

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): **May 15, 2019**

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

<u>Delaware</u> (State or other jurisdiction of incorporation)	<u>000-50175</u> (Commission File Number)	<u>81-0551518</u> (IRS Employer Identification No.)
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3838 Oak Lawn, Suite 300, Dallas, Texas 75219
(Address of principal executive offices) (Zip Code)

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

N/A
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

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

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

Emerging growth company

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

Item 7.01 Regulation FD Disclosure

On May 15, 2019, the Registrant will hold its 2019 Annual Meeting of Limited Partners. As the Chairman of the meeting, William Casey McManemin, the Chief Executive Officer of Dorchester Minerals, L.P., will discuss historical financial and operational information of Dorchester Minerals, L.P. The slide presentation Mr. McManemin will use in conjunction with his presentation is attached as Exhibit No. 99.1.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

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

Limitation on Incorporation by Reference

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

SIGNATURE

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

DORCHESTER MINERALS, L.P.
Registrant

by Dorchester Minerals Management LP
its General Partner,
by Dorchester Minerals Management GP LLC
its General Partner

Date: May 15, 2019

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

Dorchester Minerals, LP

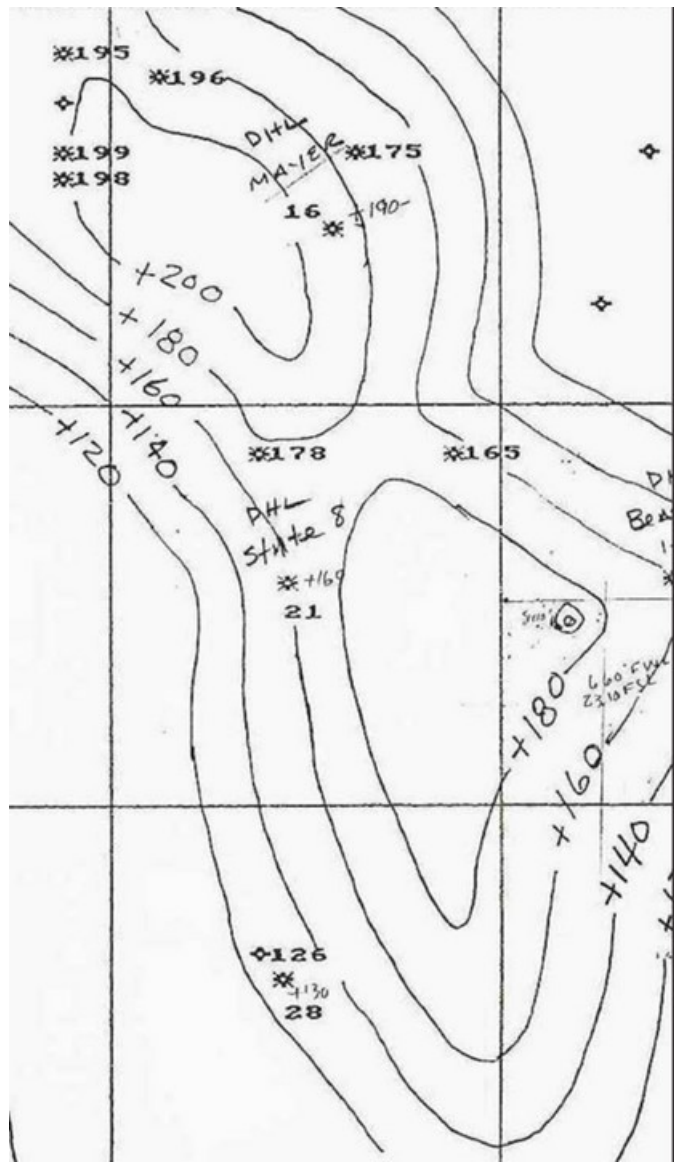
ANNUAL MEETING

May 15, 2019



Forward-Looking Statements

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



OUTLINE

- Observations and Trends
- Distributions
- Minerals NPI Activity
- Production and Reserves
- Property Discussion
- Acquisition
- Summary



Observations and Trends

Increased Volatility Based on Many Factors

- Production Volumes
 - Pad Operations → Drilling & Completion
 - M&A and operational consolidation → Reduced rig count
 - Investment community focused on capital discipline and free cash flow results → Reduced rig count
- Midstream Challenges
 - GOR exceeding expectations
 - Infrastructure constraints
 - Basin differentials → Location & Quality
- Cash Flow and Distributions
 - Wide range of ownership %
 - Timing → First pays and prior period adjustments
 - Lease bonuses and leasehold sales

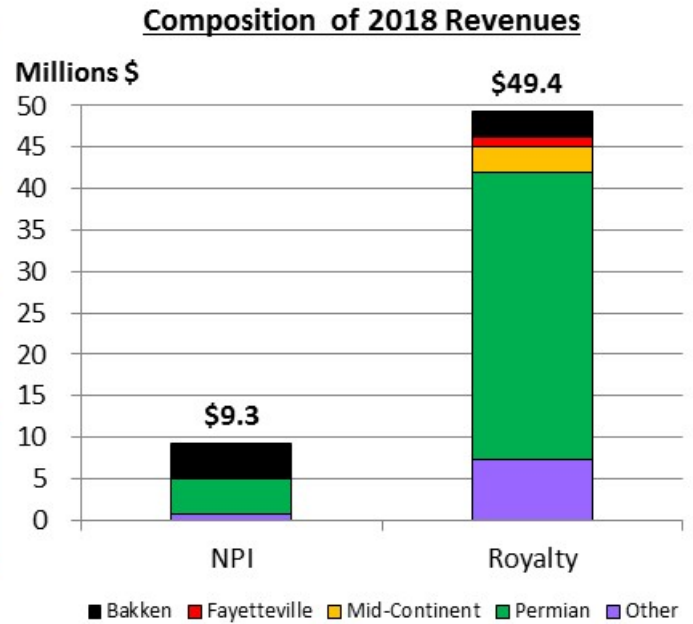
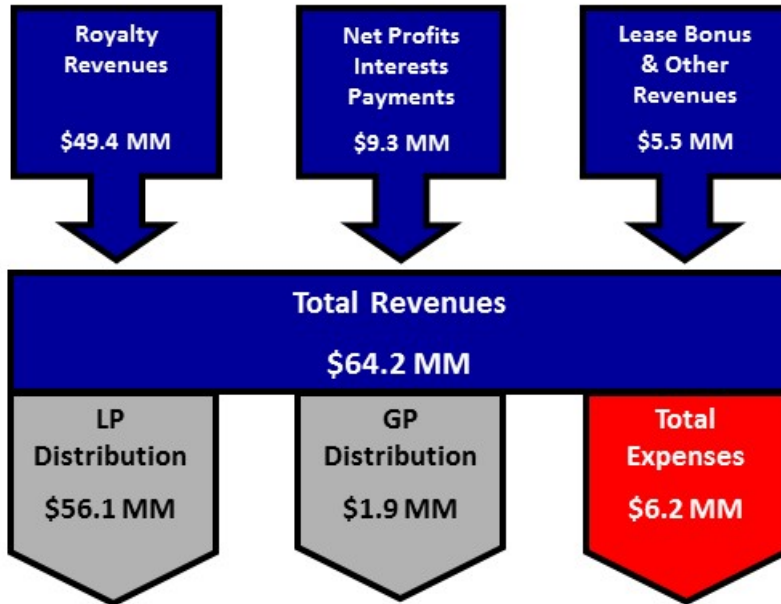
Permian Basin Activity is Driving Results

- Midland Basin
 - Wolfcamp A & B substantially delineated → Middle & Lower Spraberry activity increasing
 - Parent/Child well issues, frac hits and spacing tests → generally resulting in lower density assumptions
- Delaware Basin
 - Loving, Reeves and Ward (TX) and Lea (NM) counties substantially delineated
 - Significant variance in density/development assumptions among operators
 - Identification of eastern boundary of basin in Winkler County ongoing → DMLP has significant exposure

2018 Distributions

Cash Distributions Paid in Calendar 2018

- Reflects Q4 2017 thru Q3 2018 activity



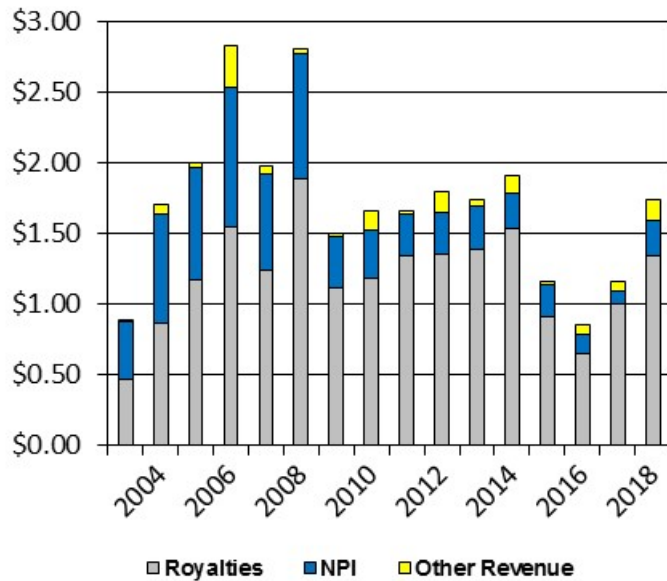
Note: Total expenses includes \$1.3MM of Royalty Ad Valorem Taxes

2018 Distributions

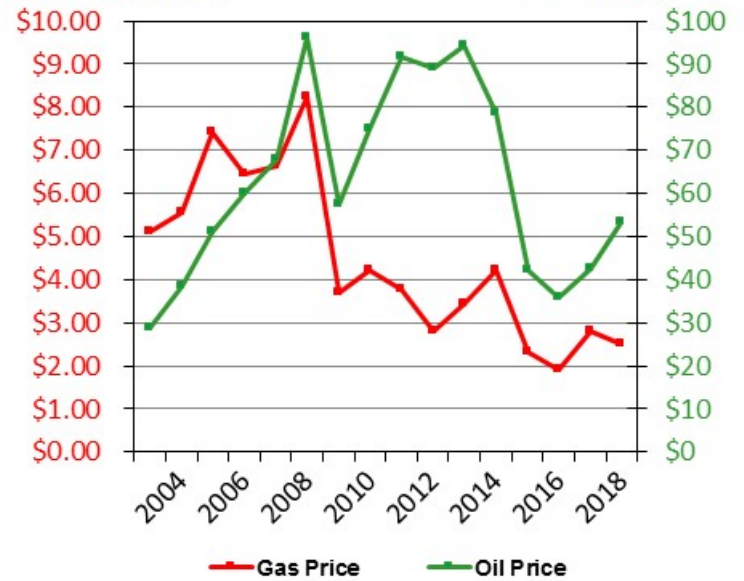
Components and Prices

- Cumulative DMLP distributions of \$812 MM (\$27.53/unit) from inception through 2018
- Royalty properties contributed 77% to total 2018 Revenues
- Gross Revenue → 73% oil & liquids sales, 19% gas sales, 8% other

LP Distribution History (\$/unit)



Gas Price (\$/Mcf)

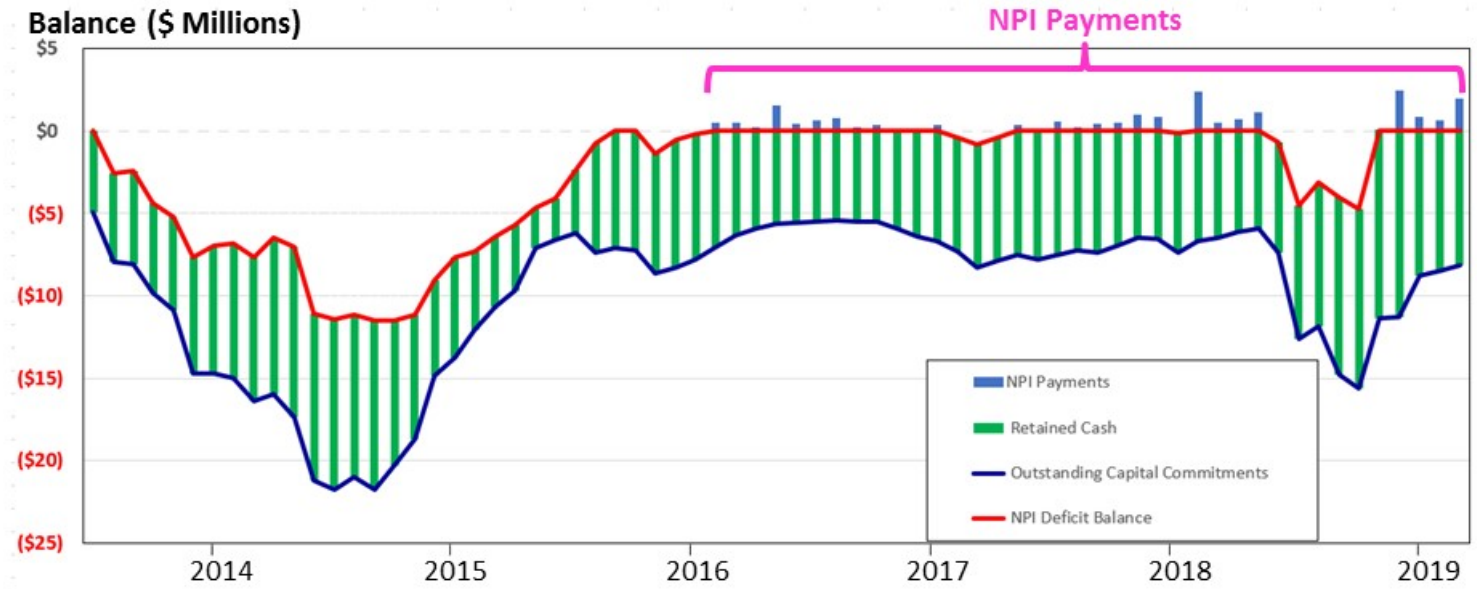


Note: Oil and Gas prices represent realized prices from royalty properties. Oil prices include Plant Products.

Minerals NPI

Activity from August 2013 through March 2018

- NPI Payments to DMLP for trailing 12 months through March 2019 total \$7.9MM
- NPI deficits in 2018 due to new Bakken capital commitments



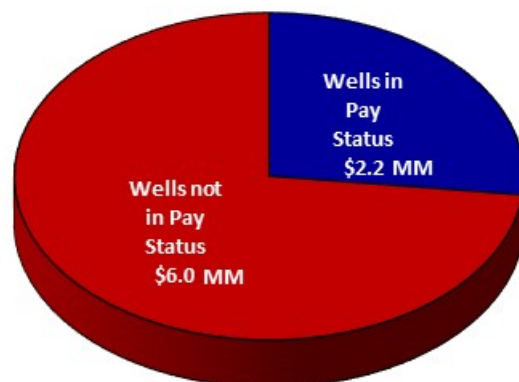
Minerals NPI

Trailing 12 Months Activity through March 2019

- Trailing 12 months operating margin of 68%
- NPI was in deficit for 5 out of past 12 months

Trailing 12 Months Revenue	\$26.2 MM
Trailing 12 Months Expenses (LOE, taxes, etc.)	(\$8.4 MM)
Trailing 12 Months Net Operating Income	\$17.8 MM
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Trailing 12 Months Minerals NPI Payments	\$7.9 MM
Trailing 12 Months Minerals NPI Payments \$/unit	\$0.24

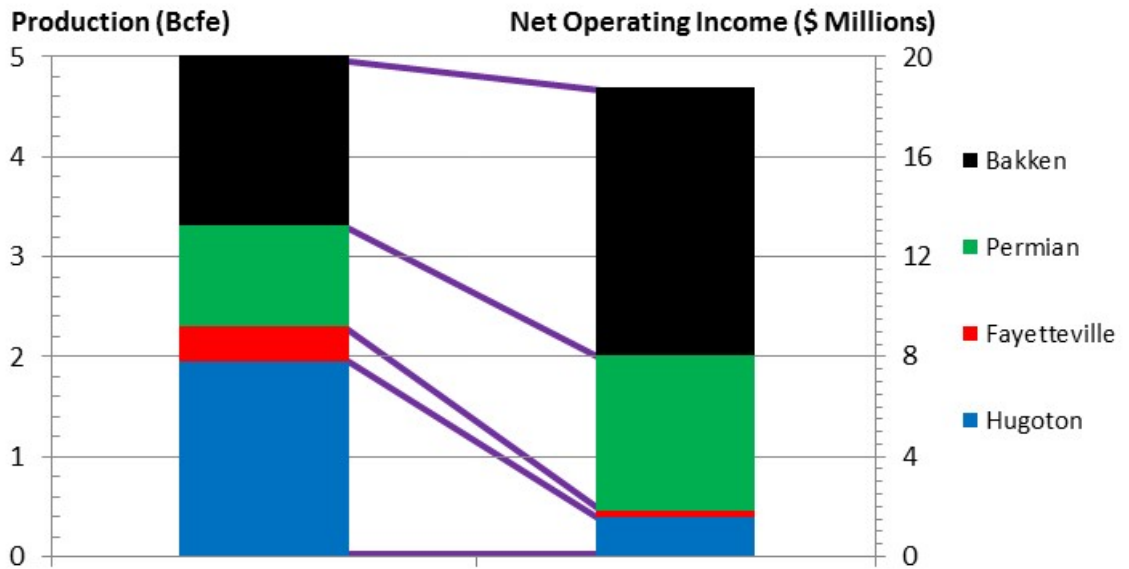
Bakken 3/31/19 Capital Commitments of \$8.2 MM



2018 NPI Net Operating Income

NPI contributions to distributions are not proportionate to production

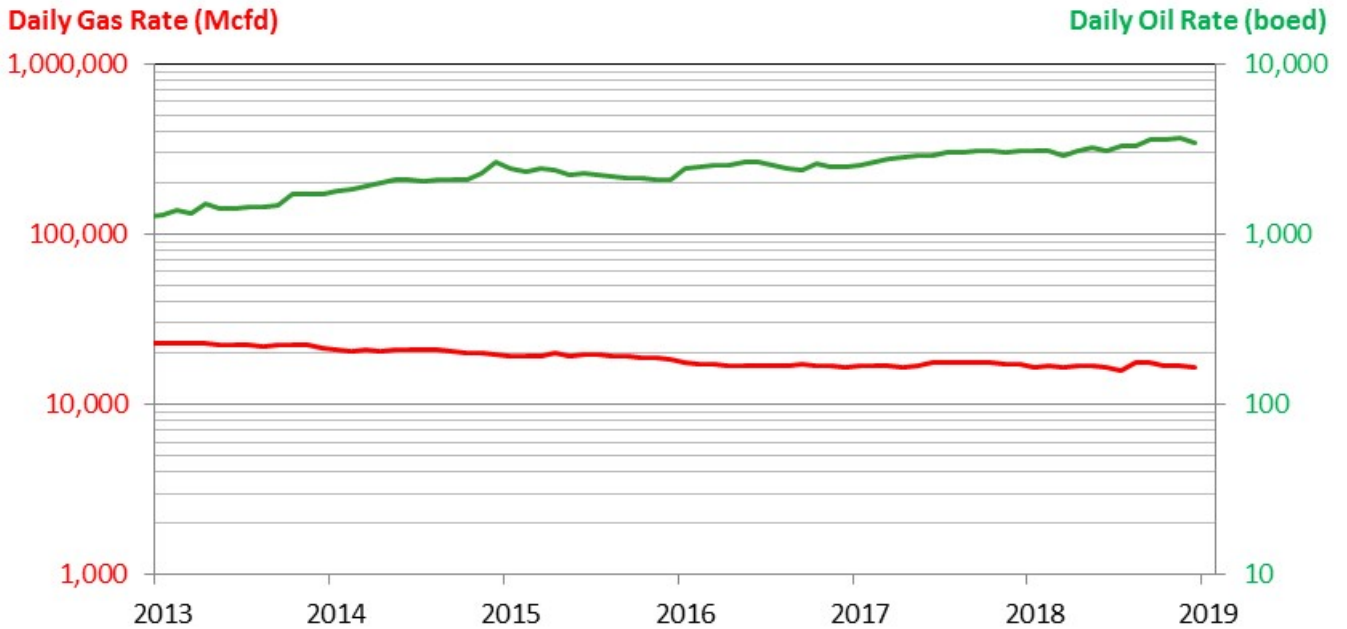
- Oil from Bakken and Permian represent the majority of Net Operating Income
- Natural gas from Fayetteville and Hugoton are much smaller contributors due to lower margins



Note: All other Geographic Areas not noted in legend are excluded from these charts.

Total Production

- Oil production increased by 168% between 2013 and 2018
- Gas production decreased by 28% between 2013 and 2018



Note: Production graph limited to "in pay" volumes. Plant Product production included as gas equivalent prior to 2014, and as oil equivalent after 2014 at 0.47:1 ratio. 10

Royalty and NPI Production

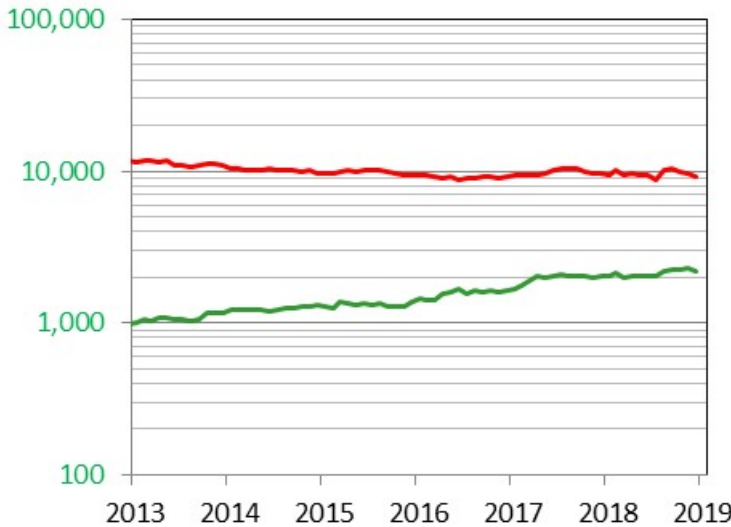
Royalty Production

- Oil was driven by robust Midland Basin development
- Gas decline is suppressed by associated gas from Bakken and Permian

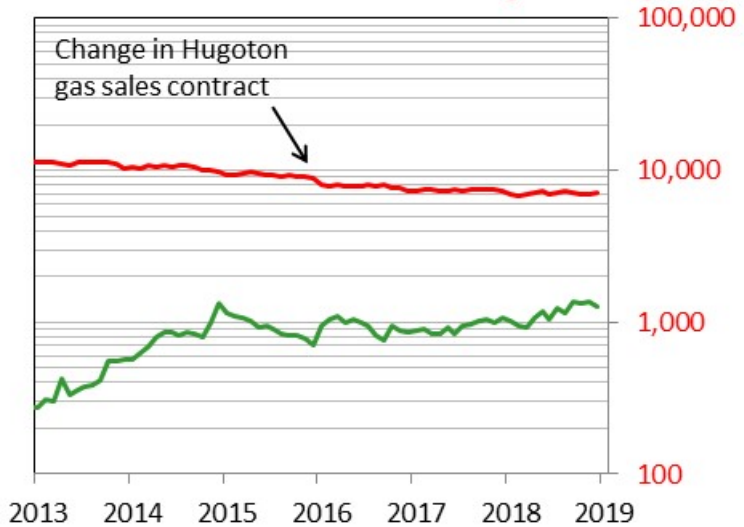
NPI Production

- Oil was driven by Bakken participation and contributions from Permian APO WI
- Gas production is predominately from the Hugoton Field

Daily Oil Rate (boed)



Daily Gas Rate (Mcf)



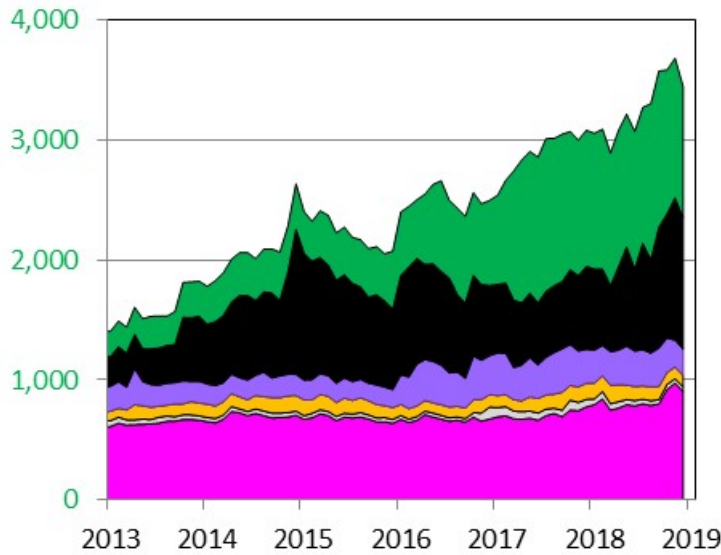
Note: Production graph limited to "in pay" volumes. Plant Product production included as gas equivalent prior to 2014.

Composition of Production

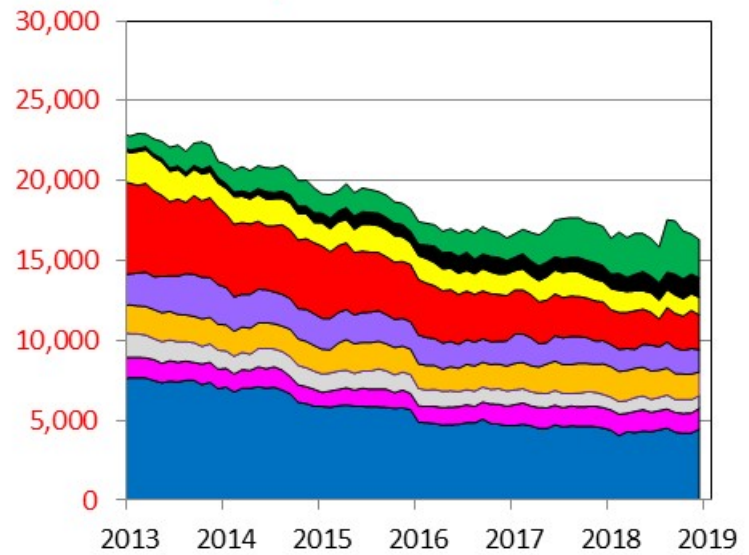
Contribution from Diverse Sources

- New plays have replaced declines in legacy assets
- Opportunities for production growth in mature basins

Daily Oil Rate (boed)



Daily Gas Rate (Mcf/d)



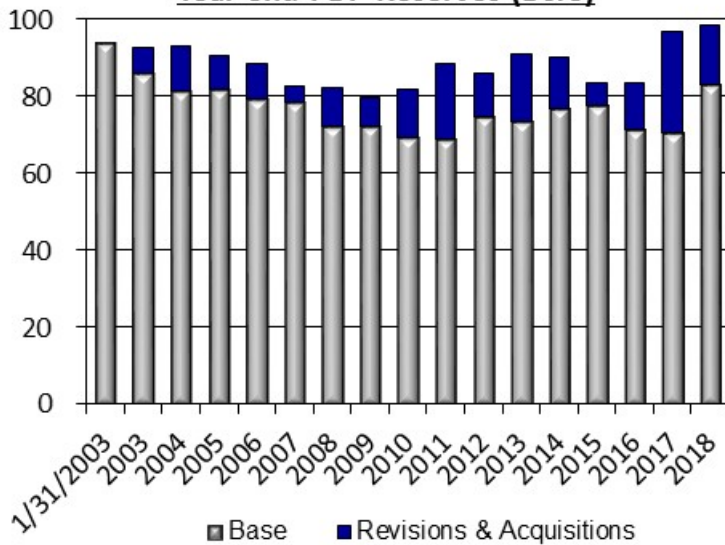
■ Hugoton ■ Other Permian ■ S. Texas/Gulf Coast ■ Mid-Continent ■ Miscellaneous ■ Fayetteville Shale ■ Barnett Shale ■ Bakken ■ Core Midland Basin

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

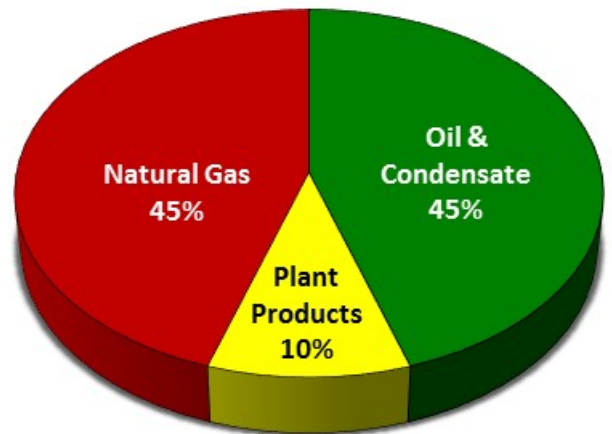
2018 Reserves

- Total Proved Reserves of 98.5 Bcfe on 12/31/2018
 - All reserves are Proved Developed Producing (PDP)
 - Demonstrated history of positive revisions → new plays, infill drilling, and new technology
 - Year-end reserves exceeded initial 2003 reserves by 5%

Year-end PDP Reserves (Bcfe)



Year-end 2018 Product Mix

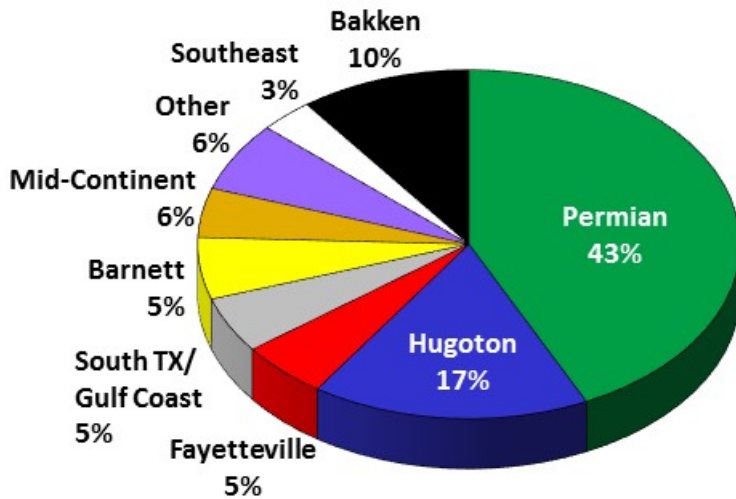


Note: Gas-Oil equivalency of 6:1 ratio is used throughout this presentation.

2018 Reserve Composition

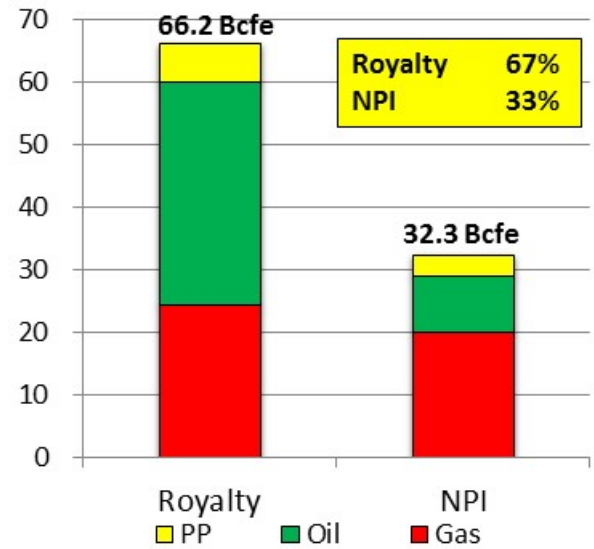
- Permian and Bakken comprise 92% of total oil reserves
- Hugoton and Permian comprise 48% of total gas reserves
- Permian comprises 46% of total plant product reserves

Geographic Breakdown



Royalty-NPI Split

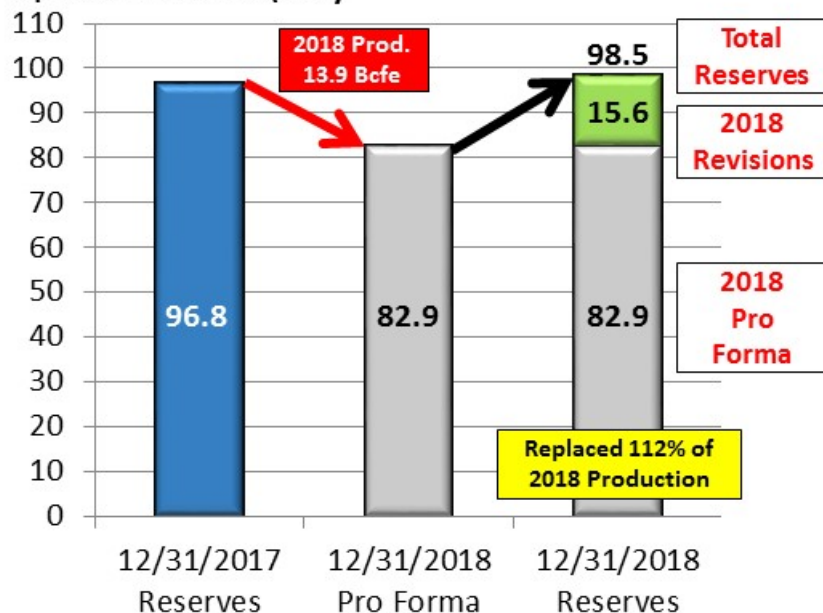
Equivalent Reserves (Bcfe)



2018 Reserve Revisions

- Midland Basin was a major driver of upward oil revisions
- Permian activity partially offset natural declines in conventional gas reserves

Equivalent Reserves (Bcfe)



Natural Gas Reserves (Bcf)	
Year-End 2017	46.9
2018 Production	(6.1)
Revisions	3.4
Year-End 2018	44.2
6% Year-over-year Decrease	
Replaced 56% of Gas Production	

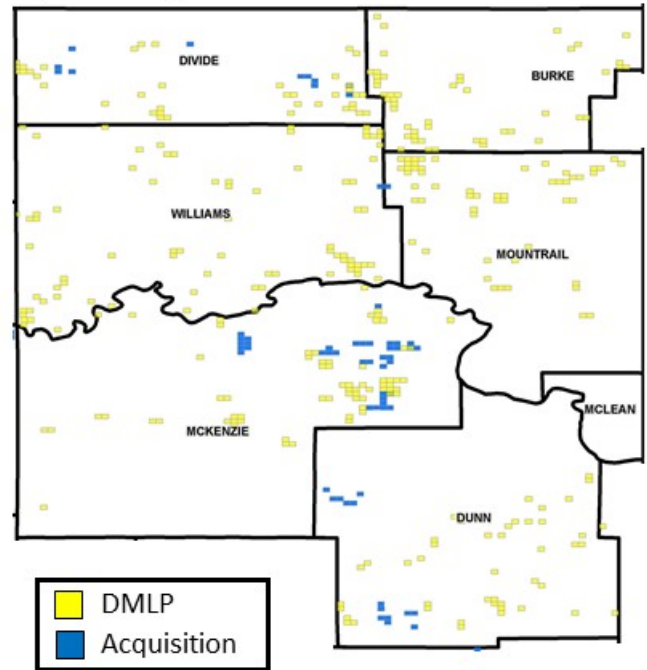
Oil Reserves (Mboe)	
Year-End 2017	8,311
2018 Production	(1,290)
Revisions	2,020
Year-End 2018	9,041
9% Year-over-year Increase	
Replaced 157% of Oil Production	

Note: Oil reserves include plant products as reported in 2018 10-k.

Bakken/Three Forks

- 83,600 gross ac (10,442 net ac) in six core ND counties
- Majority of mineral interests are unleased
- Year-end 2018 PDP reserves of 1.67 MMboe (RI & WI)

	Well Count	Average APO GWI	Average APO NRI
Completed/Producing	730	1.864%	1.920%
Drilling/DUC/Confidential	44	2.118%	2.363%
Permitted AND Proposed	14	1.869%	1.869%
Permitted NOT Proposed	24	1.782%	1.865%
Total	812	1.875%	1.941%

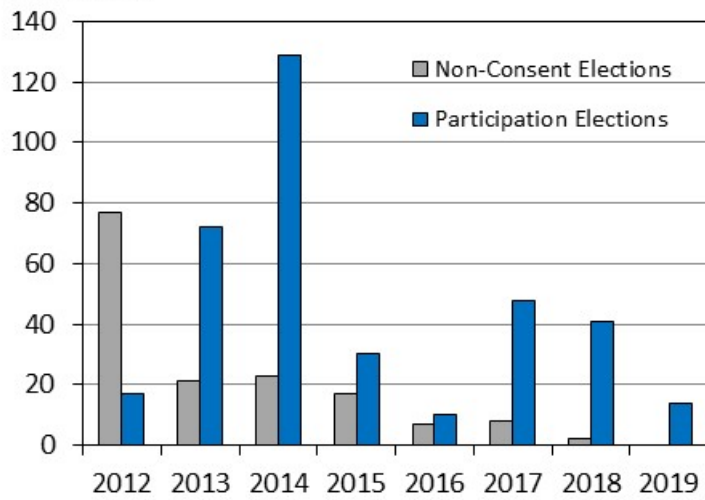


Note: NRI values are the sum of DMLP and DMOLP NRIs. Well counts as of 03/31/2019 and do not include recently acquired wells.

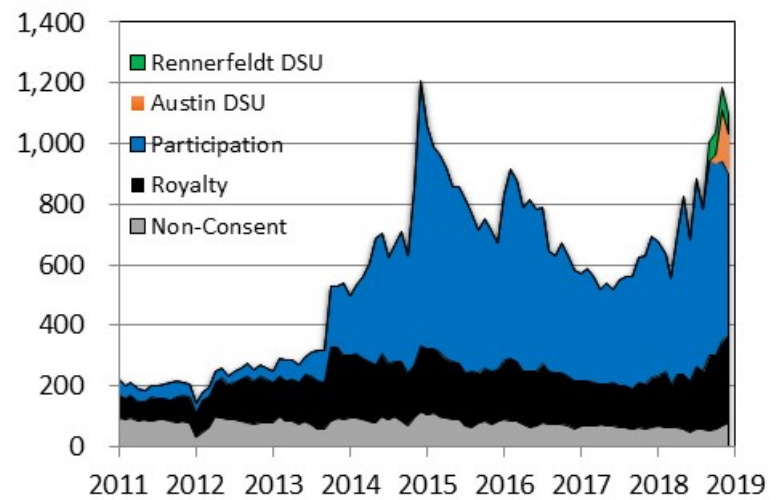
Bakken/Three Forks

- 2018 exit rate → 1,095 boed (74% NPI)
- 14 participation elections YTD 2019
- Rig count decreased from 60 in May 2018 to 54 in May 2019
- Production has increased despite drop in rigs due to operational efficiencies

Well Count

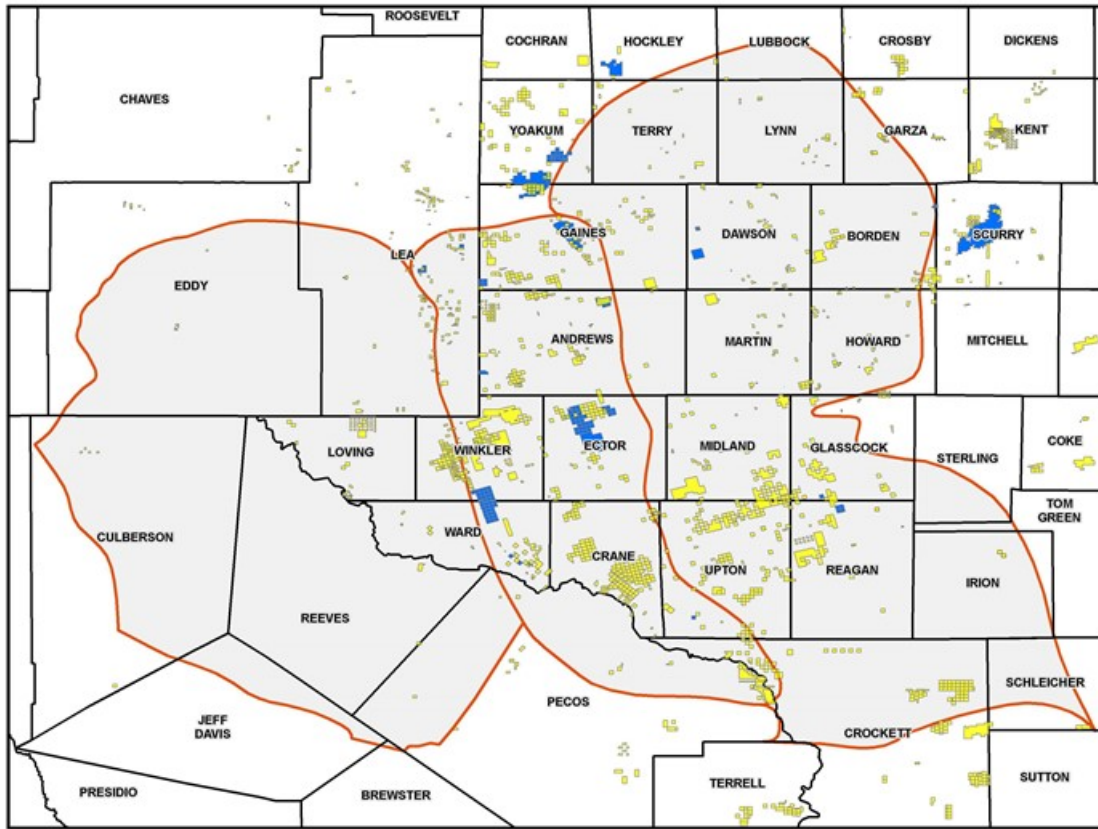


Daily Production (boed)



Note: Production graph limited to "in pay" volumes from six county core area. Bakken rig count reported by NDIC.

Permian Basin

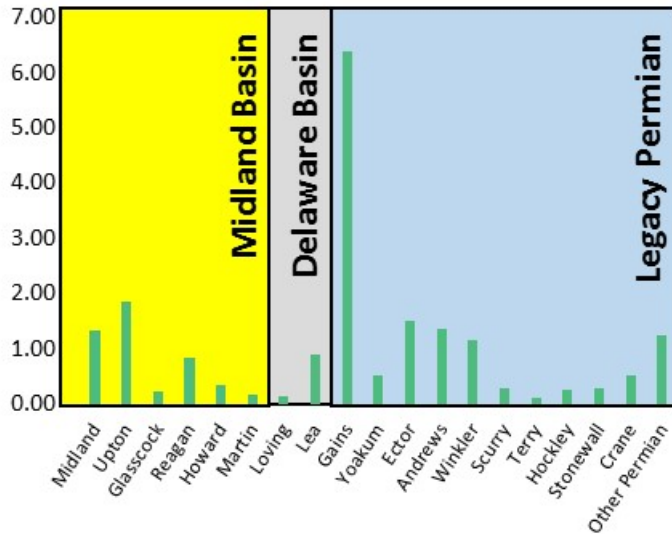


Note: In some cases the 2019 Acquisition shapefiles may reflect the unit outlines rather than individual ownership tracts.

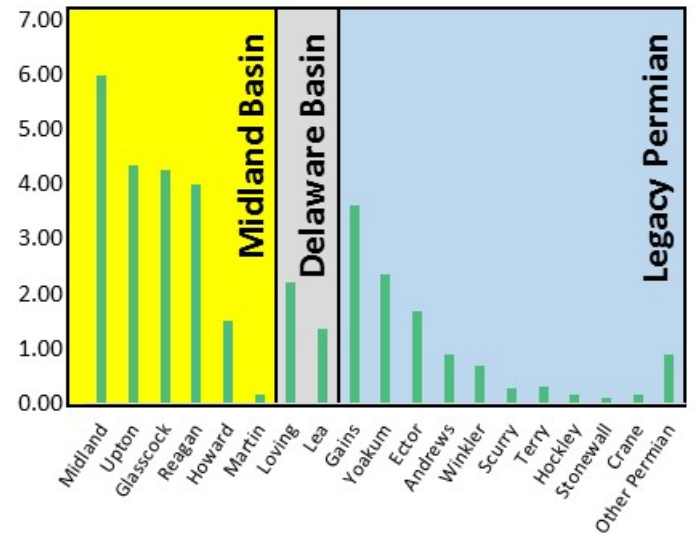
Permian Basin

- Permian volumes have shifted dramatically from Legacy Permian properties on Central Basin Platform to Midland Basin
- Delaware Basin is a source of growing production

2008 Net Royalty Revenue (\$MM)



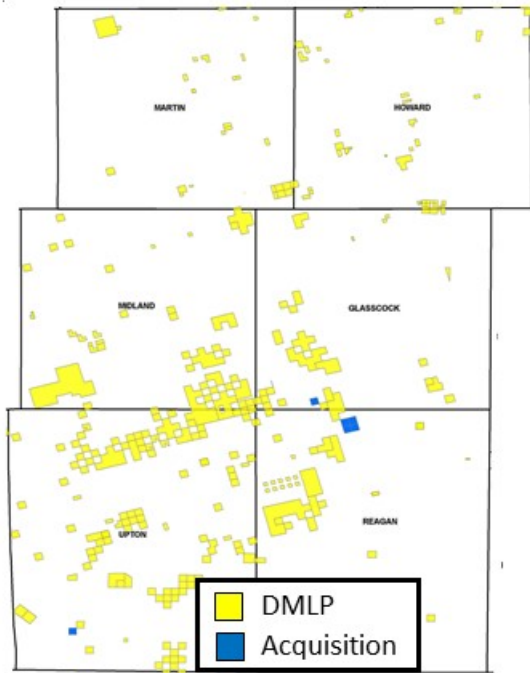
2018 Net Royalty Revenue (\$MM)



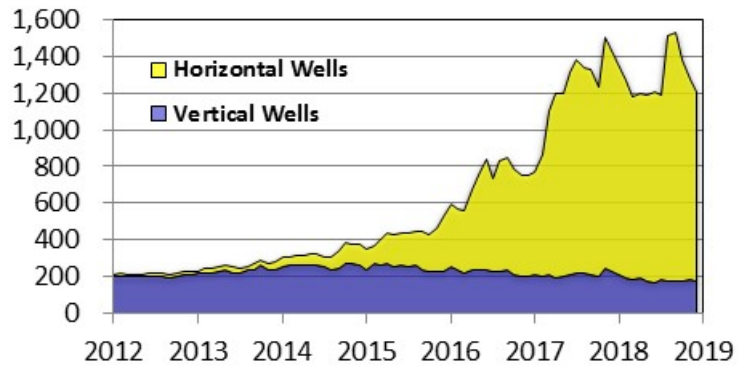
Midland Basin

Wolfcamp/Spraberry

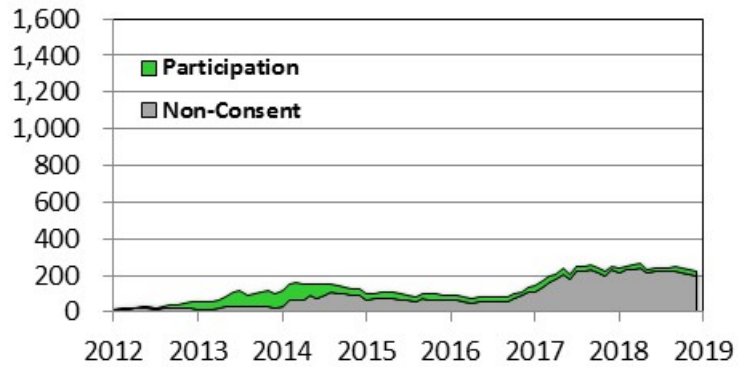
- 251,000 gross ac (15,440 net ac)
- Unleased at some depths in numerous tracts



Royalty Production (boed)



NPI Production (boed)

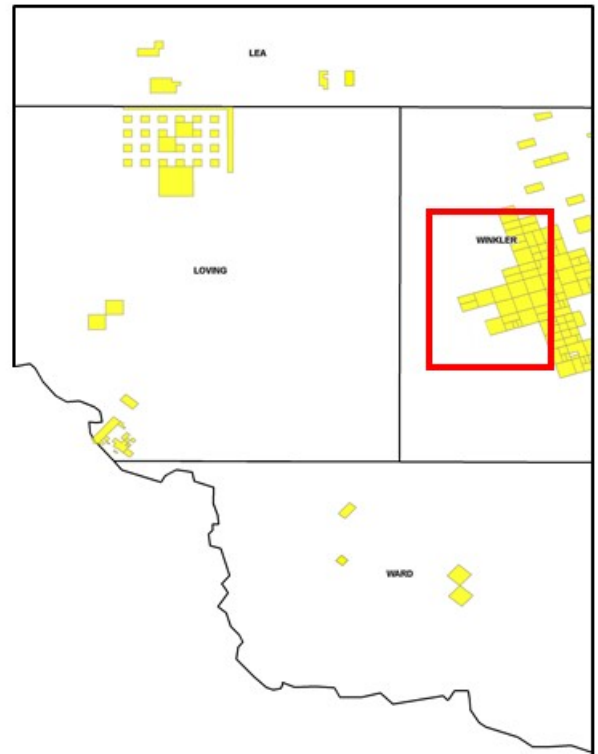


Note: Production graphs limited to "in pay" volumes from Glasscock, Howard, Martin, Midland, Reagan, and Upton Counties. Net acreage includes multiple interest types. 20

Delaware Basin

Wolfcamp / Bone Springs

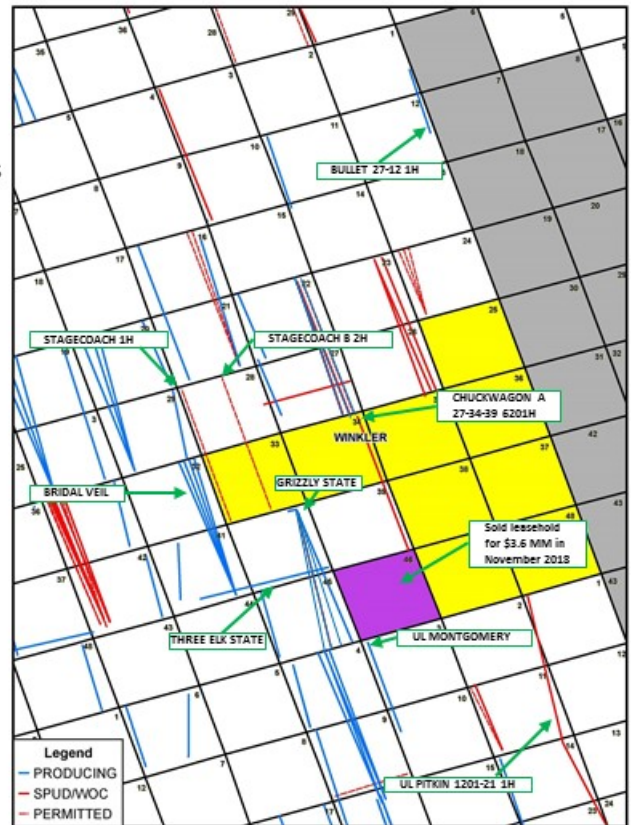
- 13,538 gross ac (911 net ac) located in Loving, Reeves and Ward counties, Texas and Lea County, New Mexico
- 640 gross ac of ORRI's
- Majority of tracts are leased at 1/4 royalty
- Prospective in multiple zones within the Wolfcamp and Bone Springs plays
- Significant 2018 development in Silvertip area in Northern Loving County
- Eastern extension of basin will determine Dorchester's exposure in Winkler County, if any



Delaware Basin

Winkler County Example

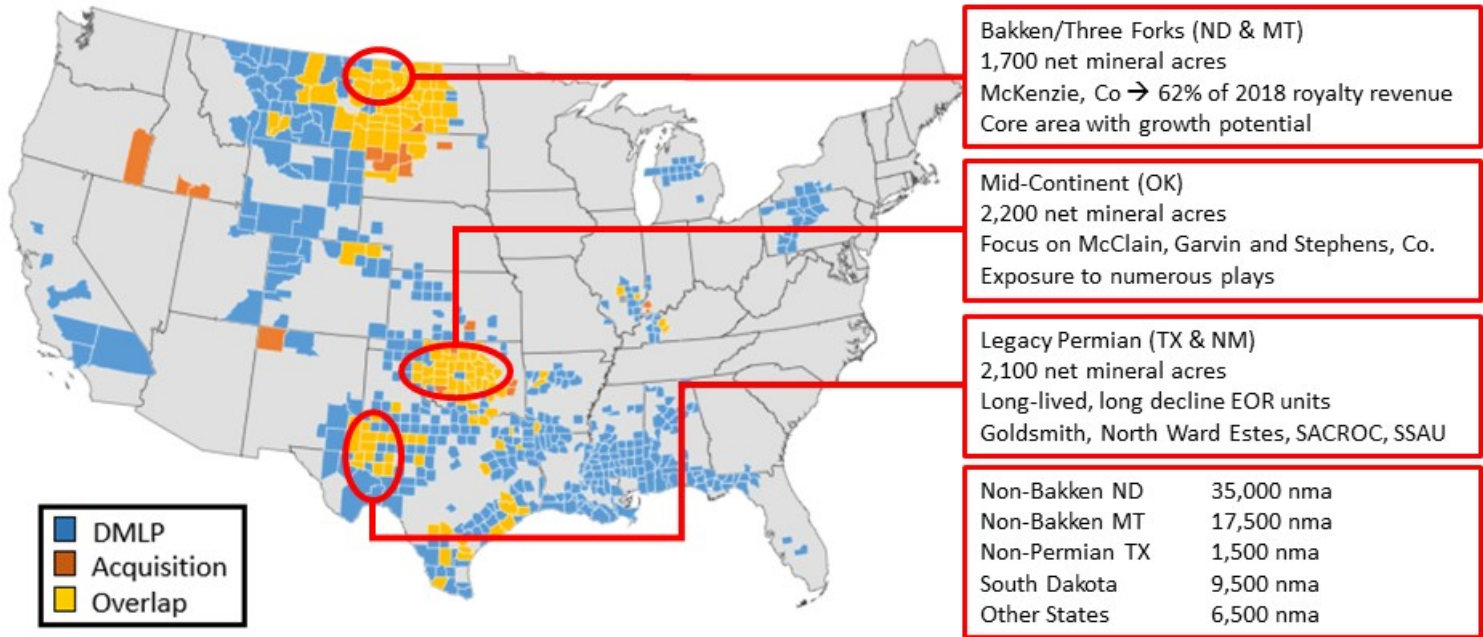
- Wolfcamp / Bone Springs
- Varying undivided mineral interests in 6,400 gross acres in Block 27
- 90% leased/HBP with average NRI of 8.940%
- Majority of eastern wells are drilled → awaiting completion results
- Consolidation of operators could show development trends
- Current activity contiguous to DMLP position
 - 18 wells producing
 - 5 wells spud/WOC (2 on DMLP tracts)
 - 5 wells permitted not spud (1 on DMLP tract)
- No clear timeline for confirmation of this area's productivity



Note: Only perpetual participating mineral interests shown above (excludes other RI and ORRIs). Laterals from DrillingInfo.

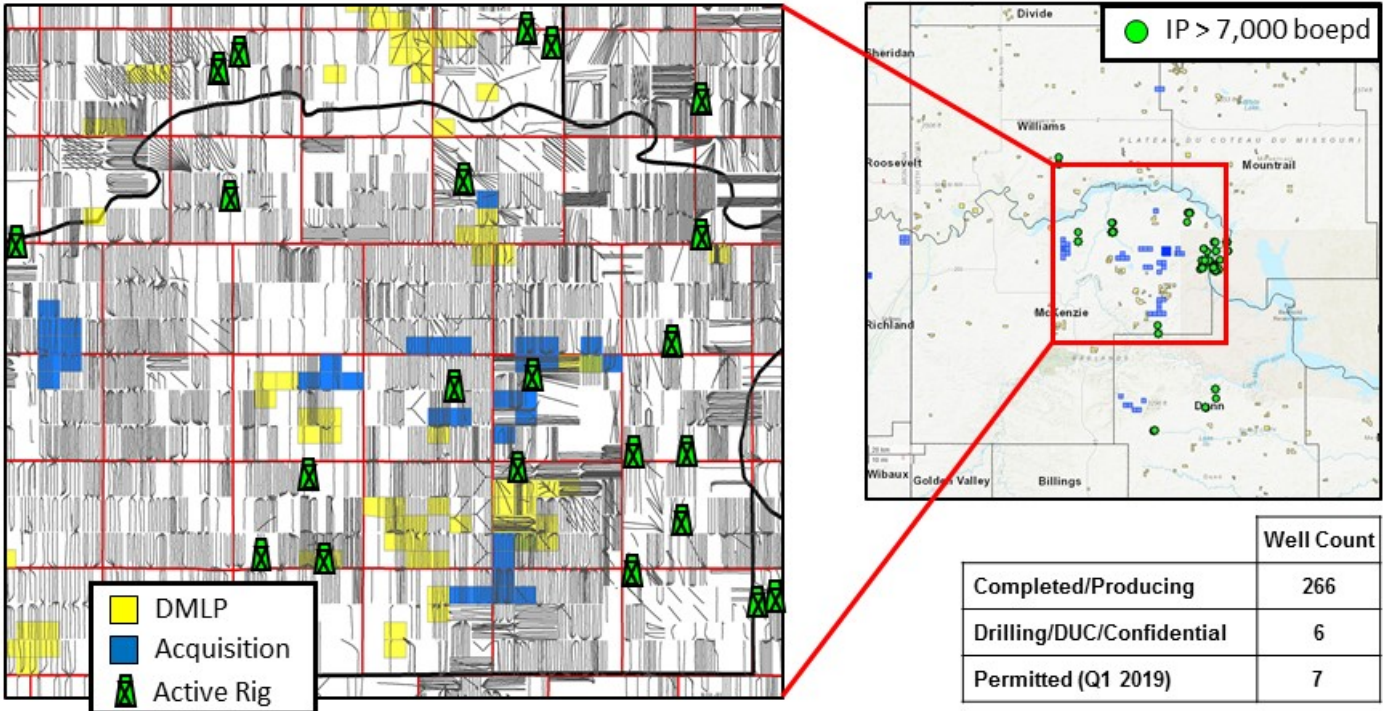
Q1 2019 Acquisition

- Producing and nonproducing mineral, royalty and net profits interests
- Diversified mineral portfolio - 76,000 net acres in 172 counties in 14 states
- Issued 2,400,000 LP units to sellers



Q1 2019 Acquisition

- 1,300 net acres in McKenzie Co. ND core area
- Ongoing MB and TF1 development with significant upside potential in TF2



Note: Well counts as of 03/31/2019 and limited to detailed map. IP data from NDIC.

Our Goal and Our Principles

We Want to:

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

We will be:

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

We are:

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

APPENDIX

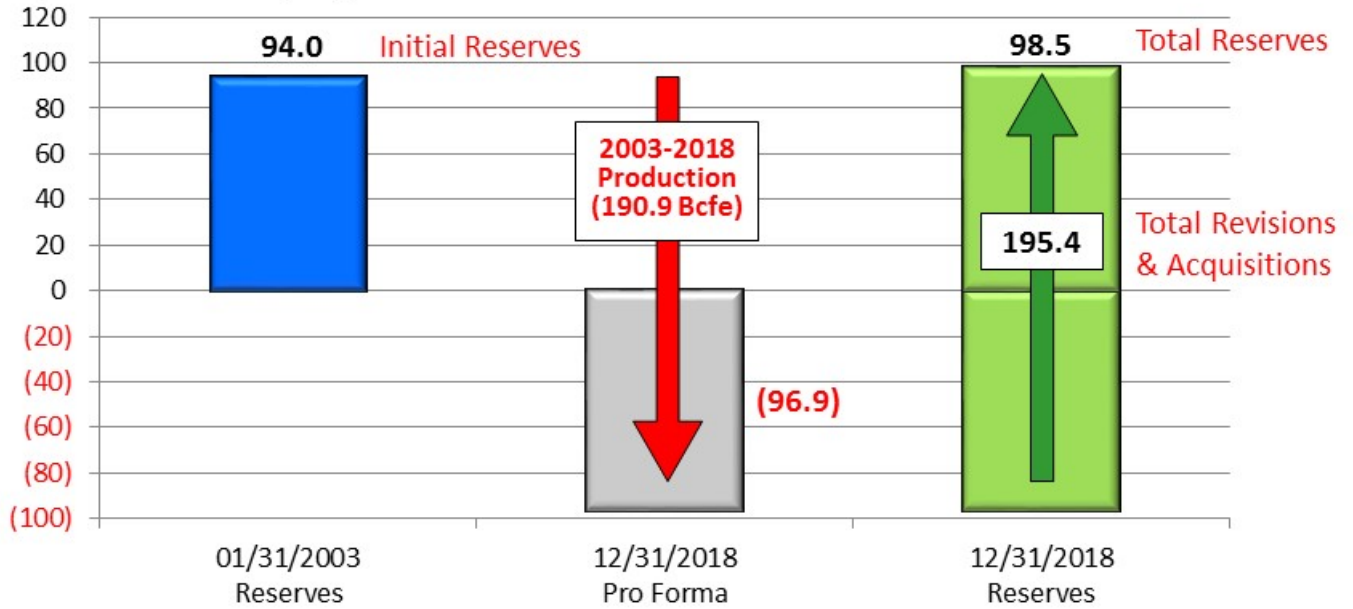


2018 Reserves

History of Positive Reserve Revisions

- Cumulative Reserve Revisions have exceeded 100% of Current Reserves
- Production has exceeded initial reserves by 96.9 Bcfe

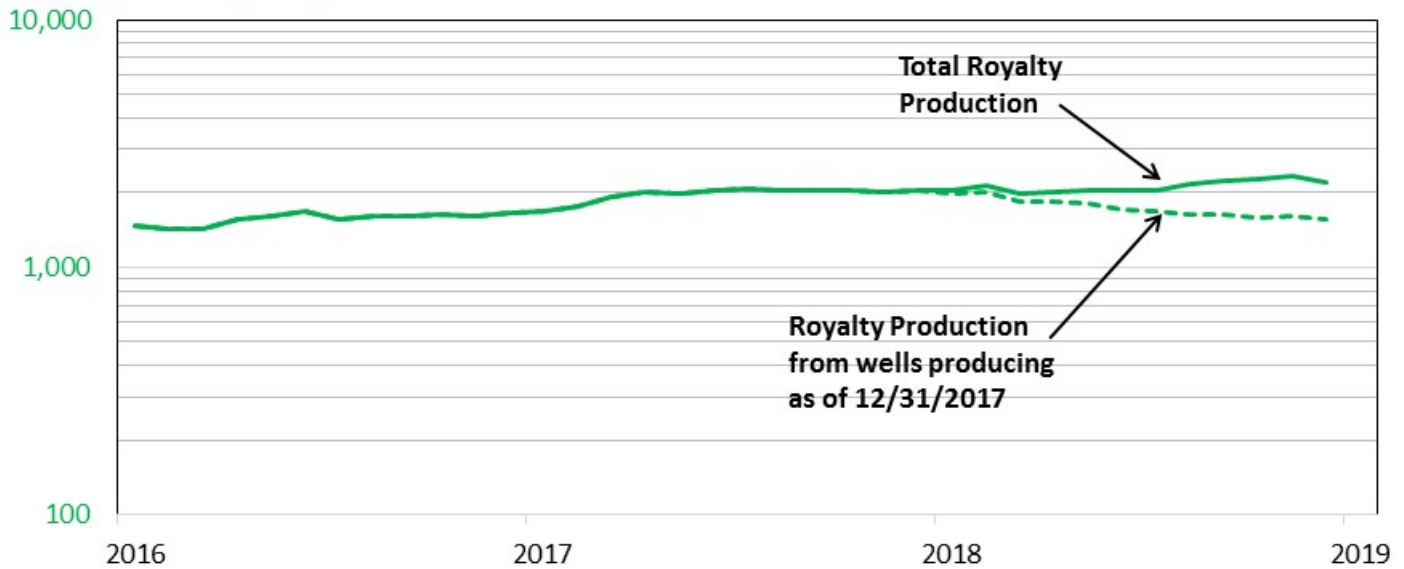
Equivalent Reserves (Bcfe)



Royalty Liquids Production

- Underlying year-over-year decline of 23% excluding 2018 wells
- Legacy production declined 10% in last 6 months of 2018

Daily Liquids Rate (boed)

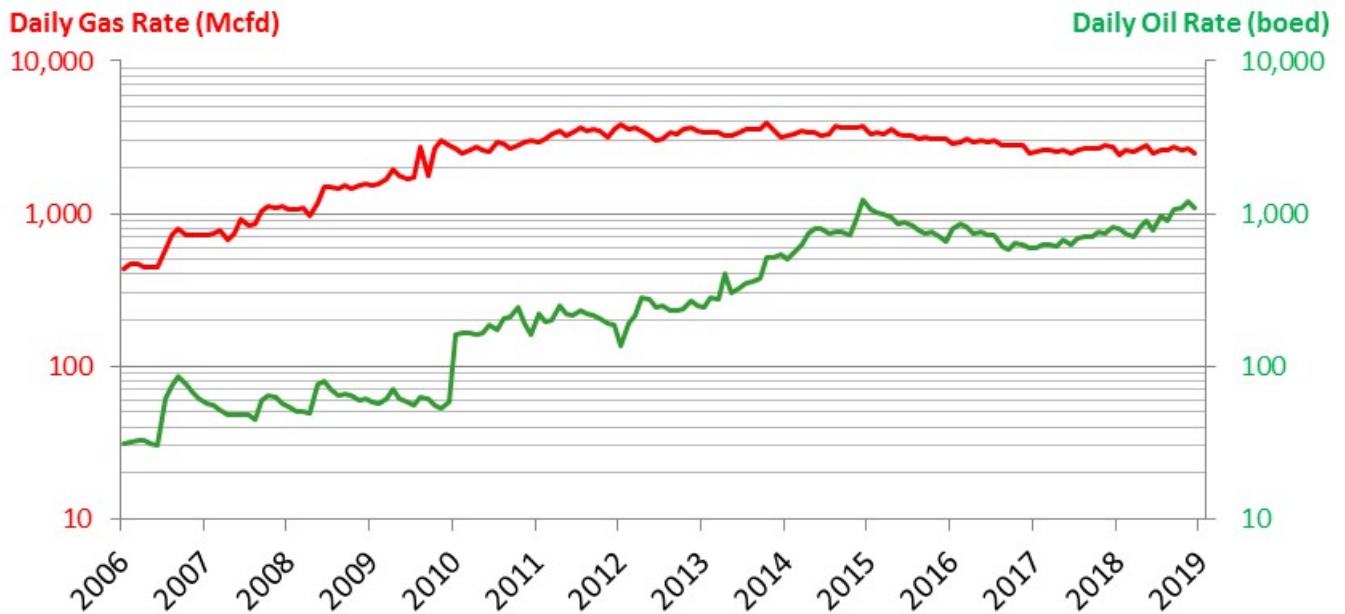


Note: Production graph limited to "in pay" volumes. Liquids include oil and plant products.

Minerals NPI

Production by Product

- Added 94 new wells in 2018 located in North Dakota and Texas
- Since Year-end 2016 gas production has been flat, while oil production increased by 80%
- Oil increase due to Bakken participation and Permian APO activity

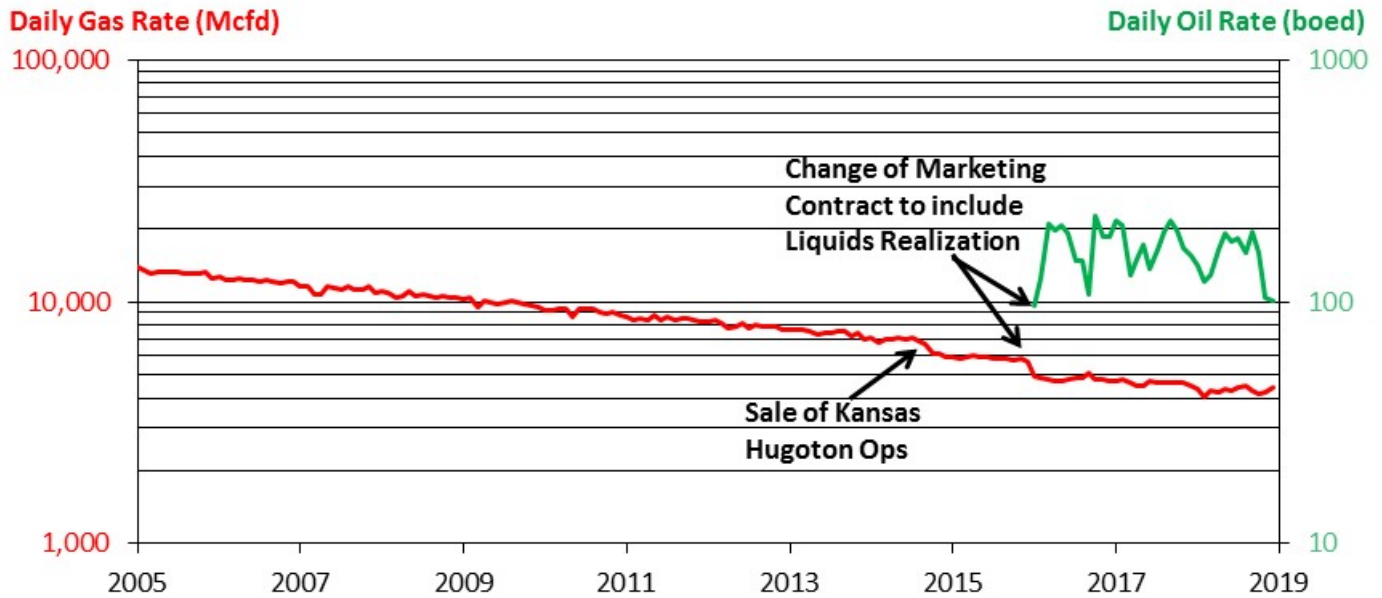


Note: Production graph limited to "in pay" volumes. Liquids include oil and plant products.

Hugoton Operated Properties

Hugoton Field – Oklahoma Panhandle

- Divested Kansas operations in Sept 2014 – average net sales of 2.8 MMcfd
- Ongoing well optimization and cost-saving initiatives, but limited upside potential

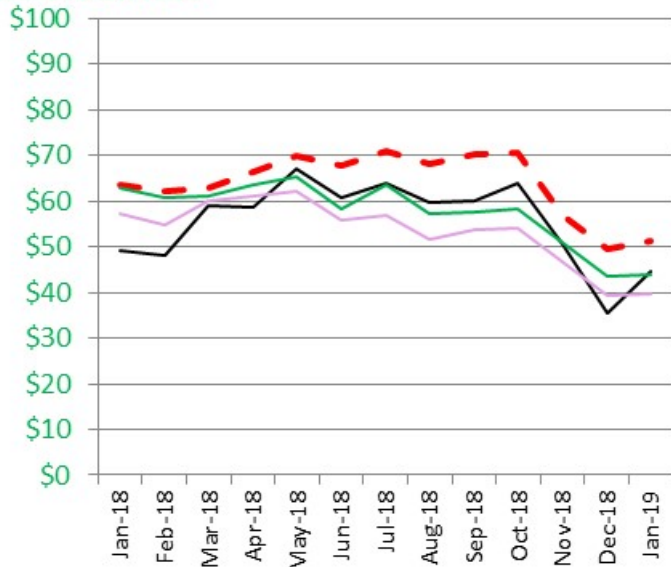


Note: Gas rate based on sales volumes. Oil volumes comprised entirely of plant products.

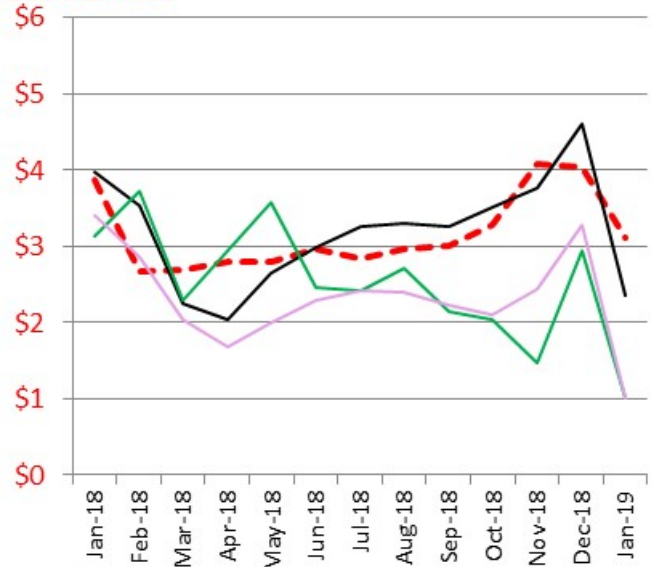
Price Differentials

- Comparison of highest contributing Basins' realized prices to NYMEX monthly averages.

Realized Oil Price



Realized Gas Price

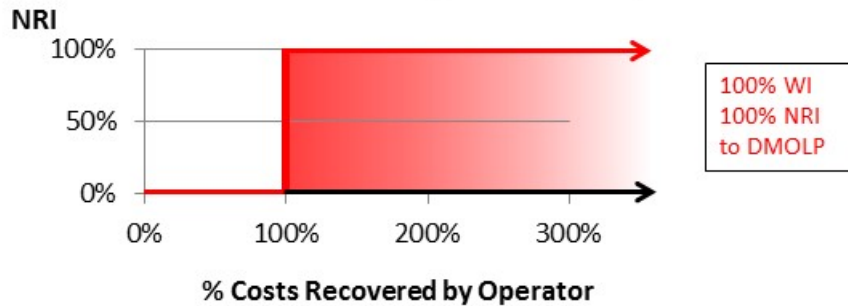


— Average WTI — Bakken — Core Midland Basin — Other Permian

Non-Consent/Non-Participation

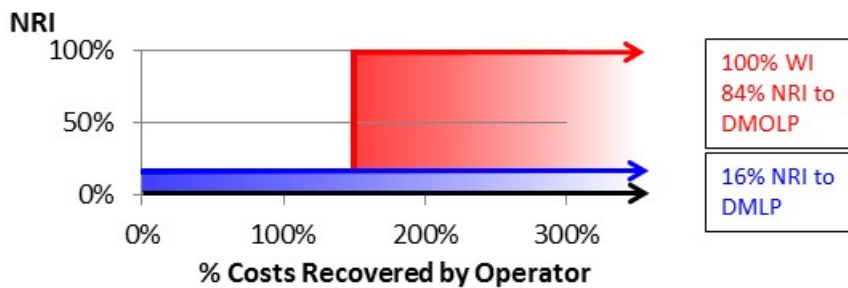
Texas

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



North Dakota

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



Non-Consent/Non-Participation

Texas

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

Selected Texas Counties	Total N/C Well Count	Paid Out Well Count	Average BPO NRI	Average APO NRI
Howard	33	7	0.000%	2.405%
Ector	68	39	0.000%	12.178%
Gaines	16	7	0.000%	3.991%
Midland	100	35	0.000%	2.970%
Upton	222	139	0.000%	3.480%
Total	439	227	0.000%	4.649%

North Dakota

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

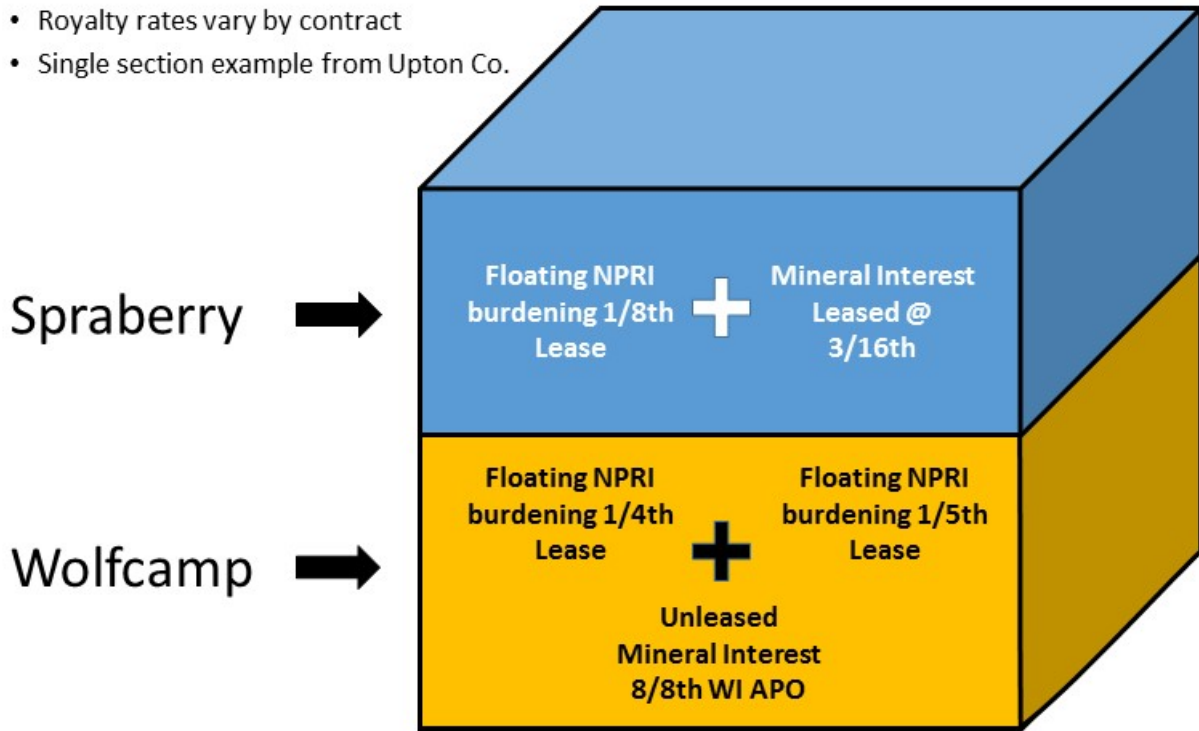
Selected North Dakota Counties	Total N/C Well Count	Paid Out Well Count	Average BPO NRI	Average APO NRI
Burke	25	0	0.029%	0.182%
Divide	39	3	0.253%	1.521%
Dunn	31	6	0.709%	4.344%
McKenzie	77	21	0.230%	1.438%
Mountrail	73	19	0.665%	3.460%
Williams	96	15	0.450%	2.809%
Total	341	64	0.415%	2.433%

Note: Figures as of 03/31/2019. Total non-consent well count includes paid out wells. Average APO NRIs include all non-consent wells.

Net Royalty Acres?

Complex mineral ownership is not well represented by Net Royalty Acres

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

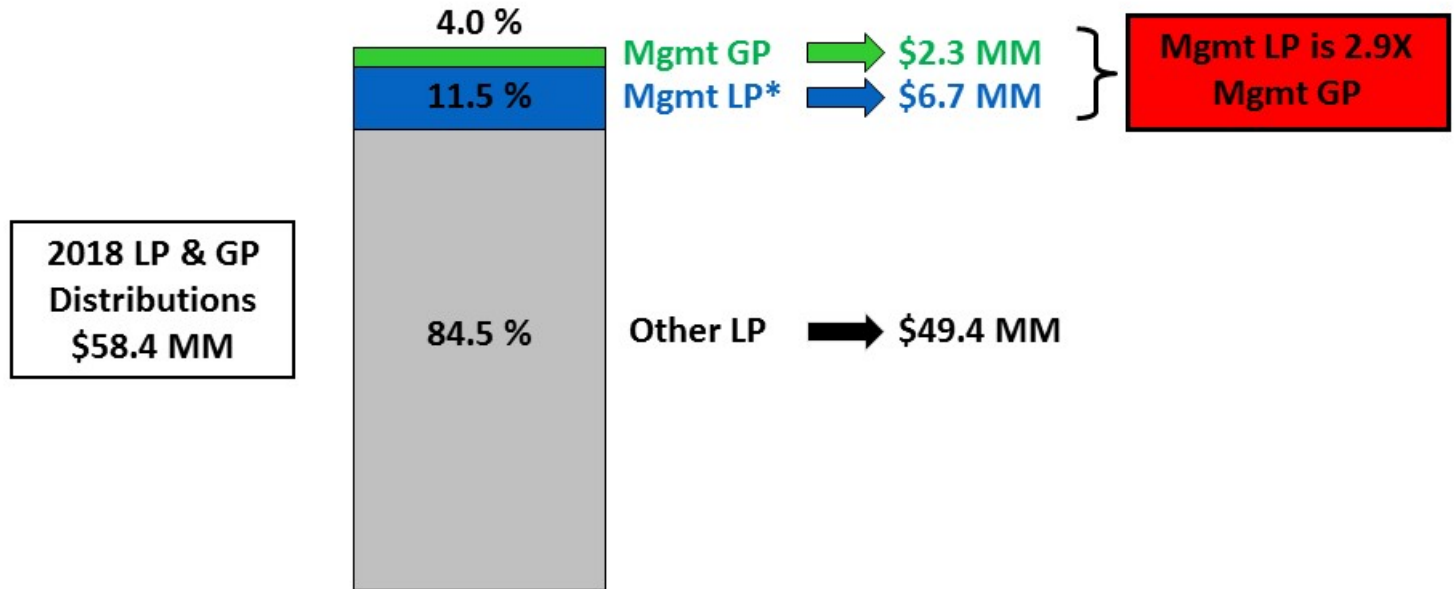


Notes: Interests arise from multiple leases with different ownership. Each interest type is represented on 8/8th basis before proportional reduction to DMLP share.

Management Ownership

Alignment of GP and LP interests

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



Note: Mgmt LP interest includes LP units owned by officers, managers, and their immediate families. Full-year calculation based on units owned at 12/31/2018. Total distributions include DMOLP’s 3.03% retainment in the Net Profits Interest.



Dorchester Minerals, LP

ANNUAL MEETING

May 15, 2019

