

**Minutes of the Meeting of the
Board of University and School Lands
October 30, 2025**

The October 30, 2025, meeting of the Board of University and School Lands was called to order at 9:04 AM by Chairman Governor Armstrong, roll call was taken and the Pledge of Allegiance was recited.

Members Present:

Michael Howe	Secretary of State
Kirsten Baesler	Superintendent of Public Instruction
Thomas Beadle	Treasurer (via Teams)
Drew Wrigley	Attorney General
Kelly Armstrong	Governor

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
Elvedina Papalichev	Paralegal
Susan Sommerfeld	Unclaimed Property Director
Peggy Gudvangen	Finance Director
Shaun Campbell	Investments Officer
Scott Giere	Revenue Compliance
Emily Bosch	Unclaimed Property
Amanda Parent	Minerals Management Officer
Chris Suelzle	Minerals Division Director
Akshay Patel	Investment Officer
Kris Snow	Revenue Compliance
Joseph Stegmiller	Surface Division Director
Lynn Spencer	Minerals Title Specialist
Pam Reile	Revenue Compliance
Ryan Kobilansky	Surface Range Soils Management Specialist
Jennifer Bennett	Unclaimed Property
Jessica Ulmer	Unclaimed Property
James Wald	Legal Council
Jacob Lardy	Surface Range Soils Management Specialist
Kristie McCusker	Minerals Management Officer

Guests in Attendance:

Jacy Schafer	Office of the Governor
Chris Joseph	Office of the Governor
Jennifer Sandberg	RVK
Kirby Francis	RVK
Joey Harris	Bismarck Tribune
Jacob Orledge	North Dakota Monitor
Jen Kha	a16z
Ed Murphy	ND Geological Survey
Levi Moxness	ND Geological Survey

Taylor Stricklin
Alison Ritter
Will M
C. Rajala
Alfie Crooks

APPROVAL OF MINUTES

A motion to approve minutes of the September 24, 2025 meeting was made by Secretary Howe and the motion was seconded by Attorney General Wrigley and the motion carried unanimously on a voice vote.

OPERATIONS

Commissioner's Report

Special Mention Events

- Retirement & Investment Office Annual Investment Conference – attended October 23, 2025, conference in Bismarck where the RIO team provided updates on investment related legislation and State Investment Board strategies; also provided collaboration and networking opportunities with other investment professionals and fund managers
- State Investment Board – attended full Board meetings on September 26, 2025, and October 24, 2025
- Fall Surface Auctions – conducted final auctions the week of October 20, 2025; our Surface Team will provide a full report on results at the December meeting
- Annual Financial Audit – audit is complete and the report has been submitted to the State Auditor's office; Eide Bailly will provide a report at the December meeting

Human Resources

- Revenue Compliance Director – conducted interviews the week of October 12, 2025, with a good pool of candidates; a finalist has been selected; awaiting return of background check

DIVISION REPORTS

SURFACE

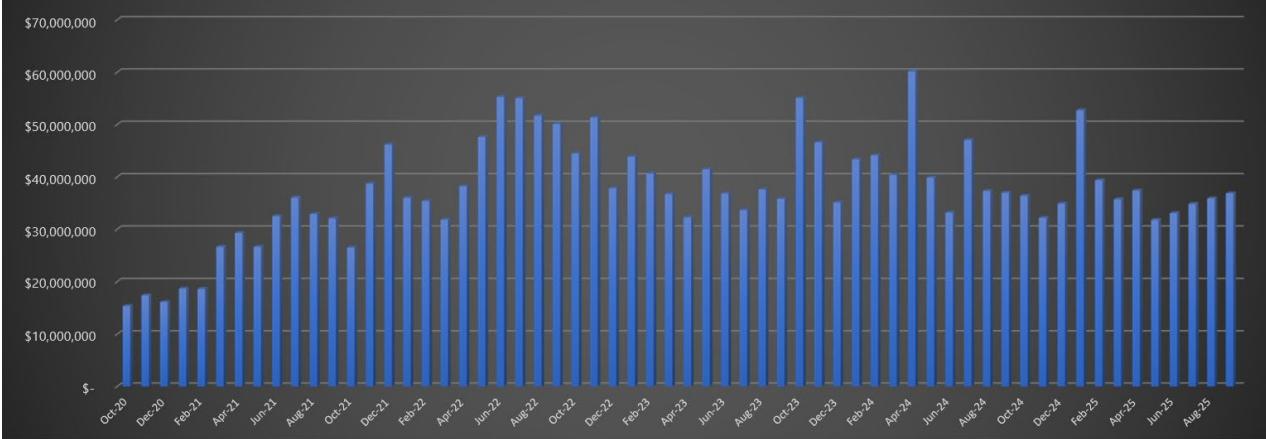
SURFACE DIVISION
ENCUMBRANCES ISSUEDNORTH
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Be Legendary.™**Encumbrances issued by the Commissioner:****13 Right of Way Agreements in September generated a total of \$386,083 in income for the Trusts.**

MINERALS

MINERALS DIVISION
FISCAL YTD O/G ROYALTIESNORTH
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As of September 30, 2025*, for fiscal year 2024-25 the Department has received **\$107,570,867** in royalties as compared to **\$121,366,854** last fiscal year at this time.

ROYALTIES - CASH COLLECTED

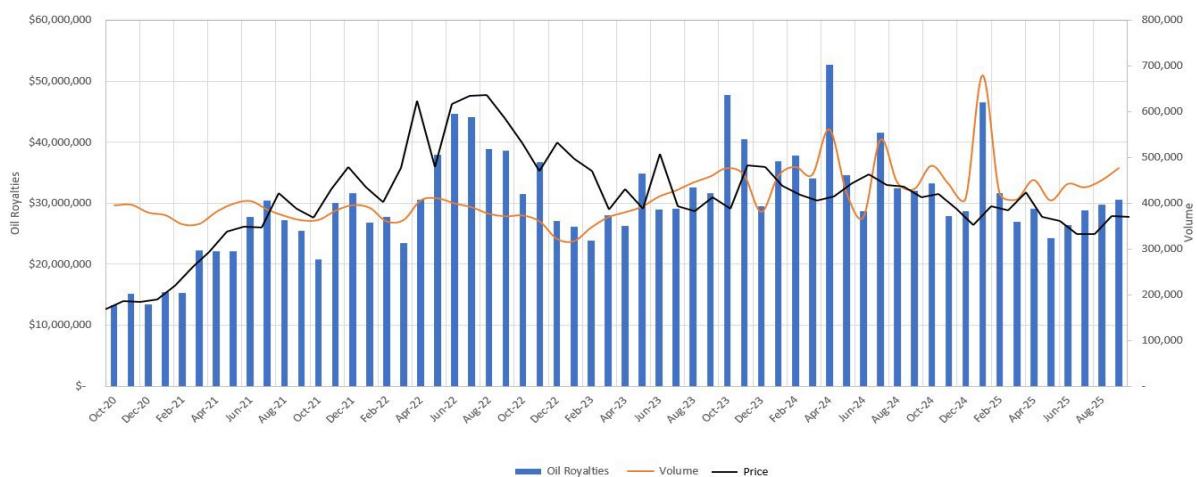


*September royalty revenue is from July gas production and August oil production.

PRICE MAIN DRIVER OF O/G ROYALTIES

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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 459,137 barrels per month over the past twelve months, the price of oil & gas is the main driver of monthly royalty variations.

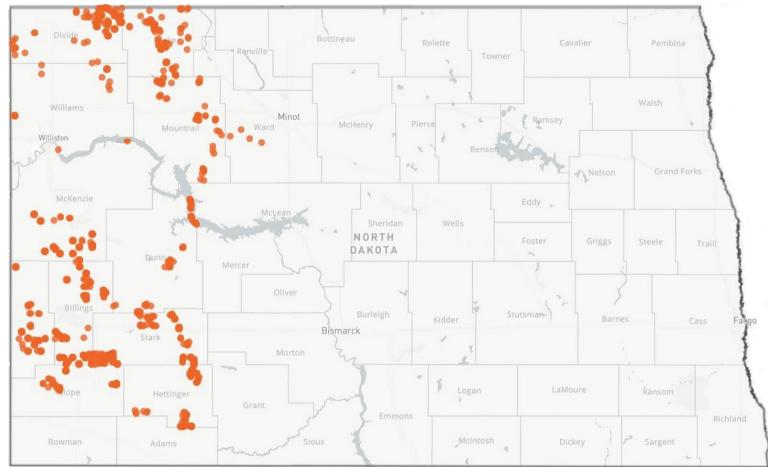


OIL & GAS LEASE AUCTION RESULTS SUMMARY

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2025 Q4 (October) Online Oil & Gas Lease Auction

Bidding Snapshots	
Total tracts	708
Total acres	64,156.42
Total tracts receiving bids at auction	578
Total registered bidders	76
Total bidders who placed bid	51
Average unique bidders on tract with bid	3.16
Total bids at auction	4210
High bid per tract	\$1,490,716
High bid per acre	\$14,572
Total bonus received	\$49,473,686



Auction data and map (adapted) provided by Efficient Markets/EnergyNet.

OIL & GAS LEASE AUCTION RESULTS SUMMARY, CONTINUED

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County	# Tracts	Net Min Acres	Total Bonus	Average Bonus/Net Acres
Billings	113	12,009.25	\$589,607	\$49
Burke	71	5,870.62	\$6,095,839	\$1,038
Divide	92	7,349.72	\$5,226,950	\$711
Dunn	51	4,183.30	\$338,680	\$81
Golden Valley	50	5,029.53	\$42,974	\$8.54
Hettinger	52	3,799.76	\$4,600	\$1.21
McKenzie	62	8,085.60	\$18,089,065	\$2,237
Mountrail	51	3,661.32	\$14,142,032	\$3,863
Slope	33	3,264.50	\$5,571	\$1.71
Stark	115	9,035.69	\$23,388	\$2.59
Ward	4	110.00	\$4,314	\$39
Williams	14	1,757.13	\$4,910,667	\$2,795
TOTAL	708	64,156.42	\$49,473,686	\$771

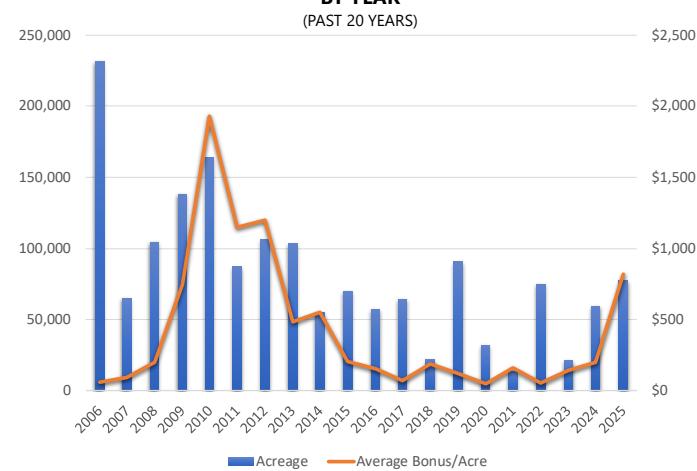
Trust/Fund	Trust/Fund Name	# Tracts	Total Bonus
A	Common Schools	397.5	\$40,664,867
B	School for the Blind	3	\$68,960
C	Capital Building	8	\$16,644
D	School for the Deaf	7	\$5,198
E	Ellendale	6.75	\$256,104
H	State Hospital	2	\$68,080
I	ND Industrial School	11.25	\$405,054
L, R, T	SIIF (Strategic Investment & Improvements Fund)	250.5	\$7,497,936
M	School of Mines	2	\$320
N	NDSU	8	\$255,280
U	UND	2	\$760
V	Valley City	5	\$229,760
W	ND School of Science	4	\$4,644
Y	Mayville	1	\$80
	TOTAL	708	\$49,473,686

HISTORICAL AUCTION RESULTS

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Year	# Tracts	Net Acreage	Bonus	Average Bonus/Ac
2006	2,886	231,264.52	\$13,576,948	\$59
2007	829	65,134.94	\$6,211,341	\$95
2008	1,213	104,235.20	\$20,991,009	\$201
2009	1,735	138,109.87	\$103,212,376	\$747
2010	2,083	163,367.37	\$315,126,366	\$1,929
2011	1,132	87,432.04	\$100,553,812	\$1,150
2012	1,236	106,013.08	\$126,785,716	\$1,196
2013	1,267	103,586.18	\$50,109,864	\$484
2014	635	54,693.19	\$30,057,524	\$550
2015	779	69,987.56	\$14,522,818	\$208
2016	684	56,889.36	\$8,862,765	\$156
2017	720	64,291.10	\$4,496,748	\$70
2018	241	21,865.22	\$4,130,246	\$189
2019	1,065	90,698.40	\$10,876,517	\$120
2020	329	32,219.90	\$1,576,562	\$49
2021	151	13,525.98	\$2,175,580	\$161
2022	1,008	75,119.39	\$3,942,573	\$52
2023	207	21,268.01	\$3,090,459	\$145
2024	690	59,153.37	\$11,934,332	\$202
2025	844	76,949.58	\$63,123,828	\$820
TOTALS	19,734	1,635,804.26	\$895,357,384	\$547

ACREAGE LEASED & AVERAGE BONUS/ACRE RECEIVED BY YEAR

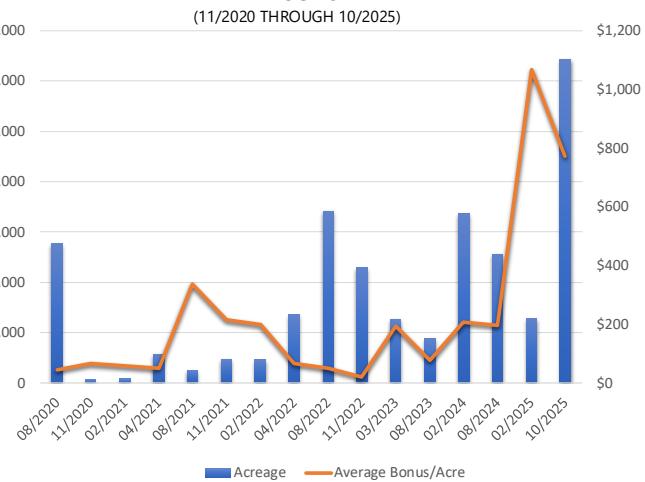


HISTORICAL AUCTION RESULTS, CONTINUED

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Auction	# Tracts	Net Acreage	Bonus	Average Bonus/Acre
Nov-20	5	558.39	\$36,918	\$66
Feb-21	6	719.02	\$40,753	\$57
May-21	63	5592.27	\$281,476	\$50
Aug-21	23	2481.29	\$831,535	\$335
Nov-21	59	4733.4	\$1,021,816	\$216
Feb-22	57	4596.24	\$916,142	\$199
May-22	177	13,492.13	\$904,094	\$67
Aug-22	459	34,147.30	\$1,670,404	\$49
Nov-22	315	22,883.72	\$451,933	\$20
Mar-23	129	12,526.05	\$2,411,705	\$193
Aug-23	78	8741.96	\$678,754	\$78
Feb-24	375	33,674.48	\$6,957,468	\$207
Aug-24	315	25,478.89	\$4,976,864	\$195
Feb-25	136	12,793.16	\$13,650,142	\$1,067
Oct-25	708	64,156.42	49,473,686	\$771
TOTALS	3,193	274,146.87	\$85,534,460	\$312

ACREAGE LEASED & AVERAGE BONUS/ACRE RECEIVED BY AUCTION



UNCLAIMED PROPERTY

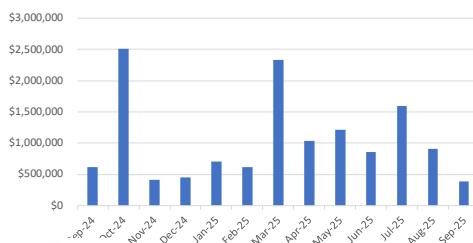
UNCLAIMED PROPERTY DIVISION

<https://unclaimedproperty.nd.gov>

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For the month of September 2025, the Division paid 422 claims with \$385,294 returned to rightful owners. The Division also received 200 holder reports with a dollar value of \$1,601,188.

TOTAL DOLLAR VALUE OF CLAIMS PAID



TOTAL VALUE OF PROPERTY REPORTED

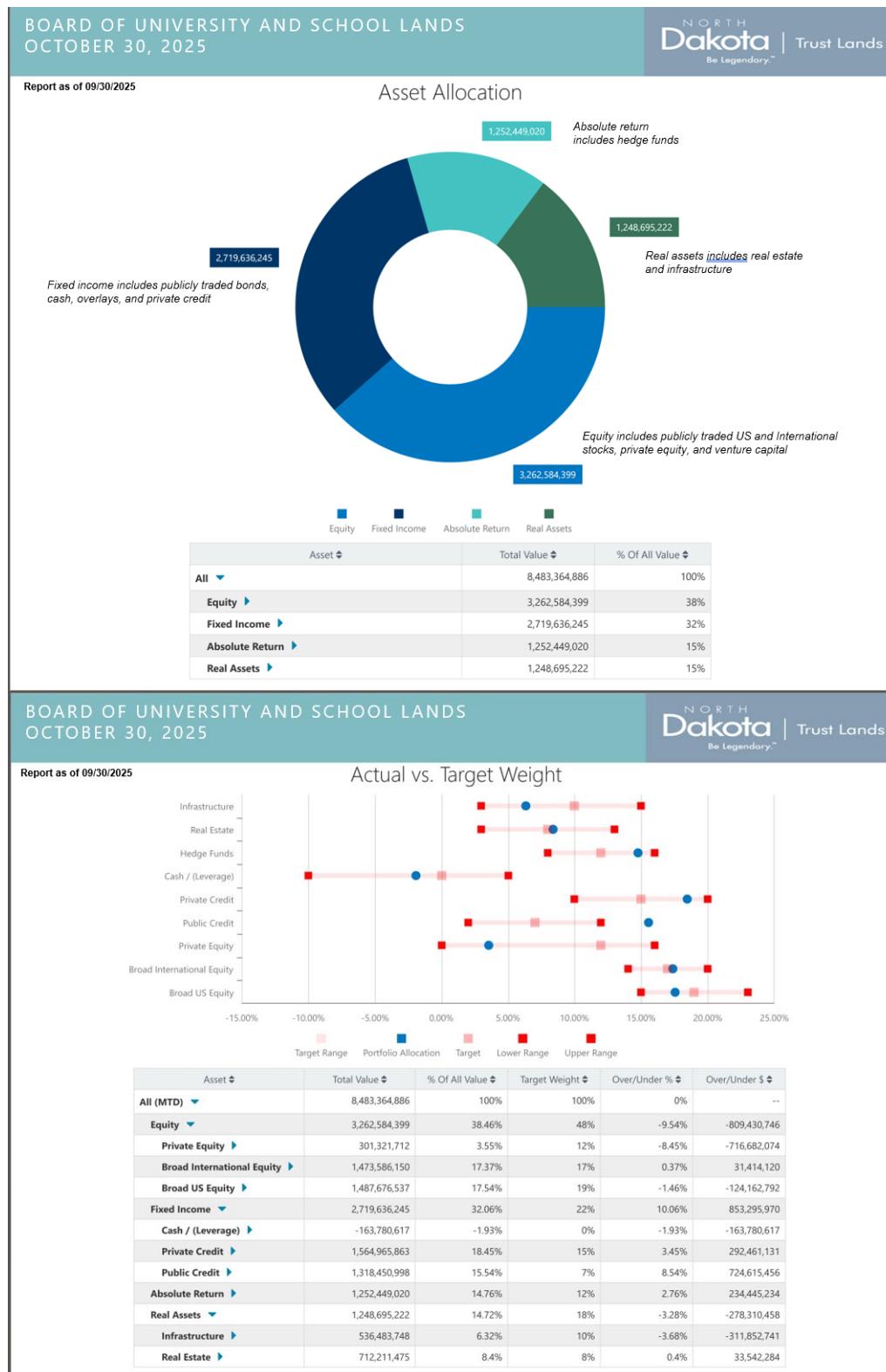


The 69th Legislative Assembly passed legislation to empower the North Dakota Department of Trust Lands, Unclaimed Property Division, to automatically return unclaimed property to the rightful owner, **eliminating the necessity for certain owners to file a claim**. The Unclaimed Property Division will be sending out its first batch of notification letters in early November, with checks following mid-December, as a pilot to gauge how successful this program will be for North Dakota in our ongoing efforts to reunite owners with their funds.



INVESTMENTS

Investment Updates



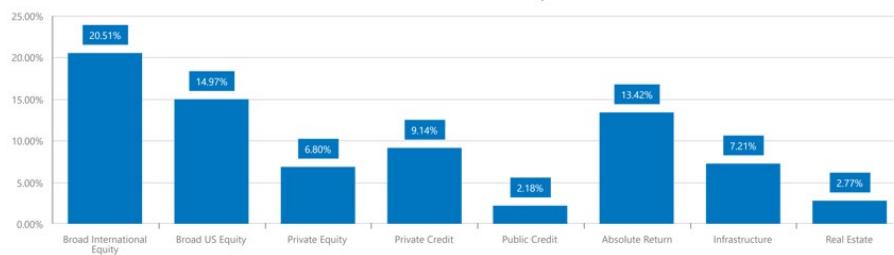
BOARD OF UNIVERSITY AND SCHOOL LANDS
OCTOBER 30, 2025

NORTH Dakota | Trust Lands
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Report as of 09/30/2025

Flash Performance Report

Unaudited preliminary estimates



1Y : Net Of Fee Tx: Cumulative Return

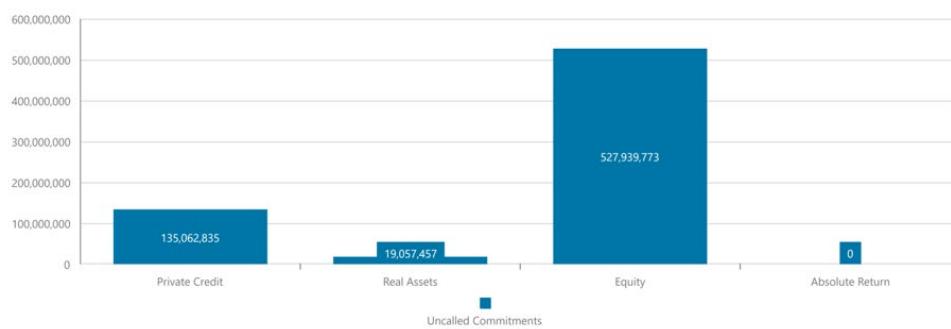
Asset	MTD	QTD	YTD	FYTD	1Y
	Net of Fees Tx				
Total Portfolio	1.48%	3.27%	10.52%	3.27%	10.85%
Equity	2.63%	6.08%	18.6%	6.08%	17.22%
Broad International Equity	3.41%	6.51%	29.28%	6.51%	20.51%
Broad US Equity	2.41%	6.94%	11.44%	6.94%	14.97%
Private Equity	0%	0%	3.19%	0%	6.8%
Fixed Income	0.69%	1.65%	5.94%	1.65%	5.76%
Private Credit	0.46%	1.58%	6.06%	1.58%	9.14%
Public Credit	0.97%	1.82%	6.08%	1.82%	2.18%
Absolute Return	1.13%	2.38%	7.56%	2.38%	13.42%
Real Assets	0.59%	0.58%	3.06%	0.58%	4.36%
Infrastructure	1.32%	1.29%	5.34%	1.29%	7.21%
Real Estate	0.17%	0.17%	1.77%	0.17%	2.77%

BOARD OF UNIVERSITY AND SCHOOL LANDS
OCTOBER 30, 2025

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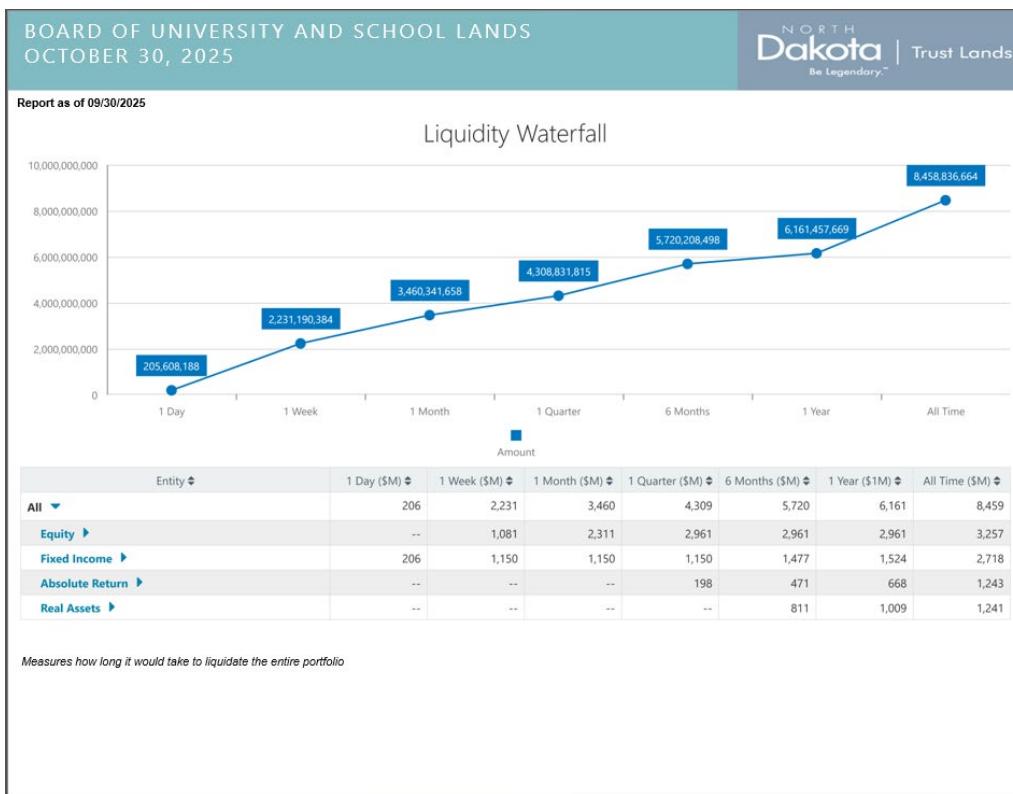
Report as of 09/30/2025

Uncalled Commitments



Uncalled Commitments

Asset	Commitment (\$M)	Funded Commitment (\$M)	Uncalled Commitments (\$M)
All (MTD)	4,141	3,459	682
TPG Angelo Gordon	350	340	10
GCM Grosvenor	580	188	392
Hamilton Lane	50	29	21
Khosla Ventures	85	33	52
Monarch	120	101	19
Blue Owl	125	89	36
a16z	35	15	20
Industry Ventures	50	5	45
Pantheon	100	10	90



Private Equity – Venture Capital

The current private equity allocation of 3.5% represents a \$700M underweight to the 12% long term strategic asset allocation target. The goal of this proposal is to increase the private equity commitment, consistent with allocation targets and pacing plans. Based on an updated private equity pacing plan, which promotes vintage year diversification, the goal is to commit \$250M per year to private equity with one-third to venture capital.

Staff recommends continuing the relationships with existing, best-in-class venture capital managers who maintain an advantage in artificial intelligence. AI continues to dominate the conversation in Silicon Valley, permeating all industries.

Staff and RVK recommend a commitment to Andreessen Horowitz (a16z) Multiplexer Fund II-C. The firm was founded in 2009 by Marc Andreessen and Ben Horowitz and has grown to over 560 employees and \$46B in committed capital. a16z invests from seed to late stage across multiple industry verticals with a focus on artificial intelligence.

Multiplexer Fund II-C will commit capital to upcoming fundraises across the a16z platform:

AI Infrastructure X (2025) – artificial intelligence base layer software companies

AI Applications X (2025) – artificial intelligence application layer technology companies

American Dynamism II (2025) – aerospace, defense, robotics, energy and supply chain reshoring

Late Stage Venture V (2025) – late stage across industries

Bio + Health VI (2026-2027) – biotech and healthcare technology companies

Games III (2026-2027) – video game studios, infrastructure and apps

MOTION: The Board approve a \$75M commitment to Andreessen Horowitz Multiplexer Fund II-C, subject to standard legal review/documentation.

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

The RVK Memorandum and a16z Presentation were presented to the Board and are available at the Department upon request.

S P E C I A L P R O J E C T S

Coal Mine Reclamation Trust

In 2021, the 67th Legislative Assembly passed SB 2317, creating N.D.C.C. ch. 15-72 to establish a trust for coal mine reclamation using private non-cash assets pledged as collateral for performance bond obligations required under N.D.C.C. § 38-14.1-16 and N.D.A.C. ch. 69-05.2-12. These bonds ensure the State can fund reclamation if a mine operator fails to meet reclamation requirements.

Purpose of Performance Bonds. In N.D.C.C. § 38-14.1-01, the Legislative Assembly recognized that surface coal mining operations may result in disturbances to surface areas and other resources. Applicants for surface coal mining permits must file a performance bond with the Public Service Commission (“PSC”) payable to the State. The bond guarantees fulfillment of reclamation obligations under N.D.C.C. ch. 15-72 and permit conditions, protecting the State from financial loss. If an operator defaults, bond proceeds may be forfeited and used by the PSC for reclamation.

Purpose of the Coal Mine Reclamation Trust. The Trust allows coal mine operators to pledge private non-cash assets as bond collateral, ensuring reclamation obligations are fully funded without increasing risk to the State.

Trust Management. The Board shall establish and administer the Trust in consultation with the PSC. Assets are received as directed by the PSC and managed by the Board like its other trust assets, or as otherwise necessary to carry out the purposes of N.D.C.C. ch. 15-72.

Asset Security Interest. Under N.D.C.C. § 15-72-03, pledged assets must provide the Trust with a first-priority security interest. If real property is pledged, the person must grant a first mortgage, deed of trust, or perfected first lien, giving the Trust authority to sell or dispose of the property upon forfeiture.

Financial Administration. The Legislative Assembly provided a continuing appropriation for trust management expenses, including survey costs, weed and pest control, and in-lieu-of-tax payments to counties where real property is located. Expenses incurred by the Board or the PSC in administering the trust and managing collateral must be reimbursed by the permit applicant or qualified third party.

Disposition of Remaining Assets. Upon completion of all reclamation obligations, any remaining trust assets must be transferred to the Common Schools Trust Fund.

MOTION: The Board authorize the Commissioner to establish and administer the Coal Mine Reclamation Trust pursuant to N.D.C.C. ch. 15-72 and, in consultation with the PSC, develop a memorandum of understanding for receiving, managing, and disposing of trust assets.

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

CHAPTER 15-72

COAL MINE RECLAMATION TRUST

15-72-01. Trust establishment.

The coal mine reclamation trust is established to reclaim coal mines at the direction of the public service commission by utilizing private assets pledged as collateral which may be used to fulfill the performance bond obligations under section 38-14.1-16 and North Dakota Administrative Code chapter 69-05.2-12. The coal mine reclamation trust may be used to fulfill the requirement of a qualified third party and the requirements of a collateral bond.

15-72-02. Powers and duties of the board - Transfer.

The board of university and school lands shall set up a coal mine reclamation trust. The coal mine reclamation trust may receive and accept assets as directed by the public service commission which are held in the public service commission's custody under North Dakota Administrative Code section 69-05.2-12-04 as collateral in a security agreement with any person as defined in section 38-14.1-02. The commissioner of university and school lands shall consult with the public service commission in carrying out the powers and duties of administering the coal mine reclamation trust. Any expenses incurred by the board of university and school lands or the public service commission under this section must be reimbursed by the permit applicant or qualified third party.

15-72-03. Assets and custody.

1. Any person proposing to pledge assets to the public service commission's custody under North Dakota Administrative Code chapter 69-05.2-12 shall certify to the public service commission:

a. The trust will have first priority security interest in the pledged assets in accordance with North Dakota Administrative Code chapter 69-05.2-12.

b. The person has authority to place the assets in custody under all applicable federal and state law.

c. All other requirements of North Dakota Administrative Code chapter 69-05.2-12 have been satisfied.

2. Real property posted as a collateral bond by the person must:

a. Grant the regulatory authority a first mortgage, first deed of trust, or perfected first-lien security interest in the real property with a right to sell or dispose of the real property in the event of forfeiture; and

b. Include a schedule, submitted by the applicant, of the real property mortgaged or pledged to secure the obligations under the indemnity agreement. The schedule

of the real property must allow the regulatory authority to evaluate the adequacy of the real property offered to satisfy collateral requirements. The schedule must include:

- (1) A description of the property;
- (2) The fair market value of the property, as determined by an independent appraisal conducted by a certified appraiser; and
- (3) Proof of possession and title to the real property.

15-72-04. Trust management.

The board of university and school lands must be reimbursed from trust proceeds for all reasonable costs and expenses incurred in the management of trust assets and the investment of trust proceeds. Reimbursements to the board must be deposited in the trust fund account from which the expenses were incurred. The net income derived from the assets held in trust must be used for trust purposes. Any assets placed in the trust may be sold, leased, invested, managed, or otherwise disposed of by the board to fulfill the reclamation activities and obligations related to the performance bond. If any of the trust assets include real property, net income from the trust assets must be used in part to pay to the county where the real property is located the same amount that would have been assessed against the real property for real

Page No. 1

property taxes if the real property was privately owned. The board may maintain separate accounts in the trust if necessary. The board shall manage all assets in the trust in the same manner that the board manages the board's other trust assets or as otherwise may be required to satisfy the purposes of this chapter.

15-72-05. Continuing appropriation for trust management.

There is appropriated annually the amounts necessary to pay expenses for assets held in trust under this chapter and managed by the board of university and school lands, including expenses for survey costs, surface lease refunds, weed and insect control, cleanup costs, capital improvement rent credits, in lieu of tax payments, or other expenses necessary to manage, preserve, and enhance the value of trust assets, as determined by the board.

Payments under this section must be made from the trust fund account for which the asset is held. Upon completion of all reclamation activities and obligations, all remaining assets held by the coal mine reclamation trust must be transferred to the common schools trust fund.

ND Geological Survey - Rare Earth Minerals

A presentation regarding critical minerals exploration on North Dakota Trust Lands was provided by Levi Moxness and Ed Murphy from the North Dakota Geological Survey. This presentation is available from the Department upon request.

L I T I G A T I O N

Litigation Update

• **Mandan, Hidatsa, and Arikara Nation v. United States Department of the Interior**

Case Summary: Missouri riverbed ownership – Quiet title action brought by the federal government is proceeding, with discovery now completed; the U.S. and MHA filed separate summary judgment motions; our opposition brief was filed by the March 18, 2025 deadline; the

U.S. filed its reply brief on April 18th; we now await the Court to either schedule a hearing on the motion or decide on the briefs; additionally, on February 28, 2025, the Department of Interior Acting Solicitor suspended the Biden administration's M-Opinion that was contrary to the state's position.

Commencement:	July 2020
ND Assigned Attorneys:	James Auslander, Kathryn Tipple, Peter Schaumberg, and Nessa Coppinger (Beveridge & Diamond, Washington, D.C.) Matthew Sagsveen, AG Dir. of Natural Resources and Native American Affairs
Counsel for MHA:	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. Schifman (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 determined in Phase II proceedings. On December 19, 2024, the Court granted opposing parties' summary judgment motion on certain issues. A trial to determine the remaining issues was held January 29, 2025, in Watford City. On May 8, 2025, the Court issued its trial decision ruling that: 1) the State does not own the North Island; 2) the 1950 deed from the State conveyed the at issue lots to the Montana state line; and 3) the State only reserved a 5% mineral interest in the 1950 deed. Notice of final judgment was entered July 17, 2025. On September 12, 2025, North Dakota Department of Water Resources filed a joint appeal with the Land Board to the North Dakota Supreme Court. Our initial brief was filed with the Court on October 27, 2025.

Commencement:	January 2016
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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 & Sundein, 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

A D J O U R N

There being no further business, the meeting was adjourned at 10:54 AM.

Governor Armstrong, Chairman
Board of University and School Lands

Joseph Heringer, Secretary
Board of University and School Lands