

A black and white photograph of a cowboy on horseback herding a large herd of cattle across a vast, open field. The cowboy is positioned in the center-right of the frame, facing left, wearing a hat and a vest. The herd of cattle is spread out across the field, extending towards the horizon. The text "South Dakota Office of" is overlaid in a white, serif font across the middle of the image.

South Dakota Office of

School and Public Lands

What do we do?

- ▶ Manage 760,000 acres and return \$\$12,694,000 to K-12 Education
- ▶ Permanent Fund \$315,000,000
- ▶ Oil and Gas 5 million mineral acres – returned \$1,600,000
- ▶ Act as the real estate agent for the state



South Dakota
State Land Sale
640 Total Acres
Minimum Bid
\$2,200.09/acre

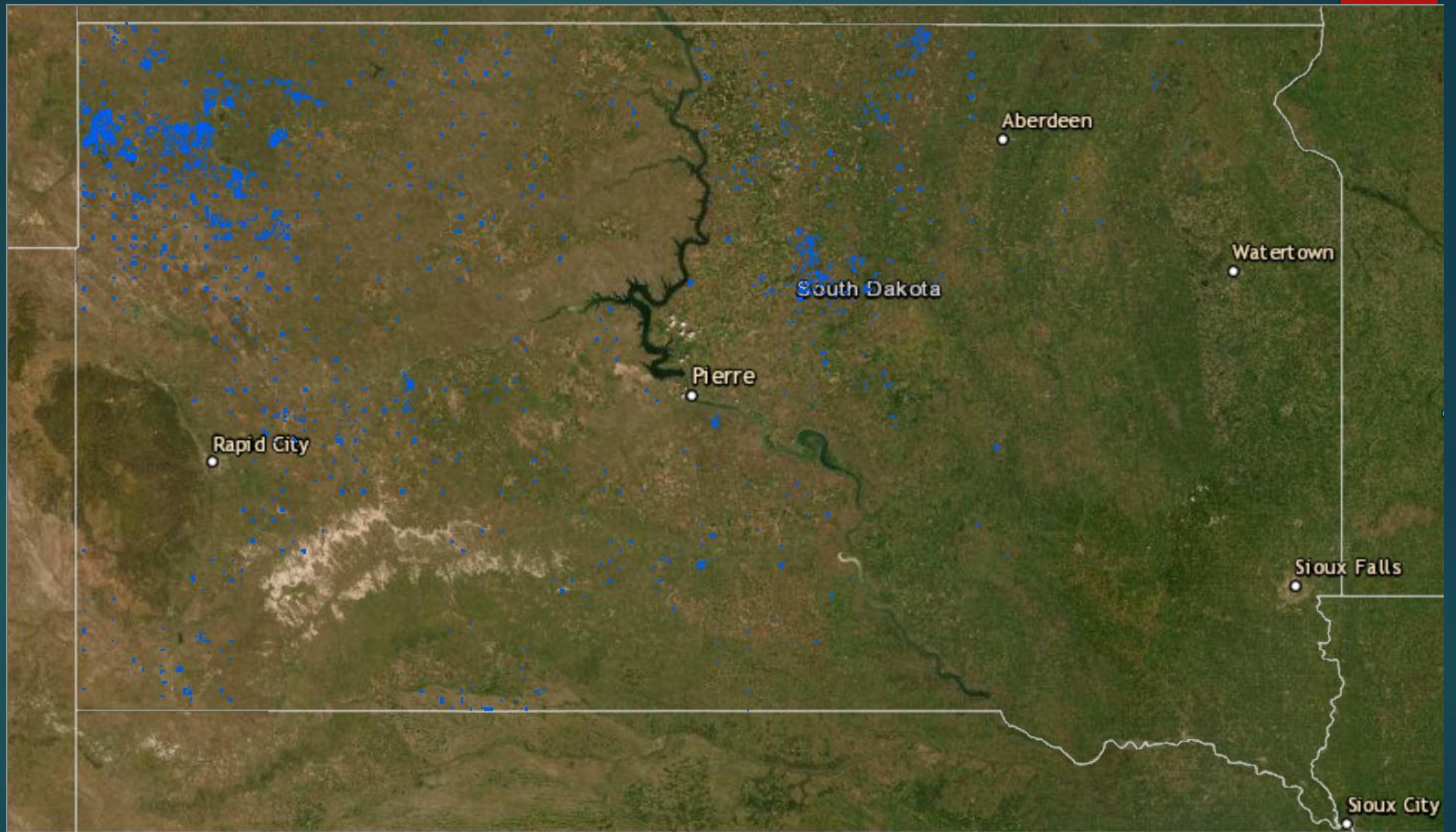
Background

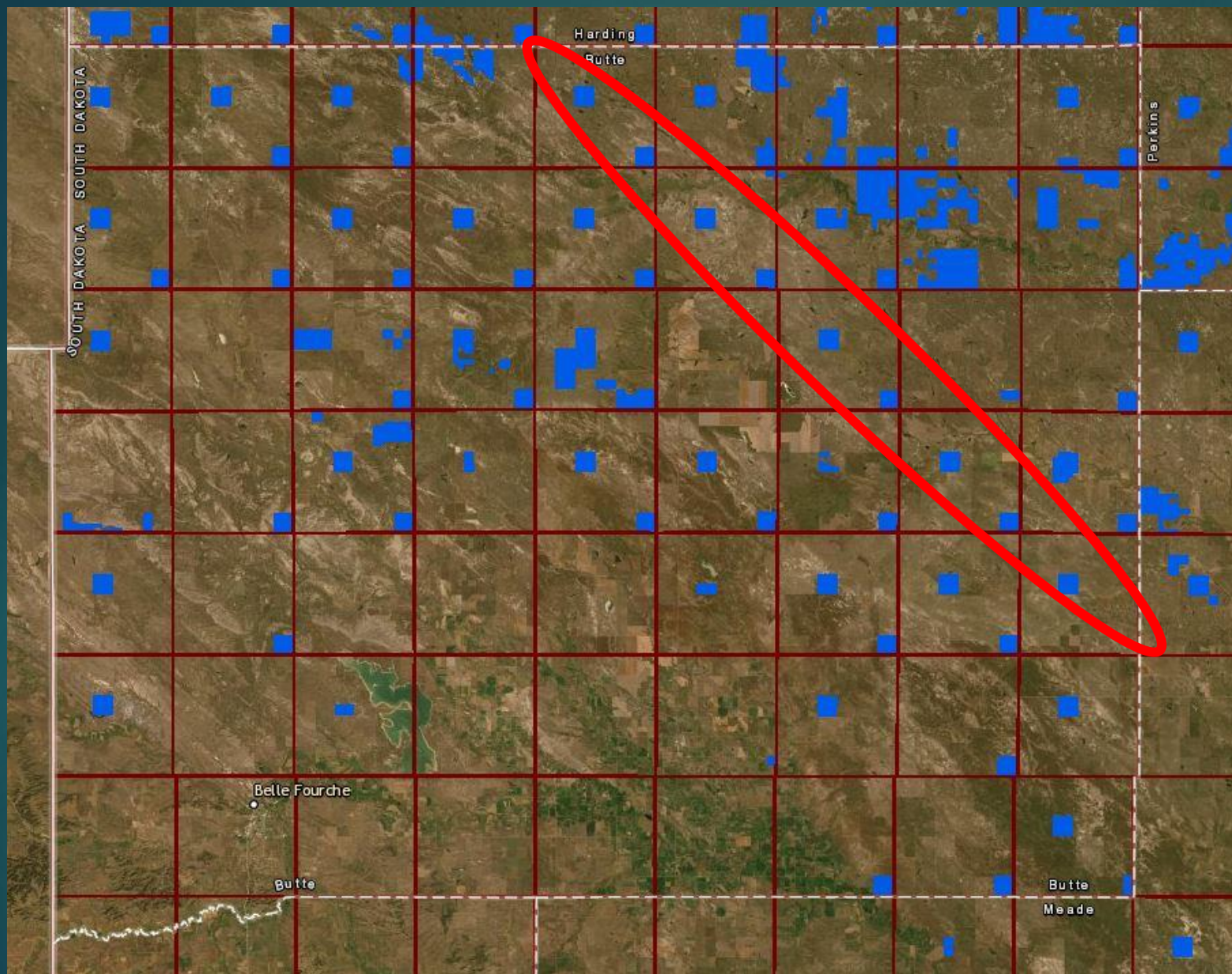
- ▶ **When South Dakota became a state in 1889, the Federal Government granted the state over 3.5 million acres of land.** Township sections 16 and 36 were reserved for school and public purposes; these are known as Common School Lands. If the sections were already settled, the government provided replacement property known as indemnity lands.
- ▶ Additional property was also provided to be used however the state wished. The South Dakota Constitution divided these lands among what would become the state's universities: The School for the Visually Handicapped, the School for the Deaf, State Training School, and the Developmental Center in Redfield. To manage these lands and the money generated, the Constitution established the Office of School & Public Lands.
- ▶ According to the Constitution, common school and indemnity lands were either to be sold or leased and the proceeds deposited in a permanent trust fund for education. The principal could be increased, but never diminished. Interest from the fund was to be used for funding education.
- ▶ **Each year the office returns approximately \$12 million to school districts and endowed institutions. The money is generated from grazing, mineral, oil and gas leases, interest from the Permanent Fund, and interest earned on land and sales contracts.**



Surface Division

Grazing and agricultural (farming) leases are offered with five-year terms: at the end of five years, the lessee can pursue one five-year extension of the lease. We have roughly 3,000 surface leases on 760,000 acres.

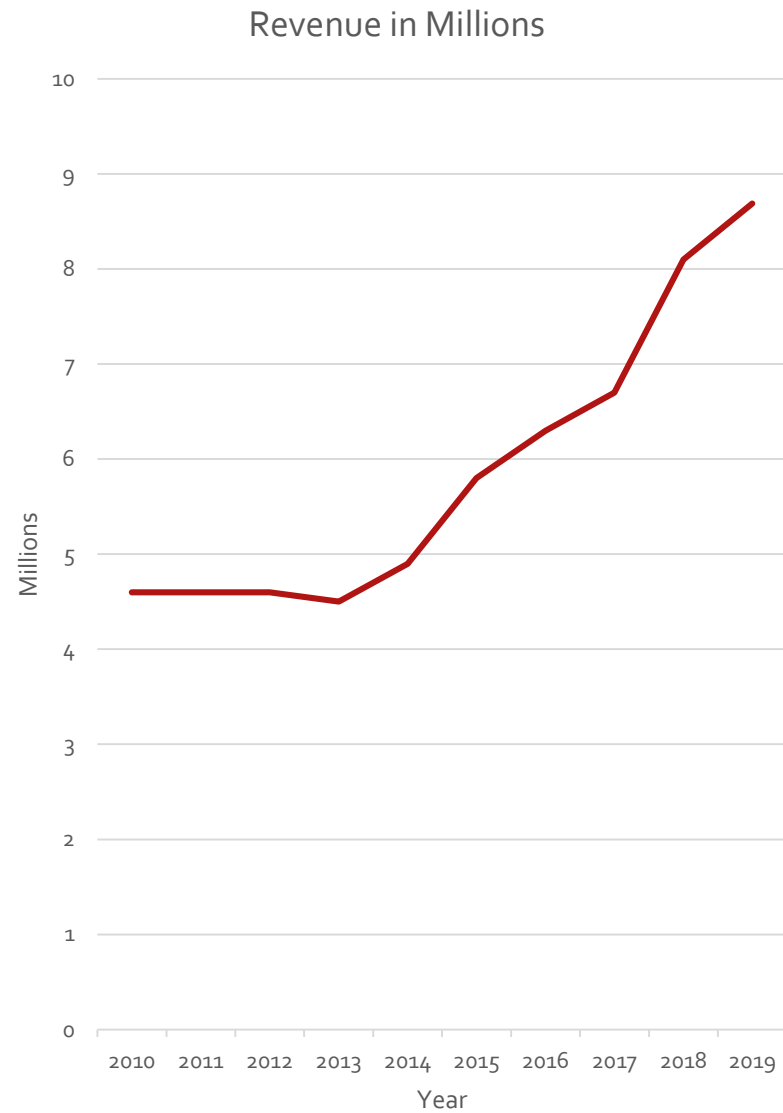






Surface Division

Annual surface lease auctions are held in March and early April of each year. These public auctions are held on a county-by-county basis at each county courthouse. The starting bid for each lease is set annually by the commissioner and based on state law.



Surface Revenue from Leasing 2010-2019



Surface Division

Lessees are responsible for paying the annual property taxes for the state property that they leases. Lessees have the ability to construct and own improvements on the property and share the cost of controlling noxious weeds and pests with the Office School and Public Lands.

Mineral Division – Oil and Gas

- 5.2 Million Acres of Minerals
- 50,000 Leased Mineral Acres
- Produces \$1,600,000 (12.5%)

Fall River County	14,925.00
Harding County	33,368.39
Slope Co, ND	15.00
Wilboux Co, MT	512.00
Weston Co, WY	20.00
Lawrence County	1,282.57



Mineral leases are issued for a maximum of fifteen years; oil and gas leases are issued for five-year terms (without production). All leases can be held indefinitely as long as there is production on the lease.



10 Year Oil
Price - \$50
per barrel



Oil and Gas Royalty 2013-2019

Why sell your properties on EnergyNet?

Here are a few reasons to choose **EnergyNet** to divest your assets:

- National exposure
- Platform efficiency (click to view the comparison chart.)
- Increased competition leads to higher returns
- No waiting for a sale to "close"

Feature	EnergyNet	Traditional
National exposure	Yes	No
Platform efficiency	Yes	No
Increased competition	Yes	No
No waiting for a sale to "close"	Yes	No

Why sell with EN?

Compare the platforms!



New Mexico State Land Office

Online Oil and Gas Lease Sale
January 21, 2020

Delaware Basin

Offering includes
• 16 Tracts
• 3,858.92 net mineral acres



New Mexico State Land Office

16 tracts covering 3,858.92 acres

Then and Now

Watch the Video



Bakken / Three Forks

Offering includes
• 36 Tracts
• 4,089.36 net

North Dakota

36 tracts covering 4,089.36 acres



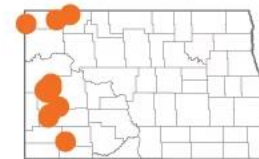
North Dakota Department of Trust Lands

Online Oil and Gas Lease Sale
February 4, 2020

Bakken / Three Forks

Offering includes

- 36 Tracts
- 4,089.36 net / 5,750.04 gross acres



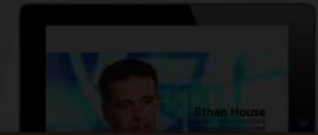
Open for bidding January 28, 2020 at 10:00 AM CT
Closing begins February 4, 2020 at 10:00 AM CT



[Click to access the Nomination Form!](#)

Watch to Learn More About EnergyNet VIDEO Series: The EnergyNet Advantage

Featuring interviews with EnergyNet's founder, several of our distinguished sellers, and our Business Development team



EnergyNet Advantage

[Click to Learn More](#)



State of Utah School and Institutional Trust Lands Administration

Online Sealed Bid Lease Sale
January 24, 2020

Uinta Basin

Offering includes
• Metalliferous Minerals
• 8 Leasing Units; 4,961.01 acres
• Bituminous/Asphaltic Sands
• 37 Leasing Units; 24,250.24 acres



Utah SITLA

45 tracts covering 29,211.25 acres

HB 1030 of 2019

Permanent Trust Fund

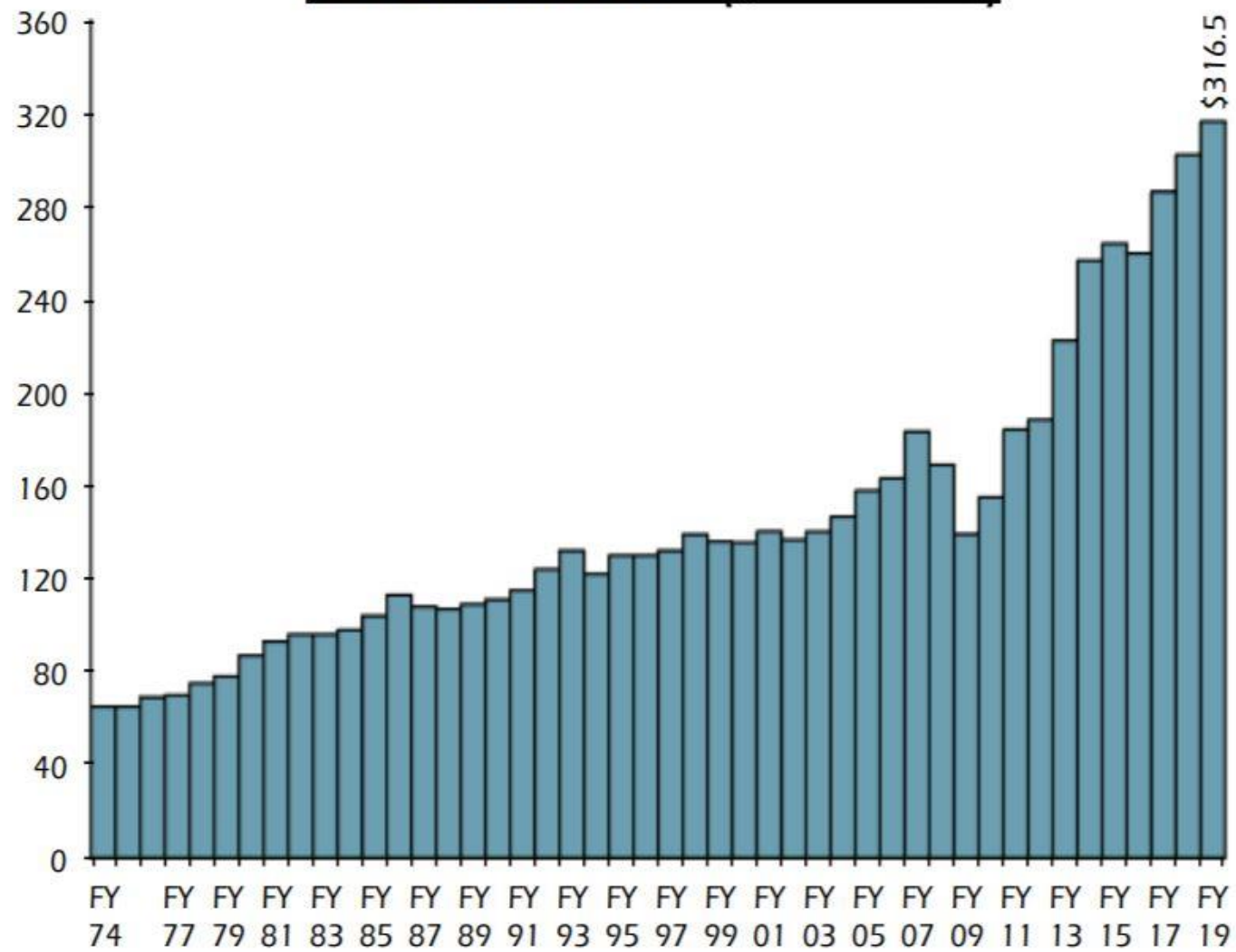


At statehood, the Permanent Trust Fund was established with the intent of providing a continuous source of revenue for public schools, universities and endowed institutions. Proceeds from the sale of land are to be deposited in the fund, which can be added to but never diminished. The interest revenue generated by the fund is apportioned to school districts, universities and endowed institutions.



Prior to the year 2001, the growth of the fund was based on land sales, mineral revenue and capital gains. **In the 2000 general election, the voters changed the Constitution and chose to allow the Commissioner of School & Public Lands to increase investment opportunities** for the permanent school fund and retain the inflation percentage in the fund also known as the Consumer Price Index Adjustment or CPI.

Asset Growth²³ (\$ in millions)



Fund	Beneficiary	Surface Acres in Fund	% Acres
Common Schools (K-12)	Public Schools	608,539.19	80.25%
SD State University	SD State University	36,617.39	4.83%
SDSU Experiment Station	SDSU Experiment Station	10,135.46	1.34%
University of SD	University of SD	7,950.445	1.05%
Northern State University	Northern State University	8,011.299	1.06%
	Black Hills State University		2.36%
Normal Schools	Dakota State University	17,932.891	
SD School for the Visually Handicapped	SD Schools for the Deaf and Visually Handicapped	6,146.22	0.81%
	SD Schools for the Deaf and Visually Handicapped		0.94%
SD School for the Deaf		7,092.68	
SD Development Center	Redfield Development Center	18,550.012	2.45%
SD Juvenile Corrections Facilities	Juvenile Corrections	4,675.81	0.62%
School of Mines	School of Mines	7,639.06	1.01%
	Northern State University		1.38%
	Black Hills State University		
Springfield	Dakota State University	10,486.692	
Public Buildings	Public Buildings	14,487.96	1.91%
Total		758,265.109	100.0%

How the land is allocated:

The Payout from lease revenue:

COMMON SCHOOL (K-12)	\$6,465,353.01
SOUTH DAKOTA STATE UNIVERSITY	\$606,952.29
UNIVERSITY OF SOUTH DAKOTA	\$145,990.53
PUBLIC BUILDINGS	\$79,895.93
SDSU EXPERIMENTAL STATION	\$358,640.56
DOC JUVENILE PROGRAMS	\$66,627.51
SCHOOL FOR THE DEAF	\$45,871.52
SCHOOL FOR THE VISUALLY IMPAIRED	\$136,663.39
REDFIELD HOSPITAL AND SCHOOL	\$128,985.98
SCHOOL OF MINES	\$100,772.85
DAKOTA STATE UNIVERSITY	\$191,640.39
NORTHERN STATE UNIVERSITY	\$174,947.55
BLACK HILLS STATE UNIVERSITY	\$191,640.39
Total	\$8,693,981.90

Common School	\$169,324,352.63
Normal (BHSU & DSU) Schools	\$5,741,925.07
SDSU Experimental Station	\$1,668,371.94
Northern State University	\$3,181,255.82
Redfield Developmental Center	\$1,699,144.49
SD School for the Visually Handicapped	\$1,608,551.62
SD School for the Deaf	\$1,931,462.12
SD School of Mines and Technology	\$2,373,232.48
South Dakota State University	\$8,839,936.79
Department of Corrections - Juvenile Programs	\$2,929,781.25
University of South Dakota	\$4,430,193.27
Human Services Center	\$4,071,222.09
Public Buildings	\$575,417.57
Maint. and Repair – Deaf/Blind Visually Impaired Schools	\$1,777,805.87
Escheats	\$226,220.37
TOTAL	\$210,378,873.38

Permanent Trust Fund Balance

How the payout works:

South Dakota
State Land Sale
640 Total Acres
Minimum Bid
\$2,200.09/acre



100% to Trust Fund

50% to Trust Fund
\$840,681.29

50% to schools
\$840,681.29

100% to schools

\$1,681,362.58

\$8,693,981.90

Permanent Trust Fund

\$210,378,873.38

Interest and Dividends/

\$5,390,285.39

\$840K

\$8.64mil

\$5.3mil

Total payout

\$14,924,948.58

State Apportionment Allocation - 2020

Average Daily Membership, 2018-2019 School Year

as of 11/8/2019



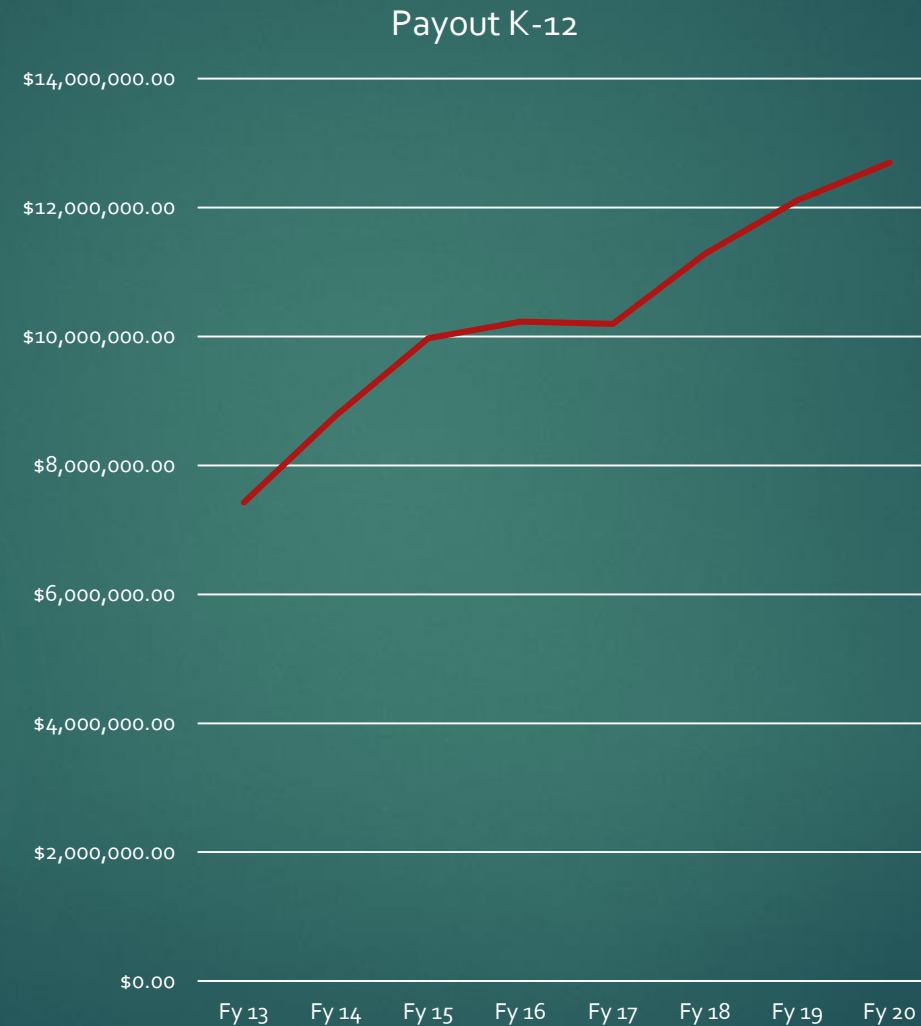
District Number	Vendor Number	School District	State Apportionment ADM 2018-2019 School Year		Dollar to school district
33005	1204378501	Tripp-Delmont 33-5	219.708	81.81785538	\$17,976.02
49006	1203193401	Tri-Valley 49-6	1,062.599	81.81785538	\$86,939.54
13001	1205541901	Vermillion 13-1	1,355.771	81.81785538	\$110,926.25
60006	12331131	Viborg-Hurley 60-6	404.460	81.81785538	\$33,092.03
11004	1205540101	Wagner 11-4	919.306	81.81785538	\$75,215.62
51005	1205576501	Wall 51-5	257.289	81.81785538	\$21,050.84
6005	1203141301	Warner 06-5	254.149	81.81785538	\$20,793.89
14004	1205543708	Watertown 14-4	4,661.589	81.81785538	\$381,401.20
18003	1205550003	Waubay 18-3	264.838	81.81785538	\$21,668.47
14005	1205542201	Waverly 14-5	146.109	81.81785538	\$11,954.31
18005	12239846	Webster Area 18-5	540.932	81.81785538	\$44,257.91
36002	1205561801	Wessington Springs 36-2	309.712	81.81785538	\$25,339.98
49007	1203196801	West Central 49-7	1,403.071	81.81785538	\$114,796.27
1003	1205530301	White Lake 01-3	136.669	81.81785538	\$11,181.94
47001	1205570301	White River 47-1	390.180	81.81785538	\$31,923.71
12003	1203148401	Willow Lake 12-3	212.798	81.81785538	\$17,410.68
54007	1205580001	Wilmot 54-7	203.201	81.81785538	\$16,625.44
59002	1205583001	Winner 59-2	754.160	81.81785538	\$61,703.75
2006	1212019001	Wolsey-Wessington 02-6	257.428	81.81785538	\$21,062.22
55004	1205580301	Woonsocket 55-4	248.855	81.81785538	\$19,829.07
63003	1205580301	Yankton 63-3	3,170.605	81.81785538	\$259,412.65
		TOTAL	155,160.676	81.81785538	\$12,694,913.72

State Apportionment Paid out to K-12 on Jan. 31 2019

► Dollars to Education

- •K-12 money is earned in previous fiscal year. FY2020 payout is revenue generated in FY19.

Year	Payout k-12
Fy 13	\$7,422,431.60
Fy 14	\$8,773,821.56
Fy 15	\$9,969,231.31
Fy 16	\$10,227,405.20
Fy 17	\$10,196,470.83
Fy 18	\$11,282,447.16
Fy 19	\$12,112,217.21
Fy 20	\$12,694,913.72



South Dakota

State Land Sale

97.71 Farm Acres

18.76 Acre Lot

with House

MINIMUM BIDS REQUIRED BY LAW: \$221,021 ON 97.71 ACRES OF FARMLAND AND \$184,815.21 ON THE 18.76 ACRE HOUSE SITE. LAND AND HOUSE SITE TO BE SOLD SEPARATELY. CURRENT ADDRESS IS 209 EXPERIMENT FARM ROAD, HIGHMORE, SD

AUCTION WILL BE HELD ON TUESDAY, OCTOBER 8TH, 2019 AT 11:00AM

AT THE HYDE COUNTY AUDITORIUM

125 2ND STREET, HIGHMORE, SD 57345



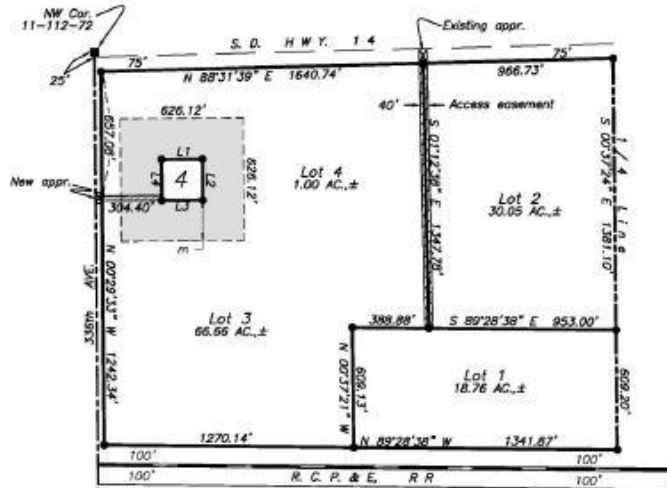
The property is agricultural land, used by South Dakota State University for agriculture research. Improvements consist of one single family home and seven outbuildings.

The property consists of 116.47 acres improved with one house and seven outbuildings. Property lays along the south side of US Highway 14 and along the east side of 336th Avenue, a gravel township road, as well as being along the north side of the Burlington Northern Railroad right of way.

97.71 acres of land consisting of Lots 2, 3, and 4 on the attached plat will be sold combined for a minimum bid of \$221,021. House Site is 18.76 acres shown on the following plat and will be sold separately for a minimum bid of \$184,815.21

- Mesonet Weather Station- There will be a reservation for the 1 acre shown as "Lot 4" for an existing Mesonet Weather Station. There is also a small 9 acre "no build area" around the station. This land may be farmed but not having any buildings constructed which could interfere with the weather station.

**Plat of LOTS 1-4
RESEARCH FARM ADDITION**
a subdivision of the
NW1/4 LYING NORTH OF THE RAILROAD
SECTION 11, T112N, R72W of the 5th P.M.
CITY OF HIGHMORE
HYDE COUNTY, SOUTH DAKOTA



LINE	BEARING	LENGTH
L1	N 89°37'05" E	208.71'
L2	S 00°22'55" E	208.71'
L3	S 89°37'05" W	208.71'
L4	N 00°22'55" W	208.71'

ACCESS APPROVAL

This approval does not replace the need for any permits required by law, including Administrative Rule of South Dakota 70:09-01-02.

SDDOT AREA ENGINEER

LEGEND

- Set 5/8" rebar w/cap #4424
- Denotes rebar w/cap
- Denotes "No build area" encompassing the weather station in Lot 4
- ▨ Denotes 25' access easement

Sht. 1 of 2

SCALE: 1"=400'

ACCESS APPROVAL

Access as shown hereon is approved

Co. Hwy. Superintendent



STATE LAND AUCTION

STARTING BID \$221,021 ON 97.71 ACRES
STARTING BID \$184,815.21 ON HOUSE SITE

Address: 209 Experient Farm Road, Highmore, SD

- Farmland consists of 97.71 acres and includes a 1 acre Mesonet Weather Station Site in Lot 4.
- Area around Mesonet is a nine acre "no building" area to avoid interference with the weather station. This area may be farmed but cannot have buildings constructed within it.
- Road to house is not known to be a public road but will be reserved in deed to maintain access to the house

**AUCTION WILL BE HELD ON TUESDAY,
OCTOBER 8TH, 2019 AT 11:00AM**

AT THE HYDE COUNTY AUDITORIUM

125 2ND ST., HIGHMORE, SD 57345

**Minimum Bid
\$221,021 on 97.71
acres farmland and
\$184,815.21 on house
site**

**97.71 acres and 18.76
acres / House / 7
Buildings**

**Located in Highmore,
SD.**

**Auction Date:
Oct. 8th, 2019**

**Auction to be held at
Hyde County
Auditorium**

**OFFICE OF SCHOOL AND
PUBLIC LANDS – STATE OF
SOUTH DAKOTA**
500 East Capitol
Pierre, SD 57501
605-773-3303
www.sdpubliclands.com

2019 Land Sales

Highmore House

18.76 acres

\$184,815.21



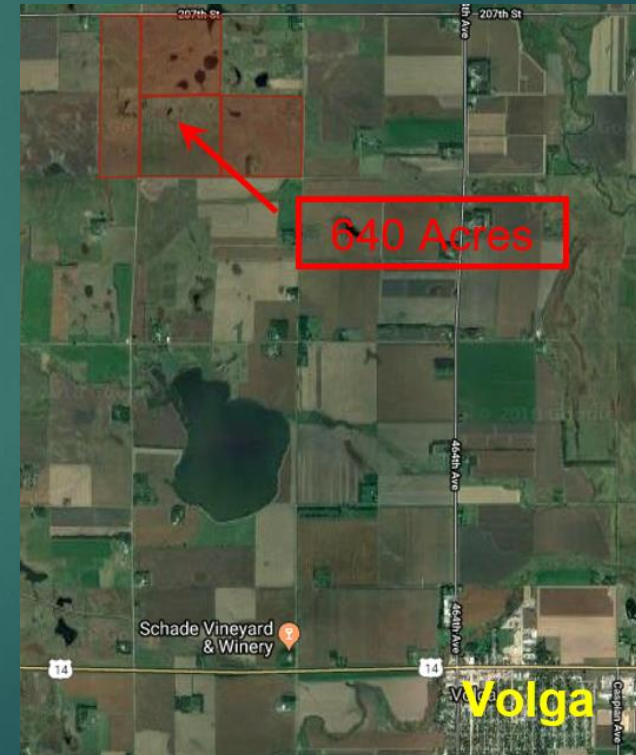
Highmore 97.71 acres

\$221,021



Volga 640 acres

\$1,531,000



2019 Land Sales

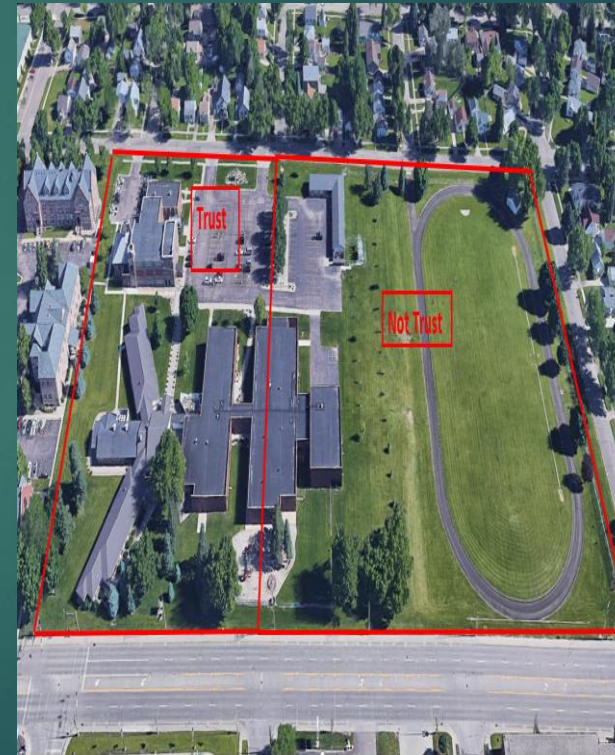
Volga House 7.3 acres
\$165,000



Yankton Mead
Building 2.8 acres
\$32,000



School for the Deaf
(Exchange) 13.76
acres \$6,900,000



2019 Land Sales

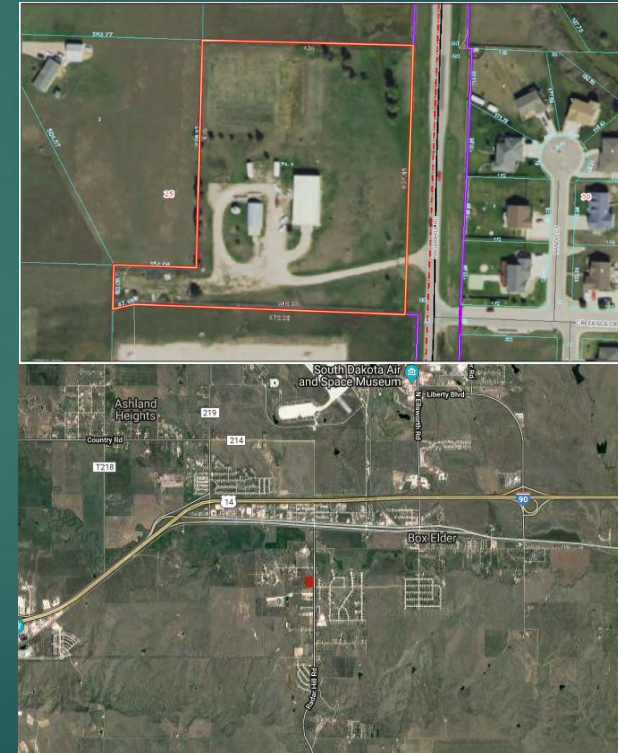
Watertown Rail 4.83
acres \$96,947.76



Madison 5.99 acres
\$51,000








Box Elder 5.6 acres
\$405,000



After Sheriff Sale

Legend

-  SUPERFUND BOUNDARY (1,328 Acres)
-  State of South Dakota Property Inside Boundary (972 Acres)
-  State of South Dakota Property Outside Boundary (306 Acres)
-  USFS Property Inside Boundary (266 Acres)
-  Private Property Inside Boundary (90 Acres)



Brohm Superfund /Gilt Edge Mine



Star Academy

Dams



11/06/2019 12:57PM

We returned \$26.41 for every \$1 of general funds
we received last year.

Questions?