

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 or 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934

or
 TRANSITION REPORT PURSUANT TO
SECTION 13 or 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

For the Quarterly Period Ended June 30, 2004
Commission file number 000-50175

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

Delaware
(State or other jurisdiction of
Incorporation or organization)

81-0551518
(I.R.S. Employer Identification No.)

3738 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

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 X No

Indicate by check mark if the Registrant is an accelerated filer (as
defined in Rule 12b-2 of the Exchange Act). Yes X No

As of August 3, 2004, 27,040,431 common units of partnership interest were
outstanding.

Page 1

TABLE OF CONTENTS

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS.....	3
PART I.....	3
ITEM 1. FINANCIAL INFORMATION.....	3
CONDENSED BALANCE SHEETS AS OF JUNE 30, 2004 (UNAUDITED) AND DECEMBER 31, 2003.....	4
CONDENSED STATEMENTS OF OPERATIONS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2004 AND 2003 (UNAUDITED).....	5
CONDENSED STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS ENDED JUNE 30, 2004 AND 2003 (UNAUDITED).....	6
NOTES TO THE CONDENSED FINANCIAL STATEMENTS.....	7
ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND	

RESULTS OF OPERATIONS.....	9
----------------------------	---

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.....	13
---	----

ITEM 4. CONTROLS AND PROCEDURES.....	13
--------------------------------------	----

PART II.....	14
--------------	----

ITEM 1. LEGAL PROCEEDINGS.....	14
--------------------------------	----

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS.....	14
--	----

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.....	14
--	----

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.....	14
--	----

ITEM 5. OTHER INFORMATION.....	14
--------------------------------	----

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.....	14
---	----

SIGNATURES.....	15
-----------------	----

INDEX TO EXHIBITS.....	16
------------------------	----

CERTIFICATIONS.....	17
---------------------	----

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

Statements included in this report which 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 term "Partnership", as well as the terms "us", "our", "we", and "its", are sometimes used as abbreviated references to Dorchester Minerals, L.P. itself or Dorchester Minerals, L.P. and its related entities.

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. Examples of such reasons 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 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.

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 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

ITEM 1. FINANCIAL INFORMATION	
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that commenced operations on January 31, 2003, upon the combination of Dorchester Hugoton, Ltd., which was a publicly traded Texas limited partnership, and Republic Royalty Company and Spinnaker Royalty Company, L.P., both of which were privately held Texas partnerships. The amounts and results of operations of Dorchester Minerals included in these financial statements as historical amounts prior to February 1, 2003 reflect the results of operations of Dorchester Hugoton. The effect of the combination is reflected in the balance sheet and in the results of operations and cash flows since January 31, 2003. The combination was accounted for using the purchase method of accounting.

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

CONDENSED BALANCE SHEETS
(Dollars in Thousands)

	June 30, 2004	December 31, 2003
	----- (unaudited)	-----
ASSETS		
Current assets:		
Cash and cash equivalents.....	\$ 11,901	\$ 10,881
Trade receivables.....	8,884	7,658
Note receivable - related party.....	180	205
Prepaid expenses.....	36	69
	-----	-----
Total current assets.....	21,001	18,813
Oil and natural gas properties - at cost (full cost method).....		
Less accumulated depletion.....	268,230	268,189
	(98,374)	(88,051)
	-----	-----
Net oil and natural gas properties.....	169,856	180,138
	-----	-----
Total assets.....	\$190,857	\$198,951
	=====	=====
LIABILITIES AND PARTNERSHIP CAPITAL		
Current liabilities:		
Accounts payable and other current liabilities..	\$ 829	\$ 512
	-----	-----
Total current liabilities.....	829	512
Commitments and contingencies		
	-	-
Partnership capital:		
General partner	8,036	8,246
Unitholders.....	181,992	190,193
	-----	-----
Total partnership capital.....	190,028	198,439
	-----	-----
Total liabilities and partnership capital.....	\$190,857	\$198,951
	=====	=====

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

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

CONDENSED STATEMENTS OF OPERATIONS
(Dollars in Thousands)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Net operating revenues:				
Net profits interest.....	\$ 6,292	\$ 5,332	\$12,286	\$ 10,206
Natural gas sales.....	-	-	-	2,401
Royalties.....	6,816	5,901	13,855	12,456
Other.....	272	67	680	193
Total net operating revenues.....	13,380	11,300	26,821	25,256
Cost and expenses:				
Operating, including production taxes.	497	534	1,080	1,316
Depreciation, depletion and amort.....	5,022	6,672	10,323	11,643
Impairment of full cost properties....	-	22,214	-	22,214
General and administrative.....	748	687	1,590	1,594
Management fees.....	-	-	-	524
Combination costs and related expenses	-	173	-	3,080
Total operating expenses.....	6,267	30,280	12,993	40,371
Operating income (loss).....	7,113	(18,980)	13,828	(15,115)
Other income (expense)				
Investment income.....	19	4	36	25
Other income (expense), net.....	176	48	95	105
Total other income (expense).....	195	52	131	130
Net earnings (loss).....	\$ 7,308	\$(18,928)	\$13,959	\$(14,985)
Allocation of net earnings (loss):				
General partner.....	\$ 180	\$ (479)	\$ 346	\$ (348)
Unitholders.....	\$ 7,128	\$(18,449)	\$13,613	\$(14,637)
Net earnings (loss) per common unit(in dollars).....	\$ 0.26	\$ (0.68)	\$.50	\$ (0.60)
Wtd. avg. common units outstanding (000's)	27,040	27,040	27,040	24,324

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

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

CONDENSED STATEMENTS OF CASH FLOWS
(Dollars in Thousands)
(Unaudited)

	Six Months Ended June 30,	
	2004	2003
Net cash provided by operating activities.	\$ 23,518	\$ 16,286
Cash flows from investing activities:		
Cash received in combination.....	-	68
Capital expenditures.....	(128)	(5)
Net cash provided by (used in) investing activities...	(128)	63
Cash flows from financing activities:		
Distributions paid to Partners.....	(22,370)	(26,365)
Increase (decrease) in cash and cash equivalents.....	1,020	(10,016)
Cash and cash equivalents at January 1.....	10,881	23,129
Cash and cash equivalents at June 30.....	\$ 11,901	\$ 13,113
	=====	=====
Non cash investing and financing activities:		
Acquisition of assets for units		
Oil and gas properties.....	\$ -	\$233,466
Receivables.....	-	3,660
Cash.....	-	68
Value assigned to assets acquired.....	\$ -	\$237,194
	=====	=====

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

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

NOTES TO THE CONDENSED 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 in connection with the combination, which was completed on January 31, 2003, of Dorchester Hugoton, Ltd., which was a publicly traded Texas limited partnership, and Republic Royalty Company (Republic) and Spinnaker Royalty Company, L.P., (Spinnaker) both of which were privately held Texas partnerships.

The condensed 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 the Partnership's financial position and operating results for the interim period. Interim period results are not necessarily indicative of the results for the calendar year. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" for additional information. Per-unit information is calculated by dividing the income applicable to holders of the Partnership's common units by the weighted average number of units outstanding.

The accompanying financial statements reflect the combination completed on January 31, 2003 and accounted for using the purchase method of accounting. In accordance with the purchase method of accounting, Dorchester Hugoton was designated as the accounting acquiror. Under the purchase method of accounting, the Partnership used the market price of Dorchester Hugoton's partnership units on the last day of trading, adjusted for the liquidating distribution to Dorchester Hugoton Unitholders, to determine the value of the Republic and Spinnaker oil and gas properties merged into the Partnership. Such method increased the historic book values of the oil and gas properties of Republic and Spinnaker by approximately \$192,000,000, which increased the Partnership's quarterly depletion. See the Partnership's Form 8-K filed on April 15, 2003 and Note 4 and Critical Accounting Policies for more details.

Prior to January 31, 2003, the Partnership had no combined operations. In these circumstances, the Partnership is required to present, discuss and analyze the financial condition and results of operations of our Partnership for the three and six month periods ended June 30, 2004 and 2003 by including the financial condition and results of Dorchester Hugoton, the accounting acquiror, for the one month period ended January 31, 2003.

2. CONTINGENCIES: In January 2002, some individuals and an association called Rural Residents for Natural Gas Rights, referred to as RRNGR, sued Dorchester Hugoton, Ltd., Anadarko Petroleum Corporation, Conoco, Inc., XTO Energy Inc., ExxonMobil Corporation, Phillips Petroleum Company, Incorporated and Texaco Exploration and Production, Inc. Dorchester Minerals Operating LP, owned directly and indirectly by our general partner, now owns and operates the properties formerly owned by Dorchester Hugoton. These properties contribute a major portion of the Net Profits Interests amounts paid to the Partnership. The suit is currently pending in the District Court of Texas County, Oklahoma and discovery is underway by the plaintiffs and defendants. The individuals and RRNGR consist primarily of Texas County, Oklahoma residents who, in residences located on leases use natural gas from gas wells located on the same leases, at their own risk, free of cost. The plaintiffs seek declaration that their domestic gas use is not limited to stoves and inside lights and is not limited to a principal dwelling as provided in the oil and gas lease agreements with defendants in the 1930s to the 1950s. Plaintiffs' claims against defendants include failure to prudently operate wells, violation of rights to free domestic gas, violation of irrigation gas contracts, underpayment of royalties, a request for accounting, and fraud. Plaintiffs also seek certification of class action against defendants. Dorchester Minerals Operating LP believes plaintiffs' claims are completely without merit. In July 2002, the defendants were granted a motion for summary judgment removing RRNGR as a plaintiff. Based upon past measurements of such gas usage, Dorchester Minerals Operating LP believes the damages sought by plaintiffs to be minimal. An adverse decision could reduce amounts the Partnership receives from the Net Profits Interests.

The Partnership and Dorchester Minerals Operating LP are involved in other 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 financial position or operating results.

3. COMBINATION TRANSACTION: On January 31, 2003, Dorchester Hugoton transferred certain assets to Dorchester Minerals Operating LP in exchange for a net profits interest, contributed the net profits interest and other assets to the Partnership and subsequently liquidated. Republic and Spinnaker transferred certain assets to Dorchester Minerals Operating LP in exchange for net profits interests and subsequently merged with the Partnership. For accounting purposes Dorchester Hugoton is deemed the acquiror. The value assigned to the assets of Republic and Spinnaker was based on the market capitalization of Dorchester Hugoton and the share of the total common units of the Partnership received by the former partners of Republic (10,953,078 common units) and Spinnaker (5,342,973 common units). The assets of Republic and Spinnaker were valued at \$237,194,000 which was allocated as follows:

Cash.....	\$	68,000
Oil and gas properties.....		233,466,000
Receivables.....		3,660,000
Total.....	\$	237,194,000

The following reflects unaudited pro forma data related to the combination discussed herein. The unaudited pro forma data assumes the combination had taken place as of the beginning of each period. The pro forma amounts are not necessarily indicative of the results that may be reported in the future. Pro forma adjustments have been made to depletion, depreciation, and amortization to reflect the new basis of accounting for the assets of Spinnaker and Republic as of January 31, 2003, and to January 2003 revenues to reflect the revenues of Dorchester Hugoton as Net Profits Interests.

	Three Months Ended June 30,	Six Months Ended June 30,
	----- 2003 -----	----- 2003 -----
Revenues	\$ 11,300,000	\$ 27,145,000
Depletion	\$ 6,672,000	\$ 13,394,000
Impairment	\$ 22,214,000	\$ 22,214,000
Net earnings (loss)	\$ (18,928,000)	\$ (15,134,000)
Earnings (loss) per common unit	\$ (0.68)	\$ (0.54)
Nonrecurring items:		
Severance and related costs	---	\$ 3,003,000
Combination-related costs	\$ 174,000	\$ 670,000

4. IMPAIRMENT OF OIL AND GAS PROPERTIES: During the second quarter 2003, the Partnership recorded a non-cash charge against earnings of \$22,214,000. The write-down represents an impairment of assets that results primarily from the difference between the discounted present value of the Partnership's proved natural gas and oil reserves using June 30, 2003 gas and oil prices as compared to the book value assigned to former Republic and Spinnaker assets in accordance with purchase accounting rules which value significantly exceeded historic book value. The write-down is a function of such increased value and changes in prevailing oil and gas prices since the consummation of the combination transaction. Cash flow from operations and cash distributions to unitholders were not affected by the write-down. See Note 1 and Note 3 and Critical Accounting Policies.

5. DISTRIBUTION TO HOLDERS OF COMMON UNITS: Since the Partnership's combination on January 31, 2003, unitholder cash distributions per common unit have been:

Year	Quarter	Record Date	Payment Date	Amount
-----	-----	-----	-----	-----
2003	1st (partial)	April 28, 2003	May 8, 2003	\$0.206469
2003	2nd	July 28, 2003	August 7, 2003	\$0.458087
2003	3rd	October 31, 2003	November 10, 2003	\$0.422674
2003	4th	January 26, 2004	February 5, 2004	\$0.391066
2004	1st	April 30, 2004	May 10, 2004	\$0.415634
2004	2nd	July 26, 2004	August 5, 2004	\$0.415315

The next cash distribution will be paid by November 15, 2004.

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

Overview

Dorchester Minerals, L.P. is a publicly traded Delaware limited partnership that was formed in December 2001 in connection with the combination, which was completed on January 31, 2003, of Dorchester Hugoton, which was a publicly traded Texas limited partnership, and Republic and Spinnaker both of which were privately held Texas partnerships.

Dorchester Minerals Operating LP, a Delaware limited partnership owned directly and indirectly by our general partner, holds the working interest properties previously owned by Dorchester Hugoton and a minor portion of mineral interest properties previously owned by Republic and Spinnaker. We refer to Dorchester Minerals Operating LP by the term "operating partnership". Our Partnership directly and indirectly holds a 96.97% net profits overriding royalty interest in these properties. We refer to our net profits overriding royalty interest in these properties as the Net Profits Interests. After the close of each month, we receive a payment equaling 96.97% of the net proceeds actually received during that month from the properties subject to the Net Profits Interests.

In addition to the Net Profits Interests, we also hold producing and non-producing mineral, royalty, overriding royalty, net profits and leasehold interests, which we acquired as part of the combination upon the mergers of Republic and Spinnaker into our Partnership. We refer to these interests as the Royalty Properties. We currently own Royalty Properties in 563 counties and parishes in 25 states.

Basis of Presentation

In the combination completed on January 31, 2003 and accounted for as a purchase, Dorchester Hugoton was designated as the accounting acquiror. Prior to January 31, 2003, our Partnership had no combined operations. In these circumstances, we are required to present, discuss and analyze the financial condition and results of operations of our Partnership for the three and six month periods ended June 30, 2004 and 2003 by including the financial condition and results of Dorchester Hugoton, the accounting acquiror, for the one month period ended January 31, 2003. For the purposes of this presentation, the term combination means the transactions consummated in connection with the combination of the business and properties of Dorchester Hugoton, Republic and Spinnaker.

Commodity Price Risks

Our profitability is affected by volatility in prevailing oil and natural gas prices. Oil and natural gas prices have been subject to significant volatility in recent years in response to changes in the supply and demand for oil and natural gas in the market and general market volatility.

Results of Operations

Three and Six Months Ended June 30, 2004 as compared to Three and Six Months Ended June 30, 2003

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

	Three Months Ended			Six Months Ended	
	June 30,	June 30,	March 31,	June 30,	June 30,
	2004	2003	2004	2004	2003
Accrual Basis Sales Volumes:					
Dorchester Hugoton Gas Sales (mmcf)(1)	--	--	--	--	448
Net Profits Interests Gas Sales(mmcft)	1,352	1,261	1,347	2,699	2,147
Net Profits Interests Oil Sales (mmbbls)	2	1	2	4	3
Royalty Props. Gas Sales(mmcft)	822	817	888	1,710	1,475
Royalty Props. Oil Sales (mmbbls)	67	84	80	147	141
Weighted Average Sales Price:					
Dorchester Hugoton Gas Sales (\$/mcf)	--	--	--	--	\$ 5.20
Net Profits Interests Gas Sales(\$/mcf)	\$ 5.81	\$ 5.51	\$ 5.46	\$ 5.64	5.97

Net Profits Interests Oil Sales (\$/bbl)	\$35.25	\$22.99	\$30.15	\$32.28	\$29.20
Royalty Properties Gas Sales (\$/mcf)	\$ 5.28	\$ 4.62	\$ 5.05	\$ 5.16	\$ 5.68
Royalty Properties Oil Sales (\$/bbl)	\$36.90	\$25.29	\$31.96	\$34.21	\$28.79

Production Costs Deducted Under the Net Profits Interests (\$/mcf)(2)	\$ 1.23	\$ 1.33	\$ 1.09	\$ 1.16	\$ 1.27
--	---------	---------	---------	---------	---------

- (1) For purposes of comparison the January 2003 Dorchester Hugoton volumes have been reduced to reflect our 96.97% Net Profits Interest in production from the underlying properties.
- (2) Provided to assist in determination of revenues; applies only to Net Profits Interests sales volumes and prices.

Oil sales volumes attributable to our Royalty Properties during the second quarter decreased 20% from 84,000 bbls during 2003 to 67,000 bbls during 2004 as a result of our receipt of retroactive volume adjustments in the second quarter of 2003. Gas sales volumes attributable to our Royalty Properties during the second quarter increased less than 1% from 817 mmcf during 2003 to 822 mmcf during 2004.

Oil sales volumes attributable to our Net Profits Interests during the second quarter increased 100% from 1,000 bbls during 2003 to 2,000 bbls during 2004 due to activity on the Net Profits Interest properties. Gas sales volumes attributable to our Net Profits Interests during the second quarter increased 7% from 1,261 mmcf during 2003 to 1,352 mmcf during 2004 due to increased production resulting from additional field compression on the Oklahoma properties previously owned by Dorchester Hugoton and new activity on the Net Profits Interest properties. Such increases help offset declines in existing wells and reservoirs.

Weighted average oil sales prices attributable to the Partnership's interest in Royalty Properties increased 46% from \$25.29 per bbl during the second quarter 2003 to \$36.90 per bbl during the second quarter 2004. Similarly, second quarter weighted average Partnership natural gas sales prices from Royalty Properties increased 14% from \$4.62 per mcf during 2003 to \$5.28 per mcf during 2004. Both oil and gas price increases resulted from changing market conditions.

Second quarter weighted average oil sales prices from the Net Profits Interests' properties increased 53% from \$22.99 per bbl in 2003 to \$35.25 per bbl in 2004. Second quarter weighted average natural gas sales prices from the Net Profits Interests' properties increased 5% from \$5.51 per mcf in 2003 to \$5.81 per mcf in 2004. Such oil and gas price increases are due to changing market conditions.

Oil and natural gas sales volumes attributable to the Royalty Properties and oil and natural gas sales volumes attributable to the Net Profits Interests from Republic and Spinnaker are included in our results for the six month period ended June 30, 2004 and are included for only the five months ended June 30, 2003. See "Basis of Presentation" and Note 1 of the Notes to the Condensed Financial Statements.

Weighted average prices for oil and natural gas sales volumes attributable to the Royalty Properties and also to the Net Profits Interests from Republic and Spinnaker are included in our results for the six months ended June 30, 2004 and are included for only the five months ended June 30, 2003. See "Basis of Presentation" and Note 1 of the Notes to the Condensed Financial Statements.

Our second quarter net operating revenues increased 18% from \$11,300,000 during 2003 to \$13,380,000 during 2004 due primarily to increased natural gas prices and crude oil prices. Comparing the first six month periods, net operating revenue rose 6% from \$25,256,000 during 2003 to \$26,821,000 during 2004, primarily as a result of improvement of natural gas and crude oil prices. Management cautions the reader in the comparison of results for the six month periods because operations attributable to properties formerly owned by Republic and Spinnaker are not included for January in the six-month period ending June 30, 2003. See "Basis of Presentation" and Note 1 of the Notes to the Condensed Financial Statements.

Costs and expenses during the second quarter of 2004 decreased 79% from \$30,280,000 during the second quarter of 2003 to \$6,267,000. Similarly, costs and expenses during the six months ended June 30, 2004 of \$12,993,000 were 68% lower than costs in the six months ended June 30, 2003 of \$40,371,000. Such decrease in costs is primarily due to a second quarter 2003 non-cash charge against earnings of \$22,214,000 representing an impairment of assets during 2003. See Note 4 of the Notes to the Condensed Financial Statements.

Several categories of costs during the first six months of 2004 were lower than the first six months of 2003 due to non-recurring expenses associated with the 2003 liquidation of Dorchester Hugoton. Such 2003 costs are mostly combination and related expenses of \$2,907,000, consisting primarily of \$2,500,000 in severance payments and related costs. Similarly management fees in 2003 include a one-time \$496,000 charge.

Other income during the three and six month period ended June 30 increased from \$52,000 and \$130,000, respectively, during 2003 to \$195,000 and \$131,000, respectively, during the same periods in 2004. We received partial payment of a legal judgment in the amount \$76,000 and accrued an additional \$108,100 attributable to the same matter during June 2004. The first six months of 2004 include expenses of \$87,000 attributable to unsuccessful property acquisition attempts in the first quarter. Note that lease bonus revenue is included in Other net operating revenue and is not reflected as Other income.

Depletion, depreciation and amortization during the three and six month period ended June 30 decreased from \$6,672,000 and \$11,643,000, respectively, during 2003 to \$5,022,000 and \$10,323,000, respectively, during 2004, primarily as a result of a reduced depletable asset base, mainly due to impairments and prior quarterly

depletion. Management cautions the reader in the comparison of results for these periods, because operations of the properties formerly owned by Republic and Spinnaker are not included for January in the six-month period ending June 30, 2003 and due to the application of purchase accounting methods. See "Basis of Presentation", "Critical Accounting Policies", and Notes 1, 3 and 4 of the Notes to the Condensed Financial Statements.

We received cash payments in the amount of \$391,000 from various sources during the first quarter of 2004 including lease bonus attributable to 15 leases and pooling elections located in seven counties and parishes in three states. Each of these leases reflected royalty terms of 25% and lease bonuses ranging up to \$300/acre. Twelve of these leases included a commitment to drill an exploratory well on lands in which we own an interest or lands pooled therewith, and in the event subsequent wells are drilled on such lands, we retain the right for the operating partnership to participate in each such well with as much as 50% of our original interest subject to our reservation of a 96.97% Net Profits Interest.

We received division orders for, or otherwise identified 43 new wells completed on our Royalty Properties and Net Profits Interests in 23 counties and parishes in eight states during the second quarter of 2004. Selected new wells and the royalty interests owned therein by us and the working interests and net revenue interests owned therein by the operating partnership are summarized in the following table:

State	County/ Parish	Operator	Well Name	Ownership		Test Rates per day	
				WI(1)	NRI(1)	Gas mcf	Oil bbls
Royalty Properties							
Arkansas	Sebastian	Hanna	KMW #2	--	0.6%	11,900	-
Louisiana	Bienville	Will-Drill	La. Minerals 9-1	--	1.4%	1,225	30
Texas	Winkler	Crownquest	Keystone Cattle 444	--	1.2%	165	43
Net Profits Interests							
Oklahoma	Washita	Cimarex	Green 5-2 BPO(2)	7.0%	8.8%	3,077	183
			Green 5-2 APO(2)	8.8%	9.4%		
Oklahoma	Washita	Cimarex	Sullivan 6-2 BPO(2)	7.0%	8.8%	3,198	200
			Sullivan 6-2 APO(2)	8.8%	9.4%		

(1) WI and NRI mean working interest and net revenue interest, respectively.

(2) BPO and APO mean before payout and after payout, respectively.

Second quarter net earnings allocable to common units increased from a \$18,449,000 loss during 2003 to \$7,128,000 during 2004, due primarily to increased natural gas and crude oil sales prices and due to the non-cash charge against earnings during 2003. Generally for the same reasons, net earnings during the first six months of 2004 were \$13,613,000 compared to a \$14,637,000 loss in the same period in 2003.

Net cash provided by operating activities decreased 9% from \$12,912,000 during the second quarter 2003 to \$11,741,000 during the second quarter 2004, principally due to timing of collection of accounts receivable offset by improved oil and natural gas sales prices. Net cash provided by operating activities increased 44% from \$16,286,000 during the six months ended June 30, 2003 to \$23,518,000 during the six months ended June 30, 2004 as a result of the combination. Management cautions the reader in the comparison of results for the six month periods because operations of the properties formerly owned by Republic and Spinnaker are not included for January in the six-month period ending June 30, 2003. See "Basis of Presentation" and Notes 1 and 3 of the Notes to the Condensed Financial Statements.

LIQUIDITY AND CAPITAL RESOURCES

Capital Resources

Our primary sources of capital are our cash flow from the Net Profits Interests and the Royalty Properties. Our only cash requirements are the distributions to our unitholders, the payment of oil and gas production and property taxes not otherwise deducted from gross production revenues and general and administrative expenses incurred on our behalf and properly allocated in accordance with our partnership agreement. Since 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 payments of expenses. Since most of these expenses vary directly with oil and natural gas prices and sales volumes, we anticipate that sufficient funds will be available at all times for payment of these expenses. See Note 5 of the Notes to the Condensed Financial Statements for the amounts and dates of 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 our 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).

Expenses and Capital Expenditures

The operating partnership does not currently anticipate drilling additional wells as a working interest owner in the Fort Riley zone or the Council Grove formation or elsewhere in the Oklahoma properties previously owned by Dorchester Hugoton. Successful activities by others in these formations or other developments could prompt a reevaluation of this position. Any such drilling is estimated to cost \$250,000 to \$300,000 per well. Such activities by the operating partnership could influence the amount we receive from the Net Profits Interests. The operating partnership anticipates continuing additional fracture treating in the Oklahoma properties previously owned by Dorchester Hugoton. During the second quarter of 2004 one well was fracture treated at a cost of \$47,000. The well increased production from 89 to 139 mcf per day.

The operating partnership owns and operates the wells, pipelines and gas compression and dehydration facilities located in Kansas and Oklahoma previously owned by Dorchester Hugoton. The operating partnership anticipates gradual increases in expenses as repairs to these facilities become more frequent, and anticipates gradual increases in field operating expenses as reservoir pressure declines. 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 Net Profits Interests 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. Both infill drilling and removal of production limits could require considerable capital expenditures. The outcome and the cost of such activities are unpredictable. Such activities by the operating partnership could influence the amount we receive from the Net Profits Interests. No additional compression affecting the wells formerly owned by Dorchester Hugoton has been installed since 2000 by operators on adjoining acreage. The operating partnership believes it now has sufficient field compression to remain competitive with adjoining operators for the foreseeable future.

Liquidity and Working Capital

Cash and cash equivalents totaled \$11,901,000 at June 30, 2004 and \$10,881,000 at December 31, 2003.

CRITICAL ACCOUNTING POLICIES

We utilize the full cost method of accounting for costs related to our oil and gas properties. Under this method, all such costs (productive and nonproductive) are capitalized and amortized on an aggregate basis over the estimated lives of the properties using the units-of-production method. These capitalized costs are subject to a ceiling test, however, which limits such pooled costs to the aggregate of the present value of future net revenues attributable to proved oil and gas reserves discounted at 10% plus the lower of cost or market value of unproved properties. In accordance with applicable accounting rules, Dorchester Hugoton was deemed to be the accounting acquiror of the Republic and Spinnaker assets. Our Partnership's acquisition of these assets was recorded at a value based on the closing price of Dorchester Hugoton's common units immediately prior to consummation of the combination transaction, subject to certain adjustments. Consequently, the acquisition of these assets was recorded at values that exceed the historical book value of these assets prior to consummation of the combination transaction. Our Partnership did not assign any book or market value to unproved properties, including nonproducing royalty, mineral and leasehold interests. The full cost ceiling is evaluated at the end of each quarter. For 2003, our unamortized costs of oil and gas properties exceeded the ceiling test. As a result, in 2003, our Partnership recorded full cost write-downs of \$43,804,000. No additional impairments have been recorded since the quarter ended September 30, 2003.

The discounted present value of our proved oil and gas reserves is a major component of the ceiling calculation and requires many subjective judgments. Estimates of reserves are forecasts based on engineering and geological analyses. Different reserve engineers may reach different conclusions as to

estimated quantities of natural gas reserves based on the same information. Our reserve estimates are prepared by independent consultants. The passage of time provides more qualitative information regarding reserve estimates, and revisions are made to prior estimates based on updated information. However, there can be no assurance that more significant revisions will not

be necessary in the future. Significant downward revisions could result in an impairment representing a non-cash charge to earnings. In addition to the impact on calculation of the ceiling test, estimates of proved reserves are also a major component of the calculation of depletion.

While the quantities of proved reserves require substantial judgment, the associated prices of oil and gas reserves that are included in the discounted present value of our reserves are objectively determined. The ceiling test calculation requires use of prices and costs in effect as of the last day of the accounting period, which are generally held constant for the life of the properties. As a result, the present value is not necessarily an indication of the fair value of the reserves. Oil and gas prices have historically been volatile and the prevailing prices at any given time may not reflect our Partnership's or the industry's forecast of future prices.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 royalties and net profits interests in properties operated by non-affiliated entities are particularly subjective due to inability to gain accurate and timely information. Therefore, actual results could differ from those estimates.

NEW ACCOUNTING STANDARDS

In July 2001, the Financial Accounting Standards Board issued SFAS No. 143, "Accounting for Asset Retirement Obligations". SFAS No. 143 requires entities to record the fair value of a liability for an asset retirement obligation in the period in which it is incurred. SFAS No. 143 is effective for fiscal years beginning after June 15, 2002. We adopted SFAS No. 143 on January 1, 2003, which did not have a material effect on our financial statements.

The FASB's Emerging Issues Task Force (EITF) reached a consensus that mineral rights are tangible assets in EITF Issue 04-2, "Whether Mineral Assets Are Tangible or Intangible Assets". The FASB ratified the EITF consensus, subject to amendment of SFAS No. 141 and No. 142 through a FASB Staff Position (FSP). Therefore, no changes would be required in the way the Partnership classifies its mineral rights.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The following information provides quantitative and qualitative information about our potential exposures to market risk. The term "market risk" refers to the risk of loss arising from adverse changes in oil and natural gas prices, interest rates and currency exchange rates. The disclosures are not meant to be precise indicators of expected future losses, but rather indicators of reasonably possible losses.

Market Risk Related to Oil and Natural Gas Prices

Essentially all of our assets and sources of income are from the Net Profits Interests and the Royalty Properties, which generally entitle us to receive a share of the proceeds based on oil and natural gas production from those properties. Consequently, we are subject to market risk from fluctuations in oil and natural gas prices. Pricing for oil and natural gas production has been volatile and unpredictable for several years. We do not anticipate entering into financial hedging activities intended to reduce our exposure to oil and natural gas price fluctuations.

Absence of Interest Rate and Currency Exchange Rate Risk

We do not anticipate having a credit facility or incurring any debt, other than trade debt. Therefore, we do not expect interest rate risk to be material to us. We do not anticipate engaging in transactions in foreign currencies which could expose us to foreign currency related market risk.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this report, our Partnership's 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 Partnership's disclosure controls and procedures effectively ensure that the information required to be disclosed in the reports the Partnership files with the Securities and Exchange

Commission is recorded, processed, summarized and reported, within the time periods specified by the Securities and Exchange Commission.

Changes in Internal Controls

There were no changes in our Partnership's internal controls or in other factors that have materially affected, or are reasonably likely to materially affect, our Partnership's internal controls subsequent to the date of their evaluation of our disclosure controls and procedures.

PART II

Item 1. LEGAL PROCEEDINGS

None.

Item 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

None.

Item 3. DEFAULTS UPON SENIOR SECURITIES

None.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

- a) We held our Annual Unitholders meeting on Wednesday, May 5, 2004 in Dallas, Texas.
- b) Proxies were solicited by the Board of Managers pursuant to Regulation 14A under the Securities Exchange Act of 1934. There were no solicitations in opposition to the nominees listed in the proxy statement and all of such nominees were duly elected.
- c) The only matter voted on at the meeting was the election of the three nominees to the Board of Managers. Out of the 27,040,431 units issued and outstanding and entitled to vote at the meeting, 25,055,367 units were present in person or by proxy. The results were as follows:

Nominee	Votes Withheld		
	Votes for Election	from Election	Broker Non-Votes
Buford P. Berry	24,757,336	298,031	1,985,064
Rawles Fulgham	24,931,147	124,220	1,985,064
C. W. Russell	24,978,477	76,890	1,985,064

Item 5. OTHER INFORMATION

We have entered into indemnity agreements with our managers and executive officers and certain other key employees that provide the maximum indemnity allowed to by Section 108 of the Delaware Revised Uniform Limited Partnership Act, as well as certain additional procedural protections. The indemnity agreements provide that managers will be indemnified to the fullest extent not prohibited by law against all expenses (including attorney's fees) and settlement amounts paid or incurred by them in any action or proceeding as our managers or executive officers, including any action on account of their services as executive officers or managers of any other company or enterprise when they are serving in such capacities at our request, and including any action by us or in our right. In addition, the indemnity agreements provide for reimbursement of expenses incurred in conjunction with being a witness in any proceeding to which the indemnitee is not a party. We must pay in advance of a final disposition of a proceeding or claim the expenses incurred by the indemnitee no later than 10 days after our receipt of an undertaking by or on behalf of the indemnitee, and the indemnitee is to repay the amount of the expenses to the extent that it is ultimately determined that the indemnitee is not entitled to be indemnified by us. The indemnity agreements also provide the indemnitee with remedies in the event that we do not fulfill our obligations under the indemnity agreements.

Item 6. EXHIBITS AND REPORTS ON FORM 8-K

- a) Exhibits: See the attached Index to Exhibits.
- b) Reports on Form 8-K filed during the quarter ended June 30, 2004:
 - (i) Filed April 16, 2004 on Item 9. Regulation FD Disclosure (Regarding Slide Presentation)
 - (ii) Filed April 20, 2004 on Item 9. FD Disclosure and Item 12. Results of Operations and Financial Condition (Regarding First Quarter Cash Distribution)
 - (iii) Filed May 5, 2004 on Item 9. Regulation FD Disclosure and Item 12. Results of Operations and Financial Condition (Regarding First Quarter Earnings)

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

/s/ William Casey McManemin

Date: August 4, 2004

William Casey McManemin
Chief Executive Officer

/s/ H.C. Allen, Jr.

Date: August 4, 2004

H.C. Allen, Jr.
Chief Financial Officer

INDEX TO 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' Report on Form 10-K filed for the year ended December 31, 2002)
3.3	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)
3.4	Amended and Restated Agreement of Limited Partnership of Dorchester Minerals Management LP (incorporated by reference to Exhibit 3.4 to Dorchester Minerals' Report on Form 10-K for the year ended December 31, 2002)
3.5	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)
3.6	Amended and Restated Limited Liability Company Agreement of Dorchester Minerals Management GP LLC (incorporated by reference to Exhibit 3.6 to Dorchester Minerals' Report on Form 10-K for the year ended December 31, 2002).
3.7	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)
3.8	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)
3.9	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)
3.10	Amended and Restated Agreement of Limited Partnership of Dorchester Minerals Operating LP. (incorporated by reference to Exhibit 3.10 to Dorchester Minerals' Report on Form 10-K for the year ended December 31, 2002)
3.11	Certificate of Limited Partnership of Dorchester Minerals Oklahoma LP (incorporated by reference to Exhibit 3.11 to Dorchester Minerals' Report on Form 10-K for the year ended December 31, 2002)
3.12	Agreement of Limited Partnership of Dorchester Minerals Oklahoma LP (incorporated by reference to Exhibit 3.12 to Dorchester Minerals' Report on Form 10-K for the year ended December 31, 2002)
3.13	Certificate of Incorporation of Dorchester Minerals Oklahoma GP, Inc. (incorporated by reference to Exhibit 3.13 to Dorchester Minerals' Report on Form 10-K for the year ended December 31, 2002)
3.14	Bylaws of Dorchester Minerals Oklahoma GP, Inc. (incorporated by reference to Exhibit 3.14 to Dorchester Minerals' Report on Form 10-K for the year ended December 31, 2002)
10.1	Form of Indemnity Agreement
31.1	Certification of Chief Executive Officer of the Partnership pursuant to Rule 13a-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) of the Securities Exchange Act of 1934.
32.1	Certification of Chief Executive Officer of the Partnership pursuant to 18 U.S.C. Sec. 1350
32.2	Certification of Chief Financial Officer of the Partnership pursuant to 18 U.S.C. Sec. 1350

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, 2004 (the "Report"), I, H.C. Allen, Jr., Chief Financial Officer of Dorchester Minerals Management GP LLC, General Partner of Dorchester Minerals Management LP, General Partner of the Partnership, hereby certify 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 Company.

/s/ H.C. Allen, Jr.

H.C. Allen, Jr.
Chief Financial Officer

Date: August 4, 2004

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, 2004 (the "Report"), I, William Casey McManemin, Chief Executive Officer of Dorchester Minerals Management GP LLC, General Partner of Dorchester Minerals Management LP, General Partner of the Partnership, hereby certify 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 Company.

/s/ William Casey McManemin

William Casey McManemin
Chief Executive Officer

Date: August 4, 2004

CERTIFICATIONS

I, H.C. Allen, Jr., Chief Financial Officer of Dorchester Minerals Management GP LLC, General Partner of Dorchester Minerals Management LP, General Partner of Dorchester Minerals, L.P., (the "Registrant"), 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 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)) 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) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) 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 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 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/ H.C. Allen, Jr.

H.C. Allen, Jr.
Chief Financial Officer

Date: August 4, 2004

CERTIFICATIONS

I, William Casey McManemin, Chief Executive Officer of Dorchester Minerals Management GP LLC, General Partner of Dorchester Minerals Management LP, General Partner of Dorchester Minerals, L.P., (the "Registrant"), 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 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)) 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) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) 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 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 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

Date: August 4, 2004

Form of Indemnity Agreement

INDEMNITY AGREEMENT

This Agreement is made and entered into as of this ___ day of _____, 2004, by and between Dorchester Minerals, L.P., a Delaware limited partnership (the "Company") and _____ ("Indemnitee"), who has served or is currently serving the Company, Dorchester Minerals Management LP, a Delaware limited partnership (the "General Partner"), Dorchester Minerals Management GP LLC, a Delaware limited liability company (the "Managing General Partner"), Dorchester Minerals Operating LP, a Delaware limited partnership (the "Operating Partnership") or a Subsidiary (as hereinafter defined) in the capacity of an officer, director, employee, manager and/or agent thereof;

RECITALS

A. The officers, directors, employees, managers and agents of the Company, the General Partner, the Managing General Partner, the Operating Partnership and the Subsidiaries are responsible for managing the Company's business.

B. The Company is aware that competent and experienced persons are increasingly reluctant to serve as officers, directors, employees, managers or agents of public companies unless they are protected by comprehensive liability insurance or indemnification, due to increased exposure to litigation costs and risks resulting from their service to such companies, and due to the fact that the exposure frequently bears no reasonable relationship to the compensation of such officers, directors, employees, managers and agents.

C. The statutes and judicial decisions regarding the duties of officers, directors, employees, managers and agents are often difficult to apply, ambiguous, or conflicting, and therefore fail to provide such officers, directors, employees, managers and agents with adequate, reliable knowledge of legal risks to which they are exposed or information regarding the proper course of action to take.

D. Plaintiffs often seek damages in such large amounts and the costs of litigation may be so enormous (whether or not the case is meritorious), that the defense and/or settlement of such litigation is often beyond the personal resources of managers, directors, officers and agents.

E. The Company believes that it is unfair for the officers, directors, employees, managers and agents of the Company, the General Partner, the Managing General Partner, the Operating Partnership and the Subsidiaries to assume the risk of judgments and other expenses which may occur in cases in which the officer, director, employee, manager or agent received no personal profit and in cases where the officer, director, employee, manager or agent was not culpable.

F. The Company recognizes that the issues in controversy in litigation against an officer, director, employee, manager or agent of a public company such as the Company are often related to the knowledge, motives and intent of such officer, director, employee, manager

or agent, that he is usually the only witness with knowledge of the essential facts and exculpatory circumstances regarding such matters, and that the long period of time which usually elapses before the trial or other disposition of such litigation often extends beyond the time that the officer, director, employee, manager or agent can reasonably recall such matters; and may extend beyond the normal time for retirement for such manager, officer or agent with the result that he, after retirement or in the event of his death, his spouse, heirs, executors or administrators, may be faced with limited ability and undue hardship in maintaining an adequate defense, which may discourage such officer, director, employee, manager or agent from serving in that position.

G. The Company has concluded that to retain and attract talented and experienced individuals to serve as officers, directors, employees, managers and agents of the Company, the General Partner, the Managing General Partner, the Operating Partnership and the Subsidiaries, and to encourage such individuals to take the business risks necessary for the success of the Company, it is necessary for the Company to contractually indemnify its officers, directors, employees, managers and agents and the officers, employees, managers and agents of the Company, the General Partner, the Managing General Partner, the Operating Partnership and the Subsidiaries and to assume for itself maximum liability for expenses and damages in connection with claims against such officers, directors, employees, managers and agents in connection with their service to the Company, the General Partner, the Managing General Partner, the Operating Partnership and

the Subsidiaries and has further concluded that the failure to provide such contractual indemnification could result in great harm to the Company and its unitholders.

H. Section 108 of the Delaware Revised Uniform Limited Partnership Act (the "Act"), under which the Company is organized ("Section 108"), empowers the Company to indemnify its partners and others from and against any and all claims and demands whatsoever.

I. The Amended and Restated Agreement of Limited Partnership sets forth certain provisions relating to the indemnification of, and advancement of expenses to, officers and managers (among others), and is specifically not exclusive of other rights to which those indemnified thereunder may be entitled under any governing documents of the Company, agreements, vote of partners or disinterested managers or otherwise, and, thus, does not by itself limit the extent to which the Company may indemnify persons;

J. The Indemnitee has previously served as an officer, director, employee, manager or agent of the Company, the General Partner, the Managing General Partner, the Operating Partnership or a Subsidiary and/or the Company desires and has requested the Indemnitee to serve or continue to serve as an officer, director, employee, manager or agent of the Company, the General Partner, the Managing General Partner, the Operating Partnership or a Subsidiary free from undue concern for claims for damages arising out of or related to such services.

K. Indemnitee previously served, is willing to serve or to continue to serve, the Company, the General Partner, the Managing General Partner, the Operating Partnership and/or a Subsidiary, in reliance on the furnishing of the indemnity provided for herein.

AGREEMENT

NOW, THEREFORE, the parties hereto, intending to be legally bound, hereby agree as follows:

1. DEFINITIONS.

(a) AGENT. For the purposes of this Agreement, "Agent" means any person who (i) is or was an officer, director, employee, manager or other agent of the Company, the General Partner (as the general partner of the Company), the Managing General Partner (as the general partner of the general partner of the Company), the Operating Partnership (as the operating partnership of the General Partner as the general partner of the Company) and/or a Subsidiary; (ii) is or was serving at the request of, for the convenience of, or to represent the interests of the Company, the General Partner (as the general partner of the Company), the Managing General Partner (as the general partner of the general partner of the Company), the Operating Partnership (as the operating partnership of the General Partner as the general partner of the Company) and/or a Subsidiary as an officer, director, employee, manager or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise; or (iii) was an officer, director, employee, manager or agent of a foreign or domestic corporation which was a predecessor corporation of the Company, the General Partner (as the general partner of the Company), the Managing General Partner (as the general partner of the general partner of the Company), the Operating Partnership (as the operating partnership of the General Partner as the general partner of the Company) and/or a Subsidiary, or was an officer, director, employee, manager or agent of another enterprise at the request of, for the convenience of, or to represent the interests of such predecessor corporation.

(b) DISINTERESTED MANAGER. For purposes of this Agreement, "Disinterested Manager" means a manager of the board of managers of the Managing General Partner of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(c) EXPENSES. For purposes of this Agreement, "Expenses" include all out of pocket costs of any type or nature whatsoever (including, without limitation, all reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, the premium, security for, and other costs relating to any cost bond, supersedeas bond, or other appeal bond or its equivalent and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, or being or preparing to be a witness in, or otherwise involved in, a Proceeding or appeal resulting from any Proceeding), actually and reasonably incurred by the Indemnitee in connection with either the investigation, being a witness in, defense or appeal, or preparing the defense or appeal, or the settlement of a Proceeding or establishing or enforcing the right to indemnification under this Agreement, the

Amended and Restated Agreement of Limited Partnership or Section 108 or otherwise. Should any payments by the Company under this Agreement be determined to be subject to any federal, state or local income or excise tax, "Expenses" will also include such amounts as are necessary to place Indemnitee in the same

after-tax position, after giving effect to all applicable taxes, Indemnitee would have been in had such tax not have been determined to apply to those payments.

(d) INDEPENDENT COUNSEL. For purposes of this Agreement "Independent Counsel means a law firm, or a member of a law firm, selected solely by the Indemnitee that is experienced in matters of corporate law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company, the General Partner, the Managing General Partner, the Operating Partnership or a Subsidiary or Indemnitee in any matter material to either such party (other than with respect to matters concerning the Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto and such Independent Counsel shall be an intended third party beneficiary of this covenant.

(e) PROCEEDING. For the purposes of this Agreement, "Proceeding" means any threatened, pending, or completed action, suit or other proceeding or any inquiry or investigation, whether conducted by the Company or any other party, including any governmental agency, which the Indemnitee in good faith believes might lead to, or does result in, the institution of any such action, suit or proceeding whether civil, criminal, administrative, arbitrational, investigative or otherwise.

(f) SUBSIDIARY. For purposes of this Agreement, "Subsidiary" means any corporation of which more than 50% of the outstanding voting securities is owned directly or indirectly by the Company, by the Company and one or more other subsidiaries, or by one or more other subsidiaries, and any partnership or limited liability company of which more than 50% of the outstanding equity is owned directly or indirectly by the Company, by the Company and one or more other subsidiaries, or by one or more other subsidiaries.

2. AGREEMENT TO SERVE. The Indemnitee has previously served as an Agent and/or agrees to serve and/or continue to serve as an Agent, at its will (or under separate agreement, if such agreement exists), in the capacity Indemnitee currently serves as an Agent for so long as he is duly elected or appointed and qualified or until such time as he tenders his resignation; provided, however, that nothing contained in this Agreement is intended to create any right to continued employment by Indemnitee or any obligation requiring Indemnitee to continue to serve in such capacity.

3. MANDATORY INDEMNIFICATION. Subject to Section 7, the Company shall indemnify the Indemnitee as follows:

(a) SUCCESSFUL DEFENSE. To the extent the Indemnitee has been successful on the merits or otherwise in defense of any Proceeding (including, without limitation, an action by or in the right of the Company) to which the Indemnitee was a party by reason of the fact that he is or was an Agent at any time, or by reason of anything done or not done by him in such capacity, the Company shall indemnify the Indemnitee against any and all Expenses and liabilities of any type whatsoever reasonably incurred by him in connection with such Proceeding.

(b) THIRD PARTY ACTIONS. If the Indemnitee is a person who was or is a party or is threatened to be made a party to any Proceeding (other than an action by or in the right of the Company) by reason of the fact that he is or was an Agent, or by reason of anything done or not done by him in any such capacity, the Company shall indemnify the Indemnitee against any and all Expenses and liabilities of any type whatsoever reasonably incurred by him in connection with such Proceeding, provided the Indemnitee acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company and its unitholders, and, with respect to any criminal action or Proceeding, had no reasonable cause to believe his conduct was unlawful.

(c) DERIVATIVE ACTIONS. If the Indemnitee is a person who was or is a party or is threatened to be made a party to any Proceeding by or in the right of the Company by reason of the fact that he is or was an Agent, or by reason of

anything done or not done by him in any such capacity, the Company shall indemnify the Indemnitee against any and all Expenses and liabilities of any type whatsoever reasonably incurred by him in connection with such Proceeding, provided the Indemnitee acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company and its unitholders; except that no indemnification under this subsection 3(c) shall be made in respect to any claim, issue or matter as to which such person shall have been finally adjudged to be liable to the Company by a court of competent jurisdiction unless and only to the extent that the court in which such Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such amounts which the court shall deem proper.

(d) WITNESS. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of the fact that Indemnitee is or was an Agent, a witness in any Proceeding to which Indemnitee is not a party, he shall be indemnified against any and all Expenses and liabilities of any type whatsoever reasonably incurred by Indemnitee (or on his behalf) in connection therewith.

(e) ACTIONS WHERE INDEMNITEE IS DECEASED. If the Indemnitee is a person who was or is a party or is threatened to be made a party to any Proceeding by reason of the fact that he is or was an Agent, or by reason of anything done or not done by him in any such capacity, and if prior to, during the pendency of, or after completion of such Proceeding, Indemnitee becomes deceased, the Company shall indemnify the Indemnitee's heirs, executors and administrators against any and all Expenses and liabilities of any type whatsoever reasonably incurred to the extent Indemnitee would have been entitled to indemnification pursuant to Sections 3(a), 3(b), or 3(c) were Indemnitee still alive.

(f) NO OBLIGATION. Notwithstanding the foregoing, the Company shall not be obligated to indemnify the Indemnitee for Expenses or liabilities of any type whatsoever for which payment is actually made to or on behalf of Indemnitee under a valid and collectible insurance policy of insurance, or under a valid and enforceable indemnity clause, by-law or agreement.

4. PARTIAL INDEMNIFICATION. If the Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of any Expenses or liabilities of any type whatsoever incurred by him in connection with a Proceeding, but not entitled, however, to indemnification for all of the total amount hereof, the Company shall nevertheless indemnify the Indemnitee for such total amount except as to the portion hereof to which the Indemnitee is not entitled.

5. MANDATORY ADVANCEMENT OF EXPENSES. Subject to Section 7(a), the Company shall advance all Expenses incurred by the Indemnitee in connection with any Proceeding to which the Indemnitee is a party or is threatened to be made a party by reason of the fact that the Indemnitee is or was an Agent or by reason of anything done or not done by him in such capacity. Indemnitee hereby undertakes to repay such amounts advanced only if, and to the extent that, it shall be determined ultimately that the Indemnitee is not entitled to be indemnified by the Company as authorized hereby. The advances to be made hereunder shall be paid by the Company to the Indemnitee within 10 days following delivery of a written request therefor by the Indemnitee to the Company.

6. NOTICE AND OTHER INDEMNIFICATION PROCEDURES.

(a) NOTICE REQUIRED. Promptly after receipt by the Indemnitee of notice of the commencement of or the threat of commencement of any Proceeding, the Indemnitee shall, if the Indemnitee believes that indemnification with respect thereto may be sought from the Company under this Agreement, notify the Company in writing of the commencement or threat of commencement thereof.

(b) REQUIRED COMPANY ACTION. If, at the time of the receipt of a written notice of the commencement of a Proceeding pursuant to Section 6(a), the Company has insurance in effect that may cover the Agent, the Company shall give prompt notice of the commencement of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

(c) DEFENSE OF CLAIMS. Indemnitee shall have the right to employ Indemnitee's own legal counsel in any Proceeding for which indemnification is available under this Agreement. The Company may, with the written consent of the Indemnitee, assume the defense of such Proceeding, with counsel approved by the Indemnitee.

(d) REQUEST FOR INDEMNIFICATION. Upon written request by Indemnitee for

indemnification, a determination with respect to Indemnatee's entitlement thereto shall be made by any of the following methods as selected solely by the Indemnatee: (i) by Independent Counsel in a written opinion to the board of managers of the Managing General Partner of the Company, a copy of which shall be delivered to Indemnatee; (ii) by a majority vote of the Disinterested Managers, even though less than a quorum of the board of managers of the Managing General Partner of the Company, (iii) by a committee of the Disinterested Managers designated by a majority vote of Disinterested Managers, even though less than a quorum of the board of managers of the Managing General Partner of the Company, or (iv) an arbitration panel selected in accordance with Section 6(e); or (v) by any other group or procedure mutually acceptable to the Indemnatee and the Company. If it is so determined that Indemnatee is entitled to indemnification, payment to Indemnatee shall be made within 10 days after such determination. Any costs or expenses (including attorneys' fees and disbursements) incurred by Indemnatee in cooperating with the person, persons or entity making the determination discussed in this Section 6(d) with respect to Indemnatee's entitlement to indemnification, shall be borne by the Company (irrespective of the determination as to Indemnatee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnatee harmless therefrom. In making a determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall presume that Indemnatee is entitled to indemnification under this Agreement, and the Company shall have the burden of proof in overcoming such presumption by clear and convincing evidence. Neither the failure of the Company (including the board of managers of the Managing General Partner or independent legal counsel) to have made a determination prior to the commencement of such action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnatee has met the applicable standard of conduct, nor an actual determination by the Company (including the board of managers of the Managing General Partner or independent legal counsel) that Indemnatee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnatee has not met the applicable standard of conduct.

(e) ARBITRATION. Any arbitration to determine entitlement to indemnification hereunder shall be conducted in accordance with the commercial arbitration rules of the American Arbitration Association (the "AAA") in effect at the time of the arbitration, except as they may be modified by mutual agreement of the parties. The seat of the arbitration shall be Dallas, Texas. The arbitration shall be conducted by three arbitrators. The Indemnatee shall appoint an arbitrator in his request for arbitration (the "Request"). The Company shall appoint an arbitrator within 10 days of receipt of the Request. If by that date either party has not appointed an arbitrator, then that arbitrator shall be appointed promptly by the AAA. The first two arbitrators appointed shall appoint a third arbitrator within 10 days after the Company has notified Indemnatee of the appointment of the Company's arbitrator or, in the event of a failure by a party to appoint, within 10 days after the AAA has notified the parties of its appointment of an arbitrator on behalf of the party failing to appoint. If the first two arbitrators appointed fail to appoint a third arbitrator within the time period prescribed above, then the AAA shall appoint the third arbitrator within 10 days after the expiration of such period. The award may include an award of costs, including reasonable attorneys' fees and disbursements. Judgment upon the award may be entered by any court having jurisdiction thereof or having jurisdiction over the relevant party or its assets.

(f) TIME PERIOD FOR DETERMINATION. In the event the Indemnatee selects (i) one of the options provided in Section 6(d)(i), (ii) or (iii) to determine whether Indemnatee is entitled to indemnification and such person or entity empowered to make the determination shall not have made a determination within 30 days after receipt by the Company therefore or (ii) the option provided in Section 6(d)(iv) and such arbitration panel shall not have made a determination within 45 days after selection or appointment of all three arbitrators, the requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnatee shall be entitled to such indemnification, absent (i) a misstatement by Indemnatee of a material fact, or an omission of a material fact necessary to make Indemnatee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law. Notwithstanding the above, such 30-day period or 45-day period, as applicable, may be extended for a reasonable time, not to exceed an additional 15 days, if the person, persons or entity making the determination with respect to entitlement to indemnification in good faith requires such additional time for the obtaining or evaluating of documentation and/or information relating thereto

7. EXCEPTIONS. Any other provision herein to the contrary notwithstanding, the Company shall not be obligated pursuant to the terms of this Agreement:

(a) CLAIMS INITIATED BY INDEMNITEE. To indemnify or advance Expenses to the Indemnatee with respect to Proceedings or claims initiated or brought voluntarily by the Indemnatee and not by way of defense, unless (i) such

indemnification is expressly required to be made by law, (ii) the Proceeding was authorized by the Company, (iii) such indemnification is provided by the Company, in its sole discretion, pursuant to the powers vested in the Company under the Act or (iv) the Proceeding is brought to establish or enforce a right to indemnification under this Agreement or any other statute or law.

(b) LACK OF GOOD FAITH. To indemnify the Indemnitee for any Expenses incurred by the Indemnitee with respect to any Proceeding instituted by the Indemnitee to enforce or interpret this Agreement, if a court of competent jurisdiction determines that each of the material assertions made by the Indemnitee in such Proceeding was not made in good faith or was frivolous; or

(c) UNAUTHORIZED SETTLEMENTS. To indemnify the Indemnitee under this Agreement for any amounts paid in settlement of a Proceeding unless the Company consents to such settlement, which consent shall not be unreasonably withheld.

8. NON-EXCLUSIVITY. The provisions for indemnification and advancement of Expenses set forth in this Agreement shall not be deemed exclusive of any other rights which the Indemnitee may have under any provision of law, the Company's Certificate of Limited Partnership, the Company's Amended and Restated Agreement of Limited Partnership, the vote of the Company's unitholders, other agreements, or otherwise, both as to action in his official capacity and to action in another capacity while occupying his position as an Agent, and the Indemnitee's rights hereunder shall continue after the Indemnitee has ceased acting as an Agent and shall inure to the benefit of the heirs, executors and administrators of the Indemnitee.

9. ENFORCEMENT. Any right to indemnification or advances granted by this Agreement to Indemnitee shall be enforceable by or on behalf of Indemnitee in any court of competent jurisdiction if (i) the claim for indemnification or advances is denied, in whole or in part, (ii) advancement of Expenses is not made within the time period contained in Section 5, (iii) no disposition of such claim is made within the applicable time periods contained in Sections 6(f), (iv) payment of indemnification is not made pursuant to Section 3(a) or (d) within 10 days after receipt by the Company for a written request therefore, or (v) payment of indemnification is not made pursuant to Section 3(b) or (c) within 10 days after a determination has been made that Indemnitee is entitled to indemnification. Indemnitee, in such enforcement action, if successful in whole or in part, shall be entitled to be paid also the Expenses of prosecuting his claim. It shall be a defense to any action for which a claim for indemnification is made under this Agreement (other than an action brought to enforce a claim for Expenses pursuant to Section 5) that Indemnitee is not entitled to indemnification because of the limitations set forth in Sections 3 and 7. Neither the failure of the Company to have made a determination prior to the commencement of such enforcement action that indemnification of Indemnitee is proper in the circumstances, nor an actual determination by the Company that such indemnification is improper, shall be a defense to the action or create a presumption that Indemnitee is not entitled to indemnification under this Agreement or otherwise. Any judicial proceeding commenced pursuant to this Section 9 shall be conducted in all respects as a de novo trial on the merits. If a determination shall have been made that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding commenced pursuant to this Section 9, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law. The Company shall be precluded from asserting in any judicial proceeding commenced pursuant to this Section 9 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court that the Company is bound by all the provisions of this Agreement.

10. SUBROGATION. In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all documents required and shall do all acts that may be necessary to secure such rights and to enable the Company effectively to bring suit to enforce such rights.

11. SURVIVAL OF RIGHTS.

(a) CONTINUATION OF AGREEMENTS. All agreements and obligations of the Company contained herein shall continue during the period Indemnitee serves as an Agent and shall continue after Indemnitee has ceased to serve as an Agent so long as Indemnitee shall be subject to any possible claim or threatened, pending or completed action, suit or Proceeding, whether civil, criminal, arbitrational, administrative or investigative, by reason of the fact that Indemnitee was serving in the capacity referred to herein.

(b) ASSUMPTION REQUIRED. The Company shall require any successor to the Company (whether direct or indirect, by purchase, merger, consolidation or otherwise) to allor

substantially all of the business or assets of the Company, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

12. INTERPRETATION OF AGREEMENT. It is understood that the parties hereto intend this Agreement to be interpreted and enforced so as to provide indemnification to the Indemnitee to the fullest extent permitted by law including those circumstances in which indemnification would otherwise be discretionary.

13. SEVERABILITY. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever, (i) the validity, legality and enforceability of the remaining provisions of the Agreement (including without limitation, all portions of any paragraphs of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby, and (ii) to the fullest extent possible, the provisions of this Agreement (including, without limitation, all portions of any paragraph of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable and to give effect to Section 12.

14. MODIFICATION AND WAIVER. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

15. NOTICE. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed duly given (i) if delivered by hand and receipted for by the party addressee or (ii) if mailed by certified or registered mail with postage prepaid, on receipt or rejection by the addressee. Addresses for notice to either party are as shown on the signature page of this Agreement, or as subsequently modified by written notice.

16. GOVERNING LAW. This Agreement shall be governed exclusively by and construed according to the laws of the State of Delaware as applied to contracts between Delaware residents entered into and to be performed entirely within Delaware.

The parties hereto have entered into this Indemnity Agreement effective as of the date first above written.

THE COMPANY:

DORCHESTER MINERALS, L.P.
a Delaware limited partnership

By: Dorchester Minerals Management LP,
a Delaware limited partnership,
Its General Partner

By: Dorchester Minerals Management GP LLC,
a Delaware limited liability company
Its General Partner

By:
Title:
Address:

INDEMNITEE:

By: (Indemnitee's Printed Name)
Address: