UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2026

OR

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

For the transition period from to

Commission File Number: 001-43288

EagleRock Land, LLC
(Exact Name of Registrant as Specified in its Charter)

Texas **(State or other jurisdiction of incorporation or organization)**	**41-3142321** **(I.R.S. Employer Identification No.)**
9655 Katy Freeway, Suite 375 **Houston, Texas** **(Address of principal executive offices)**	**77024** **(Zip Code)**

Registrant's telephone number, including area code: (713) 280-7002

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A shares representing limited liability company interests	EROK	New York Stock Exchange NYSE Texas, Inc.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☒ *

* The registrant has not been subject to the filing requirements under Section 13 or 15(d) of the Securities Exchange Act of 1934 for the past 90 days, as it became subject to such requirements on May 13, 2026 in connection with its initial public offering. The registrant has filed all such required reports since such time.

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
Emerging growth company	☒		

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of August 13, 2026, the registrant had 26,355,259 Class A shares and 105,164,311 Class B shares outstanding, each representing limited liability company interests

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GLOSSARY OF CERTAIN INDUSTRY TERMS

Bbl. One barrel, a unit of volume used for measuring oil.

Brackish Water. Water with salinity levels between seawater and freshwater.

Caliche. A crust of coarse sediment or weathered soil cemented with calcium carbonate. It forms when lime-rich groundwater rises to the surface by capillary action and evaporates into a crumbly powder, forming a tough, indurated sheet called calcrete.

Completion. Installation of permanent equipment for production of natural gas, NGLs or oil or, in the case of a dry well, the reporting to the appropriate authority that the well has been abandoned.

Delaware Basin. A geological depositional and structural basin in West Texas and southern New Mexico, which is a part of the Permian Basin.

E&P. Exploration and production.

E&P companies. Oil and natural gas exploration and production companies, including producers and/or operators.

GAAP. Accounting principles generally accepted in the United States of America.

Henry Hub. A natural gas pipeline located in Erath, Louisiana that serves as the official delivery location for futures contracts on the New York Mercantile Exchange. The settlement prices at the Henry Hub are used as benchmarks for the entire North American natural gas market.

MBbls. One thousand barrels of crude oil, condensate, NGLs or water.

MBbls/d. One MBbl per day.

Midland Basin. A geological depositional and structural basin in West Texas, which is a part of the Permian Basin.

MMBbls. One million barrels of crude oil, condensate, NGLs or water.

MMBtu. One million British thermal units.

NGL. Natural gas liquid.

Operator. The individual or company responsible for the development and/or production of an oil or natural gas well.

Permian Basin. A large sedimentary basin located in West Texas and Southeastern New Mexico.

Produced Water. Water that comes out of an oil and natural gas well with the crude oil during crude oil production.

Produced Water Handling Facilities. Facilities employed for the treatment, handling and disposal of salt water produced with oil and natural gas into an underground formation.

Royalty. An interest in an oil and natural gas lease that gives the owner the right to receive a portion of the production from the leased acreage (or of the proceeds from the sale thereof), but does not require the owner to pay any portion of the production or development costs on the leased acreage. Royalties may be either landowner’s royalties, which are reserved by the owner of the leased acreage at the time the lease is granted, or overriding royalties, which are usually reserved by an owner of the leasehold in connection with a transfer to a subsequent owner.

WTI. West Texas Intermediate.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

The information in this Quarterly Report on Form 10-Q (this "Quarterly Report") includes "forward-looking statements." All statements, other than statements of historical fact, included in this Quarterly Report regarding our strategy, future operations, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this Quarterly Report, words such as "may," "assume," "forecast," "could," "would," "should," "will," "plan," "believe," "anticipate," "intend," "estimate," "expect," "project," "budget" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on our current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events at the time such statements were made. These forward-looking statements are based on management's current belief, based on currently available information, as to the outcome and timing of future events. The forward looking statements are contained principally in the section captioned "Management's Discussion and Analysis of Financial Condition and Results of Operations." When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements described under the section entitled "Risk Factors" included elsewhere in this Quarterly Report and under the heading "Risk Factors" in our final prospectus, dated May 13, 2026, filed with U.S. Securities and exchange Commission (the "SEC") pursuant to Rule 424(b) under the Securities Act of 1933, as amended, on May 14, 2026, in connection with our initial public offering (the "Prospectus"). By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Although we believe that the forward-looking statements contained in this Quarterly Report are based on reasonable assumptions, you should be aware that many factors could affect our actual results of operations, cash flows and financial position and could cause actual results to differ materially from those in such forward-looking statements, including, but not limited to, the following:

- our customers' demand for and use of our surface, resources and water infrastructure assets;
- our ability to enforce our surface use agreements ("SUAs") and other agreements with our customers;
- the success of our operating partners in executing their business strategies, including their ability to construct and operate water infrastructure, attract customers and operate successfully on our land;
- our customers' ability to develop our land or potential changes to our customers' development plans, or any potential acquired acreage to accommodate any future surface use developments;
- the domestic and foreign supply of, and demand for, energy sources, including the impact of actions relating to oil price and production controls by the members of the Organization of Petroleum Exporting Countries, Russia and other allied producing countries ("OPEC+") with respect to oil production levels and announcements of potential changes to such levels;
- our reliance on a limited number of customers and a particular region for substantially all of our revenues, including the potential conditions of such customers within such region;
- our ability to enter into favorable contracts regarding surface uses, access agreements and fee arrangements, including the prices we are able to charge and the margins we are able to realize;
- our ability to maintain leases and permits, including our ability to renew leases on state and federal leased land;
- changes in state and federal land use policies that change or restrict our right to use state and federal leased land or increase the cost of such leases;
- our business strategies and our ability to execute thereon, including our ability to attract customers to use our land and resources;
- commodity price volatility and trends related to changes in commodity prices, and our customers' ability to manage through such volatility;
- the level of competition from other companies, including those offering resources that compete with the resources from our land;
- changes in the price charged to our customers and availability of services necessary for our customers to conduct their businesses, as a result of oversupply, government regulations or other factors;
- any planned or future expansion projects by us or our customers;
- the development of advances or changes in energy technologies or practices;
- our ability to successfully implement our growth plans, including through future acquisitions of acreage and/or introduction of new revenue streams;
- the potential deterioration of our customers' financial condition and their ability to access capital to fund their development programs;
- the degree to which consolidation among our customers may affect spending on U.S. drilling and completions in the near term;
- our customers' ability to obtain necessary supplies, raw materials and other critical components on a timely basis, or at all;
- our and our customers' ability to obtain government approvals or acquire or maintain necessary permits, including those related to the development and operation of produced water handling facilities, mines and water wells;
- operational disruptions and liability related thereto associated with our customers, including those due to environmental hazards, fires, explosions, chemical mishandling or other industrial accidents;
- our liquidity and our ability to access the capital markets on favorable terms, or at all, which depends on general market conditions, including the impact of inflation, elevated interest rates and Federal Reserve policies and potential economic recession;

- uncertainty of estimates of resources and minerals, such as oil, natural gas and NGL reserves and production, including those of our customers;
- the effects of changes in general economic, business or industry conditions, market volatility, including as a result of slowing growth and a potential economic recession, an elevated inflation rate, high interest rates, changes in U.S. and international trade policies and relations, central bank policy and associated liquidity risks;
- the effects of political instability or armed conflict in oil and natural gas producing regions, which may decrease demand for oil and natural gas or contribute to volatility in the prices for oil and natural gas, which could decrease demand for the use of our land and resources;
- our level of indebtedness and our ability to service our indebtedness;
- title defects in the acreage that we acquire;
- the markets for surface acreage in the areas in which we operate and own or plan to own surface acreage, including pricing estimates, availability of land and our ability to acquire such land on favorable terms, or at all;
- our ability to integrate acquired acreage, and any future acquisitions, and manage related growth, including the EagleRock-Intrepid Acquisition (as defined below);
- our ability to recruit and retain, or secure the services of, key management and other personnel and service providers;
- changes in laws and regulations (or the interpretation thereof), including those related to hydraulic fracturing, accessing water, disposing of wastewater, transferring produced water, interstate brackish water transfer, carbon pricing, pipeline construction, taxation or emissions, leasing, permitting or drilling and various other environmental matters;
- changes in effective tax rates, or adverse outcomes resulting from other tax increases or an examination of our income or other tax returns and tax inefficiencies;
- general domestic and international political and regulatory conditions, including actions taken by the federal, state or foreign governments, such as executive orders or new or expanded regulations, including U.S. and international trade policies and tax policies, the One Big Beautiful Bill Act and its impact on the Inflation Reduction Act of 2022, and any action related to surface uses and/or development of our mineral and royalty interests;
- the severity and duration of world health events, natural disasters or inclement or hazardous weather conditions, including cold weather, droughts, earthquakes, flooding and tornadoes;
- evolving cybersecurity risks, such as those involving unauthorized access, third-party provider defects and service failures, denial-of-service attacks, malicious software, data privacy breaches by employees, insiders or others with authorized access, cyber or phishing-attacks, ransomware, social engineering, physical breaches or other actions; and
- other factors discussed elsewhere in this Quarterly Report, including in the section titled “Risk Factors.”

We caution you that these forward-looking statements are subject to all of the risks and uncertainties, most of which are difficult to predict and many of which are beyond our control, incident to the operation of business in our industry. We disclose important factors that could cause our actual results to differ materially from our expectations under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this Quarterly Report. Factors that could materially adversely affect our business, financial condition, operating results or liquidity and the trading price of our Class A shares are described under “Risk Factors” included in our Prospectus. This information should be considered carefully, together with other information in this Quarterly Report and other reports and materials we file with the SEC. Should one or more of the risks or uncertainties described in this Quarterly Report occur, or should underlying assumptions prove incorrect, our actual results and plans could differ materially from those expressed in any forward-looking statements. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make.

All forward-looking statements, expressed or implied, included in this Quarterly Report are expressly qualified in their entirety by this cautionary note. This cautionary note should also be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue. Except as otherwise required by applicable law, we disclaim any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this Quarterly Report.

EagleRock Land, LLC and Subsidiaries
Unaudited Condensed Consolidated Balance Sheets
(In thousands, except share amounts)

	June 30, 2026	December 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	$ 61,770	$ 9,042
Accounts receivable, net	12,668	13,096
Accounts receivable - related party	13,032	—
Inventory	308	310
Prepaid expenses and other current assets	2,323	8,765
Total current assets	90,101	31,213
Property, plant and equipment, net	377,897	55,586
Right of use assets, net	1,541	1,565
Intangible assets, net	674,174	191,240
Goodwill	643,270	
Net investment in sales-type lease	3,215	—
Deferred offering costs	—	1,459
Other noncurrent assets	5,985	947
TOTAL ASSETS	**$ 1,796,183**	**$ 282,010**
LIABILITIES AND SHAREHOLDERS' AND MEMBERS' EQUITY		
Current liabilities:		
Accounts payable	$ 4,547	$ 4,433
Accounts payable - related party	35,418	2,684
Accrued liabilities	3,173	2,909
Current income taxes payable	224	42
Current deferred revenue	202	533
Current operating lease liability	122	492
Current debt - related party	—	6,038
Total current liabilities	43,686	17,131
Non-current liabilities		
Operating lease liability, less current portion	1,364	1,019
Deferred tax liability, net	10,680	10,852
Deferred revenue, less current portion	—	94
Long-term debt - related party, less current portion	—	294,629
Other noncurrent liabilities	2,677	—
Total non-current liabilities	14,721	306,594
Commitments and contingencies (See note 13)		
SHAREHOLDERS' AND MEMBERS' EQUITY		
Members' deficit	—	(41,715)
Class A shares, unlimited shares authorized and 24,455,688 shares issued and outstanding as of June 30, 2026. None authorized, issued or outstanding as of December 31, 2025	335,374	—
Class B shares, unlimited shares authorized and 105,164,311 shares issued and outstanding as of June 30, 2026. None authorized, issued or outstanding as of December 31, 2025	20	—
Retained earnings	(7,562)	—
Total shareholders' equity attributable to EagleRock Land, LLC	327,832	—
Noncontrolling interest	1,409,944	—
Total shareholders' equity and members' equity	$ 1,737,776	$ (41,715)
TOTAL LIABILITIES AND EQUITY	**$ 1,796,183**	**$ 282,010**

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

EagleRock Land, LLC and Subsidiaries
Unaudited Condensed Consolidated Statements of Operations
(In thousands, except share and per share amounts)

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
REVENUES				
Resource sales	$ 28,202	$ 19,215	$ 47,155	$ 24,154
Resource sales - related party	25	509	151	509
Surface use related revenues	5,851	3,181	9,033	5,166
Surface use royalties	1,440	958	2,234	1,102
Surface use royalties - related party	6,008	—	6,008	—
Total revenues	41,526	23,863	64,581	30,931
COSTS AND EXPENSES				
Cost of sales (exclusive of depreciation and amortization)	6,103	7,722	10,960	9,608
Related party cost of sales	2,564	2,504	5,425	3,627
General and administrative expense	75,731	3,709	80,319	4,720
Related party general and administrative expense	—	211	6	231
Depreciation and amortization expense	10,275	4,445	14,866	5,838
Loss (gain) on sale of property, plant and equipment, net	9	—	9	30
Gain on investment in sales-type lease	—	—	(3,275)	—
Total operating expenses	94,682	18,591	108,310	24,054
INCOME (LOSS) FROM OPERATIONS	**(53,156)**	**5,272**	**(43,729)**	**6,877**
OTHER EXPENSE (INCOME)				
Interest expense, net	4,812	6,068	10,646	8,783
Loss (gain) on extinguishment of debt	(20,352)	70,001	(20,352)	70,001
Total other expense (income)	(15,540)	76,069	(9,706)	78,784
INCOME (LOSS) BEFORE INCOME TAXES	(37,616)	(70,797)	(34,023)	(71,907)
Income tax expense (benefit)	(80)	—	150	—
NET INCOME (LOSS)	**$ (37,536)**	**$ (70,797)**	**$ (34,173)**	**$ (71,907)**
NET INCOME (LOSS) ATTRIBUTABLE TO PREDECESSOR	**$ 2,261**		**$ 5,624**	
NET INCOME (LOSS) ATTRIBUTABLE TO NONCONTROLLING INTEREST	**$ (32,235)**		**$ (32,235)**	
NET INCOME (LOSS) ATTRIBUTABLE TO EAGLEROCK LAND, LLC	**$ (7,562)**		**$ (7,562)**	
Basic and dilutive net income (loss) per Class A share	**$ (0.29)**			
Basic and dilutive weighted average Class A shares outstanding	**26,374,967**			

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

EagleRock Land, LLC and Subsidiaries
Unaudited Consolidated Statements of Shareholders’ and Members’ Equity
(In thousands, except for share amounts)

Six Months Ended June 30, 2026

	Members' Equity	Class A Shares	Class A Amount	Class B Shares	Class B Amount	Retained Earnings Amount	Non-controlling Interest Amount	Total Shareholders' and Members' Equity Amount
Balance, January 1, 2026	$ (41,715)	—	$ —	—	$ —	$ —	$ —	$ (41,715)
Net income attributable to Predecessor	3,363	—	—	—	—	—	—	3,363
Balance, March 31, 2026	$ (38,352)	—	—	—	—	—	—	$ (38,352)
Net income attributable to Predecessor	2,261	—	—	—	—	—	—	2,261
Hydrosource Distribution	$ (25,591)	—	—	—	—	—	—	(25,591)
Non-cash contribution related to the Reorganization Transaction	1,444,028	—	—	—	—	—	—	1,444,028
Effect of the Reorganization Transaction and IPO	$ (1,382,346)	24,455,688	323,783	105,164,311	20	—	1,392,332	333,789
IPO Stock-based awards compensation expense	—	—	10,820	—	—	—	46,530	57,350
RSU share-based compensation expense	—	—	771	—	—	—	3,317	4,088
Net income (loss) subsequent to IPO	—	—	—	—	—	(7,562)	(32,235)	(39,797)
Balance, June 30, 2026	—	24,455,688	$ 335,374	105,164,311	$ 20	$ (7,562)	$ 1,409,944	1,737,776

Six Months Ended June 30, 2025

	Total Members' Equity
Balance, January 1, 2025	$ (1,075)
Net loss	(1,110)
Balance March 31, 2025	$ (2,185)
Net loss	(70,797)
Equity classified warrants	$ 18,416
Balance, June 30, 2025	$ (54,566)

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

EagleRock Land, LLC and Subsidiaries
Unaudited Condensed Consolidated Statements of Cash Flows
(In thousands)

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (34,173)	$ (71,907)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization expense	14,866	5,838
Amortization of debt premium, debt discount and debt issuance costs	(4,018)	(1,992)
Loss on sale of property, plant and equipment, net	9	30
Gain on investment in sales-type lease	(3,275)	—
Loss (gain) on extinguishment of debt	(20,352)	70,001
Noncash share-based compensation expense	61,438	—
Paid-in-kind (non-cash) interest	—	75
Change in operating assets and liabilities:		
Accounts receivable	(11,216)	3,878
Accounts receivable - related party	(13,021)	(12)
Inventory	8	5
Prepaid expenses and other current assets	(1,592)	8,186
Other noncurrent assets	(34)	(313)
Accounts payable	159	3,035
Accounts payable - related party	9,240	356
Accrued liabilities	250	450
Current income taxes	182	(191)
Deferred revenue	(426)	(33)
Operating lease liability	(39)	(5)
Deferred income taxes	(172)	—
Net cash provided by (used in) operating activities	(2,166)	17,401
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash consideration paid for acquisitions	(64,254)	(199,684)
Capital expenditures	(1,784)	(4,801)
Proceeds from sale of property, plant and equipment, net	2,100	—
Net cash provided by (used in) investing activities	(63,938)	(204,485)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of Class A shares, net of underwriting discounts and fees	342,302	—
Offering costs	(8,152)	(39)
Proceeds from term loan	70,000	204,000
Proceeds from revolving credit facility	—	4,750
Debt issuance costs	(5,576)	(6,580)
Payment on long term debt	(258,610)	(1,763)
Payment on revolver	(7,000)	—
Pre-payment penalty on long term debt	(10,254)	—
Pre-payment penalty on revolver	(300)	—
Distribution to Predecessor Members	(3,574)	—
Net cash provided by (used in) financing activities	118,836	200,368
Net increase in cash, cash equivalents and restricted cash	52,732	13,284
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, beginning of period	9,327	1,062
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, end of period	$ 62,059	$ 14,346

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

EagleRock Land, LLC and Subsidiaries
Unaudited Condensed Consolidated Statements of Cash Flows (Continued)
(In thousands)

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for interest	$ 14,664	$ 10,700
Cash paid for taxes	$ 212	$ 337
SUPPLEMENTAL NON-CASH OPERATING, INVESTING, AND FINANCING ACTIVITIES		
Operating lease, right-of-use assets associated liability	$ 1,533	$ 578
Change in accounts payable related to capital expenditures	$ (220)	$ (1,470)
Change in accounts payable and accrued liabilities related to deferred offering costs	$ 1,086	$ (76)
Equity classified warrants	$ -	$ 18,416
OpCo units issued for acquisitions	$ 1,444,028	$ -
Non-cash acquisition costs	$ (8,000)	$ -
Non-cash distribution[1]	$ (22,017)	$ -

(1) Refer to Note 1 - *The Company* - *Hydrosource Distribution* for additional information.

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

EagleRock Land, LLC and Subsidiaries
Notes to the Unaudited Condensed Consolidated Financial Statements

1. The Company

Organization and Business

EagleRock Land, LLC ("EagleRock" or the "Company") was formed as a Texas limited liability company on December 1, 2025 to serve as the issuer in the IPO (as defined below). The Company is a holding company whose principal asset consists of membership interests ("OpCo Units") in EagleRock Land Operating, LLC ("OpCo"). As the managing member of OpCo, the Company operates and controls all of the business and affairs of OpCo, and through OpCo, conduct its business. The Company's accounting predecessor is Lea & Eddy Holdings, LLC (the "Predecessor"). The Company did not have any business transactions or activities from its inception until the acquisition of the OpCo Units, other than related to its formation and its initial capitalization.

The Company generates revenue from multiple sources, including the sale of water and other resources from the Company's land, the use of surface acreage, and water handling infrastructure. The fees, royalty rates, payment structures and other commercial terms under contracts are negotiated individually, reflecting the specific surface use, type of resource development, anticipated operational intensity and expected production or extraction volumes associated with each agreement. The Company's surface acreage is located in both the Delaware and Midland sub-basins of the Permian Basin.

The Company qualifies as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). The JOBS Act provides that an emerging growth company may take advantage of an extended transition period for complying with new or revised accounting standards. This provision allows an emerging growth company to delay the adoption of accounting standards until those standards would otherwise apply to private companies. The Company has elected to take advantage of this extended transition period, and as a result, it will comply with new or revised accounting standards on the relevant dates on which adoption is required for private companies. The Company would cease to be an emerging growth company if it has more than $1.235 billion in annual revenues, or more than $700.0 million in market value of its Class A shares held by non-affiliates or if the Company issues more than $1.0 billion of non-convertible debt securities over a three-year period. Additionally, we will cease to be an emerging growth company on the last day of the fiscal year following the fifth anniversary of the IPO date.

Initial Public Offering

On May 4, 2026, the Company, OpCo and certain contributing entities (collectively, the "Contributors") entered into a Contribution and Assignment Agreement pursuant to which certain contributions and corporate reorganization steps were effected on May 15, 2026 in connection with the closing of EagleRock's initial public offering (the "IPO"). In the IPO, the Company issued 17,300,000 Class A shares representing limited liability company interests ("Class A shares") at a price to the public of $18.50 per share. In addition, the Company granted the underwriters a 30-day option to purchase up to an additional 2,595,000 Class A shares at the public offering price, less underwriting discounts and commissions, which the underwriters exercised in full on May 16, 2026. Additionally, as part of the IPO, 4,560,688 Class B shares representing limited liability company interests ("Class B shares") (and a corresponding number of OpCo Units) were exchanged for Class A shares. Concurrently with the closing of the IPO, (i) all interests in the subsidiaries of the Predecessor, DE IV Flow LLC ("DE Flow") and in the entities that own the Shallow Valley Ranch (the "Shallow Valley Ranch ") were contributed to OpCo in exchange for OpCo Units and (ii) cash was contributed to the Company by such contributors in exchange for a corresponding number of the Company's Class B shares representing limited liability company interests ("Class B shares").

Hydrosource Distribution

Immediately prior to the IPO, the Predecessor assigned all of its interests in one of its subsidiaries, Hydrosource Logistics, LLC ("Hydrosource"), to HL HoldCo, LLC ("HL HoldCo") for no consideration (the "Hydrosource Distribution"). Hydrosource retained certain assets and liabilities of the Predecessor such as cash, current assets, other noncurrent assets, certain water infrastructure, surface acreage, current liabilities, and a portion of the Predecessor's debt balance. The value of the net assets transferred to HL HoldCo was approximately $25.6 million inclusive of total cash transferred to Hydrosource of approximately $3.6 million, included in the unaudited condensed consolidated statements of cash flows within "Distribution to owners of the Predecessor". The noncash net asset portion of the Hydrosource Distribution, inclusive of Predecessor reorganization prior to the distribution, was $22.0 million, and is included within the supplemental non-cash operating and financing activities section of unaudited condensed consolidated statements of cash flows within "Non-cash distribution to owners of the Predecessor". The total net asset balance, excluding cash, consists of approximately $9.5 million of accounts receivable, net, $26.0 million of accounts receivable - related party, net, $0.2 million of other current assets, $71.0 million of property, plant and equipment and net intangible assets, $1.4 million of right of use assets, $8.3 million of accounts payable, $8.5 million of accrued liabilities, $1.3 million of lease liabilities, and $68.0 million of long term debt. For more information regarding the surface acreage retained by Hydrosource and the debt balance retained by Hydrosource, refer to Note 4 – *Acquisitions – Intrepid Acquisition* and Note 6 – *Long Term Debt – Predecessor Credit Facility*. The Hydrosource Distribution was determined to be a transaction between entities under common control, as the Predecessor and HL HoldCo share common ownership. As such, the

Hydrosource Distribution was accounted for as a deemed distribution increasing total shareholders' and members' equity, with no gain or loss recorded on the unaudited condensed consolidated statement of operations. The total amount of the deemed distribution was equal to the carrying value of the net assets transferred to HL HoldCo. Furthermore, the Company has a continuing involvement with Hydrosource, as the Company receives royalty revenue from Hydrosource from the operations Hydrosource. Refer to Note 11 – *Related Party Transactions* for more information on the Company's continuing involvement with Hydrosource. The Company evaluated the Hydrosource Distribution in accordance with Accounting Standards Codification ("ASC") Topic 205-20, *Discontinued Operations*, and determined that the Hydrosource Distribution does not represent a strategic shift and thus does not qualify as a discontinued operation. Therefore, the results of Hydrosource are included in the Financial Statements prior to the Hydrosource Distribution.

Redemption Rights

Pursuant to the Amended and Restated Company Agreement of OpCo, dated as of May 15, 2026 (the "OpCo LLC Agreement"), each holder of an OpCo Unit (other than the Company) (each, a "Redeeming Member") has the right, subject to certain limitations (the "Redemption Right"), to cause OpCo to acquire all or a portion of its OpCo Units (along with the surrender and cancellation of a corresponding number of our Class B Shares) for, at OpCo's election, either (x) Class A Shares at a redemption rate of one Class A Share for each OpCo Unit redeemed, subject to adjustment for equity splits, dividends and reclassifications and other similar transactions ("applicable conversion rate adjustments"), or (y) cash in an amount equal to the Cash Election Amount (as defined in the OpCo LLC Agreement) of such Class A Shares. Alternatively, upon the exercise of the Redemption Right, the Company has the right, pursuant to the Call Right (as defined in the OpCo LLC Agreement), to acquire each tendered OpCo Unit directly from the Redeeming Member for, at the Company's election, either (x) one Class A Share, subject to applicable conversion rate adjustments, or (y) cash in an amount equal to the Cash Election Amount of such Class A Shares. Notwithstanding the foregoing, prior to the Trigger Event, (i) OpCo may make a Cash Election to settle a redemption by a Sponsor, and (ii) the Company may make a Cash Election in connection with its exercise of its Call Right with respect to a redemption by a Sponsor, in each case only to the extent that, prior to or contemporaneously with making such election, the Company issues a number of equity securities at least equal to the number of OpCo Units subject to such redemption and, in the case of clause (i), contributes to OpCo an amount in cash equal to the net proceeds received by the Company from the issuance of such equity securities. For purposes of the foregoing, the "Sponsors" are, collectively, the Predecessor, Double Eagle IV Midco, LLC ("Double Eagle") and the existing owners of the Shallow Valley Ranch (the "Shallow Valley Owners"), together with their respective Affiliates, and the "Trigger Event" is the first date on which the Sponsors no longer have the right to designate at least a majority of the Board pursuant to the Shareholder's Agreements (as defined in the OpCo LLC Agreement).

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying unaudited condensed consolidated financial statements and related notes ("Financial Statements") have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and in accordance with Rule 10-01 of Regulation S-X and reflect all adjustments, consisting of normal recurring adjustments which are, in the opinion of management, necessary for a fair statement of the financial results for the interim periods presented. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements and should be read in conjunction with the Company's annual audited financial statements and accompanying notes for the year ended December 31, 2025, included within the Company's final prospectus filed with the SEC on May 14, 2026, pursuant to Rule 424(b) under the Securities Act of 1933, as amended.

Change in Presentation

In connection with the completion of the IPO, the Company revised the revenue line items used by the Predecessor in the unaudited condensed consolidated statements of operations. Amounts previously presented within "Water sales," "Related party water sales," and "Surface and other revenues" are now presented within "Resource sales," "Resource sales - related party," "Surface use related revenues," "Surface use royalties," and "Surface use royalties - related party." The revisions were made to better reflect the Company's revenue streams. The Company also combined the components of members' deficit previously presented separately: common units, additional paid-in capital - members' interests, additional paid-in capital - warrants - related party, and accumulated deficit into a single line item titled "Members' deficit" on the unaudited condensed consolidated balance sheets. The changes in presentation are reclassifications made to conform prior-period amounts to the current-period presentation; they do not represent a change in accounting principle or the correction of an error and did not result in a restatement. These changes have been applied retrospectively to all periods presented and had no impact on previously reported total revenues, income from operations, net income (loss), total members' deficit, or cash flows for any period presented.

Principles of Consolidation

The Financial Statements include the accounts of the Company, OpCo and OpCo's wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

In these Financial Statements, periods prior to May 15, 2026 reflect the financial statements of the Predecessor and its subsidiaries. Periods subsequent to the consummation of the IPO reflect the financial statements of the consolidated Company.

Results of operations for the three and six months ended June 30, 2026 are not necessarily indicative of the results of operations that will be realized for the year ending December 31, 2026.

The Company had no other comprehensive income (loss) for the three and six months ended June 30, 2026 and 2025. As such, net income (loss) is equivalent to total comprehensive income (loss).

Consolidation

The Company has assessed that the members with equity at risk in OpCo lack the authority, through rights granted to them, to direct the activities that significantly impact OpCo's economic performance. As such, the Company determined that OpCo is a variable interest entity. The Company, as the managing member of OpCo, operates and controls all of the business and affairs of OpCo and also has the obligation to absorb losses or the right to receive benefits that could be potentially significant. Therefore, the Company is considered the primary beneficiary and consolidates OpCo for accounting purposes.

These Financial Statements include the accounts of the Company, OpCo and OpCo's wholly owned subsidiaries. All intercompany transactions and balances have been eliminated upon consolidation.

Noncontrolling Interest

These Financial Statements include a noncontrolling interest representing the percentage of OpCo Units not owned by the Company. The noncontrolling interest is subject to change in connection with various equity transactions such as the issuance of Class A shares, the redemption of Class B shares (and corresponding OpCo Units) for Class A shares, or the cancellation of Class B shares (and corresponding OpCo Units).

Segment Information

The Company determines its operating and reportable segment in accordance with ASC Topic 280, *Segment Reporting*, based on its internal management structure, internal reporting, and the manner in which financial information is reviewed and resources are allocated by the Company's chief operating decision maker ("CODM"), which is the Chief Executive Officer. The CODM regularly evaluates operating results of one operating and reportable segment. The Company determined that the operating segment is consistent with the organization's structure and CODM's review of operating results. Accordingly, the financial results, assets, and liabilities presented in these Financial Statements represent the results of the single reporting segment. All of our long-lived assets are located in the United States.

Net income (loss), as presented on our condensed consolidated statements of operations, is the primary measure most consistent with U.S. GAAP used by the Company's CODM to evaluate the performance of and allocate resources within the Company's business. Further, significant segment expenses the CODM reviews and utilizes to manage the Company's operations are cost of sales and general and administrative expenses at the consolidated level (inclusive of related party amounts), which are presented in the Company's unaudited condensed consolidated statements of operations. Other segment items included in consolidated net income (loss) include depreciation and amortization expense, gain on sale of property, plant, and equipment, net, interest expense and income tax benefit (expense), which are included in the unaudited condensed consolidated statements of operations. The measure of segment assets is reported on the unaudited condensed consolidated balance sheets as total assets. The CODM does not review segment assets and expenses at a different level or category.

Use of Estimates

Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the Financial Statements and revenues and expenses during the reporting period. Such estimates include, but are not limited to, allowance for credit losses, assessment of useful lives and recoverability of long-lived assets, including property, plant and equipment and intangible assets, discount rates underlying our lease right-of-use assets and liabilities, estimates related to deferred tax liabilities, estimates of assets acquired and liabilities assumed in a business combination, and estimates of fair value of warrants and debt. Management bases its estimates on historical experience, current conditions and various other assumptions that it believes to be reasonable under the circumstances. These estimates form the basis for making judgments about the carrying values of assets and liabilities and are not readily apparent from other sources. Actual results could differ from those estimates.

Cash, cash equivalents and restricted cash

The Company considers all highly liquid instruments with an original maturity of three months or less at the time of issuance to be cash equivalents. The Company maintains deposits in financial institutions that are insured by the U.S. Federal Deposit Insurance Corporation ("FDIC"). From time-to-time, the deposits may exceed the amount of deposit insurance available through the FDIC. However, the Company has not experienced any losses related to amounts in excess of FDIC limits.

As of June 30, 2026 and December 31, 2025, the Company held approximately $0.3 million and $0.3 million of restricted cash held as certificates of deposit related to surety bonds associated with right-of-way agreements, respectively. The Company has recorded these amounts as other noncurrent assets on our unaudited condensed consolidated balance sheets. The following table provides a reconciliation of cash and cash equivalents, and restricted cash reported within the unaudited condensed consolidated balance sheets to the amounts shown in the unaudited condensed consolidated statements of cash flows.

(in thousands)	June 30, 2026	December 31, 2025
Cash and cash equivalents	$ 61,770	$ 9,042
Other noncurrent assets	$ 289	$ 285
Total cash, cash equivalents and restricted cash	$ 62,059	$ 9,327

Accounts Receivable

Accounts receivable represents amounts due from third-party customers in connection with revenue generating activities, and are reported at historical carrying value, net of write-offs and any provision for credit loss. Accounts are written off when they are determined to be uncollectible based upon management's assessment of individual accounts. A provision for credit loss is evaluated on a regular basis by management and is based upon the collectability of the receivables after considering the historical loss rates, age of receivables, credit rating of the counterparty and prevailing economic conditions. As of June 30, 2026 and 2025, there was no provision for credit loss recorded. At June 30, 2026 and December 31, 2025, the accrued revenue (unbilled receivable) included in accounts receivable, for which the performance obligation has been met to the customer, was approximately $1.0 million and $0.3 million, respectively.

Accounts Receivable - Related Party

Related party accounts receivable represents amounts due from related parties in connection with the Company's revenue generating activities, including resource sales and surface use royalties transacted with related parties, as well as other transactions with related parties in connection with the IPO. These amounts are reported at historical carrying value, net of write-offs and any provision for credit loss, and are subject to the same assessment of collectability and provision for credit loss methodology described above for accounts receivable. Related party accounts receivable is presented separately on the face of the condensed consolidated balance sheets. Refer to Note 11 – *Related Party Transactions*, for further information regarding the Company's transactions and balances with related parties.

Accounts Payable - Related Party

Related party accounts payable represents amounts due to related parties in connection with goods and services procured from related parties in the ordinary course of business and other transactions with related parties in connection with the IPO. These amounts are reported at historical carrying value and are presented separately on the face of the condensed consolidated balance sheets. Refer to Note 11 – *Related Party Transactions*, for further information regarding the Company's transactions and balances with related parties.

Inventory

Inventory is comprised of cattle, which are stated at the lower of cost or net realizable value, with costs determined utilizing the first-in, first-out method. There were no lower of cost or net realizable value inventory adjustments for the three and six months ended June 30, 2026 and 2025.

Prepaid Expenses

Prepaid expenses consist primarily of prepaid insurance costs and prepaid subscription and licensing fees, which are amortized using the straight-line method over the term.

Property, Plant, and Equipment, net

Property, plant, and equipment are stated at cost, or upon acquisition, at its fair value and include land, furniture and fixtures, building, leasehold improvements, machinery and equipment, and vehicles. Expenditures for construction activities, major improvements and betterments that extend the useful life of an asset are capitalized while expenditures for repairs and maintenance are expensed as incurred.

Upon sale or other retirement of depreciable property, the cost and accumulated depreciation are removed from the related accounts, and any gain or loss is reflected in the unaudited condensed consolidated statements of operations. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the respective assets.

The estimated useful lives of the major classes of property, plant, and equipment are as follows:

Furniture and fixtures	2 years
Vehicles	3 years
Buildings	8 - 12 years
Leasehold improvements	2 - 10 years
Water wells, facilities and related equipment	2 - 20 years

Impairment of Long-Lived Assets

Management reviews the Company's property, plant and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of the assets might not be recoverable. Assets are grouped at the lowest level for which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets for purposes of assessing recoverability. Recoverability is generally determined by comparing the carrying value of the asset to the expected undiscounted future cash flows of the asset. If the carrying value of the asset is not recoverable, the amount of impairment loss is measured as the excess, if any, of the carrying value of the asset over its estimated fair value. No impairments were recorded during the three and six months ended June 30, 2026 and 2025.

Leases

Contracts are evaluated to determine whether they contain a lease at inception. Leases are classified as either finance leases or operating leases based on criteria in ASC Topic 842, *Leases* ("ASC 842"). The Company's operating leases are generally comprised of corporate vehicles and a corporate office lease that was entered into subsequent to the IPO. Additionally, the Predecessor had a corporate office lease that did not become an obligation of the Company as part of the IPO. Refer to Note 1 – *The Company – Hydrosource Distribution* for more information on the amounts of leased assets and the related lease liabilities distributed to Hydrosource as part of the Hydrosource Distribution.

Right of Use ("ROU") assets and lease liabilities are recognized on the commencement date based on the present value of lease payments over the lease term. ROU assets are based on the lease liability and are increased by prepaid lease payments and decreased by lease incentives received. Lease incentives are amortized through the lease asset as reductions of expense over the lease term. For leases where the Company is reasonably certain to exercise a renewal option, such option periods have been included in the determination of the Company's ROU assets and lease liabilities.

The Company reviews its ROU assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset or asset group may not be recoverable. Recoverability is evaluated by comparing the carrying amount of the ROU asset to the future net undiscounted cash flows the asset is expected to generate. If the comparison indicates that the Company will not be able to recover the carrying amount, the Company recognizes an impairment loss for the amount by which the carrying amount exceeds the estimated fair value. There was no impairment of ROU assets for the three and six months ended June 30, 2026 and 2025.

Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. If the lease provides an implicit rate, the Company uses that rate for determining lease value. If an implicit rate is unavailable, the Company uses the incremental borrowing rate based on the information available at commencement date, including the collateralized borrowing rate for the Company, in determining the present value of lease payments.

The Company's operating leases are included in short-term lease liability and long-term lease liability in the unaudited condensed consolidated balance sheets. Lease costs comprised of office rent associated with the lease are included in operating expenses in the unaudited condensed consolidated statements of operations.

Net Investment in Sales-Type Lease

The Company is a lessor in a sales-type lease arrangement related to land. The Company classifies leases in which it is the lessor at lease commencement as operating, direct financing, or sales-type leases in accordance with ASC 842. The Company's net investment in the sales-type lease is comprised of (i) a lease receivable measured at the present value of remaining lease payments and (ii) an unguaranteed residual asset and is presented within other current assets and net investment in sales-type lease on the unaudited condensed consolidated balance sheet, as applicable. Interest income on the net investment is recognized over the lease term using the effective interest method and presented as interest income in the unaudited condensed consolidated statements of operations.

Intangible Assets, Net

The Company recognizes an intangible asset as finite-lived if its useful life is limited by legal, contractual, or economic factors. Finite-lived intangible assets are amortized on a straight-line basis over their estimated useful lives. The amortization period reflects the pattern in which the asset's economic benefits are consumed. The Company periodically reviews the remaining useful lives of these assets and revises them if a change in estimate is warranted. Finite-lived intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized if the carrying amount of an asset is not recoverable from its undiscounted future cash flows. The loss is measured as the excess of the carrying amount over the fair value of the asset. No impairments were recorded during the three and six months ended June 30, 2026 and 2025.

The estimated useful lives of the major classes of intangibles are as follows:

Water rights	15 years
Surface rights	15 years
Saltwater disposal	15 years
Customer contract	13 years
Customer relationships	20 years
Sourced water	25 years

Refer to Note 4 – Acquisitions for further details regarding the Company's intangible assets.

Internal Use Software

The Company capitalizes certain implementation costs incurred for development and costs incurred for cloud computing software implementations. Costs are primarily comprised of contracted labor and related expenses. Costs are capitalized once the project is defined, funding is committed, and it is determined that the software will be used for its intended use. Capitalization of these costs concludes once the project is substantially complete and the software is ready for its intended purpose. Post-configuration training and maintenance costs are expensed as incurred. Cloud computing software implementation costs incurred in a hosting arrangement are capitalized and reported as a component of prepaid expenses and other current assets, and other noncurrent assets. Capitalized software development costs are amortized on a straight-line basis over an estimated useful life of three years. As of June 30, 2026, the Company has capitalized approximately $0.2 million of cloud computing software implementation costs. As of December 31, 2025, the Company had no capitalized cloud computing software implementation costs.

Deferred Offering Costs

The Company complies with the requirement of the ASC 340-10-S99-1 and SEC Staff Accounting Bulletin Topic 5A — "Expenses of Offering". Deferred offering costs consist of underwriting, legal, accounting and other expenses incurred through the balance sheet date that are directly related to the IPO. Such costs were deferred until the closing of the IPO, at which time the deferred costs were offset against the offering proceeds, net of any relevant reimbursements of such costs.

As of June 30, 2026, the Company had $8.5 million of deferred offering costs included in shareholders' and members' equity on the unaudited condensed consolidated balance sheets, all of which were paid as of June 30, 2026. Total reimbursements paid to a related party in connection with deferred offering costs were approximately $5.3 million for the three and six months ended June 30, 2026. As of December 31, 2025, the Company had capitalized approximately $1.4 million of deferred offering costs.

Acquisitions

The Company performs an evaluation of acquisition transactions by calculating the relative fair value of the assets acquired to determine if the transaction should be accounted for as a business combination or asset acquisition. If substantially all of the relative fair value is concentrated in a single asset or group of similar assets, or the acquired entity does not meet the definition of a business, the transaction is recorded as an asset acquisition. All other transactions are recorded as business combinations. In accounting for business combinations, all assets acquired and liabilities assumed are recorded at the acquisition date fair value. Any purchase price in excess of the fair value of assets acquired and liabilities assumed is recorded as goodwill.

Warrants

As further discussed in Note 6 - Long Term Debt, the Predecessor issued warrants to the lenders under the Predecessor Credit Facility. Each holder received the right to acquire Common Units as set forth in the Warrant Agreement. Warrants for common shares are classified as equity if the contracts (1) require physical settlement or net-share settlement or (2) give the Company a choice of net-cash settlement or settlement in its own shares (physical settlement or net-share settlement). Contracts which (1) require net-cash settlement (including a requirement to net cash settle the contract if an event occurs and if that event is outside the control of the Company), (2) give the counterparty a choice of net-cash settlement or settlement in shares (physical settlement or net-share settlement), or (3) contain variable share provisions that do not qualify for the scope exception are classified as liabilities. The Company assesses classification of its warrants for shares of common stock at each reporting date to determine whether a change in classification between equity and liabilities is required. In April 2025, the Company modified the terms of the outstanding warrants in conjunction with a modification of the Company's long-term debt, removing a variable settlement feature from the warrants. As a result, the outstanding warrants met the requirements for equity classification under ASC 815-40. Accordingly, on April 14, 2025, the warrants were reclassified from liabilities to additional paid-in capital. Subsequently, as a part of the IPO, 733 of the equity classified warrants were exercised during the second quarter of 2026 and the remaining 167 were forfeited. The exercised warrants resulted in the issuance of 10,379,264 Class B shares. The accounting impact was recorded within members' equity with no changes to cash or liabilities.

Fair Value Considerations

Fair value represents the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the reporting date. The Company's assets and liabilities that are measured at fair value at each reporting date are classified according to a hierarchy that prioritizes inputs and assumptions underlying the valuation techniques. This fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs, and consists of three broad levels:

- Level 1—Unadjusted quoted prices in active markets for identical, unrestricted assets and liabilities that the reporting entity has the ability to access at the measurement date.
- Level 2—Inputs other than quoted prices included within Level 1 that are observable for the asset and liability or can be corroborated with observable market data for substantially the entire contractual term of the asset or liability.
- Level 3—Unobservable inputs that reflect the entity's own assumptions about the assumptions market participants would use in the pricing of the asset or liability and are consequently not based on market activity but rather through particular valuation techniques.

There were no reclassifications between levels during the three and six months ended June 30, 2026 and 2025.

Fair Value Measurements

Up to the date the warrants were reclassified from liabilities to equity, the fair value of the Company's liability classified warrants was determined to be de minimis. The valuation of the warrants is considered to be at Level 3 of the fair value hierarchy due to the need to use assumptions in the valuation that are both significant to the fair value measurement and unobservable. The Company's non-financial assets, other than those acquired in acquisitions, which consist primarily of property and equipment, right-of-use assets and intangible assets, are not required to be carried at fair value on a recurring basis and are reported at carrying value. The fair values of the warrant liabilities and non-financial assets are determined, as required, based on Level 3 measurements, including estimates of the amount and timing of future cash flows based upon historical experience, expected market conditions, and management's plans. All other components of the unaudited condensed consolidated balance sheets, such as accounts receivable, cash and cash equivalents, and others approximate fair value as of June 30, 2026 and December 31, 2025.

Share-Based Compensation

Restricted Share Units

In connection with the IPO, the Company's board of directors (the "Board"), adopted a Long-Term Incentive Plan ("LTIP") for employees, service providers, and directors. The LTIP authorizes up to 13,012,499 Class A shares for issuance and provides the Board with the authority to offer several different types of long-term incentives, including stock options, stock appreciation rights, restricted stock, restricted stock units, stock awards, dividend equivalents, other stock-based awards, cash awards, or substitute awards. On May 20, 2026, the Board authorized the Company's Chief Executive Officer to grant up to 810,811 restricted stock units ("RSUs") to current and future employees and service providers of the Company (other than executive officers). Each RSU represents the right to receive one Class A share upon vesting, and the right to receive dividends paid to each Class A shareholder between the grant date and vesting date. RSUs issued to qualifying individuals are recorded on the grant date at fair value. Expense is recognized on a straight-line basis over the requisite service period (the vesting period of the award) as either cost of sales (exclusive of depreciation and amortization) or general and administrative expense in the unaudited condensed consolidated statements of operations. RSUs include dividend equivalent

rights that permit holders of granted but unvested RSUs to receive distributions alongside common equity holders of the Company as if the RSUs were granted as of the date of record for said distribution.

IPO Stock-based Awards

On May 15, 2026, in connection with the closing of the IPO, the Company issued a one-time, non-cash stock-based compensation award to certain members of the Company's management team. In connection with these awards, the Company granted an aggregate of 3,100,001 Class A shares. Based on the IPO price of $18.50 per share, the awards have a grant-date fair value of approximately $57.4 million, subject to tax withholdings. Because the awards were fully vested upon completion of the IPO, the Company recognized the grant-date fair value amount as stock-based compensation expense on the IPO closing date in general and administrative expense in the unaudited condensed consolidated statements of operations.

The Company accounts for all share-based compensation in accordance with ASC Topic 718 *Compensation—Stock Compensation* ("ASC 718").

Revenue Recognition

Revenue is recognized in accordance with ASC 606, *Revenue from Contracts with Customers*, ("ASC 606"). The Company recognizes revenue when it satisfies the performance obligation to the customer by transferring control over a product or service to the customer.

The Company recognizes revenue following the five-step model under ASC 606: (i) identifying the contract, (ii) identifying performance obligations, (iii) determining the transaction price, (iv) allocating the transaction price, and (v) recognizing revenue as performance obligations are satisfied. The Company's contracts generally represent a single performance obligation, and revenues are recognized at a point in time.

The Company generates all its revenue from its operations in the Permian Basin. The Company has disaggregated its revenue as follows which is based on the nature of the products and services rendered:

- Resource sales and resource sales - related party: The Company has water rights to obtain water from its constructed water wells within its ranches or acreage. The Company in certain instances may purchase additional water from external sources to supplement its water supply. Water sales involve the sales of the Company's water to its customers for oil and gas completion activities. Revenue from the sale of water is recognized at a point in time upon delivery to the customer when the performance obligation has been met. Additionally, customers are required to purchase caliche from the Company for the construction of access roads and well pads for which the Company receives a fixed-fee per cubic yard of caliche extracted from our surface acreage. Revenue from the sale of caliche is recognized at a point-in-time when the product is delivered. Revenues associated with resource sales for the three months ended June 30, 2026 and 2025 were approximately $28.2 million and $19.2 million, respectively, and $47.2 million and $24.2 million for the six months ended June 30, 2026 and 2025, respectively. Revenues associated with Resource sales - related party for the three months ended June 30, 2026 and 2025 were zero and $0.5 million, respectively, and $0.2 million and $0.5 million for the six months ended June 30, 2026 and 2025, respectively. Refer to Note 11 – *Related Party Transactions* for more information on related party revenues.

- Surface use related revenues: Includes surface damage fees, mining revenues, and cattle sales, which are recognized at a point in time upon completion of the respective performance obligations, when the product or service is delivered to the customer. Surface damage fees are earned when the disturbance occurs or restoration services are rendered. Cattle sales are earned through the sale of the Company's cattle inventory. Revenues associated with Surface use related revenues for the three months ended June 30, 2026 and 2025 were approximately $5.9 million and $3.2 million, respectively, and $9.0 million and $5.2 million for the six months ended June 30, 2026 and 2025, respectively. Additionally, the Company leases certain portions of its land to customers. Income from leases, easement rights, and a man camp is recognized over time as performance obligations are satisfied. Lease revenue has been included as part of our surface use related revenues in the unaudited condensed consolidated statements of operations. Lease revenues for the three months ended June 30, 2026 and 2025 were approximately $0.1 million and less than $0.1 million, respectively, and $0.1 million and $0.1 million for the six months ended June 30, 2026 and 2025, respectively.

- Surface use royalties and surface use royalties - related party: The Company receives a royalty based on a percentage of gross revenue derived from the use of land and/or volumetric use of infrastructure installed on the Company's land in exchange for rights of use of the Company's land, one-time or annual payments and additional fees at each renewal period. The Company typically receives royalties from such operations throughout the lifecycle of customers' activities on Company land. Surface use royalties include royalties from certain saltwater disposal wells ("SWDs") on and off ranches and lease payments with a base rate from use of our subsurface pore space, third-party sales of recycled water, development and use of drilling sites, new and existing roads, pipeline easements and electric transmission easements. The Company recognizes royalty revenues when the performance obligations are met, which is based on volumes and / or the Company's contractual royalty percentage. Certain contracts with related parties under which the Company receives a royalty percentage for the use of the Company's infrastructure include variable consideration that is dependent upon infrastructure usage or volumes and is typically constrained at the inception of the agreement but is resolved when the actual usage or volumes are known. The payments are typically received one or two months following the month of production. An accrual is made based on historical or estimated basis of the royalty and contract prices for amounts earned but not yet paid. Revenues associated with surface use royalties for the three months ended June 30, 2026 and 2025 were approximately $1.4 million and $1.0 million, respectively, and $2.2 million and $1.1 million for the six months ended June 30, 2026 and 2025, respectively. Revenues associated with surface use royalties - related party for the three months ended June 30, 2026 and 2025 were approximately $6.0 million and zero, respectively, and $6.0 million and zero for the six months ended June 30, 2026 and 2025, respectively. Refer to Note 11 – *Related Party Transactions* for more information on related party revenues.

The Company evaluates the nature of its contracts and uses judgment primarily in assessing when performance obligations are satisfied. Payment terms do not include significant financing.

In some instances, we may be entitled to receive payments in advance of satisfying our performance obligations under the contract. We recognize a liability for these payments in excess of revenue recognized within Deferred revenue in our unaudited condensed consolidated balance sheets. The following table shows a summary of deferred revenue activity:

	Six Months Ended June 30,	
(in thousands)	2026	2025
Beginning balance	$ 627	$ 175
Payment received/accrued and deferred	25	31
Revenue recognized during the period	(450)	(64)
Ending balance	$ 202	$ 142

Concentrations of Credit Risk, Major Customers and Suppliers

The Company is subject to risk resulting from the concentration of its sales and receivables with several significant customers in the E&P industry. This concentration of customers may impact the Company's overall credit risk, either positively or negatively, in that these entities may be similarly affected by changes in economic or other conditions. Collateral is not normally required for credit extended in the form of accounts receivable to the Company's customers.

The Company had significant concentrations in revenue from the following significant customers:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Customer A	18%	16%	14%	22%
Customer B	15%	20%	19%	17%
Customer C	13%	18%	12%	14%
Customer D	12%	*	*	*
Customer E	*	11%	*	12%

* Below 10%

The Company had significant concentrations in accounts receivable from the following significant customers:

	June 30, 2026	December 31, 2025
Customer A	45%	*
Customer B	16%	15%
Customer C	11%	23%
Customer D	*	15%
Customer E	*	14%
Customer F	*	12%

* Below 10%

The Company is dependent on third-party equipment manufacturers, distributors, and dealers for supplies, services, and supplemental water sourcing. The Company is dependent on the ability of its suppliers to provide equipment, products, and services on a timely basis and on favorable pricing terms. Major suppliers are defined as those comprising more than 10% of the Company’s cost of sales and accounts payable.

The Company had concentrations of major suppliers within cost of sales as follows:

	Three Months Ended June 30,		**Six Months Ended June 30,**	
	2026	**2025**	**2026**	**2025**
Supplier A	32%	12%	33%	11%
Supplier B	12%	*	*	*
Supplier C	*	*	11%	*
Supplier D	*	34%	*	35%
Supplier E	*	10%	*	*

The Company had concentrations of major suppliers within accounts payable as follows:

	June 30, 2026	**December 31, 2025**
Supplier A	40%	*
Supplier B	20%	*
Supplier C	13%	*
Supplier D	*	15%
Supplier E	*	34%

* Below 10%

Debt Issuance Costs

The Company capitalized certain costs in connection with obtaining its borrowings, including lender, legal, advisory and accounting fees. Debt issuance costs associated with term loans are amortized over the term of the related loan using the effective interest method and are classified as a reduction of long term debt. The Company’s debt issuance costs associated with revolving credit facilities are amortized on a straight-line basis and presented within other non-current assets on the consolidated balance sheets. Debt issuance cost amortization is included in interest expense. Unamortized deferred loan costs associated with loans paid off or refinanced with different lenders are charged off in the period in which such an event occurs.

Income Taxes

The Company has elected to be treated as a corporation for U.S. federal income tax purposes and is subject to U.S. federal and state corporate income taxes. The Company had no activity or holdings prior to the IPO. U.S. federal income tax expense (benefit) included in the consolidated statements of operations is calculated primarily based on the Company's share of net income (loss) of OpCo, which is taxed as a partnership. State income tax expense (benefit) included in the consolidated statements of operations is primarily related to the Company's share of OpCo's income taxed in New Mexico and the Texas Franchise Tax liability applicable to the Company and OpCo on a consolidated basis. In addition, two of OpCo's subsidiaries, Desert Ram South, Inc. ("Desert Ram South") and Desert Ram South Ranch, Inc. ("DRSR"), are corporations subject to federal and state income tax. These two subsidiaries cannot file a consolidated federal income tax return with the Company and thus the Company calculates a separate income tax provision based on the subsidiaries own operations. The subsidiaries are included in the Company's consolidated Texas Franchise Tax return.

Prior to the IPO, the Predecessor was treated as a partnership for US federal income tax purposes and therefore has not been subject to U.S. federal income tax at an entity level. As a result, the consolidated net income (loss) in our historical financial statements does not reflect the tax expense (benefit) we would have incurred if we were subject to U.S. federal income tax at an entity level during the periods prior to the IPO. Two of Predecessor's subsidiaries, Desert Ram South and DRSR were corporations subject to federal and state income tax. Subsequent to the IPO, OpCo is treated as a partnership for U.S. federal income tax purposes, and as such, is not subject to U.S. federal income tax. Instead, taxable income is allocated to members, including the Company, and taxable income (loss) of OpCo is reported in the respective tax returns of its members.

The Company provides for income tax expense based on the liability method of accounting for income taxes. Deferred tax assets and liabilities are recorded based upon differences between the tax basis of assets and liabilities and their carrying values for financial reporting purposes and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. A valuation allowance is established when it is more likely than not that some portion or all of the deferred tax assets will not be realized. The establishment of a valuation allowance requires significant judgment and is impacted by various estimates. Both positive and negative evidence, as well as the objectivity and verifiability of that evidence, is considered in determining the appropriateness of recording a valuation allowance on deferred tax assets. Under U.S. GAAP, the valuation allowance is recorded to reduce the Company's deferred tax assets to an amount that is more likely than not to be realized and is based upon the uncertainty of the realization of certain federal and state deferred tax assets related to net operating loss carryforwards and other tax attributes. The ultimate realization of the deferred tax assets depends on the generation of sufficient taxable income.

The income tax provision reflects the full benefit of all positions that have been taken in the Company's income tax returns, except to the extent that such positions are uncertain and fall below the recognition requirements. In the event that the Company determines that a tax position meets the uncertainty criteria, an additional liability or benefit will result. The amount of unrecognized tax benefit requires management to make significant assumptions about the expected outcomes of certain tax positions included in filed or yet to be filed tax returns. As of June 30, 2026 and 2025, the Company did not have any uncertain tax positions. Desert Ram South and DRSR's tax filings for 2022 through 2025 are subject to audit by the federal and state taxing authorities in jurisdictions where we conduct business. None of the Company's federal or state tax returns are currently under examination. In the event our tax filings are audited, we may be subject to assessments of additional taxes that are resolved with the authorities or through the courts.

Earnings (Loss) Per Share Attributable to EagleRock

The Company uses the two-class method in the computation of earnings per share. The Company's RSUs include dividend equivalent rights that permit holders of granted but unvested RSUs to receive a non-forfeitable cash amount equal in value to dividends paid with respect to a specified number of shares and are contemplated as participating when the Company is in a net income position. These awards participate in dividend equivalents on a basis equivalent to other Class A shares.

Basic earnings (loss) per share ("EPS") of Class A shares is computed on the basis of the weighted average number of shares outstanding during each period. The diluted EPS of Class A shares contemplates adjustments to the numerator and the denominator under the if-converted method for the convertible Class B shares. The Company uses the treasury stock method or two-class method when evaluating dilution for RSUs. The more dilutive of the two methods is included in the calculation for diluted EPS.

New Accounting Pronouncements

Recently Adopted Accounting Pronouncements

In 2025, we retrospectively adopted ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures.* The amendments in this update require entities to disclose specific categories in the effective tax rate reconciliation and provide additional information for reconciling items where the effect of those reconciling items is equal to or greater than 5% of the amount computed by multiplying pretax income/loss by the applicable statutory income tax rate. In addition, entities are required to disclose the year-to-date amount of income taxes paid (net of refunds received) disaggregated by jurisdictions. This ASU is effective for annual periods beginning after December 15, 2024 with early adoption permitted. The adoption of this update did not have a material impact on the Company's consolidated financial statements and related disclosures. Refer to Note 8 – *Income Taxes*.

Recent Accounting Pronouncements Not Yet Adopted

In September 2025, the FASB issued ASU 2025-06, *Intangibles - Goodwill and Other - Internal Use Software (Subtopic 350-40) Targeted Improvements to the Accounting for Internal-Use Software*, which removed references to project stages and clarified when the Company is required to begin capitalizing eligible costs. The new guidance is effective for fiscal years beginning after December 15, 2027, and interim periods within those fiscal years, with early adoption permitted. ASU 2025-06 may be applied retrospectively or prospectively. The Company is currently evaluating the effect of this updated standard on its consolidated financial statements and related disclosures.

In January 2025, the FASB issued ASU 2025-01, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date*, which clarifies the effective date of ASU 2024-03 and does not change its underlying disclosure requirements. ASU 2024-03 requires tabular disclosure of specified natural expenses within certain income statement expense captions, a qualitative description of amounts not separately disaggregated and disclosure of our definition and total amount of selling expenses. The Company plans to adopt this guidance and comply with the disclosure requirements when it becomes mandatorily effective for annual periods beginning after December 15, 2026. The adoption of ASU 2024-03 is not expected to have any effect on the Company's consolidated financial statements as it modifies disclosure requirements only.

In December 2025, FASB issued ASU 2025-12, *Codification Improvements*, which includes updates for a broad range of Accounting Topics arising from technical corrections, unintended application of the Codification, clarifications and other minor improvements. The Company plans to adopt this guidance and comply with the disclosure requirements when it becomes mandatorily effective for annual periods beginning after December 15, 2026. The Company is currently assessing the impact of this standard on its consolidated financial statements and related disclosures.

3. Property, Plant, and Equipment

Property, plant, and equipment at June 30, 2026 and December 31, 2025 consisted of the following:

(in thousands)	June 30, 2026	December 31, 2025
Depreciable property, plant and equipment		
Furniture and fixtures	$ 52	$ 240
Vehicles	981	886
Buildings	1,191	388
Leasehold improvements	6,044	2,076
Machinery and equipment	72,897	29,162
Pipelines and pits	64,106	3,768
Total depreciable property, plant and equipment, gross	145,271	36,520
Accumulated depreciation	(6,764)	(4,120)
Total depreciable property, plant and equipment, net	138,507	32,400
Non-depreciable property, plant and equipment		
Land	225,783	23,154
Construction in progress	4,757	32
Construction deposit	8,850	—
Total non-depreciable property, plant and equipment	239,390	23,186
Total property, plant and equipment, net	$ 377,897	$ 55,586

All property and equipment are held and used in the United States. Depreciation expense for property, plant, and equipment for the three months ended June 30, 2026 and 2025 was approximately $2.2 million and $1.0 million, respectively, and $3.3 million and $1.3 million for the six months ended June 30, 2026 and 2025, respectively.

4. Acquisitions

Pitcock Ranch Land Acquisition

On June 17, 2026, Shallow Valley EagleRock Holdco, LLC, a wholly owned subsidiary of OpCo, acquired approximately 642.8 fee surface acres and the related water-handling accessories from Jerrod Pitcock, an individual (the "Pitcock Ranch Land Acquisition"), for total cash consideration of approximately $2.0 million. The transaction was funded with cash on hand, and no third-party or related-party debt was incurred in connection with the Pitcock Ranch Land Acquisition.

The Company accounted for the Pitcock Ranch Land Acquisition as an asset acquisition under ASC 805, *Business Combinations* ("ASC 805"), having determined under the screen test that substantially all of the fair value of the gross assets acquired was concentrated in the acquired fee surface acreage and affixed accessories, a single identifiable asset, such that the acquired set did not meet the definition of a business. Under the cost accumulation model, the total cost of the acquisition was allocated to the assets acquired based on their relative estimated fair values as of the acquisition date, resulting in a recognition of $2.0 million within property, plant and equipment. No goodwill was recognized and no liabilities were assumed. The estimated fair value of the acquired land was determined using a market approach based on observable market data for comparable surface acreage in the region, which the Company considers a Level 2 input within the fair value hierarchy under ASC 820, *Fair Value Measurement* ("ASC 820"). Fair value estimates involve significant assumptions and judgment.

DE Flow Contribution and Shallow Valley Contribution

On May 15, 2026, as part of the IPO, Double Eagle contributed its interests in DE Flow, including the integrated water infrastructure system in the Midland Basin (the "DE Flow System") and approximately 882 surface acres, to OpCo (the "DE Flow Contribution"), and the Shallow Valley Owners contributed their interests in the entities that own the Shallow Valley Ranch, including approximately 41,000 surface acres in the Midland Basin and associated assets, to OpCo (the "Shallow Valley Contribution"). The DE Flow Contribution and Shallow Valley Contributions provide the Company with a significant increase in total surface acreage as well as water infrastructure assets that both expand the Company's operating footprint and revenue-generating asset base. The DE Flow Contribution and the Shallow Valley Contribution were accounted for as business combinations under ASC 805, with the purchase price allocated to the acquired tangible and intangible assets and liabilities based on their estimated fair values as of the acquisition date. The Company makes various assumptions in estimating the fair values of assets acquired and liabilities assumed. The most significant assumptions relate to the estimated fair values of the acquired intangibles, which were estimated utilizing a discounted cash flow model. These methods are considered Level 3 fair value estimates and include significant assumptions of future revenues and cost estimates, discounted using weighted average cost of capital for industry peers. The most significant input to the valuation was the weighted average cost of capital of 9.0%. Fair value estimates involve significant assumptions and are classified as Level 3 in the fair value hierarchy.

The purchase accounting for the DE Flow Contribution and Shallow Valley Contribution is considered preliminary. Certain data and assessments necessary to complete the purchase price allocation are still under evaluation, including, but not limited to, the valuation of property, plant and equipment, intangible assets, and goodwill. Additionally, identifiable intangible assets, liabilities, and transaction consideration, may be adjusted as the Company continues to gather and evaluate information about circumstances that existed as of May 15, 2026. The Company expects to complete the purchase price allocation as soon as practicable, but no later than one year from the acquisition date.

The total transaction consideration attributable to the DE Flow Contribution was approximately $988.6 million, comprised of 45,873,930 OpCo Units at fair value of $21.55 per OpCo Unit as of May 15, 2026. The total transaction consideration attributable to the Shallow Valley Contribution was approximately $455.4 million, comprised of 21,134,331 OpCo Units at fair value of $21.55 per OpCo Unit as of May 15, 2026.

The excess of the purchase price over the estimated fair values of the net assets acquired, including identifiable intangible assets, is recorded as goodwill. A total of $467.4 million and $175.9 million in goodwill was attributed to the DE Flow Contribution and the Shallow Valley Contribution, respectively. The goodwill was primarily attributable to additional profitability and other synergies.

Revenues and operating income before taxes from DE Flow for the period from May 15, 2026 through June 30, 2026 amounted to approximately $5.1 million and $0.2 million, respectively. Revenues and operating income before taxes from the Shallow Valley Ranch for the period from May 15, 2026 through June 30, 2026 amounted to approximately $1.4 million and $0.5 million, respectively.

The following table summarizes the preliminary allocation of the purchase price at the date of acquisition for the DE Flow Contribution:

(in thousands)		
Purchase price, net	$	988,583
Fair value of total consideration transferred	$	988,583
Recognized amounts of identifiable assets acquired and liabilities assumed:		
Property, plant and equipment		78,175
Intangible assets		454,063
Asset retirement obligations		(2,642)
Reimbursement payable		(8,418)
Goodwill		467,405
Net assets acquired	$	988,583

Intangible assets acquired include customer contracts and customer relationships. See Note 2 – *Summary of Significant Accounting Policies* for further information.

The following table summarizes the preliminary allocation of the purchase price at the date of acquisition for the Shallow Valley Contribution:

(in thousands)		
Purchase price, net	$	455,445
Fair value of total consideration transferred	$	455,445
Recognized amounts of identifiable assets acquired and liabilities assumed:		
Property, plant and equipment		244,872
Other noncurrent assets		1,499
Intangible assets		40,285
Reimbursement payable		(7,076)
Goodwill		175,865
Net assets acquired	$	455,445

Intangible assets acquired include source water. See Note 2 - *Summary of Significant Accounting Policies* for further information.

Intrepid Acquisition

On April 1, 2026, the Predecessor acquired assets, including approximately 22,000 fee surface acres and 28,000 federal grazing lease acres and the related water rights, contracts and permits from Intrepid-Potash New Mexico, LLC (the "Intrepid Acquisition") for total consideration of approximately $70.0 million, of which $8.0 million was paid in December of 2025. The transaction was funded with related party debt resulting in additional term loan principal of $70.0 million and associated debt discount and debt issuance costs of approximately $2.4 million, with a maturity date of December 31, 2027. The assets acquired in the Intrepid Acquisition were retained by Hydrosource in the Hydrosource Distribution and therefore were not contributed to the Company in connection with the IPO. Refer to Note 1 – *The Company – Hydrosource Distribution* for more information on the Hydrosource Distribution. Refer to Note 14 – *Subsequent Events* for more information regarding the Intrepid Assets.

Accelerated Acquisition

On April 14, 2025, the Company acquired 100% of the equity interests in Accelerated Water Resources, LLC ("Accelerated") from Basin Properties, LLC and NGL Water Solutions Permian, LLC (the "Accelerated Acquisition") in exchange for cash. In connection with the Accelerated Acquisition, the Company acquired two ranches with an aggregate of approximately 72,000 acres consisting of fee acreage and leased acres. The Accelerated Acquisition was financed through long-term debt. The Accelerated Acquisition compliments the Company's business by increasing the total acres owned by the Company and resource sales and royalties from water, caliche and other royalties from saltwater disposal.

The transaction was accounted for as a business combination under ASC 805, with the purchase price allocated to the acquired tangible and intangible assets and liabilities based on their estimated fair values as of the acquisition date. The Company makes various assumptions in estimating the fair values of assets acquired and liabilities assumed. The most significant assumptions relate to the estimated fair values of the acquired intangibles, which were estimated utilizing a discounted cash flow model. These methods are considered Level 3 fair value estimates and include significant assumptions of future revenues and cost estimates, discounted using

weighted average cost of capital for industry peers. The most significant input to the valuation was the weighted average cost of capital of 20%. Fair value estimates involve significant assumptions and are classified as Level 3 in the fair value hierarchy.

The following table summarizes the allocation of the purchase price at the date of acquisition:

(in thousands)		
Purchase price, net	$	191,684
Fair value of total consideration transferred	$	191,684
Recognized amounts of identifiable assets acquired and liabilities assumed:		
Accounts receivable		9,748
Accrued revenue		4,984
Other current assets		350
Biological assets – cattle		737
Ranch properties		16,630
Property, plant and equipment		23,527
Intangible assets		138,894
Accounts payable		(1,402)
Taxes payable		(887)
Accrued liabilities		(897)
Net assets acquired	$	191,684

Intangible assets acquired include permits, water rights, surface rights, and saltwater disposal rights associated with the operations of the oil and gas services. See Note 2 – *Summary of Significant Accounting Policies* for further information.

Pro Forma Financial Information

The following unaudited summary financial information for the three and six months ended June 30, 2026 as well as the three and six months ended June 30, 2025 gives effect to the DE Flow Contribution, the Hydrosource Distribution, the Shallow Valley Contribution, and the Accelerated Acquisition as if they had been completed on January 1, 2025. The unaudited pro forma financial information is provided for illustrative purposes only and does not purport to represent what the actual consolidated results of operations or the consolidated financial position of the Company would have been had the DE Flow Contribution, the Hydrosource Distribution, the Shallow Valley Contribution, and the Accelerated Acquisition and related financing occurred on the date noted above, nor is it indicative of future results. The operations related to the DE Flow Contribution and the Shallow Valley Contributions were included in the Company's results as of May 15, 2026, and the operations related to the Accelerated Acquisition were included in the Company's results as of April 14, 2025.

(in thousands)	**Three Months Ended June 30, 2026**	**Six Months Ended June 30, 2026**
Total revenue	$ 49,567	$ 84,905
Net income (loss)	$ (36,683)	$ (26,646)

(in thousands)	**Three Months Ended June 30, 2025**	**Six Months Ended June 30, 2025**
Total revenue	$ 38,132	$ 80,936
Net income (loss)	$ (64,190)	$ (42,311)

5. Intangible Assets

The following table identifies the weighted average useful lives by class of intangible asset:

	Weighted Average Remaining Useful Life (in years)
Water rights	13.4
Surface rights	13.4
Saltwater disposal rights	13.8
Customer contract	12.9
Customer relationship	19.9
Sourced water	24.9

Definite lived intangible assets are comprised of the following at June 30, 2026 and December 31, 2025:

	June 30, 2026			December 31, 2025		
(in thousands)	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
Water rights	$136,166	$(14,322)	$121,844	$136,166	$(9,783)	$126,383
Surface rights	60,550	(6,546)	54,004	60,550	(4,528)	56,022
Saltwater disposal rights	9,300	(775)	8,525	9,300	(465)	8,835
Customer contract	404,457	(4,006)	400,451	—	—	—
Customer relationships	49,605	(319)	49,286	—	—	—
Sourced water	40,285	(207)	40,078			
Total	$700,363	$(26,175)	$674,188	$206,016	$(14,776)	$191,240

Amortization expense for the three months ended June 30, 2026 and 2025, for intangible assets, which include permits, water rights, surface rights, customer contracts and customer relationships was approximately $8.1 million and $3.4 million, respectively. For the six months ended June 30, 2026 and 2025, amortization expense was $11.5 million and $4.6 million, respectively.

Estimated remaining amortization expense for the future periods is expected to be as follows:

(in thousands)		
Year Ending December 31,		
Remainder of 2026	$	23,441
2027		48,938
2028		48,938
2029		48,938
2030		48,938
Thereafter		454,995
Total future amortization	$	674,188

6. Long Term Debt

Predecessor Credit Facility

On April 4, 2024, certain subsidiaries of the Predecessor entered into a 5-year financing agreement that included a $72.0 million term loan (the “First Term Loan”) and a revolving credit facility with a maximum borrowing base of $5.0 million, both of which mature on April 4, 2029 (as amended, the “Predecessor Credit Facility”). The Predecessor Credit Facility is fully and unconditionally guaranteed by the Company. Borrowings under the Predecessor Credit Facility bear interest at the Secured Overnight Financing Rate (“SOFR”), plus the applicable margin or certain reference rate, plus the applicable margin, which is set at 8.0% - 8.5% depending on the applicable leverage ratio for the most recent four consecutive quarters. Additionally, a commitment fee of 0.5% applies to undrawn amounts on the revolving credit facility. Borrowings under the Predecessor Credit Facility are secured by a first priority lien and security interest in substantially all assets of the Company. Principal amounts borrowed under the Predecessor Credit Facility may be repaid early with prepayment penalties varying by year, beginning at 3% and stepping down annually to 1% in the fifth year of the Predecessor Credit Facility. Any principal amounts outstanding on the maturity date, April 4, 2029, become due and payable on such date.

In connection with the Predecessor Credit Facility issuance, the Company additionally issued warrants exercisable for an aggregate of 1,001 Common Units ("April 2024 Warrants"), to designated holders. Each holder received the right to acquire Common Units as set forth in the Warrant Agreement. The April 2024 Warrants may be exercised upon (i) an event of default under the term loan agreement or (ii) an adjustment event, and expire ten years from the original issuance date. Because the warrants included a variable settlement feature, the Company concluded the April 2024 Warrants were not indexed to the Company's own equity and classified them as liabilities. The Company determined the fair value of the April 2024 Warrants at grant date and as of December 31, 2024 to be de minimis. Fair value estimates involve significant assumptions and are classified as Level 3 in the fair value hierarchy.

Interest is payable monthly, with principal payments on the term loan due quarterly, based on the following percentages of the original principal: 1.25% from September 30, 2024 through June 30, 2025; 2.50% from September 30, 2025 through June 30, 2027; and 3.75% from September 30, 2027 through maturity. All remaining principal and accrued interest are due at maturity.

On February 28, 2025, the Company amended its Predecessor Credit Facility, resulting in an increased maximum borrowing base of $7.5 million on its revolving credit facility. Financing costs incurred related to the amendment of approximately $0.1 million were added to the principal balance as paid-in-kind interest. On April 14, 2025, the Company further amended the Predecessor Credit Facility ("April 2025 Amendment"), resulting in an additional $204 million Term Loan (the "Second Term Loan"). The April 2025 Amendment adjusted the amount and timing of the quarterly principal payments due for the First and Second Term loans as follows: 0.3125% from June 30, 2025 through March 31, 2026; 0.625% from June 30, 2026 through March 31, 2027; 0.9375% from June 30, 2027 through March 31, 2028; and 1.25% from June 30, 2028 through maturity. Additionally, the stepped down prepayment penalties were modified to start at 5.0% and stepping down annually to 4.0%, 2.0%, 1.0%, and zero after year 5. All remaining principal and accrued interest on both the First and Second Term Loan are due at maturity on April 4, 2029.

In connection with the April 2025 Amendment, the Company (i) issued new warrants to a new creditor (the "April 2025 Warrants") and (ii) modified the terms of the outstanding April 2024 Warrants. The net effect of the issuance and modification reduced the total number of warrants outstanding from 1,001 to 900. The amendment additionally removed the variable settlement feature from the April 2024 Warrants. As a result, both the amended April 2024 Warrants and the April 2025 Warrants met the requirements for equity classification under ASC 815-40. Accordingly, on April 14, 2025, the Company reclassified the April 2024 Warrant liability to additional paid-in capital. The April 2025 Warrants were allocated a value of approximately $0.8 million, which was recorded within additional paid-in-capital, with a corresponding debt discount.

The Company assessed the debt amendment and modified April 2024 Warrants under ASC 470-50 and concluded that the terms of the new debt are substantially different from the old debt (including the present value of cash flows test exceeding 10%), resulting in extinguishment accounting. Accordingly, the Company derecognized the carrying amount of the old debt and recognized an estimated loss on extinguishment of approximately $70.0 million, which reflects the difference between the carrying amount of the exchanged debt (including unamortized discounts and deferred financing costs of approximately $2.8 million) and the fair value of the new debt, plus fees paid to lenders of approximately $5.6 million and incremental value transferred to the warrantholders of approximately $17.6 million. The $44.1 million premium associated with the debt is primarily attributable to the related party nature of the debt, resulting in a higher interest rate over current market rates. This premium was amortized over the remaining term of the Predecessor Credit Facility utilizing an effective interest rate of approximately 8.2% until it was extinguished during the second quarter of 2026.

The Company evaluated the prepayment features embedded in the Predecessor Credit Facility which require the debt to be prepaid upon the occurrence of certain events, including specified asset sales and changes in control, under ASC 815, *Derivatives and Hedging* ("ASC 815"). These features represent embedded derivatives that are not clearly and closely related to the host debt. However, the Company has concluded that these embedded derivatives have no fair value at December 31, 2025, and therefore no separate embedded derivative liability has been recorded in the accompanying condensed consolidated financial statements.

The Predecessor Credit Facility interest rate was 12.4% as of December 31, 2025.

On April 1, 2026, the Predecessor amended the Predecessor Credit Facility, resulting in a $70.0 million incremental term loan and associated debt discount and debt issuance costs of approximately $2.4 million (the "Intrepid Term Loan"), with a maturity date of December 31, 2027. The Intrepid Term Loan requires quarterly principal payments (1.25% of original principal) beginning on December 31, 2026. Prepayment of the Intrepid Term Loan is allowed; however, in the case of a partial prepayment, such partial prepayment must first be applied to the First Term Loan and the Second Term Loan before it can be applied to the Intrepid Term Loan. The Intrepid Term Loan bears interest at SOFR, plus the applicable margin or certain reference rate, which is set at 8.25%-8.75% depending on the applicable leverage ratio for the most recent four consecutive quarters. The Predecessor evaluated the amendment and concluded the change in terms did not result in a significant change in the economics of the debt and thus will be accounted for as a debt modification and not an extinguishment of the debt. As such, the related financing costs of $2.1 million will be recorded as additional debt issuance costs and will be amortized over the term of the Predecessor Credit Facility. Additionally, $0.3 million of third party fees will be capitalized. In connection with the Hydrosource Distribution, the Intrepid Term Loan was distributed to Hydrosource Midstream. As such, the Intrepid Term Loan was never an obligation of the Company. Refer to Note 1 – *The Company – Hydrosource Distribution* for more information on the Hydrosource Distribution.

On June 3, 2026, the Company repaid in full all outstanding borrowings under the Predecessor Credit Facility with a cash payment of approximately $269.1 million, funded with proceeds from the IPO. The payment consisted of approximately $258.1 million of outstanding principal, a prepayment premium of approximately $10.6 million, and approximately $0.4 million of accrued interest and fees.

The Company accounted for the repayment as an extinguishment of debt under ASC 470-50. At the date of repayment, the debt had a net carrying amount of approximately $289.0 million, including approximately $30.9 million of unamortized debt issuance premium, which was derecognized. The Company recognized a pre-tax gain on extinguishment of approximately $20.3 million, measured as the excess of the net carrying amount over the reacquisition price of approximately $268.7 million (principal plus prepayment premium). The prepayment premium was treated as part of the reacquisition price and reduced the gain rather than being recognized as interest expense; accrued interest of approximately $0.4 million was recognized as interest expense through the repayment date.

EagleRock Credit Facility.

On May 4, 2026, OpCo entered into a credit agreement (the "Credit Facility") with JPMorgan Chase Bank, N.A. as administrative agent, and the lenders party thereto. The Effective Date (as defined in the Credit Facility) of the Credit Facility was June 8, 2026. The Credit Facility provides for a senior secured revolving credit facility in an aggregate principal amount of up to $200.0 million, including a $10.0 million letter of credit sublimit, together with the ability to request increases in the commitments of up to an additional $100.0 million; provided that any such request for an increase must be in a minimum amount of $25.0 million and is limited to a maximum of four such requests. The Credit Facility and all borrowings thereunder will mature on June 8, 2031. Borrowings under the Credit Facility bear interest at a rate per annum equal to, at the borrower's option, the Term SOFR Rate (as defined in the Credit Facility) or Daily Simple SOFR (as defined in the Credit Facility), plus an applicable margin ranging from 2.25% to 3.00%, depending on OpCo's Net Total Leverage Ratio (as defined in the Credit Facility). The Credit Facility includes a commitment fee on undrawn amounts ranging from 0.375% to 0.50%.

The Credit Facility contains customary affirmative and negative covenants, as well as financial covenants requiring maintenance of a minimum Interest Coverage Ratio of 2.75:1.00 and a maximum Net Total Leverage Ratio of 3.50:1.00 (or 4.00:1.00 following a Material Permitted Acquisition (as defined in the Credit Facility)), and customary events of default. As of June 30, 2026, the Credit Facility was undrawn, with no letters of credit outstanding. The Company was in compliance with all covenants as of June 30, 2026.

The outstanding balance on long-term debt is as follows:

(in thousands)	June 30, 2026	December 31, 2025
Term loan	$ —	$ 258,610
Revolving line-of-credit	—	7,000
Total debt	—	265,610
Debt premium (discount) and issuance costs, net	—	35,057
Total debt, net	—	300,667
Current portion of long-term debt	—	(6,038)
Long-term debt	$ —	$ 294,629

The Level 3 fair value of long-term debt as of December 31, 2025 was approximately $330.0 million. The disclosed fair value of debt is determined primarily utilizing an income approach.

For the three months ended June 30, 2026, the total interest expense related to long-term debt was approximately $5.1 million, inclusive of $6.6 million of coupon interest expense, net of amortization of net debt premiums and issuance costs of approximately $1.5 million. Interest expense for the six months ended June 30, 2026 was comprised of approximately $14.9 million of coupon interest and net amortization of debt premium and issuance costs of $4.0 million. For the three months ended June 30, 2025, interest expense related to long-term debt of approximately $6.1 million includes approximately $8.2 million of coupon interest and amortization of debt discounts and issuance costs of approximately $2.1 million. Interest expense for the six months ended June 30, 2025 was comprised of approximately $10.7 million of coupon interest and net amortization of debt premium and issuance costs of $2.0 million.

As of June 30, 2026 there was approximately $200.0 million of available borrowing capacity related to the Credit Facility. As of December 31, 2025, there was approximately $0.5 million of available borrowing capacity related to the Predecessor Credit Facility.

7. Leases

The Company has operating leases primarily for vehicles. Prior to the Corporate Reorganization, the Predecessor subleased a portion of a corporate office, for which the Predecessor received monthly payments, which have been netted with lease costs in the unaudited condensed consolidated statements of operations and related disclosures. Sublease income recorded within the unaudited condensed consolidated statements of operations for the three and six months ended June 30, 2026 and 2025 totaled less than $0.1 million. The operating lease liabilities are included in Short-term lease liability and Long-term lease liability in the unaudited condensed consolidated balance sheets. Lease costs and other information related to operating leases are as follows:

	Six Months Ended June 30,		**Three Months Ended June 30,**	
(in thousands)	**2026**	**2025**	**2026**	**2025**
Lease Cost				
General & administrative expense	$ 304	$ 235	$ 188	$ 113
Total lease cost	$ 304	$ 235	$ 188	$ 113
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows used in operating leases	$ 307	$ 347	$ 143	$ 172

Lease terms and discount rates are as follows:

	June 30, 2026	**December 31, 2025**
Weighted-average remaining lease term (in years):		
Operating leases	6.6 years	2.9 years
Weighted-average discount rate:		
Operating leases	5.9%	9.1%

As of June 30, 2026, the future minimum payments under the lease are as follows:

(in thousands) Year Ending December 31,	**Operating Leases**
Remainder of 2026	$ (168)
2027	342
2028	322
2029	276
2030	269
Thereafter	836
Total future minimum lease payments	$ 1,877
Less: Interest	(391)
Present value of lease liabilities	$ 1,486

Corporate Office Lease

In June 2026, the Company entered into a 7.5-year operating lease for approximately 6,251 square feet of corporate office space in Houston, Texas, commencing upon delivery of the premises in June 2026 and expiring December 31, 2033. The premises are being built out as the Company's permanent corporate office and are expected to be available for occupancy in January 2027, with rent payments beginning January 2027. The lease contains a five-year renewal option that the Company is not reasonably certain to exercise and provides a tenant improvement allowance of approximately $0.3 million. At commencement, the Company recognized an operating lease right-of-use asset of approximately $1.2 million and an operating lease liability of approximately $1.2 million, using an incremental borrowing rate of 5.75% derived from the Company's senior secured revolving credit facility. The tenant improvement allowance is accounted for as a reduction of lease payments in measuring the operating lease liability. Fixed lease cost is recognized on a straight-line basis over the lease term; the Company's pro rata share of building operating costs is recognized as variable lease cost as incurred.

Surface Lease

In 2025, the Company entered into a commercial real estate surface lease agreement with a third-party commercial real estate development company for approximately 6.86 acres of land for the development of a commercial convenience store. The agreement has a total term of up to 60 years, including two extension options. Payments under the lease commenced in the second quarter of 2026. Upon completion of construction during the first quarter of 2026, management determined the lease met the criteria to be classified as a sales-type lease because the present value of fixed and determinable future payments exceeded the fair value of the associated land. As such, the Company derecognized the land and recognized a net investment in the lease, resulting in a $3.3 million gain on net investment in sales-type lease within the unaudited condensed consolidated statements of operations for the six months ended June 30, 2026.

8. Income Taxes

The Company utilized a discrete effective tax rate method, as allowed by ASC 740, *Income Taxes* ("ASC 740") to calculate taxes for the three and six months ended June 30, 2026. The Company determined that small changes in estimated ordinary income would result in significant changes in the estimated annual effective tax rate ("AETR"), and therefore, the AETR method would not provide a reliable estimate. The Company utilized an estimated annual effective rate for the three and six months ended June 30, 2025.

The Company's income tax expense (benefit) for the three and six months ended June 30, 2026 was $(0.1) million and $0.2 million, respectively, resulting in an effective tax rate of 0.2% and (0.4)%, respectively. The effective tax rate differs from the U.S. federal statutory rate due to income attributable to noncontrolling interest, income attributable to nontaxable entities, nondeductible stock compensation and changes in the valuation allowance.

The Company had an immaterial amount of income tax expense for the three and six months ended June 30, 2025, resulting in an effective tax rate of (0.0)% and (0.0)%, respectively. Effective tax rates differ from the U.S. federal statutory rate of 21.0 percent due to income attributable to nontaxable entities.

OpCo and the majority of its subsidiaries are limited liability companies treated as partnerships or disregarded entities for U.S. federal income tax purposes and, therefore, have not been subject to U.S. federal income tax at an entity level. As a result, the consolidated net income (loss) in our historical financial statements for periods prior to the IPO does not reflect the tax expense (benefit) we would have incurred if we were subject to U.S. federal income tax at an entity level during those periods. OpCo continues to be treated as a partnership for U.S. federal income tax purposes and, as such, is generally not subject to U.S. federal income tax. Instead, taxable income is allocated to OpCo's members, including the Company, and any taxable income of OpCo is reported in the respective tax returns of its members. Two of OpCo's subsidiaries were taxed as corporations both before and after the IPO and thus income tax expense has been recorded prior to and after the IPO.

The Company has a full valuation allowance recorded against its net deferred tax assets. Desert Ram South has recorded a deferred tax liability related to its taxable temporary differences. As the Company's legal entity structure does not permit Desert Ram South to file a consolidated federal income tax return with the Company, the Company's deferred tax assets may not be offset against Desert Ram South's deferred tax liability.

9. Shareholders' and Members' Equity

Shareholders' Equity

Holders of Class A shares and Class B shares vote together as a single class on all matters presented to our shareholders, except as otherwise required by applicable law or by the Second Amended and Restated Company Agreement of the Company, dated as of May 15, 2026. To the extent the Company pays any cash dividends on its Class A shares, under the terms of its organizational documents, Class B shares are not entitled to participate in any dividends the Board may declare.

As part of the IPO, 4,560,688 Class B shares (and a corresponding number of OpCo Units) were exchanged for Class A shares. No other Class B shares were redeemed for Class A shares through June 30, 2026.

Predecessor Members' Equity

Prior to the IPO, the Predecessor was governed by its Third Amended and Restated Limited Liability Company Agreement, dated July 25, 2025 (the "Prior LLC Agreement"), which amended and restated the prior operating agreements in their entirety. The Predecessor's equity consisted of common units representing limited liability company interests in the Predecessor held by its members, together with warrants exercisable for common units held by its warrant holders. The common units were generally consistent with ordinary equity interests. The Prior LLC Agreement authorized 2,095.68 common units, of which 1,195.23 were issued and outstanding to the members and 900.45 were issuable upon exercise of the outstanding warrants. For all economic and income tax purposes, each warrant holder was treated under the Prior LLC Agreement as if its warrants had been exercised in full and it held the underlying common units. Distributions of available cash (including tax distributions and liquidating distributions) were made to the members and warrant holders in accordance with the terms of the Prior LLC Agreement, at such times as determined by the board of managers or as requested by a majority in interest of the members; provided that side letter obligations were deducted from the distributions otherwise payable to the non-warrant members. Unlike an entity with no restrictions on distributions, distributions by the Predecessor were subject to the covenants and restrictions contained in its loan agreements and to the approval rights held by the warrantholders under the Prior LLC Agreement. A separate capital account was maintained for each member, adjusted for capital contributions made by, and distributions paid to, such member and for such member's allocable share of the Predecessor's profits, losses, and other items of income, gain, loss, and deduction, which were allocated among the members in accordance with the Prior LLC Agreement.

10. Share-Based Compensation

A summary of the Company's aggregate share-based compensation expense is shown below.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Restricted Share Units	$ 4,088	$ —	$ 4,088	$ —
IPO Stock-based Awards	57,350	—	57,350	—
Total share-based compensation expense	$ 61,438	$ —	$ 61,438	$ —

Restricted Share Units

Under the LTIP, participants were granted RSUs which are subject to graded vesting generally ranging from one to three years. The RSUs were determined to be equity-classified awards. The fair value of the RSUs is based on the Company's Class A share price on the date of grant, with compensation expense recognized on a straight-line basis over the applicable vesting period.

A summary of RSU activity during the six months ended June 30, 2026 is shown in the following table:

	RSUs	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2025	—	$ —
Granted	664,865	22.52
Forfeited	—	
Vested	(135,136)	20.46
Outstanding at June 30, 2026	529,729	$ 23.04

As of June 30, 2026, remaining unrecognized compensation expense for the RSUs was $10.9 million which the Company expects to recognize over a weighted average remaining period of approximately 1.1 years.

IPO Stock-based Awards

Upon completion of the IPO, certain members of the Company's management were granted Class A shares. The IPO stock-based awards were determined to be equity-classified awards.

A summary of the IPO stock-based awards during the six months ended June 30, 2026 is shown in the following table:

	IPO Stock-based Awards	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2025	—	$ —
Granted	3,100,001	18.50
Forfeited	—	—
Vested	(3,100,001)	18.50
Outstanding at June 30, 2026	—	$ —

As of June 30, 2026, there was no remaining unrecognized compensation expense for the IPO stock-based awards.

11. Related Party Transactions

DE Flow WSMA

On May 15, 2026, concurrently with the IPO, OpCo entered into the Water System Management Agreement (the “DE Flow WSMA”) with DE Flow and DEF Operating, LLC (“DEF Operating”), both affiliates of Double Eagle. The DE Flow WSMA governs revenue arrangements with respect to the DE Flow System. The initial term of the DE Flow WSMA is 10 years. Pursuant to the terms of the DE Flow WSMA, OpCo is entitled to a royalty equal to 90% of the net proceeds (gross revenues less costs associated with operating the system) generated by the assets operated by DEF Operating, and a minimum annual royalty of $40.0 million for the first five years of the initial term and $10.0 million for the last five years of the initial term. The DE Flow WSMA is supported by an acreage dedication of up to approximately 70,000 acres related to the Company’s Midland Basin water infrastructure assets. For the three and six months ended June 30, 2026, the Company recognized $5.1 million in revenue from the DE Flow WSMA. The Company did not recognize any revenue related to the DE Flow WSMA in the three or six months ended June 30, 2025. As of June 30, 2026, the Company had $5.1 million of accounts receivable related to the DE Flow WSMA. The Company evaluated the DE Flow WSMA in accordance with ASC 842, and determined that the agreement was not in the scope of ASC 842, as the agreement does not grant DEF Operating the right to control the use of an identified asset for a period of time in exchange for consideration.

Hydrosource Recycling Agreement

On May 15, 2026, concurrently with the IPO, OpCo entered into the Produced Water Recycling Rights Agreement (the “Hydrosource Recycling Agreement”) with Hydrosource and Hydrosource Midstream. The Hydrosource Recycling Agreement governs royalty revenue arrangements with respect to recycled water activities on the Company’s land. Pursuant to the terms of the Hydrosource Recycling Agreement OpCo is entitled to (i) an initial term of 10 years, (ii) a royalty equal to 31% of the gross selling price for each barrel of recycled water stored, treated, processed, recycled, disposed, purchased or sold on the Company’s land by Hydrosource less applicable taxes, (iii) a royalty equal to 5% of the gross selling price for each barrel of recycled water sold in New Mexico off the Company’s land (for a two year period from the effective date of the agreement), (iv) a $0.04 per barrel transit tariff for volumes of produced water or recycled water transported across the Company’s land solely for purposes of transit to a facility located outside of the Company’s land, (v) a royalty equal to 50% of the gross selling price received by Hydrosource less the amount paid to the supplier for produced water sourced pursuant to the Hydrosource Recycled Water Supply Agreement, (vi) Hydrosource’s payment of 50% of the gross revenue received from the sale of skim oil recovered from the facilities or other operations on the Company’s land, (vii) a five-year minimum royalty commitment of $5.0 million per year and (viii) Hydrosource’s two-year exclusive option to develop a solid waste facility on the Company’s land. For the three and six months ended June 30, 2026, the Company recognized $0.9 million in revenue from the Hydrosource Recycling Agreement. The Company did not recognize any revenue related to the Hydrosource Recycling Agreement in the three or six months ended June 30, 2025. The Company evaluated the Hydrosource Recycling Agreement in accordance with ASC 842, and determined that the agreement was not in the scope of ASC 842, as the agreement does not grant Hydrosource the right to control the use of an identified asset for a period of time in exchange for consideration.

Other

Subsequent to the IPO, the Company transacted with a related party where the related party sold water to companies engaged in E&P activities on the acreage acquired in the Shallow Valley Contribution. The Company reimbursed the related party for costs incurred and received revenue for the water sold. During the three months ended June 30, 2026, the Company earned less than $0.1 million from the related party for water sales, and incurred less than $0.1 million in related party cost of sales. As of June 30, 2026, the Company owed the related party less than $0.1 million. The Company did not transact with the related party in the three or six months ended June 30, 2025.

Both prior to and subsequent to the IPO, the Company transacted with a related party for water treatment services where the related party acted as the contractor providing treated water services to the Company and in certain instances purchased water from the Company. The Company recognized zero and $0.1 million of related party revenues for the three and six months ended June 30, 2026, respectively. The Company recognized $0.5 million and $0.5 million of related party revenues for the three and six months ended June 30, 2025, respectively. The Company incurred related party cost of sales relating to water treatment services of approximately $2.5 million and $2.5 million for the three months ended June 30, 2026 and 2025, respectively, and $5.4 million and $3.6 million for the six months ended June 30, 2026 and 2025, respectively. The Company incurred zero and less than $0.1 million of miscellaneous related party general and administrative expenses for the three and six months ended June 30, 2026, respectively. The Company incurred approximately $0.2 million and $0.2 million of miscellaneous related party general and administrative expenses for the three and six months ended June 30, 2025, respectively. As of June 30, 2026 and December 31, 2025, the Company had no receivables from the related party. As of June 30, 2026 and December 31, 2025 the Company had zero and $2.7 million due to the related party, respectively.

In connection with the IPO, the Company recorded related party accounts payable of $15.4 million related to the reimbursement of certain capital expenditures agreed upon under the terms of the DE Flow Contribution and Shallow Valley Contribution. As of June 30, 2026, the Company had $15.6 million payable to the related parties.

In connection with the Hydrosource Distribution, the Company recorded related party accounts receivable and accounts payable for settlement of allocated balances through the date of the Hydrosource Distribution. As of June 30, 2026, the Company had approximately $19.5 due to the related party and approximately $6.9 due from the related party.

During the six months ended June 30, 2025, the Predecessor reimbursed a member related to the purchase of property, plant and equipment in the amount of $0.1 million.

For the six months ended June 30, 2025, the Predecessor incurred approximately $0.1 million in transportation service costs with an entity in which a director holds an indirect equity interest.

In 2025, the Predecessor amended its Amended and Restated Limited Liability Company Agreement to increase the number of seats on the board of managers, two of which were designated for representatives of lenders under the Predecessor Credit Facility. This amendment granted such lenders board representation and enhanced governance rights with respect to the Company. As a result, the lenders are considered related parties, and the Predecessor classified the Predecessor Credit Facility as long-term debt - related party and the related warrants as warrants - related party in the unaudited condensed consolidated financial statements.

There were no other significant transactions or balances with related parties for the three and six months ended June 30, 2026 and 2025. Refer to Note 14 – *Subsequent Events* for more information regarding related party transactions.

12. Earnings Per Share

The Company's RSUs are deemed to be participating securities; therefore, the Company applies the two-class method for the calculation of basic EPS for the Class A shares. Diluted EPS attributable to Class A shares is calculated under both the two-class and the treasury stock method, and the more dilutive of the two calculations is presented.

Class B shares are considered potentially dilutive of Class A shares because Class B shares are convertible into Class A shares on a one-for-one basis; therefore, the Company applies the if-converted method for the calculation of diluted EPS for the Class A shares.

The Company determined that the presentation of EPS for the period prior to the IPO would not be meaningful due to the significant nature of the change to our capital structure as part of the IPO.

The following table sets forth the computation of basic and diluted EPS attributable to our Class A shares for the period from May 15, 2026 to June 30, 2026, which represents the period subsequent to the IPO.

		Period from May 15, 2026 to June 30, 2026
Numerator		
Net income (loss) subsequent to IPO		(39,797)
Less: Net income (loss) attributable to noncontrolling interest		(32,235)
Net income (loss) attributable to EagleRock Land, LLC		**(7,562)**
Denominator		
Weighted average shares outstanding		**26,374,967**
Net income (loss) per Class A share, basic and dilutive	**$**	**(0.29)**

For the period from May 15, 2026 through June 30, 2026, 105,164,311 Class B shares were evaluated under the if-converted method and weighted average RSUs of 135,136 were evaluated under the treasury stock method for potentially dilutive effects. The Class B shares and RSUs were determined to be anti-dilutive for the period presented due to the Company being in a net loss position for the period presented, and have therefore been excluded from the computation of diluted net loss per share.

13. Commitments and Contingencies

From time to time the Company enters into certain commitments in the normal course of business and is a party to litigation or other legal proceedings that the Company considers to be part of the ordinary course of business. The Company is currently not involved in any legal proceedings that it considers probable or reasonably possible, individually or in aggregate, to result in a material adverse effect on its financial condition, results of operations or liquidity.

14. Subsequent Events

Long Term Incentive Plan. On July 9, 2026, the Board authorized the Company’s Chief Executive Officer to grant up to an additional 405,405 restricted stock units (“RSUs”) to current and future employees and service providers of the Company (other than executive officers). As of August 13,2026, 1,216,216 restricted stock units have been authorized under the LTIP. As of August 13, 2026, 954,045 RSUs have been granted to certain non-executive employees and service providers under the LTIP.

IPO Bonus Settlement. In July 2026, the Company issued 1,899,571 Class A shares to certain members of management in settlement of 3,100,001 previously granted shares, net of 1,200,430 shares withheld to satisfy employee tax withholding obligations. In connection with the settlement, the Company paid $27.8 million in cash for tax withholding obligations, of which $1.0 million related to employer payroll taxes and $26.8 million was recorded as a reduction to additional paid-in capital.

Related Party Transactions. On August 3, 2026 and August 4, 2026, the Company paid approximately $8.4 million and $7.3 million, respectively, toward the reimbursement payable to certain related parties in connection with the DE Flow Contribution and Shallow Valley Contribution. The amount paid in connection with the Shallow Valley Contribution was inclusive of an additional $0.3 million due to the related party as of August 3, 2026. Additionally, on July 10, 2026, the Company paid approximately $9.0 million to a related party to settle allocated balances related to Hydrosource Distribution.

EagleRock-Intrepid Acquisition. On August 10, 2026, the Company acquired from Hydrosource, a related party, the assets Hydrosource had acquired in the Intrepid Acquisition, including approximately 22,000 fee surface acres, 28,000 federal grazing lease acres, and the related water rights, contracts and permits, for total consideration of approximately $78.2 million (the “EagleRock-Intrepid Acquisition”). The transaction was funded with borrowings under the Credit Facility of approximately $80.0 million. Based on its preliminary assessment, the Company expects that substantially all of the fair value of the gross assets acquired will be concentrated in a single identifiable asset or group of similar identifiable assets and, accordingly, that the EagleRock-Intrepid Acquisition will be accounted for as an asset acquisition rather than a business combination. The Company has not completed this assessment, and its final determination may differ. Total consideration, including direct transaction costs that will be capitalized as a component of the cost of the assets acquired, will be allocated to the individual assets acquired on the basis of their relative fair values. Because the EagleRock-Intrepid Acquisition is expected to be accounted for as an asset acquisition, no goodwill will be recognized. The Company has not yet completed its determination of the relative fair values of the assets acquired and expects to complete that determination in connection with the preparation of its financial statements for the third quarter of 2026. Because the EagleRock-Intrepid Acquisition closed after June 30, 2026, the assets acquired and the related borrowings are not reflected in the Company's condensed consolidated balance sheets

as of June 30, 2026. The EagleRock-Intrepid Acquisition and the related borrowings will be initially recorded in the Company's condensed consolidated financial statements for the third quarter of 2026.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis of our financial condition and results of operations is based on, and should be read in conjunction with, our Financial Statements and notes thereto in Part I, Item 1. "Financial Statements" of this Quarterly Report. The forward-looking statements are dependent upon events, risks and uncertainties that may be outside our control. Factors that could cause or contribute to such differences include, but are not limited to, market prices for oil and natural gas, production volumes, economic and competitive conditions, regulatory changes and other uncertainties, as well as those factors discussed below and elsewhere in this Quarterly Report, particularly in the sections titled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements," all of which are difficult to predict. In light of these risks, uncertainties and assumptions, actual results may differ materially from those contained in our forward-looking statements. We assume no obligation to publicly update any of these forward-looking statements except as otherwise required by applicable law.

The historical financial information prior to May 15, 2026 in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" reflects only the historical financial results of the Predecessor and does not give pro forma effect to the DE Flow Contribution, the Shallow Valley Contribution, the Up-C Reorganization (as defined herein), or the IPO (as defined herein), each of which is described further below. Each of the DE Flow Contribution, the Shallow Valley Contribution, the IPO and the other transactions in the Corporate Reorganization (as defined herein) is reflected in the historical financial information in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" solely from and after its respective date of completion.

Overview

We are a land management company that owns or controls approximately 286,000 acres in the heart of the Delaware and Midland sub-basins within the prolific Permian Basin. In addition, we have an interest in up to approximately 70,000 acres pursuant to an acreage dedication related to our Midland Basin water infrastructure assets. Our acreage is vital to the efficient development of oil and natural gas resources in the Permian Basin and is strategically located to support the growing surface, resource, infrastructure and related commercial development needs of the power and other emerging industries in the Permian Basin. We do not own the oil and gas mineral interests that underlie our surface acreage.

Our assets are situated in the most active oil and natural gas development and production areas in Texas and New Mexico. The Permian Basin is regarded as the premier region for upstream development due to its prolific remaining resource, low break-even costs and robust network of service and infrastructure companies that support upstream activity. The depth and quality of the remaining resource has attracted large, public and well-capitalized producers who have largely consolidated the core of the Midland and Delaware sub-basins. In turn, the abundance of economic and highly reliable energy has underpinned a number of emerging industries within the Permian Basin, including traditional and renewable power generation, transmission and storage and data centers.

Recent Developments

Initial Public Offering

In the IPO, we issued 17,300,000 Class A shares at a price to the public of $18.50 per Class A share. In addition, we granted the underwriters a 30-day option to purchase up to an additional 2,595,000 Class A shares at the public offering price, less underwriting discounts and commissions, which the underwriters exercised in full on May 16, 2026. The Class A shares began trading on the New York Stock Exchange and NYSE Texas, Inc. under the ticker symbol "EROK" on May 14, 2026, and the IPO closed on May 15, 2026. The underwriters' option closed on May 19, 2026.

We received net proceeds from the IPO, including the underwriters' option, of approximately $334.2 million, net of underwriting discounts and offering expenses. We contributed all of the net proceeds from the IPO to OpCo in exchange for newly issued OpCo Units at a per-unit price equal to the per-share price paid by the underwriters for our Class A shares in the IPO. OpCo used a portion of the net proceeds from the IPO to repay in full and terminate the Predecessor Credit Facility and intends to use the remainder for general corporate purposes.

Corporate Reorganization

We were formed as a Texas limited liability company by the Predecessor on December 1, 2025. We have elected to be treated as a corporation for U.S. federal income tax purposes. We did not conduct any material business operations prior to the completion of the Corporate Reorganization, other than certain activities related to the IPO.

Following the Corporate Reorganization, we are the sole managing member of OpCo, we are responsible for all operational, management and administrative decisions relating to OpCo's business and we consolidate the financial results of OpCo and its subsidiaries. OpCo owns all of the outstanding membership interests in our operating subsidiaries and operates our assets through these various subsidiaries.

Concurrently with the closing of the IPO, the following transactions (the "Corporate Reorganization") occurred, in substantially the following order:

- OpCo was formed by us;
- Each of the Predecessor, the existing owners of the Shallow Valley Ranch (the "Shallow Valley Owners") and Double Eagle IV Midco, LLC ("Double Eagle" and collectively, with the Predecessor and the Shallow Valley Owners, the "Existing Owners") contributed cash to us in exchange for a total of 109,724,999 Class B shares;
- The Predecessor contributed all of its subsidiaries to OpCo in exchange for 42,716,738 OpCo Units and OpCo's assumption of the Predecessor Credit Facility.
- Each of the Shallow Valley Owners and Double Eagle contributed certain of their subsidiaries to OpCo in exchange for a total of 21,134,331 OpCo Units and 45,873,930 OpCo Units, respectively;
- Each of the Company's and OpCo's operating agreements was amended and restated to facilitate the IPO (the transactions set forth in this and the second bullet point above being the "Up-C Reorganization");
- Pursuant to a Warrant Exercise Agreement (the "Warrant Exercise Agreement"), each holder of warrants of the Predecessor (including funds and accounts managed by TCW Asset Management Company LLC, CCLF Holdings (D41) LLC and AWC Aqua, LLC (collectively, the "TCW Entities" and such warrants, the "Predecessor Warrants")) exercised a portion of its Predecessor Warrants (the "Exercised Warrants") and forfeited the remaining portion, which were irrevocably cancelled, immediately following which (i) the Predecessor distributed 14,939,952 OpCo Units and a corresponding number of Class B shares to the TCW Entities in redemption of the units of itself received in respect of the Exercised Warrants, (ii) each warrant agreement between the Predecessor and the TCW Entities was terminated and (iii) certain of such TCW Entities (the "Rollover TCW Entities") merged with one or more newly formed subsidiaries of the Company and received one Class A share in exchange for each OpCo Unit (and Class B share) it held, or an aggregate 4,560,688 Class A shares;
- We issued 17,300,000 Class A shares in the IPO to the public, representing 100% of the economic rights in the Company, in exchange for the net proceeds of the IPO at a price of $18.50 per Class A share;
- We contributed all of the net proceeds from the IPO to OpCo in exchange for a number of OpCo Units equal to the number of Class A shares issued in the IPO; and
- OpCo used the net proceeds from the IPO as described above under "Initial Public Offering."

For more information regarding the Corporate Reorganization, please see "Corporate Reorganization" in the Prospectus.

Recent Acquisitions

On May 15, 2026, concurrently with the closing of the IPO, Double Eagle completed the DE Flow Contribution, contributing its interests in DE Flow, including the DE Flow System, to OpCo in exchange for 45,873,930 OpCo Units and a corresponding number of Class B shares. The DE Flow System consists of a fully integrated water management system, saltwater disposal wells, water sourcing and delivery pipelines and recycling facilities, and is capable of handling up to approximately 400 MBbls/d of produced water. The DE Flow Contribution was accounted for as a business combination under ASC 805.

On May 15, 2026, concurrently with the closing of the IPO, the Shallow Valley Owners completed the Shallow Valley Contribution, contributing their interests in the entities that own Shallow Valley Ranch, which includes approximately 41,000 surface acres in the Midland Basin and associated assets, to OpCo in exchange for 21,134,331 OpCo Units and a corresponding number of Class B shares. The Shallow Valley Contribution was accounted for as a business combination under ASC 805.

On June 17, 2026, the Company completed the Pitcock Ranch Land Acquisition, acquiring approximately 642.8 fee surface acres and the related water-handling accessories, including a frac pit, submersible pumps, pressure tanks, corrals and gates, from Jerrod Pitcock, an individual , for total cash consideration of approximately $2.0 million. The transaction was funded with cash on hand, and no third-party or related-party debt was incurred in connection with the Pitcock Ranch Land Acquisition. The Pitcock Ranch Land Acquisition was accounted for as an asset acquisition under ASC 805.

On August 10, 2026, the Company completed the EagleRock-Intrepid Acquisition acquiring from Hydrosource the assets Hydrosource had acquired in the Intrepid Acquisition, including approximately 22,000 fee surface acres, 28,000 federal grazing lease acres, and the related water rights, contracts and permits, for total consideration of approximately $78.2 million. The transaction was funded with borrowings under the Credit Facility of approximately $80.0 million.

Material Agreements

On May 4, 2026, certain subsidiaries of the Predecessor entered into the Sixth Amendment to the Predecessor Credit Facility (the "Sixth Amendment"). The Sixth Amendment, among other things, (i) provided the lenders' consent to the IPO, (ii) effected the joinder of OpCo as the new parent under the Predecessor Credit Facility, (iii) released Hydrosource and the Predecessor from their obligations thereunder, with the Fifth Amendment Term Loans (as defined in the Sixth Amendment) being transferred to a separate credit agreement, and (iv) required the establishment of a segregated account with a minimum balance of $270.0 million to be funded from the IPO proceeds. The Predecessor Credit Facility was subsequently repaid in full and terminated following the closing of the IPO.

On May 4, 2026, OpCo entered into the Credit Facility with JPMorgan Chase Bank, N.A. as administrative agent, and the lenders party thereto providing for a $200.0 million revolving credit facility. See "—Key Factors Affecting Comparability and our Results of Operations—EagleRock Credit Facility" for additional information regarding the terms of the Credit Facility. The Effective Date (as defined in the Credit Facility) of the Credit Facility occurred on June 8, 2026.

In connection with the completion of the IPO, OpCo entered into the following material agreements with affiliates of our Existing Owners relating to the use of our land and our resources:

- The DE Flow WSMA, governing royalty revenue arrangements with respect to the DE Flow System, with (i) an initial term of 10 years, (ii) a royalty equal to 90% of the net proceeds (gross revenues less costs associated with operating the system) generated by the assets operated by DEF Operating, LLC ("DEF Operating"), (iii) a minimum annual royalty of $40.0 million for the first five years of the initial term and $10.0 million for the last five years of the initial term, and (iv) support from an acreage dedication of up to approximately 70,000 acres related to our Midland Basin water infrastructure assets. Pursuant to a put option agreement between Double Eagle and Hydrosource, Double Eagle has the right to sell, and Hydrosource has the obligation to purchase, DEF Operating if Double Eagle undergoes certain change of control events or at any time following five years from the date of the IPO; and

- The Hydrosource Recycling Agreement, governing royalty revenue arrangements with respect to recycled water activities on our land, with (i) an initial term of 10 years, (ii) a royalty equal to 31% of the gross selling price for each barrel of recycled water stored, treated, processed, recycled, disposed, purchased or sold on our land by Hydrosource less applicable taxes, (iii) a royalty equal to 5% of the gross selling price for each barrel of recycled water sold in New Mexico off our land (for a two-year period from the effective date of the agreement), (iv) a $0.04 per barrel transit tariff for volumes of produced water or recycled water transported across our land solely for purposes of transit to a facility located outside of our land, (v) a royalty equal to 50% of the gross selling price received by Hydrosource less the amount paid to the supplier for produced water sourced pursuant to the Hydrosource Recycled Water Supply Agreement, (vi) Hydrosource's payment of 50% of the gross revenue received from the sale of skim oil recovered from the facilities or other operations on our land, (vii) a five-year minimum royalty commitment of $5.0 million per year and (viii) Hydrosource's two-year exclusive option to develop a solid waste facility on our land.

For more information regarding foregoing agreements, please see "Certain Relationships and Related Party Transactions" in the Prospectus filed with the SEC.

Other Recent Developments

On July 9, 2026, the Board authorized the Company's Chief Executive Officer to grant up to an additional 405,405 restricted stock units ("RSUs") to current and future employees and service providers of the Company (other than executive officers). As of August 13,2026, 1,216,216 restricted stock units have been authorized under the LTIP. As of August 13, 2026, 954,045 RSUs have been granted to certain non-executive employees and service providers under the LTIP.

In July 2026, the Company issued 1,899,571 Class A shares to certain members of management in settlement of 3,100,001 previously granted shares, net of 1,200,430 shares withheld to satisfy employee tax withholding obligations. In connection with the settlement, the Company paid $27.8 million in cash for tax withholding obligations, of which $1.0 million related to employer payroll taxes and $26.8 million was recorded as a reduction to additional paid-in capital.

On August 3, 2026 and August 4, 2026, the Company paid approximately $8.4 million and $7.3 million, respectively, toward the reimbursement payable to certain related parties in connection with the DE Flow Contribution and Shallow Valley Contribution. The amount paid in connection with the Shallow Valley Contribution was inclusive of an additional $0.3 million due to the related party as of August 3, 2026. Additionally, on July 10, 2026, the Company paid approximately $9.0 million to a related party to settle allocated balances related to Hydrosource Distribution.

Market Condition and Outlook

Over the last several years, the global economy and the oil and natural gas industry have experienced considerable volatility driven by macroeconomic and geopolitical factors, including global conflicts, ongoing ambiguity surrounding tariffs and international trade policies, domestic political developments, elevated inflation and higher interest rates and costs of capital. More recently, the war in the Middle East involving the U.S., Israel and Iran, as well as other countries in the region, the situation in Venezuela, OPEC+ actions and evolving global supply-demand fundamentals have driven significant volatility in commodity prices. From December 31, 2024 to December 31, 2025, average WTI oil prices decreased approximately 14.7%, while average Henry Hub natural gas prices increased approximately 60.2%. During the first quarter of 2026, escalation of the conflict in the Middle East and related disruptions to global shipping routes caused oil prices to rise sharply, with the WTI posted price exceeding $94.0 per barrel as a result of production shut-ins, shipping interruptions and other uncertainties. As of June 30, 2026, the WTI posted price has retreated to approximately $70.6 per barrel.

The situation in the Middle East remains volatile, and oil and natural gas prices may continue to fluctuate significantly, which may affect customer activity levels on our land. Prices at levels supportive of development activity could result in increased development in the Permian Basin, where our acreage and assets are located. However, sustained higher crude oil prices could contribute to general cost inflation, which could adversely impact our profitability to the extent we are unable to timely pass such cost increases through to our customers. General cost inflation could adversely impact our customers’ profitability and, in turn, their willingness to conduct development activity on our acreage. Conversely, a sustained resolution of the conflict, a continued recovery of regional shipping or new sources of crude oil supply becoming available could also result in lower crude oil prices and reduced activity levels of customers on our acreage.

Despite this volatility, we believe the outlook for energy and infrastructure development in the Permian Basin remains favorable. We do not produce or sell oil or natural gas and do not own mineral or royalty interests, and accordingly we have no direct exposure to commodity prices. Our revenue is derived from surface use royalties and easements, commercial and industrial surface leases, brackish water sales, produced water royalties, materials sales and other resource-based arrangements on and across our surface acreage. The pricing under these arrangements is not indexed to oil or natural gas prices, and a substantial portion of our revenue is generated under contracted or recurring arrangements. Commodity prices affect our business principally to the extent they influence the level of development and infrastructure activity conducted by our customers on our land, and we expect activity across our acreage to be supported across a range of commodity price environments.

We also expect a number of trends to support continued investment in the Permian Basin. The focus on domestic energy independence is promoting continued activity in the U.S., and U.S. energy policy developments, including Executive Orders promoting domestic energy production through expedited infrastructure approvals and reduced barriers to resource development, may further support investment and operational activity in the Permian Basin. At the same time, federal incentives for alternative and renewable energy technologies, together with growing demand for power generation, data centers and other digital infrastructure, may accelerate the broader energy transition and create additional demand for large, contiguous tracts of land. Many of these emerging energy and infrastructure initiatives, similar to traditional oil and gas development, require substantial surface acreage and related infrastructure, positioning companies with significant land and infrastructure assets, such as us, to benefit from both traditional and emerging energy sources.

Second Quarter Results

Significant financial and operating highlights for the quarter ended June 30, 2026 and 2025 include:

- Total revenues of $41.5 million, an increase of 74.0% as compared to the second quarter of 2025;
- Net loss of $37.5 million, compared to a net loss of $70.8 million in the second quarter of 2025;
- Net loss margin of 90.4%, compared to a net loss margin of 296.7% in the second quarter of 2025;
- Loss from operations of $53.2 million, compared to income from operations of $5.3 million in the second quarter of 2025
- Adjusted EBITDA(1) of $29.8 million, an increase of 145.9% as compared to the second quarter of 2025;
- Adjusted EBITDA Margin(1) of 71.8%, compared to 50.8% in the second quarter of 2025;
- Free Cash Flow(1) of $22.4 million, compared to $(0.2) million in the second quarter of 2025; and
- Free Cash Flow Margin(1) of 54.0%, compared to -0.8% in the second quarter of 2025.

(1) Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow and Free Cash Flow Margin are non-GAAP financial measures. See ”Non-GAAP Financial Measures” for more information regarding these non-GAAP financial measures along with reconciliations to the most comparable measures calculated and presented in accordance with GAAP.

Net loss for the second quarter of 2026 includes non-cash share-based compensation expense of $61.5 million, of which $4.1 million is attributable to RSUs issued by the Company and $57.4 million is attributable to Class A shares issued to certain members of management upon completion of our IPO. See Note 2 - *Summary of Significant Accounting Policies* and Note 10 - *Share-Based Compensation* to our unaudited condensed consolidated financial statements for additional information.

How We Generate Revenue

We generate revenue from multiple sources, including the use of our surface acreage, the sale of water and other resources from our land and royalties from our integrated water management system. The fees, royalty rates, payment structures and other commercial terms under our contracts are negotiated individually, reflecting the specific surface use, type of resource development, anticipated operational intensity and expected production or extraction volumes associated with each agreement. Further, the amount and composition of revenue we receive from a particular customer may vary significantly from period to period based on the nature, timing and scope of that customer’s activities on our land. We are focused on actively growing revenue from the use of our surface acreage and the sale of resources from our land. We believe that our largely fee-based surface use agreements (each an “SUA”), as well as our strong base of royalty fees, support cash flow stability through commodity price cycles.

The table below summarizes revenues on a historical basis for the periods indicated:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	2026	2025	2026	2025
Resource sales	$ 28,227	$ 19,724	$ 47,306	$ 24,663
Surface use related revenues	5,851	3,181	9,033	5,166
Surface use royalties	7,448	958	8,242	1,102
Total revenues(1)	$ 41,526	$ 23,863	$ 64,581	$ 30,931

(1) Refer to the table below in "How We Evaluate Our Operations" for a breakout of the above revenue items between third-party and related-party amounts.

In the early stages of a customer’s development program, we typically generate usage-based fees and other revenues related to the installation of infrastructure required to support long-term operations. As development progresses, these revenues generally transition toward royalty or lease revenues and resource sales based on the customer’s ongoing use of our land and the extraction of resources to support its oil and gas development activities.

The following table summarizes our revenue streams:

Resource sales	Water sales based on a fee per barrel and caliche sold to customers at a fixed fee per cubic yard
Surface use royalties	Royalties from produced water takeaway, transportation and disposal, and transportation and sale of recycled water, based on use of our assets
Surface use related revenues	Surface lease and fees based on fixed fees and rates for a variety of activities

Resource Sales

Under our SUAs, we supply water to upstream operators primarily for use in their well completions in exchange for a per barrel fee. These fees are negotiated and vary depending on the delivery point. Our SUAs provide us with the exclusive right to supply water and certain resources to support an operator’s completion activities on certain parts of our acreage at a negotiated fixed fee per barrel. Similarly, our customers are required to purchase caliche from us for the construction of access roads and well pads for which we receive a fixed-fee per cubic yard of caliche extracted from our surface acreage as stipulated in such SUAs.

Surface Use Related Revenues

We receive fees when customers use our surface acreage. Under our SUAs, we charge customers fees for land activity, including the construction of well pads, wellbores, central tank batteries, existing and new roads, electrical infrastructure, buried pipelines, and reuse and frac ponds. Under our SUAs, we also generate revenue from the use of easements and rights-of-way by our customers, as well as from surface damage fees, mining revenues, and cattle sales. Additionally, we lease certain portions of our land to customers.

Surface Use Royalties

Under our SUAs, we receive a royalty based on a percentage of gross revenue derived from the use of our land and/or volumetric use of infrastructure installed on our land in exchange for rights of use of our land, one-time or annual payments and additional fees at each renewal period. We typically receive royalties from such operations under our SUAs throughout the lifecycle of our customers' activities on our land. Surface use royalties include royalties from certain saltwater disposal wells ("SWDs") on and off our ranches and lease payments with a base rate from use of our subsurface pore space, third-party sales of recycled water, development and use of drilling sites, new and existing roads, pipeline easements and electric transmission easements.

Under the Produced Water Recycling Rights Agreement (the "Hydrosource Recycling Agreement") with Hydrosource Logistics, LLC ("Hydrosource") that was entered into in connection with the IPO, we receive a royalty for each barrel of recycled water Hydrosource sells on our land and within certain designated areas outside of our land, and Hydrosource is required to generate minimum annual royalty revenue of $5.0 million from its activities during the initial five years of the agreement. The Company and Hydrosource have access to supplemental off-ranch water (either recycled or brackish water), and the Company's surface pipeline has the capacity to move approximately 100 MBbls/d, or approximately 36.5 MMBbls per year, of off-ranch water from Texas to its land in New Mexico. Under the Hydrosource Recycling Agreement, we may designate to Hydrosource the rights to manage certain of our customers' brackish water demand for which we would expect to receive a royalty payment. Additionally, Hydrosource has a long-term agreement that provides it with access to up to 3 MMBbls/d of produced water for treatment and recycling within certain designated areas in the Permian Basin (the "Hydrosource Recycled Water Supply Agreement").

Additionally, pursuant to the Water System Management Agreement ("DE Flow WSMA") with DEF Operating that was entered into in connection with the IPO, we receive revenue from our integrated water infrastructure system in the Midland Basin, which is operated by DEF Operating, an affiliate of Double Eagle Energy Holdings IV, LLC. The operating costs and maintenance expenses of these water infrastructure assets, which include produced water gathering systems, SWDs, water sourcing and delivery pipelines and recycling facilities, are primarily borne by DEF Operating, with minimal operating costs or capital expenditures borne by us.

Our revenues may fluctuate materially from period to period due to variations in producer activity on and around our land, the introduction of new revenue streams, movements in commodity prices, changes in production volumes and the execution of our acquisition strategy, among other factors. Because our business is closely tied to the operational decisions of our customers, shifts in their development plans directly affect our revenue profile and periods of sustained oil and natural gas price declines have historically led customers to reduce activity levels, which would adversely impact our revenues. We expect to evaluate and pursue opportunities to expand and diversify our revenue base, including potential projects related to solar power generation, energy storage, water treatment and desalination, fueling infrastructure, data centers, telecommunications assets and other complementary uses of our land, although there can be no assurance that these initiatives will be successful or that any resulting revenues will materially diversify our overall revenue mix. In addition, we have grown our revenues, Adjusted EBITDA and cash flow through strategic acquisitions, customer pricing and volume improvements enabled by our ability to consolidate acreage with significant oil and gas development activity, and by working collaboratively with customers on and around our controlled surface acreage to sign new agreements and promote increased use of our land and resources. Our ability to source new commercial opportunities for assets we own or have acquired has contributed to strong financial results, and our business model and significant free cash flow generation continue to be underpinned by low or no capital expenditures with minimal operating costs and employee headcount. In addition, our long-term contracts provide predictable, stable cash flows that are protected from commodity price fluctuations.

Costs of Conducting our Business

Our costs consist primarily of the cost of sales and general and administrative expenses. Our business model and significant free cash flow generation continue to be underpinned by low or no capital expenditures with minimal operating costs and headcount. Our principal costs are as follows:

Cost of Sales. Cost of sales consists primarily of expenses incurred to manage our land and its resources, which include our field personnel's compensation and related benefits, third-party water purchases, water treatment and handling costs, including cost of repairs and maintenance of ancillary water storage facilities and costs associated with compliance with our leased land obligations. These costs generally fluctuate with changes in volumes and activity levels of our customers. Water sourced from our water wells typically has insignificant lifting costs associated with the pumping and logistics of the water resources. In certain instances, we source and purchase supplemental water from other third parties to meet our incremental customer demands. We pass through the costs of our third-party sourced water and handling costs to our customers at cost plus a markup.

General and Administrative Expenses. General and administrative expenses consist primarily of corporate personnel costs, including salaries, bonuses, service fees, payroll taxes, employee-related insurance, and share-based compensation. These expenses also include professional services such as legal, consulting and accounting fees, as well as information technology and software costs that support our corporate functions. Office-related expenses, such as rent, office equipment rentals, supplies, communications, bank charges and dues and subscriptions, represent an additional component of our administrative cost structure. We also incur various commercial insurance costs, including general liability, directors and officers insurance, umbrella liability, workers' compensation, auto insurance and property insurance, along with other corporate overhead, such as marketing, travel, meals, vehicle lease expenses and miscellaneous administrative expenses. These costs reflect the resources required to manage our business, comply with regulatory and public company requirements and support the organizational infrastructure needed to execute our strategic objectives. Share-based compensation expense includes shares issued to certain members of management upon the completion of the IPO ("IPO Bonuses"), which are equity-classified awards and measured at fair value on the grant date, and RSUs issued under our long-term incentive plan ("LTIP"), which are recorded on grant date at fair value. See "Key Factors Affecting Comparability and Our Results of Operations—Long-Term Incentive Plan" below and Note 10—*Share-Based Compensation* to our unaudited condensed consolidated financial statements for additional information regarding share-based compensation.

How We Evaluate Our Operations

We use a variety of financial and operational metrics to assess the performance of our business.

(in thousands)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Statement of Operations Data:				
Revenues				
Resource sales	$ 28,202	$ 19,215	$ 47,155	$ 24,154
Resource sales - related party	25	509	151	509
Surface use related revenues	5,851	3,181	9,033	5,166
Surface use royalties	1,440	958	2,234	1,102
Surface use royalties - related party	6,008	—	6,008	—
Total revenues	**41,526**	**23,863**	**64,581**	**30,931**
Costs and Expenses				
Cost of sales (exclusive of depreciation and amortization)	6,103	7,722	10,960	9,608
Related party cost of sales	2,564	2,504	5,425	3,627
General and administrative expense	75,731	3,709	80,319	4,720
Related party general and administrative expense	—	212	6	231
Depreciation and amortization expense	10,275	4,445	14,866	5,838
Loss (gain) on sale of property, plant and equipment, net	9	—	9	30
Gain on investment in sales-type lease	—	—	(3,275)	—
Total operating expenses	94,682	18,592	108,310	24,054
Income (loss) from operations	**(53,156)**	**5,271**	**(43,729)**	**6,877**
Other expense (income)				
Interest expense	4,812	6,068	10,646	8,783
Loss (gain) on extinguishment of debt	(20,352)	70,001	(20,352)	70,001
Total other expense (income)	(15,540)	76,069	(9,706)	78,784
Income (loss) before income taxes	(37,616)	(70,798)	(34,023)	(71,907)
Income tax expense (benefit)	(80)	—	150	—
Net income (loss)	**$ (37,536)**	**$ (70,798)**	**$ (34,173)**	**$ (71,907)**
Net income (loss) Margin	(90.4)%	(296.7)%	(52.9)%	(232.5)%
Statement of Cash Flows Data:				
Net cash provided by (used in):				
Operating activities	$ 248	$ 17,214	$ (2,166)	$ 17,401
Investing activities	$ (65,203)	$ (200,400)	$ (63,938)	$ (204,485)
Financing activities	$ 122,609	$ 196,535	$ 118,836	$ 200,368
Operating cash flow margin	0.6%	72.1%	(3.4)%	56.3%
Supplementary Non-GAAP Financial and Operating Data:				
Adjusted EBITDA[(1)]	$ 29,833	$ 12,131	$ 43,655	$ 15,349
Adjusted EBITDA Margin[(1)]	71.8%	50.8%	67.6%	49.6%
Free Cash Flow[(1)]	$ 22,433	$ (195)	$ 26,884	$ (152)
Free Cash Flow Margin[(1)]	54.0%	-0.8%	41.6%	-0.5%
Total Water Volumes (MMBbls)[(2)]	48.2	26.2	72.0	34.5
Selected Balance Sheet Data (at end of period):			**June 30, 2026**	**December 31, 2025**
Cash and cash equivalents			$ 61,770	$ 9,042
Total assets			$ 1,796,183	$ 282,010
Non-current liabilities			$ 14,721	$ 306,594
Total liabilities			$ 58,407	$ 323,725
Total equity			$ 1,737,776	$ (41,715)

(1) See ”Non-GAAP Financial Measures” for a reconciliation of these measures to the nearest financial measures calculated and presented in accordance with GAAP.

(2) See ”Total Water Volumes” below for more information on the use of this metric.

Revenue

Revenue is a key performance indicator for our business. We monitor realized revenue on a monthly, quarterly and annual basis and compare these results to our internal forecasts and budgets. This analysis helps us validate, and when necessary, update, our assumptions regarding the macroeconomic factors influencing our business, the mix of contracts affecting average unit-level revenues, and the level of development activity and commodity pricing associated with our E&P customers, independent of the impact of our operating costs.

Total Water Volumes

Total water volumes sold or handled are an important revenue driver for our business. We generally charge a fixed per-barrel fee for water sales and receive royalties for water activity under the Hydrosource Recycling Agreement and the DE Flow WSMA. Our SUAs provide us with the exclusive right to supply water and certain resources to support an operator's completion activities on certain parts of our acreage. Revenue increases as total water volumes sold or handled increase, and these volumes are an indicator of activity on our land, which can be driven by our customers' drilling and completion schedules. We believe this metric is useful because our revenues increase as total water volumes sold or handled increase. In addition, water volumes are an indicator of activity on our land and give visibility into our customers' drilling and completion schedules, which influence our financial performance.

Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA and Adjusted EBITDA Margin are used by our management and by external users of our Financial Statements, such as investors, research analysts and others, to assess the financial performance of our assets over the long term to generate sufficient cash to return capital to equity holders or service indebtedness and to evaluate our performance relative to our peers. For more information regarding Adjusted EBITDA and Adjusted EBITDA Margin, including reconciliations to the most comparable measures calculated and presented in accordance with GAAP, please read "Non-GAAP Financial Measures."

Free Cash Flow and Free Cash Flow Margin

Free Cash Flow and Free Cash Flow Margin are used by our management and by external users of our Financial Statements, such as investors, research analysts and others, to assess our ability to repay our indebtedness, return capital to our shareholders, fund potential acquisitions without access to external sources of financing for such purposes and to evaluate our performance relative to our peers. For more information regarding Free Cash Flow and Free Cash Flow Margin, including reconciliations to the most comparable measures calculated and presented in accordance with GAAP, please read "Non-GAAP Financial Measures."

Key Factors Affecting Comparability and our Results of Operations

Our results of operations may not be comparable to the historical results of our Predecessor for SEC reporting purposes, including for results of operations for the periods presented, primarily for the reasons described below and those described in "*-Recent Developments.*"

Dependence on Hydrocarbon Activity and Commodity Prices

Our results of operations are substantially dependent on the level of oil and natural gas exploration, development and production activity on and around our surface acreage in the Permian Basin, including our properties in the Delaware Basin in New Mexico and the Midland Basin in Texas, which activity is significantly influenced by prevailing and expected commodity prices. Although we are not an E&P company and have limited physical operations, we primarily generate revenues from surface use fees, easements and rights-of-way, resource sales, such as brackish water and caliche, and royalties associated with third-party development and infrastructure on or adjacent to our lands, rather than by operating drilling or midstream assets. As a result, any sustained reduction in operator activity on or around our lands could materially reduce our revenues, earnings and cash flows. Periods of lower commodity prices may cause operators to curtail drilling and completion programs, defer or renegotiate commercial arrangements or surrender leases, any of which could reduce demand for surface access, water and other resources sourced from our lands and diminish volumetric royalties tied to produced-water handling and disposal, thereby adversely affecting our ability to realize anticipated revenues from our existing asset base. While certain arrangements, such as our Hydrosource Recycling Agreement and DE Flow WSMA, which include minimum annual royalty revenues, can partially mitigate volume risk, these features do not eliminate our exposure to reduced activity levels, delays or cancellations driven by commodity price weakness or volatility.

Our ability to grow also depends on continued demand for access to our lands and associated surface rights by E&P operators, midstream providers and other energy and infrastructure users, which demand is closely linked to commodity price expectations, industry capital spending and basin-level capital allocation. If oil and natural gas prices remain depressed or volatile for an extended period, or if operators reallocate capital away from the Delaware or Midland Basins where our properties are concentrated, we could experience slower growth in new surface-use arrangements, reduced renewals or expansions of existing agreements and intensified competition for fewer development opportunities. In particular, throughput and related royalties from our Midland Basin integrated water management system (operated by DEF Operating and currently designed for peak handling capacity of approximately 400 MBbls/d) depend on producer activity levels and the pace of tie-ins. In addition, constraints such as pore-space availability, recycling and injection permitting, supply-chain delays or deferrals of drilling and completion schedules can limit volumetric growth and associated payments to us notwithstanding contractual protections. More broadly, because a substantial portion of our revenues are activity-linked, arising from surface use fees, rights-of-way and easements, water sales, produced-water transportation, recycling and disposal royalties and resource sales (including caliche), industry slowdowns can directly reduce the number, timing and scale of projects undertaken on our land, negatively affecting our results of operations and our ability to execute our growth strategy.

Public Company Costs

As a result of the IPO, we incurred incremental, non-recurring costs associated with our transition to a publicly traded and taxable entity. These transition-related expenses include IPO-related professional fees and other IPO costs, as well as the initial design, documentation, implementation and testing of enhanced internal controls over financial reporting under the Sarbanes-Oxley Act. We also incurred one-time investments in governance structures and policies, board and committee operations, director onboarding and training and upgrades to financial reporting, disclosure and compliance systems necessary to support public company requirements.

In addition to these non-recurring items, we expect to incur significant recurring costs as a public company. These ongoing expenses include SEC reporting and compliance obligations (including the preparation, review and filing of annual, quarterly and current reports), registrar and transfer agent fees, national securities exchange listing fees, recurring audit and legal fees, investor relations activities and related communications and increased director and officer liability insurance premiums and director compensation. We also expect to incur continuing costs to maintain and periodically test internal controls and disclosure controls and procedures, sustain cybersecurity and data privacy programs appropriate for a public company environment and retain external advisors to support technical accounting, tax compliance and other specialized governance and regulatory matters. These expenses are not included in our results of operations prior to the closing of the IPO.

We expect to hire additional employees and engage consultants, including accounting, finance, compliance, internal audit, tax and legal personnel, to support the operational, reporting and compliance requirements of being a publicly traded company. The timing and magnitude of these costs will vary based on the pace of our transition activities, evolving regulatory requirements and market practices, and could increase over time as our operations grow or as standards change. While we believe these investments are necessary to support our long-term strategy as a public entity, they will result in higher general and administrative expenses relative to historical periods.

Corporate Reorganization

We were formed solely to serve as the issuer in the IPO and have no previous operations, assets or liabilities. As a result, the historical consolidated financial statements and other historical financial information prior to May 15, 2026 included in this Quarterly Report are based on the results of the Predecessor prior to the Corporate Reorganization. Accordingly, the historical consolidated financial data may not give you an accurate indication of what our actual results would have been if the Corporate Reorganization had been completed at the beginning of the periods presented or of what our future results of operations are likely to be. See ”—Recent Developments — Corporate Reorganization.”

Following the Corporate Reorganization, we are a holding company and the sole managing member of EagleRock Land Operating, LLC (“OpCo”), consolidating OpCo for financial reporting purposes while initially reflecting a noncontrolling interest for limited liability company interests of OpCo (“OpCo Units”) not owned by us. Our structure is commonly referred to as an “Up-C,” in which public investors hold our Class A shares and thereby an indirect interest in OpCo, while our Existing Owners (as defined herein) and the TCW Entities (as defined herein) initially hold a majority of OpCo Units paired with our Class B shares representing limited liability company interests (“Class B shares”). Our and OpCo’s capital structures will generally mirror one another to maintain a one-for-one exchange ratio between OpCo Units and our Class A shares. Although organized as a limited liability company, we have elected to be taxed as a corporation for U.S. federal income tax purposes.

The timing and magnitude of redemptions or exchanges of OpCo Units for our Class A shares over time will change our relative economic interest in OpCo and the amount of noncontrolling interest reflected in our consolidated financial statements, which may affect the comparability of our future results to historical periods.

Acquisitions

Concurrently with the closing of the IPO, we consummated the Corporate Reorganization, through which we acquired significant surface acreage and water infrastructure assets that expanded our operating footprint and revenue-generating asset base. See “—Recent Developments — Corporate Reorganization” for more information on these acquisitions. These transactions were accounted for in accordance with applicable GAAP, which resulted in the recognition of identifiable intangible assets and property, plant and equipment of the accounting acquirees at fair value and included differences in the timing and classification of acquisition-related costs. As a result, our post-IPO results reflect a larger asset base and a different mix of revenues and expenses.

On June 17, 2026, we completed the Pitcock Ranch Land Acquisition through which we acquired surface acres and water infrastructure assets that expanded our operating footprint and revenue-generating asset base. See “—Recent Developments — Recent Acquisitions”

for more information on this acquisition. The transaction was accounted for in accordance with applicable GAAP, which resulted in the recognition of property, plant and equipment of the accounting acquirees at fair value.

On August 10, 2026, we completed the EagleRock-Intrepid Acquisition through which we acquired from Hydrosource, a related party, the assets Hydrosource had acquired in the Intrepid Acquisition, including approximately 22,000 fee surface acres, 28,000 federal grazing lease acres, and the related water rights, contracts and permits, for total consideration of approximately $78.2 million. The transaction was funded with borrowings under the Credit Facility of approximately $80.0 million. See "—Recent Developments — Recent Acquisitions" and Note 14 - *Subsequent Events* for more information on this acquisition. Based on its preliminary assessment, the Company expects that substantially all of the fair value of the gross assets acquired will be concentrated in a single identifiable asset or group of similar identifiable assets and, accordingly, that the EagleRock-Intrepid Acquisition will be accounted for as an asset acquisition rather than a business combination. We have not completed this assessment, and our final determination may differ.

These acquisitions impact the comparability of our results of operations across periods. In particular, we incurred changes in depreciation and amortization expense associated with the fair value step-up in the carrying value of the acquired assets (if applicable), incremental operating and maintenance costs tied to the acquired water infrastructure and changes in revenue composition and margins as utilization ramps and commercial terms across the combined asset base are harmonized. We may also incur one-time integration and transition-related expenses, including costs to align systems, processes and contracts; rationalize overlapping functions; and implement common safety, environmental and operational standards. Accordingly, results in periods following the Corporate Reorganization may not be comparable to our historical results.

We may pursue additional acquisitions of surface acreage and related infrastructure in the future where we believe opportunities are strategic and appropriately priced. Any such transactions could further affect period-to-period comparability due to changes in scale, asset mix, contract profile, capital structure and purchase accounting effects, and could require incremental integration efforts and costs. The timing, size, structure and financing of any acquisitions will depend on market conditions, availability of suitable targets and our capital allocation priorities.

EagleRock Credit Facility and Predecessor Credit Facility

On May 4, 2026, OpCo entered into a credit agreement (the "Credit Facility") with JPMorgan Chase Bank, N.A. as administrative agent, and the lenders party thereto. The Effective Date (as defined in the Credit Facility) of the Credit Facility was June 8, 2026. The Credit Facility provides for a senior secured revolving credit facility in an aggregate principal amount of up to $200.0 million, including a $10.0 million letter of credit sublimit, together with the ability to request increases in the commitments of up to an additional $100.0 million; provided that any such request for an increase must be in a minimum amount of $25.0 million and is limited to a maximum of four such requests. The Credit Facility and all borrowings thereunder will mature on June 8, 2031.

Borrowings under the Credit Facility bear interest at a rate per annum equal to, at the borrower's option, the Term SOFR Rate (as defined in the Credit Facility) or Daily Simple SOFR (as defined in the Credit Facility), plus an applicable margin ranging from 2.25% to 3.00%, depending on OpCo's Net Total Leverage Ratio (as defined in the Credit Facility). The Credit Facility includes a commitment fee on undrawn amounts ranging from 0.375% to 0.50%. The Credit Facility contains customary affirmative and negative covenants, as well as financial covenants requiring maintenance of a minimum Interest Coverage Ratio of 2.75:1.00 and a maximum Net Total Leverage Ratio of 3.50:1.00 (or 4.00:1.00 following a Material Permitted Acquisition (as defined in the Credit Facility)), and customary events of default. As of June 30, 2026, the Credit Facility was undrawn, with no letters of credit outstanding.

On June 3, 2026, OpCo repaid the entire balance of the Predecessor Credit Facility (as defined herein) with a cash payment of $269.1 million.

The paydown of the Predecessor Credit Facility and the subsequent entrance into the Credit Facility will result in a change in the amount of our outstanding indebtedness and a change in our borrowing costs relative to those of the Predecessor.

Long-Term Incentive Plan

In order to incentivize individuals providing services to us or our affiliates, our board of directors adopted an LTIP, which became effective upon the closing of the IPO, for employees and directors. Any individual who is our officer or employee or an officer or employee of any of our affiliates, and any other person who provides services to us or our affiliates, including our directors, are eligible to receive awards under the LTIP at the discretion of our board of directors or a committee thereof, as applicable. The LTIP provides for the grant, from time to time, at the discretion of our board of directors, or a committee thereof, of options, share appreciation rights, restricted shares, restricted share units, share awards, dividend equivalents, other share-based awards, cash awards, substitute awards and performance awards intended to align the interests of employees, directors and service providers with those of our shareholders. Our historical financial data may not present an accurate indication of what our actual results would have been if we had implemented the LTIP program at the beginning of the periods presented within this Quarterly Report.

Income Taxes

Prior to the IPO, we and our subsidiaries were primarily entities that were treated as partnerships for federal income tax purposes. Accordingly, there is no provision or accrual for income taxes for federal and state income tax purposes included in the Predecessor's financial statements attributable to the passthrough income. However, as a result of the corporate status of Desert Ram South, Inc. ("Desert Ram South") and Desert Ram South Ranch, Inc. ("DRSR"), the Company has historically accrued federal and state income taxes related to Desert Ram South's and DRSR's taxable earnings.

As a result of our predominately non-taxable structure historically, income taxes on taxable income or losses realized by the Predecessor were generally the obligation of the individual members or partners, with the exception of Desert Ram South and DRSR. Accordingly, the financial data attributable to the Predecessor contains no provision for U.S. federal income taxes or income taxes in any state or locality (other than as it relates to Desert Ram South and DRSR). Following closing of the IPO, although we are a limited liability company, we have elected to be taxed as a corporation and are subject to U.S. federal and state income taxes.

C-Store Sales-Type Lease

During the six months ended June 30, 2026, we recognized a non-recurring $3.3 million gain on net investment in sales-type lease related to the C-Store lease on our acreage upon completion of the construction and commencement of the lease. This gain is not expected to recur in future periods.

Results of Operations

Three Months Ended June 30, 2026 Compared to Three Months Ended June 30, 2025

	Three Months Ended June 30,		Variance	
(in thousands)	2026	2025	Amount	Percent
Revenues:				
Resource sales	$ 28,227	$ 19,724	$ 8,503	43.1%
Surface use related revenues	5,851	3,181	2,670	83.9%
Surface use royalties	7,448	958	6,490	677.5%
Total revenues	41,526	23,863	17,663	74.0%
Costs and expenses:				
Cost of sales (exclusive of depreciation and amortization)	8,667	10,226	(1,559)	(15.2)%
General and administrative expense	75,731	3,921	71,810	1,831.4%
Depreciation and amortization expense	10,275	4,445	5,830	131.2%
Loss (gain) on sale of property, plant and equipment, net	9	—	9	NM
Total costs and expenses	94,682	18,592	76,090	409.3%
Income (loss) from operations(1)	(53,156)	5,271	(58,427)	NM
Interest expense	4,812	6,068	(1,256)	(20.7)%
Loss (gain) on extinguishment of debt	(20,352)	70,001	(90,353)	NM
Total other expense (income)	(15,540)	76,069	(91,609)	(120.4)%
Income (loss) before income taxes	(37,616)	(70,798)	33,182	46.9%
Income tax expense (benefit)	(80)	—	(80)	NM
Net income (loss)	$ (37,536)	$ (70,798)	$ 33,262	47.0%

NM - not meaningful

(1) Refer to the table above in "How We Evaluate Our Operations" for a breakout of the above revenue and costs and expense items between third-party and related-party amounts.

Resource sales. Resource sales increased by $8.5 million, or 43.1%, to $28.2 million for the three months ended June 30, 2026, as compared to $19.7 million for the three months ended June 30, 2025. The increase was largely attributable to a $13.7 million increase in fresh water sales, of which the Accelerated Acquisition contributed $11.2 million during the three months ended June 30, 2026, as compared to the three months ended June 30, 2025. An additional $0.9 million of the fresh water increase related to the Shallow Valley Contribution, which was not present in the three months ended June 30, 2025. The increase was partially offset by a $5.0 million decrease in recycled water sales due to the Hydrosource Distribution, as the Company no longer directly sells recycled water to customers, and a further $0.3 million decrease in caliche sales.

Surface use related revenues. Surface use related revenues increased by $2.7 million, or 83.9%, to $5.9 million for the three months ended June 30, 2026, as compared to $3.2 million for the three months ended June 30, 2025. The increase was largely attributable to a $4.1 million increase in land use revenue from the Accelerated acreage, which contributed $4.9 million of land use revenue during the three months ended June 30, 2026, as compared to $0.4 million during the three months ended June 30, 2025. The increase was partially offset by a $1.3 million decrease in water transfer and logistics revenue charged to customers for the delivery of water to locations different from the point of sale. The decrease in water transfer and logistics revenue was due to the largest customer for that service requiring decreased volumes in the three months ended June 30, 2026, as compared to the three months ended June 30, 2025.

Surface use royalties. Surface use royalties increased by $6.5 million, or 677.5%, to $7.4 million for the three months ended June 30, 2026, as compared to $1.0 million for the three months ended June 30, 2025. Of the increase, $5.1 million was attributable to assets acquired in the DE Flow Contribution, which contributed $3.8 million of produced water royalties and $1.3 million of royalties from the sale of recycled water under the DE Flow WSMA. An additional $0.9 million of the increase was attributable to royalties earned from the sale of recycled water by Hydrosource pursuant to the Hydrosource Recycling Agreement. Royalties earned under the DE Flow WSMA and the Hydrosource Recycling Agreement are from related parties. An additional $0.5 million of the increase was due to produced water royalties earned from assets acquired in the Shallow Valley Contribution

Cost of sales (exclusive of depreciation and amortization). Cost of sales (exclusive of depreciation and amortization) decreased by $1.6 million, or 15.2%, to $8.7 million for the three months ended June 30, 2026, as compared to $10.2 million for the three months ended June 30, 2025. The decrease was largely due to a $1.7 million decrease in water recycling costs, a $0.3 million decrease in recycled water purchases, and a $0.3 million decrease in royalty payments for recycled water, each attributable to the Hydrosource Distribution and the Company no longer selling recycled water. The decrease was partially offset by a $0.7 million increase in equipment costs related to assets acquired in the Accelerated Acquisition and the Shallow Valley Contribution.

General and administrative expense. General and administrative expense, excluding share-based compensation expense increased by $10.4 million, or 264.6%, to $14.3 million for the three months ended June 30, 2026, as compared to $3.9 million for the three months ended June 30, 2025. The increase was driven by $11.3 million of transaction expenses related to the IPO and acquisitions during the three months ended June 30, 2026, as compared to $2.4 million during the three months ended June 30, 2025, and a $1.4 million increase in payroll-related costs from $0.3 million during the three months ended June 30, 2025, due to increased headcount related to both the Accelerated Acquisition and the IPO.

General and administrative expense, inclusive of share-based compensation expense increased by $71.8 million, or 1,831.4%, to $75.7 million for the three months ended June 30, 2026, as compared to $3.9 million for the three months ended June 30, 2025. The increase was attributable to share-based compensation expense of $61.5 million and increased cash expenses noted above. The share-based compensation is comprised of expense related to the IPO stock-based awards of $57.4 million and $4.1 million related to the issuance of RSUs during the three months ended June 30, 2026. See Note 10 — *Share-Based Compensation* within the notes to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report.

Depreciation and amortization expense. Depreciation and amortization expense increased by $5.8 million, or 131.2%, to $10.3 million for the three months ended June 30, 2026, as compared to $4.4 million for the three months ended June 30, 2025. The increase was attributable to assets and intangibles acquired in the DE Flow Contribution and the Shallow Valley Contribution. Depreciation and amortization for assets and intangibles acquired in the DE Flow Contribution and the Shallow Valley Contribution was $4.8 million and $0.7 million, respectively.

Gain on extinguishment of debt. During the three months ended June 30, 2026, we recognized a non-recurring and non-cash gain on extinguishment of debt of $20.4 million related to the paydown of the Predecessor Credit Facility. During the three months ended June 30, 2025, we recognized a non-recurring and non-cash loss on extinguishment of debt of $70.0 million related to the upsize of the Predecessor Credit Facility in connection with the Accelerated Acquisition. See Note 6 — *Long Term Debt* within the notes to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report.

Interest expense. Interest expense decreased by $1.3 million, or 20.7%, to $4.8 million for the three months ended June 30, 2026, as compared to $6.1 million for the three months ended June 30, 2025. The decrease was primarily attributable to a decrease in the average outstanding debt balance during the period, as all outstanding debt under the Predecessor Credit Facility was paid off using the proceeds from the IPO. See ”—Liquidity and Capital Resources” for additional information regarding the Company’s debt instruments and interest expense.

Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

(in thousands)	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025	Variance Amount	Variance Percent
Revenues:				
Resource sales	$ 47,306	$ 24,663	$ 22,643	91.8%
Surface use related revenues	9,033	5,166	3,867	74.9%
Surface use royalties	8,242	1,102	7,140	647.9%
Total revenues	64,581	30,931	33,650	108.8%
Costs and expenses:				
Cost of sales (exclusive of depreciation and amortization)	16,385	13,235	3,150	23.8%
General and administrative expense	80,325	4,951	75,374	1,522.4%
Depreciation and amortization expense	14,866	5,838	9,028	154.6%
Loss (gain) on sale of property, plant and equipment, net	9	30	(21)	(70.0)%
Gain on investment in sales-type lease	(3,275)	—	(3,275)	NM
Total costs and expenses	108,310	24,054	84,256	350.3%
Income (loss) from operations(1)	(43,729)	6,877	(50,606)	NM
Interest expense	10,646	8,783	1,863	21.2%
Loss (gain) on extinguishment of debt	(20,352)	70,001	(90,353)	NM
Total other expense (income)	(9,706)	78,784	(88,490)	(112.3)%
Income (loss) before income taxes	(34,023)	(71,907)	37,884	52.7%
Income tax expense (benefit)	150	—	150	NM
Net income (loss)	$ (34,173)	$ (71,907)	$ 37,734	52.5%

NM - not meaningful

(1) Refer to the table above in "How We Evaluate Our Operations" for a breakout of the above revenue and costs and expense items between third-party and related-party amounts.

Resource sales. Resource sales increased by $22.6 million, or 91.8%, to $47.3 million for the six months ended June 30, 2026, as compared to $24.7 million for the six months ended June 30, 2025. The increase was driven by a $24.0 million increase in fresh water sales, partially offset by a $0.7 million decrease in recycled water sales and a $0.2 million decrease in caliche sales. The increase in fresh water sales was largely attributable to incremental revenue related to the Accelerated Acquisition, which contributed $26.1 million of fresh water sales during the six months ended June 30, 2026, as compared to $6.1 million during the six months ended June 30, 2025. In addition, the Shallow Valley Contribution contributed $0.9 million of fresh water sales, which was not present in the six months ended June 30, 2025.

Surface use related revenues. Surface use related revenues increased by $3.9 million, or 74.9%, to $9.0 million for the six months ended June 30, 2026, as compared to $5.2 million for the six months ended June 30, 2025. The increase was driven by a $4.6 million increase in land use revenue, partially offset by a $1.0 million decrease in water transfer and logistics revenue charged to customers for the delivery of water to locations different from the point of sale. The increase in land use revenue was largely attributable to incremental revenue acquired in the Accelerated Acquisition, which contributed $6.6 million of land use revenue during the six months ended June 30, 2026, as compared to $0.4 million during the six months ended June 30, 2025. The decrease in water transfer and logistics revenue was due to the largest customer for that service requiring decreased volumes in the six months ended June 30, 2026, as compared to the six months ended June 30, 2025.

Surface use royalties. Surface use royalties increased by $7.1 million, or 647.9%, to $8.2 million for the six months ended June 30, 2026, as compared to $1.1 million for the six months ended June 30, 2025. Of the increase, $5.1 million was attributable to assets acquired in the DE Flow Contribution, which contributed $3.8 million of produced water royalties and $1.3 million of royalties from the sale of recycled water under the DE Flow WSMA. An additional $1.0 million of the increase was attributable to royalties earned from the sale of recycled water by Hydrosource pursuant to the Hydrosource Recycling Agreement. Royalties earned under the DE Flow WSMA and the Hydrosource Recycling Agreement are from related parties. An additional $0.5 million of the increase was due to produced water royalties earned from assets acquired in the Shallow Valley Contribution.

Cost of sales (exclusive of depreciation and amortization). Cost of sales (exclusive of depreciation and amortization) increased by $3.2 million, or 23.8%, to $16.4 million for the six months ended June 30, 2026, as compared to $13.2 million for the six months ended June 30, 2025. The increase was largely due to a $1.4 million increase in equipment-related costs attributable to assets acquired in the

Accelerated Acquisition and the Shallow Valley Contribution, as well as a $1.4 million increase in water purchases to support incremental revenue from the Accelerated Acquisition.

General and administrative expense. General and administrative expense, excluding share-based compensation expense, increased by $13.9 million, or 277.0%, to $18.9 million for the six months ended June 30, 2026, as compared to $5.0 million for the six months ended June 30, 2025. The increase was driven by $14.3 million of transaction expenses related to the IPO and acquisitions during the six months ended June 30, 2026, as compared to $2.6 million during the six months ended June 30, 2025, and a $2.2 million increase in payroll-related costs from $0.7 million during the six months ended June 30, 2025, due to increased headcount related to both the Accelerated Acquisition and the IPO.

General and administrative expense, inclusive of share-based compensation expense increased by $75.4 million, or 1,522.4%, to $80.3 million for the six months ended June 30, 2026, as compared to $5.0 million for the six months ended June 30, 2025. The increase was attributable to share-based compensation expense of $61.5 million and increased cash expenses noted above. The share-based compensation is comprised of expense related to the IPO stock-based awards of $57.4 million and $4.1 million related to the issuance of RSUs during the six months ended June 30, 2026. See Note 10 — *Share-Based Compensation* within the notes to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report.

Depreciation and amortization expense. Depreciation and amortization expense increased by $9.0 million, or 154.6%, to $14.9 million for the six months ended June 30, 2026, as compared to $5.8 million for the six months ended June 30, 2025. The increase was attributable to assets and intangibles acquired in the Accelerated Acquisition, the DE Flow Contribution, and the Shallow Valley Contribution. Depreciation and amortization for assets and intangibles acquired in the Accelerated Acquisition was $6.0 million for the six months ended June 30, 2026, as compared to $3.0 million for the six months ended June 30, 2025. Depreciation and amortization for assets and intangibles acquired in the DE Flow Contribution and the Shallow Valley Contribution was $4.8 million and $0.7 million, respectively.

Gain on investment in sales-type lease. During the six months ended June 30, 2026, we recognized a non-recurring and non-cash gain of $3.3 million on net investment in sales-type lease related to the C-Store lease on our acreage. The C-Store lease was classified as a sales-type lease during the period following the completion of construction in February 2026, with the gain reflecting the excess of the present value of the future lease payments over the fair value of the land derecognized. No comparable gain was recognized in the six months ended June 30, 2025.

Gain on extinguishment of debt. During the six months ended June 30, 2026, we recognized a non-recurring and non-cash gain on extinguishment of debt of $20.4 million related to the paydown of the Predecessor Credit Facility. During the six months ended June 30, 2025, we recognized a non-recurring and non-cash loss on extinguishment of debt of $70.0 million related to the upsize of the Predecessor Credit Facility in connection with the Accelerated Acquisition. See Note 6 — *Long Term Debt* within the notes to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report.

Interest expense. Interest expense increased by $1.9 million, or 21.2%, to $10.6 million for the six months ended June 30, 2026, as compared to $8.8 million for the six months ended June 30, 2025. The increase was primarily attributable to an increase in the average outstanding debt balance during the period, driven by the $204.0 million term loan used to fund the Accelerated Acquisition and the $70.0 million term loan used to fund the Intrepid Acquisition. See ”—Liquidity and Capital Resources” for additional information regarding the Company’s debt instruments and interest expense.

Non-GAAP Financial Measures

Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow and Free Cash Flow Margin are supplemental non-GAAP financial measures that we use to evaluate current, past and expected future performance. Although these non-GAAP financial measures are important factors in assessing our operating results and cash flows, they should not be considered in isolation or as a substitute for net income or gross margin or any other measures of financial performance presented in accordance with GAAP.

Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA and Adjusted EBITDA Margin are used by our management and by external users of our Financial Statements, such as investors, research analysts and others, to assess the financial performance of our assets over the long term to generate sufficient cash to return capital to equity holders or service indebtedness. We define Adjusted EBITDA as net income (loss) minus interest, taxes, depreciation, amortization, depletion and accretion, which we refer to as “EBITDA” and from which we further deduct share-based compensation, non-recurring transaction-related expenses and other non-cash or non-recurring expenses. We define Adjusted EBITDA Margin as Adjusted EBITDA divided by total revenues.

Management believes Adjusted EBITDA and Adjusted EBITDA Margin are useful because they allow us and external users of our Financial Statements to more effectively evaluate our operating performance and compare the results of our operations from period to period, and against our peers, without regard to our financing methods or capital structure. We exclude the items listed above from net income (loss) in arriving at Adjusted EBITDA and Adjusted EBITDA Margin because these amounts can vary substantially from company to company within our industry, depending upon accounting methods, book values of assets, capital structures and the method by which the assets were acquired. Our computations of these measures may differ from the computations of similarly titled measures of other companies.

The following table sets forth a reconciliation of net income (loss) as determined in accordance with GAAP to Adjusted EBITDA and Adjusted EBITDA Margin for the periods indicated.

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	2026	2025	2026	2025
Net income (loss)	$ (37,536)	$ (70,798)	$ (34,173)	$ (71,907)
Adjustments:				
Depreciation and amortization	10,275	4,445	14,866	5,838
Interest expense	4,812	6,068	10,646	8,783
Income tax expense (benefit)	(80)	—	150	—
EBITDA	(22,529)	(60,285)	(8,511)	(57,286)
Adjustments:				
Gain on investment in sales-type lease	—	—	(3,275)	—
(Gain) loss on extinguishment of debt	(20,352)	70,001	(20,352)	70,001
Share-based compensation - IPO Stock-based awards	57,350	—	57,350	—
Share-based compensation - RSUs	4,088	—	4,088	—
Transaction-related expenses[1]	11,267	2,415	14,346	2,604
Other[2]	9	—	9	30
Adjusted EBITDA	$ 29,833	$ 12,131	$ 43,655	$ 15,349
Net income (loss) margin	(90.4)%	(296.7)%	(52.9)%	(232.5)%
Adjusted EBITDA Margin	71.8%	50.8%	67.6%	49.6%

(1) Transaction-related expenses consist of non-recurring professional services expenses, including banker fees, legal and professional fees and integration costs directly attributable to completed or contemplated transactions, including the IPO. We do not adjust for ongoing integration or optimization costs unless they are incremental, and directly attributable to the transaction.

(2) Other consists of loss on sale of assets.

Free Cash Flow and Free Cash Flow Margin

Free Cash Flow and Free Cash Flow Margin are performance measures used by our management and by external users of our Financial Statements, such as investors, research analysts and others, to assess our ability to generate cash from operations to repay our indebtedness, return capital to our shareholders and fund potential acquisitions without access to external sources of financing for such purposes. To calculate Free Cash Flow, net income is adjusted by the same items discussed above for EBITDA and Adjusted EBITDA (other than interest expense and income tax expense / benefit) and then further adjusted for incurred capital expenditures, changes in accounts payable related to capital expenditures, non-cash interest expense, and non-cash tax expense. Free Cash Flow Margin is calculated as Free Cash Flow divided by total revenue.

Management believes Free Cash Flow and Free Cash Flow Margin are useful because they allow for an effective evaluation of both our operating and financial performance, as well as the capital intensity of our business, and subsequently the ability of our operations to generate cash flow that is available to distribute to our shareholders, reduce leverage or support acquisition activities. Our computations of these measures may differ from the computations of similarly titled measures of other companies.

The following table sets forth a reconciliation of net loss as determined in accordance with GAAP to Free Cash Flow and Free Cash

Flow Margin, respectively, for the periods indicated.

(in thousands)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Net income (loss)	$ (37,536)	$ (70,798)	$ (34,173)	$ (71,907)
Adjustments:				
Depreciation and amortization	10,275	4,445	14,866	5,838
Non-cash interest	(1,564)	(2,166)	(4,018)	(1,917)
Non-cash taxes	(155)	—	(173)	—
Gain on investment in sales-type lease	—	—	(3,275)	—
(Gain) loss on extinguishment of debt	(20,352)	70,001	(20,352)	70,001
Share-based compensation - IPO share-based compensation expense	57,350	—	57,350	—
Share-based compensation - RSU share-based compensation expense	4,088	—	4,088	—
Transaction-related expenses[1]	11,267	2,415	14,346	2,604
Other[2]	9	—	9	30
Capital expenditures	(949)	(4,092)	(1,784)	(4,801)
Free Cash Flow	$ 22,433	$ (195)	$ 26,884	$ (152)
Net income (loss) margin	(90.4)%	(296.7)%	(52.9)%	(232.5)%
Free Cash Flow Margin	54.0%	(0.8)%	41.6%	(0.5)%

(1) Transaction-related expenses consist of non-recurring professional services expenses, including banker fees, legal and professional fees and integration costs directly attributable to completed or contemplated transactions, including the IPO. We do not adjust for ongoing integration or optimization costs unless they are incremental and directly attributable to the transaction.

(2) Other consists of loss on sale of assets.

Liquidity and Capital Resources

Overview

Historically, the Predecessor's principal sources of liquidity have included borrowings under the Predecessor Credit Facility as well as capital contributions from our various equity owners. Following the IPO, our primary sources of liquidity are cash flows from operating activities and, if deemed necessary, proceeds from borrowings under the Credit Facility. Our primary liquidity and capital requirements will be for our operating expenses, servicing of any outstanding debt, general company needs and investing in our business, including the potential acquisition of additional surface acreage. Our resources are sufficient to meet our needs over the next twelve months.

As of June 30, 2026, our working capital, calculated as current assets minus current liabilities, was $46.4 million, and we had cash and cash equivalents of $61.8 million.

Cash Flow

The following table summarizes our cash flow for the periods indicated:

Six Months Ended June 30, 2026 Compared to the Six Months Ended June 30, 2025

(in thousands)	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025	Variance Amount	Variance Percent
Net cash provided by (used in) operating activities	$ (2,166)	$ 17,401	$ (19,567)	(112.4)%
Net cash provided by (used in) investing activities	(63,938)	(204,485)	140,547	68.7%
Net cash provided by (used in) financing activities	118,836	200,368	(81,532)	(40.7)%
Net increase in cash, cash equivalents and restricted cash	$ 52,732	$ 13,284	$ 39,448	297.0%

Operating Activities. Net cash used in operating activities was $2.2 million for the six months ended June 30, 2026, as compared to net cash provided by operating activities of $17.4 million for six months ended June 30, 2025, an unfavorable variance of $19.6 million. The decrease was primarily driven by an $18.0 million unfavorable change in third-party accounts receivable and accounts payable, primarily driven by the Hydrosource Distribution, DE Flow Contribution and Shallow Valley Contribution during the six months ended

June 30, 2026; a $9.8 million unfavorable change in other working capital, other than cash, primarily related to prepaid expenses and other current assets; and a $4.1 million unfavorable change in related-party accounts receivable and accounts payable, as a $9.2 million source of cash from related-party accounts payable was more than offset by a $13.0 million use of cash from related-party accounts receivable. These decreases were partially offset by higher net income, net of non-cash items, of $12.5 million driven by the DE Flow Contribution and Shallow Valley Contribution assets acquired.

Investing Activities*.* Net cash used in investing activities was $63.9 million for the six months ended June 30, 2026, as compared to net cash used in investing activities of $204.5 million for six months ended June 30, 2025, a decrease of $140.5 million. The change was primarily driven by a $135.4 million decrease in cash consideration paid for acquisitions, as the purchase price of the Intrepid Acquisition during the six months ended June 30, 2026 was significantly lower than the purchase price of the Accelerated Acquisition during the six months ended June 30, 2025, as well as $2.1 million of proceeds received from the sale of property, plant and equipment during the six months ended June 30, 2026. Capital expenditures decreased by $3.0 million to $1.8 million for the six months ended June 30, 2026, as compared to $4.8 million for the six months ended June 30, 2025. Capital expenditures during the period were funded by cash on hand and cash flows from operating activities.

Financing Activities*.* Net cash provided by financing activities was $118.8 million for the six months ended June 30, 2026, as compared to net cash provided by financing activities of $200.4 million for six months ended June 30, 2025, a decrease of $81.5 million. The change was primarily driven by $276.2 million of payments on long-term debt during the six months ended June 30, 2026, as compared to $1.8 million during the six months ended June 30, 2025, as all outstanding debt was repaid with the proceeds from the IPO, as well as lower proceeds from the term loan of $70.0 million during the six months ended June 30, 2026, as compared to $204.0 million during the six months ended June 30, 2025, as the borrowings used to fund the Intrepid Acquisition were smaller than those used to fund the Accelerated Acquisition. These decreases were partially offset by $342.3 million of net proceeds received from the issuance of Class A shares in connection with the IPO during the six months ended June 30, 2026, with no comparable activity during the six months ended June 30, 2025. The change also reflected $8.2 million of cash paid for deferred offering costs in connection with the IPO with less than $0.1 million in the six months ended June 30 2025, $5.6 million of debt issuance costs as compared to $6.6 million during the six months ended June 30, 2025, and $3.6 million of distributions to owners during the six months ended June 30, 2026, compared to none during the six months ended June 30, 2025.

Capital Requirements

EagleRock Credit Facility

EagleRock Credit Facility. On May 4, 2026, OpCo entered into the Credit Facility. The Effective Date of the Credit Facility was June 8, 2026. The Credit Facility provides for a senior secured revolving credit facility in an aggregate principal amount of up to $200.0 million, including a $10.0 million letter of credit sublimit, together with the ability to request increases in the commitments of up to an additional $100.0 million; provided that any such request for an increase must be in a minimum amount of $25.0 million and is limited to a maximum of four such requests. The Credit Facility and all borrowings thereunder will mature on June 8, 2031.

Borrowings under the Credit Facility bear interest at a rate per annum equal to, at the borrower’s option, the Term SOFR Rate or Daily Simple SOFR, plus an applicable margin ranging from 2.25% to 3.00%, depending on OpCo’s Net Total Leverage Ratio. The Credit Facility includes a commitment fee on undrawn amounts ranging from 0.375% to 0.50%. The Credit Facility contains customary affirmative and negative covenants, as well as financial covenants requiring maintenance of a minimum Interest Coverage Ratio of 2.75:1.00 and a maximum Net Total Leverage Ratio of 3.50:1.00 (or 4.00:1.00 following a Material Permitted Acquisition), and customary events of default. As of June 30, 2026, the Credit Facility was undrawn, with no letters of credit outstanding.

Predecessor Credit Facility

On April 4, 2024, certain subsidiaries of the Predecessor entered into a 5-year financing agreement that included a $72.0 million term loan and a revolving credit facility (as amended, the “Predecessor Revolver”) with a maximum borrowing base of $5.0 million, both of which mature on April 4, 2029 (the “Predecessor Credit Facility”). On February 28, 2025, the Predecessor amended the Predecessor Credit Facility to increase the maximum borrowing base by $7.5 million, and further amended it on April 14, 2025 to increase the maximum Term Loan borrowing base by an additional $204.0 million term loan. On April 1, 2026, the Predecessor Credit Facility was amended again to increase the Term Loan borrowing base by an additional $70.0 million term loan (“Intrepid Term Loan”) in order to fund the acquisition of approximately 22,000 fee surface acres and 28,000 federal grazing lease acres and the related water rights, contracts and permits from Intrepid-Potash New Mexico, LLC (the “Intrepid Acquisition”) for total consideration of approximately $70.0 million. The assets acquired in the Intrepid Acquisition as well as the Intrepid Term Loan were not contributed to us in connection with the IPO.

Borrowings (other than the Intrepid Term Loan) under the Predecessor Credit Facility bore interest at the secured overnight financing rate (“SOFR”), plus the applicable margin or certain reference rate, plus the applicable margin, which is set at 8.0%—8.5% depending on the applicable leverage ratio for the most recent four consecutive quarters. The Intrepid Term Loan bore interest at SOFR, plus the applicable margin or certain reference rate, plus the applicable margin, which is set at 8.25%—8.75% depending on the applicable leverage ratio for the most recent four consecutive quarters. Principal amounts borrowed under the Predecessor Revolver may be repaid from time to time without penalty. Any principal amounts outstanding on the maturity date became due and payable on such date.

As of December 31, 2025, there was $265.6 million of total outstanding borrowings under the Predecessor Credit Facility consisting of $7.0 million of revolving credit borrowings and $258.6 million of term loan borrowings and excluding $35.1 million of unamortized premium. The weighted average interest rate on the total amount of borrowings outstanding under the Predecessor Credit Facility as of December 31, 2025 was 12.83% in the case of revolving credit borrowings, and 12.81% in the case of term loan borrowings. The Predecessor was in compliance with all affirmative and negative covenants under the facility.

On May 4, 2026, certain subsidiaries of the Predecessor entered into the Sixth Amendment. The Sixth Amendment, among other things, (i) provided the lenders' consent to the IPO, (ii) effected the joinder of OpCo as the new parent under the Predecessor Credit Facility, (iii) released Hydrosource and the Predecessor from their obligations thereunder, with the Fifth Amendment Term Loans being transferred to a separate credit agreement, and (iv) required the establishment of a segregated account with a minimum balance of $270.0 million to be funded from the IPO proceeds.

On June 3, 2026, OpCo repaid the entire balance of the Predecessor Credit Facility with a cash payment of $269.1 million. As a result of the repayment, the Company recorded a non-cash gain on extinguishment of debt of approximately $20.4 million.

Predecessor Warrants

In connection with its entry into the Predecessor Credit Facility, the Predecessor issued the Predecessor Warrants, which were exercisable for equity interests in the Predecessor, to the TCW Entities. In connection with the amendment to the Predecessor Credit Facility in April 2025 referenced above, the Predecessor issued Predecessor Warrants to a new creditor and modified the terms of the original Predecessor Warrants. The net effect of the issuance and modification reduced the total number of Predecessor Warrants outstanding from 1,001 to 900. See "Note 6—Long Term Debt" within the notes to the consolidated financial statements and included elsewhere in this Quarterly Report for further information with respect to the Predecessor Warrants. The Predecessor Warrants are obligations of the Predecessor and are not obligations of us or OpCo.

As described in "Corporate Reorganization," in connection with the IPO, each TCW Entity, pursuant to the Warrant Exercise Agreement, exercised a portion of its Predecessor Warrants and forfeited the remaining portion, which were irrevocably cancelled, immediately following which (i) the Predecessor distributed 14,939,952 OpCo Units and a corresponding number of Class B shares to the TCW Entities in redemption of the units of itself received in respect of the Exercised Warrants, (ii) each warrant agreement between the Predecessor and the TCW Entities was terminated and (iii) each of the Rollover TCW Entities merged with one or more newly formed subsidiaries of the Company and received one Class A share in exchange for each OpCo Unit (and Class B share) it held, or an aggregate 4,560,688 Class A shares. As a result, the Predecessor Warrants are no longer outstanding following the IPO.

Critical Accounting Estimates

Business Combinations

We account for business combinations using the acquisition method of accounting in accordance with ASC 805, whereby the identifiable assets and liabilities of the acquired business, including contingent consideration, as well as any non-controlling interest in the acquired business, are recorded at their estimated fair values as of the date that we obtain control of the acquired business. Any purchase consideration in excess of the estimated fair values of the net assets acquired is recorded as goodwill. Significant estimates may be used to determine the fair value of assets acquired and liabilities assumed. Critical estimates in valuing intangible assets include, but are not limited to, expected future cash flows and discount rates. Fair value estimates are based on the assumptions management believes a market participant would use in pricing the asset or liability. Amounts recorded in a business combination may change during the measurement period, which is a period not to exceed one year from the date of acquisitions, as additional information about conditions existing at the acquisition date becomes available.

Warrants

The Company accounts for the warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in ASC 480, *Distinguishing Liabilities from Equity* ("ASC 480") and ASC 815. The assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all the requirements for equity classification under ASC 815, including whether the warrants are indexed to the Company's own shares, among other conditions for equity classification. This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent quarterly period end date while the warrants are outstanding. For issued or modified warrants that meet all of the criteria for equity classification, the warrants are required to be recorded as a component of additional paid-in capital at the time of issuance. For issued or modified warrants that do not meet all the criteria for equity classification, the warrants are required to be recorded at their initial fair value on the date of issuance, and each balance sheet date thereafter. The determination of the fair value of the warrants at issuance and each reporting period is performed using a third-party valuation specialist and is subject to a variety of estimates.

Impairment of Long-lived assets

Management evaluates property, plant and equipment and definite-lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. Asset groups are identified at the lowest level for which cash flows are largely independent. The recoverability assessment compares the carrying amount of the asset group to the expected undiscounted future cash flows. If the carrying amount is not recoverable, we measure the impairment loss as the excess of the carrying amount over the asset group's estimated fair value.

Recently Issued Accounting Pronouncements Not Yet Adopted

For a summary of recently issued accounting pronouncements, refer to Note 2 — *Summary of Significant Accounting Policies* within the notes to our Unaudited Condensed Consolidated Financial Statements.

Off-Balance Sheet Arrangements

We currently have no material off-balance sheet arrangements.

Emerging Growth Company Status

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies." We may take advantage of these exemptions until we are no longer an "emerging growth company." Section 107 of the JOBS Act provides that an "emerging growth company" can take advantage of the extended transition period afforded by the JOBS Act for the implementation of new or revised accounting standards. We have elected to use the extended transition period for complying with new or revised accounting standards and as a result of this election, our Financial Statements may not be comparable to companies that comply with public company effective dates. We may take advantage of these exemptions up until the last day of the fiscal year following the fifth anniversary of our IPO or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company if we have more than $1.235 billion in annual revenue, we have more than $700.0 million in market value of our stock held by non-affiliates (and we have been a public company for at least 12 months and have filed one annual report on Form 10-K) or we issue more than $1.0 billion of non-convertible debt securities over a three-year period.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to market risks, which include the effects of adverse changes in commodity prices and counterparty and customer credit risks and interest rate risk as described below. The primary objective of the following information is to provide quantitative and qualitative information about our potential exposure to market risks. The term "market risk" refers to the risk of loss arising from adverse changes in commodity prices and counterparty and customer credit and interest rate risk. The disclosures are not meant to be precise indicators of expected future losses, but rather indicators of reasonably possible losses. This forward-looking information provides indicators of how we view and manage our ongoing market risk exposures.

Commodity Price Risk

A significant portion of our market risk is tied to the prices our customers receive for oil and natural gas produced from or serviced on our land. The market for the use of our land and its resources is indirectly affected by fluctuations in commodity prices, to the extent that such fluctuations influence drilling, completion and production activity, and consequently, the operational levels of our customers in the exploration, production and oilfield services sectors. Realized prices are primarily determined by prevailing oil and natural gas prices in the U.S. However, we believe that our largely fee-based and surface use contracts, as well as our strong base of royalty fees support cash flow stability through commodity price cycles. Our commercial agreements are usually multi-year agreements that may contain acreage dedications and annual minimum revenue amounts, insulating us against fluctuations in commodity prices. Additionally, many of our SUAs stipulate that customers who have access to our land are required to use our resources, such as water or caliche, for their operations, further insulating us from fluctuations in commodity prices.

As of June 30, 2026, the Henry Hub spot price of natural gas was $3.34 per MMBtu and the WTI posted price was $70.56 per barrel.

Declines in commodity prices can reduce our revenues because they may reduce customer activity levels by limiting the volumes of oil and natural gas that our customers can economically produce or service. We expect these markets to remain volatile, and a substantial or prolonged decline in commodity prices could materially adversely affect our results of operations, cash flows and financial condition.

We do not currently hedge our indirect exposure to commodity price risk. In the future, however, we may enter into derivative instruments, such as collars, swaps and basis swaps, to partially mitigate the impact of commodity price volatility. These hedging arrangements could help reduce, but would not eliminate, the potential effects of fluctuations in oil and natural gas prices on our operating cash flows.

Market Risk

Demand for the use of our land and resources is largely driven by activity levels in the energy industry within the Permian Basin. These activity levels are influenced by numerous factors outside of our control, including the supply of and demand for oil and natural gas; current prices and expectations for future prices; costs associated with exploring, developing, producing and delivering oil and natural gas; rates of decline in existing production; the discovery of new reserves; available pipeline, rail and other transportation capacity; weather conditions; domestic and global economic conditions; political instability both in the U.S. and in other oil-producing regions; environmental regulations; technological advances affecting energy consumption; the ongoing transition to a low-carbon economy; the price and availability of alternative fuels; advancements in alternative energy production; the ability of energy companies to secure equity or debt financing; and consolidation, merger and divestiture activity within the energy sector. U.S. energy production, including oil and natural gas development, has historically been volatile.

A prolonged or significant decline in oil and natural gas prices could reduce development and production activity, which in turn may decrease demand for oil and natural gas and the use of our land and resources. Any material reduction in commodity prices or Permian Basin activity could have an adverse impact on our results of operations, cash flows and financial condition.

Counterparty and Customer Credit Risk

We are exposed to the risk of financial loss if our counterparties, including our operating partners or customers, fail to fulfill their contractual obligations. Our primary credit risk arises from receivables generated by the activities of our customers and operating partners on our land. The inability or failure of significant customers or our operating partners to meet their obligations, or their insolvency or liquidation, could adversely impact our financial results.

To manage this risk, we assess the creditworthiness of each counterparty and customer and continuously monitor our exposure through credit analysis and monitoring procedures, including reviewing credit ratings, financial statements and payment history. For the six months ended June 30, 2026, 4 customers accounted for 58% of our total revenues, respectively. For the six months ended June 30, 2025, 3 customers represented 45% of total revenues. No other customer accounted for more than 10% of total revenues. Based on these assessments, we believe the credit risk associated with our counterparties and customers is within an acceptable range.

Interest Rate Risk

Our ability to borrow, as well as the interest rates available to us, may be adversely affected by deterioration in the credit markets or a decline in our credit profile or credit rating. Borrowings under the Credit Facility bear interest at a rate per annum equal to, at the borrower's option, the Term SOFR Rate or Daily Simple SOFR, plus an applicable margin ranging from 2.25% to 3.00%, depending on OpCo's Net Leverage Ratio.

As of June 30, 2026, we had no outstanding borrowings under the Credit Facility. We do not currently have, and do not plan to enter into, any derivative instruments to hedge against fluctuations in interest rates applicable to any future outstanding debt. See "Credit Facility."

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

Under the supervision and with the participation of our management, our principal executive officer and principal financial officer have evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), as of the end of the period covered by this Quarterly Report. Our disclosure controls and procedures are designed to ensure that the information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and to ensure that the information we are required to disclose in reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow

timely decisions regarding required disclosure. Based on such evaluation, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures were not effective as of June 30, 2026 due to the material weakness in our internal control over financial reporting described below.

In designing and evaluating our disclosure controls and procedures, management recognizes that disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Additionally, in designing disclosure controls and procedures, our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a control system, misstatements due to error or fraud may occur and not be detected.

Changes in Internal Control over Financial Reporting

Other than as described below, we have not identified any changes in our internal control over financial reporting in connection with the evaluation required by Rules 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the period covered by this Quarterly Report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Our management identified material weaknesses in the Predecessor's internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. Specifically, such material weaknesses relate to: (a) insufficient segregation of duties in the financial statement reporting and general information technology processes; (b) a lack of sufficient levels of staff with public company, technical accounting, and general information technology experience to maintain proper control activities inclusive of detailed account analysis and reconciliations, and perform risk assessment and monitoring activities; and (c) insufficient general information technology controls, including access, security, and change management controls. Our management has concluded that these material weaknesses in the Predecessor's internal control over financial reporting occurred because the Predecessor did not have the necessary business processes, personnel and related internal controls to operate in a manner to satisfy the accounting and financial reporting timeline requirements of a public company.

In response to the identified material weaknesses, our management has implemented and is continuing to enhance our internal control over financial reporting. Our remediation plan includes: (i) recruiting additional qualified financial reporting and accounting personnel following the completion of the IPO to enhance our financial reporting capabilities; (ii) establishing a Sarbanes-Oxley Act of 2002 compliance program and internal audit function (in-house and/or co-sourced) with direct reporting to the audit committee; (iii) enhancing our financial close and reporting processes, policies and controls, including formal documentation, risk assessment and monitoring; (iv) implementing and enforcing information technology general controls over user access, security, change management, backups and logging, and periodic user access reviews; (v) implementing or upgrading enterprise resource planning and related sub-ledger systems and strengthening IT application controls; (vi) enhancing governance over non-routine and complex transactions (including business combinations, equity awards and income taxes) through technical accounting reviews and documented control approvals; and (vii) increasing oversight of and obtaining third-party SOC 1 reports (or equivalent assurance) for critical outsourced service providers and implementing complementary user controls. Our management is in the process of evaluating potential remediation efforts and will continue to assess the design and operating effectiveness of potential new controls. The material weaknesses will not be considered remediated until the applicable controls have been designed, implemented, and operated effectively for a sufficient period of time.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

We are periodically party to proceedings and claims incidental to our business. While the outcome of many of these matters may not be predicted with certainty, we believe that the liability, if any, ultimately incurred with respect to such proceedings and claims will not have a material adverse effect on our financial position or on our liquidity, capital resources, future results of operations or cash flows. We will continue to evaluate proceedings and claims involving us on a regular basis and will establish and adjust any estimated reserves as appropriate to reflect our assessment of the then-current status of the matters.

Item 1A. Risk Factors.

This Quarterly Report should be read in conjunction with the risk factors disclosed under the heading "Risk Factors" in the Prospectus. There have been no material changes to the risk factors disclosed under the heading "Risk Factors" in the Prospectus.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Securities Trading Plans of Directors and Executive Officers.

During the three months ended June 30, 2026, none of our officers (as defined in Rule 16a-1(f) under the Exchange Act) or directors adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(c) of Regulation S-K.

Disclosure in Lieu of Reporting on a Current Report on Form 8-K.

Item 1.01. Entry into a Material Definitive Agreement.

On August 10, 2026, OpCo acquired approximately 22,000 fee surface acres, approximately 28,000 federal grazing lease acres and the related water rights, contracts and permits from Hydrosource for an aggregate purchase price of approximately $78.2 million in cash, subject to customary purchase price adjustments, pursuant to an Asset Purchase Agreement, dated August 10, 2026, between OpCo and Hydrosource (the "Purchase Agreement"). Hydrosource is a wholly owned subsidiary of Lea & Eddy Holdings, LLC, which owns approximately 26% of our Class B shares and is entitled to designate 2 directors to our board of directors under a shareholder's agreement with the Company

The assets acquired in the EagleRock-Intrepid Acquisition were originally acquired by Hydrosource in the Intrepid Acquisition pursuant to an Asset Purchase Agreement, dated as of April 1, 2026 (the “Intrepid Purchase Agreement”). In connection with the EagleRock-Intrepid Acquisition, Hydrosource assigned to OpCo all of Hydrosource’s right, title and interest in and to the Intrepid Purchase Agreement, and OpCo assumed Hydrosource’s obligations thereunder, in each case effective as of the closing of the EagleRock-Intrepid Acquisition.

The Purchase Agreement contains customary representations and warranties, covenants and indemnification provisions. Such representations, warranties and other provisions were made only for purposes of the Purchase Agreement and as of specific dates and were solely for the benefit of the parties thereto. The Purchase Agreement is a contractual document that establishes and governs the legal relations among the parties thereto and is not intended to be a source of factual, business or operational information about the Company, OpCo, Hydrosource or the acquired assets. The representations and warranties made in the Purchase Agreement may be (i) qualified by disclosure schedules containing information that modifies, qualifies or creates exceptions to such representations and warranties and (ii) subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors. Accordingly, investors and security holders should not rely on such representations and warranties as characterizations of the actual state of facts or circumstances.

The foregoing description of the Purchase Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Purchase Agreement, a copy of which is filed as Exhibit 2.1 to this Quarterly Report on Form 10-Q and is incorporated herein by reference.

Item 2.01. Completion of Acquisition or Disposition of Assets.

The information contained in Item 1.01 is incorporated by reference into this Item 2.01.

Item 6. Exhibits

Exhibit Number	Description
2.1#+*	Asset Purchase Agreement, dated as of August 10, 2026, by and between Hydrosource Logistics, LLC, as Seller, and EagleRock Land Operating, LLC, as Buyer.

3.1	Second Amended and Restated Company Agreement of EagleRock Land, LLC (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-43288) filed with the SEC on May 19, 2026).
3.2	Certificate of Formation of EagleRock Land, LLC (incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-1 (File No. 333-295113) filed with the SEC on April 16, 2026 (as amended)).
3.3	Certificate of Amendment to the Certificate of Formation of EagleRock Land, LLC (incorporated by reference to Exhibit 3.2 to the Company's Registration Statement on Form S-1 (File No. 333-295113) filed with the SEC on April 16, 2026 (as amended)).
4.1#	Registration Rights Agreement, dated as of May 15, 2026, by and among EagleRock Land, LLC and the other parties thereto (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K (File No. 001-43288) filed with the SEC on May 19, 2026).
10.1†	EagleRock Land, LLC Long Term Incentive Plan (incorporated by reference to Exhibit 10.8 to the Company's Current Report on Form 8-K (File No. 001-43288) filed with the SEC on May 19, 2026).
10.2†	EagleRock Land, LLC Employee Share Purchase Plan (incorporated by reference to Exhibit 10.9 to the Company's Current Report on Form 8-K (File No. 001-43288) filed with the SEC on May 19, 2026).
10.3†	EagleRock Land, LLC Change in Control Severance Plan(incorporated by reference to Exhibit 10.10 to the Company's Current Report on Form 8-K (File No. 001-43288) filed with the SEC on May 19, 2026).
10.4#+	Amended and Restated Company Agreement of EagleRock Land Operating, LLC, dated as of May 15, 2026 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-43288) filed with the SEC on May 19, 2026).
10.5#	Shareholder's Agreement, dated as of May 15, 2026, by and between EagleRock Land, LLC and Lea & Eddy Holdings, LLC (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K (File No. 001-43288) filed with the SEC on May 19, 2026).
10.6#	Shareholder's Agreement, dated as of May 15, 2026, by and between EagleRock Land, LLC and Double Eagle IV Midco, LLC (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K (File No. 001-43288) filed with the SEC on May 19, 2026).
10.7#	Shareholder's Agreement, dated as of May 15, 2026, by and among EagleRock Land, LLC, Abyss Inc., Cactus Energy, Inc., Richard H. Coats, Mark T. Dehlinger, Richard H. Coats Jr., Charles R. Wiggins and Christopher Keegan Faudree (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K (File No. 001-43288) filed with the SEC on May 19, 2026).
10.8	Form of Voting Agreement (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K (File No. 001-43288) filed with the SEC on May 19, 2026).
10.9#+	Produced Water Recycling Rights Agreement, dated as of May 15, 2026, by and among EagleRock Land Operating, LLC, Hydrosource Midstream, LLC and Hydrosource Logistics, LLC (incorporated by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K (File No. 001-43288) filed with the SEC on May 19, 2026).
10.10#+	Water System Management Agreement, dated as of May 15, 2026, by and between DE IV Flow, LLC and DEF Operating, LLC (incorporated by reference to Exhibit 10.7 to the Company's Current Report on Form 8-K (File No. 001-43288) filed with the SEC on May 19, 2026).
10.11+	Contribution and Assignment Agreement, dated as of May 4, 2026, by and among EagleRock Land, LLC, EagleRock Land Operating, LLC, Lea & Eddy Holdings, LLC, Double Eagle IV Midco, LLC, OWL Exploration, L.L.C., Shallow Valley Land, LLC, Cactus Energy, Inc., Abyss Inc., Mark T. Dehlinger and Richard H. Coats (incorporated by reference to Exhibit 10.11 to the Company's Current Report on Form 8-K (File No. 001-43288) filed with the SEC on May 19, 2026).
10.12+	Warrant Exercise Agreement, dated as of May 4, 2026, by and among EagleRock Land, LLC, EagleRock Land Operating, LLC, Lea & Eddy Holdings, LLC and the other parties thereto (incorporated by reference to Exhibit 10.12 to the Company's Current Report on Form 8-K (File No. 001-43288) filed with the SEC on May 19, 2026).
10.13†	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.13 to the Company's Current Report on Form 8-K (File No. 001-43288) filed with the SEC on May 19, 2026).
10.14#	Sixth Amendment to Financing Agreement, dated as of May 4, 2026, by and among Lea & Eddy Holdings, LLC, Hydrosource Logistics, LLC, Desert Ram Holdings, LLC, Accelerated Water Resources, LLC, the other Loan Parties party thereto, TCW Asset Management Company LLC, as administrative agent and collateral agent for the Lenders, and the Lenders party thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-43288) filed with the SEC on May 21, 2026).
10.15	Joinder Agreement, dated as of May 15, 2026, by and among EagleRock Land Operating, LLC, the Borrowers, the Guarantors and TCW Asset Management Company LLC, as collateral agent and administrative agent for the Lenders (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K (File No. 001-43288) filed with the SEC on May 21, 2026).
10.16#	Credit Agreement, dated as of May 4, 2026, by and among EagleRock Land Operating, LLC, as Borrower, the other Loan Parties party thereto, the Lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent

	(incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K (File No. 001-43288) filed with the SEC on May 21, 2026).
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents
104*	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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* Filed herewith.

** Furnished herewith.

† Compensatory plan or arrangement.

\# Certain portions of this exhibit have been redacted pursuant to Item 601 of Regulation S-K. The Company agrees to furnish supplementally an unredacted copy of the exhibit to the Securities and Exchange Commission upon its request.

\+ Certain schedules and exhibits to this exhibit have been omitted in accordance with Item 601(a)(5) of Regulation S-K. A copy of any omitted schedule and/or exhibit will be furnished to the Securities and Exchange Commission upon its request.

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.

EagleRock Land, LLC

Date: August 13, 2026

By: /s/ Neal H. Shah

Neal H. Shah

President and Chief Financial Officer (Principal Financial Officer)

Exhibit 2.1

CERTAIN CONFIDENTIAL PORTIONS OF THIS EXHIBIT HAVE BEEN OMITTED AND REPLACED WITH "[***]". SUCH IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) THE TYPE OF INFORMATION THAT EAGLEROCK LAND, LLC TREATS AS PRIVATE OR CONFIDENTIAL.

ASSET PURCHASE AGREEMENT

between

HYDROSOURCE LOGISTICS, LLC
as Seller

and

EAGLEROCK LAND OPERATING, LLC
as Buyer

dated as of
August 10, 2026

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ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "**Agreement**"), dated as of August 10, 2026 (the "**Execution Date**"), is entered into between Hydrosource Logistics, LLC, a Texas limited liability company ("**Seller**"), and EagleRock Land Operating, LLC, a Texas limited liability company ("**Buyer**"). Each of Seller and Buyer may be referred to in this Agreement individually as a "**Party**" and collectively as the "**Parties**." Capitalized terms used in this Agreement have the meanings given to such terms in this Agreement, including as set forth in Annex I attached to this Agreement.

RECITALS

A. Seller owns (i) the fee surface estate in, to and under certain parcels of land comprising approximately 21,793 acres (the "**Fee Acres**"), (ii) approximately 27,858 federal grazing lease acres (the "**Federal Lease Acres**") under the Bureau of Land Management in Lea County, New Mexico (the "**South Ranch**"), (iii) assignable water rights (the "**Water Rights**") (whether in connection with or appurtenant to the Fee Acres, Federal Lease Acres or otherwise), (iv) all Acquired Agreements, (v) the Books and Records, in each case of clauses (i)-(v), as further described on Exhibit A to this Agreement, and (vi) such other assets and interests set forth on Exhibit A (collectively, the "**Acquired Assets**").

B. Seller acquired the Acquired Assets pursuant to that certain Asset Purchase Agreement, dated April 1, 2026 (the "**Intrepid APA**") by and among Seller, as buyer thereunder, Dale Redman, individually and as an indirect owner of Seller, as owner thereunder, and Intrepid Potash-New Mexico, LLC ("**Intrepid**"), as seller thereunder.

C. For the avoidance of doubt, Intrepid retained certain assets and properties referred to as the "Excluded Assets" in the Intrepid APA (collectively, the "**Intrepid Retained Assets**").

D. Pursuant to that certain Consent and Acknowledgment, dated as of August 4, 2026, Intrepid has consented and agreed to the assignment by Seller to Buyer of all of Seller's right, title and interest in and to the Intrepid APA (the "**Intrepid Consent**").

E. Seller wishes to sell to Buyer, and Buyer wishes to purchase from Seller, the Acquired Assets, subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I
PURCHASE AND SALE

Section 1.01 **Purchase and Sale of the Acquired Assets**. Upon the terms and subject to the conditions set forth in this Agreement, Seller shall, on the Closing Date, sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase from Seller, the Acquired Assets, free and clear of all Liens.

Section 1.02 **<u>Purchase Price</u>**. The aggregate purchase price for the Acquired Assets shall be $78,246,422 (the "**<u>Purchase Price</u>**"), subject to the adjustments described in this Agreement. The Purchase Price shall be paid by Buyer to Seller at the Closing by wire transfer of immediately available funds.

Section 1.03 **<u>Prorations; Purchase Price Adjustments</u>**.

(a) **<u>Prorations</u>**. Except as otherwise set forth in this <u>Section 1.03</u>, (i) Buyer shall be entitled to all Revenue recognized in periods from and after the Effective Time, and shall be responsible for (and entitled to any refunds with respect to) all Property Costs expensed in periods from and after the Effective Time and (ii) Seller shall be entitled to all Revenue recognized in periods prior to the Effective Time, and shall be responsible for (and entitled to any refunds with respect to) all Property Costs expensed in periods prior to the Effective Time. Except as otherwise set forth in this <u>Section 1.03</u>, the determination of whether Revenue is recognized or Property Costs are expensed in a period before, at or after the Effective Time shall be interpreted in accordance with GAAP, and for purposes of this <u>Section 1.03</u>, shall be based on when the underlying goods or services are delivered and not the date that a party enters into a contract for the sale of such goods or services.

(b) **<u>Purchase Price Increases</u>**. The Purchase Price shall be increased by an amount equal to the sum of the following:

(i) Property Costs paid or otherwise borne by Seller that are expensed for the period from and after the Effective Time; and

(ii) Revenue received by Buyer (net of all applicable Production Taxes and Burdens attributable to the Revenue) that is recognized as Revenue for periods prior to the Effective Time.

(c) **<u>Purchase Price Decreases</u>**. The Purchase Price shall be decreased by an amount equal to the sum of the following:

(i) Property Costs paid or otherwise borne by Buyer that are expensed for the period prior to the Effective Time;

(ii) Revenue received by Seller (net of all applicable Production Taxes and Burdens attributable to the Revenue) that is recognized as Revenue for periods from and after the Effective Time; and

(iii) the Intrepid Final Settlement Amount received by Seller.

The Purchase Price as adjusted pursuant to this <u>Section 1.03</u> shall be referred to herein as the "**<u>Adjusted Purchase Price</u>**."

(d) **<u>Collection of Receivables</u>**. Seller shall have the right to collect any receivable, refund or other amounts recognized for periods prior to the Effective Time. If Buyer collects any such receivable, refund or other amount and such amount has not been reflected as an adjustment to the Purchase Price pursuant to <u>Sections 1.03(b)</u> and <u>1.03(c)</u>, then Buyer shall promptly remit to Seller any such amounts. Buyer shall have the right to collect any receivable, refund or other amounts recognized for periods from and after the Effective Time. If Seller collects any such receivable, refund or other amount and such amount has not been reflected as an adjustment to the Purchase Price pursuant to Sections 1.03(b) and 1.03(c), then Seller shall promptly remit to Buyer any such amounts.

(e) **Allocated Values**. The Purchase Price shall be allocated to the Properties as set forth in Schedule 1.03(e) to this Agreement. Seller and Buyer acknowledge and agree that the values allocated among various Properties, as set forth on Schedule 1.03(e) to this Agreement (with respect to each item, individually, the "**Allocated Value**," and collectively, the "**Allocated Values**") shall be binding on Seller and Buyer.

Section 1.04 Settlement Statement.

(a) **Preliminary Settlement Statement**. Seller has delivered to Buyer a statement (the "**Preliminary Settlement Statement**") prepared in good faith by Seller setting forth the proposed adjustments to the Purchase Price, in accordance with Section 1.03, and the itemized calculation and reasonable supporting documentation of the adjustments used to determine such amounts, together with the designation of Seller's account(s) for the wire transfers of funds as set forth in Section 2.03(b). The proposed adjustments to the Purchase Price are based upon actual amounts, if known on the date thereof, or good faith estimates by Seller based upon the information then available. Buyer has delivered to Seller a written report containing all changes with the explanation therefor that Buyer proposes to be made to the Preliminary Settlement Statement. The Preliminary Settlement Statement, as agreed upon by the Parties, shall be used to adjust the Purchase Price at Closing, which amount shall become the Adjusted Purchase Price to be paid at the Closing; *provided* that if the Parties do not agree by Closing upon an adjustment set forth in the Preliminary Settlement Statement, then the amount of such adjustment used to determine the Adjusted Purchase Price at Closing shall be that amount set forth in the draft Preliminary Settlement Statement delivered by Seller to Buyer pursuant to this Section 1.04(a).

(b) **Final Settlement Statement**. On or before one hundred twenty (120) days after Closing, Seller shall prepare and deliver to Buyer a statement (the "**Final Settlement Statement**") prepared in good faith by Seller and setting forth each adjustment to the Purchase Price in accordance with Section 1.03, and the itemized calculation and reasonable supporting documentation of the adjustments used to determine such amount. Seller shall prepare the Final Settlement Statement in accordance with this Agreement. On or before thirty (30) days after receipt of the Final Settlement Statement, Buyer shall have the right, but not the obligation, to deliver to Seller written notice of any objections by Buyer to any adjustments in the Final Settlement Statement ("**Dispute Notice**"), and during such time period, Buyer and any accountant engaged by Buyer shall have reasonable access to the relevant books and records of Seller, to the personnel of, and work papers prepared by, Seller to the extent that they relate to the Final Settlement Statement, and to such historical financial information (to the extent in Seller's possession) relating to the Final Settlement Statement as Buyer may reasonably request. The Dispute Notice, if any, shall describe in detail any objectionable adjustments, or lack of any adjustments, and include supporting documentation. If Buyer fails to deliver the Dispute Notice within said time period, the adjustments in the Final Settlement Statement shall be deemed conclusively to be final and binding upon the Parties. If Buyer delivers a Dispute Notice within said time period, the Final

Settlement Statement shall be deemed conclusively to be final and binding with respect to all adjustments other than those specifically described in Buyer's Dispute Notice.

(c) **Dispute Resolution**. Buyer and Seller shall use their reasonable efforts in good faith to confer and resolve any objections on or before fifteen (15) days after Seller's receipt of Buyer's Dispute Notice. If Buyer and Seller resolve all objections (or they are determined by the Independent Accountant, as provided for below), the adjusted Final Settlement Statement and the Adjusted Purchase Price reflected therein (the "**Final Purchase Price**") shall be deemed conclusively to be final and binding upon the Parties. If Seller and Buyer are unable to resolve the matters addressed in the Dispute Notice, each of Buyer and Seller shall within fifteen (15) Business Days after such fifteen (15) day period, summarize its position with regard to such dispute in a written document of twenty (20) pages or less and submit such summaries to Grant Thornton LLP or such other Person as the Parties may mutually select (the "**Independent Accountant**"), together with the Dispute Notice, the Final Settlement Statement and any other documentation such Party may desire to submit. In the event that Grant Thornton LLP declines to serve as the Independent Accountant, then the Independent Accountant shall be selected from among the independent national accounting firms that have not represented any Party or its Affiliates at any time during the three (3) year period of time immediately preceding its designation hereunder. The Independent Accountant's role shall be limited to resolving such objections and determining the correct calculations to be used on only the disputed portions of the Final Settlement Statement, and the Independent Accountant shall not make any other determination, including any determination as to whether any other items on the Final Settlement Statement are correct. The Independent Accountant shall not assign a value to any item greater than the greatest value for such item claimed by Seller or Buyer or less than the smallest value for such item claimed by Seller or Buyer, and the review shall be limited solely to the presentations and supporting material provided by Seller and Buyer and not pursuant to any independent review. In resolving such objections, the Independent Accountant shall apply the provisions of this Agreement concerning determination of the amounts set forth in the Final Settlement Statement. Seller and Buyer shall instruct the Independent Accountant to deliver to Seller and Buyer a written determination (such determination to include a work sheet setting forth all material calculations used in arriving at such determination and to be based solely on information provided to the Independent Accountant by Seller and Buyer) of the disputed items submitted to the Independent Accountant within twenty (20) Business Days of receipt of such disputed items. The determination by the Independent Accountant of the disputed amounts and the Final Purchase Price shall be conclusive and binding on the Parties, absent manifest error, fraud or willful misconduct as determined by a non-appealable and binding decision by a court of law having jurisdiction over the Parties. The Parties agree that the procedure set forth in this Section 1.04 for resolving disputes with respect to the Final Settlement Statement and Final Purchase Price (and any components thereof) shall be the sole and exclusive remedy for resolving such disputes; *provided*, *however*, that the Parties agree that judgment may be entered upon the determination of the Independent Accountant in any court having jurisdiction over the Party against which such determination is to be enforced.

(d) **Costs**. The costs and fees related to such determination by the Independent Accountant, including the costs relating to any negotiations with the Independent Accountant with respect to the terms and conditions of such Independent Accountant's engagement and the costs for the Independent Accountant's services shall be borne by (i) Seller, in the proportion that the aggregate dollar amount of disputed items submitted for resolution that are unsuccessfully disputed by Seller (as finally determined by the Independent Accountant) bears to the aggregate dollar amount of such submitted disputed items and (ii) Buyer, in the proportion that the aggregate dollar amount of disputed items submitted for resolution that are successfully disputed by Seller (as finally determined by the Independent Accountant) bears to the aggregate dollar amount of such submitted disputed items.

(e) **Final Adjustment Payment**. Any difference in the Adjusted Purchase Price as paid at Closing pursuant to the Preliminary Settlement Statement and the Final Purchase Price shall be paid by the owing Party to the owed Party on or before the date that is ten (10) Business Days following the earlier to occur of the Parties' agreement or determination by the Independent Accountant.

(f) **Tax**. Except as otherwise required by applicable Tax Law, any payment made pursuant to Section 1.03 or this Section 1.04 shall constitute an adjustment to the Purchase Price for Tax purposes.

Section 1.05 **Excluded Assets**. The Parties acknowledge and agree that (a) Buyer is not acquiring any of the Excluded Assets pursuant to this Agreement, and (b) the Excluded Assets are hereby expressly excepted, reserved and retained by Seller.

Section 1.06 **Assumed Liabilities**. At the Closing, Buyer shall (and does hereby) assume and shall (and does hereby) agree to pay, perform and discharge when due, all Assumed Liabilities.

Section 1.07 **Excluded Liabilities**. Except as explicitly and expressly set forth in this Agreement, Buyer shall not, by the execution and performance of this Agreement or otherwise, assume, become responsible for or incur, any Excluded Liabilities. Seller shall be solely responsible for, and shall pay and satisfy in due course, all such Excluded Liabilities which Seller is obligated to pay and satisfy as and when they become due and payable.

Section 1.08 **Non-Assignment of Certain Assets**. Notwithstanding anything to the contrary in this Agreement, to the extent that the assignment of any of the Acquired Assets shall require the Consent of any Governmental Authority or any other Person not a party to this Agreement, neither this Agreement nor any action taken pursuant to it shall constitute an assignment or an attempt to assign the same if such assignment or attempted assignment would constitute a breach thereof or result in the loss or diminution thereof. If any such Consent is not obtained prior to the Closing and the Closing nonetheless occurs, Seller shall use commercially reasonable efforts to obtain such Consent as promptly as practicable thereafter, and until such Consent is obtained, Seller shall cooperate with Buyer in a mutually agreeable arrangement under which Buyer would obtain the benefits and assume the related obligations with respect to any applicable Acquired Asset. Seller shall promptly remit to Buyer when received all monies received by Seller in respect of any such Acquired Asset or any claim or right or any benefit arising thereunder or resulting therefrom. Upon receipt of any such Consent, Seller shall automatically be deemed to have sold, assigned, transferred, conveyed and delivered such Acquired Asset to Buyer for no additional consideration.

Section 1.09 **Withholding Taxes**. Buyer shall be entitled to deduct and withhold from amounts otherwise payable pursuant to this Agreement (and Seller shall indemnify, defend and hold harmless Buyer against) such amounts as are required to be deducted and withheld under applicable Tax Law; *provided*, that as long as the IRS Form W-9 set forth in Section 2.02(g) is delivered by Seller at the Closing, then no deduction or withholding is expected on any amounts otherwise payable to Seller at the Closing pursuant to this Agreement. Except with respect to instances in which Seller fails to deliver the IRS Form W-9 pursuant to Section 2.02(g), Buyer shall use commercially reasonable efforts to provide Seller with written notice of its intent to deduct and withhold pursuant to this Section 1.09 at least three (3) days before deducting and withholding from any consideration otherwise payable to Seller pursuant to this Agreement and shall reasonably cooperate with Seller to mitigate or eliminate any such deduction and withholding to the maximum extent permitted by applicable Tax Law. To the extent that amounts are so deducted and withheld and timely paid over to the appropriate Governmental Authority, such deducted and withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Person in respect of which such deduction and withholding was made.

ARTICLE II
CLOSING

Section 2.01 **Closing**. The closing of the Transactions ("**Closing**") shall take place via electronic (including pdf, DocuSign or otherwise) exchange of documents (or exchange of wet-ink originals to the extent required for appropriate filings in property records or with Governmental Authorities) at 10:00 a.m., Mountain Time (or such other time as agreed by the Parties), on the Execution Date. The date on which the Closing occurs is also referred to herein as the "**Closing Date**." Ownership and possession of the Acquired Assets shall be transferred from Seller to Buyer at the Closing, provided, however, that the Closing shall be deemed to be effective as of 12:01 a.m., Central Time, on the Closing Date (the "**Effective Time**"), and the financial benefits and burdens with respect to the Acquired Assets shall be transferred effective as of the Effective Time.

Section 2.02 **Seller's Closing Deliveries**. At the Closing, Seller shall deliver the following to Buyer:

(a) an assignment, conveyance and bill of sale of the Acquired Assets duly executed by Seller, in the form attached to this Agreement as Exhibit B (the "**Assignment**"), excepting and reserving unto Seller the Excluded Assets together with such other separate instruments of sale, transfer or assignment as Buyer reasonably requests;

(b) an assignment and assumption agreement, duly executed by Seller, in the form attached to this Agreement as Exhibit C, pursuant to which Buyer shall assume the Assumed Liabilities (the "**Assumption Agreement**");

(c) subject to Section 5.10 and to the extent deliverable at Closing, appropriate forms to transfer or reissue the Government Land Use Authorizations, duly executed by Seller, in the form attached to this Agreement as Exhibit D, in sufficient counterparts to facilitate filing with the applicable Governmental Authorities (the "**Government Land Use Authorization Forms**");

(d) a Special Warranty Deed, duly executed and acknowledged by Seller, in recordable form, conveying to Buyer fee simple title to the Fee Acres, subject only to Permitted Liens, in the form attached to this Agreement as Exhibit F (the "**Special Warranty Deed**");

(e) a certificate of an officer of Seller certifying: (i) that attached thereto are true and complete copies of all resolutions of the board or other governing authority of Seller authorizing the execution, delivery and performance of this Agreement and the consummation of the Transactions, and that such resolutions are in full force and effect; and (ii) the names, titles and signatures of the officers of Seller authorized to sign this Agreement;

(f) (i) payoff letters evidencing the discharge or payment in full of the Indebtedness and each holder of such Indebtedness, each as identified on Section 2.02(h) of the Disclosure Schedules, in each case duly executed by each holder of such Indebtedness, and (ii) termination and releases of all deeds of trust, mortgages and Liens binding on the Acquired Assets that secure any Indebtedness of Seller or its Affiliates, including any and all termination statements on Form UCC-3, or other appropriate releases, which when filed will release and satisfy any and all Liens relating to such Indebtedness (including release of all Liens on the Acquired Assets under the Credit Facility, including a termination statement on Form UCC-3 related to such Liens), together with proper authority to file such terminations, termination statements or other releases at and following the Closing;

(g) a properly completed and duly executed IRS Form W-9 from Seller (or, if Seller is treated as an entity disregarded as separate for U.S. federal income tax purposes, such regarded Tax owner), dated not more than thirty (30) days prior to the Closing Date;

(h) copies of all Consents that have been obtained from counterparties to the Material Agreements, Governmental Authorities and other third parties in connection with the consummation of the Transactions;

(i) the Title Affidavits (if applicable);

(j) subject to Section 5.01 and to the extent deliverable at Closing, notices of assignment and letters in lieu with respect to the Acquired Assets, in such form as reasonably requested by Buyer, duly executed by Seller; and

(k) all other instruments, agreements, certificates and documents required to be delivered by Seller at or prior to the Closing pursuant to this Agreement and such other certificates of authority and similar instruments as are reasonably necessary to consummate the Transactions and have been reasonably requested by Buyer prior to the Closing.

Section 2.03 **Buyer's Closing Deliveries**. At the Closing, Buyer shall deliver the following to Seller:

(a) to each holder of Indebtedness identified on Section 2.02(h) of the Disclosure Schedules, an amount in cash set forth opposite such Person's name to the account or accounts designated by such Person by wire transfer of immediately available funds;

(b) to Seller, the Adjusted Purchase Price determined in accordance with Section 1.04(a) at the Closing (after deducting the aggregate amount, if any, paid pursuant to Section 2.03(a)), by wire transfer of immediately available funds to the account(s) designated by Seller;

(c) the Assumption Agreement, duly executed by Buyer;

(d) to the extent deliverable at Closing, the Government Land Use Authorization Forms, duly executed by Buyer;

(e) a certificate of an officer of Buyer certifying: (i) that attached thereto are true and complete copies of all resolutions of the manager or other governing authority of Buyer authorizing the execution, delivery and performance of this Agreement and the consummation of the Transactions, and that such resolutions are in full force and effect and (ii) the names, titles and signatures of the officers of Buyer authorized to sign this Agreement;

(f) subject to Section 5.01 and to the extent deliverable at Closing, notices of assignment and letters in lieu with respect to the Acquired Assets, in such form as reasonably requested by Buyer, duly executed by Buyer; and

(g) all other instruments, agreements, certificates and documents required to be delivered by Buyer at or prior to the Closing pursuant to this Agreement and such other certificates of authority and similar instruments as Seller has reasonably requested prior to the Closing.

Section 2.04 **Risk of Loss**. If prior to the Closing, all or any material portion of the Acquired Assets is damaged or destroyed by fire, flood, earthquake, or other casualty, or is taken or threatened to be taken by condemnation or the exercise of any power of eminent domain ("**Casualty Loss**"), then (a) if the loss as a result of such Casualty Loss exceeds $500,000, then Buyer shall elect either to (i) require Seller to cause such Acquired Assets to be repaired or restored as promptly as reasonably practicable (which work may extend after the Closing, but not later than thirty (30) days following the Closing) to at least the condition prior to the applicable Casualty Loss at Seller's sole cost (and without an adjustment to the Purchase Price), (ii) reduce the Purchase Price by an amount equal to the reduction in value of the affected Acquired Assets resulting from such Casualty Loss (as agreed by the Parties or, failing agreement, as determined in accordance with the dispute resolution procedures in Section 1.04), or (iii) in lieu of all or a portion of the reduction under clause (a)(ii), require Seller to assign and transfer to Buyer all of Seller's right, title and interest in and to any insurance proceeds or condemnation awards payable with respect to such Casualty Loss (net of any costs of collection and any amounts applied to repair or restore the Acquired Assets prior to Closing), and (b) if the loss as a result of such Casualty Loss is equal to or less than $500,000, then the Purchase Price shall be reduced by an amount equal to the reduction in value of the affected Acquired Assets resulting from such Casualty Loss (as agreed by the Parties or, failing agreement, as determined in accordance with the dispute resolution procedures in Section 1.04). Except to the extent Buyer elects to receive an assignment under clause (a)(iii), Seller shall retain all rights to insurance and other claims against Third Parties with respect to the applicable casualty or taking, except to the extent the Parties otherwise agree in writing.

ARTICLE III
REPRESENTATIONS AND WARRANTIES REGARDING SELLER

Seller hereby represents and warrants to Buyer that, except as may be set forth in the Disclosure Schedules, the statements contained in this Article III are true and correct as of the Closing Date. Notwithstanding anything to the contrary in this Article III, except with respect to Section 3.01 (Organization and Authority of Seller), Section 3.02 (No Conflicts or Consents), Section 3.03 (Financial Statements), Section 3.11 (Taxes), Section 3.12 (Brokers) and Section 3.17 (No Intrepid Breaches), the representations and warranties of Seller set forth in this Article III are made solely with respect to the period commencing on the Intrepid Closing Date through and concluding upon the Closing Date (the "**Seller Ownership Period**"), and Seller makes no representation or warranty with respect to any period prior to the Seller Ownership Period.

Section 3.01 Organization and Authority of Seller. Seller is a limited liability company duly organized, validly existing and in good standing under the Laws of the State of Texas. Seller has all necessary limited liability company power and authority to enter into this Agreement, to carry out its obligations hereunder and to consummate the Transactions. The execution and delivery by Seller of this Agreement, the performance by Seller of its obligations hereunder, and the consummation by Seller of the Transactions have been duly authorized by all requisite limited liability company action on the part of Seller. This Agreement constitutes a legal, valid and binding obligation of Seller enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

Section 3.02 No Conflicts or Consents. The execution, delivery and performance by Seller of this Agreement, and the consummation of the Transactions, do not and will not: (a) violate or conflict with any provision of the Organizational Documents of Seller; (b) violate or conflict with any provision of any Law or Governmental Order applicable to Seller; (c) except as set forth in Section 3.02 of the Disclosure Schedules, require the consent, notice or other action by any Person under, violate or conflict with, or result in the acceleration of any Material Agreement; or (d) except as set forth in Section 3.02 of the Disclosure Schedules, require any consent, permit, Governmental Order, filing or notice from, with or to any Governmental Authority; except, in the cases of clauses (b) and (c), where the violation, conflict, acceleration or failure to obtain consent or give notice would not have a Material Adverse Effect on Seller's ability to consummate the Transactions, and, in the case of clause (d), where the failure to obtain such consent, permit, Governmental Order, filing or notice, in the aggregate, would not have a Material Adverse Effect on Seller's ability to consummate the Transactions.

Section 3.03 Financial Statements. Section 3.03 of the Disclosure Schedules contains true, correct and complete copies of the unaudited statements of income of the Business for the period from the Intrepid Closing Date through the most recent month-end preceding the Execution Date (the "**Financial Statements**"). Except as set forth therein, the Financial Statements have been prepared in accordance with GAAP, applied on a consistent basis throughout the periods involved (subject to normal and recurring year-end adjustments and the absence of footnotes), and fairly present in all material respects the financial condition and results of operations of the Business as of the dates and for the periods indicated.

Section 3.04 **[Intentionally Deleted.]**

Section 3.05 **Material Agreements**.

(a) Section 3.05(a) of the Disclosure Schedules lists each of the following contracts and other agreements that Seller is a party to or that are binding on the Acquired Assets (collectively, the "**Material Agreements**"):

(i) each active purchase, sales, transportation or other contract that generated revenues, or resulted in aggregate payments by Seller or Intrepid, in either case, in excess of $250,000 during 2025;

(ii) any contract relating to Indebtedness in excess of $250,000 pursuant to which any portion of such Indebtedness will burden the Acquired Assets following Closing;

(iii) each contract that includes rights of first refusal, noncompetition or non-solicitation clauses relating to the Acquired Assets;

(iv) each contract between (A) Intrepid, on the one hand, and (B) any Affiliate of Intrepid, on the other hand;

(v) each contract between (A) Seller, on the one hand, and (B) any Affiliate of Seller, on the other hand; and

(vi) the Intrepid APA.

(b) Except as set forth on Section 3.05(b) of the Disclosure Schedules, each Material Agreement represents the legal, valid, and binding obligation of Seller, enforceable by it in all material respects in accordance with its terms against each other party thereto, except as the enforceability may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar Laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity). Seller is not in breach of (and to the Knowledge of Seller no other party to any Material Agreement is in breach of), any Material Agreement. Complete and accurate copies of all Material Agreements (including any and all amendments or supplements thereto) have been provided by Seller to Buyer prior to the Closing Date.

Section 3.06 **Title to Assets**. Except as set forth on Section 3.06 of the Disclosure Schedules, Seller has possession of and good, valid and marketable title to, or a valid enforceable leasehold or license interest in, all of its material personal property (other than personal property sold or otherwise disposed of in the Ordinary Course of Business) constituting Acquired Assets, free and clear of all Liens, other than Permitted Liens.

Section 3.07 **Legal Proceedings**. Except as set forth on Section 3.07 of the Disclosure Schedules, there have been no Proceedings pending or, to Seller's Knowledge, threatened in writing against Seller relating to Seller's ownership or operation of the Acquired Assets.

Section 3.08 **Compliance with Laws**. Except as set forth in Section 3.08 of the Disclosure Schedules, (a) Seller has been in material compliance with all Laws applicable to its ownership or operation of the Acquired Assets and (b) to Seller's Knowledge, Intrepid has been in material compliance with all Laws applicable to its ownership or operation of the Acquired Assets.

Section 3.09 **Environmental Matters**. Except as set forth in Section 3.09 of the Disclosure Schedules:

(a) Seller and its Business conducted regarding or otherwise related to the Acquired Assets have materially complied with, are in material compliance with, and have no material Liability under, Environmental Laws, Permits or with respect to Hazardous Substances;

(b) Seller has not treated, disposed of or released Hazardous Substances on the Properties in material quantities or material concentrations that could reasonably be expected to require remediation by Seller pursuant to Environmental Laws;

(c) Seller has not received any written notice from any Governmental Authority alleging any material violation of Environmental Laws with respect to the Properties that has not been remediated;

(d) Seller has not entered into, nor is Seller a party to, any consent order, consent decree, settlement agreement, administrative order, or other written agreement with any Governmental Authority under any Environmental Law that (i) imposes or could reasonably be expected to impose any material obligation, liability, or cost on Buyer or the Acquired Assets after the Closing Date, or (ii) requires any material remediation, investigation, monitoring, or other environmental work to be performed on or in connection with the Acquired Assets after the Closing Date;

(e) there have been no pending or threatened (in writing) material Proceedings against Seller or the Properties arising under any Environmental Laws; and

(f) Seller has made available to Buyer true and complete copies of all Phase I environmental site assessments and other material environmental reports and assessments relating to the Properties that are in Seller's possession or control.

The representations and warranties set forth in this Section 3.09 are Seller's sole and exclusive representations or warranties regarding Environmental Laws and Hazardous Substances.

Section 3.10 **Employment Matters**. Seller has been in material compliance with all applicable Laws pertaining to employment and employment practices to the extent they relate to employees employed by Seller with respect to its Business conducted regarding or otherwise related to the Acquired Assets. The representations and warranties set forth in this Section 3.10 are Seller's sole and exclusive representations and warranties regarding employment matters.

Section 3.11 Taxes.

(a) Seller has duly and properly filed in a timely manner with the relevant Governmental Authorities all income and other material Tax Returns relating to Seller, its Business and the Acquired Assets required by Law to be filed, including estimated Tax Returns and other information returns and reports. Each such Tax Return has been prepared in material compliance with all Laws and is complete, true and correct in all material respects. All material Taxes due and owing by Seller with respect to the Business and the Acquired Assets (whether or not shown on any Tax Return) have been timely paid, including all Production Taxes that have become due and payable with respect to the Acquired Assets (whether or not such Taxes are reflected on a Tax Return);

(b) All Taxes required to be withheld, collected or deposited by Seller with respect to the Acquired Assets and the conduct of its Business have been timely withheld, collected or deposited and, to the extent required, have been paid to the relevant Governmental Authority;

(c) Seller has not been granted or requested any waiver of any statute of limitations with respect to, or any extension of a period for the assessment of, any Taxes of Seller with respect to the Acquired Assets or its Business;

(d) No Acquired Asset is subject to any Tax holiday or Tax incentive or grant in any jurisdiction;

(e) Seller has not requested any extension of time within which to file any Tax Returns with respect to the Acquired Assets, except for automatic extensions of time to file any Tax Return not requiring the consent of any Governmental Authority. Seller has not executed or filed with any Governmental Authority any agreement or other document extending or having the effect of extending the statute of limitations for assessment, collection, payment or other imposition of any Tax with respect to the Acquired Assets;

(f) None of the Acquired Assets are subject to any tax partnership agreement or are otherwise treated, or required to be treated, as held in a partnership for Tax purposes or an arrangement requiring a partnership income Tax Return to be filed under Subchapter K of Chapter 1 of Subtitle A of the Code (or any corresponding or similar provision of state Law);

(g) Neither Seller nor its Affiliates have received written notice of any pending claim against Seller or its Affiliates (which remains outstanding) from any Governmental Authority for assessment of Taxes with respect to the Acquired Assets, and to Seller's Knowledge, no such claim has been threatened. There are no Proceedings relating to any Production Taxes or any Taxes of Seller or its Affiliates with any Governmental Authority that have been commenced or are currently pending (which remain outstanding);

(h) There are no Liens currently existing, pending or threatened with respect to any of the Acquired Assets that have arisen as a result of any failure to pay Taxes, other than Permitted Liens; and

(i) No Governmental Authority has ever asserted a claim that Seller or its Affiliates are subject to taxation with respect to the Acquired Assets in a jurisdiction in which Seller or its Affiliates, as applicable, are not filing Tax Returns.

Section 3.12 **Brokers**. Except as set forth on Section 3.12 of the Disclosure Schedules, no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the Transactions based upon arrangements made by or on behalf of Seller.

Section 3.13 **Water Rights**. Section 3.13 of the Disclosure Schedules sets forth a true, correct, and complete list of all Water Rights included in the Acquired Assets, including the permit or license number, source, priority date, quantity, type of use, and place of use for each Water Right.

(a) Seller owns or holds valid legal title to each Water Right listed on Section 3.13 of the Disclosure Schedules, free and clear of all Liens other than Permitted Liens.

(b) All Water Rights are in good standing, and in full force and effect, with the New Mexico Office of the State Engineer and all other applicable Governmental Authorities.

(c) To Seller's Knowledge, no Water Right is subject to any pending or threatened forfeiture, abandonment, relinquishment, or curtailment proceeding.

(d) The Water Rights are transferable to Buyer, and no consent or approval of any Governmental Authority is required for such transfer other than routine administrative filings with the New Mexico Office of the State Engineer.

(e) Except as set forth on Section 3.13(e) of the Disclosure Schedules, the quantities of water represented by the Water Rights have been put to beneficial use within the applicable time periods required under applicable Law, and no Water Right has been forfeited or abandoned due to non-use.

(f) Seller has not received any written notice from any Governmental Authority or third party challenging, disputing, or otherwise adversely affecting any Water Right.

Section 3.14 **Real Property**. Seller has delivered to Buyer copies of the deeds and other instruments (as recorded) by which Seller acquired such Fee Acres, and copies of all material title insurance policies, opinions, abstracts and surveys in the possession of Seller with respect to such Fee Acres. Section 3.14 of the Disclosure Schedules sets forth (y) a true, correct, and complete list of all Fee Acres included in the Acquired Assets, including the legal description and county of each parcel, and (z) a true, correct, and complete list of all surface leases and other leasehold interests in real property included in the Acquired Assets ("**Surface Leases**"). To Seller's Knowledge:

(a) There is no pending or threatened material condemnation, eminent domain, or similar proceeding affecting any of the Properties or any portion thereof.

(b) There are no outstanding options, rights of first offer, or rights of first refusal to purchase any of the Properties or any portion thereof or interest therein, other than as set forth in Section 3.14(b) of the Disclosure Schedules.

(c) All improvements located on the Properties have been constructed in material compliance with all applicable Laws and Permits and are in material compliance with all applicable zoning, building, and land use Laws.

(d) Each Surface Lease to which Seller is a party or by which Seller is bound is valid and binding on Seller and each other party thereto, and is in full force and effect.

Section 3.15 **Permits**. Section 3.15 of the Disclosure Schedules sets forth a true, correct, and complete list of all material Permits held by Seller that are necessary for or used in the ownership or operation of the Acquired Assets or the conduct of the Business as currently conducted, including the issuing Governmental Authority, permit number, and expiration date (if any) for each Permit.

(a) Seller holds all Permits listed on Section 3.15 of the Disclosure Schedules, and each such Permit is valid and in full force and effect and is in material compliance with all terms and conditions of each Permit.

(b) Seller has not received (nor to the Knowledge of Seller has Intrepid received) any written notice from any Governmental Authority regarding: (i) any actual or alleged violation of, or failure to comply with, any Permit; (ii) any revocation, withdrawal, suspension, cancellation, termination, or modification of any Permit; or (iii) any proceeding relating to any of the foregoing.

(c) Except as set forth on Section 3.15(c) of the Disclosure Schedules, all Permits are transferable to Buyer, and no consent or approval of any Governmental Authority is required for such transfer other than routine administrative filings.

Section 3.16 **Insurance**. Section 3.16 of the Disclosure Schedules sets forth a true, correct, and complete list of all material insurance policies maintained by Seller with respect to the Acquired Assets or the Business, including the insurer, policy number, coverage amounts, deductibles, and expiration date for each policy. All such insurance policies are in full force and effect, and all premiums due and payable thereunder have been paid in full. Seller has not received any written notice of cancellation or non-renewal of any such insurance policy.

Section 3.17 **No Intrepid Breaches**. To Seller's Knowledge (except as disclosed on Sections 3.05(a), 3.05(b), 3.08 or 3.15 of the Disclosure Schedules), (a) there exists no fact, event or circumstance that would cause or result in any representation or warranty made by Intrepid to Seller under the Intrepid APA to be untrue or incorrect in any material respect as of the Closing Date, and (b) no material environmental condition exists with respect to the Acquired Assets that arose prior to the Intrepid Closing Date that has not been disclosed in the environmental reports made available to Buyer pursuant to Section 3.09(f).

Section 3.18 **No Other Representations and Warranties**. Except for the representations and warranties contained in this Article III (including the related portions of the

Disclosure Schedules) and the Transaction Documents, neither Seller nor any of its Representatives has made or makes any other express or implied representation or warranty, either written or oral, on behalf of Seller, including any representation or warranty as to the accuracy or completeness of any information regarding Seller or the Acquired Assets furnished or made available to Buyer (including any information, documents or material delivered to Buyer or made available to Buyer in Seller's virtual data room maintained on behalf of Seller for purposes of this Agreement, or any management presentations made in expectation of the Transactions) or as to the future revenue, profitability or success of Seller or the Acquired Assets, or any representation or warranty arising from statute or otherwise in law.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES REGARDING BUYER

Buyer represents and warrants to Seller that the statements contained in this Article IV are true and correct as of the Closing Date.

Section 4.01 **Organization and Authority of Buyer**. Buyer is a limited liability company duly organized, validly existing and in good standing under the Laws of the State of Texas. Buyer has all necessary limited liability company power and authority to enter into this Agreement, to carry out its obligations hereunder and to consummate the Transactions. The execution and delivery by Buyer of this Agreement, the performance by Buyer of its obligations hereunder, and the consummation by Buyer of the Transactions have been duly authorized by all requisite limited liability company action on the part of Buyer. This Agreement constitutes a legal, valid and binding obligation of Buyer enforceable against Buyer in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

Section 4.02 **No Conflicts; Consents**. The execution, delivery and performance by Buyer of this Agreement, and the consummation of the Transactions, do not and will not: (a) violate or conflict with any provision of the Organizational Documents of Buyer; (b) violate or conflict with any provision of any Law or Governmental Order applicable to Buyer; (c) require the consent, notice or other action by any Person under, violate or conflict with, or result in the acceleration of any agreement to which Buyer is a party; or (d) require any consent, permit, Governmental Order, filing or notice from, with or to any Governmental Authority; except, in the cases of clauses (b) and (c), where the violation, conflict, acceleration or failure to obtain consent or give notice would not have a material adverse effect on Buyer's ability to consummate the Transactions and, in the case of clause (d), where such consent, permit, Governmental Order, filing or notice would not, in the aggregate, have a material adverse effect on Buyer's ability to consummate the Transactions.

Section 4.03 **Brokers**. Except as set forth in Section 4.03 of the Disclosure Schedules, no broker, finder, or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the Transactions based upon arrangements made by or on behalf of Buyer.

Section 4.04 **Sufficient Funds; Solvency; Financial Capacity**.

(a) Buyer has at Closing sufficient cash on hand or other sources of immediately available funds to enable it to pay Seller the Purchase Price and consummate the Transactions. Immediately after giving effect to the Transactions, Buyer shall be solvent and shall: (i) be able to pay its debts as they become due; (ii) own property that has a fair saleable value greater than the amounts required to pay its debts (including a reasonable estimate of the amount of all contingent liabilities); and (iii) have adequate capital to carry on Buyer's business. No transfer of property is being made and no obligation is being incurred in connection with the Transactions with the intent to hinder, delay or defraud either present or future creditors of Buyer. In connection with the Transactions, Buyer has not incurred, nor plans to incur, debts beyond its ability to pay as they become absolute and matured.

Section 4.05 **Legal Proceedings**. There are no Proceedings pending or, to Buyer's Knowledge, threatened against or by Buyer that challenge or seek to prevent, enjoin or otherwise delay the Transactions.

Section 4.06 **Independent Investigation; No Reliance; Release**. Buyer has conducted its own independent investigation, review and analysis of Seller and the Acquired Assets, and acknowledges that Buyer has been provided adequate access to the personnel, properties, assets, premises, books and records and other documents and data of Seller for such purpose. Buyer acknowledges and agrees that: (a) in making its decision to enter into this Agreement and to consummate the Transactions, Buyer has relied solely upon its own investigation and the express representations and warranties of Seller set forth in Article III of this Agreement (including related portions of the Disclosure Schedules); (b) neither Seller nor any of its Representatives has made any representation or warranty as to Seller, the Acquired Assets or this Agreement, except as expressly set forth in Article III of this Agreement (including the related portions of the Disclosure Schedules) or the Transaction Documents; (c) neither Seller nor any of its Representatives shall have or be subject to any liability to Buyer or any other Person resulting from the distribution to Buyer or Buyer's use of, or reliance on, any information, documents, projections, forecasts, business plans, budgets, estimates or other materials (written or oral) made available to Buyer in any data room, management presentation, functional presentation, due diligence discussion, response to any question submitted by or on behalf of Buyer, or in any other form in connection with the Transactions, except to the extent such information is expressly included in the representations and warranties of Seller set forth in Article III (including the related portions of the Disclosure Schedules); (d) Buyer is not relying upon, and hereby expressly disclaims any reliance upon, any statement, representation or warranty (express or implied) made by or on behalf of Seller, except for the representations and warranties of Seller expressly set forth in Article III (including the related portions of the Disclosure Schedules) and the Transaction Documents; (e) Buyer has had the opportunity to conduct such inspections, investigations, tests, studies, and analyses of the Acquired Assets (including the Fee Acres and all other real property) as Buyer deemed necessary or appropriate, and Buyer is satisfied with the results thereof; and (f) Buyer is an experienced and sophisticated purchaser of assets similar to the Acquired Assets and has such knowledge and experience in financial and business matters that Buyer is capable of evaluating the merits and risks of acquiring the Acquired Assets pursuant to this Agreement. Notwithstanding anything to the contrary in this Section 4.06, none of the acknowledgements, disclaimers, releases or waivers set forth in this Section 4.06 shall apply to, limit, or waive any claim or remedy of Buyer against Seller arising out of or relating to fraud.

ARTICLE V
COVENANTS

Section 5.01 **Further Assurances; Cooperation**. Subject to the terms and conditions hereof, each of the Parties shall, and shall cause its Affiliates to, execute and deliver such further instruments and take such additional action as any other Party may reasonably request (at such requesting Party's expense) to effect or consummate the Transactions. Seller shall reasonably cooperate after the Closing to execute and deliver all forms, affidavits and instruments reasonably required to record and perfect transfers of the Water Rights with the New Mexico Office of the State Engineer and any other applicable Governmental Authorities, including providing historical use information in Seller's possession to support beneficial use and priority (provided that Buyer shall bear any Third Party costs or fees in connection with such delivery and recording). Seller shall not challenge or protest Buyer's change-of-use or transfer filings for Water Rights filed after the Closing.

Section 5.02 **Hydrosource Names**. Buyer acknowledges that, as between the Parties, the Hydrosource Names are and shall remain the property of Seller and its respective Affiliates and that nothing in this Agreement shall transfer, or shall operate as an agreement to transfer, any right, title or interest in the Hydrosource Names to Buyer or any Affiliate of Buyer. Without limiting the immediately following sentence, Seller is not granting Buyer a license to use, and neither Buyer nor any of its Affiliates shall have any right, title or interest in or to, the Hydrosource Names after the Closing. Notwithstanding the foregoing, Seller hereby grants to Buyer a limited transition trademark license to the Hydrosource Names solely for use with respect to the Acquired Assets while Buyer transitions from using the Hydrosource Names after the Closing as set forth herein. Buyer agrees that: (a) as soon as reasonably practicable following the Closing, but in any event no later than thirty (30) days following the Closing Date or the expiration of any transition services (as applicable), Buyer shall, and shall cause all of its applicable Affiliates to, cease to use any existing stationery, bin labels, purchase order, invoice, receipt or other similar document containing any reference to the Hydrosource Names or only use such stationery, purchase order, invoice, receipt or other similar document after having deleted, painted over, pasted over or placed a sticker over such references; (b) as soon as reasonably practicable following the Closing, and in any event no later than thirty (30) days after the Closing Date or the expiration of any transition services (as applicable), Buyer and its Affiliates shall remove the Hydrosource Names from all premises, signs, vehicles, and other property constituting any Acquired Assets or other assets owned or held by Buyer; and (c) following the Closing Date, no brochures, leaflets or similar documents and no packaging containing any reference to the Hydrosource Names shall be printed, ordered or produced by or on behalf of Buyer or any of its Affiliates and, with respect to existing brochures, leaflets or similar documents and packaging containing a reference to the Hydrosource Names, Buyer shall use its commercially reasonable efforts to ensure that, as soon as reasonably practicable following the Closing, but in no event later than thirty (30) days following the Closing Date or the expiration of any transition services (as applicable), such references are deleted, pasted over or a sticker is put over such references, or such documents and packaging are no longer used by Buyer and its Affiliates. Buyer agrees that neither it nor any of its Affiliates shall acquire any rights whatsoever in the Hydrosource Names by virtue of their use of the Hydrosource Names during this transition period, and that all use of the Hydrosource Names during this transition period shall inure solely to the benefit of Seller and its Affiliates. Any and all use of the Hydrosource Names pursuant to said transition trademark license shall be in accordance with the manner in which such Hydrosource Names were used in its business in the twelve (12) months prior to the Closing Date, and subject to any quality control or such related guidelines or other instructions as in effect as of the Closing Date.

Section 5.03 Books and Records.

(a) **Retention**. For a period of six (6) years after the Closing, Buyer shall retain the Books and Records in a manner reasonably consistent with the prior practices of Seller. From and after the Closing, Buyer and its Affiliates shall make or cause to be made available to Seller and its authorized Representatives, upon reasonable notice and at Seller's cost and expense, any or all of the Books and Records in Buyer's or its Affiliates' possession during regular business hours as may be reasonably necessary for (i) investigating, settling, preparing for the defense or prosecution of, defending or prosecuting any Proceeding, (ii) preparing reports to Governmental Authorities, or (iii) such other purposes for which access to such documents is determined by Seller to be reasonably necessary.

(b) **Limitations**. Notwithstanding anything in this Agreement to the contrary, Buyer shall not be required to provide access or information to Seller, its Affiliates or its Representatives to the extent Buyer or Seller is prohibited from providing information that is (i) protected by attorney-client privilege or (ii) subject to a confidentiality or other restriction pursuant to a contract with a third party or applicable Law.

Section 5.04 Press Release and Announcements; Confidentiality.

(a) **Public Disclosures**. No Party shall issue or cause the publication of any press release, public announcement or disclosure of, or otherwise communicate with any news media in respect of, this Agreement, the Transaction Documents, or the Transactions without the prior written consent of the other Party (which consent shall not be unreasonably withheld, conditioned or delayed), except as may be required by applicable Law or nationally recognized stock exchange rules, in which case the Party required to publish such press release or make such public announcement or disclosure shall allow the other Party a reasonable opportunity to comment on such press release, public announcement or disclosure in advance of such publication or disclosure, to the extent practicable.

(b) **Confidentiality Agreement**. Buyer acknowledges that, following the Closing, that certain confidentiality agreement by and between EagleRock Land, LLC, a Texas limited liability company, and Seller, dated as of June 16, 2026 (the "**Confidentiality Agreement**"), shall remain in full force and effect pursuant to its terms. Each Party agrees that the information being provided to it in connection with the Transactions (including the terms of the Transaction Documents and the contents of the Disclosure Schedules) will remain subject to the terms of the Confidentiality Agreement. Effective upon the Closing, Buyer shall not be bound by the Confidentiality Agreement with respect to information relating solely to the Acquired Assets; *provided*, *however*, that each Party agrees that any and all other information provided to it or any of its Affiliates, or any of their respective representatives, by another Party to this

Agreement or any of its Affiliates, or any of their respective representatives, shall remain subject to the terms and conditions of the Confidentiality Agreement after the Closing, and each Party shall otherwise comply with the Confidentiality Agreement in accordance with its terms.

(c) **Equitable Remedies**. The Parties agree that serious and irreparable damage would occur in the event that any of the provisions of this Section 5.04 were not performed by a Party in accordance with their specific terms or were otherwise breached by another Party, as applicable, and therefore money damages would not be an adequate remedy for any such breach. It is accordingly agreed that the Parties shall be entitled to seek and obtain specific performance or injunctive relief in order to enforce, or prevent any violations of the provisions of this Section 5.04. No Party shall object to the granting of any such injunctive relief, specific performance or other equitable relief with respect to a breach of this Section 5.04 on the basis that there exists an adequate remedy at law. Each Party further agrees to waive any requirement for the proof of irreparable damages or for the posting of any bond or other security in connection with the obtaining of such injunctive or other equitable relief.

Section 5.05 Reserved.

Section 5.06 Insurance. Seller maintains a mix of insurance coverage for all property and liability risks. Buyer acknowledges that (a) Seller may, on or after the Closing Date, terminate or modify such insurance policies and programs maintained by Seller or any of its respective Affiliates and (b) in any event, the Acquired Assets will no longer be covered under Seller's policies and programs with respect to events after the Effective Time, and no claims may be brought against any policy of Seller or its Affiliates by Buyer or any of its Affiliates in respect of the Acquired Assets relating to events that occur after Closing. Buyer acknowledges and agrees that (i) Buyer will have to obtain replacement coverage under commercial property and liability insurance policies or otherwise (including coverage as Buyer deems appropriate for the operation of the Acquired Assets) at Buyer's sole expense and (ii) Buyer will affirmatively assume responsibility for all claims related to the Acquired Assets occurring after the Closing Date. For the avoidance of doubt, Seller shall retain all rights to control its and its Affiliates' insurance policies and programs, including the right to exhaust, settle, release, commute, buy back or otherwise resolve disputes with respect to any of its insurance policies and programs, except to the extent any such policies or programs apply to any liabilities of Buyer or any of its Affiliates.

Section 5.07 Permits; Guarantees. Buyer shall provide all notices and otherwise take all actions reasonably required to transfer or reissue any Permits that are required on or after the Closing Date to be transferred or reissued, including those required under Environmental Laws, as a result of or in furtherance of the Transactions. Seller shall use commercially reasonable efforts to cooperate with Buyer in respect thereof, including to provide information necessary to apply for such Permits. Upon (or prior to Closing) Buyer shall have replaced all of Seller's guarantees, collateral agreements, financial commitments and similar undertakings securing obligations related to the Business or Acquired Assets ("**Guarantees**") set forth on Section 5.07 of the Disclosure Schedules with Guarantees of Buyer or its Affiliates. Buyer shall use its commercially reasonable efforts after the Closing to ensure that the Seller Guarantees are released and the replacement Buyer Guarantees related to the Business and Acquired Assets and the underlying obligations are the sole responsibility of Buyer and its Affiliates.

Section 5.08 **Existing Title Policy; Survey**. Seller is the named insured under an existing owner's policy of title insurance for the Fee Acres issued by the Title Company (the "**Existing Title Policy**"). At Closing, Seller shall assign and transfer to Buyer all of Seller's right, title and interest in and to the Existing Title Policy. To the extent the Existing Title Policy is not assignable by its terms, Seller shall use commercially reasonable efforts to obtain the consent of the Title Company to such assignment and, until such consent is obtained, shall hold the Existing Title Policy for the benefit of Buyer and, at Buyer's direction and expense, pursue and enforce any claim thereunder for the benefit of Buyer and remit to Buyer any proceeds recovered. Buyer may, at its sole option and expense, (a) obtain a new owner's policy of title insurance for the Fee Acres from the Title Company or another title insurance company of Buyer's choosing, and/or (b) obtain a new ALTA/NSPS survey of the Fee Acres (the "**Survey**") made by a registered professional land surveyor acceptable to such title company, and any other surveys reasonably necessary to confirm legal descriptions, boundaries, access, and location of improvements, easements, encroachments, and rights-of-way. Seller shall reasonably cooperate with Buyer in connection with Buyer's efforts to obtain any such new title insurance policy, including by executing customary owner's affidavits and gap indemnities and delivering information reasonably required by the applicable title company for issuance of such policy (collectively, the "**Title Affidavits**").

Section 5.09 **Remittance of Intrepid Indemnity Recoveries**. From and after the Closing, Seller shall use commercially reasonable efforts (and, with respect to any Intrepid Covered Matter that is the subject of an indemnification claim by Buyer under Article VIII, reasonable best efforts) to assist Buyer in its pursuit, assertion and enforcement of all indemnification, warranty, title, and other claims and remedies available to Buyer (as successor-in-interest) against Intrepid under the Intrepid APA to the extent relating to the Acquired Assets. Seller shall promptly (and in any event within ten (10) Business Days of receipt) pay and remit to Buyer any and all amounts, proceeds, or other recoveries that Seller or any of its Affiliates has recovered or hereafter recovers from Intrepid (whether by indemnification, settlement, judgment, or otherwise) under or in connection with the Intrepid APA to the extent relating to the Acquired Assets or Assumed Liabilities (and, in connection with Revenues, to the extent attributable to periods from and after the Effective Time), net of any reasonable out-of-pocket costs of collection and any Taxes payable by Seller in respect thereof. Seller represents that it has not released, waived, assigned (other than to Buyer), or otherwise compromised any such claim against Intrepid, and Seller shall not, without Buyer's prior written consent, release, waive, settle, or compromise any such claim in a manner that would reduce the amounts recoverable for the benefit of Buyer.

Section 5.10 **Government Land Use Authorization Forms**. To the extent any Government Land Use Authorization Forms cannot be executed at the Closing due to pending approval by the Bureau of Land Management or the State of New Mexico, as applicable, Seller shall, promptly upon receipt of such approval(s), duly execute and deliver to Buyer the remaining Government Land Use Authorization Forms.

Section 5.11 **Financial Statement Cooperation**. From and after the Execution Date until the date on which EagleRock Land, LLC ("**EagleRock**") files its Annual Report on Form 10-K for the fiscal year ended December 31, 2027 (the "**Cooperation Period**"), in the event EagleRock is required (including, for the avoidance of doubt, in the Current Reports on Form 8-K to be filed in connection with the Closing and in any registration statement or proxy statement) to separately include financial information, including pro forma financial statements, associated with the Business in documents filed with the U.S. Securities and Exchange Commission (the "**<u>SEC</u>**") pursuant to the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or as customarily included in offering documentation for private or public offerings of debt or equity securities, Seller agrees to use commercially reasonable efforts to make available to Buyer and its Representatives during normal business hours, as promptly as practicable following the reasonable request of Buyer, any and all books, records, documents, financial data, work papers, ledgers and any other relevant information regarding the Business that are in Seller's or its Affiliates' possession or control, that are necessary to permit Buyer and its Representatives to prepare such financial information, including pro forma financial statements, in connection with such filings or offerings. During the Cooperation Period, upon Buyer's reasonable request for the same, (a) Seller shall, and shall cause its Affiliates and Representatives to use commercially reasonable efforts to, (i) cooperate with Buyer and its Representatives (A) in Buyer's and its Representatives' preparation of such financial information, including pro forma financial statements, (B) in connection with responding to any comments from the SEC concerning such financial information, including pro forma financial statements, and (C) in connection with the preparation of any SEC filings or offering documentation, as necessary, and (ii) provide customary consents and comfort letters as Buyer or its Affiliates may reasonably request in connection with such filing or offering documentation and (b) Seller shall use commercially reasonable efforts to cause Intrepid to, and have Intrepid instruct its Affiliates and Representatives to, provide customary consents and comfort letters as Buyer or its Affiliates may reasonably request in connection with such filing or offering documentation. Buyer shall be solely responsible for any costs or expenses associated with this <u>Section 5.11</u>. Notwithstanding anything to the contrary, the access to be provided to Buyer shall not interfere with Seller's or any of its Affiliates' ability to prepare their own financial statements or Seller's regular conduct of business and shall be made available during Seller's normal business hours. Such cooperation shall not require Seller to take any action that it reasonably believes, upon the advice of counsel, would result in a violation of applicable Law, any material agreement or any confidentiality arrangement or the waiver of any legal or other applicable privilege. Buyer shall indemnify and hold harmless Seller from and against any and all Losses suffered or incurred by it in connection with the obligations under this <u>Section 5.11</u>, except for those suffered or incurred as a result of (i) the gross negligence, bad faith, willful misconduct or fraud of Seller or its Affiliates or their respective Representatives, (ii) information provided by or on behalf of Seller relating to the Seller Ownership Period that is materially inaccurate or (iii) information provided by or on behalf of Seller relating to the period prior to the Intrepid Closing Date that Seller had Knowledge was materially inaccurate at the time of delivery.

ARTICLE VI
TAX MATTERS

Section 6.01 **<u>Transfer Taxes</u>**. All Transfer Taxes shall be borne and paid by Buyer when due. The Party required by applicable Law to file any Tax Return in respect of such Transfer Taxes shall be responsible for the timely filing of all such Tax Returns and payment of such Transfer Taxes. Seller and Buyer shall reasonably cooperate in good faith to minimize, to the extent permissible under applicable Law, the amount of any such Transfer Taxes.

Section 6.02 **<u>Tax Treatment</u>**. For U.S. federal income tax purposes (and for state and local Tax purposes where applicable), each Party intends to treat the purchase and sale of the

Acquired Assets pursuant to this Agreement as a sale of the Acquired Assets (subject to the Assumed Liabilities) to Buyer in exchange for the Purchase Price (and any liabilities of Seller and any other amounts required to be treated as part of the consideration for U.S. federal income tax purposes). Except as otherwise required by applicable Law, each Party agrees that (a) it will, and will cause its Affiliates to, report and file all applicable Tax Returns in all respects and for all purposes consistent with the treatment set forth in this Section 6.02, and (b) it will not, and will not permit its Affiliates to, take any position for applicable Tax purposes (whether in any Tax Proceeding or otherwise) that is inconsistent with the treatment set forth in this Section 6.02.

Section 6.03 **Purchase Price Allocation**. Each Party agrees that the Purchase Price (together with any liabilities of Seller and any other amounts required to be treated as part of the consideration for U.S. federal income tax purposes) shall be allocated among the Acquired Assets in accordance with Section 1060 of the Code and the Treasury Regulations promulgated thereunder and, to the extent allowed under applicable U.S. federal income tax Law, in a manner consistent with the Allocated Values and the methodology set forth on Exhibit E (the "**Allocation Methodology**"). Any adjustments to the Purchase Price, or to any liabilities or other items treated as part of the consideration for U.S. federal income tax purposes, shall be allocated in a manner consistent with the Allocation Methodology. On or before the date that is sixty (60) days after the final determination of the Final Purchase Price, Buyer shall deliver to Seller a proposed schedule (the "**Allocation Schedule**") setting forth the allocation of the Final Purchase Price among the Acquired Assets in accordance with the Allocation Methodology. Seller shall have thirty (30) days following receipt of the proposed Allocation Schedule to review and provide written comments thereto. If Seller does not provide written comments, Buyer's draft Allocation Schedule shall become final and binding on the Parties. If Seller provides written comments, the Parties shall negotiate in good faith to resolve any disagreements within fifteen (15) days thereafter. If the Parties are unable to agree, each Party shall be entitled to determine its own allocation and file its IRS Form 8594 consistent therewith. Except as otherwise required by applicable Law, to the extent the Parties are able to agree on a final Allocation Schedule, each Party agrees that (a) it will, and will cause its Affiliates to, report and file all applicable Tax Returns in all respects and for all purposes consistent with the final Allocation Schedule, and (b) it will not, and will not permit its Affiliates to, take any position for applicable Tax purposes (whether in any Tax Proceeding, Tax Return or otherwise) that is inconsistent with the final Allocation Schedule; provided, however, none of the Parties shall be unreasonably impeded in its ability and discretion to negotiate, compromise and/or settle any Tax Proceedings in connection with such allocated amount.

Section 6.04 **Cooperation on Tax Matters**. Each Party shall, and shall cause its Affiliates to, cooperate fully and as to the extent reasonably requested by another Party, in connection with the preparation or filing of Tax Returns of or with respect to the Acquired Assets or any Proceeding in respect of Taxes imposed on or with respect to the Acquired Assets. Such cooperation shall include the retention and (upon the other Party's request) provision of records and information which are reasonably relevant to any such Tax Return or Proceeding and making employees, advisors, or other Representatives available on a mutually convenient basis to provide additional information and explanation of any material provided under this Agreement. Seller, on the one hand, and Buyer, on the other, shall use commercially reasonable efforts to, and to cause their respective Affiliates to, retain all books and records with respect to Tax matters pertinent to the Acquired Assets (including, for the avoidance of doubt, related to any Production Taxes) for any Tax period beginning on or before the Effective Time until the expiration of the relevant statute of limitations of the taxable period, and to abide by all record retention agreements entered into with any Governmental Authority. Seller further agrees, upon Buyer's request, to use commercially reasonable efforts to obtain any certificate or other document from any Governmental Authority or any other Person as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed on Buyer or the Acquired Assets (including, but not limited to, with respect to the Transactions).

Section 6.05 **Tax Contests**. Buyer shall give prompt written notice to Seller if Buyer or any of its Affiliates receives any communication or notice of any Tax Proceeding with respect to any Taxes or Tax Returns for which Seller may reasonably be expected to provide indemnification pursuant to this Agreement (a "**Tax Contest**"). Seller shall have the right to control and defend (at its sole cost and expense) any Tax Contest with respect to any Pre-Effective Time Flow-Through Tax Return or for any Tax period ending on or before the Effective Time (a "**Pre-Effective Time Tax Contest**") with counsel (including, for the avoidance of doubt, accountants) of its choice; *provided*, that, with respect to any Other Tax Return, Buyer shall control such Tax Contest; *provided*, *however*, that Seller shall have the option, at Seller's cost and expense, to assume control, in lieu of Buyer, of any Tax Contest related to any taxable period ending prior to the Effective Time. Seller may exercise such option by providing written notice to Buyer within fifteen (15) Business Days of receiving notice of such a Tax Contest from Buyer; provided, however, if Seller exercises such option or elects to control a Pre-Effective Time Tax Contest, Seller shall (i) keep Buyer reasonably informed of the progress of such Tax Contest, (ii) permit Buyer (or Buyer's counsel) to participate, at Buyer's sole cost and expense, in such Tax Contest, including in meetings with the applicable Governmental Authority, and (iii) not settle, compromise and/or concede any portion of such Tax Contest without the prior written consent of Buyer, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, with respect to any Tax Contest that could reasonably be expected to result in Losses to Buyer in excess of $100,000 (a "**Material Tax Contest**"), Seller shall (i) consult with Buyer in good faith prior to taking any material action in such Material Tax Contest, (ii) provide Buyer with copies of all material written communications with the applicable Governmental Authority within five (5) Business Days of receipt or delivery thereof, and (iii) not settle, compromise, or consent to the entry of any judgment with respect to such Material Tax Contest without Buyer's prior written consent (which consent shall not be unreasonably withheld, conditioned, or delayed).

Section 6.06 **Certain Post-Effective Time Tax Actions**. Without the prior written consent of Seller (which consent shall not be unreasonably withheld, conditioned, or delayed), Buyer shall not, and shall cause its Affiliates to not, (a) amend, supplement, modify, or re-file any Tax Return of Seller for any Pre-Effective Time Tax Period, (b) grant an extension of or waive any applicable statute of limitations with respect to any Tax Return of Seller for any Pre-Effective Time Tax Period, (c) make, change, or rescind any Tax election with respect to Seller that affects or impacts any Taxes or Tax Return of Seller for any Pre-Effective Time Tax Period, (d) file any voluntary disclosure agreement with, participate in any arrangement similar to a voluntary disclosure agreement with, or voluntarily approach any Governmental Authority regarding any failure to pay Taxes or file Tax Returns of Seller for any Pre-Effective Time Tax Period, (e) file a Tax Return of Seller for any Pre-Effective Time Tax Period in any jurisdiction where such type of Tax Return (e.g., a sales Tax Return or an income Tax Return) has not been historically filed by Seller (unless Seller initially established the applicable Tax nexus beginning on or after January 1, 2026), or (f) take any action after the Closing Date outside of the ordinary course of business, in the case of each of the foregoing clauses, to the extent that any such action could (i) affect or impact the calculation of the Purchase Price or (ii) affect or impact the Tax liabilities of Seller (or any direct or indirect owner of Seller), including as a result of Seller being required to provide indemnification pursuant to this Agreement. Notwithstanding the foregoing, the restrictions in this Section 6.06 shall not apply to any action taken by Buyer that (A) is required by applicable Law, (B) is taken in the ordinary course of business and does not materially and adversely affect Seller's Tax liabilities or indemnification obligations pursuant to this Agreement, or (C) results solely from a change in applicable Tax Law enacted after the Closing Date.

Section 6.07 Allocations of Production Taxes in Straddle Period.

(a) On or before the Closing Date, Seller shall deliver to Buyer copies of the relevant documents concerning assessment and collection of Production Taxes. Production Taxes shall be divided or allocated between Seller and Buyer as of the Effective Time. Seller shall be allocated and bear all Production Taxes attributable to (A) any Pre-Effective Time Tax Period and (B) the portion of any Straddle Period ending immediately prior to the Effective Time (determined in accordance with Section 6.07(b)), and Buyer shall be allocated and bear all Production Taxes attributable to (x) any Tax period (or portion thereof) from and after the Effective Time and (y) the portion of any Straddle Period from and after the Effective Time (as determined in accordance with Section 6.07(b)).

(b) For purposes of determining the allocations described in Section 6.07(a):

(i) In the case of Production Taxes that are ad valorem, property or other Production Taxes imposed on a periodic basis relating to a Straddle Period, the portion of any such Production Taxes that is attributable to the portion of such Straddle Period ending immediately prior to the Effective Time shall be deemed to be the amount of such Production Taxes for the entire Straddle Period multiplied by a fraction the numerator of which is the number of calendar days in the portion of such Straddle Period ending at and including the Effective Time and the denominator of which is the number of calendar days in the entire Straddle Period. For purposes of the preceding sentence, the period for such ad valorem, property or other Production Taxes shall begin on the date on which ownership of the applicable Acquired Asset gives rise to liability for such Tax and shall end on the day before the next such date.

(ii) All Production Taxes that are based upon or related to sales or receipts or imposed on a transactional basis (other than such Production Taxes described in clause (i) above) shall be allocated to the period in which the transaction giving rise to such Production Taxes occurred.

(c) To the extent there is an addition to any Production Tax (including, for the avoidance of doubt, any penalties, interest or other additions) resulting from Seller's failure to timely or accurately file Tax Returns or pay Production Taxes that are due and payable, and that are not being contested in good faith, prior to the Closing Date, such additional Production Tax shall be treated as allocable to the Tax period ending immediately prior to the Effective Time. To the extent the actual amount of a Production Tax is not known at the time an adjustment is to be made with respect to such Production Tax pursuant to Section 1.03(b), Section 1.03(c) or Section 1.04, as applicable, the Parties shall utilize the most recent information available in estimating the amount of such Production Tax for purposes of such adjustment. To the extent the actual amount of a Production Tax (or the amount thereof paid or economically borne by a Party) is ultimately determined to be different than the amount (if any) that was taken into account in the Final Settlement Statement as finally determined pursuant to Section 1.04, timely payments will be made from one Party to the other to the extent necessary to cause each Party to bear the amount of such Production Tax that is allocable to such Party under this Section 6.07. Notwithstanding the foregoing, any Transaction Tax Deductions that are determined to be deductible in a Straddle Period shall be allocated to the Pre-Effective Time Tax Period portion of such Straddle Period.

Section 6.08 Tax Returns for Production Taxes.

(a) **Seller Prepared Tax Returns**. Seller shall be responsible for the preparation and timely filing of all Tax Returns required to be filed with respect to Production Taxes that are due on or prior to the Closing Date and shall pay to the applicable Governmental Authority any Production Taxes due and owing with respect to such Tax Return.

(b) **Buyer Prepared Tax Returns**. Buyer shall prepare and timely file (taking into account any valid extensions), or cause to be prepared and timely filed (taking into account any valid extensions), any Tax Return with respect to Production Taxes attributable to a Pre-Effective Time Tax Period or Straddle Period (other than such Tax Returns actually filed in accordance with Section 6.08(a)), in each case, that is required to be filed after the Closing Date ("**Buyer Prepared Returns**"). Such Buyer Prepared Returns shall be prepared and filed in accordance with applicable Law and in a manner consistent with past practices of Seller (except as required by applicable Law). Not less than ten (10) days prior to the due date (taking into account any valid extensions) for each such Buyer Prepared Return (or such shorter period of time as is reasonable and necessary under the circumstances) for which Seller has a reimbursement obligation, Buyer shall provide Seller with a draft copy of such Buyer Prepared Return, together with all supporting documentation and workpapers, for Seller's review and reasonable comment, and Buyer shall incorporate and include any reasonable comments in such Tax Return that is filed with the applicable Governmental Authority that are provided by Seller to Buyer in writing at least five (5) days prior to the due date for filing such Tax Return.

(c) The Parties agree that (i) this Section 6.08 is intended to solely address the timing and manner in which certain Tax Returns relating to Production Taxes are filed and the Production Taxes shown thereon are paid to the applicable taxing authority, and (ii) nothing in this Section 6.08 shall be interpreted as altering the manner in which Production Taxes are allocated to and economically borne by the Parties (except for any penalties, interest or additions to Tax imposed as a result of any breach by a Party of its obligations under this Section 6.08).

Section 6.09 Transaction Tax Deductions. Notwithstanding anything contained in this Agreement to the contrary, any Transaction Tax Deductions of Seller shall be deducted in a Pre-Effective Time Tax Period to the extent such deductions are permitted by applicable Tax Laws, and to the extent available under applicable Tax Laws, the safe harbor election set forth in IRS Rev. Proc. 2011-29 shall be made to determine the amount of "success fees" that are deductible by Seller.

Section 6.10 **Refunds**. Any refunds of Pre-Effective Time Taxes (whether in cash or as a credit against or offset to any Taxes in lieu of a cash Tax refund) received by Buyer, or any of its Affiliates (in the case of any Straddle Period, determined in the manner set forth in Section 6.07), including any interest received thereon, net of any reasonable out-of-pocket costs or Taxes payable by Buyer associated with obtaining such refund, shall be paid by Buyer to Seller within ten (10) days of receipt by Buyer, or any of its Affiliates, solely to the extent not previously accounted for and paid pursuant to Section 1.03(b). Any refunds of Taxes for any Tax period (or portion thereof) beginning after the Effective Time (whether in cash or as a credit against or offset to any Taxes in lieu of a cash Tax refund) received by Seller, or any of its Affiliates (in the case of any Straddle Period, determined in the manner set forth in Section 6.07), including any interest received thereon, net of any reasonable out-of-pocket costs or Taxes payable by Seller associated with obtaining such refund, shall be paid by Seller to Buyer within ten (10) days of receipt by Seller, or any of its Affiliates, solely to the extent not previously accounted for and paid pursuant to Section 1.03(c).

ARTICLE VII
TITLE AND ENVIRONMENTAL MATTERS

Section 7.01 **Environmental Acknowledgments**. WITHOUT LIMITING BUYER'S REMEDIES WITH RESPECT TO A BREACH BY SELLER OF ITS REPRESENTATIONS AND WARRANTIES IN ARTICLE III, OR ANY REMEDIES OF BUYER UNDER ARTICLE VIII, BUYER HEREBY ACKNOWLEDGES AND AGREES AS FOLLOWS: (A) BUYER HAS ENTERED INTO THIS AGREEMENT ON THE BASIS OF BUYER'S OWN INVESTIGATION OF THE CONDITION OF THE PROPERTIES, INCLUDING SURFACE AND SUBSURFACE CONDITIONS; (B) BUYER ACKNOWLEDGES THAT THE LAND HAS BEEN USED TO EXPLORE FOR, DEVELOP AND PRODUCE CERTAIN NATURAL RESOURCES, AND FOR THE DISPOSAL OF PRODUCED WATER, AND THAT SPILLS OF PRODUCED WATER, WASTES, HAZARDOUS SUBSTANCES, AND OTHER MATERIALS MAY HAVE OCCURRED THEREON, AND PHYSICAL CHANGES TO THE PROPERTIES MAY HAVE OCCURRED AS A RESULT OF SUCH USE; (C) (1) LOW LEVELS OF NATURALLY OCCURRING RADIOACTIVE MATERIAL MAY BE PRESENT AT SOME LOCATIONS, (2) NATURALLY OCCURRING RADIOACTIVE MATERIAL IS A NATURAL PHENOMENON ASSOCIATED WITH SIMILAR PROPERTIES IN THE U.S. AND THROUGHOUT THE WORLD, AND (3) BUYER WILL MAKE ITS OWN DETERMINATION ON THIS MATTER; AND (D) EXCEPT AS SPECIFICALLY PROVIDED ELSEWHERE IN THIS AGREEMENT, UPON CLOSING, BUYER SHALL, AND DOES HEREBY, ASSUME THE RISK THAT THE PROPERTIES MAY CONTAIN WASTES OR CONTAMINANTS AND THAT ADVERSE PHYSICAL CONDITIONS, INCLUDING THE PRESENCE OF WASTES OR CONTAMINANTS, MAY NOT HAVE BEEN REVEALED BY BUYER'S INVESTIGATION.

Section 7.02 **AS-IS, WHERE-IS**. EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES OF SELLER SET FORTH IN ARTICLE III (AS MODIFIED BY THE DISCLOSURE SCHEDULES) AND THE COVENANTS OF TITLE CONTAINED IN THE SPECIAL WARRANTY DEED, (A) SELLER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND WHATSOEVER WITH RESPECT TO THE ACQUIRED ASSETS, INCLUDING (1) TITLE TO ANY OF THE ACQUIRED ASSETS, (2) THE CONTENTS, CHARACTER OR NATURE OF

ANY REPORT OF ANY PETROLEUM ENGINEERING CONSULTANT, OR ANY ENGINEERING, GEOLOGICAL OR SEISMIC DATA OR INTERPRETATION, RELATING TO THE ACQUIRED ASSETS, (3) THE QUANTITY, QUALITY OR RECOVERABILITY OF HYDROCARBONS OR OTHER SUBSTANCES IN OR FROM THE ACQUIRED ASSETS, (4) ANY ESTIMATES OF THE VALUE OF THE ACQUIRED ASSETS OR FUTURE REVENUES GENERATED BY THE ACQUIRED ASSETS, (5) THE PRODUCTION OF HYDROCARBONS OR OTHER SUBSTANCES FROM THE ACQUIRED ASSETS, (6) THE MAINTENANCE, REPAIR, CONDITION, QUALITY, SUITABILITY, DESIGN OR MARKETABILITY OF THE ACQUIRED ASSETS, (7) THE CONTENT, CHARACTER OR NATURE OF ANY DESCRIPTIVE MEMORANDUM, REPORTS, BROCHURES, CHARTS OR STATEMENTS PREPARED BY SELLER OR THIRD PARTIES WITH RESPECT TO THE ACQUIRED ASSETS, (8) ANY OTHER MATERIALS OR INFORMATION THAT MAY HAVE BEEN MADE AVAILABLE TO BUYER OR ITS AFFILIATES, OR THEIR RESPECTIVE REPRESENTATIVES, IN CONNECTION WITH THE TRANSACTIONS OR ANY DISCUSSION OR PRESENTATION RELATING THERETO, OR (9) ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR CONFORMITY TO MODELS OR SAMPLES OF MATERIALS; AND (B) BUYER SHALL ACCEPT ALL OF THE ACQUIRED ASSETS, INCLUDING THE FEE ACRES AND ALL OTHER REAL PROPERTY INTERESTS INCLUDED IN THE ACQUIRED ASSETS, AT THE CLOSING "AS IS, WHERE IS, AND WITH ALL FAULTS," AND BUYER ASSUMES ALL RISK AND LIABILITY WITH RESPECT TO THE CONDITION OF THE ACQUIRED ASSETS (INCLUDING THE PRESENCE OF ANY HAZARDOUS SUBSTANCES OR OTHER ENVIRONMENTAL CONDITIONS). The provisions of this Section 7.02 shall survive the Closing and shall not merge into the Special Warranty Deed or any other document delivered at Closing.

ARTICLE VIII
INDEMNIFICATION

Section 8.01 **Survival**. Subject to the limitations and other provisions of this Agreement: (a) each Fundamental Representation shall survive the Closing until the expiration of the applicable statute of limitations; (b) each Intrepid-Related Representation shall survive the Closing until the expiration of the applicable survival period (if any) under the Intrepid APA; (c) each of the representations and warranties (or portion thereof) of the Parties that do not constitute Fundamental Representations or Intrepid-Related Representations shall survive the Closing and shall remain in full force and effect until the date that is twelve (12) months from the Closing Date; and (d) the covenants or other agreements contained in this Agreement which by their terms specifically contemplate performance at and after the Closing Date shall survive Closing until fully performed.

Section 8.02 **Indemnification by Seller**. Subject to the other terms and conditions of this Article VIII, from and after the Closing, Seller shall indemnify Buyer against, and shall hold Buyer harmless from and against, any and all Losses incurred or sustained by, or imposed upon, Buyer based upon, arising out of, or with respect to:

(a) any inaccuracy in or breach of any of (i) the Fundamental Representations of Seller contained in Article III of this Agreement, (ii) the Intrepid-Related Representations and/or

(iii) the representations and warranties (or portions thereof) of Seller contained in Article III of this Agreement that do not constitute Fundamental Representations of Seller or Intrepid-Related Representations;

(b) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Seller pursuant to this Agreement;

(c) all Seller Taxes (taking into account, and without duplication of, such Production Taxes effectively borne by Seller as a result of (i)the payments made by Seller pursuant to Section 1.03(b)(ii) and (ii)any payments made from one Party to the other in respect of Production Taxes pursuant to Section 6.07); or

(d) any Excluded Liabilities.

Section 8.03 **Indemnification by Buyer**. Subject to the other terms and conditions of this Article VIII, from and after the Closing, Buyer shall indemnify Seller against, and shall hold Seller harmless from and against, any and all Losses incurred or sustained by, or imposed upon, Seller based upon, arising out of or with respect to:

(a) any inaccuracy in or breach of any of (i) the Fundamental Representations of Buyer contained in Article IV of this Agreement, and/or (ii) the representations and warranties (or portions thereof) of Buyer contained in Article IV of this Agreement that do not constitute Fundamental Representations of Buyer;

(b) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Buyer pursuant to this Agreement; or

(c) any Assumed Liabilities.

Section 8.04 **Limitations**.

(a) **De Minimis; Deductible**.

(i) Seller shall have no obligation under Section 8.02(a)(iii) (subject to Section 8.04(a)(iv)): (A) if the Losses associated with any individual claim, or series of related claims, are less than $100,000 (the "**De Minimis Claim Amount**"), it being understood that no such individual claims for amounts less than the De Minimis Claim Amount shall be taken into account in determining whether the Deductible has been exceeded and thereafter; and (B) until such time as the total amount of all Losses that have been directly or indirectly suffered or incurred by Buyer in respect of claims that exceed the De Minimis Claim Amount exceeds $1,000,000 (the "**Deductible**") in the aggregate, and then only for the amount of such Losses in excess of the Deductible, subject to the other terms of this Article VIII.

(ii) Buyer shall have no obligation under Section 8.03(a)(ii) (subject to Section 8.04(a)(iv)): (A) if the Losses associated with any individual claim, or series of related claims, are less than the De Minimis Claim Amount, it being understood that no such individual claims for amounts less than the De Minimis Claim Amount shall be taken into account in determining whether the Deductible has been exceeded and thereafter; and (B) until such time as the total amount of all Losses that have been directly or indirectly suffered or incurred by Seller in respect of claims that exceed the De Minimis Claim Amount exceeds the Deductible in the aggregate, and then only for the amount of such Losses in excess of the Deductible, subject to the other terms of this Article VIII.

(iii) Seller shall have no obligation under Section 8.02(a)(ii) (subject to Section 8.04(a)(iv)) if Buyer is in breach of Section 8.10.

(iv) The limitations set forth in Section 8.04(a)(i) and Section 8.04(a)(ii) shall not apply (and shall not limit the indemnification or other obligations of Seller or Buyer, as the case may be) to (A) inaccuracies in or breaches of any of the Fundamental Representations, (B) claims arising from fraud, or (C) any indemnification obligations of Seller pursuant to Section 8.02(b), Section 8.02(c), and Section 8.02(d).

(b) **Liability Cap for Breaches of Representations and Warranties**.

(i) Seller's obligations under Section 8.02(a)(iii) (subject to Section 8.04(c)) shall not, in the aggregate, exceed an amount equal to ten percent (10%) of the unadjusted Purchase Price (the "**Cap**"), subject to the other terms of this Article VIII.

(ii) Buyer's obligations under Section 8.03(a)(ii) (subject to Section 8.04(c)) shall not, in the aggregate, exceed an amount equal to the Cap, subject to the other terms of this Article VIII.

(c) **Overall Liability Cap**. The limitations set forth in Section 8.04(b)(i) and Section 8.04(b)(ii) shall not apply (and shall not limit the indemnification or other obligations of Seller or Buyer, as the case may be) to inaccuracies in or breaches of any of the Fundamental Representations or to any indemnification obligations of Seller pursuant to Section 8.02(b) and Section 8.02(c); *provided*, *however*, that in no event will the total cumulative amount of Losses for which Seller, on the one hand, or Buyer, on the other hand, may be liable under this Article VIII exceed the unadjusted Purchase Price.

(d) **Insurance**. The amount of any Losses for which indemnification is provided under this Article VIII shall be net of any amounts recovered by a Party under insurance policies or other collateral sources with respect to such Losses. The indemnified Party (the "**Indemnitee**") shall use its commercially reasonable efforts to pursue such insurance policies or collateral sources, and in the event such Indemnitee receives any recovery, the amount of such recovery shall be applied first, to refund any payments made by the indemnitor Party (including the insurer) (the "**Indemnitor**") in respect of indemnification claims pursuant to this Article VIII which would not have been so paid had such recovery been obtained prior to such payment, and second, any excess to the Indemnitee.

Section 8.05 Other Limitations. Notwithstanding anything to the contrary contained in this Agreement: (a) no Indemnitor shall be liable for any special, consequential, indirect, exemplary, or punitive damages, diminution of value, damages based on any type of multiple, or for any lost profits of any Indemnitee (except to the extent any of the foregoing constitute direct damages of the applicable Indemnitee and except with respect to any damages recovered or recoverable by a Third Party for which indemnification is sought pursuant to this Agreement); (b) the computation of the Losses pursuant to this Article VIII shall be made after deducting therefrom any payment payable to the Indemnitee from any Third Party with respect thereto; (c) to avoid double recovery, in no event shall any Indemnitee be entitled to be indemnified more than once for the same item of Loss; and (d) any amount recovered by an Indemnitee from Third Parties with respect to Losses which have already been indemnified by an Indemnitor shall be promptly paid over by the Indemnitee to the Indemnitor pursuant to this Agreement.

Section 8.06 **Defense of Third Party Claims**.

(a) **Indemnitor Defense**. In the event of the assertion or commencement by any Person, other than a Party, of any claim or Proceeding (whether against Seller, Buyer or any other Person) with respect to which (i) Seller or (ii) Buyer, as the case may be, may become obligated to hold harmless, indemnify, compensate or reimburse any Indemnitee pursuant to this Article VIII (a "**Third Party Claim**"), the Indemnitor shall have the right, at its election, to assume the defense of such Third Party Claim on its own with counsel reasonably satisfactory to the Indemnitee unless: (A) the Response Notice fails to specify that the Indemnitor desires to assume control of the defense of such Third Party Claim; (B) the Indemnitor has failed or is failing to reasonably prosecute or defend such Third Party Claim; or (C) the Third Party Claim seeks as the primary cause of action the imposition of an equitable or injunctive remedy against the Indemnitee (other than equitable relief that is ancillary to a claim for monetary damages). If the Indemnitor so proceeds with the defense of any such Third Party Claim:

(iii) subject to the other provisions of this Article VIII, all reasonable expenses relating to the defense of such Third Party Claim shall be borne and paid exclusively by the Indemnitor;

(iv) the Indemnitee shall make available to the Indemnitor any documents and materials in the Indemnitee's possession or control that may be necessary to the defense of such Third Party Claim; *provided*, *however*, that any confidential or privileged materials shall not be disclosed by the Indemnitee other than as needed for such defense, and the Indemnitor agrees to enter into a commercially reasonable confidentiality and non-use agreement with the Indemnitee with respect to such information;

(v) the Indemnitee may retain separate co-counsel at its sole cost and expense and participate in the defense of such Third Party Claim; and

(vi) the Indemnitor may not settle, adjust or compromise such Third Party Claim without the consent of the Indemnitee (it being understood that if the Indemnitor requests that the Indemnitee consent to a settlement, adjustment or compromise, the Indemnitee shall not unreasonably withhold, condition or delay such consent); *provided*, *however*, that no such consent shall be required if: (A) there is no finding or admission of any violation of Law or suggestion of any wrongdoing on behalf of the Indemnitee or the creation of any financial or other obligation on the part of the Indemnitee; (B) each Indemnitee that is a party to such Third Party Claim is fully and unconditionally released from liability with respect to such claim, without prejudice; and (C) as a result of such settlement, adjustment or compromise, no injunctive or other equitable relief will be imposed against the Indemnitee.

(b) **Indemnitee Defense**. If the Indemnitor does not elect or is not entitled to proceed with the defense of any such Third Party Claim, the Indemnitee shall proceed with the defense of such Third Party Claim with counsel reasonably satisfactory to the Indemnitor; *provided*, *however*, that the Indemnitee may not settle, adjust or compromise any such Third Party Claim without the prior written consent of the Indemnitor (which consent may not be unreasonably withheld, conditioned or delayed). An Indemnitee shall give the Indemnitor prompt notice of the commencement of any such Third Party Claim against the Indemnitee; *provided*, *however*, that any failure on the part of the Indemnitee to so notify the Indemnitor shall not limit any of the obligations of the Indemnitor under this Article VIII (except to the extent such failure prejudices the defense of such Third Party Claim or the Indemnitor otherwise forfeits any rights by reason of such failure).

Section 8.07 Indemnification Claim Procedure.

(a) **Notice of Claim**. If any Indemnitee has or claims in good faith to have incurred or suffered, or believes in good faith that it may incur or suffer, Losses for which it is or may be entitled to be held harmless or indemnified under this Article VIII, such Indemnitee may deliver a notice of claim (a "**Notice of Claim**") to the applicable Indemnitor. Each Notice of Claim shall: (i) state that such Indemnitee believes in good faith that such Indemnitee is or may be entitled to indemnification under this Article VIII; (ii) contain a brief description of the facts and circumstances supporting the Indemnitee's claim; and (iii) contain a good faith, non-binding, preliminary estimate of the aggregate amount of the actual and potential Losses that the Indemnitee believes have arisen and may arise as a result of such facts and circumstances (the aggregate amount of such estimate, as it may be modified by such Indemnitee in good faith from time to time, being referred to as the "**Claimed Amount**").

(b) **Dispute Period**. During the twenty (20)-day period commencing upon delivery by an Indemnitee to the applicable Indemnitor of a Notice of Claim (the "**Dispute Period**"), the Indemnitor may deliver to the Indemnitee who delivered the Notice of Claim a written response (the "**Response Notice**") in which the Indemnitor: (i) agrees that the full Claimed Amount is owed to the Indemnitee; (ii) agrees that part, but not all, of the Claimed Amount (such agreed portion, the "**Agreed Amount**") is owed to the Indemnitee; or (iii) indicates that no part of the Claimed Amount is owed to the Indemnitee. If the Response Notice is delivered in accordance with clause (ii) or (iii) of the preceding sentence, the Response Notice shall also contain a brief description of the facts and circumstances supporting the Indemnitor's claim that only a portion or no part of the Claimed Amount is owed to the Indemnitee, as the case may be. Any part of the Claimed Amount that is not agreed to be owed to the Indemnitee pursuant to the Response Notice (or the entire Claimed Amount, if the Indemnitor asserts in the Response Notice that no part of the Claimed Amount is owed to the Indemnitee) is referred to in this Agreement as the "**Contested Amount**" (it being understood that the Contested Amount shall be modified from time to time to reflect any good faith modifications by the Indemnitee to the Claimed Amount). If no Response Notice is delivered prior to the expiration of the Dispute Period, then the Indemnitor shall be deemed to have disputed all or any part of the Claimed Amount and the entire Claimed Amount shall constitute a Contested Amount.

(c) **Payment of Full Amount**. If the Indemnitor delivers a Response Notice agreeing that the full Claimed Amount is owed to the Indemnitee, then, within ten (10) Business

Days following the receipt of such Response Notice by the Indemnitee, the Indemnitor shall pay to the applicable Indemnitee an amount in cash equal to the full Claimed Amount.

(d) **Contested Amount**. If the Indemnitor delivers a Response Notice during the Dispute Period indicating that there is a Contested Amount or the Indemnitor does not deliver a Response Notice during the Dispute Period, the Indemnitor and the Indemnitee shall attempt in good faith to resolve the dispute related to the Contested Amount. If the Indemnitee and the Indemnitor resolve such dispute, a settlement agreement stipulating the amount owed to the Indemnitee (the "**Stipulated Amount**") shall be signed by the Indemnitee and the Indemnitor. Within ten (10) Business Days following the execution of such settlement agreement (or such shorter period of time as may be set forth in the settlement agreement), the Indemnitor shall pay to the applicable Indemnitee an amount in cash equal to the Stipulated Amount.

(e) **Resolution of Dispute**. In the event that there is a dispute relating to any Notice of Claim or any Contested Amount (whether it is a matter between any Indemnitee, on the one hand, and the applicable Indemnitor, on the other hand, or it is a matter that is subject to a Third Party Claim brought against any Indemnitee) that remains unresolved after application of the terms of this Section 8.07, such dispute shall be settled in accordance with Section 9.08 of this Agreement.

Section 8.08 **Tax Treatment of Indemnification Payments**. All indemnification payments made under this Agreement shall be treated by the Parties as an adjustment to the Purchase Price for Tax purposes, unless otherwise required by Tax Law.

Section 8.09 **Exclusive Remedies**. The Parties acknowledge and agree that from and after the Closing, except for the right to enforce specific performance of this Agreement and/or any rights and remedies with respect to fraud, their sole and exclusive remedy with respect to any and all claims for any breach of any representation, warranty, covenant, agreement or obligation set forth in this Agreement or any of the Transaction Documents, shall be pursuant to the indemnification provisions set forth in this Article VIII. In furtherance of the foregoing, each Party hereby waives, from and after the Closing, to the fullest extent permitted under Law, any and all rights, claims and causes of action for any breach of any representation, warranty, covenant, agreement or obligation set forth in this Agreement or otherwise relating to the subject matter of this Agreement it may have against the other Party and its Affiliates arising under or based upon any Law, except (a) pursuant to the indemnification provisions set forth in this Article VIII, (b) the right to enforce specific performance of this Agreement and/or (c) any rights and remedies with respect to fraud. Nothing in this Section 8.09 shall limit any Person's right to seek and obtain any equitable relief to which such Person shall be entitled under this Agreement, or any claim or remedy against any Person arising out of or relating to fraud.

Section 8.10 **Primary Recourse to Intrepid**. Notwithstanding any other provision of this Agreement, with respect to any indemnification claim that Buyer may have against Seller under this Article VIII for any matter that (a) relates to any act, omission, condition, circumstance, event or occurrence that arose, occurred, or existed prior to the Intrepid Closing Date, or (b) is covered by (or could reasonably be the subject of) an indemnification claim by Seller (or its assigns) against Intrepid under the Intrepid APA (any such matter, an "**Intrepid Covered Matter**"), the following shall apply: (i) Buyer shall have no right to seek indemnification from

Seller under this Article VIII for any Losses arising out of or relating to any Intrepid Covered Matter unless and until Buyer (or Seller on Buyer's behalf, with Buyer's cooperation as set forth below) has first exhausted all commercially reasonable remedies against Intrepid under the Intrepid APA with respect to such Intrepid Covered Matter including, where appropriate, initiate litigation or dispute resolution against Intrepid and diligently pursue such litigation to resolution; (ii) Seller shall have no liability to Buyer under this Article VIII for any Intrepid Covered Matter to the extent such Intrepid Covered Matter is covered by any indemnification, warranty, representation, or other remedy available to Seller (or its assigns) against Intrepid under the Intrepid APA (*provided* that the foregoing shall not limit or excuse Seller of any liability under this Agreement for any of Seller's representations, warranties or covenants herein); and (iii) if Buyer has an indemnification claim against Seller for any Intrepid Covered Matter for which Seller has a corresponding indemnification or breach of representation or warranty claim against Intrepid under the Intrepid APA, then Seller shall have no liability to Buyer under this Article VIII with respect to such Intrepid Covered Matter; *provided*, *however*, that Seller shall promptly remit to Buyer any amounts actually recovered from Intrepid in respect of such Intrepid Covered Matter in accordance with Section 5.09. Seller shall reasonably cooperate with Buyer, at Buyer's request and expense, in pursuing any claims against Intrepid under the Intrepid APA that may be relevant to any indemnification claim by Buyer under this Article VIII, including by providing information, documentation, and access to relevant personnel as reasonably requested by Seller. For the avoidance of doubt, the limitations set forth in this Section 8.10 are in addition to, and not in lieu of, the other limitations on Seller's indemnification obligations set forth in this Article VIII. Notwithstanding anything to the contrary in this Agreement, Buyer's assumption of clause (e) of Assumed Liabilities shall not be deemed to waive, release, or limit any indemnification claim that Buyer may have or pursue against Intrepid under the Intrepid APA with respect to any Environmental Liabilities or Environmental Claims arising out of or relating to environmental conditions affecting the Acquired Assets that arose, occurred, or existed prior to the Intrepid Closing Date.

ARTICLE IX
MISCELLANEOUS

Section 9.01 **Expenses**. Except as otherwise set forth in this Agreement, each of the Parties shall be solely responsible for and shall bear all of its own costs and expenses incident to its obligations under and in respect of this Agreement, the Transaction Documents, and the Transactions, including any such costs and expenses incurred by any Party in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement (including the fees and expenses of legal counsel, accountants, investment bankers or other representatives and consultants), regardless of whether the Transactions are consummated. Notwithstanding anything to the contrary in this Agreement, Buyer shall pay and be solely responsible for (a) all filing fees payable under the HSR Act, if any, and (b) all costs and expenses associated with title commitments, title examinations, title insurance policies, title searches, surveys, recording fees, filing fees, and escrow fees incurred in connection with the Closing.

Section 9.02 **Notices**. All notices, claims, demands and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or email of a

PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or (d) on the third (3rd) day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid, if sent to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 9.02):

If to Seller: Hydrosource Logistics, LLC
413 Veterans Airpark Lane, Suite 200
Midland, Texas 79705
Attention: Dale Redman, Manager
Email: [***]

with copies (which shall not constitute notice) to: Jackson Walker LLP
1900 Broadway, Suite 1200
San Antonio, Texas 78215
Attention: Reagan M. Marble
Email: RMarble@jw.com

If to Buyer: EagleRock Land Operating, LLC
9655 Katy Freeway, Suite 375
Houston, TX 77024
Attention: Bobby Hunt
Email: [***]

with a copy (which shall not constitute notice) to: Vinson & Elkins LLP
845 Texas Avenue, Suite 4700
Houston, Texas 77002
Attention: Bryan Edward Loocke; Scott D. Rubinsky
Email: bloocke@velaw.com; srubinsky@velaw.com

Each Party irrevocably consents to the service of process in the manner provided for notices in this Section 9.02, and agrees that nothing in this Agreement will affect the right of any Party to serve process in any other manner permitted by applicable Law.

Section 9.03 **Interpretation; Headings**. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the Party drafting an instrument or causing any instrument to be drafted. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

Section 9.04 **Severability**. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement.

Section 9.05 **<u>Entire Agreement</u>**. This Agreement constitutes the sole and entire agreement of the Parties with respect to the subject matter contained herein, and supersedes all prior and contemporaneous representations, warranties, understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Agreement, any Exhibits, Schedules or Annexes, and the Disclosure Schedules (other than an exception expressly set forth as such in the Disclosure Schedules), the statements in the body of this Agreement will control.

Section 9.06 **<u>Successors and Assigns</u>**. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns. No Party may assign, transfer, convey or delegate its rights or obligations hereunder without the prior written consent of the other Party, and any purported assignment, transfer, conveyance or delegation that was not consented to in writing by the other Party prior to such purported assignment, transfer, conveyance or delegation shall be null and void ab initio. No assignment, transfer, conveyance or delegation shall relieve the assigning Party of any of its obligations hereunder.

Section 9.07 **<u>Amendment and Modification; Waiver</u>**. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each Party. No waiver by any Party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the Party so waiving. No failure to exercise or delay in exercising, any right or remedy arising from this Agreement shall operate or be construed as a waiver thereof. No single or partial exercise of any right or remedy hereunder shall preclude any other or further exercise thereof or the exercise of any other right or remedy.

Section 9.08 **<u>Governing Law; Submission to Jurisdiction; Waiver of Jury Trial; Specific Performance</u>**.

(a) **<u>Governing Law</u>**. All matters arising out of or relating to this Agreement shall be governed by and construed in accordance with the internal laws of the State of New Mexico without giving effect to any choice or conflict of law provision or rule (whether of the State of New Mexico or any other jurisdiction).

(b) **<u>Submission to Jurisdiction</u>**. Any Proceeding arising out of or related to this Agreement or the Transactions may be instituted in the federal courts of the United States of America in the State of New Mexico, or the courts of the State of New Mexico located in Lea County, New Mexico, and each Party irrevocably submits to the exclusive jurisdiction of such courts in any such Proceeding. Service of any process, summons, notice or document by mail to such Party's address set forth above shall be effective service of process for any Proceeding brought in any such court. The Parties irrevocably and unconditionally waive any objection to the laying of venue of any Proceeding in such courts and irrevocably and unconditionally waive and agree not to plead or claim that any such Proceeding has been brought in an inconvenient forum.

(c) The Parties agree that a dispute under this Agreement may raise issues that are common with the Intrepid APA and/or one or more of the other documents executed by the Parties in connection herewith or therewith or which are substantially the same or interdependent and interrelated or connected with issues raised in a related Proceeding, dispute, controversy or claim between or among the Parties and their Affiliates. Accordingly, any Party to a new Proceeding or dispute under this Agreement may elect in writing within thirty (30) days after the initiation of a new Proceeding or dispute to refer such new dispute for resolution by the applicable court together with any existing Proceeding or dispute arising under this Agreement, the Intrepid APA or other documents executed by the Parties in connection herewith or therewith or which are substantially the same or interdependent and interrelated or connected. If the applicable court does not determine to consolidate such new Proceeding or dispute with the existing Proceeding or dispute within sixty (60) days of receipt of written request, then the new Proceeding or dispute shall not be consolidated, and the resolution of the new Proceeding or dispute shall proceed separately.

(d) **Waiver of Jury Trial**. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, INCLUDING ANY EXHIBITS, ANNEXES AND SCHEDULES ATTACHED TO THIS AGREEMENT, OR THE TRANSACTIONS. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT: (1) NO REPRESENTATIVE OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION; (2) EACH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER; (3) EACH PARTY MAKES THIS WAIVER KNOWINGLY AND VOLUNTARILY; AND (4) EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

(e) **Specific Performance**. The Parties agree that irreparable damage (for which monetary damages, even if available, would not be an adequate remedy) would occur if any provision of this Agreement were not performed in accordance with the terms hereof (including, without limitation, each Party’s obligation to consummate the Transactions, subject to the terms and conditions in this Agreement), and that the Parties shall be entitled to obtain an injunction, specific performance of the terms hereof, or other equitable relief, in addition to any other remedy to which they are entitled at law or in equity, without proof of damages or inadequacy of any remedy at law. The Parties acknowledge that the right to seek specific enforcement is an integral part of the Transactions and without that right, the Parties would not have entered into this Agreement. Each Party hereby agrees to waive the defense in any such suit that the other Party has an adequate remedy at law and to interpose no opposition, legal or otherwise, as to the propriety of injunction or specific performance as a remedy and agrees to waive any requirement to post any bond in connection with obtaining such relief.

Section 9.09 Attorney-Client Privilege and Conflict Waiver. Jackson Walker LLP (“**JW**”) has represented Seller and certain of its Affiliates. All of the Parties recognize the commonality of interest that exists and will continue to exist until Closing, and the Parties agree that such commonality of interest should continue to be recognized after the Closing. Specifically, the Parties agree that (a) Buyer shall not seek to have JW disqualified from representing Seller and its respective Affiliates in connection with any dispute that may arise between Seller or its respective Affiliates and Buyer in connection with this Agreement or the Transactions and (b) in connection with any dispute that may arise between Seller or its respective Affiliates, on the one hand, and Buyer, on the other hand.

Section 9.10 **<u>Counterparts</u>**. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[*signature pages follow*]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

SELLER:

Hydrosource Logistics, LLC

By: /s/ David Gregory Mabee
Name: David Gregory Mabee
Title: President

BUYER:

EagleRock Land Operating, LLC

By: /s/ Greg Pipkin Jr.
Name: Greg Pipkin Jr.
Title: Chief Executive Officer

[*Signature Page to Asset Purchase Agreement*]

ANNEX I
DEFINITIONS

As used in this Agreement, the following terms have the following meanings:

"**Acquired Assets**" has the definition set forth in the Recitals.

"**Acquired Agreements**" means the Leases, Rights-of-Way, Permits related to the Properties, the Intrepid APA, Existing Title Policy (to the extent such policy is assignable) and all contracts, agreements or instruments pursuant to which Seller holds an interest in the Properties and all other agreements listed under the heading "**Acquired Agreements**" on Exhibit A, but excluding in all cases the Excluded Assets.

"**Action**" means any demand, action, complaint, claim, counterclaim, charge, grievance, review, suit, mediation, litigation, arbitration, proceeding (including any civil, criminal, administrative, investigative, regulatory or appellate proceeding), hearing, inquiry, information request or audit commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Authority.

"**Adjusted Purchase Price**" has the definition set forth in Section 1.03.

"**Affiliate**" means, with respect to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with, such specified Person through one or more intermediaries or otherwise. For the purposes of this definition, "control" means, where used with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of the Person, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have correlative meanings. For the avoidance of doubt, Seller and its respective employees, officers, directors, managers and members, on the one hand, and Buyer and its respective employees, officers, directors, managers and members, on the other hand, are not, and shall not be considered for purposes of this Agreement, "**Affiliates**".

"**Agreed Amount**" has the definition set forth in Section 8.07(b).

"**Agreement**" has the definition set forth in the Preamble.

"**Allocated Value**" and "**Allocated Values**" has the definition set forth in Section 1.03(e).

"**Allocation Methodology**" has the definition set forth in Section 6.03.

"**Allocation Schedule**" has the definition set forth in Section 6.03.

"**Assignment**" has the definition set forth in Section 2.02(a).

"**Assumed Liabilities**" means the following, in each case, subject to the representations, warranties and covenants of Seller set forth herein: (a) any Liability or obligation of any nature related to the Acquired Assets (including, without limitation, under the Acquired Agreements), whatsoever arising, or relating to events occurring, on and after the Effective Time, whether legal or equitable, or matured or contingent, including, without limitation, all express and implied covenants, duties, obligations and liabilities attributable thereto; (b) any Environmental Liabilities; (c) all Property Costs and other costs which are for the account of Buyer pursuant to Section 1.03; (d) all Burdens that accrue after the Effective Time; (e) the condition of the Properties at the Effective Time (including all obligations to restore the surface of the Properties, and to comply with, or to bring the Properties into compliance with the terms of the Leases, including conducting any remediation activities, investigations, feasibility studies, and other clean-up activities which may be required); (f) all Title Defects; and (g) all Environmental Defects with respect to the Acquired Assets.

"**Assumption Agreement**" has the meaning set forth in Section 2.02(b).

"**Books and Records**" means all books and records primarily related to the Acquired Assets, including: (a) title abstracts, title opinions, ownership reports, leases, assignments, contracts, rights of way, surveys, maps, plats and related correspondence; (b) files, logs, and operations, engineering and maintenance records; (c) joint interest billing, lease operating expense, division of interest and accounting records; (d) the Production Taxes; and (e) all seismic, geological and geophysical data and information (but only to the extent not subject to Third Party contractual restrictions on disclosure or transfer, following Seller's commercially reasonable efforts to obtain waivers thereof); but, in all cases, specifically excluding the records and files primarily related to the Excluded Assets.

"**Burdens**" means all royalties, overriding royalties, production payments, net profits obligations, rentals, shut-in payments and similar burdens to which the Properties are subject.

"**Business**" means the business conducted by Seller on the Fee Acres and Federal Lease Acres on the South Ranch, involving the sale of various oilfield related products and services, including water, brine, surface use and right-of-way agreements, a produced water royalty agreement, and caliche.

"**Business Day**" means any day that is not a Saturday, Sunday or legal holiday in the State of New Mexico or a federal holiday in the United States of America.

"**Buyer**" has the definition set forth in the Preamble.

"**Buyer Prepared Returns**" has the definition set forth in Section 6.08(b).

"**Cap**" has the definition set forth in Section 8.04(b)(i).

"**Casualty Loss**" has the definition set forth in Section 2.04.

"**Claimed Amount**" has the definition set forth in Section 8.07(a).

"**Closing**" has the definition set forth in Section 2.01.

"**Closing Date**" has the definition set forth in Section 2.01.

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Confidentiality Agreement**" has the definition set forth in Section 5.04(b).

"**Consents**" means consents from Third Parties or Governmental Authorities that Seller is required to obtain to consummate the Transactions.

"**Contested Amount**" has the definition set forth in Section 8.07(b).

"**Cooperation Period**" has the definition set forth in Section 5.11.

"**Credit Facility**" means that certain credit agreement by and among TCW Asset Management Company, LLC, as Agent, Seller, as Borrower, and the other parties thereto, as amended from time to time.

"**De Minimis Claim Amount**" has the definition set forth in Section 8.04(a)(i).

"**Deductible**" has the definition set forth in Section 8.04(a)(i).

"**Disclosure Schedules**" means the Disclosure Schedules attached to this Agreement and delivered by Seller concurrently with the execution and delivery of this Agreement, which are incorporated by reference herein.

"**Dispute Notice**" has the definition set forth in Section 1.04(b).

"**Dispute Period**" has the definition set forth in Section 8.07(b).

"**Dollars**" and "**$**" means the lawful currency of the United States of America.

"**EagleRock**" has the definition set forth in Section 5.11.

"**Effective Time**" has the definition set forth in Section 2.01.

"**Environmental Claims**" means any third party (including any Governmental Authorities, employees or other private parties) Action, Governmental Order, notice, claim, demand, proceeding, suit, complaint or investigation alleging any actual or potential liability (including liability or responsibility for the costs of enforcement proceedings, investigations, cleanup, governmental response, removal or remediation, natural resources damages, property damages, personal injuries, medical monitoring, penalties, contribution, indemnification and injunctive relief) under or violation of any Environmental Law or Permit required thereunder, or the presence of, Release of, or exposure to, any Hazardous Substances.

"**Environmental Law**" means any applicable Law relating to the protection of human health and safety (to the extent arising out of exposure to Hazardous Substances), worker health and safety, environment, natural resources, or their protection, or the use, storage, recycling, treatment, generation, handling, management, transportation, disposal or Release of Hazardous Substances, including any applicable provisions of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. § 5101 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., the Clean Water Act, 33 U.S.C. § 1251 et seq., the Clean Air Act, 42 U.S.C. § 7401 et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. § 136 et seq., the Safe Drinking Water Act, the Hazardous & Solid Waste Amendments Act of 1984, and the Oil Pollution Act of 1990, 33 U.S.C. § 2701 et seq., and all analogous state or local statutes (each federal, state and local statute and ordinance as amended), and any regulations promulgated pursuant thereto.

"**Environmental Defect**" means (a) any contamination or condition including those resulting from any discharge, release, disposal, production, storage, treatment, or any other activities in, on, under, from or related to the Property, or the migration or transportation from other lands to the Property, or from the Property to other lands, of any wastes, pollutants, contaminants, hazardous materials or other materials or substances which causes any Property (or Seller with respect to such Property) to not be in compliance with any Environmental Law and (b) with respect to any Property (or the operation of any Property), the existence of any environmental pollution, contamination, degradation, damage or injury which is not otherwise authorized by permit or Environmental Law and for which investigative, remedial or corrective action is required under Environmental Law or any common law.

"**Environmental Liabilities**" means Liabilities arising out of or resulting from any Environmental Claims against Buyer, Seller or any of their respective Affiliates (and including Liabilities resulting from the defense against such Environmental Claim) related to the Acquired Assets.

"**Excluded Assets**" means:

(a) all corporate, financial, Tax and legal records of Seller that relate exclusively to Seller or to Seller's business generally (but excluding such portions of financial, Tax or legal records that relate to the Acquired Assets);

(b) all information technology assets, consisting of desktop computers, laptop computers, servers, networking equipment and any associated peripherals and other computer hardware, and computer software that were not included in the assets and properties purchased under the Intrepid APA;

(c) all data described on Schedule EA that cannot be disclosed to Buyer as a result of confidentiality arrangements under agreements with third parties;

(d) the Credit Facility and any and all Indebtedness, agreements, documents, instruments delivered pursuant to or securing any obligations thereunder;

(e) any Indebtedness of Seller or any of its Affiliates; and

(f) all trade credits, accounts receivable, and revenues attributable to the period prior to the Effective Time (other than the Intrepid Final Settlement Amount, which is subject to adjustment under Section 1.03(c)(iii)).

"**Excluded Liabilities**" means any Liability or obligation of any nature of Seller related to the Acquired Assets or the Business whatsoever arising, or relating to events occurring, during the

Seller Ownership Period, whether legal or equitable, or matured or contingent, but excluding the Assumed Liabilities.

"**Execution Date**" has the definition set forth in the Preamble.

"**Existing Title Policy**" has the meaning set forth in Section 5.08.

"**Federal Lease Acres**" has the definition set forth in the Recitals.

"**Fee Acres**" has the definition set forth in the Recitals.

"**Final Purchase Price**" has the definition set forth in Section 1.04(c).

"**Final Settlement Statement**" has the definition set forth in Section 1.04(b).

"**Financial Statements**" has the definition set forth in Section 3.03.

"**Fundamental Representations**" means, with respect to Seller, the representations and warranties set forth in Sections 3.01 (Organization and Authority of Seller), 3.02(a) (No Conflicts), 3.11 (Taxes) and 3.12 (Brokers), and, with respect to Buyer, the representations and warranties set forth in Sections 4.01 (Organization and Authority of Buyer), 4.02(a) (No Conflicts) and 4.03 (Brokers) of this Agreement.

"**GAAP**" means generally accepted accounting principles of the United States of America, consistently applied on an accrual basis.

"**Governmental Authority**" means any federal, foreign, state, municipal, local or similar governmental authority, regulatory or administrative agency, court or arbitral body.

"**Government Land Use Authorizations**" means all Acquired Agreements issued by any Governmental Authority authorizing the use, occupancy, access to, or operation on or across public lands.

"**Government Land Use Authorization Forms**" has the definition set forth in Section 2.02(c).

"**Governmental Order**" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

"**Guarantees**" has the definition set forth in Section 5.07.

"**Hazardous Substances**" means any chemicals, materials or substances defined, classified, included, or otherwise characterized as "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "contaminants," "pollutants," "toxic pollutants," "radioactive" or words of similar meaning and regulatory effect under any applicable Environmental Law, including petroleum and its by-products, asbestos, polychlorinated biphenyls, mercury, radon, hazardous waste, mold, and urea formaldehyde insulation.

"**HSR Act**" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

"**Hydrosource Names**" means any Trademark consisting of or including the word "**Hydrosource**".

"**Income Tax Return**" means any Tax Return for Income Taxes.

"**Income Taxes**" means any income, franchise, gross receipts, or similar Taxes, including any withholding Taxes attributable to any such Taxes that are imposed on or payable by a Person in connection with a direct or indirect owner of such Person or any pass-through entity Taxes imposed on or payable by a Person with respect to a direct or indirect owner of such Person, but for the avoidance of doubt, excluding any sales, use, transfer, stamp, registration, documentary, recording, value added or similar Taxes.

"**Indebtedness**" means all obligations of Seller to any Person (a) for any indebtedness for borrowed money or evidenced by bonds, notes, debentures or other similar contracts, (b) for any indebtedness or obligation secured by any Lien on property owned by Seller whether or not the indebtedness secured has been assumed by Seller, (c) relating to any financing lease arrangements, (d) under any letters of credit, performance bonds, surety agreements or similar instruments (to the extent drawn), (e) in respect of any deferred consideration of property or services (excluding trade payables incurred in the Ordinary Course of Business), (f) for any net cash payment obligations under swaps, options, derivatives and other hedging agreements or arrangements payable upon termination thereof, and (g) for any guarantee of any Liabilities of any other Person of a type described in any of clauses (a) through (f) above.

"**Indemnitee**" has the definition set forth in Section 8.04(d).

"**Indemnitor**" has the definition set forth in Section 8.04(d).

"**Independent Accountant**" has the definition set forth in Section 1.04(c).

"**Intrepid**" has the definition set forth in the Recitals.

"**Intrepid APA**" has the definition set forth in the Recitals.

"**Intrepid Closing Date**" means April 1, 2026, being the date of consummation of the transactions contemplated by the Intrepid APA.

"**Intrepid Consent**" has the definition set forth in the Recitals.

"**Intrepid Covered Matter**" has the definition set forth in Section 8.10.

"**Intrepid Final Settlement Amount**" means the net amount shown as owing by Intrepid to Seller, in its capacity as buyer under the Intrepid APA, pursuant to Section 1.04(e) of the Intrepid APA in the "Final Settlement Statement" (as defined in the Intrepid APA), which as of the Execution Date is expected to be in the amount set forth in Schedule 1.03(c)(iii) for the matters further described in Schedule 1.03(c)(iii).

"**Intrepid-Related Representations**" means the representations and warranties of Seller set forth in Section 3.17 (No Intrepid Breaches).

"**Intrepid Retained Assets**" has the definition set forth in the Recitals.

"**IRS**" means the United States Internal Revenue Service.

"**Knowledge**" as to Buyer means the actual knowledge of Gregory Pipkin, Neal Shah, Tim Jurco for periods from and after May 15, 2026, and Robert Hunt, and as to Seller means the actual knowledge of Dale Redman, David Gregory Mabee, Elo Peter Omavuezi and Tim Jurco for periods prior to May 15, 2026.

"**Law**" means any applicable law, rule, regulation, ordinance, order, judgment or decree or other legal requirement of a Governmental Authority.

"**Leases**" means all of Seller's leases related to the Acquired Assets including those described in Exhibit A to this Agreement together with all of Seller's right, title and interest in and to any (a) sublease or other leasehold, working, operating, operating-rights, royalties, overriding royalties, production payments, mineral fee, carried, options, net revenue, net profit, force-pooled, non-consent and reversionary interests and any other rights and (b) any and all other rights, titles and interests of Seller in and to the lands covered by such leases.

"**Liabilities**" means any obligation, commitment or other liability of a Person (whether known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, fixed, liquidated or unliquidated, matured or unmatured, or otherwise, or whether due or to become due, and regardless of when asserted) and whether or not required to be reflected on a balance sheet prepared in accordance with GAAP.

"**Lien(s)**" means any charges, pledges, options, reversionary rights, mortgages, deeds of trust, hypothecations, security interests, liens (statutory or other), attachment, right of way, encroachments, easements, servitudes, preferential arrangements or preemptive rights, rights of first refusal, and other encumbrances or restrictions of any kind, including any restriction on use, voting, transfer, receipt of income or exercise of any attribute of ownership, but excluding in all cases, any of the foregoing that constitute Permitted Liens.

"**Loss**" or "**Losses**" means any and all damages, demands, payments, obligations, penalties, assessments, disbursements, claims, costs, Liabilities, Taxes, losses, causes of action, and expenses, including interest, awards, judgments, settlements, fines, costs of remediation, fees, costs of defense and reasonable attorneys' fees, costs of accountants, expert witnesses and other professional advisors and costs of investigation and preparation to defend of any kind or nature whatsoever.

"**Material Adverse Effect**" means any event, circumstance, change or effect that, individually or in the aggregate, is materially adverse to the Business, Acquired Assets or the assets, properties, operations or financial condition of Seller, taken as a whole, or that materially and adversely affects the ability of Seller to consummate the Transactions, but shall exclude any circumstance, change, or effect resulting or arising from: (a) any change in general economic conditions (including any change in prices for natural gas or other commodities) in the industries or markets in which Seller operates or conducts business; (b) seasonal reductions in revenues and/or earnings of Seller in the ordinary course of its business; (c) [reserved]; (d) national or international political conditions, including the COVID-19 pandemic and governmental actions addressing it and the health and economic impacts resulting from it, any engagement in hostilities, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack; (e) the effect of any changes in applicable Laws or accounting rules, including GAAP; (f) the entry into or announcement of this Agreement; (g) any change, effect or circumstance resulting from any action required or permitted by this Agreement; or (h) [reserved]; *provided*, *however*, that any event, circumstance, change, or effect referred to in clauses (a), (d), or (e) above may be taken into account in determining whether a Material Adverse Effect has occurred or would reasonably be expected to occur to the extent that such event, circumstance, change, or effect has a disproportionate adverse effect on the Acquired Assets, the Business, or Seller, as compared to other participants operating in the same industry and geographic region in which the Acquired Assets are located.

"**Material Agreements**" has the definition set forth in Section 3.05(a).

"**Material Tax Contest**" has the definition set forth in Section 6.05.

"**Notice of Claim**" has the definition set forth in Section 8.07(a).

"**Ordinary Course of Business**" means the ordinary course of business consistent with the past customs and practices with respect to Seller's conduct of its business on the Acquired Assets, including with respect to quantity and the frequency and duration of an activity or arrangement.

"**Organizational Documents**" means the certificate of incorporation, certificate of formation, articles of association, bylaws, limited liability company agreement, operating agreement, partnership agreement, or similar formation or governing documents and instruments.

"**Other Tax Return**" means any Tax Return that is not a Pre-Effective Time Flow-Through Tax Return.

"**Party**" and "**Parties**" has the definition set forth in the Preamble.

"**Permits**" means authorizations, licenses, permits, concessions, registrations, approvals, grants, exemptions, waivers, variances, consents, orders, or certificates issued by Governmental Authorities other than Water Rights and Government Land Use Authorizations.

"**Permitted Liens**" means: (a) third-party consent and notice requirements and similar restrictions with respect to which waivers or consents are obtained by Seller or Buyer from the appropriate parties prior to the Closing Date or the appropriate time period for asserting the right has expired or which, in the case of notice requirements, need not be satisfied prior to transfer; (b) Liens for current Taxes or assessments not yet delinquent or, if delinquent, being contested in good faith by appropriate actions and set forth on Schedule PL; (c) materialmen's, mechanics', repairmen's, workers', contractors', operators', carriers' and other similar liens and charges arising in the Ordinary Course of Business for amounts not yet delinquent (including any amounts being withheld as provided by Law), or if delinquent, being contested in good faith by appropriate actions and set forth on Schedule PL, provided an adequate reserve to the extent required by GAAP has been established therefor on the Financial Statements; (d) all rights to consent by, required notices to, filings with, or other actions by Governmental Authorities in connection with the sale or conveyance of the Acquired Assets if they are not required to be obtained prior to the sale or conveyance and will not subject Buyer or Seller to any Liability or disability after the Closing due to the failure to make or obtain same prior to Closing; (e) all rights reserved to or vested in any Governmental Authority to control or regulate any of the assets of Seller in any manner and all obligations and duties under all Laws of such Governmental Authority or under any franchise, grant, or Permit issued by any such Governmental Authority; (f) defects that have been cured by Laws of limitations or prescription; (g) reversionary rights contained in easements, rights-of-way, surface use agreements, and similar agreements of record in the county or counties in which Seller's assets are located; and (h) any other minor defects, discrepancies, or irregularities in title that do not, individually or in the aggregate, materially interfere with the ownership, use, or operation of the Acquired Assets as currently conducted.

"**Person**" means any individual, firm, corporation, partnership, limited liability company, incorporated or unincorporated association, joint venture, joint stock company, Governmental Authority or other entity of any kind.

"**Pre-Effective Time Flow-Through Tax Return**" means (a) any U.S. Internal Revenue Service Form 1065, U.S. Return of Partnership Income, of Seller for any Tax period ending on or before the Closing Date or any Straddle Period, and (b) any state or local Income Tax Return of Seller for Income Taxes imposed on or with respect to a direct or indirect owner of Seller on a "flow-through" basis for any Tax period ending on or before the Closing Date or any Straddle Period (including any Tax Returns of Seller for any withholding Taxes attributable to any such Taxes that are imposed on or payable by Seller in connection with a direct or indirect owner of Seller or pass-through entity Taxes imposed on or payable by Seller with respect to a direct or indirect owner of Seller).

"**Pre-Effective Time Tax Contest**" has the definition set forth in Section 6.05.

"**Pre-Effective Time Tax Period**" means any Tax period (or portion thereof) ending on or before the Effective Time.

"**Preliminary Settlement Statement**" has the definition set forth in Section 1.04(a).

"**Proceedings**" means all audits, examinations, proceedings, actions, claims, suits, and investigations by and before any mediator, arbitrator, or Governmental Authority.

"**Production Taxes**" means the ad valorem, severance, excise, production, sales, use, real property, personal property, conservation, New Mexico gross receipts, New Mexico compensating or other similar taxes based upon or measured by the acquisition, ownership or operation of the Acquired Assets or the production of hydrocarbons or other minerals and the receipt of proceeds therefrom, but excluding, for the avoidance of doubt, income, franchise and similar Taxes and Transfer Taxes. The obligation of the Parties to pay Production Taxes shall be determined in accordance with Section 6.07.

"**Property**" and "**Properties**" means the Fee Acres, the Federal Lease Acres and the Water Rights.

"**Property Costs**" means the costs and expenses incurred in the Ordinary Course of Business and attributable to the ownership, development and operation of the Acquired Assets and, in each case, are set forth categorically on Schedule PC. For purposes of this definition, determination of whether Property Costs are attributable to the period before or after the Effective Time shall be based on when services are rendered, when the goods are delivered or when the work is performed. For clarification, the date an item or work is ordered is not the date of a pre-Effective Time transaction but rather the date on which the item ordered is delivered to the job site or the date on which work ordered is performed, shall be the relevant date. Notwithstanding the foregoing, the Property Costs do not include any costs related to the breach of any of Seller's representations, warranties or covenants contained in this Agreement.

"**Purchase Price**" has the definition set forth in Section 1.02.

"**Release**" means any actual or threatened release, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, abandonment, disposing or allowing to escape or migrate into or through the environment (including ambient air (indoor or outdoor), surface water, groundwater, land surface or subsurface strata or within any building, structure, facility or fixture), and any abandonment or discarding of barrels, containers or other closed receptacles containing, any Hazardous Substances.

"**Representatives**" means as to any Person, its officers, directors, managers, shareholders, employees, agents, controlling persons, counsel, accountants, financial advisers and consultants.

"**Response Notice**" has the definition set forth in Section 8.07(b).

"**Revenue**" means all income, proceeds, revenues, receipts, reimbursements, refunds and/or credits earned or obtained with respect to the ownership, operation or use of the Acquired Assets.

"**Rights-of-Way**" means the easements, rights-of-way, licenses, and other interests listed on Exhibit A.

"**SEC**" has the definition set forth in Section 5.11.

"**Seller**" has the definition set forth in the Preamble.

"**Seller Ownership Period**" has the definition set forth in Article III.

"**Seller Taxes**" means, without duplication, any and all Liabilities or Losses relating to any and all (a) Income Taxes imposed by any applicable laws on Seller, any of its direct or indirect owners or Affiliates, or any combined, unitary, or consolidated group of which any of the foregoing is or was a member, (b) Production Taxes allocable to Seller pursuant to Section 6.07, and (c) Taxes imposed on or with respect to the ownership or operation of the Excluded Assets or that are attributable to any asset or business of Seller that is not part of the Acquired Assets; *provided*, *however*, that Seller Taxes shall not include any amounts that were taken into account in the computation of the Final Purchase Price.

"**South Ranch**" has the definition set forth in the Recitals.

"**Special Warranty Deed**" has the definition set forth in Section 2.02(d).

"**Stipulated Amount**" has the definition set forth in Section 8.07(d).

"**Straddle Period**" means any Tax period beginning on or before and ending after the Effective Time.

"**Surface Leases**" has the definition set forth in Section 3.14.

"**Survey**" has the definition set forth in Section 5.08.

"**Tax**" or "**Taxes**" means any U.S. federal, state, provincial, local, or non-U.S. income, alternative minimum, accumulated earnings, personal holding company, franchise, capital stock, net worth, capital, profits, windfall profits, gross receipts, value added, sales, use, goods and services, excise, customs duties, transfer, conveyance, mortgage, registration, stamp, documentary, recording, premium, severance, environmental (including Taxes under Section 59A of the Code or any analogous or similar provision of any state, local, or non-U.S. Law or regulation), real property, personal property, ad valorem, intangibles, escheat, unclaimed property, rent, occupancy, license, occupational, employment, unemployment insurance, social security, disability, workers' compensation, payroll, health care, withholding, estimated or other similar Tax, duty, or other charge or assessment or deficiencies thereof imposed by any Governmental Authority, and including any interest, fines, penalties or additions to Tax attributable to the foregoing.

"**Tax Contest**" has the definition set forth in Section 6.05.

"**Tax Return**" means any report, statement, form, return, election, information return, estimated tax filing, declaration, claim for refund or other document filed or submitted or required to be filed or submitted to any Governmental Authority with respect to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"**Third Party**" means any Person other than a Party or an Affiliate of a Party.

"**Third Party Claim**" has the definition set forth in Section 8.06(a).

"**Title Affidavits**" has the meaning set forth in Section 5.08.

"**Title Company**" means First American Title Insurance Company.

"**Title Defect**" means (a) with respect to Seller's individual and aggregate record and beneficial title in any of the Properties, on a property by property basis, any lien, charge, encumbrance, burden, irregularity or defect or deficiency of title, excluding the Permitted Liens, including those that result in a pledge, security interest, burden, lien or encumbrance of any kind upon a Lease or any of the Properties; and (b) any contract that is (i) an indenture, mortgage, loan, credit or sale-leaseback, pledge, guaranty of any obligation, bonds, letters of credit or similar financial contract; or (ii) a purchase and sale agreement, farmout agreement, participation agreement, seismic agreement or geophysical acquisition or interpretation, development agreement, joint operating agreement, partnership agreement (other than Tax partnerships), joint venture agreement or similar contract affecting the Acquired Assets.

"**Trademark**" means any trademark, service mark, trade name, service name, brand name, slogan, logo, internet domain name, corporate name and other identifier of source or origin, and any registration and application for registration of the foregoing.

"**Transactions**" means the transactions contemplated by this Agreement, including the transactions contemplated by the Transaction Documents.

"**Transaction Documents**" means this Agreement, as amended, modified and/or restated from time to time in accordance herewith, including all the Disclosure Schedules, other Schedules and Exhibits to this Agreement, the Assignment, the Assumption Agreement, the Government Land Use Authorization Forms, the Special Warranty Deed and each other document, certificate and instrument to be delivered at Closing in accordance with this Agreement.

"**Transaction Tax Deductions**" means any item of loss or deduction for Income Tax purposes arising from or attributable to any fees or expenses (including any bonus or other compensatory payments) of or on behalf of Seller incurred in connection with the Transactions or the payment of any Indebtedness of Seller in connection with the Closing.

"**Transfer Taxes**" means any sales, use, New Mexico gross receipts, New Mexico compensating, transfer, stamp, registration, documentary, recording, value added or similar Taxes or fees (including any interest or penalties with respect to any such fees) arising as a result of the Transactions.

"**Water Rights**" has the definition set forth in the Recitals.

Exhibit A
Acquired Assets

[Intentionally omitted.]

Exhibit B
Assignment

[Intentionally omitted.]

Exhibit C
Assumption Agreement

[Intentionally omitted.]

Exhibit D
Government Land Use Authorization Forms

[Intentionally omitted.]

Exhibit E
Allocation Methodology

[Intentionally omitted.]

Exhibit F
Special Warranty Deed

[Intentionally omitted.]

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO RULE 13A-14(A) AND RULE 15D-14(A) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Greg Pipkin Jr., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of EagleRock Land, LLC (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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) [Omitted];

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 13, 2026

/s/ Greg Pipkin Jr.
Name: Greg Pipkin Jr.
Title: Chief Executive Officer (Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO RULE 13A-14(A) AND RULE 15D-14(A) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Neal H. Shah, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of EagleRock Land, LLC (the “registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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) [Omitted];

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 13, 2026

/s/ Neal H. Shah
Name: Neal H. Shah
Title: President and Chief Financial Officer (Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of EagleRock Land, LLC (the "Company"), for the period ended June 30, 2026, as filed with the U.S. Securities and Exchange Commission on the date hereof (the "Report"), I, Greg Pipkin Jr., Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

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

Date: August 13, 2026

/s/ Greg Pipkin Jr.
Name: Greg Pipkin Jr.
Title: Chief Executive Officer (Principal Executive Officer)

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of EagleRock Land, LLC (the "Company"), for the period ended June 30, 2026, as filed with the U.S. Securities and Exchange Commission on the date hereof (the "Report"), I, Neal H. Shah, President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

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

Date: August 13, 2026

/s/ Neal H. Shah
Name: Neal H. Shah
Title: President and Chief Financial Officer (Principal Financial Officer)