

Distinctive Ownership Configurations

- Fee Simple Absolute
- State Ownership
 - School and Public Lands
 - Game, Fish & Parks Lands
 - Rural Credits Remnants
 - Miscellaneous Uses
- Federal Ownership
 - National Forests
 - National Grasslands
 - Pick Sloan Properties
- Severed Mineral Interests
 - Owned by Developers
 - Indeterminate Ownership
 - Fractionated by testate and intestate transfers
 - De Minimis Holdings - so little value
 - True Abandonments -
 - Constructive Abandonments -
 - Unrecorded Claims
 - Owned by Speculators
- Native American Ownership
 - Individual Holdings secured by Federal Patent
 - Tribal Ownership under Supervision of the Bureau of Indian Affairs

**Statutory Restraints:
South Dakota's Abandoned
Mineral Interests Law
(SDCL 43-30A)**

- Enacted for purposes totally antithetical to oil exploration and production
- Aspects of the law actually discourage oil exploration and production
- Serious constitutional questions
 - Unjust enrichment
 - Unlimited retrogressivity
 - Conflicts with principles of adverse possession
- Severability: parts worth saving
 - Defines in a reasonable manner conditions under which mineral interests cannot be deemed abandoned
 - Provides a means for active owners to protect their property rights

Taxation

- Review of current tax statutes with applicability
 - Severance tax
 - Industry tax
 - Permit fee structure
 - Sales Tax
 - Contractors' Excise Tax
 - Tribal tax agreements

- Tax Policy
 - Taxation to encourage development
 - Taxation to enhance revenues

Tax Deeds: A Key to Encouraging Exploration

- Utility as a means to clear the title to fractionated or de minimis severed mineral interests
 - Constitutional
 - Effective
 - Provides due process
 - Grants clear title
 - Operates in most states

- Problem in brief
 - The counties do not currently assess or tax severed mineral interests
 - If the counties would tax and assess severed mineral interest, tax delinquency proceedings would secure active ownership
 - Oil exploration companies want to work with active owners, not absentee or unidentified owners
 - Legislature has repeatedly rejected bills to initiate the assessment and taxation of severed mineral interests

Impact on Physical Infrastructure

- Housing
 - Permanent
 - Temporary
 - Motels
 - Trailers
 - Crew Camps
 - Nontraditional
 - Trucks and cars
 - Buildings not designed for habitation
- Roads
 - Sufficiency
 - Maintenance
 - Load Burden
 - Traffic
- Water Supply
 - Adequacy
 - Quality
 - Disposal

Impact on Government Services

- Law Enforcement
 - Increased drug activity
 - Increased alcohol activity
 - Increased physical violence
 - Prostitution and vice
 - Increased theft activity

- Court Services
 - More criminal prosecutions
 - More civil suits
 - More probation supervision

- Education
 - Increased enrollment
 - Hispanic students
 - Transitory students
 - Inadequate classroom facilities

- Emergency Services
 - EMS
 - Fire

- Jails
 - Sufficiency
 - Increased turnover

Impact on Enterprise Services

- Sufficiency of existing businesses to meet increased consumer demand
- Employment disruption
 - Employees leaving for better jobs
 - Difficulties in attracting new employees to take low paid service jobs
- Cost of living escalation
- Resupply problems
- Health care services

Environment

- Fracking
- Horizontal Drilling
- Water Quality
- Nuisances
 - Dust
 - Noise
 - Traffic
- Pollution
 - Spills
 - Destruction of grazing land
 - Oil field equipment depots
 - Oil field wastage and debris

Surface Fee Owners: Their Rights and Frustrations

- Entry contracts and easements
 - Terms of contract
 - Liquidation of damages
 - Arbitration of differences
 - Cleanup and restoration
- Neighboring surface fees
 - No contractual rights
 - Suffer nuisances
 - Traffic
 - Dust
 - Noise
 - Ill feeling caused by lack of participation in the economic boom while suffering many of the inconveniences

Regulation

- State
 - DENR
 - Revenue
 - Motor Carrier/Department of Public Safety

- County
 - Zoning Ordinances
 - Miscellaneous Regulation