DEVELOPMENT OF THE BAKKEN RESOURCE

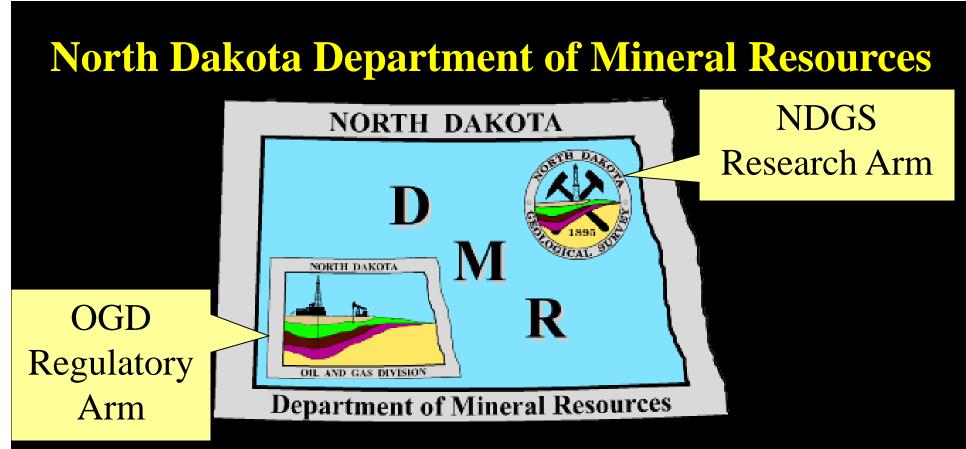
North Dakota 9-1-1 Association Meeting

Bismarck, ND–March 6, 2014



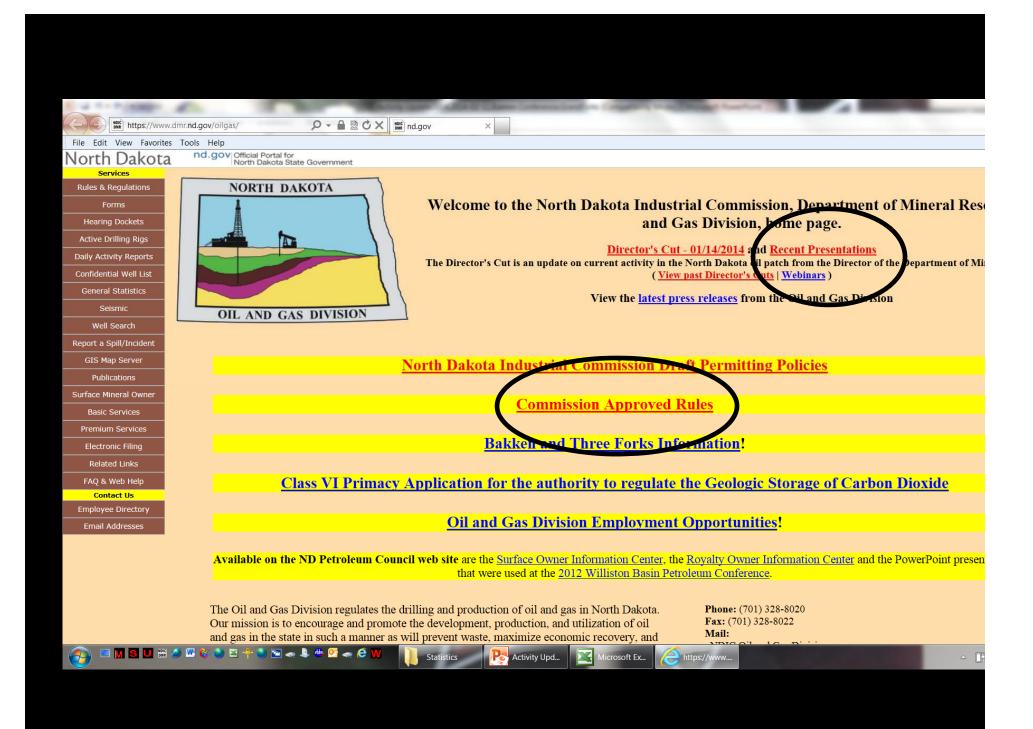
- Resource Play
- Administrative Rules
 - Application for Permit to Drill
 - Sign on Well or Facility
 - Safety Regulation
 - Multi-well Locations—small footprint
 - Energy Corridors—industry & residents
- Bakken Results

Bruce E. Hicks Assistant Director NDIC-DMR-OGD Bismarck, ND



https://www.dmr.nd.gov/oilgas/ https://www.dmr.nd.gov/ndgs/

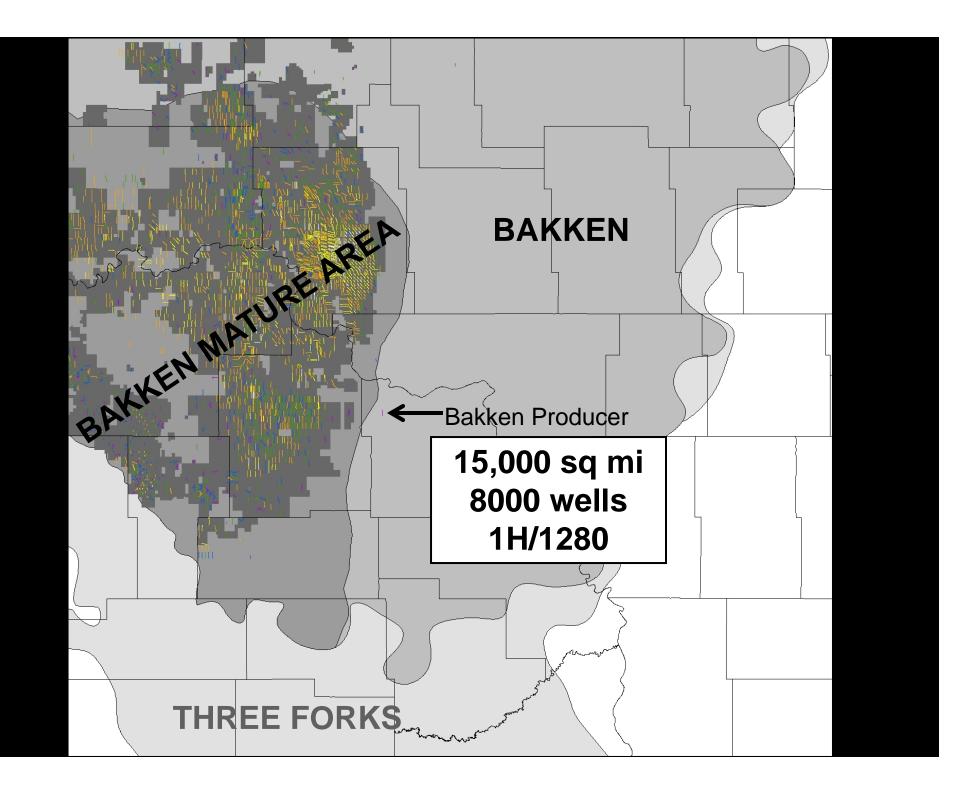
600 East Boulevard Ave. - Dept 405 **Bismarck, ND 58505-0840** $(701) 328-8020 \quad (701) 328-8000$

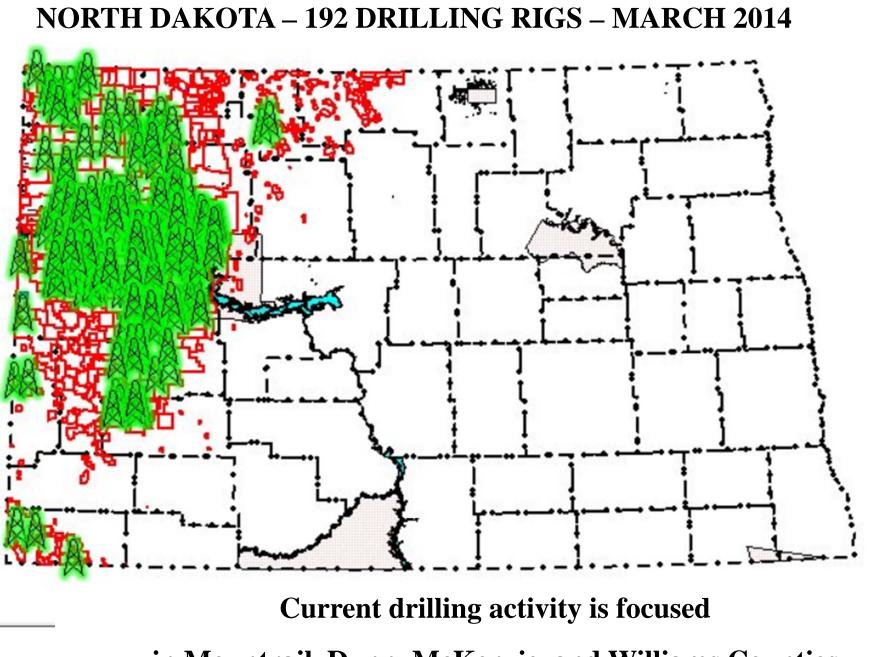


• Resource Play

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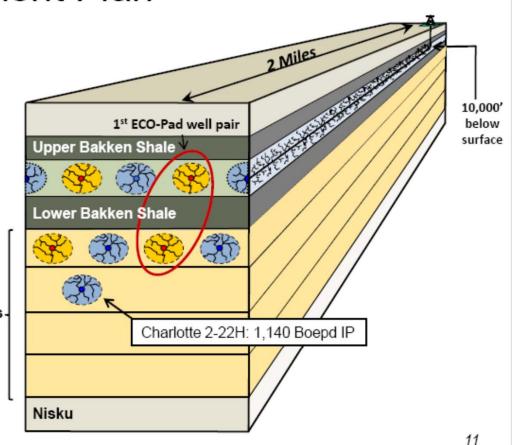




in Mountrail, Dunn, McKenzie, and Williams Counties.

Bakken Development Plan

- Original dual-zone development plan
 - 8 wells per 1,280 acres – 4 MB, 4TF
 - 603,000 Boe EUR per well (avg. 24.5 stages/completion)
 - ECO-Pad[®] design: 2 wells south, 2 wells north Three Forks
- Additional Three Forks potential





Three-Dimensional Geologic Model of the Parshall Area

Uranium/Coal Shallow Gas Frac Proppant Geothermal Base Freshwater

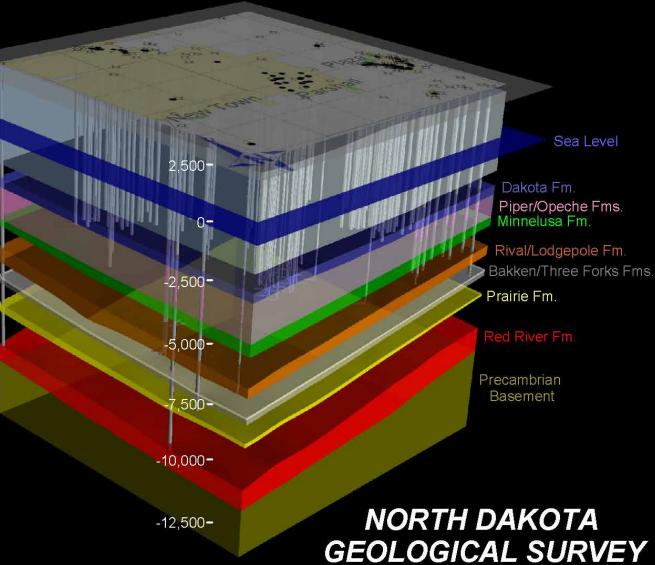
> Salt-Water Disposal Salts/Air Storage CO₂Sequestration

> > Oil & Gas Oil & Gas

> > > Potash

Deep Gas

1895 IS



-15,000-

• Resource Play

• Administrative Rules—effective 4-1-14

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ADMINISTRATIVE RULES Application For Permit To Drill 43-02-03-16

- confirm the legal street address has been <u>requested</u> for the well site
- address of well facility <u>if separate</u>
- proposed road access to nearest existing <u>public</u> road

• Resource Play

• Administrative Rules—effective 4-1-14

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ADMINISTRATIVE RULES Sign on Well or Facility 43-02-03-17

• Wells and associated facilities must have a sign including the legal street address, <u>if available</u>

• Resource Play

• Administrative Rules—effective 4-1-14

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ADMINISTRATIVE RULES Safety Regulation 43-02-03-28

 operator must submit legal street address to the Commission upon receiving the legal street address

COMMISSION RECORDS Address of Surface Location for all wells

- McKenzie County
- NWNE 16-149N-99W
- 245'FNL 1655'FEL of Section 16
- 47.731725 -103.354281 (NAD83)
- File No. 26483

Commission could provide updated cross-reference for loc if caller knows File No.

• Resource Play

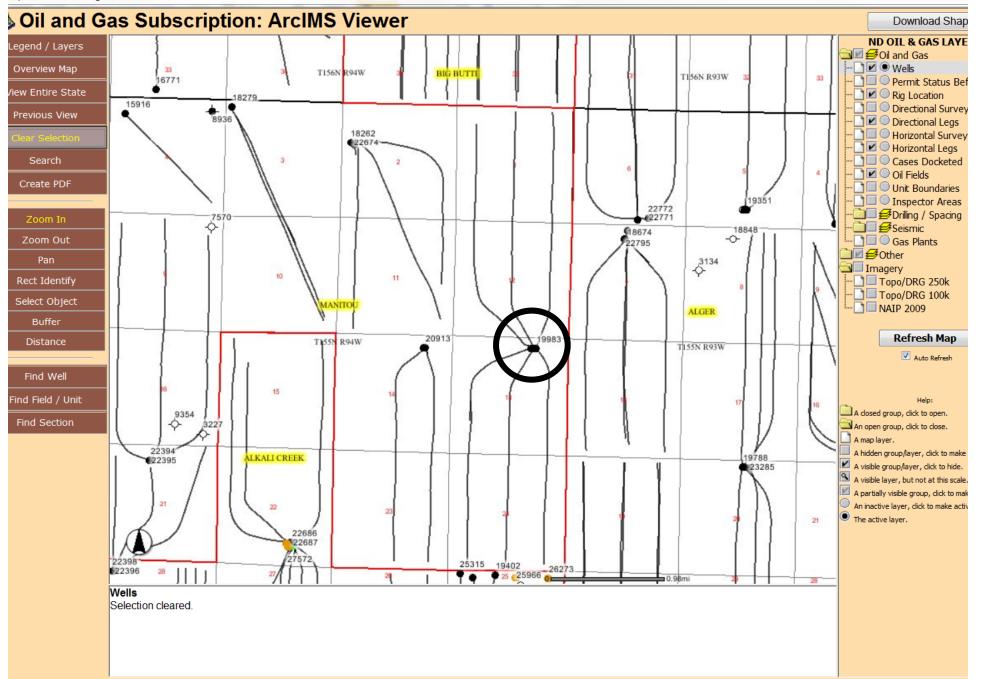
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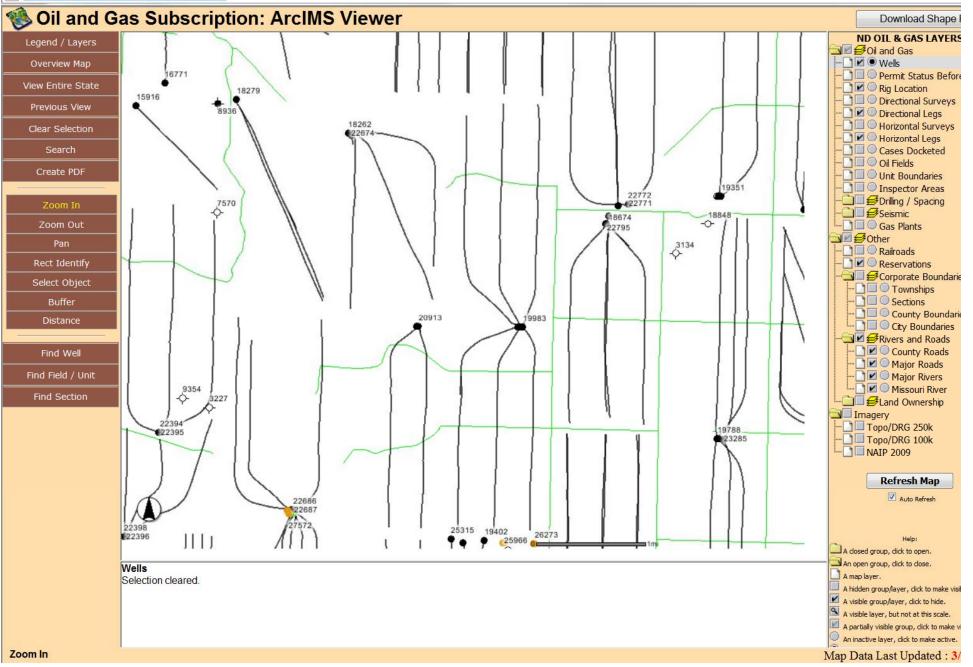
l and Gas Subscription: ArcIMS Viewer - Windows Internet Explorer

https://www.dmr.nd.gov/OaGIMSSub/viewer.htm



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• Resource Play

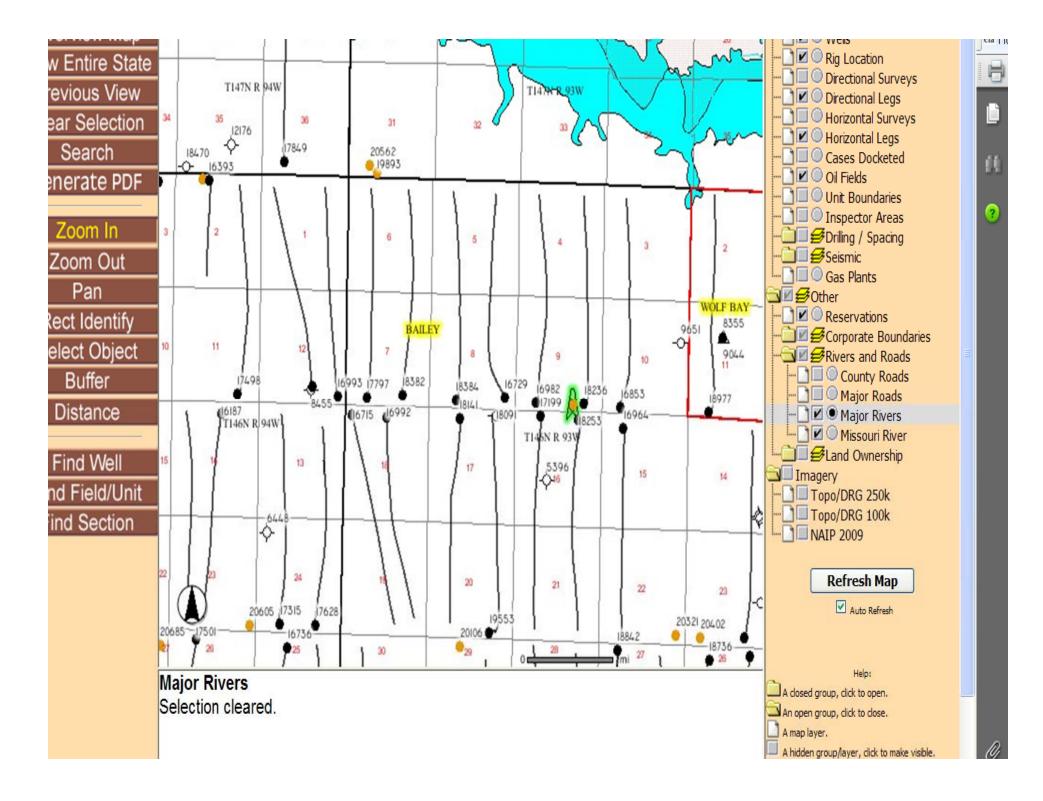
Administrative Rules

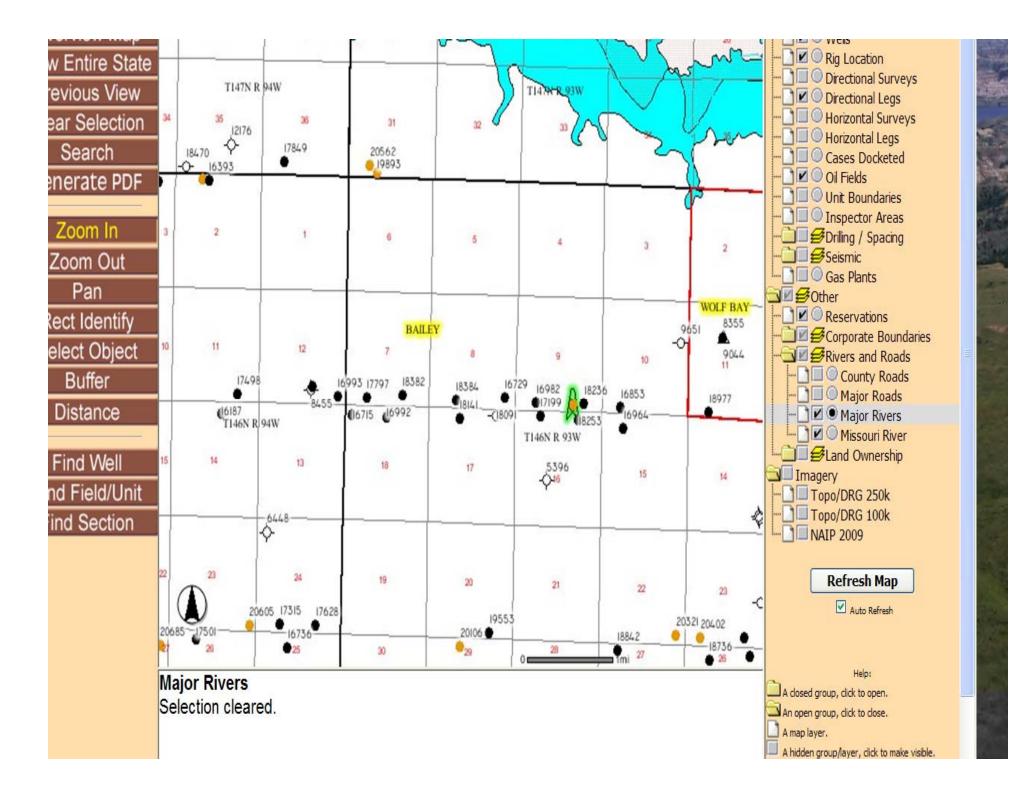
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Small Footprint

- Developed 13,000 acres
- 14 wells
- rough topography
- LMR Confluence

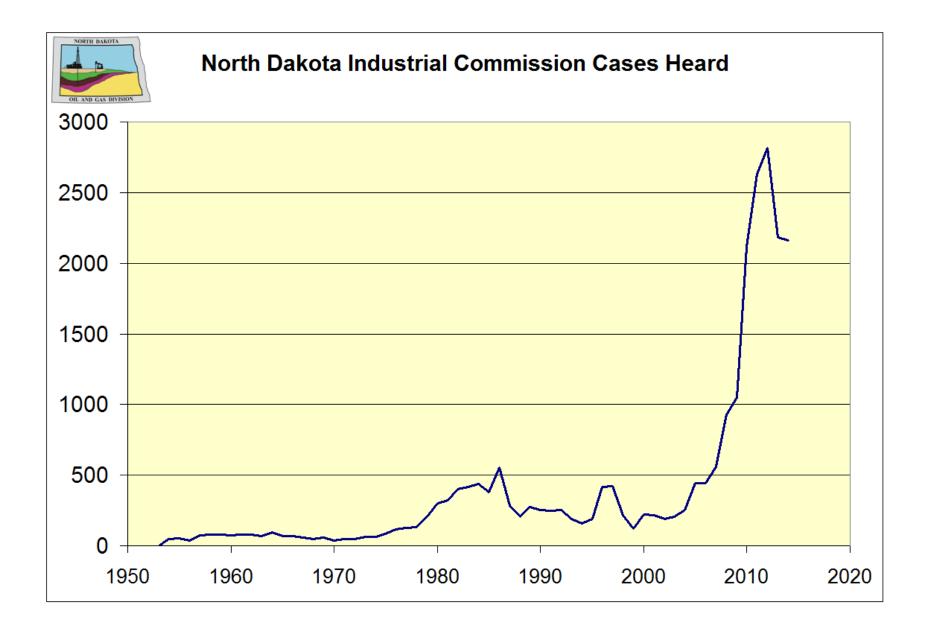
Vern Whitten Photography

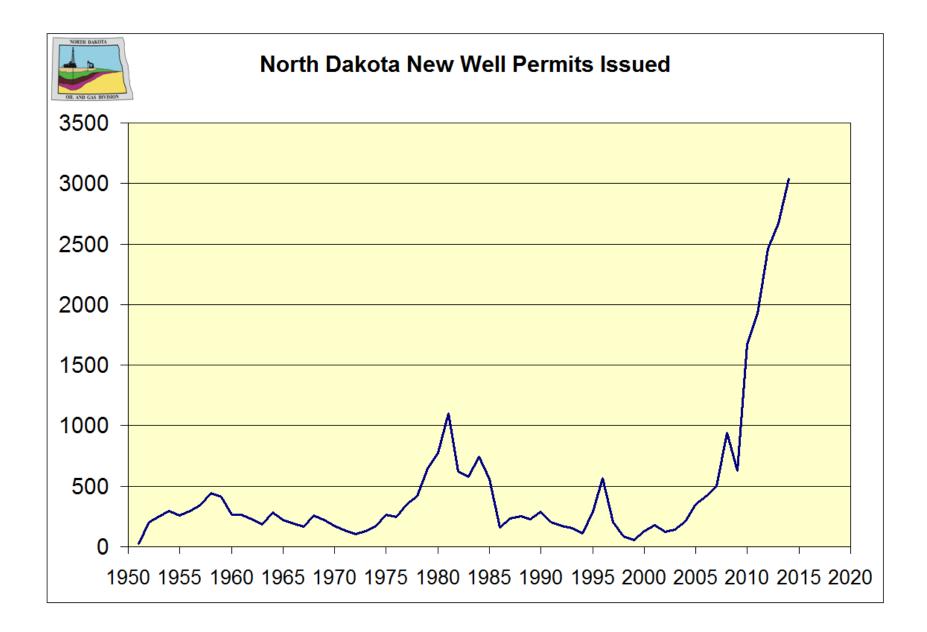


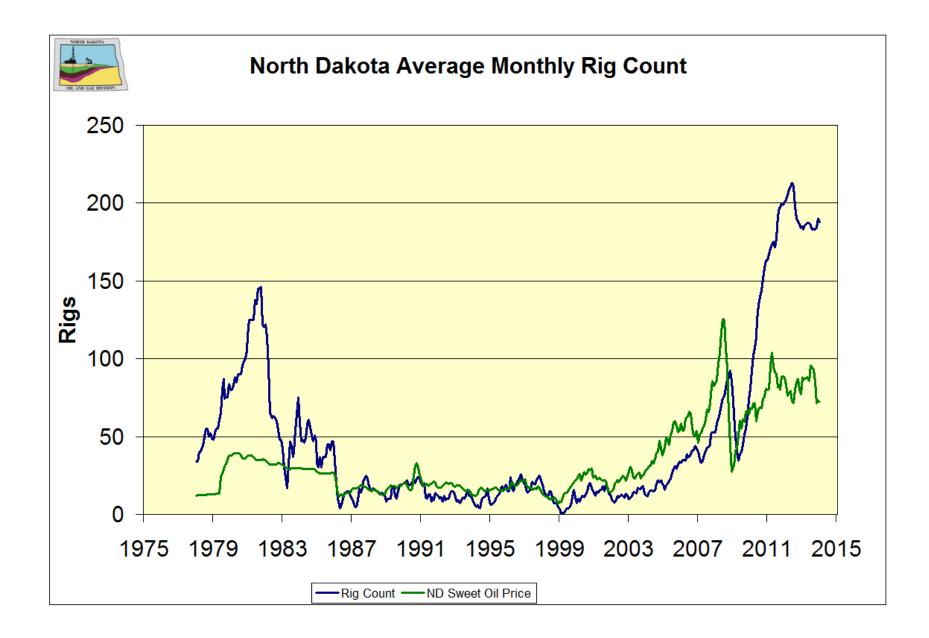


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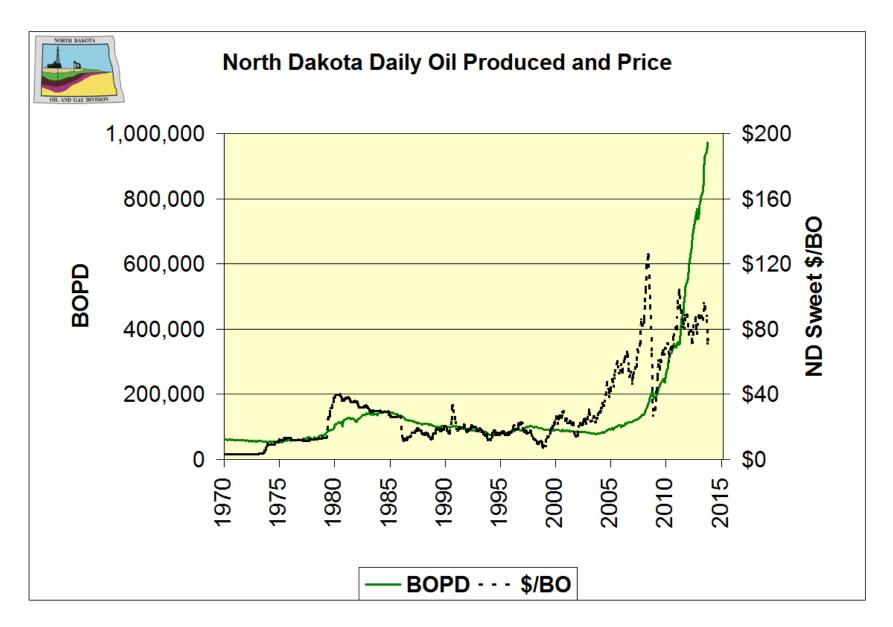




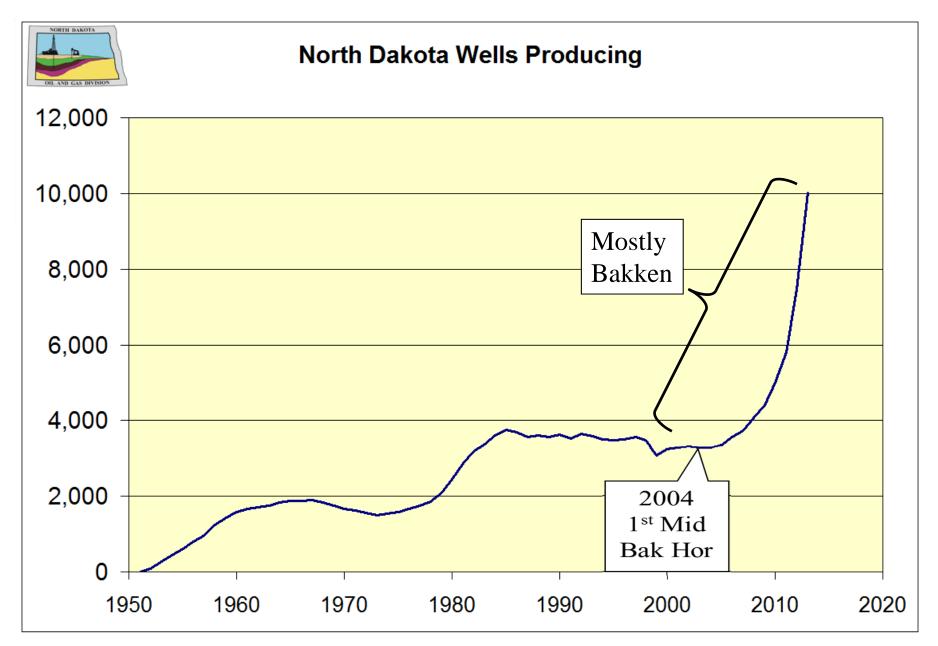


WELLS

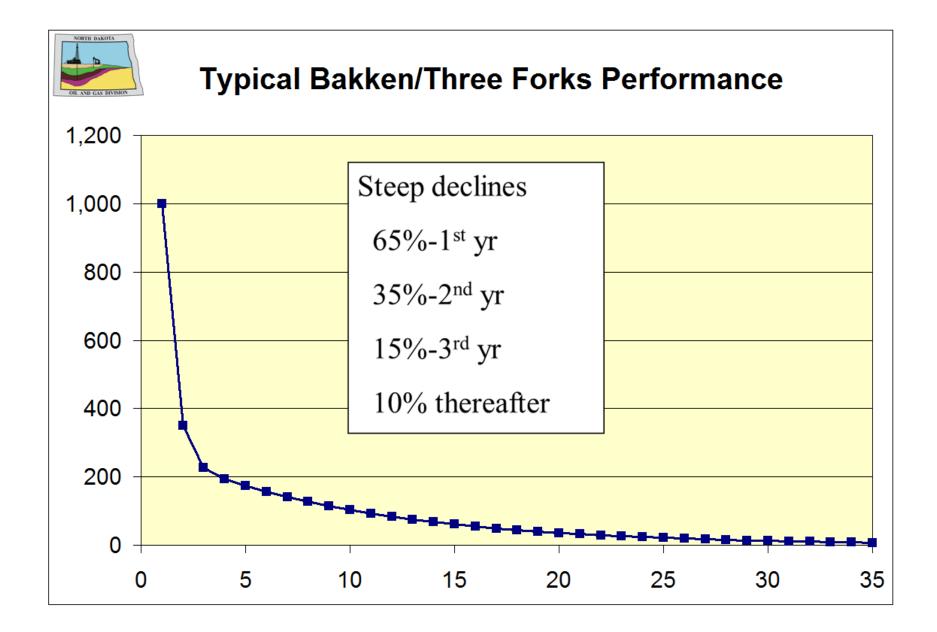
- 10,022 wells currently producing
 6,627 Bakken
- 1,000 more to secure leases
- 40,000 additional development wells
 - 225 rigs another 15 years
 - 100 rigs another 33 years
- Bakken Pool 4 targets

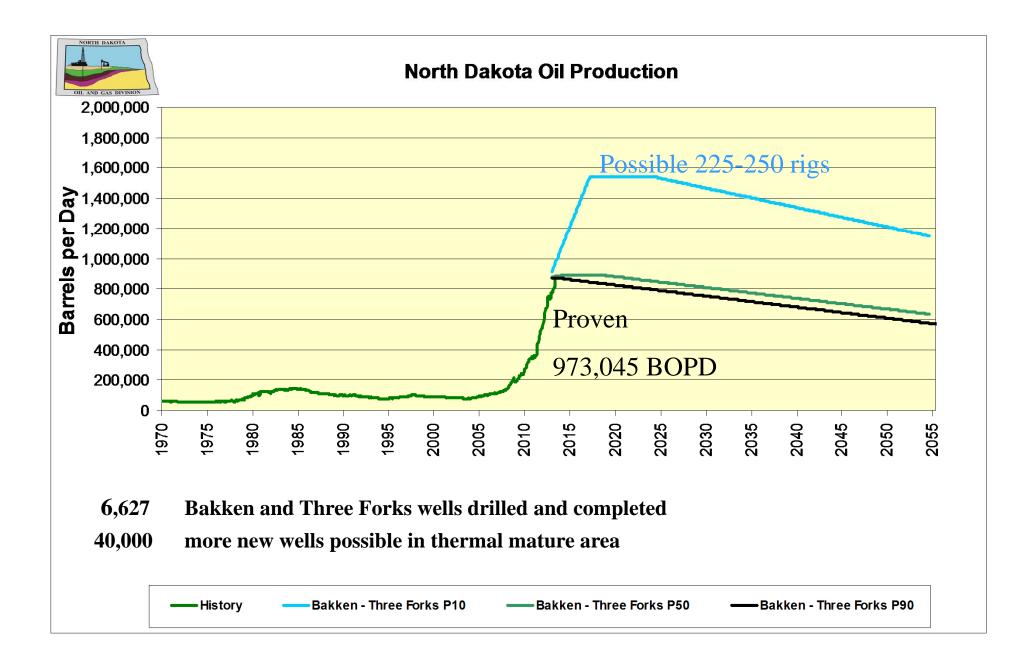


Production 973,045 bopd (appr 898,700 from Bakken—92%)



10,022 total wells – 6,627 Bakken horizontal (66.1%)





Reclaimed Location

File No. 15092 Armstrong #1-5 Hanson Sec 5-T155N-R102W Williams County, ND