

**Minutes of the Meeting of the
Board of University and School Lands
October 29, 2020**

The October 29, 2020 meeting of the Board of University and School Lands was called to order at 9:03 AM in the Peace Garden Meeting Room of the State Capitol by Chairman Doug Burgum.

Members Present:

Doug Burgum	Governor
Alvin A. Jaeger	Secretary of State
Wayne Stenehjem	Attorney General
Kelly Schmidt	State Treasurer
Kirsten Baesler	Superintendent of Public Instruction – via Microsoft Teams

Department of Trust Lands Personnel present:

Jodi Smith	Commissioner
Dennis Chua	Investment Analyst – via Microsoft Teams
Scott Giere	Revenue Compliance - via Microsoft Teams
Robert Dixon	Network Computer Specialist – via Microsoft Teams
Rick Owings	Grants Administrator EIIO – via Microsoft Teams
Michael Humann	Surface Division Director - via Microsoft Teams
Kristie McCusker	Paralegal
Catelin Newell	Administrative Staff Officer
Adam Otteson	Revenue Compliance Division Director – via Microsoft Teams
Mike Shackelford	Investment Division Director - via Microsoft Teams
David Shipman	Minerals Division Director - via Microsoft Teams

Guests in Attendance:

Dave Garner	Office of the Attorney General
Leslie Bakken Oliver	Governor’s Legal Counsel - via Microsoft Teams
Morgan Benth	KFYR TV - via Microsoft Teams
Beth Blandford	Guest via Microsoft Teams
Colin Rajala	Guest via Microsoft Teams
Brant Grimes	Voya Guest via Microsoft Teams
Amy Sisk	Bismarck Tribune via Microsoft Teams
Geoff Simon	Western Dakota Energy Association
Brady Pelton	NDPC Guest via Microsoft Teams
Dennis Blank	Oil Patch Hotline via Microsoft Teams

APPROVAL OF MINUTES

A motion to approve the minutes of the September 24, 2020 meeting, was made by Attorney General Wayne Stenehjem and seconded by Alvin A. Jaeger Secretary of State and the motion carried unanimously on a voice vote.

LITIGATION

Wilkinson

Case: William S. Wilkinson, et. al. v. Board of University & School Lands, Brigham Oil & Gas, LLP; EOG Resources, Inc.; Case No. 53-2012-CV-00038

Date Filed: January, 2012

Court: Williams County District Court

Judge: Paul Jacobson

Attorney: Jennifer Verleger/Matthew Sagsveen/David Garner

Opposing Counsel: Josh Swanson/Rob Stock, Lawrence Bender, John Ward

Issues: The Wilkinson lawsuit was filed on January 10, 2012. The Plaintiffs assert that they own minerals in a 200 acre tract west of Williston. This suit was initially filed in state court as a quiet title action. The Attorney General's Office filed an Answer and Counterclaim on February 27, 2012.

On July 1, 2014, the Plaintiffs filed an amended complaint in the case and added claims of unconstitutional takings, conversion, constructive trust and unjust enrichment, civil conspiracy and deprivation of rights under 42 U.S.C. § 1983. Plaintiffs assert in their amended complaint that the Board should be issuing leases on the west side of the Highway 85 bridge pursuant to the Phase II Investigation – the estimated location of the ordinary high watermark (OHWM) prior to inundation of Lake Sakakawea – rather than the Phase I Delineation – current location of the OHWM. Plaintiffs argue that the subject property is located under Lake Sakakawea, which did not exist at statehood, and thus the state did not acquire title to it as sovereign lands. Therefore, the State's title to the Missouri River is limited to the channel as it existed prior to inundation of Lake Sakakawea as determined by the Phase II investigation.

In January of 2016, the State Engineer sought and was granted intervention. A joint motion for summary judgment was filed by the Board and the State Engineer on March 1, 2016. On May 18, 2016, the district court granted the motion for summary judgment finding that: (1) the subject property is located along the Missouri River, which is no doubt navigable; (2) The Phase I Delineation should be used to determine the OHWM for the subject property rather than the Phase II Investigation, and therefore the property is determined to be sovereign land of the state of North Dakota; (3) to the extent Plaintiffs are aggrieved by the Phase I Delineation, they must exhaust their administrative remedies through the State Engineer before making a claim in district court; and (4) there are no grounds to support Counts II through VII. Plaintiffs filed a notice of appeal on June 1, 2016. Both EOG Resources, Inc. and Statoil Oil and Gas LP filed cross-appeals.

On September 28, 2017, the North Dakota Supreme Court reversed the district court's decision and remanded the case back to the district court. The Supreme Court held that:

1. Surface ownership could not be determined without the United States as a party to the action;
2. N.D.C.C. ch. 61-33.1 has a retroactive clause and the district court did not have an opportunity to determine if it applies and governs ownership of the minerals at issue;

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3. A “takings” analysis must be conducted if the district court determines the State owns the disputed minerals; and
4. The district court erroneously made findings of disputed fact.

History:

Due to the passage of S.B. 2134, the District Court ordered the case stayed and all deadlines be held in abeyance until the final review findings under S.B. 2134 are issued by the North Dakota Industrial Commission (NDIC). Plaintiff, after NDIC issued the review findings, requested a status conference with the Court to set a new trial date and other deadlines. The Board and State Engineer filed a Motion for Continued Stay of Proceedings on October 11, 2018. The telephonic status conference scheduled for November 2, 2018 was cancelled. A Hearing on the Motion for Continued Stay was held November 30, 2018. Defendants submitted a proposed Order and the Judge asked for Plaintiffs to submit a proposed Order, which was filed December 4, 2018. The Court issued its Order on December 12, 2018, denying the Motion for Continued Stay and requiring the parties confer on a scheduling order and submit a Rule 16 scheduling order by January 26, 2019. The State filed a Motion for Proposed Scheduling Order on January 28, 2019, and Plaintiffs filed a notice of hearing on January 31, 2019, and filed their Response to State’s Motion for Proposed Scheduling Order and Plaintiffs’ Request for Rule 16(F) Sanctions on February 1, 2019. State Defendants filed a Reply Brief in Support of Motion for Proposed Scheduling Order on February 8, 2019. Statoil & Gas LP filed a Response to State’s Motion for Proposed Scheduling Order and Plaintiff’s Proposed Scheduling Order on February 11, 2019. Plaintiffs scheduled a hearing in District Court on the Motion for Scheduling Order which was held March 5, 2019, at 2:00 p.m. The District Court didn’t rule on the scheduling motions but granted Plaintiffs’ request to file a motion for Summary Judgment within 30 days of the hearing. On April 15, 2019, Plaintiffs’ filed with the District Court a Notice of Motion, Motion for Summary Judgment, Brief in Support of Motion for Summary Judgment, Affidavit of Joshua Swanson, Notice of Hearing (requesting a hearing be held at the earliest possible date available on the Court’s calendar), and proposed Order Granting Plaintiffs’ Motion for Summary Judgment. On April 17, 2019, Plaintiffs’ filed a Notice of Hearing scheduling a hearing for 2:00 p.m. on July 30, 2019 before the Honorable Paul W. Jacobson, at the Williams County Courthouse, Williston. The parties entered into a Stipulation Extending Time to Respond to Plaintiffs’ Motion for Summary Judgment and Plaintiffs’ Time to Reply which was entered May 1, 2019. The Order Extending Time to Respond was entered May 2, 2019, extending Defendants’ time to respond to June 14, 2019, and extending Plaintiffs’ deadline to file reply to July 1, 2019. On June 10, 2019 Statoil & Gas LP filed its Opposition to Plaintiffs’ Motion for Summary Judgment. Also, on June 10, 2019, the Stipulated Motion to Dismiss Defendant XTO Energy Inc. was filed in which Plaintiffs, Cross-claimant EOG, and Defendant XTO stipulated and requested the Court dismiss XTO from the action with prejudice and without costs and disbursements to any party, as it holds no ownership interest in, right to, claim or title to any mineral interests as alleged by Plaintiffs. The Board of University and School Lands filed its Brief in Opposition to Plaintiffs’ Motion for Summary Judgment on June 14, 2019. Also filed on June 14, 2019 where the State Engineer’s Response to Brief in Opposition to Plaintiffs’ Motion for Summary and the Response of EOG Resources, Inc., to Plaintiffs’ Motion for Summary Judgment. On June 17, 2019, the Court entered its Order Dismissing Defendant XTO Energy, Inc. from the Action. On July 1, 2019, Plaintiff’s filed their Reply Brief in Support of Motion for Summary Judgment. The hearing on the Motion for Summary Judgment was held on July 30, 2019. Order Granting Plaintiffs’ Motion for Summary Judgment was entered on September 6, 2019. The proposed Judgment was submitted on September 12, 2019. The Judgment and Notice of Entry of Judgment were filed with the District Court on September 16,

2019. Board of University and School Lands' Notice of Appeal to the North Dakota Supreme Court was filed on November 15, 2019. State Engineer's Notice of Appeal to the North Dakota Supreme Court was filed on November 15, 2019. Notice of Appeal to North Dakota Supreme Court filed by Statoil Oil & Gas LP f/k/a Brigham Oil & Gas, LLP on November 27, 2019. Appellant's Initial Briefs were due December 12, 2019; however, a Joint Motion for Extension of Time to File Briefs was filed and an extension was granted on December 13, 2019, with all briefs being due to the Supreme Court as follows:

- Appellants' (including Board of University and School Lands) Initial Briefs - January 13, 2020;
- Appellees' Response Briefs – March 2, 2020; and
- Appellants' (including Board of University and School Lands) Reply Briefs – March 16, 2020.

On January 13, 2020, the Brief of Appellant, Board of University and School Lands was filed with the Supreme Court. Appellant North Dakota State Engineer's Principal Brief was also filed on January 13, 2020. Plaintiffs/Appellees Response Brief filed with the Supreme Court on March 2, 2020. Plaintiffs/Appellees Response Brief filed with the Supreme Court on March 2, 2020. Reply Brief of Defendant and Appellant, Board of University and School Lands filed on March 16, 2020. Appellant North Dakota State Engineer's Reply Brief filed March 16, 2020.

Current Status:

- **The North Dakota Supreme Court issued its Opinion of the Court on August 27, 2020.**
- **On September 18, 2020 a Notice of Hearing was filed in the District Court setting a status conference for October 13, 2020, at 3:30 p.m. The Court issued an Order After Status Conference dated October 13, 2020, stating that a two day bench trial will be scheduled.**
- **A telephonic scheduling conference was scheduled for October 29, 2020, at 10:00 a.m.**
- **On October 23, 2020, the Supreme Court Judgment/Opinion was filed with the District Court.**

Starin/Weyrauch

Case: Mary K. Starin, as Personal Representative of the Estate of Bruno Herman Weyrauch v. Kelly Schmidt, et. al., Civ. No. 53-2015-CV-00986
Date Filed: August 17, 2015
Court: Williams County District Court
Judge: David Nelson
Attorney: David Garner/Jennifer Verleger
Opposing Counsel: Dennis Johnson

Issues: Plaintiff initiated this quiet title action to determine title to property located under Lake Sakakawea. In 1939, the State acquired the disputed property through a foreclosure of a Bank of North Dakota loan. In 1945, the State re-sold the property through a contract for deed to the Plaintiff's predecessors in interest. Pursuant to state law, the state reserved 50% of the minerals. The Special Warranty Deed issued after satisfaction of the contract for deed was not recorded and no one has a copy of the fully executed

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deed. The surface estate was later condemned as part of the Garrison Dam reservoir project. Plaintiffs have brought this action to clear title to the 50% of the minerals that they claim. The Board has leased the 50% mineral interest it reserved in this conveyance.

In January 2016, the State Engineer intervened in this case.

History: Due to the passage of S.B. 2134, the Court ordered the case stayed and all deadlines be held in abeyance until the final review findings under S.B. 2134 are issued by the Industrial Commission. When the review findings are issued, the parties must request a status conference with the Court to set a new trial date and other deadlines. The Board and State Engineer filed a Motion for Continued Stay of Proceedings on October 12, 2018. Plaintiffs filed a Response to Defendants' Motion to Stay Proceedings on October 23, 2018. A hearing on the Motion to Stay Proceedings was held scheduled November 16, 2018. Stay was granted. Trial previously scheduled for February of 2019 was continued until February 1, 2, and 3, 2020. Notice of Hearing scheduling status conference for January 21, 2020 at 9:30 was filed on January 14, 2020.

Current Status:

- On January 21, 2020 the Court entered an Order for Continued Stay of Proceedings which stays the matter until final disposition of the Sorum lawsuit. The court cancelled the trial scheduled for February 5-7, 2020, and rescheduled the trial to February 1-3, 2021.
- On September 28, 2020, the District Court scheduled a Telephonic Status Conference for October 14, 2020.
- On October 2, 2020, the parties filed a Stipulation for Order for Judgment Quieting Title, a proposed Order and proposed Judgment.
- On October 7, 2020, the Court entered the Stipulated Order for Judgment Quieting Title and the Judgment Quieting Title. The Notice of Entry of Judgment was also entered on October 7, 2020.
- October 14, 2020 Telephonic Status Conference and February 2021 Trial were cancelled.

Whitetail Wave

Case: Whitetail Wave LLC v. XTO Energy, Inc.; the Board of University and School Lands; and the State of North Dakota – 27-2015-CV-00164

Date Filed: June 4, 2015

Court: McKenzie County District Court

Judge: Robin Schmidt

Attorney: David Garner/Jennifer Verleger

Opposing Counsel: Whitetail Wave – Christopher Sweeney; XTO Energy – Lawrence Bender

Issues: On August 1, 2015, the Attorney General's Office was served with a complaint in the above referenced case. This case is challenging the State's determination of the OHWM east of the Highway 85 Bridge, near the northern border of the Fort Berthold Indian Reservation. The Board has currently leased minerals pursuant to the Phase II

Investigation for this tract. The Plaintiff is requesting that title to the minerals be quieted and has alleged claims of Unconstitutional takings, trespass, slander of title, and constructive trust/unjust enrichment against the State. The complaint also makes a number of claims specific to XTO Energy Inc., the operator of the wells on the tracts in dispute. Specifically, the Plaintiff is requesting that the State's claim to sovereign lands' mineral interest be restricted to those minerals located below the OHWM of the Missouri River prior to inundation of the Lake Sakakawea.

An answer was filed on behalf of the Board on July 21, 2015. In January 2016, the State Engineer intervened in the case.

History: Due to the passage of S.B. 2134, the Court ordered the case stayed and all deadlines be held in abeyance until the final review findings under S.B. 2134 are issued by the Industrial Commission. The Board and State Engineer filed a Motion for Continued Stay of Proceedings on October 19, 2018 and XTO filed a Response in Support of Continued Stay on October 26, 2018. On November 5, 2018, the Court entered its Order for Continued Stay of Proceedings, staying the proceedings, holding all deadlines in abeyance, and ordering that upon final disposition of the Sorum lawsuit the parties will request a status conference to schedule a new trial date and reset other deadlines. The continued stay was affirmed on November 27, 2018.

Current Status:

- On September 30, 2020, the District Court scheduled a Telephonic Status Conference for October 6, 2020.
- On October 6, 2020, Spencer Ptacek filed a Notice of Appearance on behalf of XTO.
- On October 7, 2020, the District Court scheduled a pretrial conference for August 10, 2021, and scheduled a five day, six person jury trial for August 16-20, 2021.
- On October 22, 2020, the Board of University and School Lands and State Engineer filed their Motion to Dismiss and Supporting documents.

Northern Oil & Gas, Inc. v. Continental et al.

Case: Northern Oil and Gas, Inc. v. Continental Resources, Inc.; Board of University and School Lands of the State of North Dakota; and North Dakota Industrial Commission; Case No. 31-2020-CV-00198

Date Filed: September 25, 2020

Court: Mountrail County District Court

Judge: Honorable Richard L. Hagar

Attorney: David Garner

Opposing Counsel: Nick Andrew Swartzendruber

Issues: On September 25, 2020, Northern Oil and Gas, Inc. filed a Complaint against Continental Resources, Inc., Board of University and School Lands of the State of North Dakota (Board), and North Dakota Industrial Commission (NDIC) seeking review of the findings of the NDIC relating to the location of the historical riverbed channel of the Missouri River with respect to the N/2 of Section 27, Township 153 North, Range 93 West, 5th P.M. Northern requests an order determining that the high water mark of the northern edge of the riverbed extends further to the north and northwest versus what is depicted in the Wenck Survey.

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History:**Current Status:**

- Complaint served on the Board on September 25, 2020. Answer due October 16, 2020.
- NDIC filed its answer on October 16, 2020. The Board received an extension to file its Answer and filed on October 22, 2020.
- On October 23, 2020, Continental filed a Motion to Dismiss for Failure to Join Necessary and Indispensable Parties.
- Also on October 23, 2020, a Motion for Pro Hac Vice was filed by Jeffrey C. King to practice on behalf of Continental.

Northern Oil and Gas, Inc. v. Bruin et al.

Case: Northern Oil and Gas, Inc. v. Bruin E&P Operating, LLC; Bruin Williston I, LLC, Bruin Williston II, LLC, Bruin Williston Holdings, LLC, Bruin E&P Non-Op Holdings, LLC; Board of University and School Lands of the State of North Dakota; and North Dakota Industrial Commission; Case No. 31-2020-CV-00199

Date Filed: September 25, 2020

Court: Mountrail County District Court

Judge: Honorable Stacy Louser

Attorney: David Garner

Opposing

Counsel: Nick Andrew Swartzendruber

Issues: On September 25, 2020, Northern Oil and Gas, Inc. (Northern) filed a Complaint against Bruin E&P Operating, LLC; Bruin Williston I, LLC, Bruin Williston II, LLC, Bruin Williston Holdings, LLC, Bruin E&P Non-Op Holdings, LLC, (collectively referred to as Bruin), Board of University and School Lands of the State of North Dakota (Board), and North Dakota Industrial Commission (NDIC) seeking review of the findings of the NDIC relating to the location of the historical riverbed channel of the Missouri River with respect to the N/2 of Section 10, Township 152 North, Range 93 West, 5th P.M. Northern requests an order determining that the high water mark of the northern edge of the riverbed is further south than what is depicted in the Wenck Survey.

History:**Current Status:**

- Complaint served on the Board on September 25, 2020. Board's Answer filed October 16, 2020.
- Defendant Bruin filed Defendants' Unopposed Motion for Extension of Time to File Answer or Otherwise Respond to Plaintiff's Complaint on October 16, 2020, requesting an extension until November 20, 2020.

Vitesse Litigation Memo

Case: Vitesse Oil, LLC; Vitesse Energy, LLC; and Iron Oil Operating LLC v. State of North Dakota; North Dakota Board of University and School Lands; and Jodi A. Smith, Commissioner of University and School Lands, Case No. 27-2019-CV-00266;

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Date Filed: June 11, 2019
Court: McKenzie County District Court
Judge: Robin Schmidt
Attorney: David Garner
Opposing Counsel: Lawrence Bender, Spencer Ptacek

Issues: On June 7, 2019, the Attorney General's Office was served with a complaint in the above referenced case. This case is requesting a judgment be entered under Chapter 32-12 of the North Dakota Century Code quieting title in Leases in favor of Plaintiffs; a judgment be entered under Chapter 32-12 of the North Dakota Century Code declaring that the Leases remain valid and in effect with respect to all of the Subject Lands based on the force majeure provision of the Board's lease; that the Court enter a temporary restraining order, preliminary injunction, and permanent injunction, prohibiting Defendants from selling or attempting to sell new leases covering the oil and gas in and under the Subject Lands or otherwise interfering with Plaintiffs exclusive right to explore for and produce the same; and that Plaintiffs be awarded their costs and reasonable attorney fees.

History: The Summons and Complaint were served on the State of North Dakota and the Board of University and School Lands, by service on the Attorney General's Office on June 7, 2019. The action was filed on June 11, 2019. The State's Answer was filed with the District Court June 28, 2019. A scheduling conference was held on October 2, 2019. The parties will work on a scheduling order. Lessee's Motion for Leave to Amend complaint filed October 14, 2019. Order Granting Plaintiffs' Motion for Leave to Amend was entered on October 30, 2019. On December 17, 2019, a Notice of Telephonic Scheduling Conference was filed by the court, setting a telephonic scheduling conference for January 22, 2020 at 11:15 a.m.

Current Status:

- **Notice of Court Trial was issued on January 23, 2020, setting a three day court trial for April 20, 2021.**
- **On February 20, 2020, the Court issued its scheduling order setting all case deadlines.**
On October 1, 2020, Defendant Oasis Petroleum North America LLC filed a Suggestion of Bankruptcy for Oasis Petroleum Inc. and Certain of its Affiliates and Notice of Automatic Stay of the Proceedings, stating a bankruptcy petition was filed on September 30, 2020.

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 relating to:

- William S. Wilkinson et al. Case No. 53-2012-CV-00038
- Whitetail Wave LLC Case No. 27-2015-CV-0016
- Repayment of Royalties

Action Record	Motion	Second	Aye	Nay	Absent
Secretary Jaeger			X		
Superintendent Baesler			X		
Treasurer Schmidt		X	X		
Attorney General Stenehjem	X		X		
Governor Burgum			X		

At 9:11 AM the Board entered executive session for the purposes outlined in its adopted motion.

EXECUTIVE SESSION

Members Present:

Doug Burgum	Governor
Alvin A. Jaeger	Secretary of State
Wayne Stenehjem	Attorney General
Kelly Schmidt	State Treasurer
Kirsten Baesler	Superintendent of Public Instruction – via Microsoft Teams

Department of Trust Lands Personnel present:

Jodi Smith	Commissioner
Adam Otteson	Revenue Compliance
Kristie McCusker	Paralegal
Catelin Newell	Administrative Staff Officer

Guests in Attendance:

Dave Garner	Attorney General’s Office
Leslie Bakken Oliver	Governor’s Legal Counsel – via Microsoft Teams
Reice Haase	Governor’s Office

During the executive session, the Board was provided information from its attorney.

The executive session adjourned at 9:56 AM and the Board reconvened in open session.

No formal action was taken.

MINERALS

Repayment of Royalties

The North Dakota Board of University and School Lands (Board) manages land, minerals and proceeds as trustee for the exclusive benefit of constitutionally identified beneficiaries, with much of the income funding North Dakota schools and institutions. The Board also manages oil, gas and other hydrocarbons underlying sovereign lands for the State of North Dakota.

A letter regarding Formal Notification of Gas Royalty Repayment Obligations dated February 11, 2020 with enclosed Gas Deduction Compliance Notification (Letter) was sent to all entities required to pay royalties to the Board pursuant to the Board’s lease. At the February 27, 2020 Board meeting the Board requested additional information regarding the prior communication with royalty payors regarding gas deductions.

The Department reviewed its records and found that the topic of gas deductions had been communicated to royalty payers to the Department as early as 1979. In response to receiving a draft version of the current lease in early 1979, payers were concerned with the new royalty provisions, specifically, the deductibility of expenses. Many expressed the opinion that the new version of the lease did not allow for the deduction of expenses that they had historically taken.

Subsequent to the adoption of the new lease form in 1979, the Department conducted numerous audits during the late 1980's and early 1990's. In August 1990, the Board was provided a report that stated the following with respect to upcoming issues for Fiscal Year 1991: "Up to this time, most of the money collected by the Audit Division has related to relatively non-controversial issues. However, during FY 1991 we expect to address a number of controversial issues that could result in complaints to the Land Board and lawsuits against oil companies. Many of the audits conducted by the Department throughout the years covered production periods for many years prior to the date of audit notification. For example, one audit completed in 1998 covered production from 1984 through 1991. After working through numerous issues with the operator, the Department resolved these issues and received payment in 2001.

In 2011 the Department created the Revenue Compliance Division. Starting in 2012, the Department began issuing notices of improper deductions to companies that reported deductions on royalty statements submitted for both oil and gas.

In addition to the Departments communication with operators, the Board has either been party to or submitted amicus briefs in legal proceedings involving gas deductions. The Board's position in those cases has been consistent in that gross proceeds does not allow for the deduction of expenses.

O P E R A T I O N S

Surface Land Management and Minerals Management Administrative Rules

In House Bill 1300, the Sixty Fifth Legislative Assembly directed the Board of University and School Lands (Board) no longer be exempt from the Administrative Agencies Practice Act (Act). In Senate Bill 2264, the Sixty Sixth Legislative Assembly directed the Board be exempt from the adjudicative proceeding requirements and procedures under North Dakota Century Code §§ 28-32-21 through 28-31-51 of the Act.

The Department of Trust Lands (Department) considered existing rules, together with policies and procedures, to incorporate necessary wording from those into rules which comply with the North Dakota Administrative Code. North Dakota Century Code § 28-32-07 states: "Any rule change, including a creation, amendment, or repeal, made to implement a statutory change must be adopted and filed with the legislative council within nine months of the effective date of the statutory change."

Revisions to rules concerning Surface Land Management and Minerals Management were posted on the Department's website, publication of a notice of intent has been completed, and copies of these rules were sent to sponsoring legislators. A public hearing on these rules was held August 2020, where the Department received oral and written comments. A summary of the written comments, together with the Department's discussion and proposed revisions to the rules, has been completed.

The Board approved the amended rules which were then submitted to the Attorney General's Office for review. We anticipate having a response from the Attorney General's office prior to the October 29, 2020 Board meeting. If approved, the Surface Land Management and Minerals Management Administrative Rules will be presented to the Administrative Rules Committee in December 2020, to become effective January 1, 2021.

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R E P O R T S

September 2020 Report of Encumbrances Issued by Land Commissioner

Granted to:	Billings County, Medora-ND
For the Purpose of:	Easement: Road Right-of-Way
Right-of-Way Number:	RW0008453
Trust:	A – Common Schools
Legal Description:	BIL-141-102-16-NW4
Granted to:	Slawson Exploration Company Inc, Denver-CO
For the Purpose of:	Pipeline-Salt Water Pipeline
Right-of-Way Number:	RW0008681
Trust:	A – Common Schools
Legal Description:	MOU-152-92-14-SE4 MOU-152-92-23-W2W2NE4NE4, NW4NE4NE4NW4 MOU-152-92-23-NE4NW4
Granted to:	Slawson Exploration Company Inc, Denver-CO
For the Purpose of:	Pipeline-Oil Gathering Pipeline
Right-of-Way Number:	RW0008695
Trust:	A – Common Schools
Legal Description:	MOU-152-92-14-SE4 MOU-152-92-23-W2W2NE4NE4, W2W2NE4NE4, NW4NE4NW4NE4 MOU-152-92-23-W2W2NE4NE4, NW4NE4
Granted to:	Continental Resources Inc, Oklahoma City-OK
For the Purpose of:	On-lease Act: Well-Horizontal Oil Well
Right-of-Way Number:	RW0008701
Trust:	A – Common Schools
Legal Description:	DUN-147-96-36-NW4
Granted to:	Continental Resources Inc, Oklahoma City-OK
For the Purpose of:	On-lease Act. Amend: Well-Horizontal Oil Well
Right-of-Way Number:	RW0008704
Trust:	A – Common Schools
Legal Description:	WIL-153-99-22-SW4 Less Acres Condemned, W2SE4 Less Acres Condemned WIL-153-99-22-W2SE4 Less Acres Condemned WIL-153-99-22-W2SE4 Less Acres Condemned
Granted to:	Mckenzie Electric Coop Inc, Watford City-ND
For the Purpose of:	Release of Easement
Right-of-Way Number:	RW0008724
Trust:	A – Common Schools
Legal Description:	MCK-147-104-36-NW4, MCK-147-104-36-SE4 MCK-147-104-36-SW4, MCK-147-104-36-SE4 MCK-147-104-36-SW4
Granted to:	Mckenzie Electric Coop Inc, Watford City-ND
For the Purpose of:	Release of Easement
Right-of-Way Number:	RW0008725
Trust:	A – Common Schools
Legal Description:	MCK-147-104-36-NE4, MCK-147-104-36-NW4 MCK-147-104-36-NW4

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Granted to:	Equinor Energy Lp, Williston-ND
For the Purpose of:	Assignment: Well-Directional Wellsite
Right-of-Way Number:	RW0008765
Trust:	A – Common Schools
Legal Description:	MCK-153-98-36-SW4
Granted to:	Oneok Rockies Midstream Llc, Sidney-MT
For the Purpose of:	Release of Easement
Right-of-Way Number:	RW0008770
Trust:	A – Common Schools
Legal Description:	MCK-145-101-16-SE4
Granted to:	Van Hook Gathering Services Llc, Irving-TX
For the Purpose of:	Easement: Pipeline-Multiple Pipelines
Right-of-Way Number:	RW0008774
Trust:	A – Common Schools
Legal Description:	MOU-150-92-10-S2SW4
Granted to:	Williston Water Management, Llc, Denver-CO
For the Purpose of:	Permit: Temporary Water Layflat Line
Right-of-Way Number:	RW0008776
Trust:	A – Common Schools
Legal Description:	MOU-151-92-36-W2NE4SW4, NW4SW4, S2SW4
Granted to:	Elkan Energy Services Llc, Watford City-ND
For the Purpose of:	Permit: Temporary Water Layflat Line
Right-of-Way Number:	RW0008777
Trust:	A – Common Schools
Legal Description:	MCK-150-98-36-SW4
Granted to:	Ames Savage Water Solutions, Williston-ND
For the Purpose of:	Permit: Temporary Water Layflat Line
Right-of-Way Number:	RW0008778
Trust:	A – Common Schools
Legal Description:	MOU-156-94-16-SW4
Granted to:	Williston Water Management, Llc, Denver-CO
For the Purpose of:	Permit: Temporary Water Layflat Line
Right-of-Way Number:	RW0008779
Trust:	A – Common Schools
Legal Description:	MOU-152-92-14-SE4

September Unclaimed Property Report

Unclaimed property is all property held, issued, or owing in the ordinary course of a holder's business that has remained unclaimed by the owner for more than the established time frame for the type of property. It can include checks, unpaid wages, stocks, amounts payable under the terms of insurance policies, contents of safe deposit boxes, etc.

An owner is a person or entity having a legal or equitable interest in property subject to the unclaimed property law. A holder can include a bank, insurance company, hospital, utility company, retailer, local government, etc.

Since 1975, the Unclaimed Property Division (Division) of the Department of Trust Lands has been responsible for reuniting individuals with property presumed abandoned. The Division acts as custodian
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of the unclaimed property received from holders. The property is held in trust in perpetuity by the State and funds are deposited in the Common Schools Trust Fund. The 1981 Uniform Unclaimed Property Act created by the national Uniform Law Commission was adopted by the State in 1985.

For the month of September 2020, the Division received 335 holder reports with a property value of \$376,066 and paid 222 claims with a total value of \$659,258.

Investment Updates

Portfolio Rebalancing Updates

In April 2020, the Board of University and School Lands (Board) approved a new Strategic Asset Allocation. The Department of Trust Lands (Department) staff, along with RVK staff, developed a transition plan to liquidate the Treasury Inflation Protected Security, Commodities, Master Limited Partnership, and Natural Resource Equities’ holdings in the Permanent Trust Funds (PTFs) in a manner that is consistent with the best interests of the PTFs and as market conditions allow. On Oct. 6, 2020, Van Eck was instructed to fully liquidated the portfolio amounting to \$38M transferred to the transition account. Harvest is therefore the only remaining investment left in the Diversified Inflation Strategy asset class with approximately \$94M. The Department staff and RVK will continuously monitor the trigger points set for the account and complete the liquidation when appropriate.

In July 2020, the Board approved \$100M new investment commitment to the Apollo Accord Fund IV, LP (Fund), for an Opportunistic Investment. The Fund has called on an initial \$2,565,393.79 that was funded September 15, 2020. Another \$2,934,606.21 has been called and will be funded on October 26, 2020. This brings the remaining unfunded commitment to \$94,500,000.

On October 1, 2020, Varde Dislocation Fund IV, LP called \$5M the Board’s capital commitment which brings the total investment in the Fund to \$15,000,000. The remaining unfunded commitment is now down to \$85M.

Asset Allocation

The table below shows the status of the permanent trusts’ asset allocation as of Oct. 20, 2020. The figures provided are unaudited.

As of October 20, 2020	Market Value \$	Actual	Target	Lower Range	Upper Range
Broad US Equity	991,631,577.13	19.6%	19.0%	14.0%	24.0%
Broad Int'l Equity	967,617,730.82	19.1%	19.0%	14.0%	24.0%
Fixed Income	1,108,567,886.36	21.9%	22.0%	17.0%	27.0%
Transition Account	407,938,681.82	8.1%	0.0%	-5.0%	5.0%
Absolute Return	750,859,820.87	14.8%	15.0%	10.0%	20.0%
DIS	94,152,184.19	1.9%	0.0%	-5.0%	5.0%
Real Estate	727,914,470.00	14.4%	15.0%	10.0%	20.0%
Private Equity	-	0.0%	5.0%	0.0%	10.0%
Private Infrastructure	-	0.0%	5.0%	0.0%	10.0%
Opportunistic Investments	17,565,394.00	0.3%	0.0%	-5.0%	5.0%
Portfolio Total	5,066,247,745.19	100.0%			

(10/29/2020)

Upcoming Investment Manager Meetings: There is no upcoming meeting scheduled.

Repayment of Unpaid Royalties Report

Since the September 24, 2020, Board of University and School Lands meeting, one payor has come into compliance for oil deductions:

- WPX

Since the September 24, 2020, Board of University and School Lands meeting, one payor has come into compliance for gas deductions:

- Thunderbird Resources

Note, the majority of payors issue payment with their monthly royalty payment made the last week of every month.

September Report of Shut-Ins Approved by Land Commissioner

Granted to: Burlington Resources Oil and Gas Company, LP
 For the Purpose of: OPERATIONS
 Date Issued: 09/16/2020
 Trust: L– Bank of North Dakota
 Lease: OG-09-01476

I N V E S T M E N T S

Permanent Trust Funds and Legacy Fund Performance Comparison

At the February 2019 Board of University and School Lands (Board) meeting, RVK reviewed a benchmarking performance presentation. This presentation focused on an important aspect of monitoring performance which is the task of appropriately benchmarking performance, including: characteristics of good benchmarks, various options available to benchmark total fund performance and the strengths and limitations of each, and a review of the benchmarks currently used in measuring performance. The presentation also reviewed the merits and challenges of comparing funds that share similar investment objectives and characteristics (at total fund, asset class, and manager level.)

Peer Groups	
Performance Comparison	
• How has the fund performed relative to comparable peer funds?	
Merits	Challenges
<ul style="list-style-type: none"> • Can help provide a comparison to the performance of other investors that are deemed to have similar objectives 	<ul style="list-style-type: none"> • Inconsequential to the purpose of the fund • Funds included in the peer group may have meaningfully different fund characteristics, objectives, and unique constraints, that can significantly drive performance differences in random and unintended ways • Details/characteristics of entities included in the peer group may be unknown and thus relevance of peer group may not be verifiable • Does not capture many of the characteristics of a good benchmark <ul style="list-style-type: none"> -is not investable -is ambiguous -does not capture characteristics of the total fund, asset class, or managers

The Board has requested an updated comparison of the investment performance between the Permanent Trust Funds and Legacy Fund for Fiscal Year 2020. Attached is a presentation prepared by the Department of Trust Lands Investment Staff.

Summary:

- For FY2020 the Permanent Trust Funds (PTFs) returned -1.87%, while the Legacy Fund returned 4.23%. The primary driver of the divergence of returns were the investments in commodities, natural resource equities and master limited partnerships (MLPs) held by the PTFs in the Diversified Inflation Strategies (DIS) allocation.
- The PTFs' DIS allocation was down -18.3% in FY2020. The Legacy Fund's Diversified Real Assets allocation (consisting of TIPS and Infrastructure) was up 7.6% (a -25.9% differential).
- Another area of negative performance for the PTFs' was the Absolute Return allocation. Both mutual funds in the Absolute Return allocation hold primarily international equities and debt, from developed and emerging markets. This had the effect of doubling down on the PTFs' international holdings. The Absolute Return allocation was down -6.5% in FY2020. The Legacy Fund holds no comparable allocation.
- The PTFs did out-perform the Legacy Fund in Domestic Equities 5.1% versus 2.6%. The PTFs also outperform the Legacy Fund in Real Estate 1.4% versus 0.9%, but the outperformance in Domestic Equities and Real Estate were not enough to overcome underperformance relative to Legacy Fund in other areas such as International Equities (-6.4% vs -2.1%) and Fixed Income (4.4% vs 7.7%), as well as the DIS and Absolute Return underperformance mentioned above.
- As the Board is aware the PTFs' new Strategic Asset Allocation will eliminate its concentration in commodities, natural resources equities and MLPs by liquidating the DIS allocation in favor of adding allocations to Private Equity and Private Infrastructure. The Staff will also be recommending a revision to the Fixed Income asset allocation as mentioned to the Board in prior meetings.
- The PTFs' new asset allocation will not necessarily perform better in a severe market correction like we saw earlier this year, but it should provide better long-term returns, lower volatility, and far less correlation to the PTFs' revenues.

Permanent Trust Funds and Legacy Fund Performance Presentation were presented to the Board and are available at the Department upon request.

Fixed Income Asset Allocation Recommended Changes

Department staff and investment consultant RVK would like to recommend to the Board of University and School Lands (Board) changes to the Permanent Trust Funds' (PTFs) Fixed Income Asset Allocation.

The PTFs' Fixed Income Asset Allocation is currently skewed toward lower performing strategies and strategies that have negative risk/return profiles, particularly the JP Morgan (JPM) Intermediate Bond mandate and the Brandywine Global Opportunity mandate. Further, most market participants believe the current low interest rate environment will persist for quite some time, as such the current Fixed Income Asset Allocation will deliver lower returns in the future. To solve for these issues Staff and RVK recommend the following changes to the PTFs' Fixed Income Asset Allocation:

In order to increase portfolio yield and return, staff and RVK recommend terminating the JPM Intermediate Bond mandate and replacing it with a core bond mandate. The JPM intermediate bond fund has underperformed with core bond funds including their own core bond fund as well as the US aggregate bond index. The underperformance is primarily due to the limits on duration risk the manager is allowed to add to the fund. By moving to a core mandate, the Board selected manager will have more flexibility to extend duration prudently when the risk environment warrants.

(10/29/2020)

As a result of underperformance, staff and RVK recommend terminating the Brandywine Global Opportunity mandate (~\$185 Million) and replacing it with a new Multi-Sector fixed income mandate (\$100 Million). The Brandywine mandate has underperformed both the PTFs' core and intermediate bond mandates, the global aggregate bond index, as well as the multi-sector funds contemplated as replacements. In addition, RVK research shows the Brandywine strategy has a worse risk/return profile versus the multi-sector funds and the global aggregate bond index. Moving to a multi-sector mandate is expected to decrease portfolio risk while increasing returns.

Staff and RVK recommend a reduction in both core bond holdings to fund other fixed income strategies outlined below. The current low interest rate environment is expected to persist for quite some time, as such, staff and RVK believe it would be prudent to increase the PTFs' allocation to Private Credit. Certain Private Credit strategies, such as direct lending, have an attractive risk/return profile and a low default/loss track record. Private Credit would add higher yield to the portfolio at acceptable risk levels.

The recommended fixed income asset allocation would still maintain sufficient liquidity and stability during challenging economic environments, yet would incrementally add both yield and better performing managers to the portfolio.

If approved, The Fixed Income allocation would change accordingly:

Fixed Income	22.2%	Fixed Income	22.2%	Change
Payden & Rygel Long Term	6.6%	Payden & Rygel Long Term	5.4%	-1.2%
JPM FI Intermediate Bond	6.5%	*New* Core Bond Manager	5.3%	-1.2%
Brandywine Global Opp FI	3.7%	*New* Multi-Sector Manager	2.0%	-1.7%
AG Direct Lending Fund III, LP	2.8%	AG Direct Lending Fund III, LP	2.8%	0.0%
Schroders Securitized Credit	2.4%	Schroders Securitized Credit	2.4%	0.0%
n/a	n/a	*New* Private Credit Manager	2.0%	2.0%
n/a	n/a	*New* Private Credit Manager	2.0%	2.0%
PTF Cash	0.0%	PTF Cash	0.0%	0.0%
FLP	0.2%	FLP	0.2%	0.0%
ECLP	0.0%	ECLP	0.0%	0.0%

Motion: **The Board approve the changes to the PTFs' Fixed Income Asset Allocation as indicated below:**

- To authorize the staff to convert the JP Morgan Intermediate bond mandate into a core bond mandate with a manager to be approved by the Board November 2020.
- To authorize the staff to terminate the Brandywine Global Opportunity mandate in a manner that is consistent with the best interests of the PTFs and as market conditions allow.
- To authorize the staff to liquidate sufficient amounts in the Payden & Rygel and JP Morgan fixed income mandates, along with the cash from the Brandywine termination, to fund the addition to Private Credit and a new Multi-Sector fixed income.
- To authorize the staff to recommend investment managers for both Private Credit and Multi-Sector fixed income for future Board approval.

Action Record	Motion	Second	Aye	Nay	Absent
Secretary Jaeger			X		
Superintendent Baesler			X		
Treasurer Schmidt	X		X		
Attorney General Stenehjem		X	X		
Governor Burgum			X		

(10/29/2020)

JP Morgan Intermediate vs Core Bond Comparison and Brandywine Global Opportunity vs Multi-Sector Comparison documents were presented to the Board and is available at the Department upon request.

Permanent Trust Fund Foreign Investments

The Board of University and School Lands (Board) first began investing the Permanent Trust Funds' (PTFs') in international equity markets in the late 1990's. The current international equity manager composition was implemented in 2014 with the hiring of State Street MSCI World ex US, Harding Loevner, DFA, GMO and PIMCO. QMA was subsequently approved in December 2017. In 2014, the Board determined that investing in emerging markets would provide rewarding returns despite the political and economic risks that come with this type of investment. The greatest advantage of emerging market investments is the potential for high growth in returns. Additionally, emerging markets provide a good diversifier for the portfolio because economic downturns in one country or region, including the United States, can be offset by growth in another.

The Board has historically determined that an enhanced risk/return profile for the PTF's will provide improved long-term performance.

Additionally, it is important to note the Board's Investment Policy Statement include the Prudent Investor Rule and a Social and Economically Targeted Investing provision:

The Prudent Investor Rule

North Dakota statute dictates that the Board apply the prudent investor rule in investing the Permanent Trust Funds under its control. The law states:

The "prudent investor rule" means that in making investments the board shall exercise the same judgment and care, under the circumstances then prevailing and limitations of North Dakota and federal law, that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation but in regard to the permanent disposition of funds, considering probable safety of capital as well as probable investment returns.

It is the Board's intent to invest all of the Funds in accordance with the Prudent Investor Rule.

Social and Economically Targeted Investing

Social investing is defined as the practice of aligning one's investment policies with social responsibility. Some of the issues and topics addressed by social investing promoters include environmental causes, avoidance of tobacco producers, avoidance of politically sensitive parts of the world, and workers' rights. With different sets of values, what one investor may deem irresponsible, another may consider good policy.

The Board shall not use the Funds to participate in activist efforts to implement a social agenda regarding ownership of specific securities or efforts of shareholders to bring about social change. Economically targeted investing is defined as an investment designed to create economic benefits for a targeted geographic area, group of people, or sector of the economy. Economically targeted investing is barred when investing the Permanent Trust Funds, the Capitol Building Fund, and the Indian Cultural Education Trust, unless the investment meets the Exclusive Benefit Rule.

S U R F A C E

Fall Surface Lease Auctions

The Department of Trust Lands (Department) Surface Management Division manages more than 706,000 surface acres owned by the various trust funds under the Board of University and School Land's (Board) control. One of the major sources of income from these lands comes from agricultural leases (grassland, crop and hay land uses).

Generations of North Dakotans have leased trust lands for agricultural purposes. The land is leased through a series of auctions held each spring and fall. All auctions are open to the public. The lease is awarded to the highest bidder, with the minimum bid set by the Commissioner based upon the Board's Fair Market Value Minimum Rent Policy. Leasing interest is high and the Department manages nearly 4,800 active surface land leases which is consistent from a decade ago.

N.D.C.C. § 15-04-10 provides:

Leasing to be by auction - Requirements governing. The commissioner of university and school lands, or such other person appointed by the commissioner, shall conduct the leasing of the lands. The leasing must be at public auction, to the highest bidder, and must be held at the county seat. The auction must commence on the day and time specified in the advertisement for the leasing. Notice must be given when the land is offered for lease that all bids are subject to approval by the board.”

Since statehood, the leasing practices of the Department have undergone minimal changes. The most significant shift occurred in 1993 when the Fifty-third Legislative Assembly approved a modification allowing for the auction to be held in the county seat instead of having to be held at the county courthouse or place where the terms of the district court were held. Then in 1995, the Fifty-fourth Legislative Assembly removed language requiring the County Auditor act as the leasing clerk.

The Department recognizes the historical significance of the surface lease auctions and takes any modification to the practices seriously. On April 8, 2020, Governor Burgum issued Executive Order 2020-25 (Executive Order) in response to the public health crisis resulting from COVID-19. The Executive Order suspended the requirement in N.D.C.C. § 15-04-10 that requires the Commissioner of University and School Lands to hold public auctions for public land leasing in the county seat. This provided the Commissioner with flexibility for holding public land auctions in a manner to facilitate social distancing and utilize best management practices to mitigate the spread of COVID-19. As a result of COVID, the Department has shifted the 2020 auctions to an online platform.

In August 2020, the Department sent all lessees from the past 15 years notification that the Fall surface lease auctions would occur online instead of the county seat. As a result of feedback provided to the Department from constituents, the Department modified our procedures. This resulted in an additional mailing being sent to all lessees from the past 15 years. Examples of modified process as a result of feedback are:

- Removed the requirement for bidders to verify bidder allowance from financial institution.
- Created competitive bidding policy to address concerns regarding potential ties.
- Allowed for the submission of checks instead of accepting ACH or wire transfers only.
- Created a “How-To” document and mailed it out to all lessees from the past 15 years.
- Published a Frequently Asked Questions (FAQ) document.

The Department collaborated with the North Dakota Stockman's Association, the Little Missouri Grazing Association, and the McKenzie Grazing Association to assist in disseminating information to constituents.

(10/29/2020)

The Department has published notice of its fall surface lease auction in the official county newspapers where all tracts are located; however, a list of lands offered for leasing in each county has not been submitted to the county treasurers. As a result of the Department's failure to properly post the auction by sending a list of the tracts in each county to appropriate county treasurers the auction was rescheduled to occur October 20, 2020 to October 23, 2020.

The 2020 Fall Surface Lease Auctions are not complete as the Department works with bidders who are considered to be "tied" or in competition with two or more bidders during the last 120 seconds of the bidding on a tract as demonstrated in the official EnergyNet record.

On Monday, October 26, 2020, the Department reviewed the final report provided by EnergyNet and is currently in the process of reviewing the final bids. Those bidders will be given the opportunity to continue bidding at a time to be scheduled by the Department, with the opening telephone bid being the final EnergyNet bid amount. If a bidder chose not to continue bidding, the bidder may secede to the winning bidder and no additional process is needed.

At this time, the Department is able to offer the following information as a summary of fall lease auctions (every five years the Department has an "off" year in which fall auctions are not held):

Year of Auction	2015	2016	2017	2019	2020
Number of Counties	34	34	40	34	36
Tracts Offered	1044	1498	891	1146	1039
Percentage of Tracts Leased	96%	97%	95%	93%	96%
Percentage of Tracts Receiving Competitive Bid	12%	9%	13%	8%	21%

The Department is currently in the process of contacting bidders on 41 quarter sections as a result of the Last Minute Bid Competition policy:

Currently, the Department of Trust Lands', by and thru the Board of University and School Lands, is holding surface lease auctions through EnergyNet. In the event there is a "tie" or competition with two or more bidders during the last 120 seconds of the bidding on a tract, and if the official EnergyNet record demonstrates qualifying bid activity, the Department shall contact those bidders involved in the competitive bidding via email by October 30, 2020. Those bidders will be given the opportunity to continue bidding at a time to be scheduled by the Department, with the opening telephone bid being the final EnergyNet bid amount. If a bidder chose not to continue bidding, the bidder may secede to the winning bidder and no additional process is needed.

The Department has received a formal protest of the auction results on four quarter-sections of land that do not qualify for the Last Minute Bid Competition. Mr. Mark Ellis is protesting:

- T155N, R99W, SECTION 16: NW4, SE4, SW4

The Department has received a formal protest of the auction results on one quarter-section of land that do not qualify for the Last Minute Bid Competition. Mr. Trever Sorenson is protesting:

- T158N, R101W, SECTION 16: SE4

The Department has received a formal protest of the auction results on one quarter-section of land that do not qualify for the Last Minute Bid Competition. Mr. Jeff Ellison is protesting:

- T130N, R90W, SECTION 7: NE4

(10/29/2020)

Per N.D.A.C. 84-04-01-09. Board review.

Within thirty days of a decision under these rules, an aggrieved party may request the commissioner review the decision. The aggrieved party seeking review shall submit any information required by the commissioner as part of this request. Within thirty days of the commissioner's review, the aggrieved party may request board review and the commissioner shall recommend if board review is warranted.

The Board will need to make the final determination if the Department is going allow for the bidding to continue on:

- T155N, R99W, SECTION 16: NW4
- T155N, R99W, SECTION 16: SE4
- T155N, R99W, SECTION 16: SW4
- T158N, R101W, SECTION 16: SE4
- T130N, R90W, SECTION 7: NE4

A final summary will be provided during an upcoming Board meeting.

Motion: The Board moves to include those that have applied for the formal appeal process to be included in the tracts moving forward in the telephone auction. Those tracts to be included are as follows: T155N, R99W, Section 16: NW4, SE4, SW4, T155N R101 W Section 16: SE4 and T155N R90W Section 7: NE4.

Action Record	Motion	Second	Aye	Nay	Absent
Secretary Jaeger			X		
Superintendent Baesler		X	X		
Treasurer Schmidt	X		X		
Attorney General Stenehjem			X		
Governor Burgum			X		

Commissioner Annual Review

Treasurer Schmidt provided the Board with an overview of the finalized Commissioner Annual Review. The Board requested the Commissioner provide goals for the upcoming year at the November Board meeting.

Documents were presented to the Board and are available at the Department upon request.

A D J O U R N

There being no further business, the meeting was adjourned at 11:51 AM.

Doug Burgum, Chairman
Board of University and School Lands

Jodi Smith, Secretary
Board of University and School Lands