

**Minutes of the Meeting of the  
Board of University and School Lands  
October 31, 2024**

The October 31, 2024, meeting of the Board of University and School Lands was called to order at 9:09 AM by Chairman Doug Burgum, roll call was taken and the Pledge of Allegiance was recited.

**Members Present:**

Doug Burgum	Governor
Drew Wrigley	Attorney General
Kirsten Baesler	Superintendent of Public Instruction
Michael Howe	Secretary of State
Thomas Beadle	Treasurer

**Department of Trust Lands Personnel Present:**

Joseph Heringer	Commissioner
Catelin Newell	Director of Admin Svcs & IT
Kate Schirado	Executive Assistant
Rick Owings	Administrative Staff Officer
Frank Mihail	Chief Investment Officer
James Wald	Legal Council
Elvedina Papalichev	Paralegal
Adam Otteson	Revenue Compliance Division Director
Susan Sommerfeld	Unclaimed Property Director
Peggy Gudvangen	Finance Director
Kristie McCusker	Minerals Management Officer
Jacob Lardy	Land Management Specialist
Shaun Campbell	Investments Officer
Teresa Hettinger	Investments Officer
Scott Giere	Revenue Compliance
Joseph Stegmiller	Surface Division Director
Pam Reile	Revenue Compliance
Jessica Fretty	Unclaimed Property
Matthew Reile	IT Systems Administrator
Maria Iversen	Finance
Lynn Spencer	Minerals Title Specialist
Chris Suelzle	Minerals Division Director
Garret Hecker	Surface Range Soils Management Specialist
Kisha Mitchell	Unclaimed Property
Emily Bosch	Unclaimed Property
Amanda Parent	Minerals Management Officer

**Guests in Attendance:**

Nathan Svihovec	Office of the Governor
Joel Brown	Mineral Tracker/First International Bank & Trust
Cathrine Grimsrud	Mineral Tracker/First International Bank & Trust
Jennifer Sandberg	RVK
Matt Sturdivan	RVK
Brady Pelton	NDPC
Geoff Simon	Western Dakota Energy Association
Kevin Balaod	WithIntelligence (Journalist)

(10/31/24)

C. Rajala  
Emily Brown  
Gary B  
Katelynn Lesmann  
Steven Nelson  
Lauren King  
Cheryl Brown  
Joseph Harris

## APPROVAL OF MINUTES

A motion to approve the minutes of the September 26, 2024, meeting was made by Attorney General Wrigley, the motion was seconded by Secretary Howe and the motion carried unanimously on a voice vote.

## OPERATIONS

### Commissioner's Report

- 2026 National Association of State Trust Lands Annual Conference – awarded to host July 2026 in Medora to coincide with the Theodore Roosevelt Presidential Library Grand Opening; great opportunity to showcase North Dakota and our leadership in minerals and land management to a national audience; planning begins!
- State Investment Board - attended September 27, 2024, full State Investment Board meeting as a voting member
- State Investment Board Investment Committee - attended October 17, 2024, meeting as a voting member
- Legislative Session – planning continues with budget submitted to OMB and legislation ideas compiled
- Clifton Strengths Training – hosted October 2<sup>nd</sup> DTL Leadership training on identifying and leveraging employee strengths for improved team collaboration, communication, and efficiency

# DIVISION REPORTS

## SURFACE

### SURFACE DIVISION ENCUMBRANCES ISSUED

NORTH  
**Dakota** | Trust Lands  
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**Encumbrances issued by the Commissioner during September 2024: 36 Right of Way Agreements generating \$242,544 in income for the Trusts.**

**Photo Credit: Jacob Lardy  
September in Mountrail County 156-89-16**



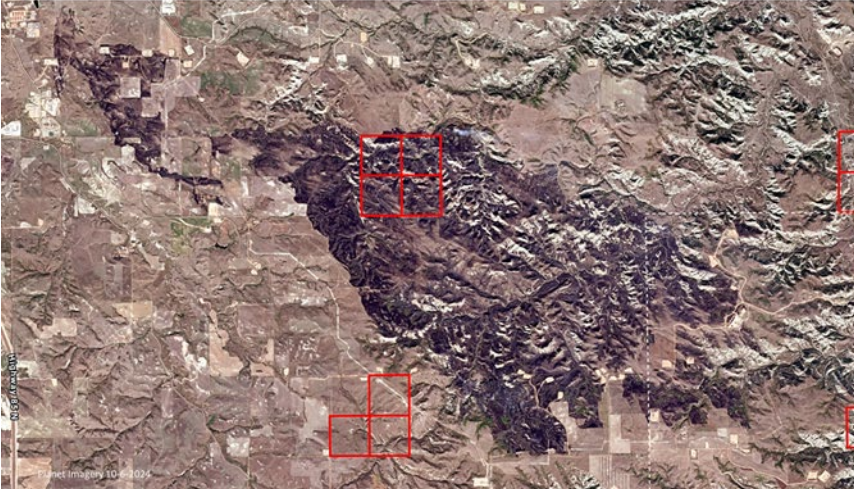
### SURFACE DIVISION TRUST LANDS ACRES AFFECTED BY FIRE

NORTH  
**Dakota** | Trust Lands  
Be Legendary.™

**Approximate acres of Trust Lands burned (as of October 21, 2024)**

- **Elkhorn Fire: 640 acres**

McKenzie Co. 149-98-36







Image from ND Fire Monitor 2024 Map, ND Dept of Emergency Services



# SURFACE DIVISION TRUST LANDS ACRES AFFECTED BY FIRE

NORTH  
**Dakota** | Trust Lands  
 Be Legendary.™

Approximate acres of Trust Lands burned (as of October 21, 2024)

- Ray/Tioga Fires: 427 acres

Williams Co. 157-98-16

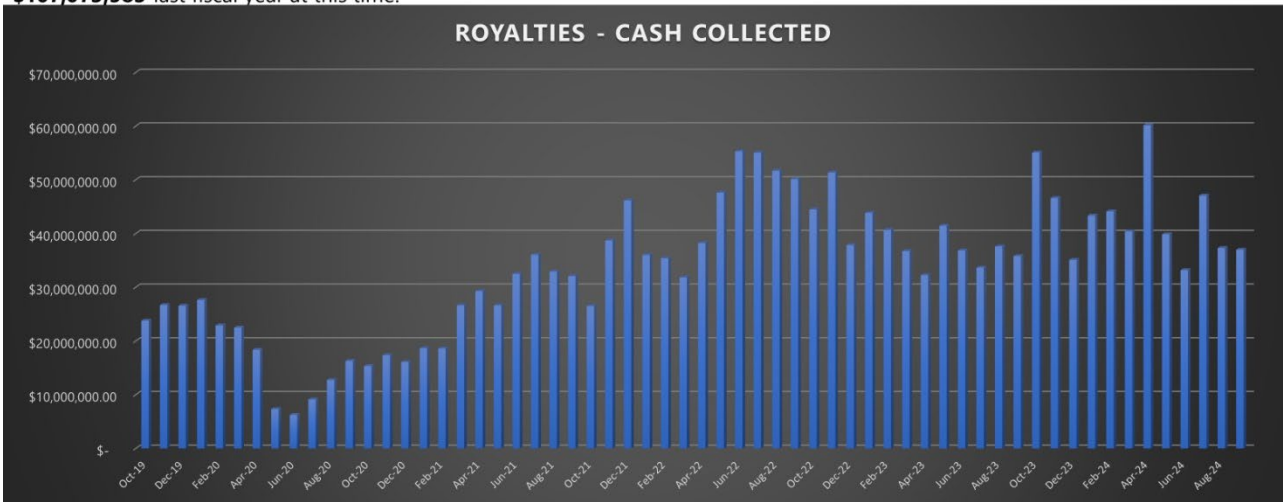


## MINERALS

# MINERALS DIVISION FISCAL YTD O/G ROYALTIES

NORTH  
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As of September 30, 2024\*, for fiscal year 2024-25 the Department has received **\$121,366,854** in royalties as compared to **\$107,073,583** last fiscal year at this time.

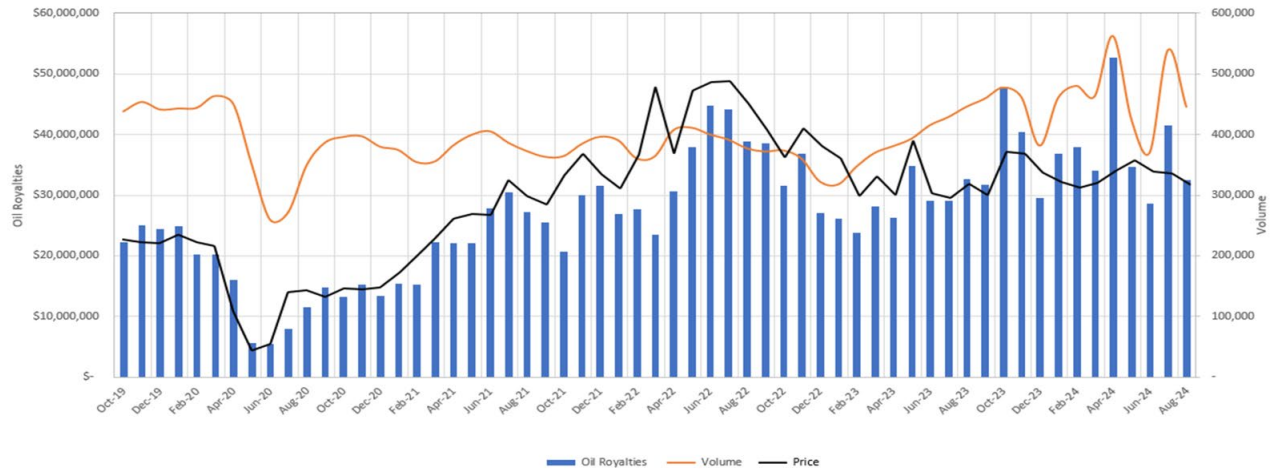


\*September royalty revenue is from July gas production and August oil production.

# PRICE MAIN DRIVER OF O/G ROYALTIES



In the early years production growth was the driver of the Department's royalty increases. Now that our net monthly production has been more stable, averaging 458,069 barrels per month over the past twelve months, the price of oil & gas is the main driver of monthly royalty variations.



## UNCLAIMED PROPERTY

### UNCLAIMED PROPERTY DIVISION

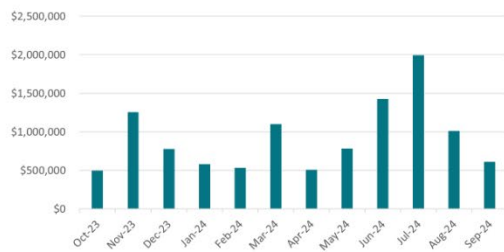
<https://unclaimedproperty.nd.gov>



For the month of September 2024, the Division paid 971 claims with \$610,243 returned to rightful owners.

The Division also received 626 holder reports with a dollar value of \$2,914,142.

TOTAL DOLLAR VALUE OF CLAIMS PAID



TOTAL VALUE OF PROPERTY REPORTED



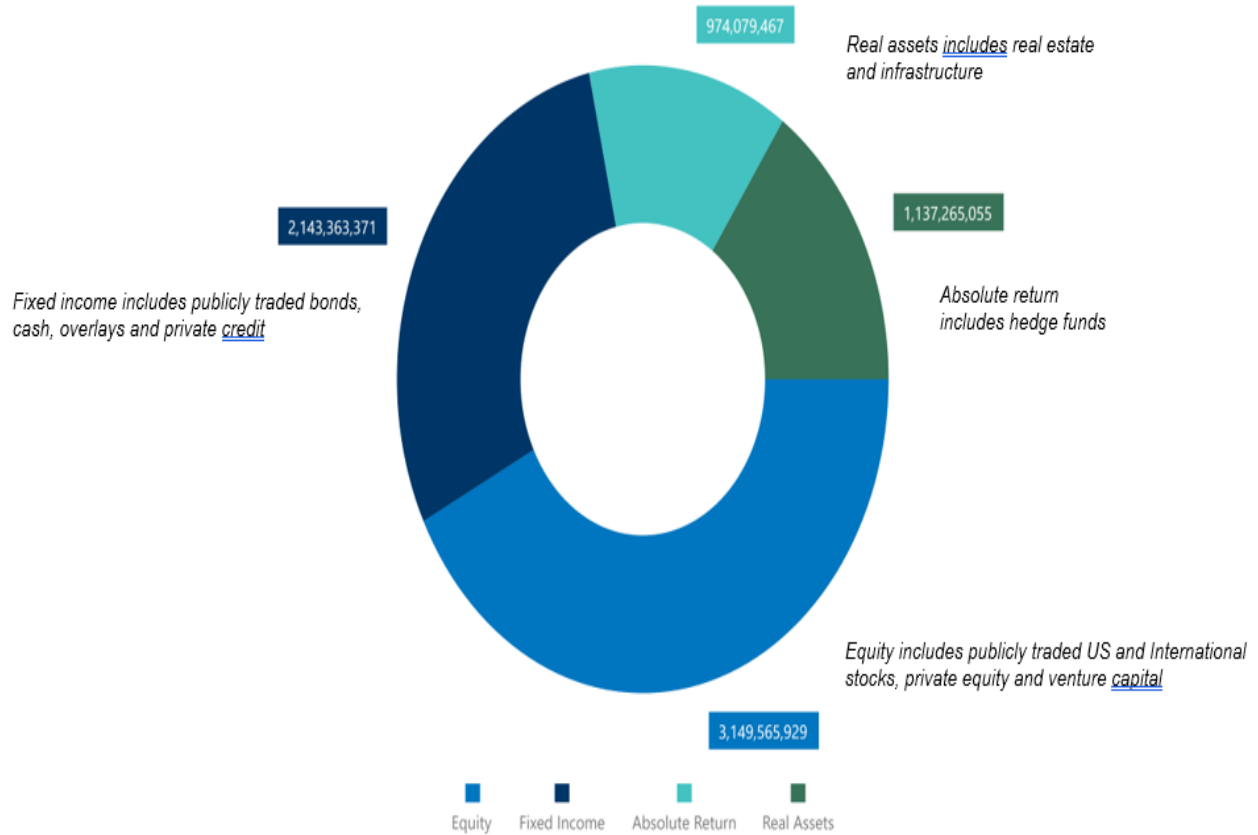
## INVESTMENTS

BOARD OF UNIVERSITY AND SCHOOL LANDS  
OCTOBER 31, 2024



Report as of 9/30/2024

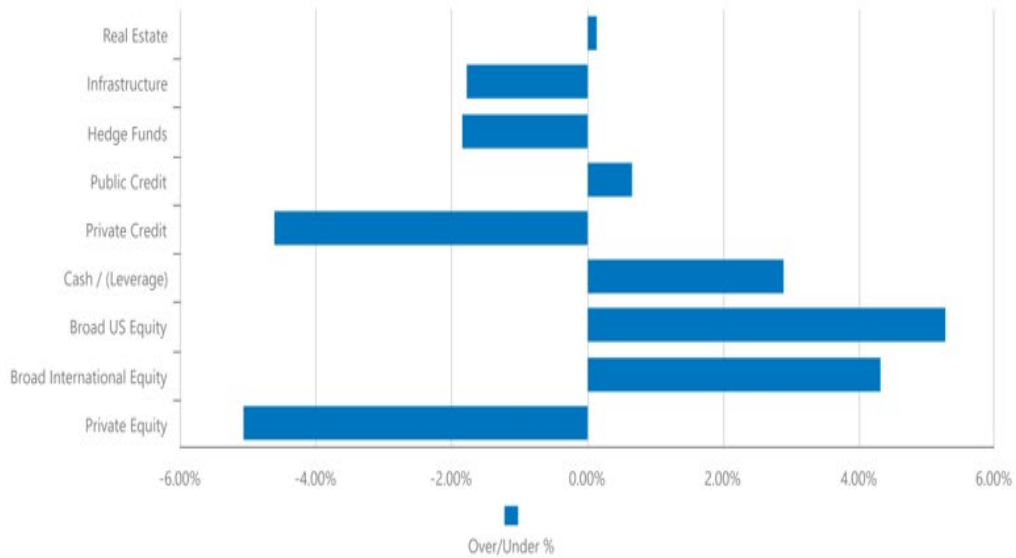
### Asset Allocation



Asset	Total Value	% Of All Value
All	7,404,273,823	100 %
Equity	3,149,565,929	43 %
Fixed Income	2,143,363,371	29 %
Absolute Return	974,079,467	13 %
Real Assets	1,137,265,055	15 %

Report as of 9/30/2024

Actual vs. Target Weight



Asset	Total Value	% Of All Value	Target Weight	Over/Under %	Over/Under \$
All (MTD)	7,404,272,900	100%	100%	0%	--
Equity	3,149,565,929	42.54%	38%	4.54%	335,942,227
Private Equity	217,517,923	2.94%	8%	-5.06%	-374,823,909
Broad International Equity	1,430,521,271	19.32%	15%	4.32%	319,880,336
Broad US Equity	1,501,526,735	20.28%	15%	5.28%	390,885,800
Fixed Income	2,143,363,371	28.95%	30%	-1.05%	-77,918,499
Cash / (Leverage)	-156,082,788	-2.11%	-5%	2.89%	214,130,857
Private Credit	1,139,321,824	15.39%	20%	-4.61%	-341,532,757
Public Credit	1,160,124,335	15.67%	15%	0.67%	49,483,400
Absolute Return	974,078,545	13.16%	15%	-1.84%	-136,562,390
Hedge Funds	974,078,545	13.16%	15%	-1.84%	-136,562,390
Real Assets	1,137,265,055	15.36%	17%	-1.64%	-121,461,338
Infrastructure	386,562,607	5.22%	7%	-1.78%	-131,736,496
Real Estate	750,702,449	10.14%	10%	0.14%	10,275,159

Report as of 9/30/2024

Flash Performance Report

Unaudited preliminary estimates

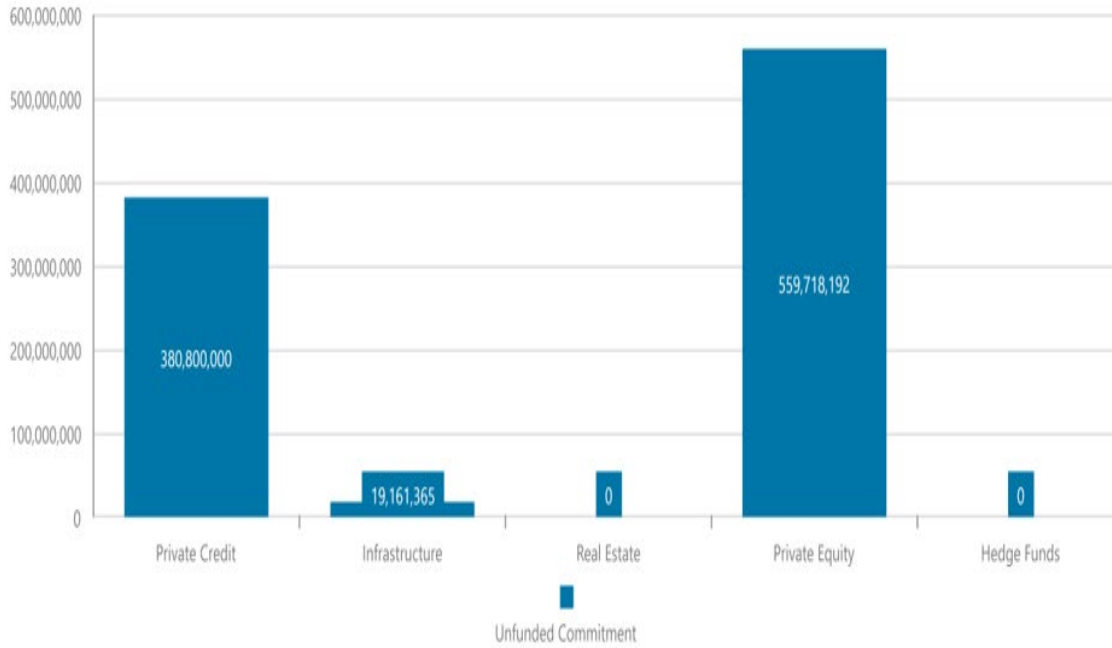


Asset	MTD	QTD	YTD	FYTD	1Y
	Net of Fees Tx				
Asset	Cumulative Return	Cumulative Return	Cumulative Return	Cumulative Return	Cumulative Return
<b>Total Portfolio</b>	1.1%	3.28%	9.44%	3.28%	14.34%
<b>Equity</b>	1.9%	5.89%	16.8%	5.89%	28.36%
Broad International Equity	1.93%	6.61%	15.35%	6.61%	25.82%
Broad US Equity	2.16%	6.06%	20.27%	6.06%	34.22%
Private Equity	0%	0%	1.77%	0%	5.24%
<b>Fixed Income</b>	0.61%	2.09%	5.62%	2.09%	9.39%
Private Credit	0.18%	1.15%	7.24%	1.15%	9.79%
Public Credit	1.01%	3.1%	4.35%	3.1%	8.88%
Cash / (Leverage)	0.53%	0.7%	0.7%	0.7%	0.7%
<b>Absolute Return</b>	0.38%	1.1%	7.72%	1.1%	9.11%
Hedge Funds	0.38%	1.1%	7.72%	1.1%	9.67%
<b>Real Assets</b>	0.47%	0.53%	0.89%	0.53%	-1.57%
Infrastructure	1.34%	1.53%	6.87%	1.53%	10.47%
Real Estate	0.03%	0.03%	-1.81%	0.03%	-6.49%



Report as of 9/30/2024

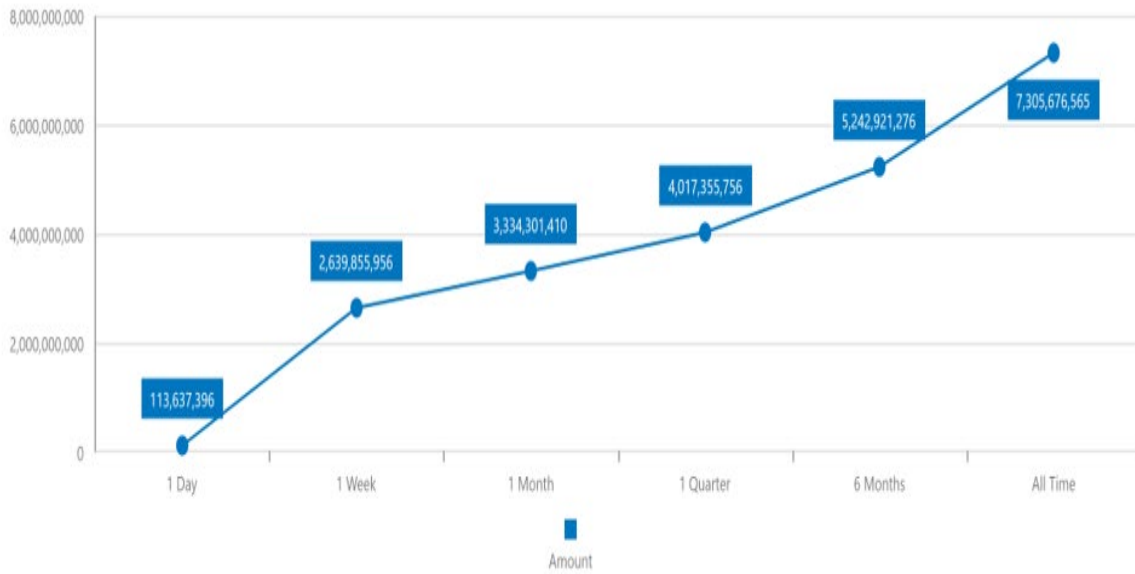
### Uncalled Commitments



Asset	Commitment (\$M)	Funded Commitment (\$M)	Uncalled Capital (\$M)
All (MTD)	3,872	2,913	960
Ares	300	100	200
GCM Grosvenor	580	159	421
Hamilton Lane	50	31	19
Monarch	120	73	47
Morgan Stanley	175	166	9
Blue Owl	125	70	55
a16z	35	--	35
Industry Ventures	50	--	50
Khosla Ventures	35	12	23
Pantheon	100	--	100

Report as of 9/30/2024

### Liquidity Waterfall



Entity	1 Day (\$M)	1 Week (\$M)	1 Month (\$M)	1 Quarter (\$M)	6 Months (\$M)	1 Year (\$M)	All Time (\$M)
All	114	2,640	3,334	4,017	5,243	5,623	7,306
Equity	--	1,618	2,313	2,873	2,873	2,873	3,082
Fixed Income	114	1,022	1,022	1,022	1,299	1,338	2,136
Absolute Return	--	--	--	122	299	460	965
Real Assets	--	--	--	--	772	951	1,123

*Measures how long it would take to liquidate the entire portfolio*

### International Equity – Extended Equities

The International Equity portfolio is currently at \$1.4 billion with approximately 40% of assets actively managed. The goal of this proposal is to shift the allocation closer to benchmark and increase active management to 70%.

The benchmark for international equities is MSCI All Country World Index (ACWI) ex USA which tracks non-US stocks in developed (70%) and emerging markets (30%). Staff recommends shifting the emerging markets allocation closer to benchmark by rebalancing Arrowstreet to 30% when capacity becomes available in the future. The developed markets portion is commonly referred to as Europe, Australasia and the Far East (EAFE) and is comprised of large and mid-cap companies from over 20 countries. Staff recommends shifting the developed markets allocation closer to benchmark by broadening the mandate for Acadian to include large and mid-cap companies. The new international equity allocation targets will be as follows:

Old Target	New Target	Benchmark	Manager	Passive/Active
60%	30%	MSCI World ex-US	State Street	Passive
20%	30%	MSCI Emerging Markets	Arrowstreet	Active
20%	0%	MSCI EAFE Small Cap	Acadian	Active
0%	40%	MSCI EAFE	Acadian	Active

Staff and RVK recommend converting Acadian Non-US Small Cap Equity Extension to Acadian EAFE Equity Extension. Acadian Asset Management was founded in 1986 and is headquartered in Boston. Acadian is well-known for its systematic/quantitative approach to investing. They have over \$100 billion in assets under management and a 100+ person investment team. Acadian has a 35-year track record in international equities and a 20-year track record in active extension strategies. The EAFE Equity Extension strategy will target 5-7% active risk (deviation from benchmark) by investing both long and short across small, mid and large companies in developed international countries, including Canada.

To fund the new EAFE Equity Extension strategy, transfers will be as follows:  
 (\$250-300M) full redemption from Acadian Non-US Small Cap Equity Extension  
 (\$250-300M) partial redemption from SSGA World ex-US Index  
 \$500-600M subscription to Acadian EAFE Equity Extension

**Motion: The Board approve a full redemption from Acadian Non-US Small Cap Equity Extension and new investment to Acadian EAFE Equity Extension, subject to standard legal review/documentation.**

Action Record	Motion	Second	Aye	Nay	Absent
Secretary Howe			X		
Superintendent Baesler		X	X		
Treasurer Beadle	X		X		
Attorney General Wrigley			X		
Governor Burgum			X		

**RVK International Equity Manager Recommendations and Structure Analysis and Acadian Presentation were presented to the Board and are available at the Department upon request.**

(10/31/24)

## SPECIAL PROJECTS

### Mineral Tracker Mineral Valuation Presentation



# MINERALTRACKER<sup>®</sup>

*Powered by First International Bank & Trust*

## NORTH DAKOTA DEPARTMENT OF TRUST LANDS

### Mineral Value Estimation as of June 30, 2024

**Joel Brown**  
VP | Oil & Gas Financial Solutions Manager  
First International Bank & Trust  
Email: [jbrown@fibt.com](mailto:jbrown@fibt.com)  
Cell: (701) 570-1504

October 31, 2024



# PRESENTATION OUTLINE



*Powered by First International Bank & Trust*

- ▣ Valuation Update
  - ▣ Valuation Summary and Trends
  - ▣ Oil Price Forecasts
  - ▣ Volume Projections
  - ▣ Cash Flow Forecasting
  - ▣ Oil Price Sensitivities
- ▣ Williston Basin Highlights
  - ▣ Expanding the Core
  - ▣ Enhanced Oil Recovery



# VALUATION SUMMARY



## Income Approach

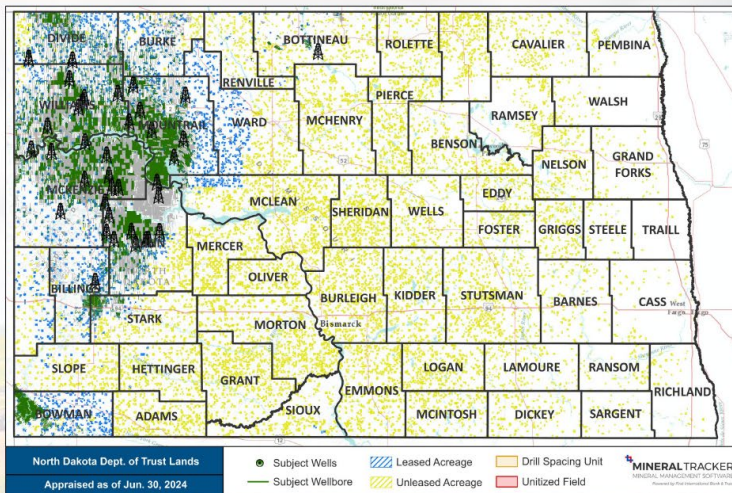
- Provides an indication of the value by converting future cash flows to a single current capital value.<sup>1</sup>

## Market Approach

- Provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available.<sup>2</sup>

Mineral Value Estimation  
as of June 30, 2024

**\$2,461,271,622.00**



<sup>1</sup> NSC (2016, April 7). IWS 105: Valuation Approaches and Methods. International Valuations Standards Council. p. 13  
<sup>2</sup> IWS 105: Valuation Approaches and Methods. International Valuations Standards Council. p. 7

# VALUATION SUMMARY



## Reserve Categories

- Proved Developed Producing ("PDP")
- Proved Developed Shut-In ("PDSI")
- Proved Developed Non-Producing ("PDNP")
- Proved Undeveloped ("PUD")
- Probable Undeveloped ("PROB")
- Possible Undeveloped ("POSS")

## Key Changes from Last Year

- PDP count increased by 517 wells
- PDNP count decreased by 135 wells
- PDSI count decreased by 51 wells
- Total wells increased by 87 wells
- Value decreased by \$107MM

Reserve Class & Category	PDP	PDSI	PDNP	PUD	PROB	POSS	Total
Case Count	8,705	442	285	7,050	560	740	17,782
Cumulative Royalty Interest	237	10	7	197	15	21	487
Gross Oil (BBL)	1,473,281,697	12,201,288	166,624,531	3,347,479,522	105,699,693	104,921,016	5,210,207,747
Gross Gas (Mcf)	3,957,911,172	32,738,118	297,646,496	6,510,594,205	144,746,876	144,349,085	11,087,985,953
Gross Reserve (BOE)	2,132,933,559	17,657,641	216,232,281	4,432,578,556	129,824,172	128,979,197	7,058,205,406
Net Oil (BBL)	39,579,091	252,260	4,488,330	94,239,011	2,873,614	2,923,437	144,355,744
Net Gas (Mcf)	98,560,955	595,265	7,800,611	171,070,127	3,577,225	3,663,047	285,267,230
Net Reserve (BOE)	56,005,917	351,471	5,788,432	122,750,699	3,469,818	3,533,945	191,900,282
Undiscounted Cash Flow	\$2,629,636,495	\$16,585,569	\$294,298,755	\$6,040,057,392	\$180,301,683	\$183,474,450	<b>\$9,344,354,345</b>
NPV10	\$1,306,851,388	\$7,462,134	\$168,836,158	\$1,972,380,821	\$28,735,907	\$25,188,243	\$3,509,454,652
NPV12.5	\$1,166,994,207	\$6,517,068	\$155,036,471	\$1,614,516,870	\$19,744,523	\$16,721,131	\$2,979,530,271
NPV15	\$1,056,740,284	\$5,778,535	\$143,852,511	\$1,346,895,138	\$13,943,960	\$11,441,440	\$2,578,651,868
NPV20	\$893,796,528	\$4,700,881	\$126,604,166	\$979,355,031	\$7,501,141	\$5,835,564	\$2,017,793,311
NPV25	\$778,722,834	\$3,952,738	\$113,695,297	\$744,003,012	\$4,425,863	\$3,313,250	\$1,648,112,994
NPV30	\$692,713,942	\$3,402,546	\$103,509,416	\$583,756,553	\$2,837,118	\$2,076,198	\$1,388,295,773
Appraised Value Subtotal							<b>\$2,443,078,059</b>
Additional Undeveloped Acreage							<b>\$18,193,563</b>
Total Appraised Value							<b>\$2,461,271,622</b>

# VALUATION TRENDS

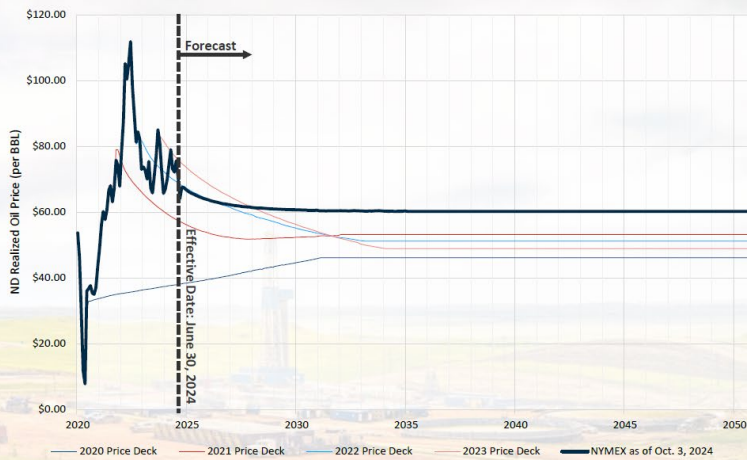
- ✦ This Mineral Value Estimation represents the 5<sup>th</sup> consecutive year that MineralTracker has conducted the analysis for the ND Dept. of Trust Lands.
- ✦ The analysis methodology has remained consistent each year.
- ✦ There is a strong correlation between oil price and appraised value.
- ✦ Royalties July-2023 through June-2024: **\$505MM**
- ✦ The 4% decrease in value from the 2023 iteration results from liquidated reserves but is offset by improved long-term outlook on oil price.

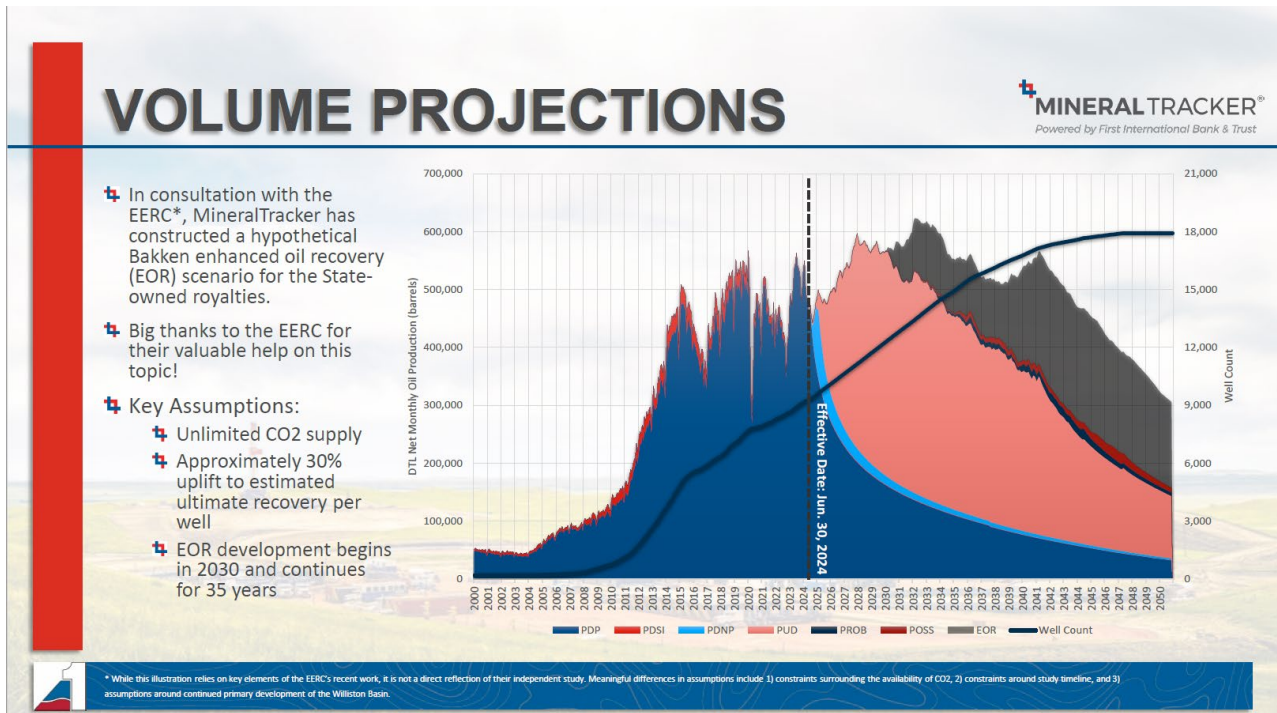
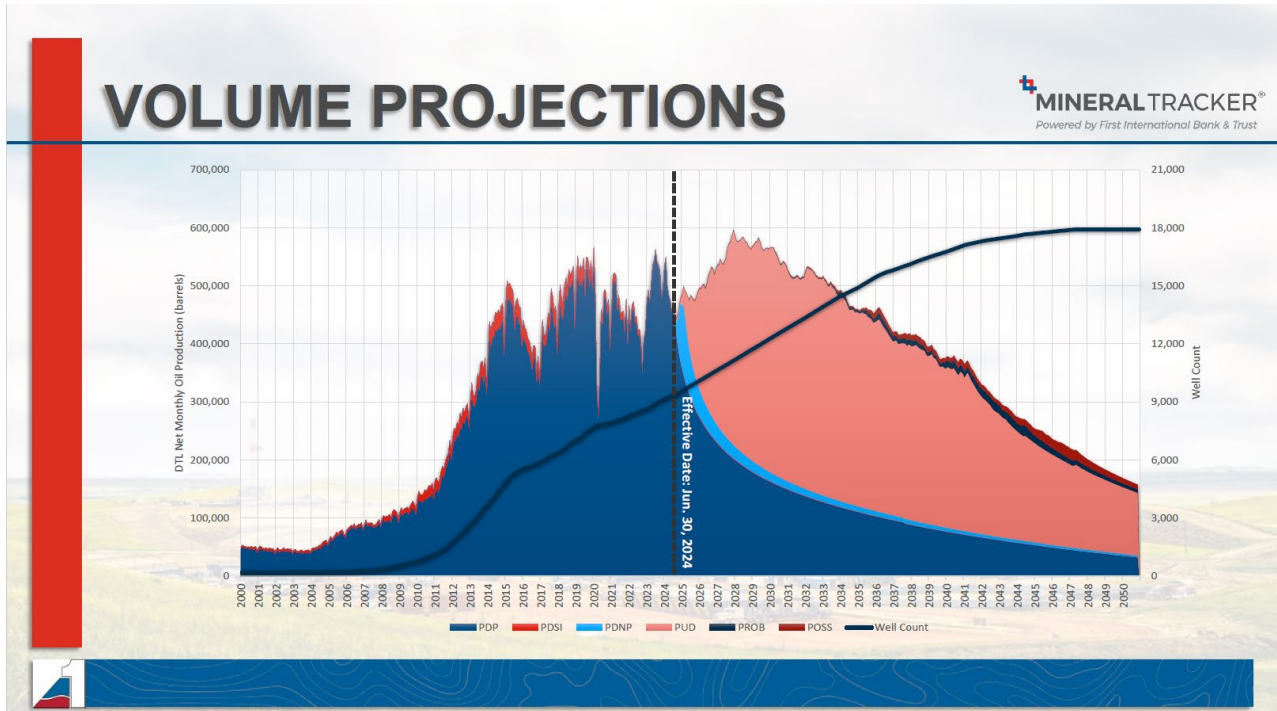
Valuation Year	Appraised Value	% Change from Previous Analysis	Avg. ND Oil Price
2020	\$1.45 B		\$ 34/BBL
2021	\$2.39 B	+65%	\$ 64/BBL
2022	\$2.81 B	+18%	\$ 92/BBL
2023	\$2.57 B	-9%	\$ 73/BBL
2024	\$2.46 B	-4%	\$ 72/BBL

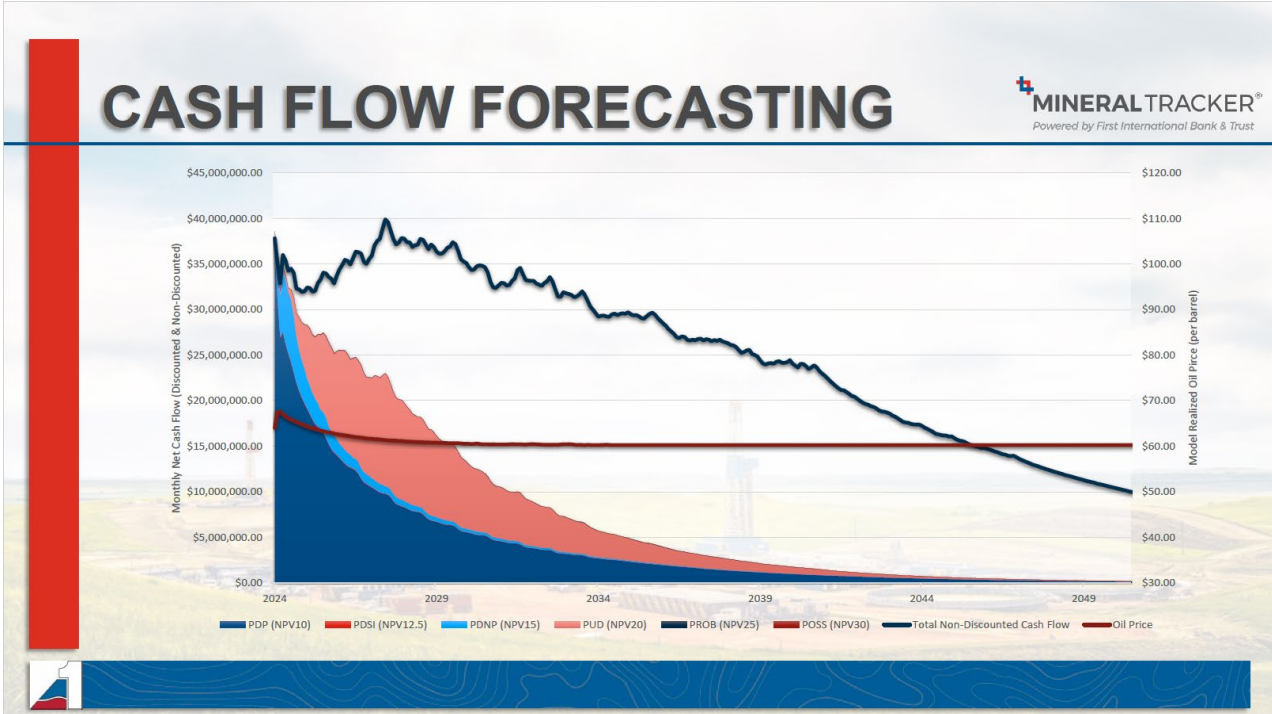


# OIL PRICE


- ✦ Oil prices have been volatile following the previous valuation analysis, fluctuating up to 30% over the trailing twelve months.
- ✦ The “out” years of the current NYMEX pricing are the highest since MineralTracker first performed this analysis in 2020.
- ✦ Competing bullish and bearish factors: slowing demand, oversupply concerns, potential disruptions in the Middle-East.







# OIL PRICE SENSITIVITY



Powered by First International Bank & Trust

NYMEX as of October 3, 2024											
Year	WTI Oil Price (\$/BBL)	Henry Hub Natural Gas Price (\$/MMBtu)	Modelled Oil Price	PDP (NPV10)	PDSI (NPV12.5)	PDNP (NPV15)	PUD (NPV20)	PROB (NPV25)	POSS (NPV30)	Undeveloped Acreage	Total Value
2023	74.99	2.60	+\$30 per barrel	\$1,903M	\$10M	\$208M	\$1,434M	\$7M	\$3M	\$18M	\$3,583M
2024	71.19	3.42	+\$20 per barrel	\$1,705M	\$9M	\$187M	\$1,282M	\$6M	\$3M	\$18M	\$3,209M
2025	69.04	3.66	+\$10 per barrel	\$1,506M	\$8M	\$165M	\$1,131M	\$5M	\$2M	\$18M	\$2,836M
2026	67.95	3.67	NYMEX as of Oct. 3, 2024	\$1,307M	\$7M	\$144M	\$979M	\$4M	\$2M	\$18M	\$2,461M
2027	67.34	3.58	-\$10 per barrel	\$1,106M	\$5M	\$122M	\$828M	\$4M	\$2M	\$18M	\$2,086M
2028	66.99	3.46	-\$20 per barrel	\$904M	\$4M	\$101M	\$676M	\$3M	\$1M	\$18M	\$1,709M
2029	66.77	3.38	-\$30 per barrel	\$699M	\$3M	\$79M	\$525M	\$2M	\$1M	\$18M	\$1,328M
2030	66.57	3.33									
2031	66.57	3.20									
2032	66.53	3.16									
2033	66.44	3.17									
2034	66.39	3.53									

Modelled Oil Price	PDP (Non-Disc.)	PDSI (Non-Disc.)	PDNP (Non-Disc.)	PUD (Non-Disc.)	PROB (Non-Disc.)	POSS (Non-Disc.)	Total Non-Disc. Cash Flow
+\$30 per barrel	\$3,965M	\$26M	\$432M	\$8,910M	\$273M	\$282M	\$13,888M
+\$20 per barrel	\$3,521M	\$23M	\$386M	\$7,958M	\$243M	\$250M	\$12,380M
+\$10 per barrel	\$3,076M	\$20M	\$340M	\$7,002M	\$212M	\$217M	\$10,867M
NYMEX as of Oct. 3, 2024	\$2,630M	\$17M	\$294M	\$6,040M	\$180M	\$183M	\$9,344M
-\$10 per barrel	\$2,182M	\$13M	\$248M	\$5,068M	\$148M	\$150M	\$7,810M
-\$20 per barrel	\$1,734M	\$10M	\$202M	\$4,091M	\$116M	\$116M	\$6,269M
-\$30 per barrel	\$1,284M	\$7M	\$155M	\$3,108M	\$83M	\$81M	\$4,718M

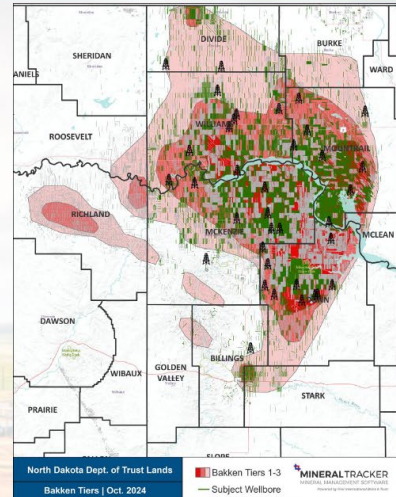
Note: -\$6.18/bbl differential was applied to future cash flow estimates



# EXPANDING THE CORE

**MINERALTRACKER**  
Powered by First International Bank & Trust

- 2023 is the first year since 2013 in which the majority of wells drilled in ND were drilled in Tier 2 and Tier 3.
- Despite drilling fewer wells in poorer geology, ND is growing or maintaining flat production.

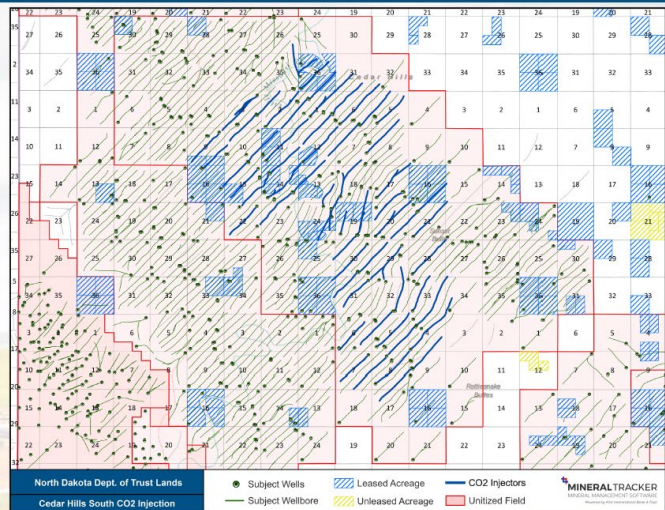
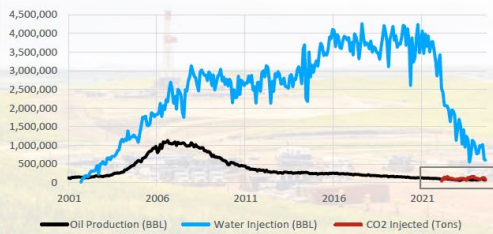


# ENHANCED OIL RECOVERY

**MINERALTRACKER**  
Powered by First International Bank & Trust

## Cedar Hills South Red River B Unit

- Primary Recovery:** Horizontal Drilling from mid-1990's through the mid-2000's
- Secondary Recovery:** Waterflood starting in 2001
- Enhanced Oil Recovery:** CO2 flood starting in 2022



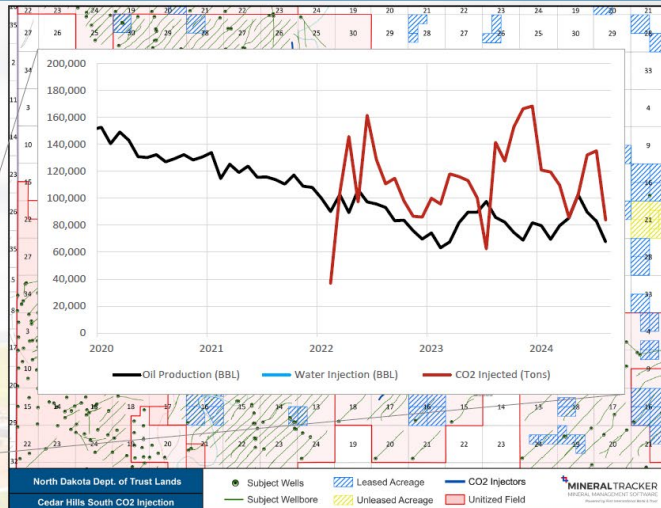
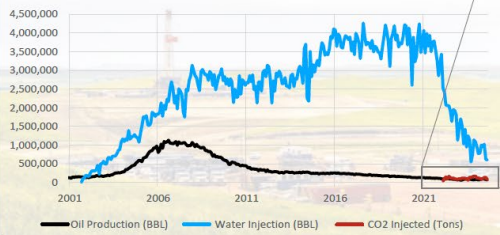
\* Potential for future drilling was assessed independently by MineralTracker as part of the Mineral Estate Value Estimation analysis.

# ENHANCED OIL RECOVERY

**MINERALTRACKER**  
Powered by First International Bank & Trust

## Cedar Hills South Red River B Unit

- ▣ **Primary Recovery:** Horizontal Drilling from mid-1990's through the mid-2000's
- ▣ **Secondary Recovery:** Waterflood starting in 2001
- ▣ **Enhanced Oil Recovery:** CO2 flood starting in 2022



\* Potential for future drilling was assessed independently by MineralTracker as part of the Mineral Estate Value Estimation analysis.

## Contact Us

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First International Bank & Trust

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## 2025 Potential Legislation

### Notable Dates

- Dec 5: Deadline for executive agencies to file bills with Legislative Council
- Jan 7: Session begins
- Jan 20: Deadline for representatives to introduce bills
- Jan 27: Deadline for senators to introduce bills
- Feb 28: Crossover
- May 2: Day 80 (Deadline for session to conclude)

### Proposed Legislation

- Unclaimed Property
  - Add authority to liquidate virtual currency
  - Clarify holder voluntary disclosure program
  - Clarify dormancy for tax lien proceeds and abandoned vehicles
  - Clarify Administrator's authority to share information with other states in a multi-state examination § 47-30.2-63
  - Clarify what constitutes enforceable debts § 47-30.2-52
- Clarify administrative rules authority
- Authority for Board to adopt an agency incentive compensation plan

## LITIGATION

### Litigation Update

- **Mandan, Hidatsa, and Arikara Nation v. United States Department of the Interior**
  - **Case Summary:** Missouri riverbed ownership – On July 7, 2023, the United States filed a motion to amend its pleading to add a quiet title crossclaim against North Dakota as a new Intervenor in the case. We filed a motion requesting a change of venue to North Dakota. On July 23, 2024, the Court issued its rulings on these two issues: 1) granting the United States' motion for a quiet title action; and 2) denying our motion to venue the case in North Dakota. A schedule for next steps has been agreed to with expert reports due by November 13, 2024, and a discovery completion deadline of January 10, 2025. On October 17, 2024, MHA Nation filed a Motion for Judgment on the Pleadings (similar to a summary judgment motion) that we will respond to.

Commencement: July 2020

ND Assigned Attorneys: James Auslander, Kathryn Tipple, Peter Schaumberg, and Nessa Coppinger (Beveridge & Diamond, Washington, D.C.)

Counsel for MHA: Matthew Sagsveen, AG Dir. of Natural Resources and Native American Affairs  
 Steven D. Gordon (Holland & Knight's Washington, D.C.)  
 Philip Merle Baker-Shenk (Holland & Knight's Washington, D.C.)  
 Timothy Purdon (Robins Kaplan, Bismarck, ND)  
 Timothy Billion (Robins Kaplan, Minneapolis, MN)

Counsel for United States Department of Interior: Reuben S. Schiffman (Washington, D.C.)

Court: United States District Court for the District of Columbia

Judge: Honorable Amy Berman Jackson

Win = North Dakota owns historical Missouri Riverbed (mineral rights) through Fort Berthold Indian Reservation resulting in release to state of tens of millions of dollars in withheld oil & gas royalties.

Lose = U.S. owns the riverbed in trust for MHA Nation so royalties are released to the tribe

- **State of North Dakota, ex. rel. v Virginia Leland, et.al.**

**Case Summary:** OHWM river island ownership; trial was held September 12-16, 2022; Judge Schmidt issued a Phase I Memorandum Decision on April 30, 2024, finding 1) the at issue Yellowstone River segment was navigable at statehood; 2) the at issue west bank of the river is owned by the state; 3) the at issue north island is not owned by the state; 4) the at issue south island is owned by the state; and 5)

the state's claim is not barred by laches. The remaining issues of conveyances, mineral acreage calculations, etc. are now being presented in Phase II proceedings. Opposing parties' motion for summary judgment has been fully briefed and a hearing on that motion is scheduled for November 8<sup>th</sup>. If needed, a bench trial is scheduled for December 17-19, 2024.

Commencement: January 2016

ND Assigned Attorneys: Zachary Pelham (Pearce Durick, Bismarck)  
 Matthew Sagsveen, AG Dir. of Natural Resources and Native American Affairs  
 James Wald, DTL General Counsel

Counsel for Whiting Oil and Gas Corp: Paul Forster (Crowley Fleck, PLLP, Bismarck, ND)  
 Shane Hanson (Crowley Fleck, PLLP, Bismarck, ND)

Counsel for Defendant(s): Kevin Chapman (Chapman Law Firm, P.C., Williston, ND)  
 Ariston Johnson (Johnson & Sundeen, Watford City, ND)  
 and Others

Court: State District Court, McKenzie County

Judge: Honorable Robin Schmidt

Win = State owns at issue Yellowstone River islands and related mineral interests

Lose = Plaintiffs owns at issue Yellowstone River islands and related mineral interests

- **Continental Resources, Inc. v. North Dakota Board of University & School Lands and North Dakota Department of Trust Lands**
  - **Case Summary:** Continental Oil Royalty Deductions – Now that the Newfield gas royalty deductions case has been resolved, this has come off stay and the parties have filed a joint scheduling order laying out the discovery and preparation timeline for trial that is currently scheduled for August 4-8, 2025, in McKenzie County.

Commencement: December 2017

ND Assigned Attorney(s): David Garner, Assistant Attorney General

Counsel for  
Continental Resources, Inc.: Jeffrey King (K&L Gates, Fort Worth, TX)

Court: State District Court, McKenzie County  
Judge: Honorable Robin Schmidt

Win = Clarity that Land Board oil & gas lease does not allow for deductions from oil royalties resulting in tens of millions of dollars in deductions being repaid to the state.

Lose = Deductions from oil royalties are allowed under the lease, requiring additional administrative rules/case law to clarify extent

- **Continental Resources, Inc.. v. North Dakota Board of University and School Lands and the United States of America (Interpleader)**
  - **Case Summary:** OHWM fed/state dispute – ND Federal District Court issued opinion March 21, 2023, granting Board’s motion for partial summary judgment on “Acquired Federal Lands” issue; this means the Wenck survey controls for establishing the historical ordinary high-water mark of the Missouri River in areas where the uplands were acquired by the federal government, and not original “public domain lands”; federal government appealed and we filed a cross appeal; 8<sup>th</sup> Circuit oral arguments on the appeals were held October 22, 2024, and we now await the Court’s decision.

Commencement: December 2016

ND Assigned Attorneys: Philip Axt, ND Solicitor General

Counsel for Continental: Lawrence Bender (Fredrikson & Byron P.A., Bismarck, ND)  
Spencer Ptacek (Fredrikson & Byron P.A., Bismarck, ND)

Counsel for USA: Shaun Pettigrew (Environment and Natural Resources  
Division (ENRD)) of the U.S. Department of Justice

Court: United States District Court, District of North Dakota

Judge: Magistrate Judge Clare R. Hochhalter

Win = State survey controls where U.S. lands about the Wenck line resulting in retention of 2,500 mineral acres

Lose = Federal surveys control resulting in net loss of approximately 2,500 mineral acres

**EXECUTIVE SESSION**

**Under the authority of North Dakota Century Code Sections 44-04-19.1 and 44-04-19.2, the Board close the meeting to the public and go into executive session for purposes of attorney consultation and to discuss negotiating strategy regarding:**

- **Continental Resources, Inc. v. North Dakota Board of University and School Lands (Royalty Deductions Case)**
- **Royalty Settlements**

Action Record	Motion	Second	Aye	Nay	Absent
Secretary Howe		X	X		
Superintendent Baesler			X		
Treasurer Beadle			X		
Attorney General Wrigley	X		X		
Governor Burgum			X		

**The Board entered into executive session at 11:18 AM.**

**EXECUTIVE SESSION**

**Members Present:**

Doug Burgum	Governor
Michael Howe	Secretary of State
Kirsten Baesler	Superintendent of Public Instruction
Drew Wrigley	Attorney General
Thomas Beadle	Treasurer

**Department of Trust Lands Personnel present:**

Joseph Heringer	Commissioner
Kate Schirado	Executive Assistant
Chris Suelzle	Minerals Division Director
Adam Otteson	Revenue Compliance Division Director
Catelin Newell	Director of Administrative Svcs. & IT
James Wald	DTL General Counsel
Elvedina Papalichev	Paralegal

**Guests in Attendance:**

Nathan Svihovec	Office of the Governor
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The executive session adjourned at 11:45 AM and the Board returned to the open session meeting to rejoin the public. During executive session, the Board discussed pending royalty settlements and the Continental Resources (royalty deductions) case with its attorneys. Formal action was taken when the open meeting reconvened.

**Motion: The Board approve to proceed with settlement of the Continental Resources, Inc. oil and gas royalty deductions case, as presented in executive session, subject to legal approval.**

<b>Action Record</b>	<b>Motion</b>	<b>Second</b>	<b>Aye</b>	<b>Nay</b>	<b>Absent</b>
Secretary Howe		<b>X</b>	<b>X</b>		
Superintendent Baesler			<b>X</b>		
Treasurer Beadle			<b>X</b>		
Attorney General Wrigley	<b>X</b>		<b>X</b>		
Governor Burgum			<b>X</b>		

### **A D J O U R N**

There being no further business, the meeting was adjourned at 11:45 AM.

\_\_\_\_\_  
Doug Burgum, Chairman  
Board of University and School Lands

\_\_\_\_\_  
Joseph Heringer, Secretary  
Board of University and School Lands