



DIVISION OF
CORPORATION FINANCE

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

September 18, 2024

Micheal W. Dobbs
Texas Pacific Land Corporation

Re: Texas Pacific Land Corporation (the "Company")
Incoming letter dated July 12, 2024

Dear Micheal W. Dobbs:

This letter is in response to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by Brandon Bell for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders.

The Proposal requests that the board of directors commission an independent third-party report to determine the feasibility and potential benefits of engaging with recognized options exchanges to initiate the listing of options on Company stock.

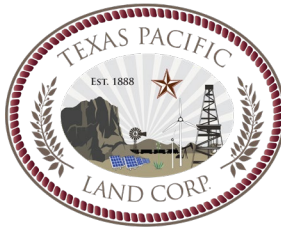
There appears to be some basis for your view that the Company may exclude the Proposal under Rule 14a-8(i)(7). In our view, the Proposal relates to ordinary business matters. Accordingly, we will not recommend enforcement action to the Commission if the Company omits the Proposal from its proxy materials in reliance on Rule 14a-8(i)(7).

Copies of all of the correspondence on which this response is based will be made available on our website at <https://www.sec.gov/corpfin/2023-2024-shareholder-proposals-no-action>.

Sincerely,

Rule 14a-8 Review Team

cc: Brandon Bell



July 12, 2024

Via Online Submission Form

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

Re: Texas Pacific Land Corporation
Stockholder Proposal of Brandon Bell

Ladies and Gentlemen:

This letter is submitted by Texas Pacific Land Corporation, a Delaware corporation (the “Company” or “TPL”) 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 excludes from the proxy materials (the “2024 Proxy Materials”) for the Company’s 2024 Annual Meeting of Stockholders (the “2024 Annual Meeting”) a proposal submitted by Brandon Bell (the “Proponent”) on June 11, 2024 (the “Proposal”) and accompanying supporting statement (the “Supporting Statement”).

Pursuant to Rule 14a-8(j), a copy of this letter is being sent concurrently to the Proponent as notification of the Company’s intention to omit the Proposal from its 2024 Proxy Materials.

The Company is submitting this letter no later than 80 calendar days before the Company intends to file its definitive 2024 Proxy Materials. We respectfully remind the Proponent that pursuant to Rule 14a-8(k), a copy of any additional correspondence to the Commission or the Staff with respect to the Proposal should be furnished to the Company concurrently.

THE PROPOSAL

A copy of the Proposal and the corresponding Supporting Statement is attached hereto as Exhibit A. The Proposal reads as follows:

RESOLVED: The shareholders request that the Board of Directors commission an independent third-party report (at reasonable cost, omitting confidential or proprietary information) to determine the feasibility and potential benefits of engaging with recognized options exchanges (such as CBOE, NYSE) to initiate the

listing of options on TPL stock and provide a detailed report of the findings to shareholders within 4 months of the annual meeting.

BASIS FOR EXCLUSION

We hereby request that the Staff concur in our view that the Proposal may be excluded from the 2024 Proxy Materials in reliance on Rule 14a-8(i)(7) because the Proposal deals with matters relating to the Company's ordinary business operations.

ANALYSIS

A. The Proposal May be Excluded Pursuant to Rule 14a-8(i)(7) Because the Proposal Deals with Matters Relating to the Company's Ordinary Business Operations.

Rule 14a-8(i)(7) permits the omission of a shareholder proposal dealing with matters relating to a company's "ordinary business operations." According to the Commission's release accompanying the 1998 amendments to Rule 14a-8, the underlying policy 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." *Release No. 34-40018* (May 21, 1998) (the "1998 Release").

In the 1998 Release, the Commission identified the two central considerations underlying the general policy for the ordinary business exclusion. The first consideration relates to the subject matter of the proposal. The Commission stated that, "[c]ertain tasks are so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight." *Id.* Examples of the tasks cited by the Commission include "management of the workforce." *Id.* The second consideration 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.*; *see also Staff Legal Bulletin No. 14L* (Nov. 3, 2021) ("SLB 14L"). The term "ordinary business" is rooted in the fundamental "corporate law concept providing management with flexibility in directing certain core matters involving the company's business and operations." 1998 Release (citing Release No. 12999 (Nov. 22, 1976)).

As the Commission noted in the 1998 Release, proposals relating to ordinary business matters are distinguishable from those "focusing on sufficiently significant social policy issues," which generally are not excludable under Rule 14a-8(i)(7) because "the proposals would transcend the day-to-day business matters and raise policy issues so significant that it would be appropriate for a shareholder vote." The ordinary business exception therefore "recogniz[es] the board's authority over most day-to-day business matters," while at the same time "preserving shareholders' right to bring important issues before other shareholders by means of the company's proxy statement." *See SLB 14L, Part B.2.*

In SLB 14L, the Staff clarified that not all “proposals seeking detail or seeking to promote timeframes” constitute micromanagement, and that going forward the Staff would “focus on the level of granularity sought in the proposal and whether and to what extent it inappropriately limits discretion of the board or management.” To that end, the Staff stated that this “approach is consistent with the Commission’s views on the ordinary business exclusion, which is designed to preserve management’s discretion on ordinary business matters but not prevent shareholders from providing high-level direction on large strategic corporate matters.” SLB 14L.

A shareholder proposal being framed in the form of a request for a report does not change the nature of the proposal. The Commission has stated that a proposal requesting the dissemination of a report may be excludable under Rule 14a-8(i)(7) if the subject matter of the proposed report is within the ordinary business of the issuer. *See* 1983 Release No. 34-20091 (Aug. 16, 1983) (the “1983 Release”); *Johnson Controls, Inc.* (Oct. 26, 1999) (“[Where] the subject matter of the additional disclosure sought in a particular proposal involves a matter of ordinary business . . . it may be excluded under [R]ule 14a-8(i)(7).”; *see also Ford Motor Co.* (Mar. 2, 2004) (concurring with the exclusion of a proposal requesting that the company publish a report about global warming/cooling, where the report was required to include details of indirect environmental consequences of its primary automobile manufacturing business).

1. The Proposal Relates to a Matter of Ordinary Business Operations and Micromanages the Company.

Although framed as a request for a report on the topic, the ultimate goal of the Proposal is for the Company to engage with recognized options exchanges to encourage the listing of options on its common stock (the “Options”). The decision on whether to pursue such engagement is a matter of ordinary business.

The Proposal is difficult to clearly place in any line of precedent from the Staff because the issuance and listing of options on the Company’s common stock is entirely at the discretion of the exchanges themselves. The Proposal could be viewed as similar to the line of precedents involving other proposals focused on the issuance of securities, although the Options would not be issued by the Company. It could also be viewed as similar to proposals addressing general finance matters and policies. Further, the Proposal could be viewed as a suggestion for a new investment product in the line of precedents involving products or services. Although the listed Options that are the focus of the Proposal would not be offered by the Company, the Proposal is asking for the Company to encourage the creation of the Options by the exchanges.

The Staff has consistently found proposals addressing the issuance of securities to be excludable under Rule 14a-8(i)(7) because they relate to matters of ordinary business. *See, e.g., Bank of America Corporation* (Jan. 10, 2011) (proposal requesting a bylaw amendment to require shareholder approval before the company could authorize and issue additional common shares with certain limitations was excludable as “[p]roposals concerning the issuance of authorized shares are generally excludable under rule 14a-8(i)(7)”; *Harken Energy Corporation* (Mar. 31,

2001) (proposal requesting that the board adopt a resolution providing for stockholder approval before any of the company's stock could be issued was excludable as the proposal related to the company's "ordinary business operations (*i.e.*, the issuance of authorized shares)"); and *NetCurrents, Inc.* (May 3, 2001) (same).

The Staff has also consistently permitted the exclusion of proposals focused on general finance matters and policies. *See, e.g., Tesla, Inc.* (January 24, 2022) (concurring in the exclusion of a shareholder proposal requesting the company adopt a policy of immediate liquidation of newly-acquired cryptocurrency assets); *General Electric Company* (Dec. 15, 1989) (concurring in the exclusion, pursuant to Rule 14a-8(i)(7), of a shareholder proposal that the company discontinue "Program Trading" under existing rules); *Integrated Circuits, Inc.* (Dec. 27, 1988) (concurring in the exclusion, pursuant to Rule 14a-8(i)(7), of a shareholder proposal to get a third-party evaluation and recommendation of how the company might maximize shareholder value); and *California Real Estate Investment Trust* (July 6, 1988) (concurring in the exclusion of a shareholder proposal involving the determination of investment strategies).

Additionally, the Staff has consistently permitted the exclusion of proposals related to products and services. *See, e.g., GameStop Corp.* (Apr. 25, 2023) (allowing the exclusion of a proposal requesting a dividend in the form of a non-fungible token (NFT), which the company described as "effectively amount[ing] to an attempt to direct the [c]ompany to offer a new product"); *Nike, Inc.* (Jun. 19, 2020) (in which the Staff concurred in exclusion of a proposal requesting the company to research the market potential of a line of products); and *Verizon Communications Inc.* (Jan. 29, 2019) (in which the Staff concurred in exclusion of a proposal asking the company to offer company stockholders the same discounted pricing on company products and services as is offered to company employees).

Although the Proposal may present a subject matter of first impression for the Staff, the Company believes it clearly falls within the parameters of the ordinary business exclusion provided in Rule 14a-8(i)(7), similar to the precedents cited above.

Further, in requesting that the Board commission a report regarding the listing of Options of Company stock, the Proposal attempts to micromanage the Company by substituting stockholder judgment for that of management with respect to the decision on whether to encourage the listing of Options on an exchange, a topic that is beyond the knowledge and expertise of such stockholders. Whether such engagement would provide any benefit to the Company and its stockholders is a decision clearly within the purview of management.

2. The Proposal Does Not Involve a Significant Policy Issue.

As set out in the 1998 Release, proposals "focusing on sufficiently significant social policy issues (*e.g.*, significant discrimination matters) generally would not be considered to be excludable [under Rule 14a-8(i)(7)], because the proposals would transcend the day-to-day business matters and raise policy issues so significant that it would be appropriate for a shareholder vote."

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Accordingly, and as is appropriate, an issue must meet certain standards to be deemed a significant policy issue. In determining whether an issue should be deemed a significant policy issue, the Staff considers whether the issue has been the subject of widespread and/or sustained public debate. The topic of the Proposal does not meet this standard.

The Commission has long held that proposals requesting the establishment of a policy are evaluated by the Staff by considering the underlying subject matter of the Proposal when applying Rule 14a-8(i)(7). *See* 1983 Release. Here, the underlying subject matter of the Proposal is the listing of Options on recognized options exchanges. This is not a significant policy issue but, rather, relates to the ordinary business of the Company.

CONCLUSION

For the foregoing reasons, the Company requests your confirmation that the Staff will not recommend any enforcement action to the Commission if the Proposal is omitted from the 2024 Proxy Materials.

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,

A handwritten signature in black ink, appearing to read "Micheal W. Dobbs", with a stylized flourish at the end.

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

Enclosures

cc: Brandon Bell

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
July 12, 2024
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EXHIBIT A

[TPL: Rule 14a-8 Proposal, June 7, 2024]
[This line and any line above it is not for publication]

Proposal [#] – Report on the Viability of Initiating Options Trading on TPL Stock

Background:

Options trading can provide significant benefits to shareholders, including increased liquidity, more diverse investment strategies, and potentially enhanced share price stability. Many well-regarded companies have options available on their stock, benefiting their shareholders and overall market presence.

Resolved:

The shareholders request that the Board of Directors commission an independent third-party report (at reasonable cost, omitting confidential or proprietary information) to determine the feasibility and potential benefits of engaging with recognized options exchanges (such as CBOE, NYSE) to initiate the listing of options on TPL stock and provide a detailed report of the findings to shareholders within 4 months of the annual meeting.

Supporting Statement:

By commissioning an independent report on the facilitation of options trading on TPL stock, the Board ensures a thorough and unbiased evaluation of potential benefits to shareholders. It will benefit shareholders for the Board of Directors to undertake a comprehensive assessment that could enhance shareholder value and provide additional tools for investors to manage their investments.

Please vote yes:

Report on the Viability of Initiating Options Trading on TPL Stock – Proposal [#]
[The above line is for publication]



September 12, 2024

Via Online Submission Form

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

Re: Texas Pacific Land Corporation
Supplemental Letter Regarding Stockholder Proposal of Brandon Bell; Reference
No. 575466

Ladies and Gentlemen:

On July 12, 2024, Texas Pacific Land Corporation, a Delaware corporation (the “Company”) submitted a letter (the “No-Action Request”), requesting for confirmation that the staff (the “Staff”) of the Securities and Exchange Commission (the “SEC”) will not recommend enforcement action if, in reliance on Rule 14a-8 under the Securities Exchange Act of 1934, as amended, the Company excludes from the proxy materials (the “2024 Proxy Materials”) for the Company’s 2024 Annual Meeting of Stockholders (the “Annual Meeting”) a proposal submitted by Brandon Bell (the “Proponent”) on June 11, 2024 (the “Proposal”) and accompanying supporting statement (the “Supporting Statement”). Pursuant to Rule 14a-8(j), a copy of this letter is being sent concurrently to the Proponent.

The No-Action Request indicated the Company’s belief that the Proposal and Supporting Statement could be excluded pursuant to Rule 14a-8(i)(7) because the Proposal deals with matters relating to the Company’s ordinary business operations. The Company writes supplementally to notify the Staff that, since submitting the No-Action Request, due to the circumstances described below, the Company has accelerated its timeline to finalize and print its 2024 Proxy Materials to September 24, 2024. The Company acknowledges this results in the No-Action Request being submitted less than 80 calendar days before the Company expects to file its definitive 2024 Proxy Materials with the SEC. Therefore, the Company respectfully requests that the Staff agree to waive the 80-day requirement set forth in Rule 14a-8(j).

Rule 14a-8(j)(1) provides that the Staff may waive the 80-day requirement if a company can demonstrate “good cause” for missing that deadline. In this case, upon the advice of external advisors, the Company determined that a longer solicitation period than originally contemplated

between filing the 2024 Proxy Materials and the Annual Meeting would be advantageous to allow the Company more time to solicit adequate votes and engage with stockholders. The earlier filing date also allows the Company to use the notice and access delivery option for the 2024 Proxy Materials in accordance with Rule 14a-16, which was not originally contemplated. The Staff has previously highlighted several policy benefits associated with notice and access delivery over physical mailing, including that the Internet availability of proxy materials enhances “the ability of investors to make informed voting decisions” and “lower[s] the costs of proxy solicitations”¹ and “help[s] the environment.”² Moreover, the waiver of the 80-day requirement will not prejudice the Proponent, who has been given adequate time to review the No-Action Request. The modified date of filing the 2024 Proxy Materials is only six days short of the 80-day requirement. The Company has acted in good faith and originally submitted the No-Action Request well in advance of the 80-day deadline under its previously contemplated proxy filing schedule (89 days in advance of the originally contemplated filing date of October 9, 2024). Accordingly, the Company respectfully requests that the Staff waive the 80-day requirement with respect to the No-Action Request.

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,

A handwritten signature in black ink, appearing to read "Micheal W. Dobbs". The signature is fluid and cursive, with a large, stylized "D" at the end.

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

Enclosures

cc: Brandon Bell

¹ SEC Release No. 34-56135, adopted July 26, 2007.

² SEC Spotlight on Proxy Matters – “E-Proxy” or “Notice and Access, available at <https://www.sec.gov/spotlight/proxymatters/e-proxy.shtml>.