

Director's Cut

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Feb Oil 7,312,998 barrels = 261,179 barrels/day
Mar Oil 8,599,506 barrels = 277,403 barrels/day (preliminary) all time record high

Feb Gas 7,895,346 MCF = 281,977 MCF/day
Mar Gas 8,606,391 MCF = 277,626 MCF/day (preliminary) all time record high
281,977 Feb 2010

Feb Producing Wells = 4,655
Mar Producing Wells = 4,736 all time record high

Feb Permitting: 94 drilling (0 shallow gas) and 2 seismic
Mar Permitting: 120 drilling (0 shallow gas) and 1 seismic

Feb Sweet Crude Price = \$67.58/barrel
Mar Sweet Crude Price = \$71.20/barrel
Today Sweet Crude Price = \$61.30/barrel ND all time record high was \$136.29 July 3, 2008(Current spot price is \$3.50/BO below ND Sweet).

Feb rig count 93
Mar rig count 102
Apr rig count 107
Today's rig count is 112

Comments:

Bakken and Three Forks continue to be the target of over 95% of all drilling. Bowman County Red River production decline has slowed with two wells now drilling. Williston Basin crude pipelines now have excess capacity with. About 10% of our crude is still being shipped by rail and another 10% trucked to Canada. There are 5 additional pipeline projects in the review or engineering stage to increase export capacity in the 2011-2014 time period. Price differentials have increased to about 20% with Tesoro entering the home stretch of their turnaround.

Rig counts in the Williston basin are still rising, but rig utilization in the northern Rockies is steady at about 70% for drilling and 60% for work-over rigs because most of areas outside the Williston Basin are natural gas plays.

Drilling permit activity is very high.

The number of wells drilling on federal surface in the DPGL is steady at 2.

Seismic activity is steady with 2 active shoots and 1 in the remediation stage.

Leasing activity is high as well as indicated by the record state sale, but it consists of mostly renewals and top leasing in the mature Bakken area. Bottineau County remains very active.

Natural gas production appears to be down, but it is a reporting problem with a few operators. Two major plant expansions plus new gathering pipelines were announced this last month. US storage level is now 19% above the five-year average. North Dakota Shallow gas is likely not economic at this point.

Natural gas Watford City Delivery to Northern Border price is flat at \$3.73/MCF.