

Director's Cut

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Mar Oil 8,597,299 barrels = 277,332 barrels/day
Apr Oil 8,530,357 barrels = 284,345 barrels/day (preliminary) all time record high

Mar Gas 8,616,970 MCF = 277,967 MCF/day
Apr Gas 8,412,667 MCF = 280,422 MCF/day (preliminary) all time record high
281,977 Feb 2010

Mar Producing Wells = 4,736
Apr Producing Wells = 4,810 all time record high

Mar Permitting: 120 drilling (0 shallow gas) and 1 seismic
Apr Permitting: 106 drilling (0 shallow gas) and 0 seismic

Mar Sweet Crude Price = \$71.20/barrel
Apr Sweet Crude Price = \$71.26/barrel
Today Sweet Crude Price = \$61.53/barrel ND all time record high was \$136.29 July 3, 2008(Current spot price is \$6.75/BO below ND Sweet).

Mar rig count 102
Apr rig count 107
May rig count 114
Today's rig count is 125

Comments:

Bakken and Three Forks continue to be the target of over 95% of all drilling. Bowman County Red River production has stabilized with 3 wells now drilling. Williston Basin crude export outlets continue to have excess capacity, but projections show production catching up by January 2012. About 10% of ND crude is still being shipped by rail and another 10% trucked to Canada. There are 5 additional pipeline and rail projects in the review or engineering stages that could increase export capacity in the 2011-2014 time period. Price differentials have dropped slightly to about 18% with Tesoro having completed their turnaround.

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

Drilling permit activity remains very high.

The number of wells drilling on federal surface in the Dakota Prairie Grasslands is steady at 2.

Seismic activity is steady with 1 active shoot and 4 permitted.

Leasing activity is very high, but hasn't moved into new areas much.

Natural gas production is setting new records. Two major plant expansions plus gathering pipeline expansions were announced in April. US storage level is down to 14% above the five-year average. North Dakota Shallow gas exploration is still not economic at the current price.

Natural gas Watford City Delivery to Northern Border price is up slightly to \$4.21/MCF.