

MERCURY REAL ESTATE ADVISORS LLC  
Form SC 13D/A  
May 22, 2007

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

**SCHEDULE 13D/A**

**Under the Securities Exchange Act of 1934**  
**(Amendment No. 8)\***

TEXAS PACIFIC LAND TRUST

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(Name of Issuer)

Sub-share Certificates in Certificates of Proprietary Interest, par value \$0.16<sup>2</sup>/<sub>3</sub> each

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(Title of Class of Securities)

882610108

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(CUSIP number)

Malcolm F. MacLean IV  
c/o Mercury Real Estate Advisors LLC  
Three River Road  
Greenwich, CT 06807

(203) 869-9191

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**(Name, Address and Telephone Number of Person**

**Authorized to Receive Notices and Communications)**

May 22, 2007

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**(Date of Event which Requires Filing of this Statement)**

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box " ".

**Note:** Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page. The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 ( Act ) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, *see* the *Notes*).

1 NAMES OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Mercury Real Estate Advisors LLC

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

(a) "

(b) "

3 SEC USE ONLY

4 SOURCE OF FUNDS (SEE INSTRUCTIONS)

WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) "

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7 SOLE VOTING POWER

NUMBER OF

SHARES 171,887  
8 SHARED VOTING POWER

BENEFICIALLY

OWNED BY 0  
EACH 9 SOLE DISPOSITIVE POWER

REPORTING

PERSON 171,887  
10 SHARED DISPOSITIVE POWER  
WITH

0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

171,887

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) ..

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

8.1%\*

14 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

OO Limited Liability Company

\* All percentage ownership reported in this Schedule 13D is based on 2,118,775 Sub-share Certificates in Certificates of Proprietary Interest, par value \$0.16<sup>2/3</sup> each, outstanding as reported by the Issuer (as defined below) in its Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission on May 4, 2007.

1 NAMES OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

David R. Jarvis

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

(a) "

(b) "

3 SEC USE ONLY

4 SOURCE OF FUNDS (SEE INSTRUCTIONS)

WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) "

6 CITIZENSHIP OR PLACE OF ORGANIZATION

United States

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NUMBER OF

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8 SHARED VOTING POWER

BENEFICIALLY

OWNED BY 0  
EACH 9 SOLE DISPOSITIVE POWER

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PERSON 171,887  
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14 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

IN

1 NAMES OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Malcolm F. MacLean IV

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

(a) "

(b) "

3 SEC USE ONLY

4 SOURCE OF FUNDS (SEE INSTRUCTIONS)

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REPORTING

PERSON 171,887  
WITH 10 SHARED DISPOSITIVE POWER

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8.1%

14 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

IN



This Amendment No. 8 (the Amendment) amends and supplements the Schedule 13D as filed on October 24, 2005 and amended on January 20, 2006, February 2, 2006, June 13, 2006, August 17, 2006, October 9, 2006, November 1, 2006 and November 16, 2006 (the Schedule 13D), with respect to the sub-share certificates in certificates of proprietary interest, par value \$0.16<sup>2</sup>/<sub>3</sub> each (the Shares), of Texas Pacific Land Trust (the Issuer). Capitalized terms used herein but not defined shall have the meanings ascribed thereto in the Schedule 13D. The Schedule 13D is hereby amended and supplemented as follows:

## Item 2. Identity and Background.

(a) This statement is being filed by the following persons: Mercury Real Estate Advisors LLC, a Delaware limited liability company (Advisors), David R. Jarvis, an individual (Mr. Jarvis), and Malcolm F. MacLean IV, an individual (Mr. MacLean) and collectively with Advisors and Mr. Jarvis, the Reporting Persons. Advisors is the investment advisor to the following investment funds that directly hold the Shares reported herein: Mercury Special Situations Fund LP, a Delaware limited partnership; Mercury Special Situations Offshore Fund, Ltd., a British Virgin Island company; Mercury Real Estate Securities Fund LP, a Delaware limited partnership; Mercury Real Estate Securities Offshore Fund, Ltd., a British Virgin Island company; Silvercreek SAV LLC, a Delaware limited liability company; Mercury Global Alpha Fund LP, a Delaware limited partnership; and GPC LXV, LLC, a Delaware limited liability company (collectively, the Funds). Messrs. Jarvis and MacLean are the managing members of Advisors.

## Item 3. Source and Amount of Funds or Other Consideration.

The total amount of funds required by the Reporting Persons to acquire the Shares was \$23,914,798.19. Each of the Funds used its own assets to purchase such Shares, which may at any given time include funds borrowed in the ordinary course in their margin accounts.

## Item 4. Purpose of Transaction.

This Schedule 13D is being filed pursuant to Rule 13d-1(e) under the Securities and Exchange Act of 1934. The Reporting Persons have previously filed a Schedule 13G on January 6, 2005 to report the acquisition of the Shares. On October 24, 2005, the Reporting Persons sent a letter to the General Agent of the Issuer (the October 24<sup>th</sup> Letter). A copy of the October 24<sup>th</sup> Letter is attached to the Schedule 13D as Exhibit C and is incorporated herein by reference. On August 17, 2006, the Reporting Persons sent a letter to the General Agent of the Issuer (the August 17<sup>th</sup> Letter). A copy of the August 17<sup>th</sup> Letter is attached hereto as Exhibit D and is incorporated herein by reference. In addition, on August 17, 2006, the Reporting Persons issued a press release related to the August 17<sup>th</sup> Letter, a copy of which is attached hereto as Exhibit E and is incorporated herein by reference. On October 31, 2006, the Reporting Persons sent a letter to the General Agent of the Issuer (the October 31<sup>st</sup> Letter). A copy of the October 31<sup>st</sup> Letter is attached to the Schedule 13D as Exhibit F and is incorporated herein by reference. In addition, on October 31, 2006, the Reporting Persons issued a press release related to the October 31<sup>st</sup> Letter, a copy of which is attached to the Schedule 13D as Exhibit G and is incorporated herein by reference. On November 15, 2006, the Reporting Persons sent a letter to the General Agent of the Issuer (the November 15<sup>th</sup> Letter). A copy of the November 15<sup>th</sup> Letter is attached to the Schedule 13D as Exhibit H and is incorporated herein by reference. In addition, on November 15, 2006, the Reporting Persons issued a press release related to the November 15<sup>th</sup> Letter, a copy of which is attached to the Schedule 13D as Exhibit I and is incorporated herein by reference. On May 22, 2007, the Reporting Persons sent a letter to the General Agent of the Issuer (the May 22<sup>nd</sup> Letter). A copy of the May 22<sup>nd</sup> Letter is attached hereto as Exhibit J and is incorporated herein by reference.

In connection with the foregoing, and as may be appropriate from time to time depending on the course of discussions with the Issuer or other actions taken by the Issuer, the Reporting Persons will consider the feasibility and advisability of various alternative courses of action with respect to their investment in the Issuer, including, without limitation: (a) the acquisition or disposition by the Reporting Persons of additional Shares; (b) an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the Issuer or any of its subsidiaries; (c) a sale or transfer of a material amount of assets of the Issuer or any of its subsidiaries; (d) changes in the present board of directors or management of the Issuer; (e) a material change in the present capitalization or dividend policy of the Issuer; (f) other material changes in the Issuer's business or corporate structure; (g) changes in the Issuer's articles of incorporation or bylaws or other actions that may impede the acquisition of control of the Issuer by any person; (h) causing any class of the Issuer's securities to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association; (i) causing a class of equity securities of the Issuer to become eligible for termination of registration pursuant to Section 12(g)(4) of the Exchange Act; or (j) any action similar to those enumerated above. Except to the extent described in the first paragraph of this Item 4 of the Schedule 13D, the Reporting Persons do not currently have any plans or proposals that relate to or would result in any of the actions specified in clause (a) through (j) of this Item 4 of the Schedule 13D.

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The Reporting Persons reserve the right, based on all relevant factors and subject to applicable law, at any time and from time to time, to review or reconsider their position, change their purpose, take other actions (including actions that could involve one or more of the types of transactions or have one or more of the results described in paragraphs (a) through (j) of this Item 4 of the Schedule 13D) or formulate and implement plans or proposals with respect to any of the foregoing. Except as set forth in the Schedule 13D, no contract, arrangement, relationship or understanding (either oral or written) exists among the Reporting Persons as to the acquisition, disposition, voting or holding of Shares.

The Reporting Persons intend to review their investment in the Issuer from time to time on the basis of various factors, including the Issuer's business, financial condition, results of operations and prospects, general economic and industry conditions, the securities markets in general and those for the Issuer's stock in particular, as well as other developments.

### **Item 5. Interest in Securities of the Issuer.**

(a) and (b) As of the date hereof, Mercury Special Situations Fund LP, Mercury Special Situations Offshore Fund, Ltd., Mercury Real Estate Securities Fund LP, Mercury Real Estate Securities Offshore Fund, Ltd., Silvercreek SAV LLC, Mercury Global Alpha Fund LP and GPC LXV, LLC owned beneficially 57,397; 73,711; 1,036; 3,064; 4,719; 17,727; and 14,233 Shares, respectively, representing approximately 2.7%; 3.5%; 0.1%; 0.1%; 0.2%; 0.8%; and 0.7% respectively, of the Shares of the Issuer outstanding as reported in publicly available information.

As of the date hereof, Advisors, in its capacity as investment advisor of the Funds, may be deemed to be the beneficial owner of 171,887 Shares, constituting 8.1% of the 2,118,775 Shares of the Issuer outstanding as reported in publicly available information.

As of the date hereof, Mr. Jarvis, in his capacity as a Managing Member of Advisors, may be deemed to be the beneficial owner of 171,887 Shares, constituting 8.1% of the 2,118,775 Shares of the Issuer outstanding as reported in publicly available information.

As of the date hereof, Mr. MacLean, in his capacity as a Managing Member of Advisors, may be deemed to be the beneficial owner of 171,887 Shares, constituting 8.1% of the 2,118,775 Shares of the Issuer outstanding as reported in publicly available information.

(c) Information with respect to all transactions in the Shares beneficially owned by the Reporting Persons that were effected during the past sixty days is set forth in Exhibit A attached hereto and incorporated herein by reference.

(d) Not applicable.

(e) Not applicable.

**Item 7. Material to be Filed as Exhibits.**

The following documents are filed as exhibits to this Schedule 13D:

- Exhibit A Schedule of Transactions in Shares of the Issuer
- Exhibit B Joint Filing Agreement as required by Rule 13d-1(k)(1) under the Exchange Act of 1934, as amended\*
- Exhibit C Letter to the General Agent of Texas Pacific Land Trust, dated October 24, 2005\*
- Exhibit D Letter to the General Agent of Texas Pacific Land Trust, dated August 17, 2006\*\*
- Exhibit E Press Release, dated August 17, 2006\*\*
- Exhibit F Letter to the General Agent of Texas Pacific Land Trust, dated October 31, 2006\*\*\*
- Exhibit G Press Release, dated October 31, 2006\*\*\*
- Exhibit H Letter to the General Agent of Texas Pacific Land Trust, dated November 15, 2006.\*\*\*\*
- Exhibit I Press Release, dated November 15, 2006.\*\*\*\*
- Exhibit J Letter to the General Agent of Texas Pacific Land Trust, dated May 22, 2007.

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\* Previously filed with the Schedule 13D on October 24, 2005.

\*\* Previously filed with the Schedule 13D/A on August 17, 2006.

\*\*\* Previously filed with the Schedule 13D/A on November 1, 2006.

\*\*\*\* Previously filed with the Schedule 13D/A on November 16, 2006.

**SIGNATURES**

After reasonable inquiry and to the best of his, her or its knowledge and belief, each of the persons signing below certifies that the information set forth in this statement is true, complete and correct.

Date: May 22, 2007

MERCURY REAL ESTATE ADVISORS LLC

*/s/ Malcolm F. MacLean IV*  
Signature

Malcolm F. MacLean IV, Managing Member  
Name/Title

*/s/ Malcolm F. MacLean IV*  
Signature

*/s/ David R. Jarvis*  
Signature

**EXHIBIT INDEX**

- Exhibit A Schedule of Transactions in Shares of the Issuer  
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\*\*\* Previously filed with the Schedule 13D/A on November 1, 2006.

\*\*\*\* Previously filed with the Schedule 13D/A on November 16, 2006.

## Schedule of Transactions in Shares of the Issuer

During the Past 60 Days

Mercury Special Situations Fund LP

Date of Transaction	Quantity Purchased(Sold)(1)	Price/Share \$(2)
02/22/2007	1,000.00	244.51
02/23/2007	100.00	244.01
03/21/2007	100.00	240.01
03/26/2007	300.00	237.68
03/30/2007	137.00	242.61
04/18/2007	(3,600.00)	239.95
04/26/2007	400.00	236.86
04/30/2007	794.00	240.75

Mercury Special Situations Offshore Fund, Ltd.

Date of Transaction	Quantity Purchased(Sold)(1)	Price/Share \$(2)
03/30/2007	1,163.00	242.61
04/05/2007	1,000.00	248.01
04/30/2007	1,106.00	240.75

Mercury Global Alpha Fund LP

Date of Transaction	Quantity Purchased(Sold)(1)	Price/Share \$(2)
04/17/2007	1,400.00	239.94
04/26/2007	400.00	236.86

Mercury Real Estate Securities Offshore Fund, Ltd.

Date of Transaction	Quantity Purchased(Sold)(1)	Price/Share \$(2)
05/10/2007	100.00	229.04

Silvercreek SAV LLC

Date of Transaction	Quantity Purchased(Sold)(1)	Price/Share \$(2)
03/20/2007	(7,768)	240.00

GPC LXV, LLC

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<b>Date of Transaction</b>	<b>Quantity Purchased(Sold)(1)</b>	<b>Price/Share (\$)(2)</b>
04/23/2007	(200.00)	238.99
05/09/2007	(100.00)	241.98
05/18/2007	(100.00)	224.96

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- (1) All purchases/sales were effected through open market or privately negotiated transactions.
  - (2) Inclusive of brokerage commissions.

Exhibit J

**MERCURY REAL ESTATE ADVISORS LLC**

Three River Road

Greenwich, Connecticut 06807

May 22, 2007

Texas Pacific Land Trust

Attn: Roy Thomas, General Agent

1700 Pacific Avenue

Suite 1670

Dallas, TX 75201

Dear Mr. Thomas:

As you are aware, Mercury Real Estate Advisors LLC (the "Mercury"), together with its managed investment funds, is the largest shareholder in Texas Pacific Land Trust ("TPL" or the "Company"), with approximately an 8.1% reported ownership position. We have been a long term and constructive holder of the Company's shares, as well as a strong supporter of the Company. We are communicating with you today to urge two specific actions by the Trustees: first, accelerate the lagging stock buyback program, and second, split the Sub-shares on a further 10 for 1 basis in order to create greater liquidity and round lot affordability for the Sub-shares.

We are increasingly frustrated by the slowing pace of share buybacks, in contravention of the spirit of the Company's Declaration of Trust. We were very disappointed to see that the Company bought back only 3,800 shares in the first quarter of 2007, the smallest buyback in years. This compares very unfavorably with the approximately 9,000 shares bought back on average for each quarter in 2005 and 2006. While we recognize that there are occasionally securities law constraints on the timing of buybacks, this is no excuse for such a negligible repurchase for the full 90 day period. This trickle of activity is especially troubling in light of the \$8 million of cash on the balance sheet, quarterly profits averaging approximately \$2 million, notes receivable of over \$20 million (with over \$1.2 million payable in 2007 alone) and rarely any use for cash in the Company's day-to-day business. To put it into perspective, if you spent only \$6 million of the cash laying unproductive on the balance sheet, you could buyback nearly 28,000 Sub-shares! We would like to be the owner of the last share of TPL stock and own the million acres of the Company's income producing Texas land unencumbered by any debt. With a consistent buyback level of 3-4% of shares outstanding each year, that goal is achievable.

With the Sub-shares of TPL now trading in excess of \$200 per Sub-share (its average is over \$226 per Sub-share for the last six months) and reaching a closing high of \$249.00 this year, we also think you should split the Sub-shares on a 10 for 1 basis to bring the price per Sub-share to a more affordable \$22.00-\$25.00 per Sub-share range. With that change, each Sub-share would then be exchangeable into a Certificate of Proprietary Interest on a 6,000 to 1 basis in comparison with the current 600 to 1 exchange ratio. Many investors buy only round lots of 100 shares for commission purposes, and that level, with respect to Sub-shares of TPL, is prohibitive for many individual and institutional investors. Another beneficial result of this share split would be increased liquidity in the shares, which would benefit all investors, including the Company in its buyback program. If you need shareholder authorization to expand the number of Sub-shares outstanding, we urge you to convene a special meeting to effect that change as soon as possible.

We are tremendous believers in the Company's valuable assets and business plan, but we also believe a more aggressive implementation of the buyback program and a Sub-share split are more consistent with spirit and goals of the guiding Declaration of Trust.

We would be pleased to discuss these demands in greater detail.



Very truly yours,

MERCURY REAL ESTATE ADVISORS LLC

David R. Jarvis  
Chief Executive Officer

Malcolm F. MacLean IV  
President