including the supporting statement. *Id.*

Second, as it relates to the implementation of the subject matter of the proposal, the ability to exclude a proposal "relates to the degree to which the proposal seeks to 'micro-manage' the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment." *Id.* The Staff noted in *Staff Legal Bulletin No. 14K (Oct. 16, 2019)* ("SLB 14K") that a proposal micromanages a company where it "seeks intricate detail or imposes a specific strategy, method, action, outcome or timeline for addressing an issue, thereby supplanting the judgment of management and the board."

In this case, the Proposal asks the Company to "repurchase no less than 1% of the outstanding stock on an annual basis." Whether to conduct stock repurchases, in what amounts, and on what timeline, are certainly matters fundamental to management's choices relevant to its

financial planning in the context of the broader strategic goals of the Company. This request clearly relates to an ordinary business matter and micromanages the Company by imposing a very specific financial strategy and timeline on the Board.

Stock repurchases can be a part of an overall capital allocation strategy. However, management balances any decisions with respect to stock repurchases against other means of capital deployment, such as dividends, investments and other opportunities for growth. This balance requires a deep understanding of a company's long-term strategic plan, prospects, liquidity, access to capital, tax consequences of any particular action and many other factors. Any determination with respect to potential stock repurchase activity must also factor in market considerations such as trading volume and volatility and whether any particular stock repurchases would be permissible pursuant to insider trading and market manipulation rules. Each of these considerations is complex. As a result, decisions with respect to stock repurchases are of a nature that stockholders, as a group, would not be in a position to make an informed judgment. Accordingly, the Proposal presents precisely the type of micromanagement that has been deemed inappropriate for shareholder action under Rule 14a-8(i)(7) as further detailed in SLB 14K.

The Staff has recently concurred with the omission of shareholder proposals that seek shareholder votes regarding stock repurchases, in each case on the basis of Rule 14a-8(i)(7). See *Royal Caribbean Cruises Ltd.* (Mar. 14, 2019) and *Walgreens Boots Alliance* (Nov. 20, 2018) (proposals sought to require shareholder approval for any open market share repurchase programs or stock buybacks adopted by the board). The SEC has also clearly determined that matters related to the Company's general business plans and strategy are not appropriate for shareholder action. See, e.g., *Sears, Roebuck & Co.* (Feb. 7, 2000) (concurring with exclusion of a proposal seeking a change in the company's general business plans and strategy).

Further, the Staff has consistently found that proposals that fix specific financial goals are excludable under Rule 14a-8(i)(7). *See Omeros Corporation* (April 20, 2021) (excluded proposal to "make the ongoing increase in share price and enhancing shareholder value a high priority in 2021 and beyond."); *Ford Motor Co.* (Mar. 8, 2006) (excluded proposal requesting action to "enhance shareholder value" and "achieve stock performance equaling the top quartile of S&P 500 companies"); *Bimini Capital Management, Inc.* (Mar. 28, 2018) (excluded proposal requesting that the board take measures to close the gap between the book value of the company's common shares and their market price); *Tremont Corp.* (Feb. 25, 1997) (excluded proposal requesting a plan to narrow the gap between the value of the company's shares and the value of its underlying assets); *Rogers Corp. (Erley)* (Jan. 18, 1991) (excluded proposal requesting enumerated standards for financial performance). Similar to the proposals described above, the Proposal attempts to impose on the Company a specific decision with respect to a fundamental and ordinary business matter — the Company's capital allocation strategy.

In summary, the Proponent seeks to micromanage the Company by mandating a very specific stock repurchase plan – no less than 1% of the outstanding stock on an annual basis. As noted above, stockholders, as a group, lack the ability to properly evaluate whether the Company should engage in a particular stock buyback strategy. As such, the Proposal is a matter of ordinary business of the Company and, if implemented, would micro-manage the Company for purposes of

Rule 14a-8(i)(7). Imposing such stock repurchase mandate on the Company circumvents management's expertise and fiduciary duties to act in the best of interests of stockholders.

II. Conclusion

Based on the above, and also acknowledging that the Proposal does not present any significant policy issues that may transcend the day-to-day business of the Company, the Proposal is properly excludable as an ordinary business matter pursuant to Rule 14a-8(i)(7).

For the foregoing reasons, the Company requests your confirmation that the Staff will not recommend any enforcement action to the Commission if the Proposal continues to be excluded from the Company's 2021 proxy materials for any of the reasons described in this letter.

We would be happy to provide any additional information and answer any questions regarding this matter. Should you have any questions, please contact the undersigned at mdobbs@texaspacific.com or (214) 969-5530.

Sincerely,

Micheal W. Dobbs
Senior Vice President, General Counsel and Secretary

Enclosures

cc: Robert J. Zaccheo, Jr.
379 State Route 208
New Paltz, New York 12561
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EXHIBIT A

Law Office of
Robert J. Zaccheo, Jr.
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August 30, 2021

Texas Pacific Land Corporation
Corporate Secretary
1700 Pacific Avenue
Suite 2900
Dallas, TX 75201

Via First-Class Mail

Re: Shareholder Proposal

Members of the Board,

As a long time Texas Pacific Land Trust and now Texas Pacific Land Corp. shareholder I'd like to submit the following proposal for consideration at the forthcoming annual meeting. While I've owned as much as 100-200 shares of TPL at various times over the last 8 years I've continuously held a minimum of least 35 shares (appx. value at time of writing is $49,875) throughout said period. I believe I've agreed to share my information through my broker (Fidelity) so you're able to verify my status as a shareholder but will certainly provide additional proof should it be deemed necessary.

Additionally, I intend to continuously hold at least 35 shares of TPL stock for the next several years but in any event through the date of the upcoming shareholder meeting for which this proposal is being submitted.

As noted in your May 6, 2021 press release, the company's stock repurchase program is due to expire on December 31, 2021. This being the case I'd like to propose that the company continue to follow its long standing history of stock repurchases by adopting a new repurchase program wherein the company would repurchase and retire shares at times throughout the year that are suitable, but in any event not less than 1% of outstanding shares per annum. I think this will benefit the

company and shareholders alike and is consistent with the company's governance to date. I believe this should be the policy of the company going forward but at the very least through December 31, 2022.

Therefore I respectfully submit the following proposal:

Resolution

That the Company repurchase no less than 1% of the outstanding stock on an annual basis and retire those shares.

Please allow this letter to serve as a statement of my support of said proposal and resolution. I'm able to meet with the company via teleconference within the next 10-30 days to more fully discuss the matter if you wish. I'm available by phone at (845)417-3959 Monday thru Friday from 8am to 4pm. Thank you in advance for your consideration in this matter.

Sincerely,

Robert J. Zaccheo, Jr.