



Oil and Gas Division

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Department of Mineral Resources

Lynn D. Helms - Director

North Dakota Industrial Commission

www.dmr.nd.gov/oilgas/

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Attachment: Presentation of Oil Activity Forecast in Western North Dakota

Helms Discusses Oil Activity Forecast

WATFORD CITY, ND – Director of Mineral Resources, Lynn Helms today addressed the North Dakota Association of Oil and Gas and Coal Producing Counties (NDAOGCPC) and provided his forecast for future growth in western North Dakota.

Sixteen western North Dakota counties are actively producing oil and natural gas. Today, Helms provided a county by county forecast of projected rigs, wells and oil industry related jobs to county commissioners, auditors and other state and local officials.

“Each year I look forward to providing this outlook to county leaders. Now that lower oil prices have held on for an extended period of time, I’ve included a “lower for longer” and a “price shock” forecast to give leaders an idea of how to plan for growth under suppressed drilling conditions as well as rapidly increased drilling activity,” Helms said.

Helms estimates under the statewide “lower for longer” scenario, the price of West Texas Intermediate (WTI) stays below \$60 a barrel and rigs will continue to focus drilling in the four core counties of Dunn, McKenzie, Mountrail and Williams for the next ten years. Under this scenario well count would reach a maximum of fifty-five thousand wells by 2050.

Under the “expected case” scenario, Helms estimates the price of WTI to rise above \$60 a barrel. This scenario estimates fifty to seventy-five rigs that could drill during the next biennium. The estimated well count under the “expected case” would ultimately reach sixty-five thousand by 2050. Under the “price shock” scenario, WTI has to exceed \$70 a barrel, with an estimated seventy-five to one hundred rigs drilling during the next biennium. The estimated well count in the “price shock” scenario would ultimately exceed sixty-five thousand by 2050.

Helms also provided leaders an update to the administrative rules that took effect on Oct. 1, and the five sections of rules that were held over until the Dec. 5 Administrative Rules Committee meeting. The held over rules include proposals for underground gathering pipelines and berms around facilities.

This is the 17th year Director Helms has addressed NDAOGCPC.

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