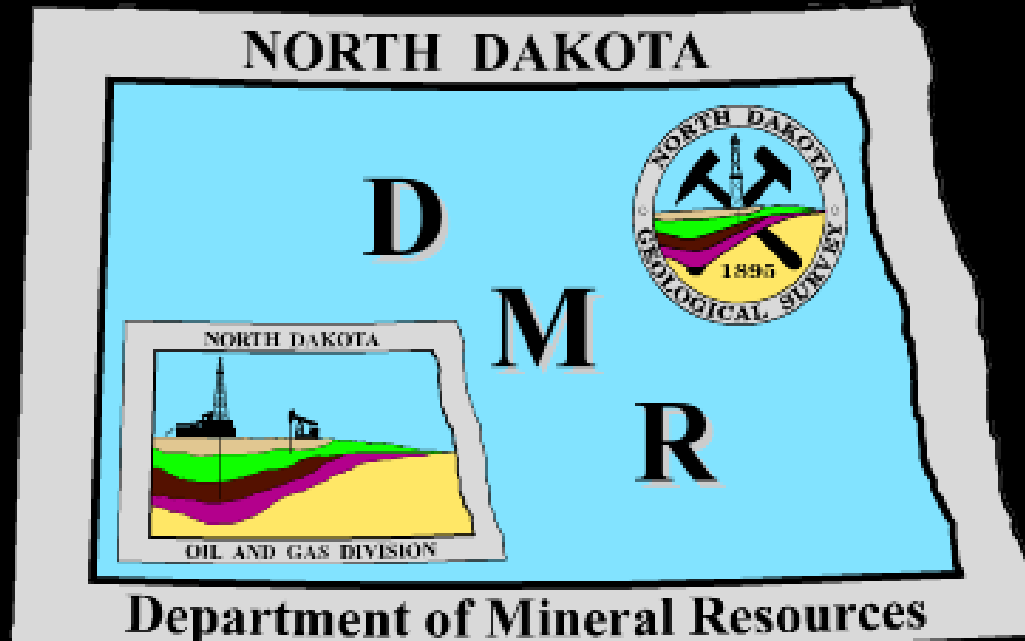


North Dakota Department of Mineral Resources



<http://www.oilgas.nd.gov>

<http://www.state.nd.us/ndgs>

600 East Boulevard Ave. - Dept 405

Bismarck, ND 58505-0840

(701) 328-8020 (701) 328-8000

Topics for Today

- Resource Plays
- Development History
- Impact mitigation
- CO₂ potential

Topics for Today

- Resource Plays
- Development History
- Impact mitigation
- CO2 potential

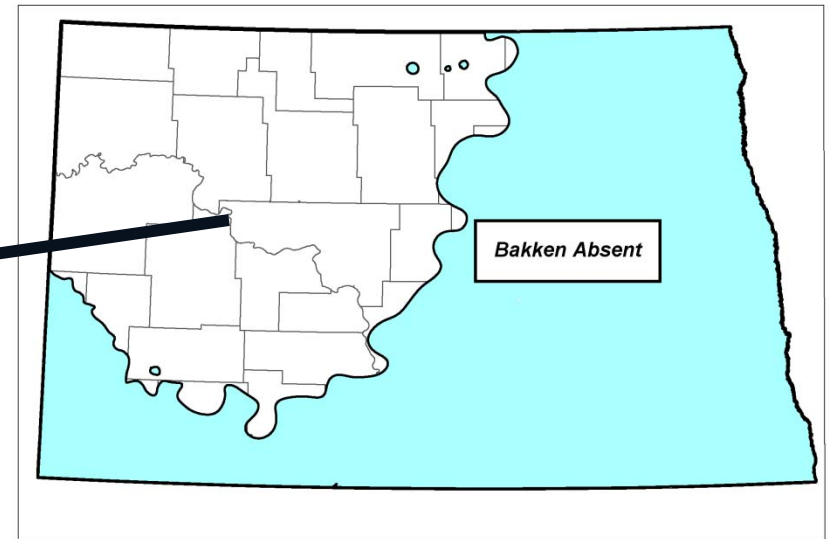
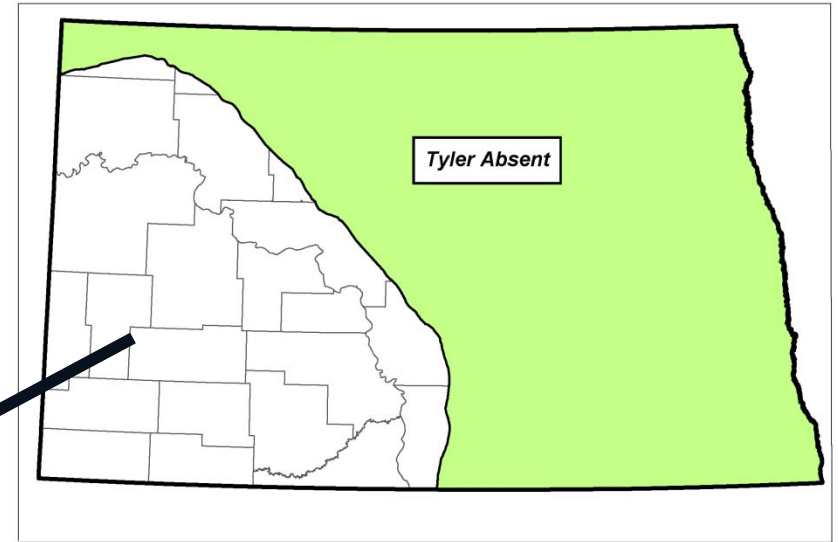
Resource Plays

- 1) **Large area** of organic-rich source rock.
- 2) **Heat, pressure, and time to mature** source rock.
- 3) **Expulsion** of hydrocarbons into adjacent rocks.
- 4) **Trapping** of hydrocarbons in adjacent rocks that are porous, but low permeability.
- 5) **Technology** to extract hydrocarbons using horizontal drilling and natural or artificial fractures to get economic amounts of petroleum production.

1) Regional Extent Tyler and Bakken

NORTH DAKOTA STRATIGRAPHIC COLUMN

SYSTEM	ROCK UNIT	ROCK COLUMN	LITHOLOGY, DEPOSITIONAL ENVIRONMENTS, AND OTHER ATTRIBUTES
CENOZOIC	Quaternary	Quaternary	Recent deposits, including alluvium, glacial drift, and recent sediments.
	Pleistocene	Pleistocene	Glacial drift, alluvium, and recent sediments.
	Pliocene	Pliocene	Glacial drift, alluvium, and recent sediments.
	Pliocene	Pliocene	Glacial drift, alluvium, and recent sediments.
	Pliocene	Pliocene	Glacial drift, alluvium, and recent sediments.
	Pliocene	Pliocene	Glacial drift, alluvium, and recent sediments.
	Pliocene	Pliocene	Glacial drift, alluvium, and recent sediments.
	Pliocene	Pliocene	Glacial drift, alluvium, and recent sediments.
	Pliocene	Pliocene	Glacial drift, alluvium, and recent sediments.
	Pliocene	Pliocene	Glacial drift, alluvium, and recent sediments.
MESOZOIC	Tertiary	Tertiary	Recent deposits, including alluvium, glacial drift, and recent sediments.
	Cretaceous	Cretaceous	Recent deposits, including alluvium, glacial drift, and recent sediments.
	Cretaceous	Cretaceous	Recent deposits, including alluvium, glacial drift, and recent sediments.
	Cretaceous	Cretaceous	Recent deposits, including alluvium, glacial drift, and recent sediments.
	Cretaceous	Cretaceous	Recent deposits, including alluvium, glacial drift, and recent sediments.
	Cretaceous	Cretaceous	Recent deposits, including alluvium, glacial drift, and recent sediments.
	Cretaceous	Cretaceous	Recent deposits, including alluvium, glacial drift, and recent sediments.
	Cretaceous	Cretaceous	Recent deposits, including alluvium, glacial drift, and recent sediments.
	Cretaceous	Cretaceous	Recent deposits, including alluvium, glacial drift, and recent sediments.
	Cretaceous	Cretaceous	Recent deposits, including alluvium, glacial drift, and recent sediments.
PALEOZOIC	Carboniferous	Carboniferous	Recent deposits, including alluvium, glacial drift, and recent sediments.
	Carboniferous	Carboniferous	Recent deposits, including alluvium, glacial drift, and recent sediments.
	Carboniferous	Carboniferous	Recent deposits, including alluvium, glacial drift, and recent sediments.
	Carboniferous	Carboniferous	Recent deposits, including alluvium, glacial drift, and recent sediments.
	Carboniferous	Carboniferous	Recent deposits, including alluvium, glacial drift, and recent sediments.
	Carboniferous	Carboniferous	Recent deposits, including alluvium, glacial drift, and recent sediments.
	Carboniferous	Carboniferous	Recent deposits, including alluvium, glacial drift, and recent sediments.
	Carboniferous	Carboniferous	Recent deposits, including alluvium, glacial drift, and recent sediments.
	Carboniferous	Carboniferous	Recent deposits, including alluvium, glacial drift, and recent sediments.
	Carboniferous	Carboniferous	Recent deposits, including alluvium, glacial drift, and recent sediments.



Carboniferous

Topics for Today

- Resource Plays
- Development History
- Impact mitigation
- CO2 potential

Bakken Shale Production 1985-2010 Williston Basin, ND & MT

Canada

2010

Bakken Shale Producing Wells

Bbl Oil per Day (Mean per Quarter)

0 - 100

101 - 500

> 500

Gas-Oil Ratio (Mean per Quarter)

0 - 1,000 (Oil Bbl >>> Gas BOE)

1,001 - 6,000 (Oil Bbl > Gas BOE)

> 6,000 (Gas BOE > Oil Bbl)

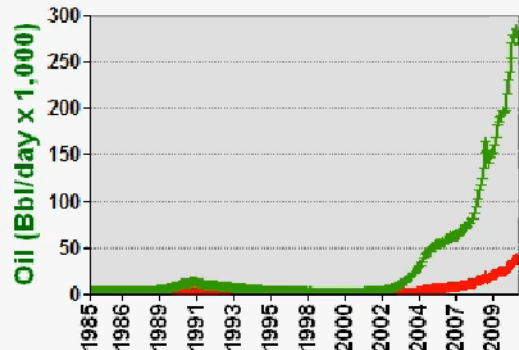
Bakken Depositional Limit

Miles

0 20 40

McCone

Bakken Shale Production



1996: Middle Bakken
Vertical well Tests
Elm Coulee Field

2000: Elm Coulee
Middle Bakken
Horizontal wells
Discovery

1987:
Upper Bakken Shale
Horizontal Wells
Billings Nose

1976:
Upper Bakken Shale,
Vertical wells
Billings Nose

North
Dakota

Montana

Sheridan

Roosvelt

Dawson

Richland

Wibaux

Fallon

Williams

McKenzie

Golden Valley

Billings
Nose

Nesset Anticline

Billings

Stark

Canada

MT

ND

WY

SD

NE

2006:
Parshall
Field
discovered

Renville

Ward

McLean

Mercer

Dunn

eia

Legend / Layers

Overview Map

[View Entire State](#)[Previous View](#)

Clear Selection

Search

Generate PDF

Zoom In

Zoom Out

Pan

Rect Identify

Select Object

Buffer

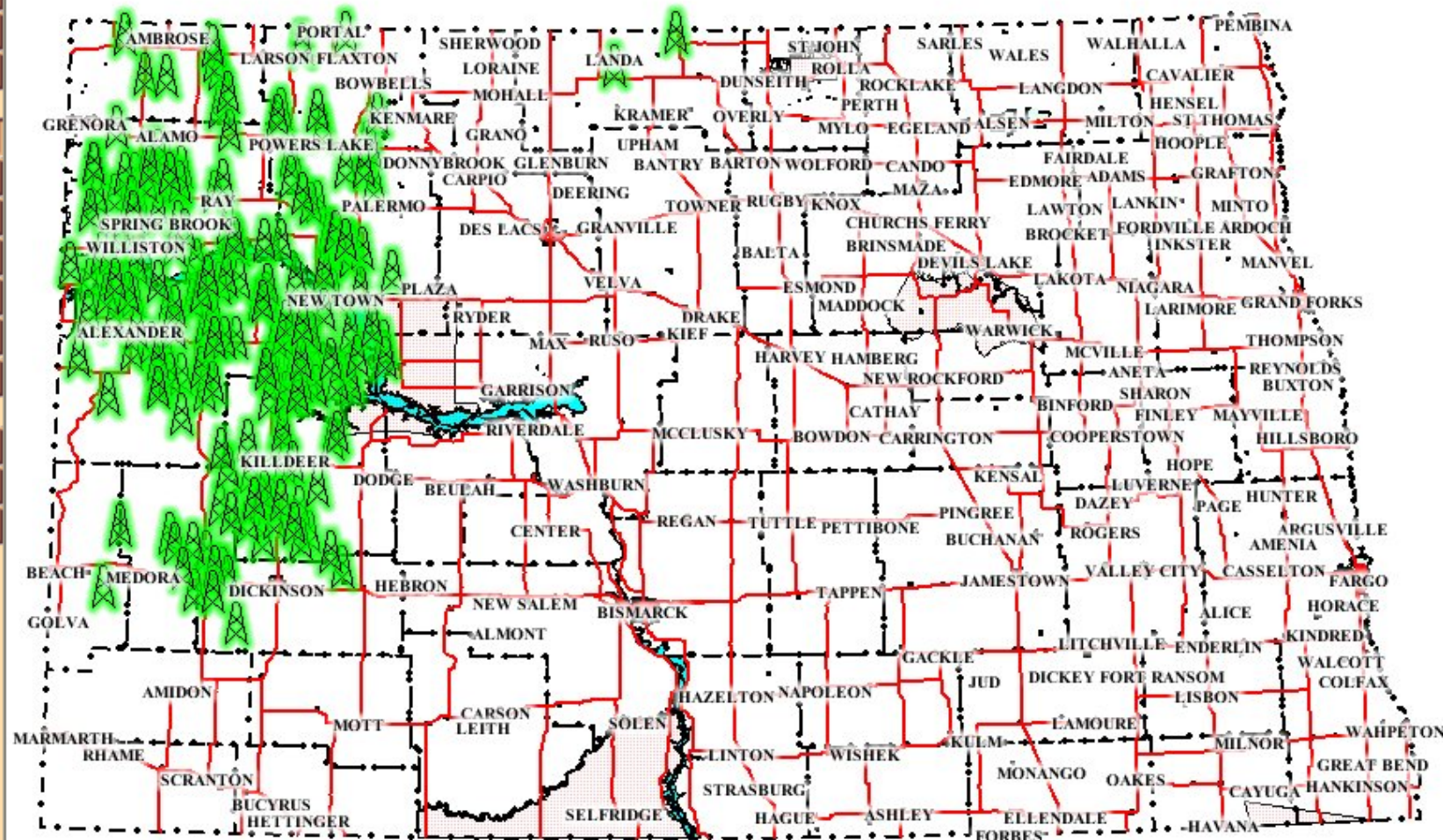
Distance

Find Well

Find Field/Unit

Find Section

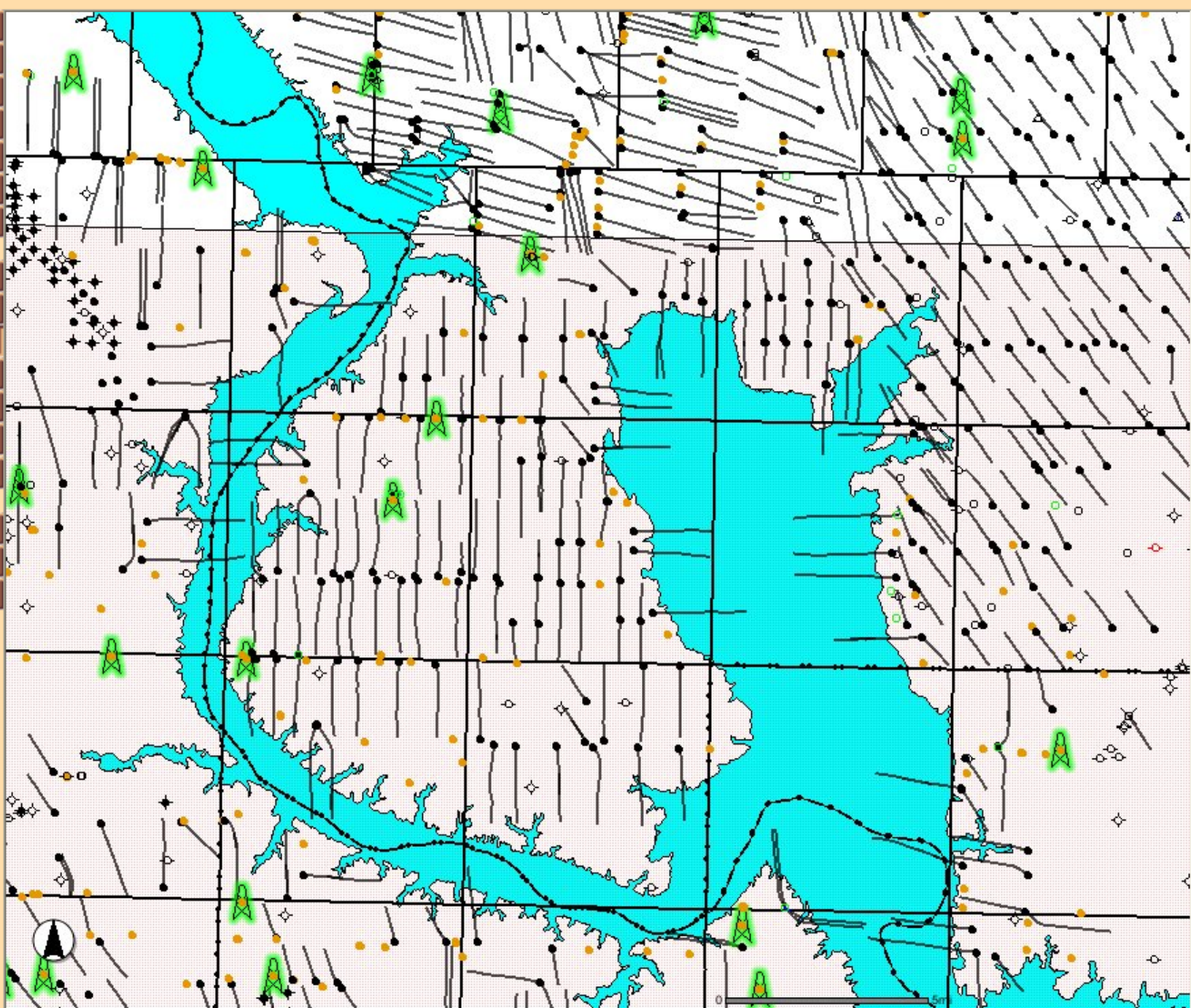
203 Rigs



Topics for Today

- Resource Plays
- Development History
- Impact mitigation
- CO₂ potential

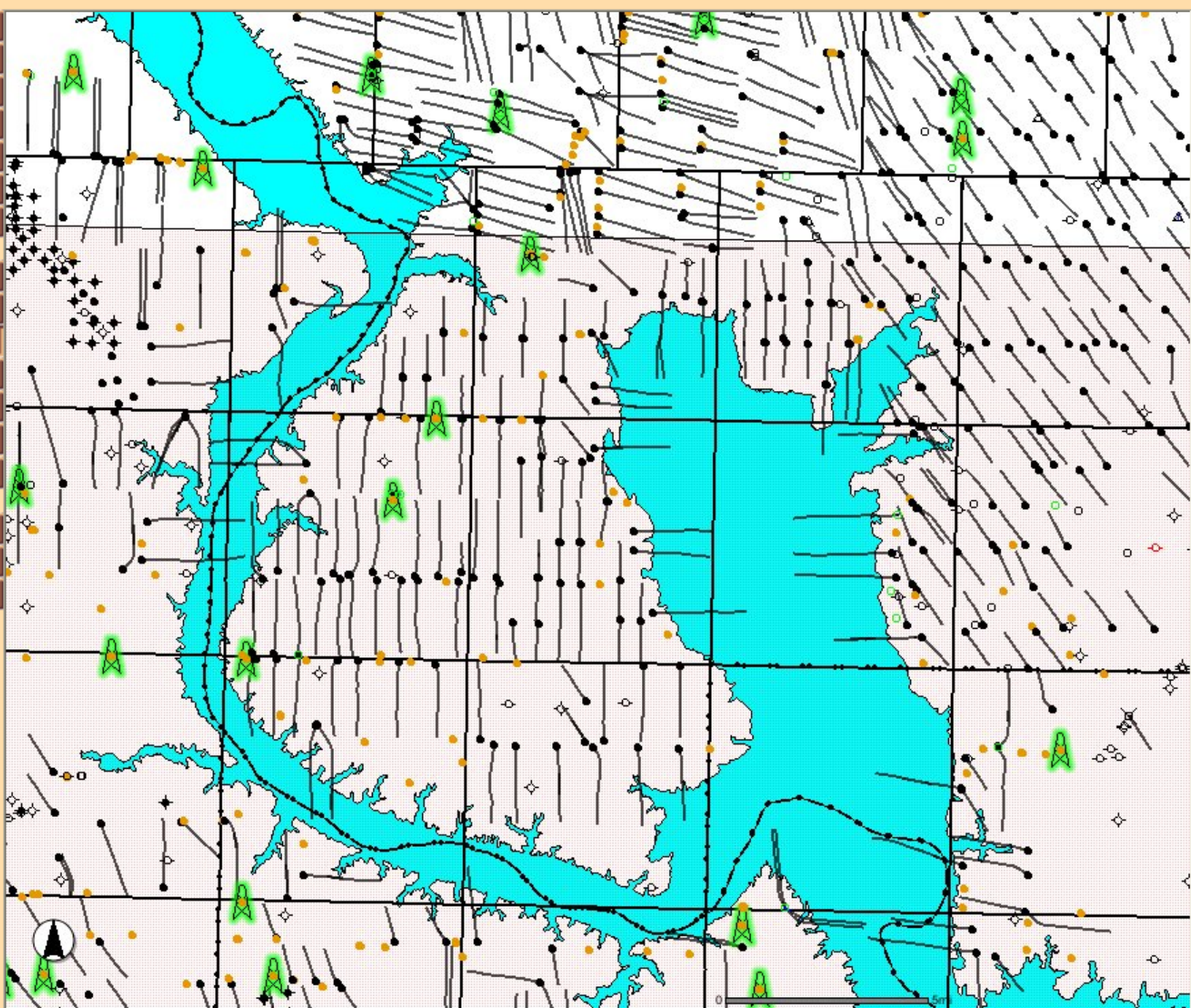
- Legend / Layers
Overview Map
View Entire State
Previous View
Clear Selection
Search
Generate PDF
-
- Zoom In
Zoom Out
Pan
Rect Identify
Select Object
Buffer
Distance
-
- Find Well
Find Field/Unit
Find Section



Western North Dakota

- 1,100 to 2,700 wells/year = 2,000 expected
 - 100-225 rigs = 12,000 – 27,000 jobs = 12,000 – 27,000 jobs
 - Another 10,000 jobs operating wells and building infrastructure
 - 225 rigs can drill the 4,500 wells needed to secure leases in 2 years
 - 225 rigs can drill the 27,500 wells needed to develop spacing units in 16 years
 - 32,000 new wells = 30,000-35,000 long term jobs

- Legend / Layers
Overview Map
View Entire State
Previous View
Clear Selection
Search
Generate PDF
-
- Zoom In
Zoom Out
Pan
Rect Identify
Select Object
Buffer
Distance
-
- Find Well
Find Field/Unit
Find Section





Vern Whitten Photography

▼ Search

Fly To Find Businesses Directions

Fly to e.g., Hotels near JFK

dunn county nd

☒ ☒ [Dunn, North Dakota](#)

☐ ☒ [Sublette, Wyoming](#)



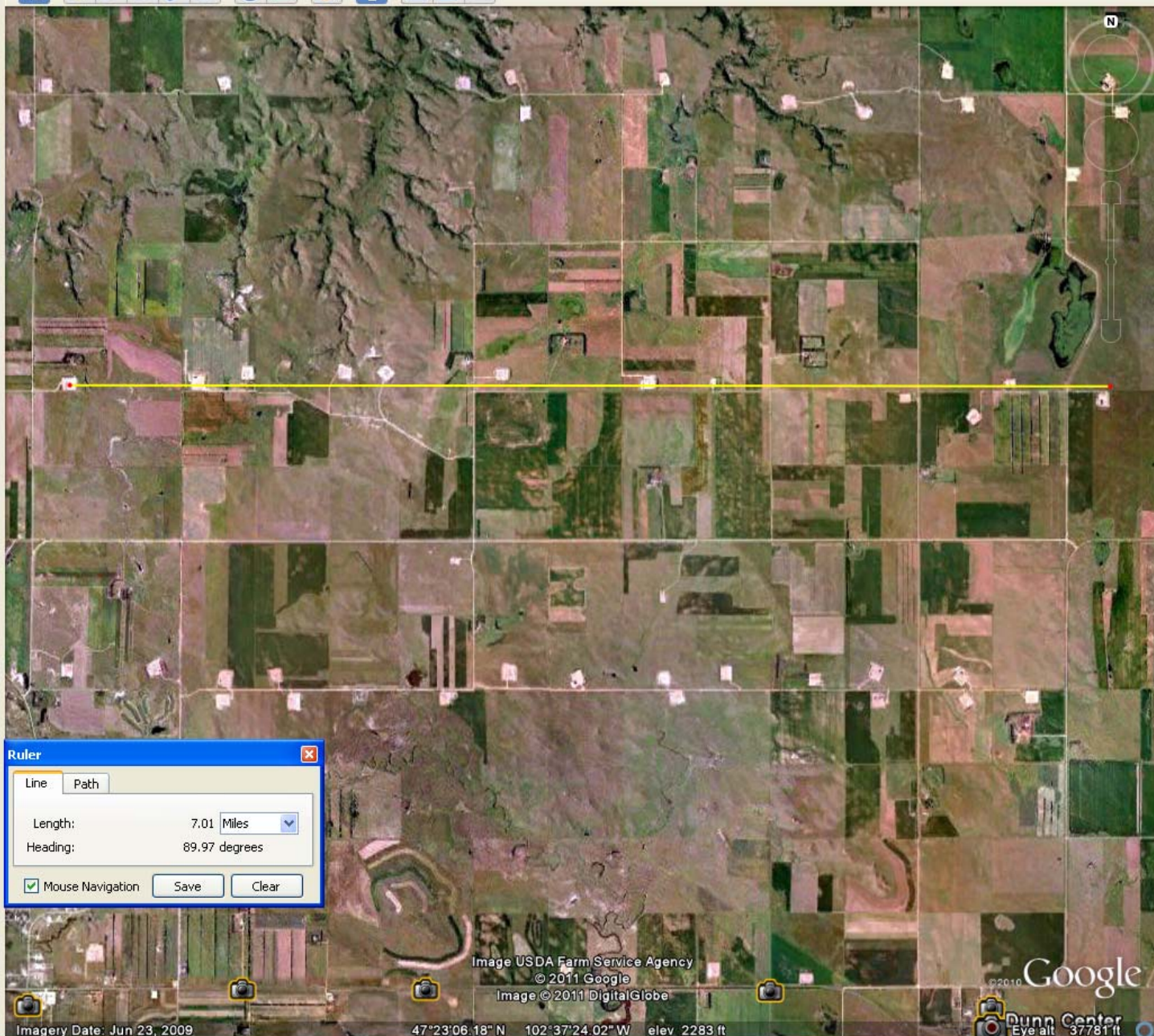
▼ Places

- ☒ My Places
- ☒ Sightseeing Tour
 - Make sure 3D Buildings layer is checked
- ☐ Temporary Places

▼ Layers

Earth Gallery >>

- ☒ Primary Database
- ☒ Borders and Labels
- ☒ Places
- ☒ Photos
- ☒ Roads
- ☒ 3D Buildings
- ☒ Ocean
- ☒ Street View
- ☐ Weather
- ☐ Gallery
- ☐ Global Awareness
- ☐ More



Ruler

Line Path

Length: 7.01 Miles

Heading: 89.97 degrees

☒ Mouse Navigation Save Clear

Image USDA Farm Service Agency
© 2011 Google
Image © 2011 DigitalGlobe

Google

Imagery Date: Jun 23, 2009

47°23'06.18" N 102°37'24.02" W elev 2283 ft

Dunn Center Eye alt 37781 ft

Search

Fly To Find Businesses Directions

Fly to e.g., Hotels near JFK

sublette county wy

Sublette, Wyoming

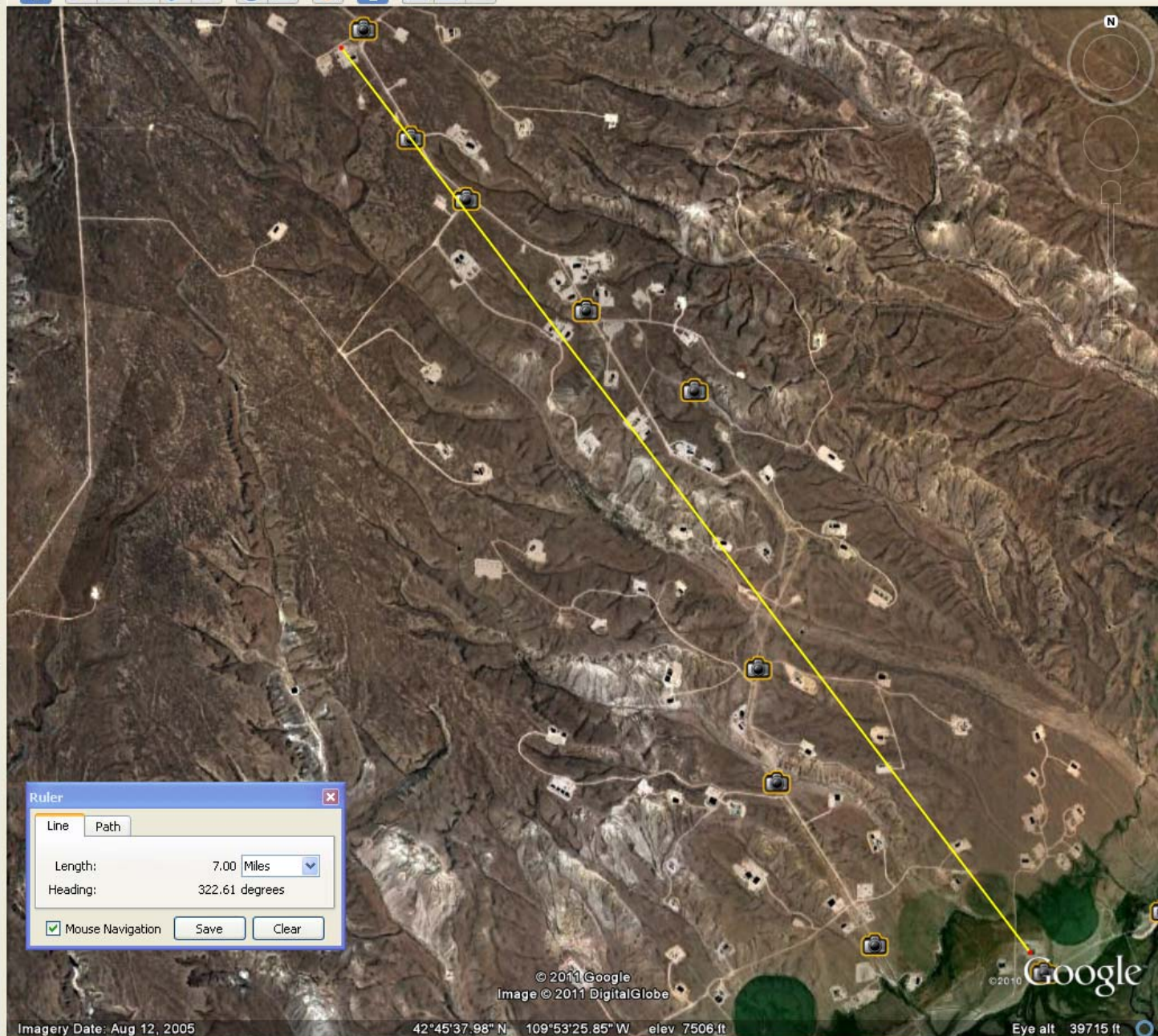
Places

- My Places
- Sightseeing Tour
 - Make sure 3D Buildings layer is checked
- Temporary Places

Layers

Earth Gallery >>

- Primary Database
- Borders and Labels
- Places
- Photos
- Roads
- 3D Buildings
- Ocean
- Street View
- Weather
- Gallery
- Global Awareness
- More



Ruler

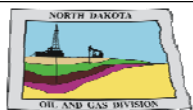
Line Path

Length: 7.00 Miles

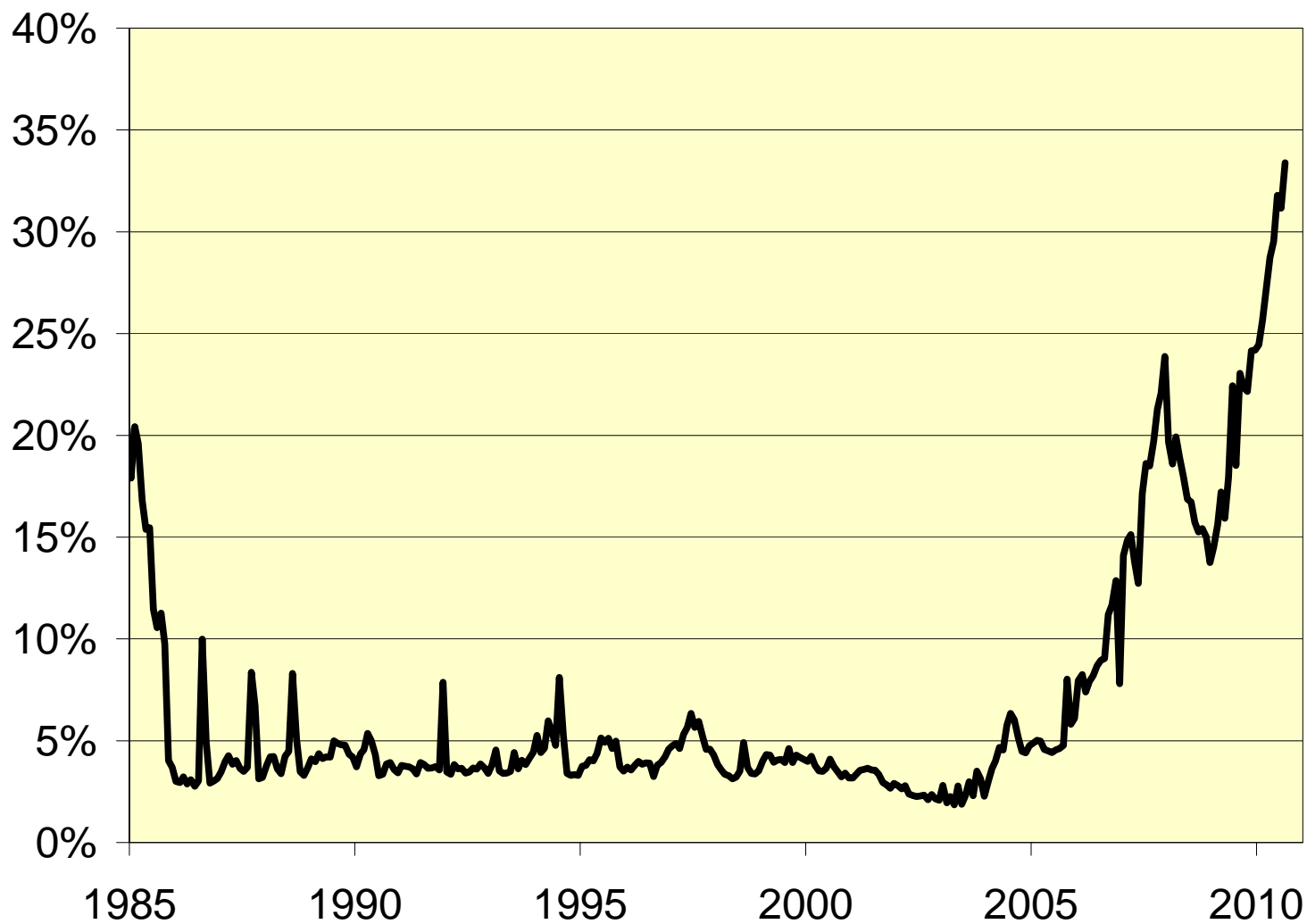
Heading: 322.61 degrees

☒ Mouse Navigation Save Clear

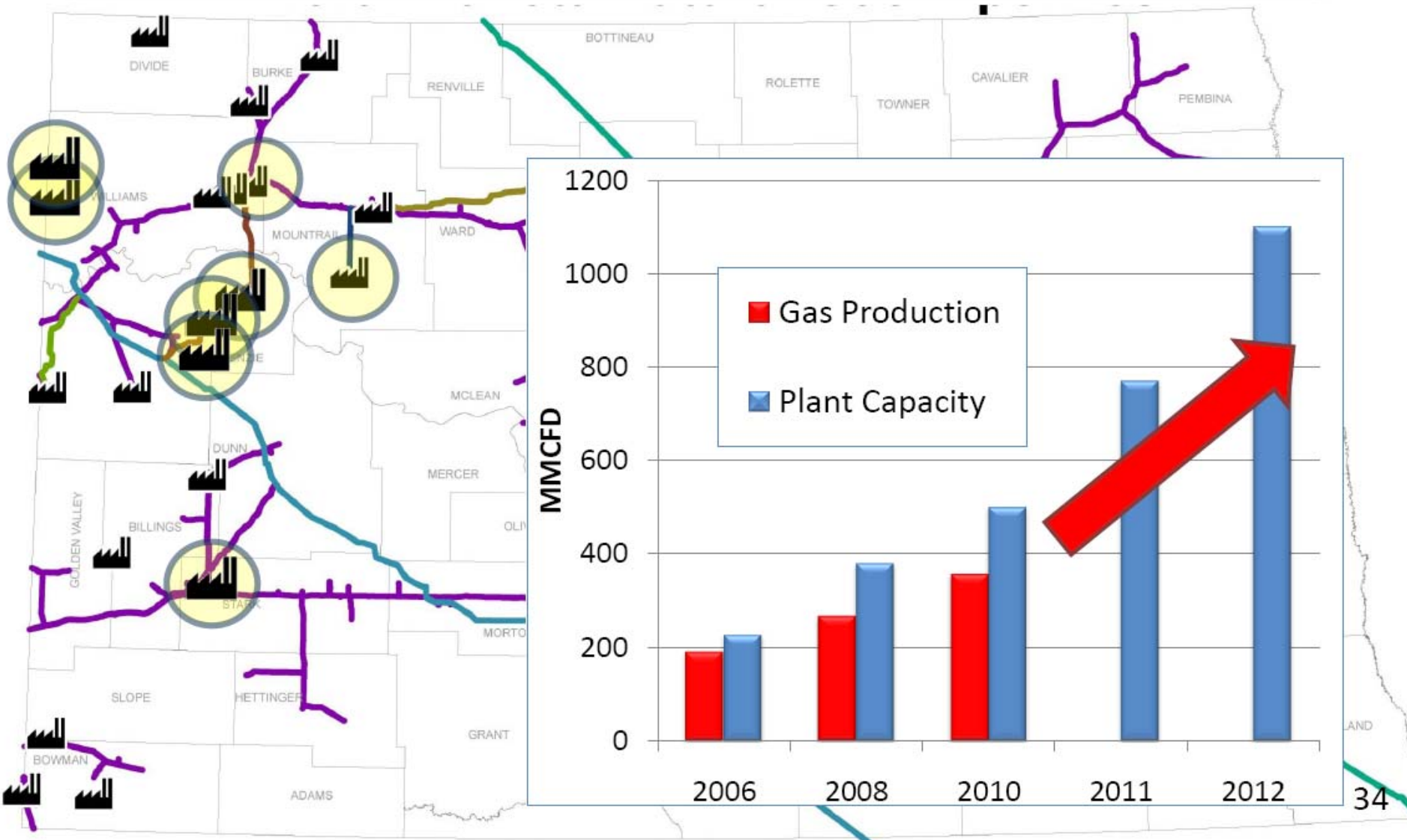




North Dakota Monthly Gas Flared



New or Expanding Gas Plants

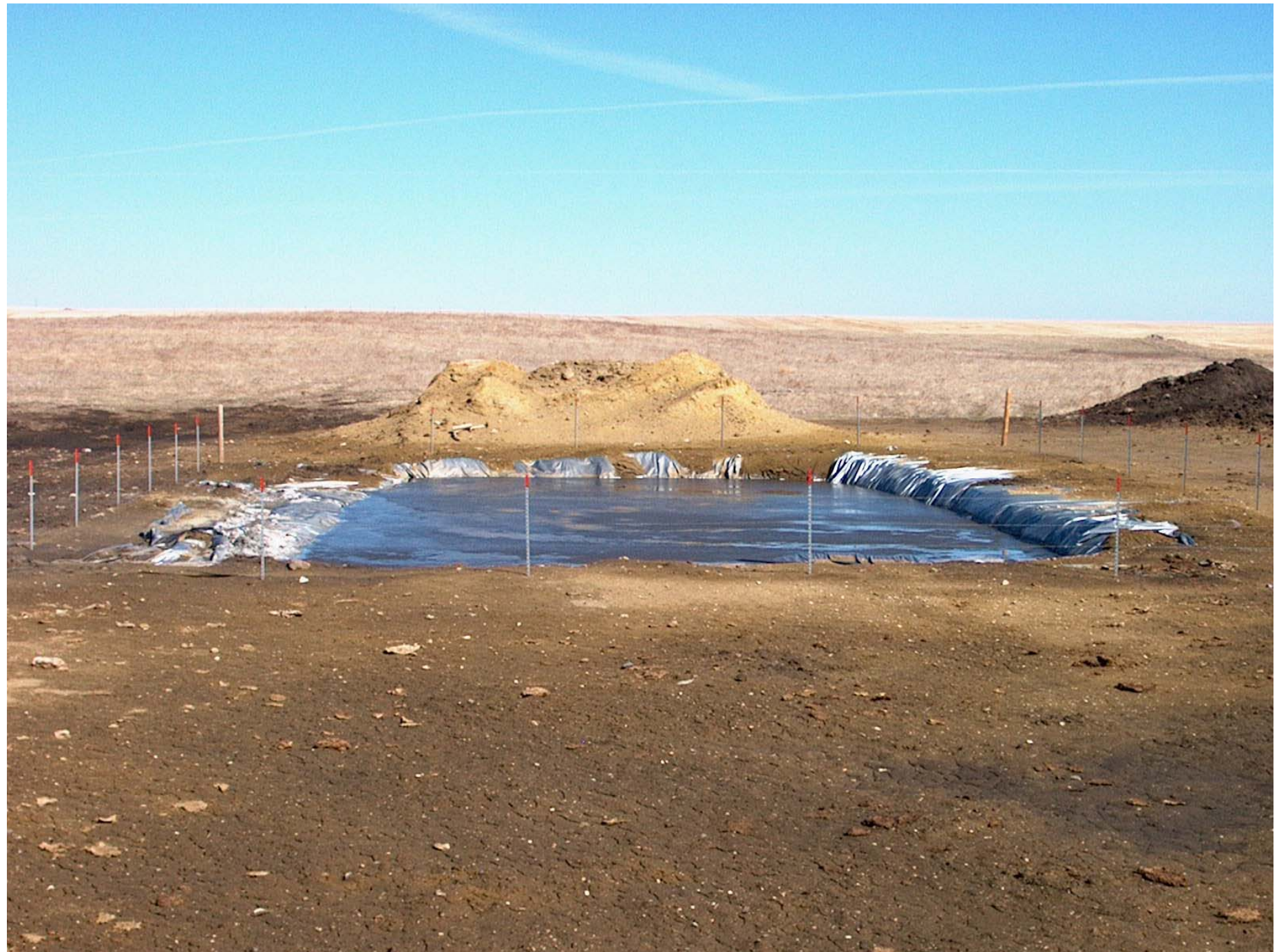


SUMMARY OF PROPOSED 2012 RULES

NDAC	RULES	PROPOSED CHANGE
43-02-03 GENERAL RULES		
43-02-03-05	Enforcement of Laws and Rules	Move language to 43-02-03-28 (Safety Regulation)
43-02-03-15	Bonds	Increase \$20,000 bond to \$50,000
		Commercial SWD bond increased from \$20,000 bond to \$50,000
		Eliminates \$50,000 10-well blanket bond
43-02-03-16	Permit to Drill	Consider csg imbrittlement due to H ₂ S when considering recompletions
43-02-03-16.3	Recovery of a Risk Penalty	Clarify that "approximate" well loc is to be included in the invitation to participate Requires the drilling or spacing unit be included in the invitation to participate
43-02-03-18	Drilling Units	Allows temporary spacing order effective for up to 3 yrs, not 1-1/2 yrs
43-02-03-19	Site Construction	Amends rule to address only initial well site construction
		Soil stabilization additives and materials require approval from Director
		Must reduce size of well site after completion if not used f/well operations
43-02-03-19.1	Fencing, Screening, and Netting of Pits	Amended to also address "drilling" pits which were newly created
43-02-03-19.2	Disposal of Waste Material	Requires all waste material from undesirable events to be immediately disposed
43-02-03-19.3	Earthen Pits and Open Receptacles	Requires flare pits to be at least 150 feet from wells and tanks
		Allows lined fresh wtr pit for frack water f/1yr in cut w/only drinking wtr chemicals
		Creates new section addressing pits allowing cuttings, but no fluids
43-02-03-19.4	Drilling Pits	Must reclaim pit w/in 30 days after drilling well; Director may grant exceptions
		Allows small lined pit f/trench water and rig wash, but reclaim before MORT
		Must dike pit to keep surface water from entering
43-02-03-19.5	Reserve Pits	Creates new section allowing reserve pits only for wells < 5000' deep or SWD
		Must reclaim pit w/in one yr after completing well
		Must slope surface to promote surface drainage away from reclaimed area
43-02-03-21	Casing, Tubing, and Cementing	Requires remedial work f/inadequate sur csg job to be approved by Director
		Requires surface casing pressure test after cementing
43-02-03-25	Deviation Tests and Directional Surveys	Requires directional surveys to be in reference to true north
43-02-03-27.1	Hydraulic Fracture Stimulation	Creates new section addressing hydraulic fracture stimulation
		Must use popoff valves, rupture disk, remote valve
		Use frack string: no chem disclosure if > 350psi on annulus after frack
43-02-03-28	Safety Regulation	Frack down csg: run csg evaluation f/thickness of csg and cmt w/chem disclosure
		Incorporated language removed from 43-02-03-05 on well shut in f/public safety
		Requires automatic shut-down equip if well is threat to public health or safety
43-02-03-30.1	Leak and Spill Cleanup	Prohibits injection equipment from being installed < 500' from occupied dwelling
		Creates new section and incorporates language from 43-02-03-49&53
43-02-03-31	Well Log, Completion and Workover Reports	Requires operators to respond w/appropriate resources to contain & clean up spills
		Run CBL prior to completion
43-02-03-34.1	Reclamation of Surface	File two digital copies of logs, instead of one digital and one paper
		Creates new section to address final restoration after well is plugged
43-02-03-49	Oil Spills, Prod Equip, Dikes, and Seals	No additional requirements: Language taken from 43-02-03-19
		Amend rule--move spill reference to 43-02-03-30.1
43-02-03-51	Treating Plant	Must remove "unused" equip rather than "unusable"
		Increases minimum bond from \$20,000 to \$50,000 for treating plants
43-02-03-53	Saltwater Handling Facilities	Amend rule--move spill reference to 43-02-03-30.1
		Requires oil recovered from saltwater handling facilities to be reported to Director
43-02-03-54	Investigative Powers	Must remove "unused" equip rather than "unusable"
		Director can timely (instead of "immediately") reply to a complaint
43-02-03-55	Abandonment of Wells-Suspension of Drilling	Allows Director to decline to investigate--can appeal to IC
		Abandonment will now include water source wells and stratigraphic tests
43-02-03-88.1	Special Procedures Administrative Hearings	Allows applications for additional wells on a spacing unit without live testimony
		Comments and objections to hearings must be rec'd prior business day by 5pm
43-02-03-90.2	Official Notice	Comments and objections to hearings must be rec'd prior business day by 5pm
43-02-12 GEOPHYSICAL EXPLORATION REQUIREMENTS		
43-02-12-06	Notification of Work Performed	Director may require progress reports prior to completion of a project

43-02-03-19.4	Drilling Pits	Creates new section addressing pits allowing cuttings, but no fluids
		Must reclaim pit w/in 30 days after drilling well; Director may grant exceptions
		Allows small lined pit f/trench water and rig wash, but reclaim before MORT
		Must dike pit to keep surface water from entering
43-02-03-19.5	Reserve Pits	Creates new section allowing reserve pits only for wells < 5000' deep or SWD
		Must reclaim pit w/in one yr after completing well
		Must slope surface to promote surface drainage away from reclaimed area



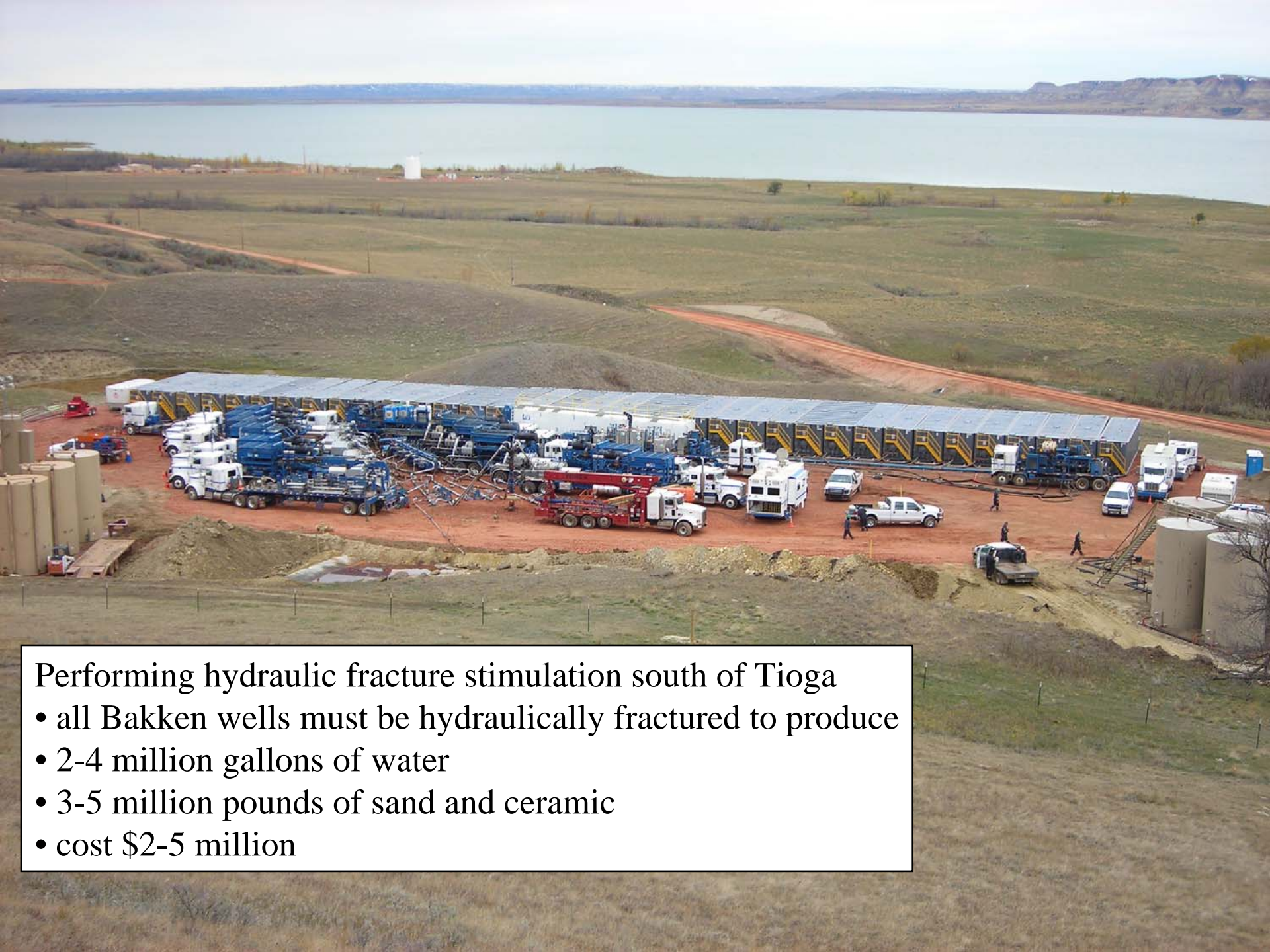




43-02-03-27.1	Hydraulic Fracture Stimulation	Creates new section addressing hydraulic fracture stimulation
		Must use popoff valves, rupture disk, remote valve
		Use frack string: no chem disclosure if > 350psi on annulus after frack
		Frack down csg: run csg evaluation f/thickness of csg and cmt w/chem disclosure

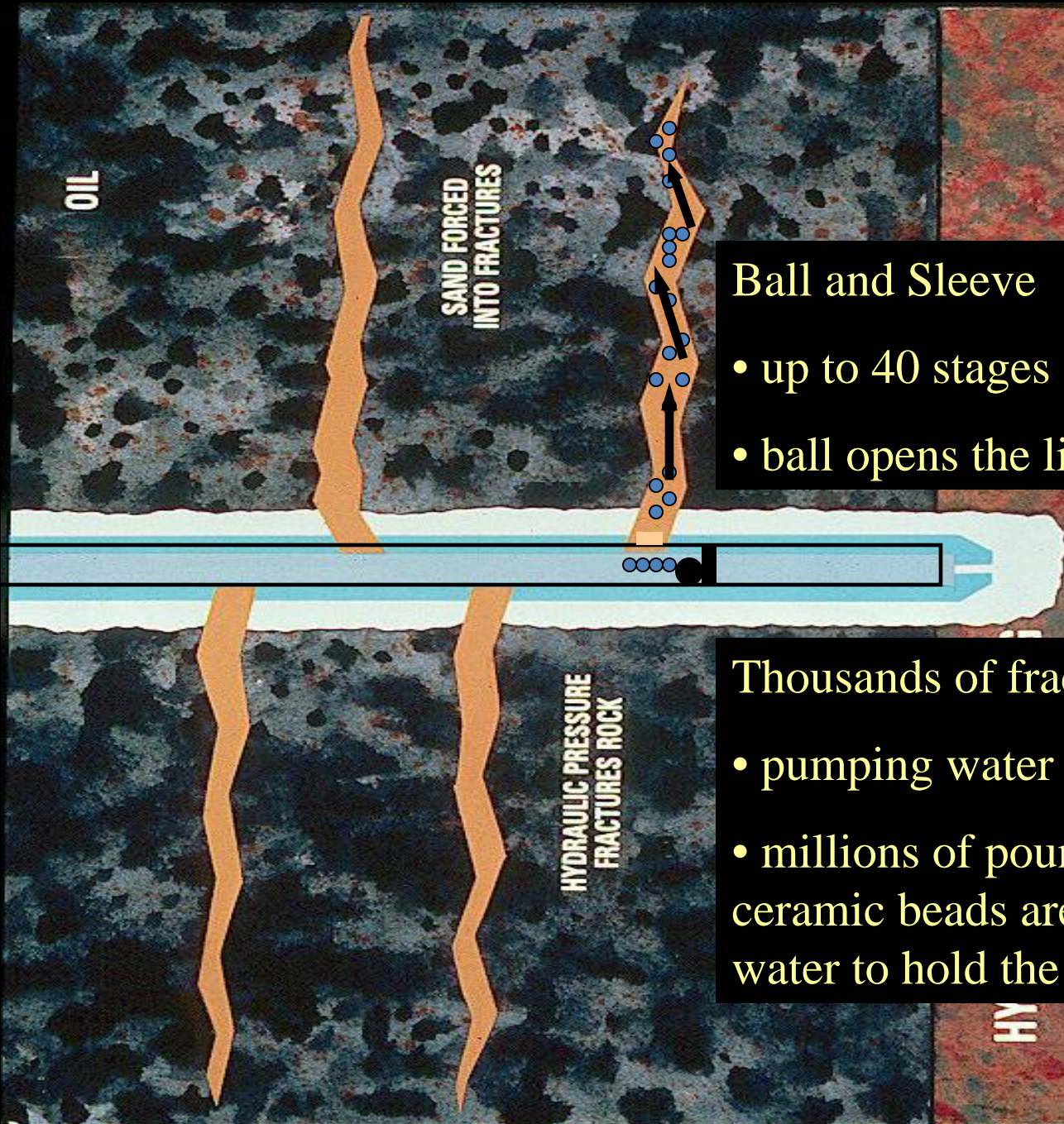
WHY FRACK THE ROCK?

- **Easy oil and gas are already developed**
 - **flow without fracing**
- **Unconventional Reserves**
 - **reservoirs are tight**
 - **look at sample**
 - **uneconomic to produce without fracing**
 - **must create a path for oil to flow**



Performing hydraulic fracture stimulation south of Tioga

- all Bakken wells must be hydraulically fractured to produce
- 2-4 million gallons of water
- 3-5 million pounds of sand and ceramic
- cost \$2-5 million

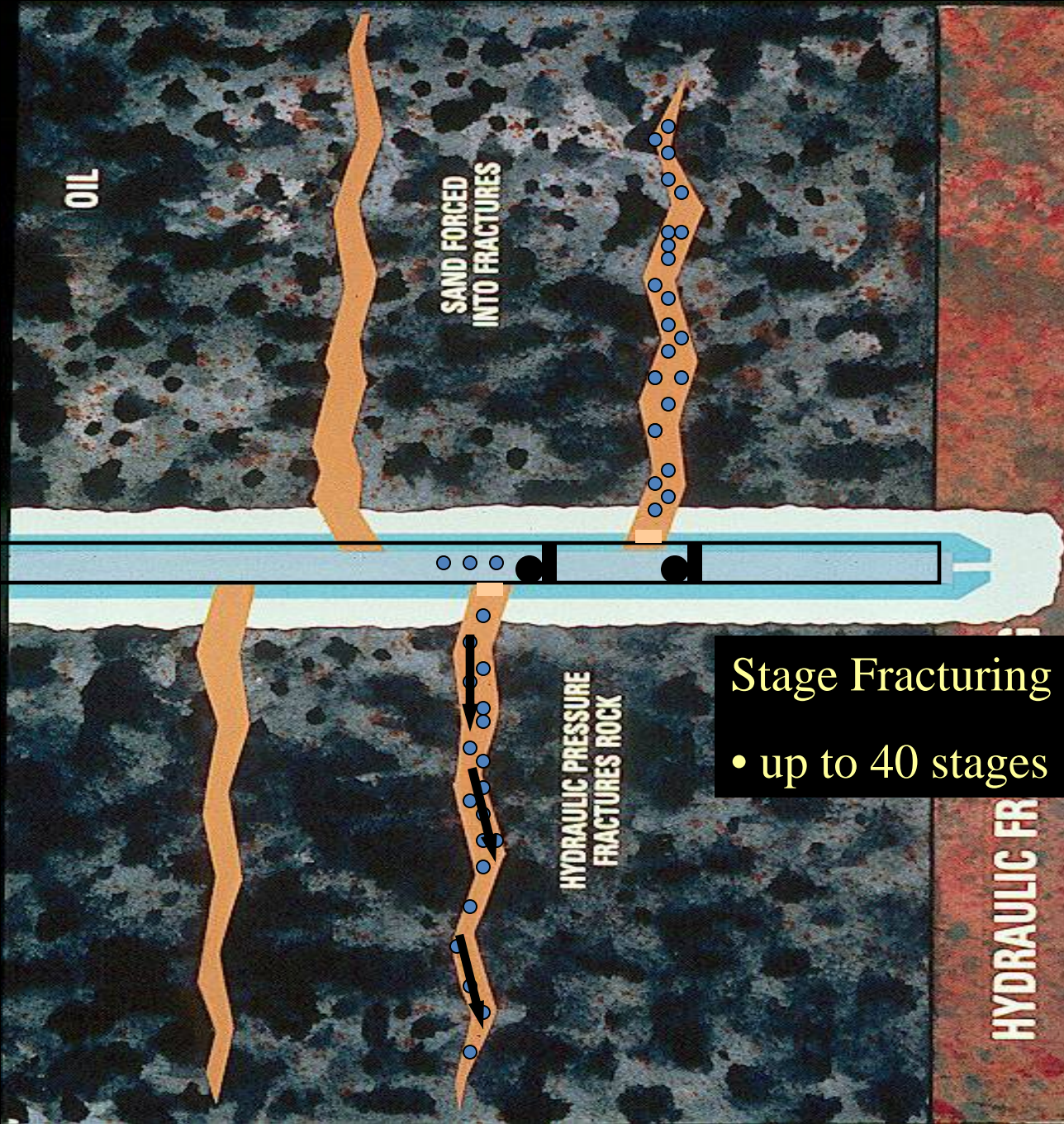


Ball and Sleeve

- up to 40 stages
- ball opens the liner sleeve

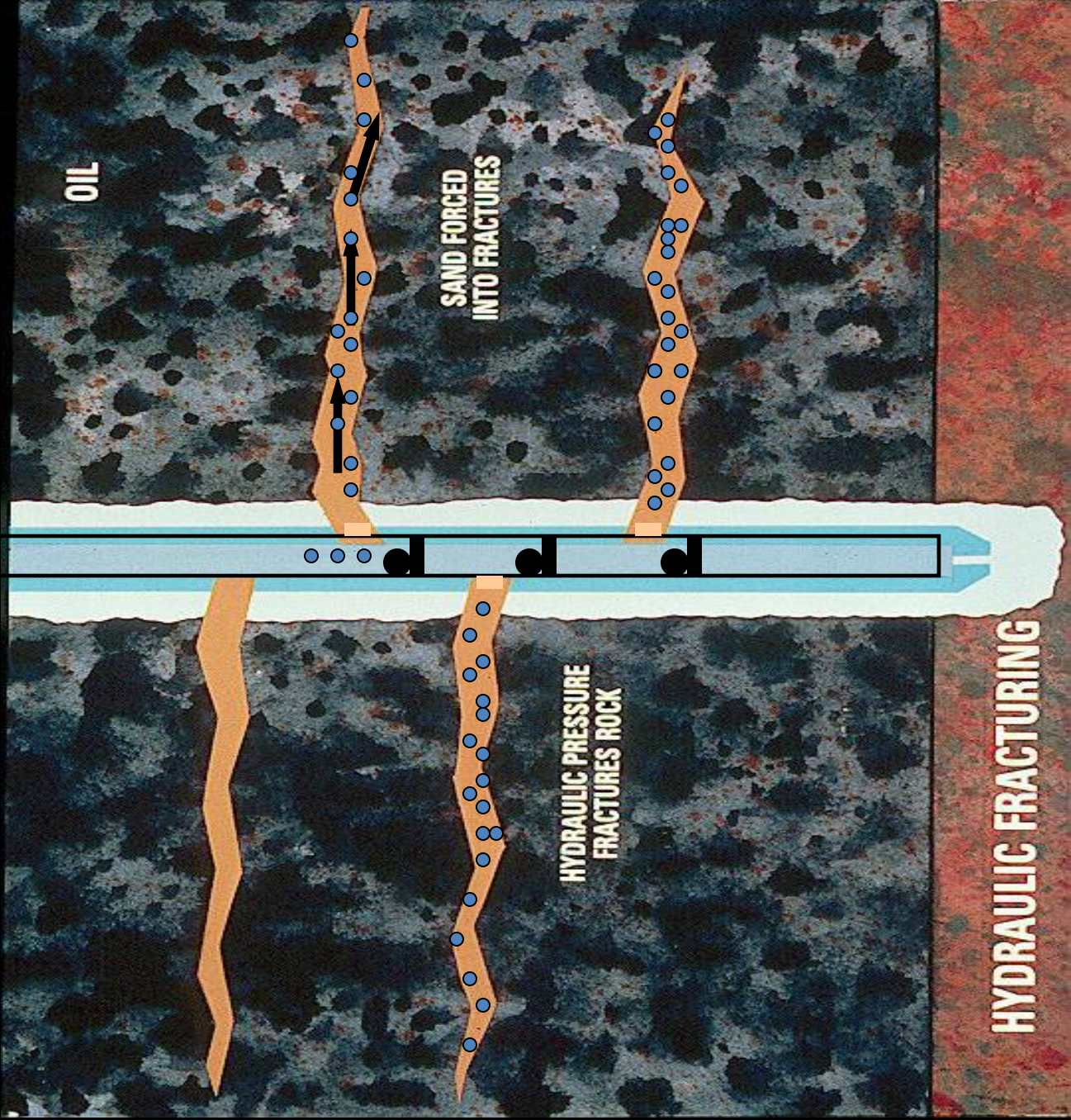
Thousands of fractures are created

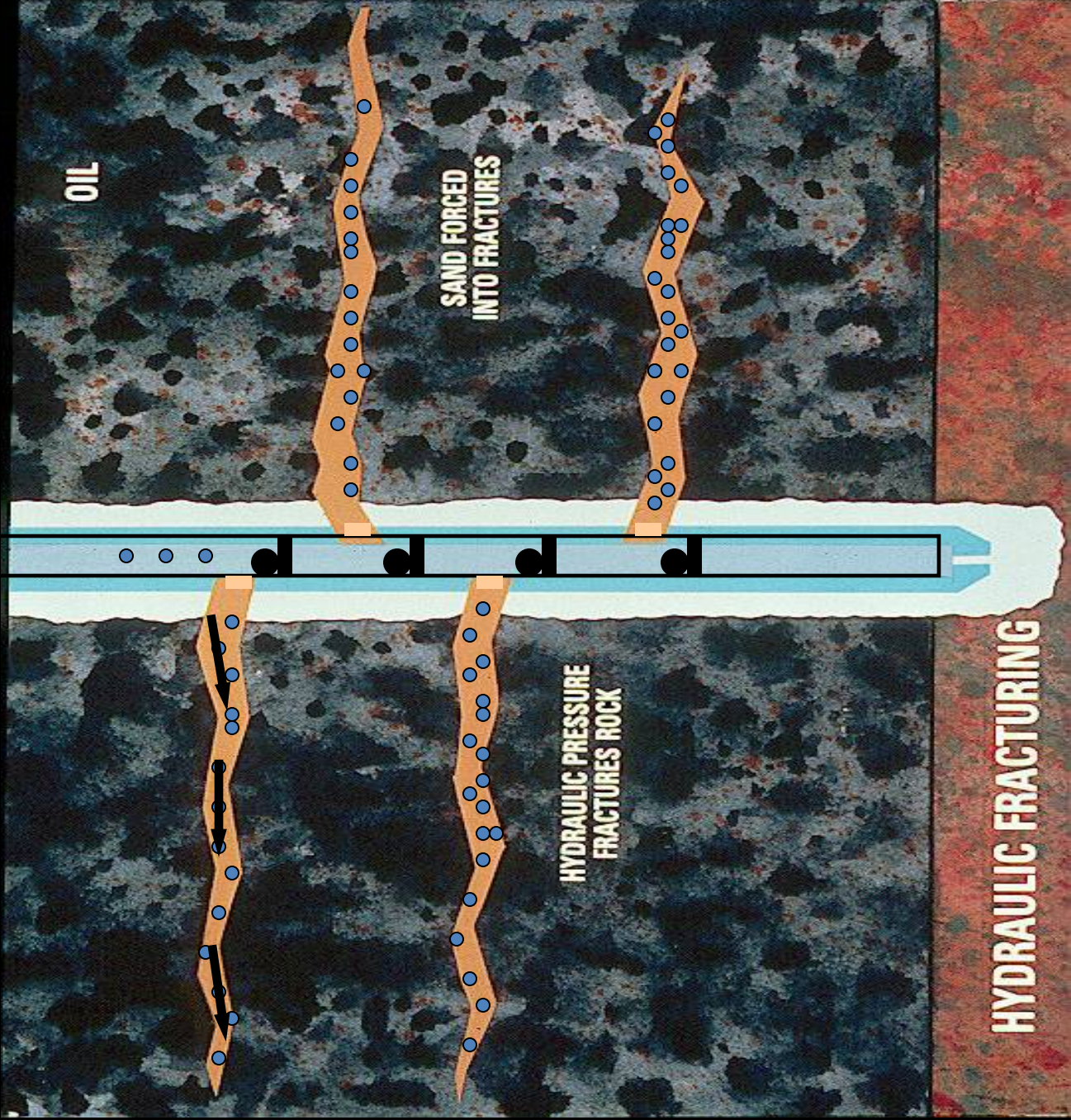
- pumping water at 6,000-9,000 psi
- millions of pounds of sand and ceramic beads are pumped with the water to hold the fractures open.

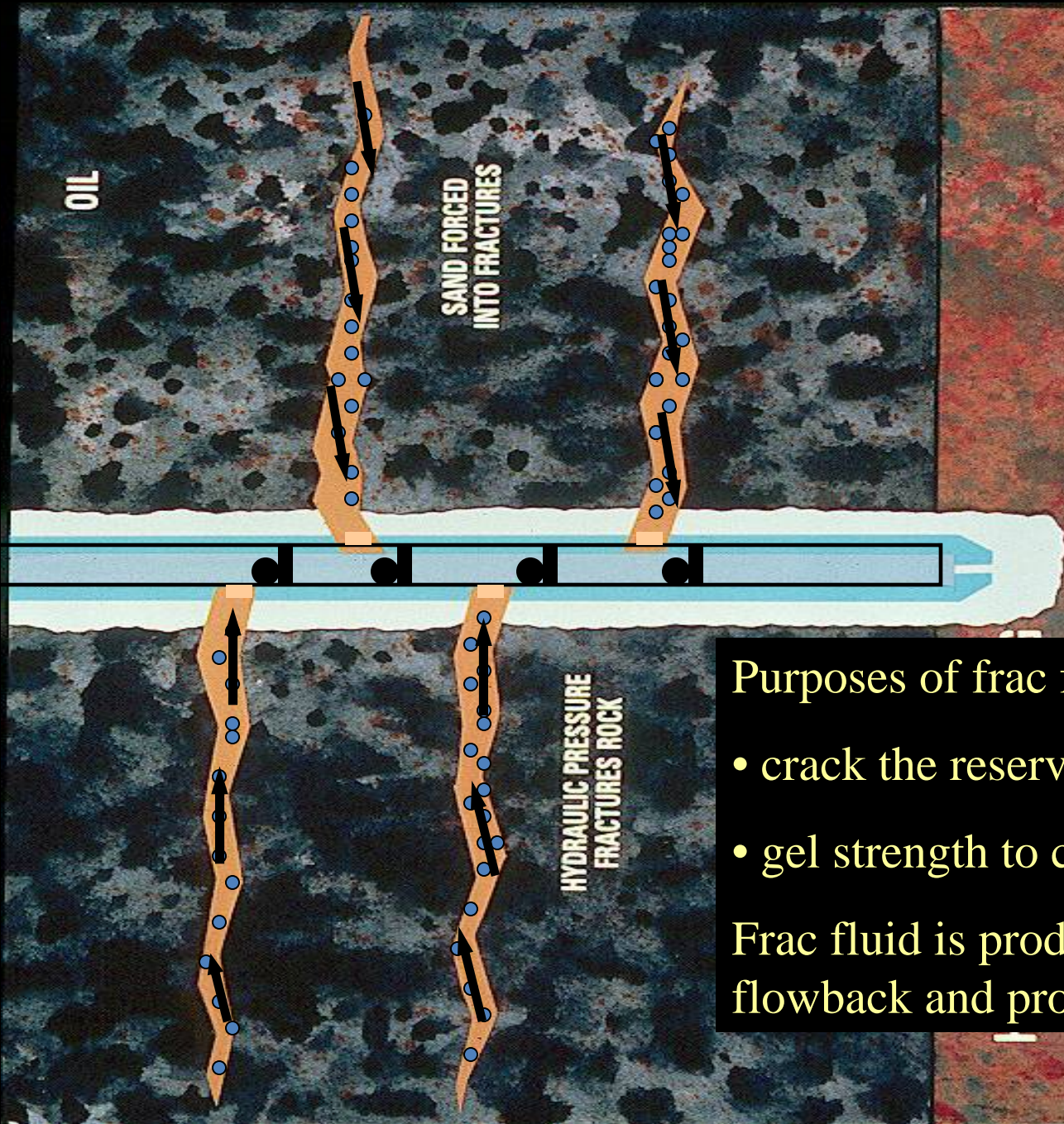


Stage Fracturing

- up to 40 stages





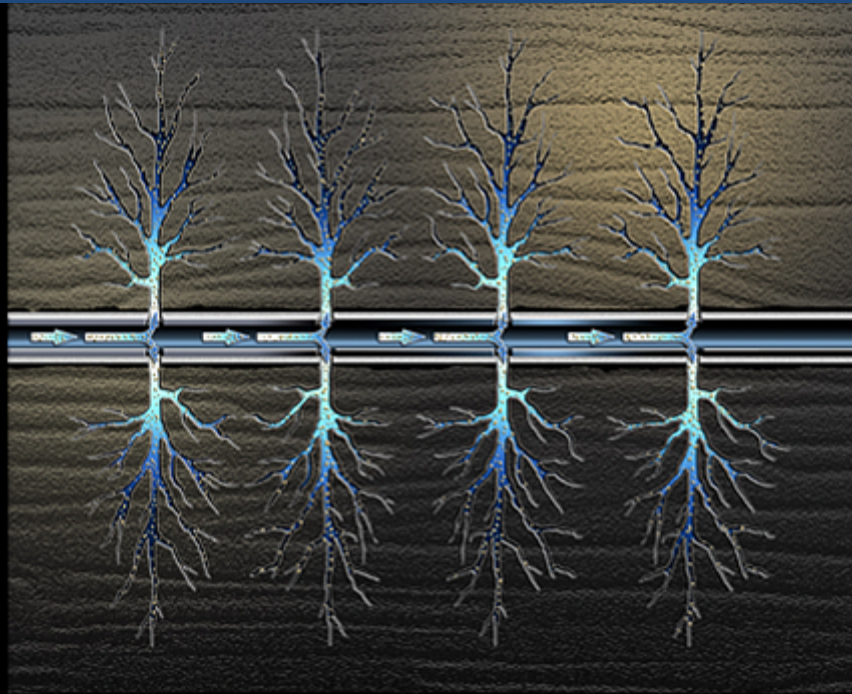


Purposes of frac fluid

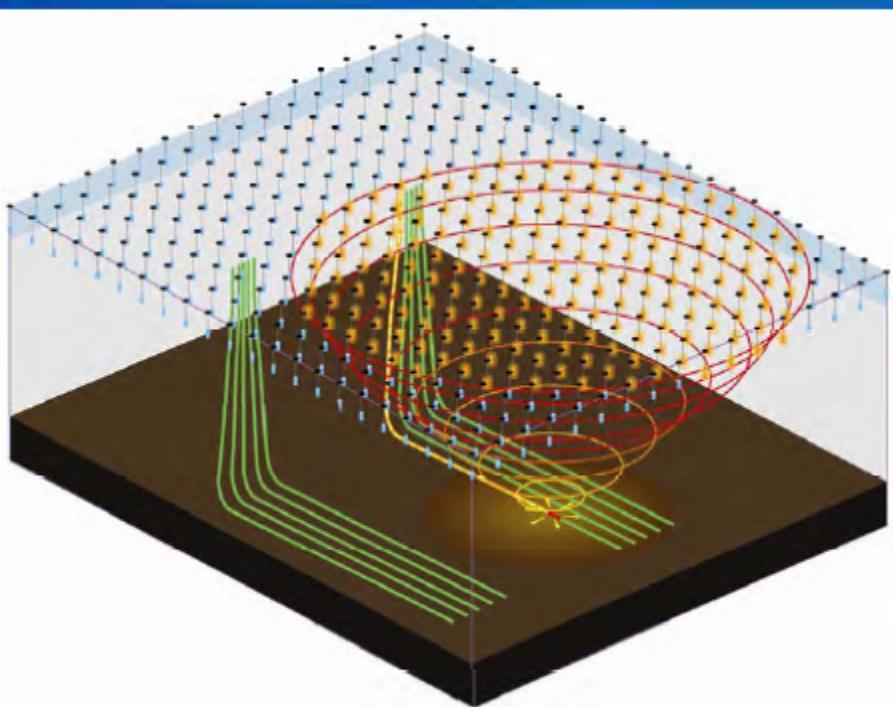
- crack the reservoir
- gel strength to carry sand

Frac fluid is produced back as flowback and produced water

Each hydraulic fracturing stage creates hundreds of fractures extending several hundred feet from wellbore

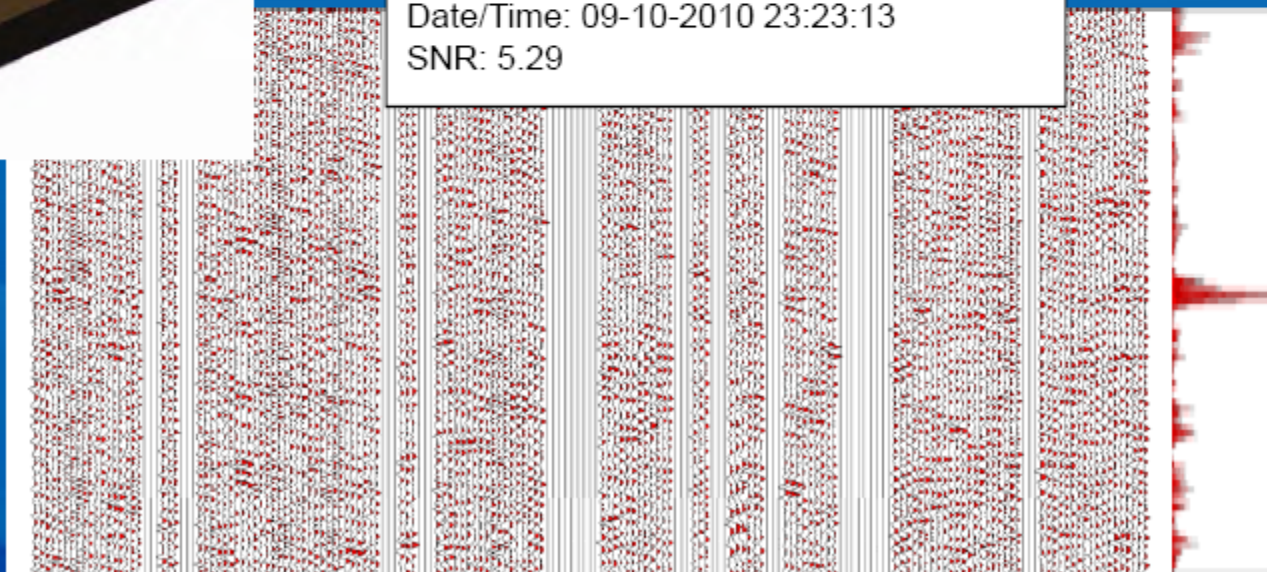


PSET Imaging

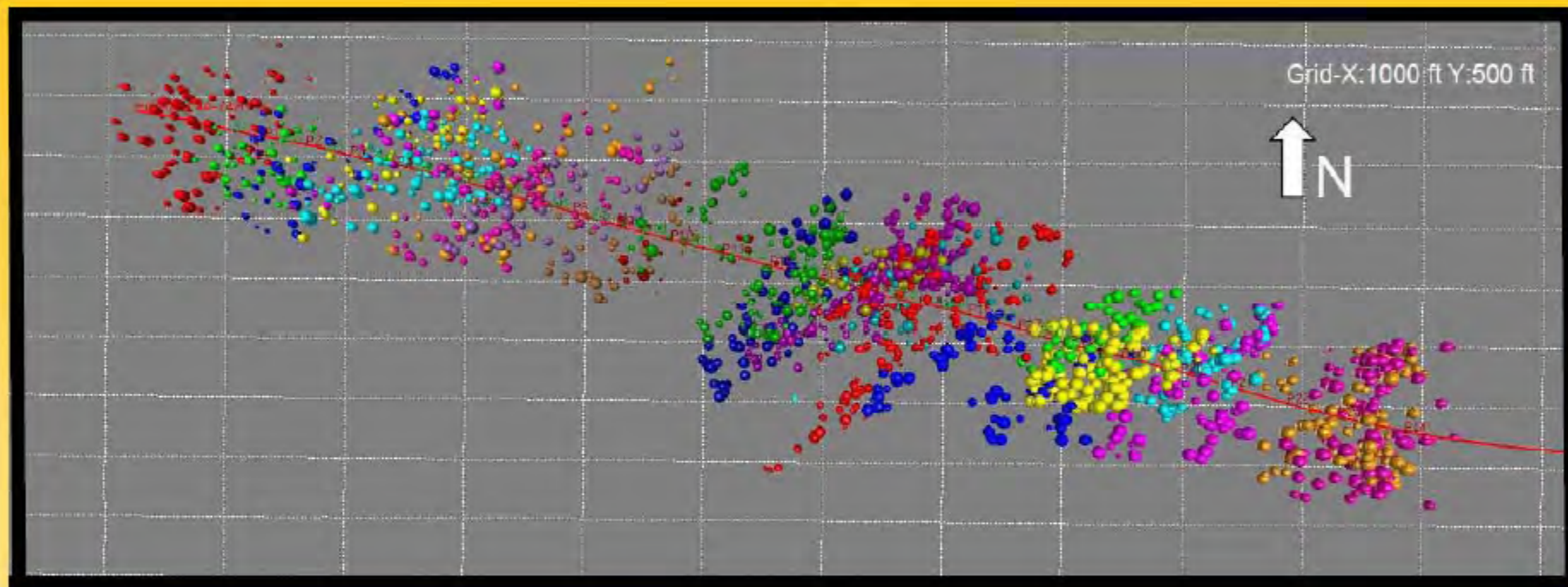


Microseismic events are imaged via PSET, a migration based imaging algorithm.

X: 2235819 Y: 17474568 Z: 9854
Date/Time: 09-10-2010 23:23:13
SNR: 5.29



“Excellent ‘frac saturation’”

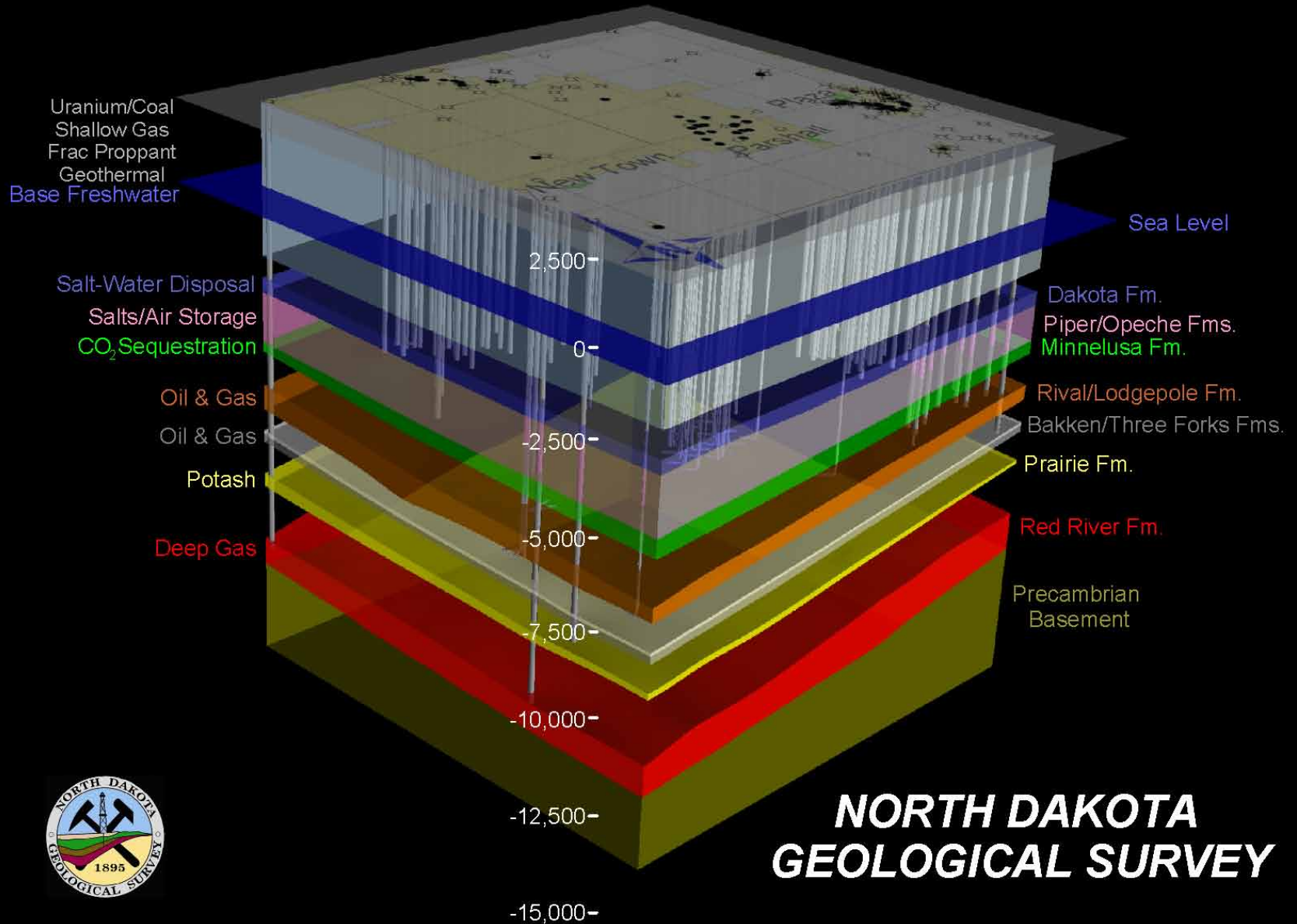


- **24-Stage Frac / IP: 2,558 BOE/D**
- **Excellent “frac saturation”** evidenced by minimal gaps of unfraced rock along the wellbore with some stages impacting the same rock volume.
- **Minimal gaps along NE trending natural fractures** where the frac follows large regionally extensive fractures. These areas already have good naturally occurring fractures.
- **Lateral frac wings that average 750’ on either side of the wellbore.** This is consistent with our other fracs and planned spacing pattern for full field development.

States have been regulating the full life cycle of hydraulic fracturing for decades

- **Geology of each sedimentary basin is different**
- **Water Appropriation Regulation**
- **Oil & Gas Regulation**
- **Health and Environmental Regulation**

Three-Dimensional Geologic Model of the Parshall Area



North Dakota has been regulating the full life cycle of hydraulic fracturing for decades

- **Water Commission**
 - **water supply**
- **Industrial Commission**
 - **well construction**
 - **disposal of flow back water**
- **Health Department**
 - **spill cleanup**

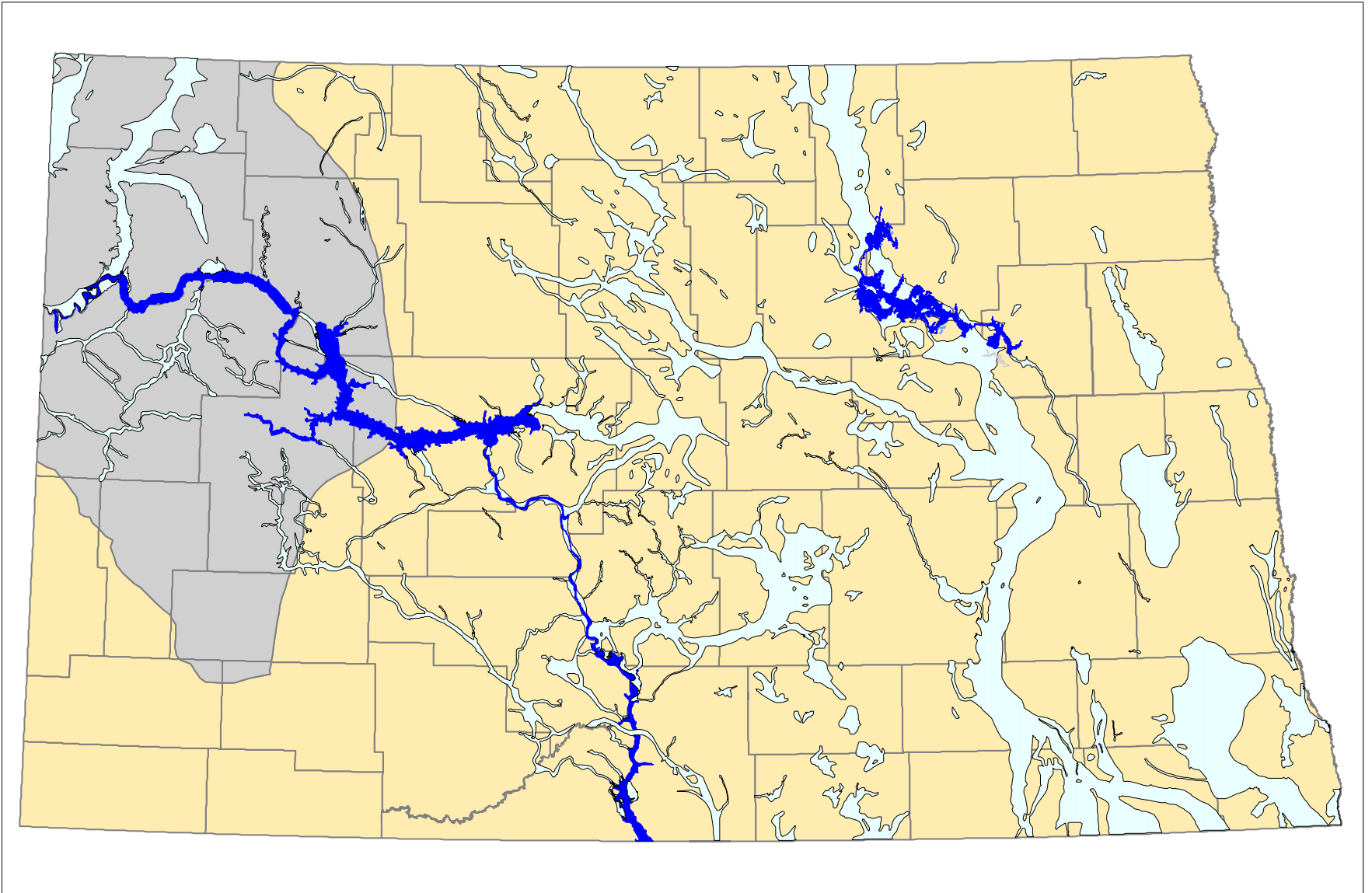
Water Commission Regulation

- **Regulate water appropriations**
- **Guard against withdrawals exceeding recharge**

Thirsty Horizontal Wells

- 2,000 - 3,000 wells / year
- 15 - 25 years duration
- 20 - 30 million gallons water / day

Glacial Drift Aquifers



FRAC WATER NEEDS

- **Lake Sakakawea (Missouri River) is the best water resource**
 - **one inch contains 10 billion gal water**
 - **5,000 wells @ 2 million gal/well**
 - **30 million gallons per day**

Industrial Commission Regulation

- **Well construction for Hydraulic fracturing**
 - **Two casing strings required**
 - **Both strings must be cemented**
 - **Pressure tests required**
 - **Frac is > 1.5 mile below potable water**

TYPICAL HORIZONTAL OIL WELL

Potable Waters



9-5/8" in 13.5" Hole

- Drill with fresh water
- Total depth below lowest potable water
- Run in hole with surface casing
- 1st layer of surface water protection
- Cement casing back to surface of ground
- 2nd layer of surface water protection

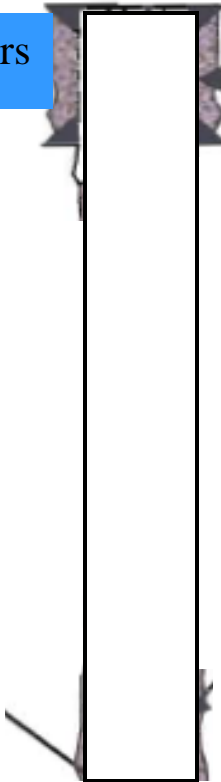
TYPICAL HORIZONTAL OIL WELL

Potable Waters

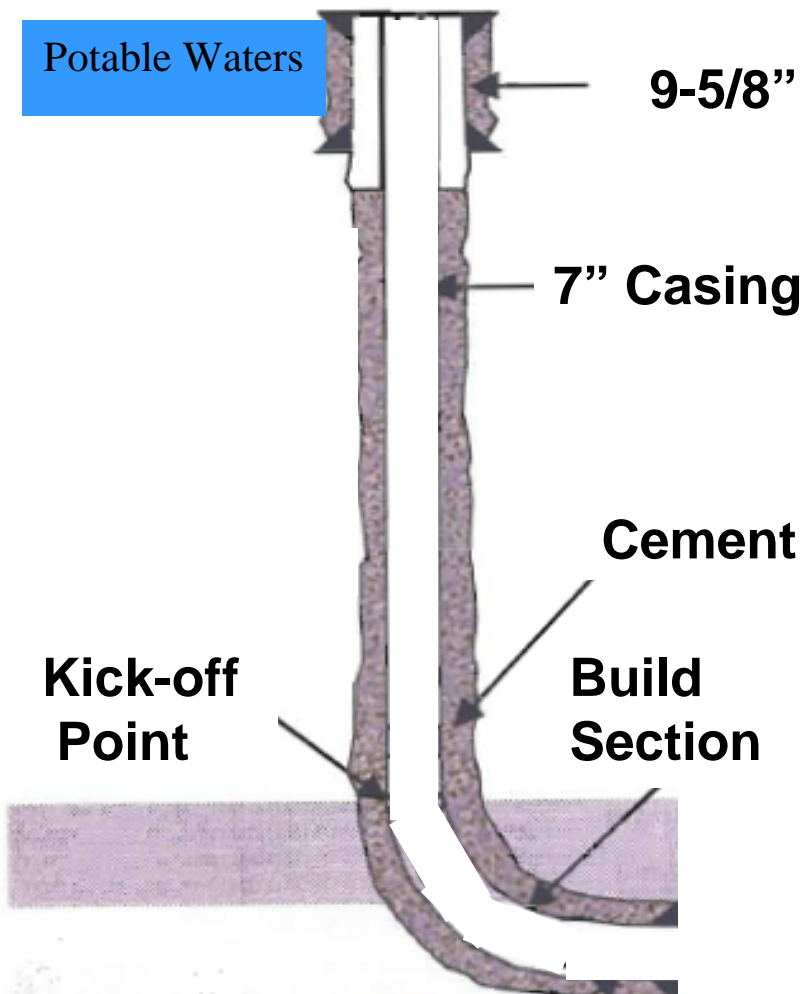
9-5/8" in 13.5" Hole

Kick-off
Point

- Drill vertically to kick-off point
- Run in hole with bent assembly
- Downhole mud motor

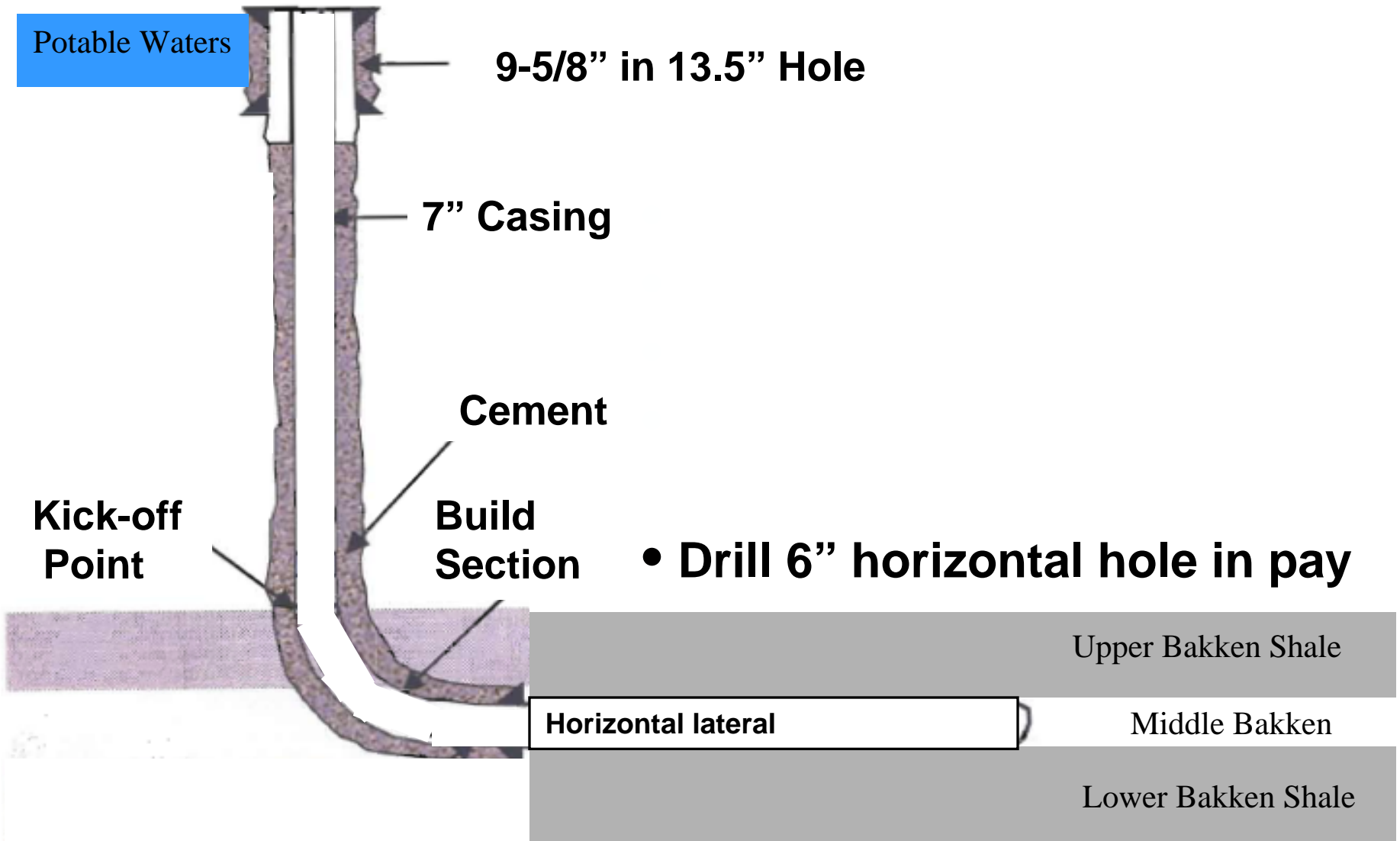


TYPICAL HORIZONTAL OIL WELL

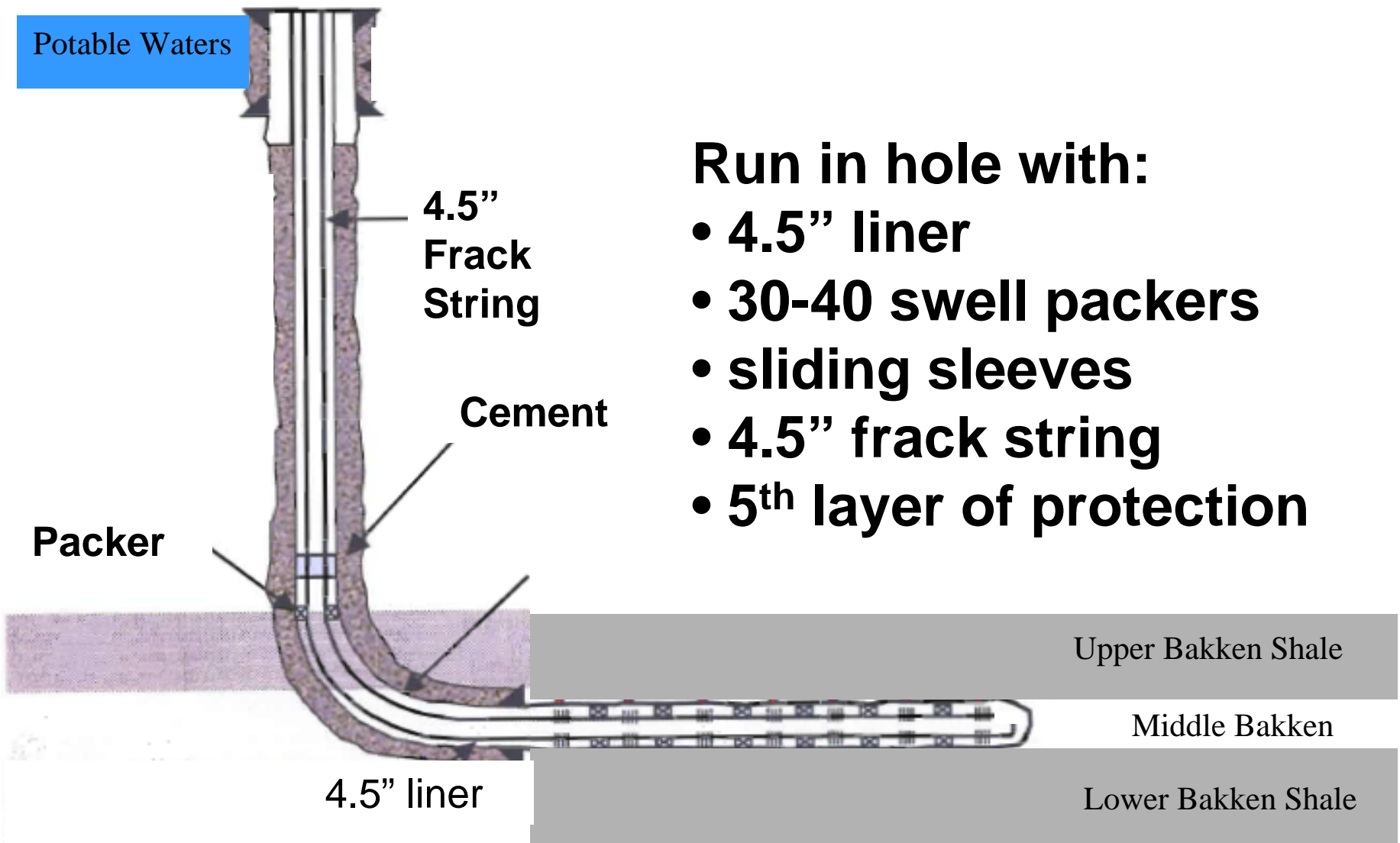


- Drill 8-3/4" hole to pay
- Run in hole with 7" casing
- 3rd layer of protection
- Cement 7" casing
- 4th layer of protection

TYPICAL HORIZONTAL OIL WELL



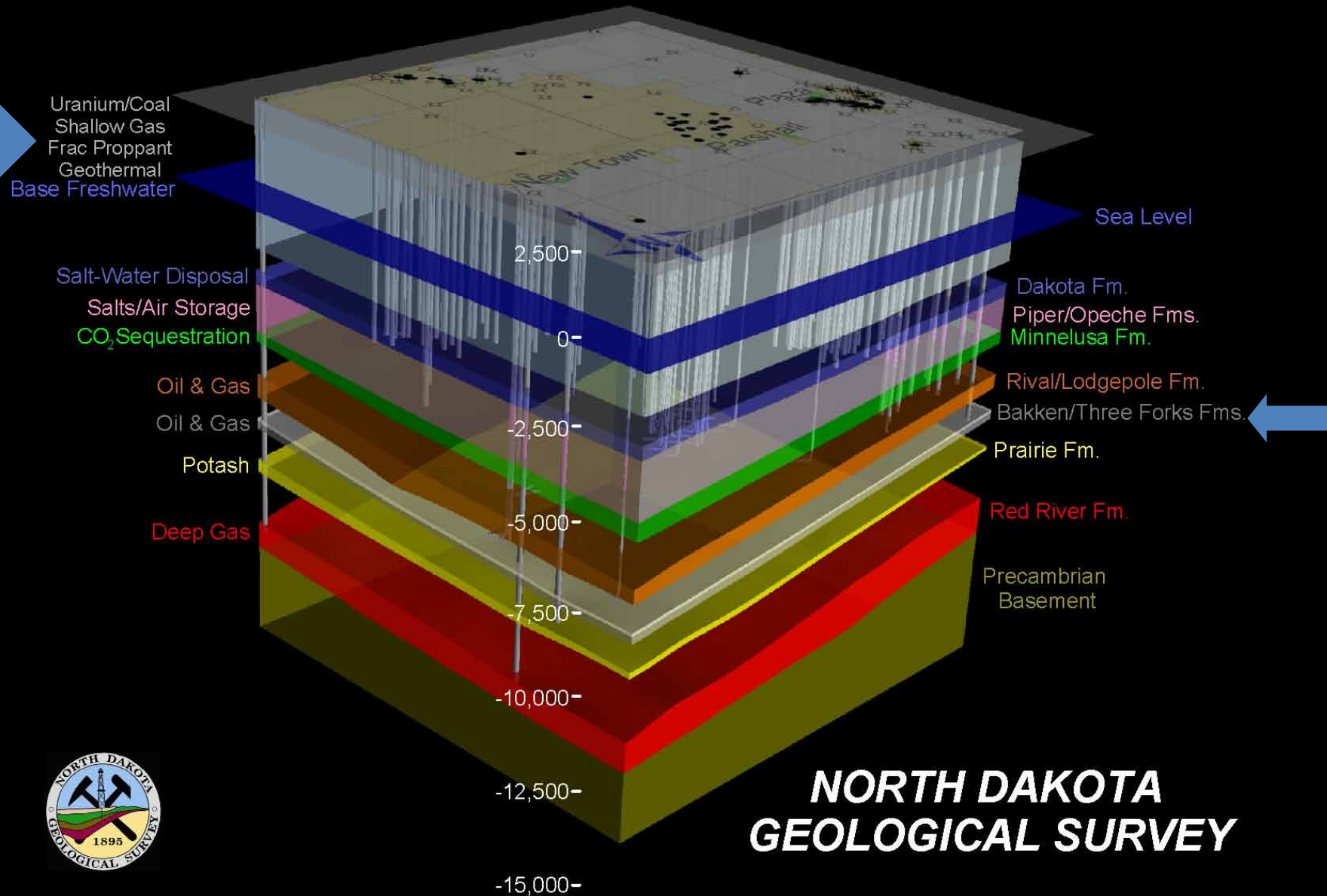
TYPICAL HORIZONTAL OIL WELL

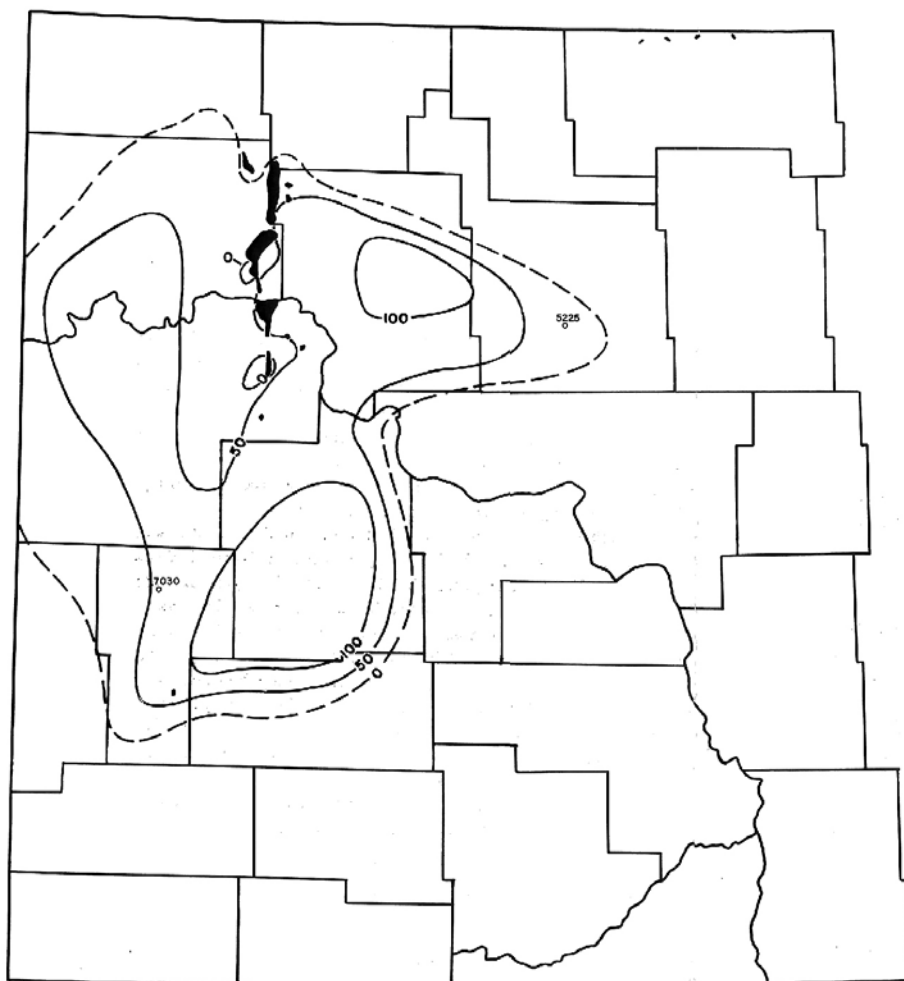


Run in hole with:

- 4.5\" liner
- 30-40 swell packers
- sliding sleeves
- 4.5\" frack string
- 5th layer of protection

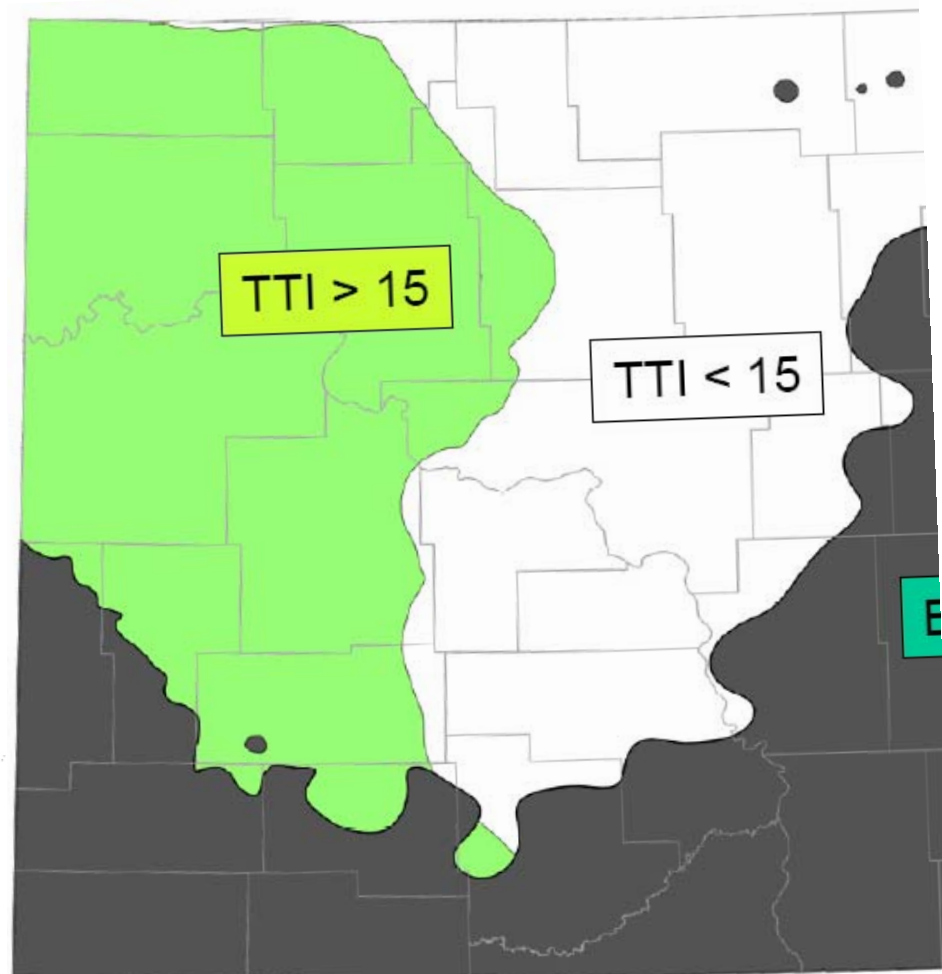
Three-Dimensional Geologic Model of the Parshall Area

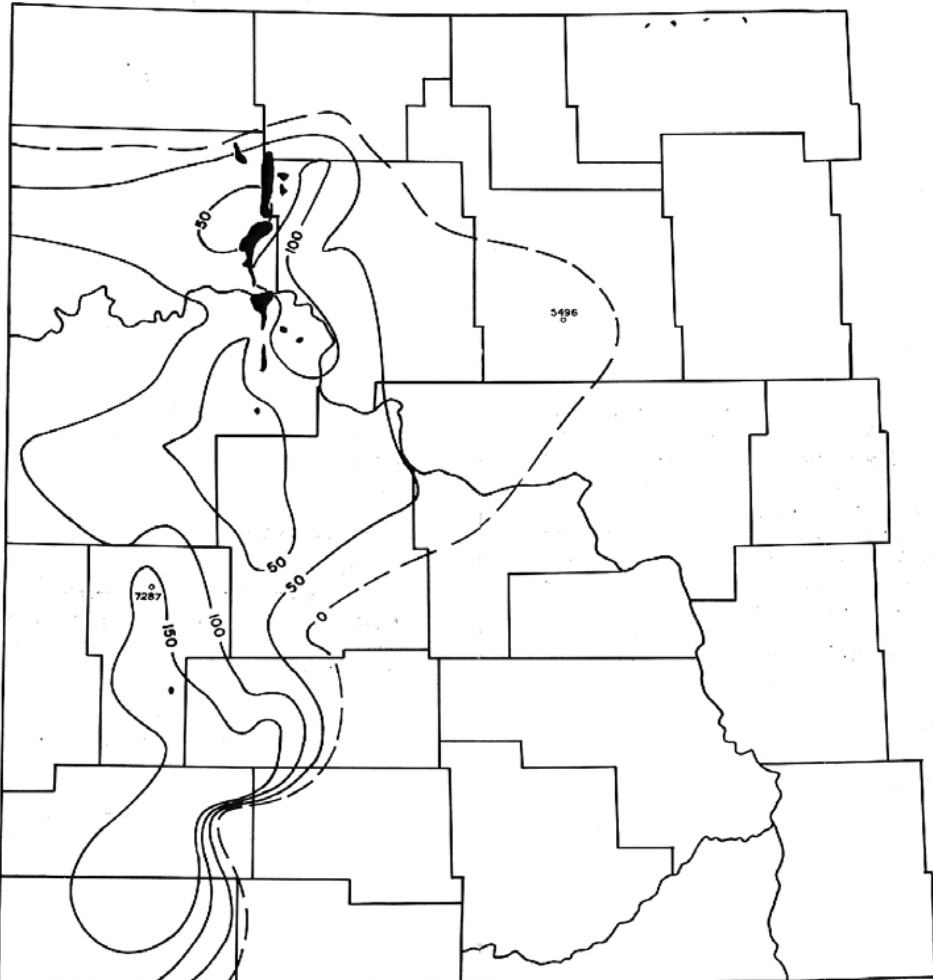




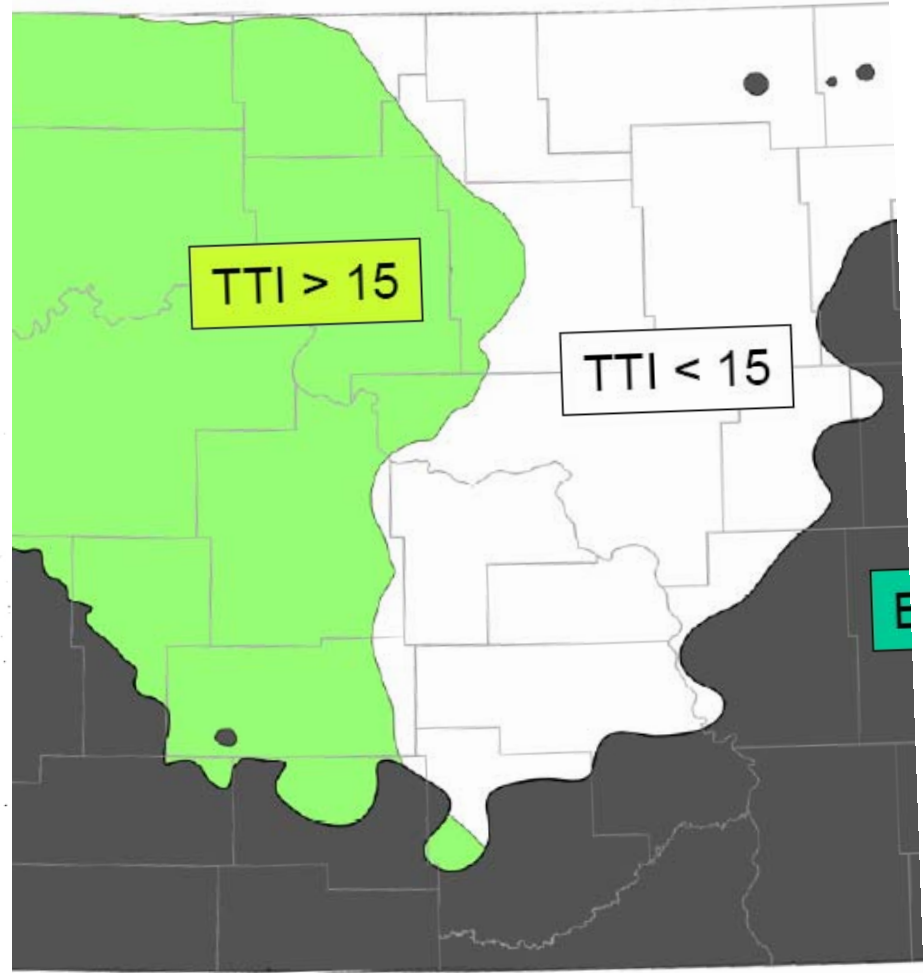
CONTOUR INTERVAL - 50 FEET

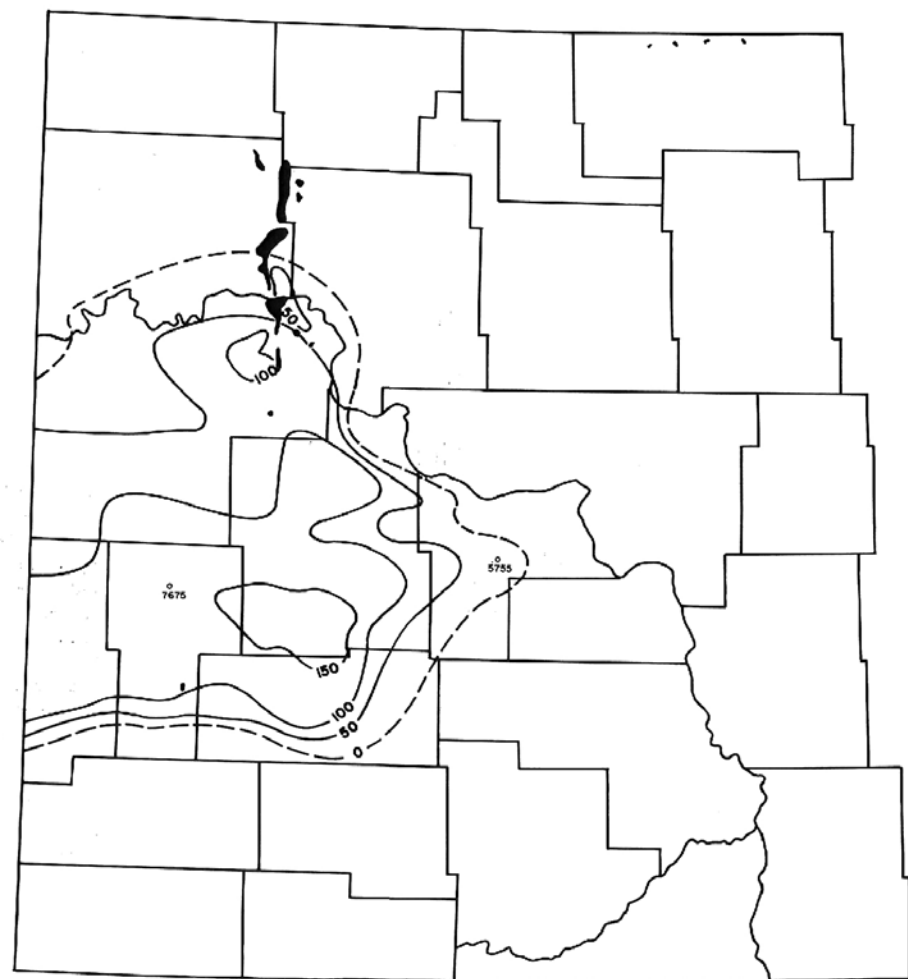
Figure 1- TRIASSIC "A" SALT





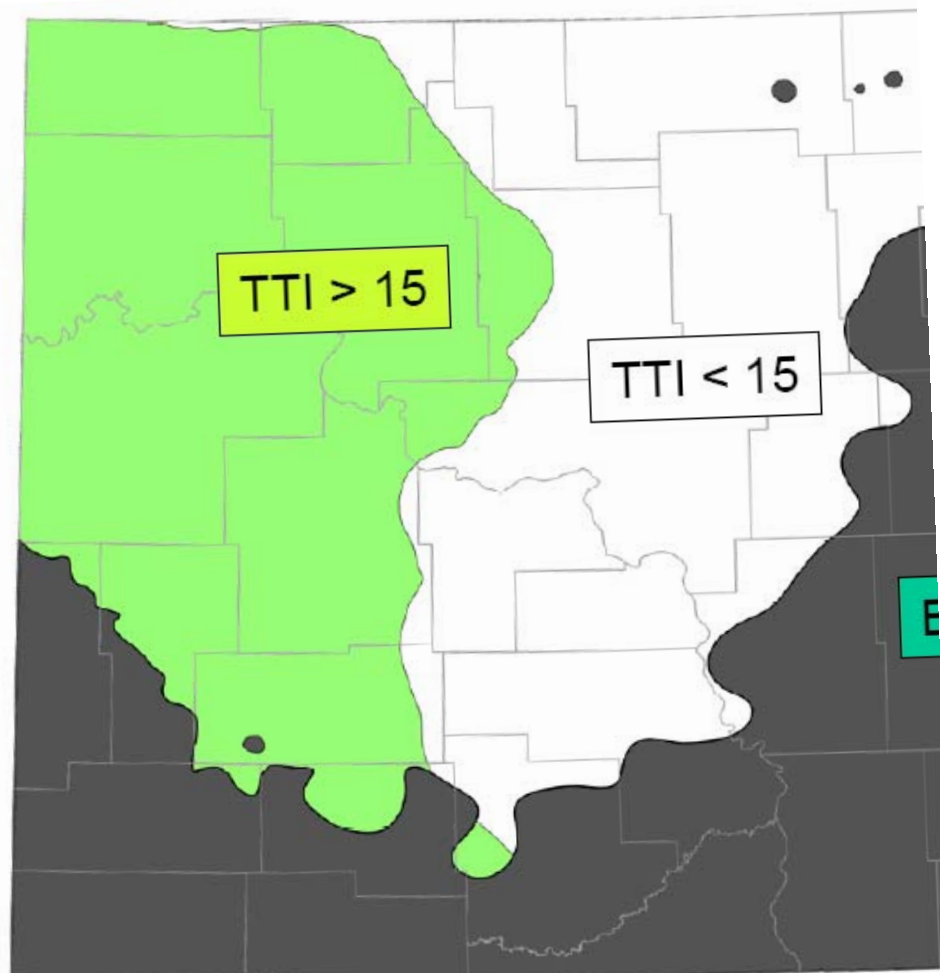
CONTOUR INTERVAL- 50 FEET
Figure 2 - TRIASSIC "B" SALT

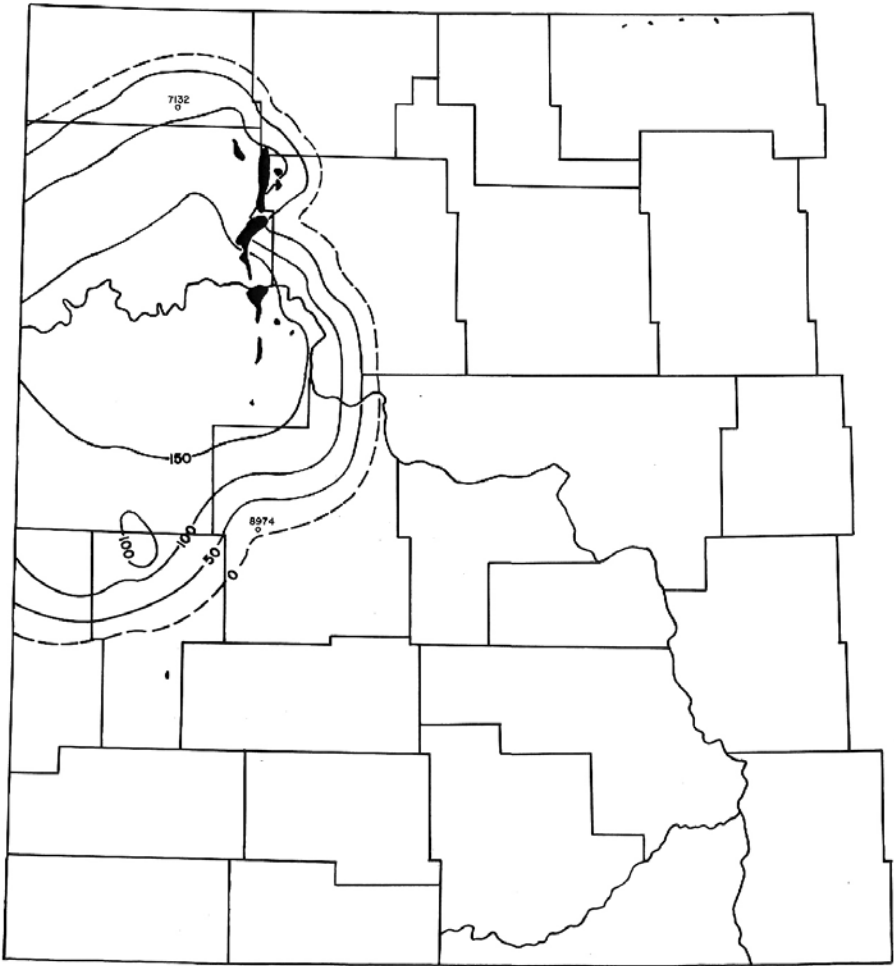




CONTOUR INTERVAL—50 FEET

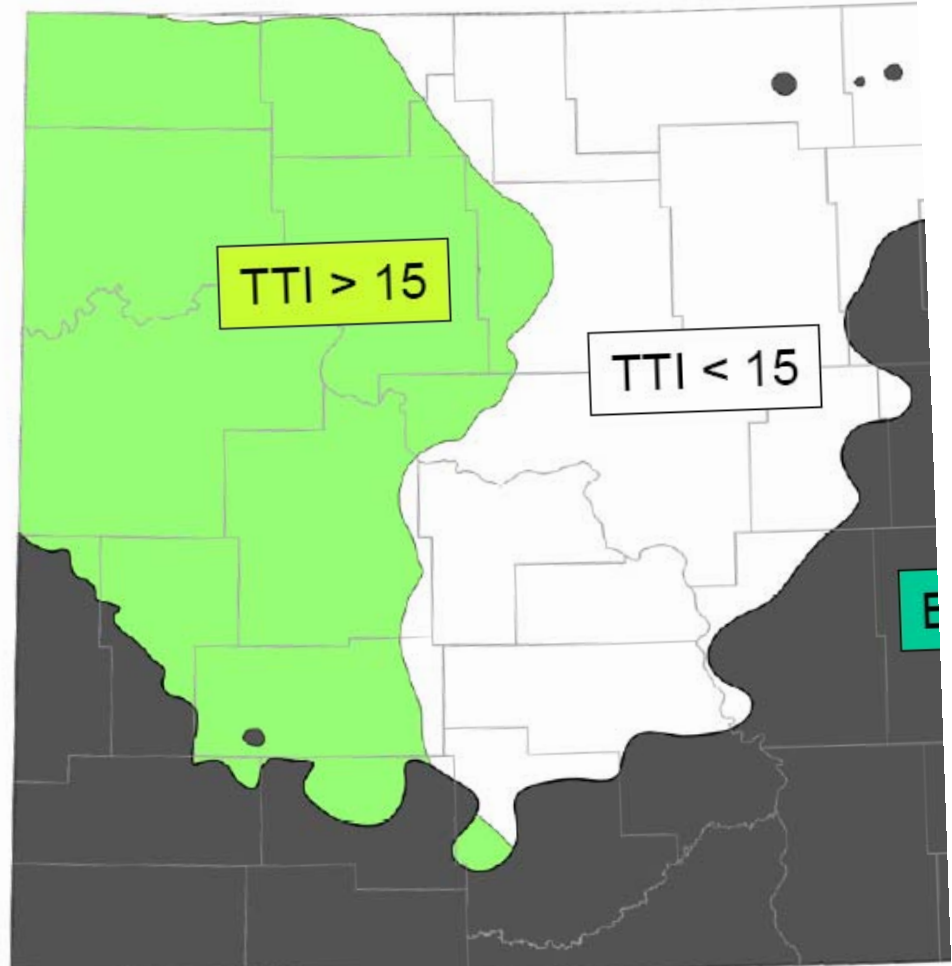
Figure 3— PERMIAN "A" SALT

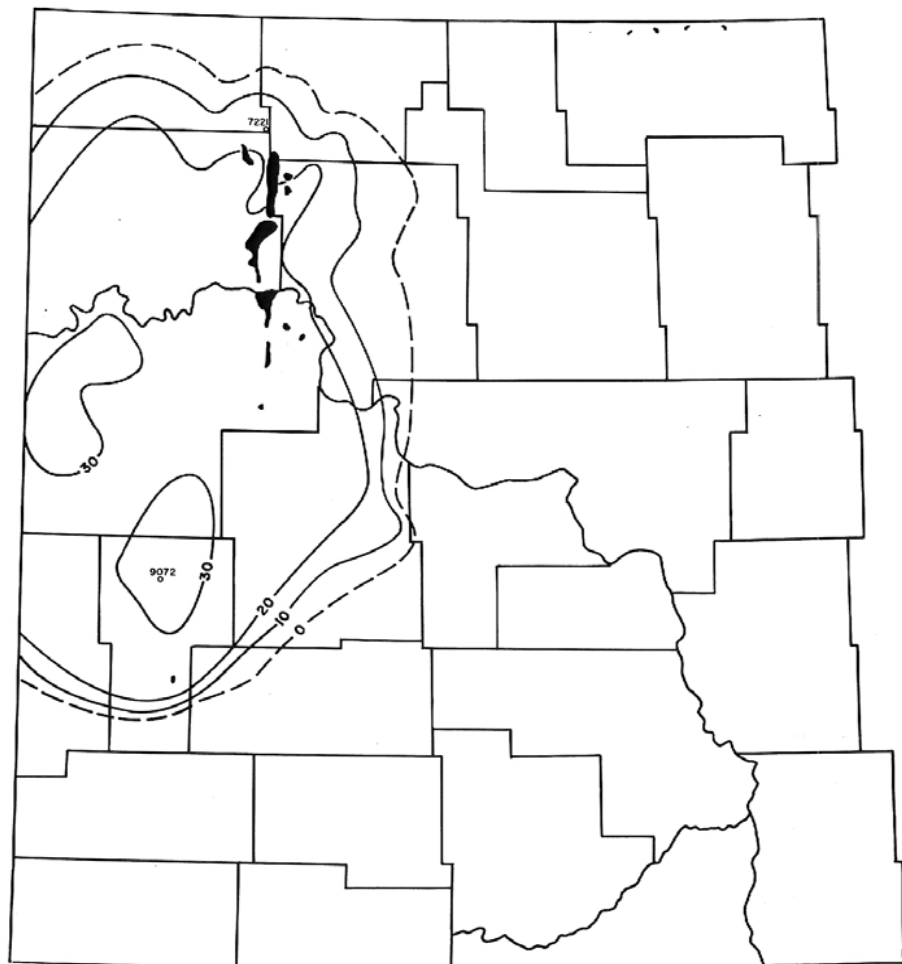




CONTOUR INTERVAL - 50 FEET

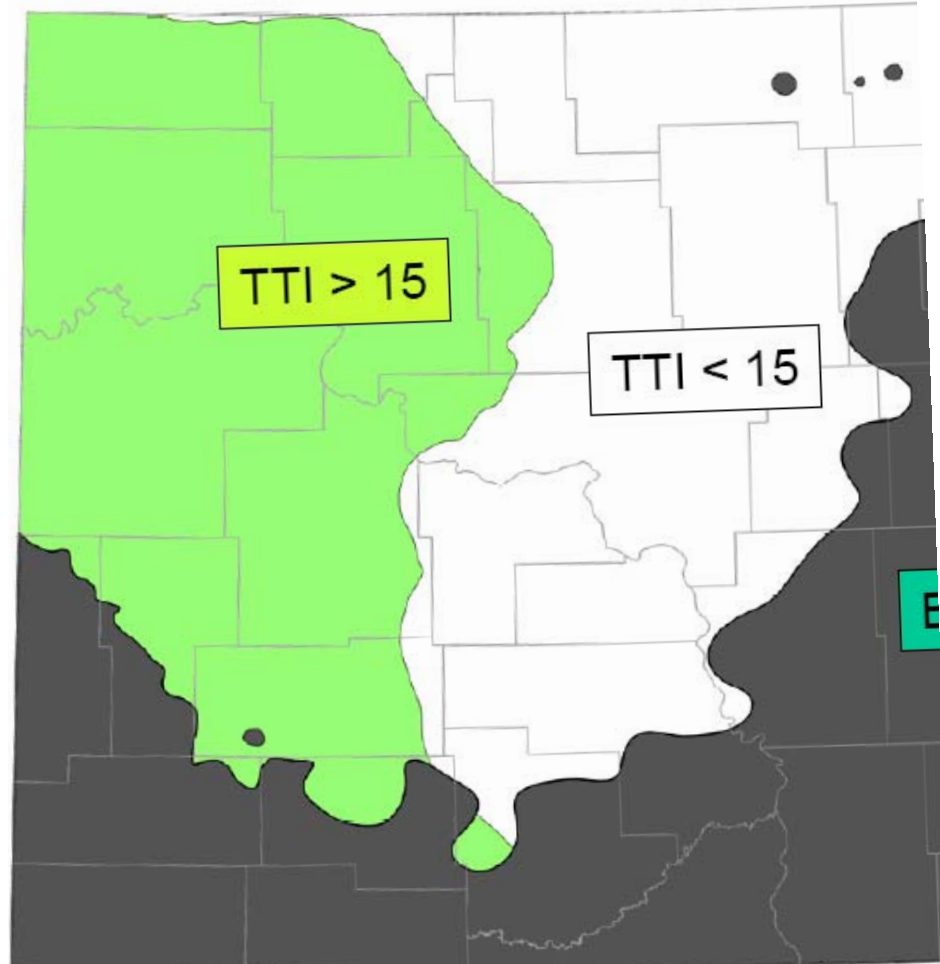
Figure 4 - MISSISSIPPIAN "A" SALT

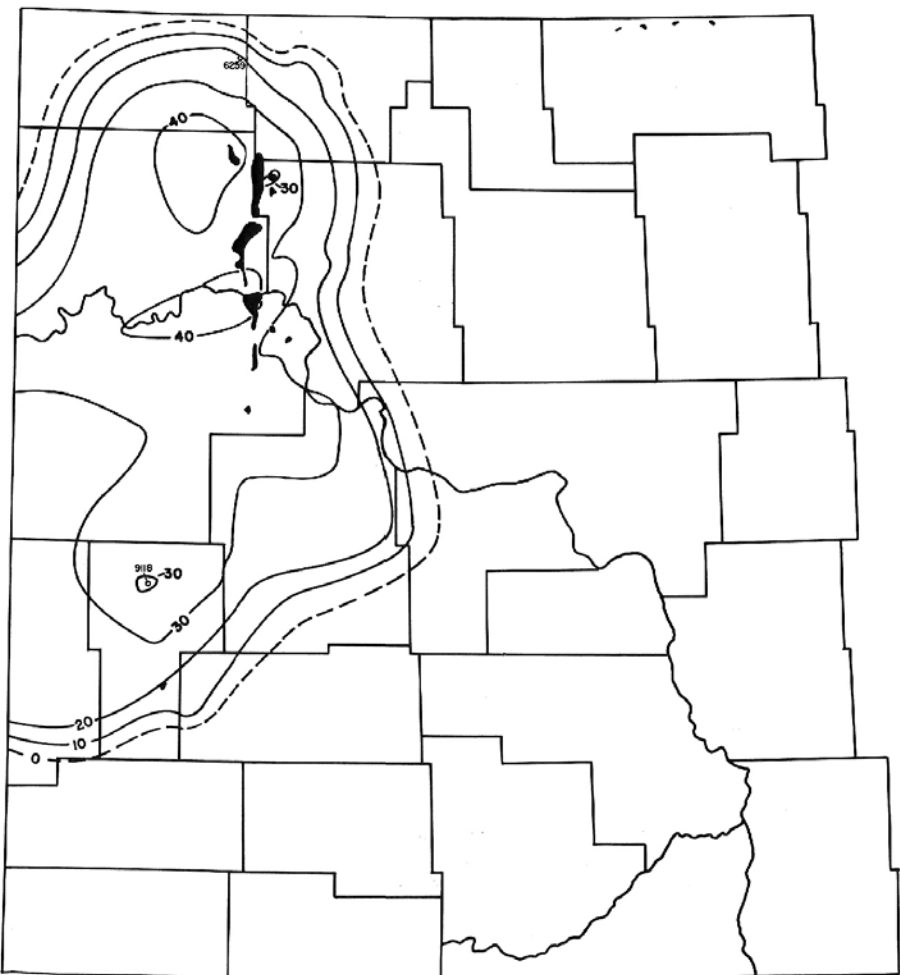




CONTOUR INTERVAL—10 FEET

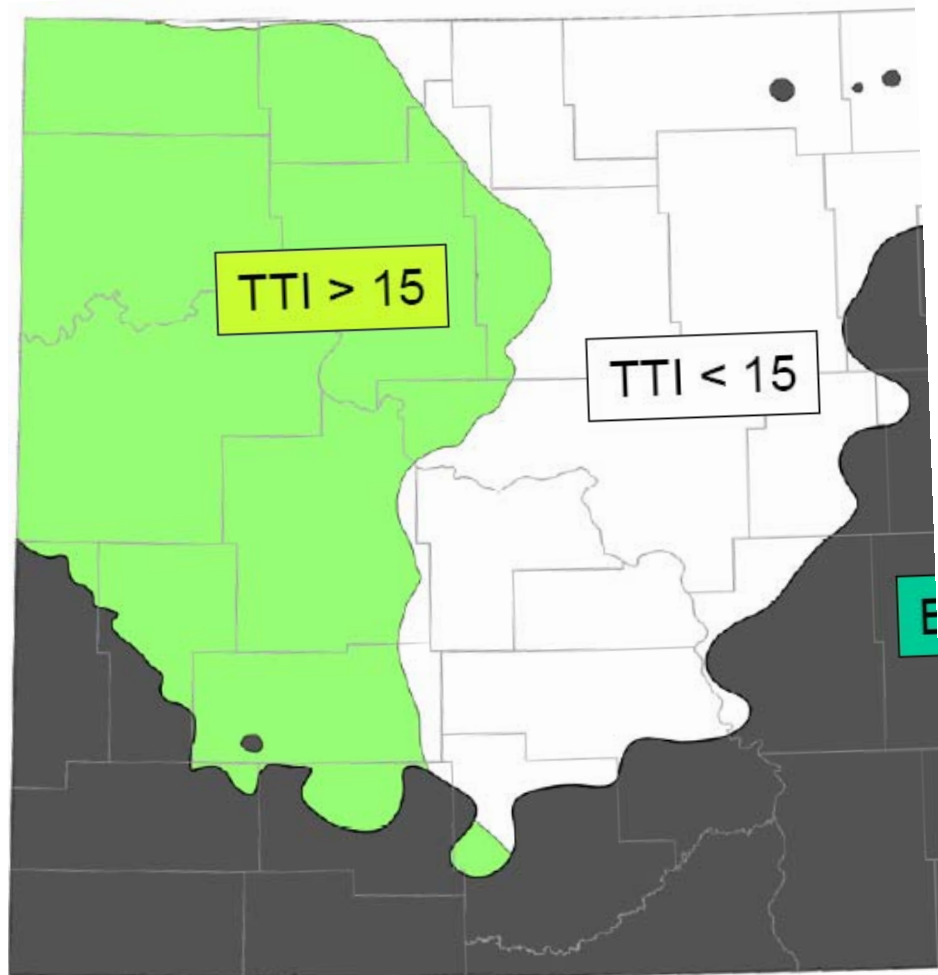
Figure 5 – MISSISSIPPIAN "B" SALT

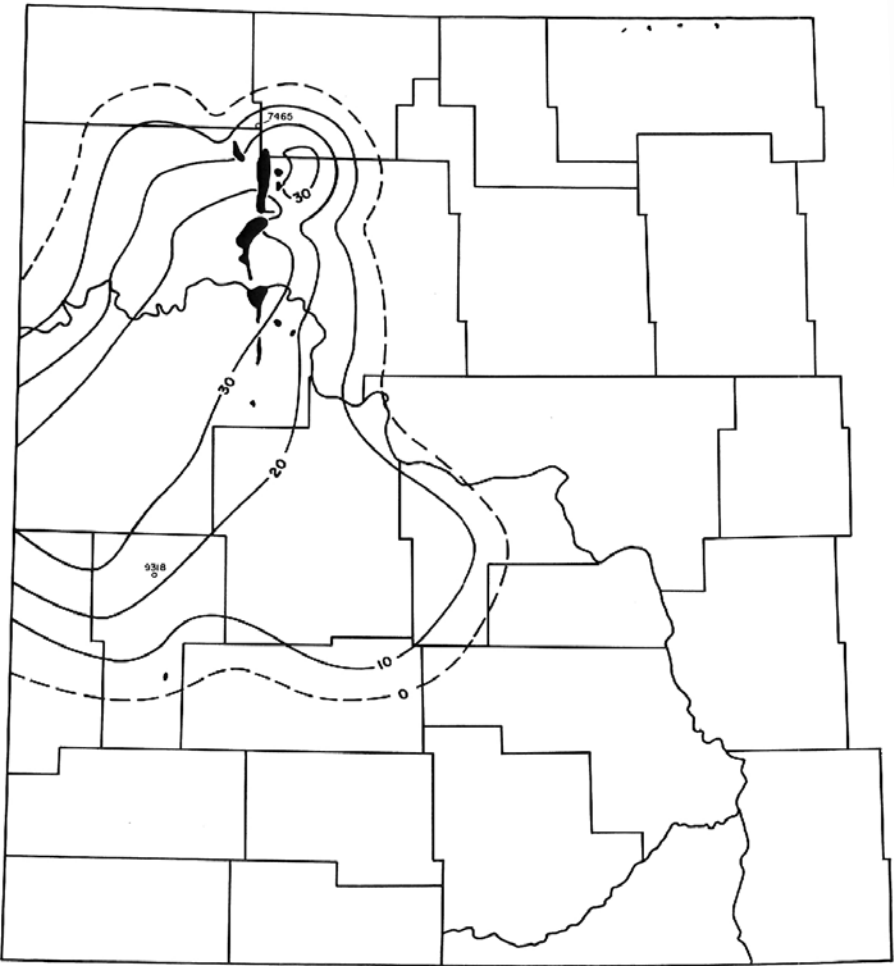




CONTOUR INTERVAL- 10 FEET

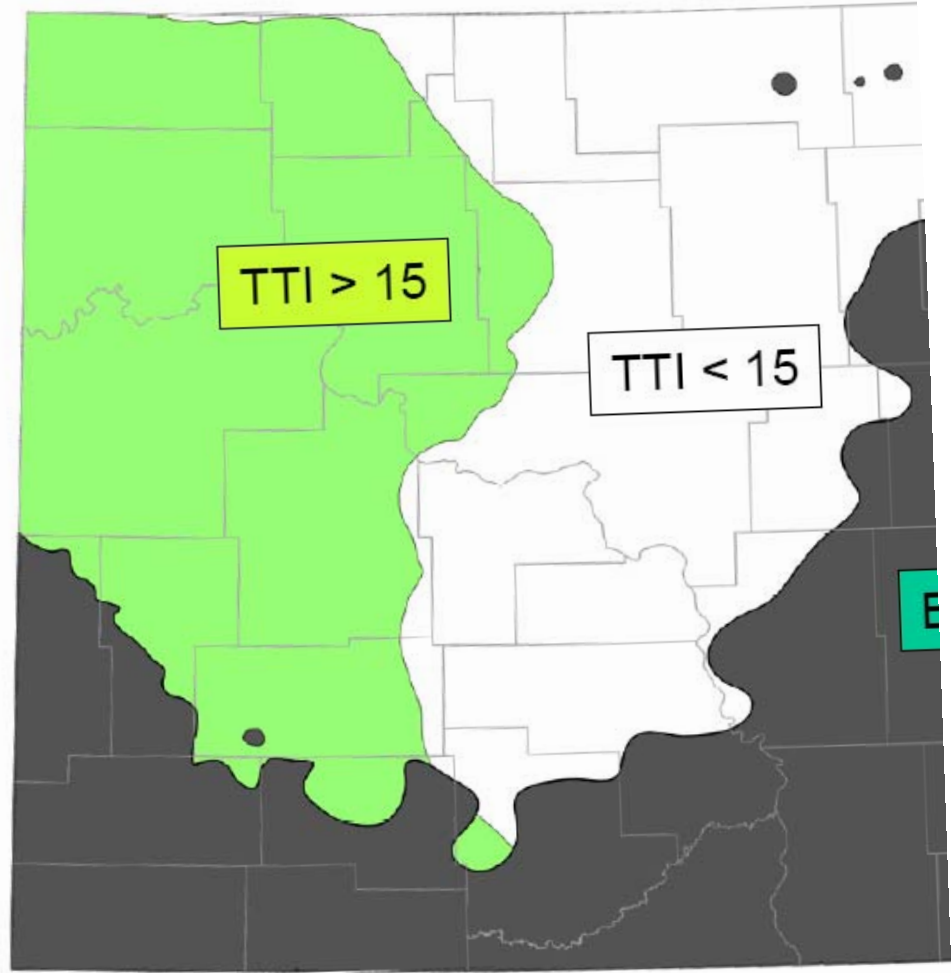
Figure 6- MISSISSIPPIAN "C" SALT

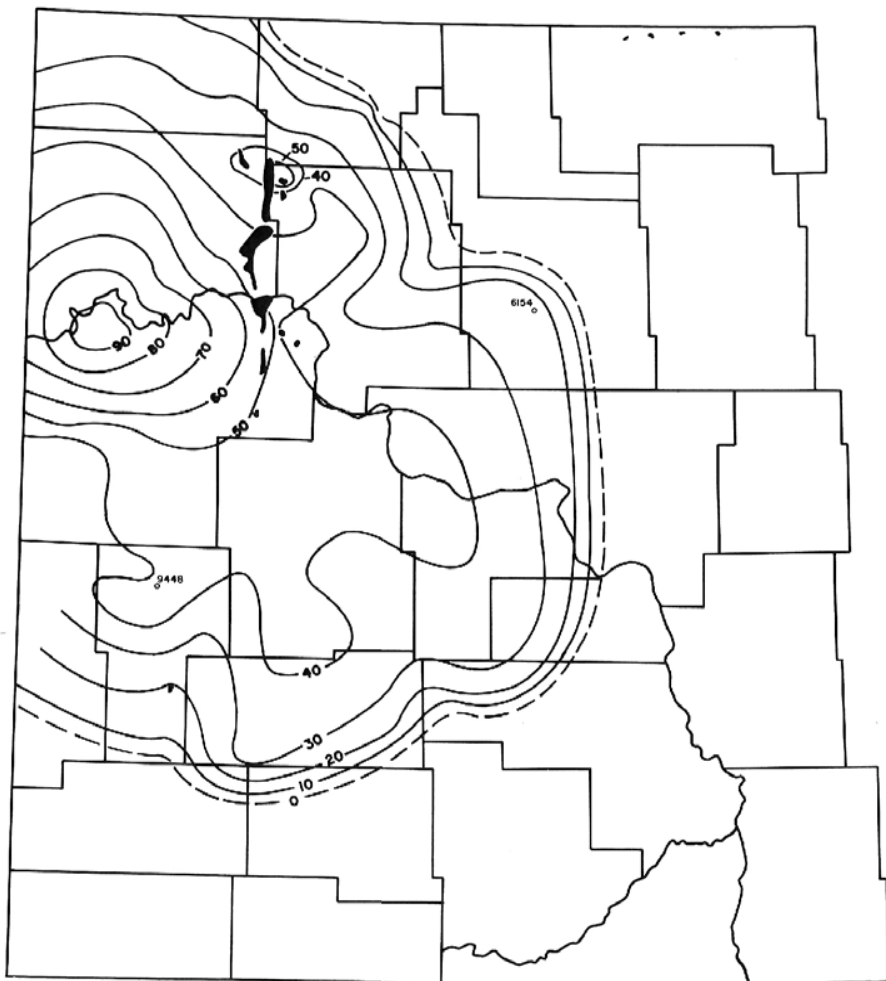




CONTOUR INTERVAL - 10 FEET

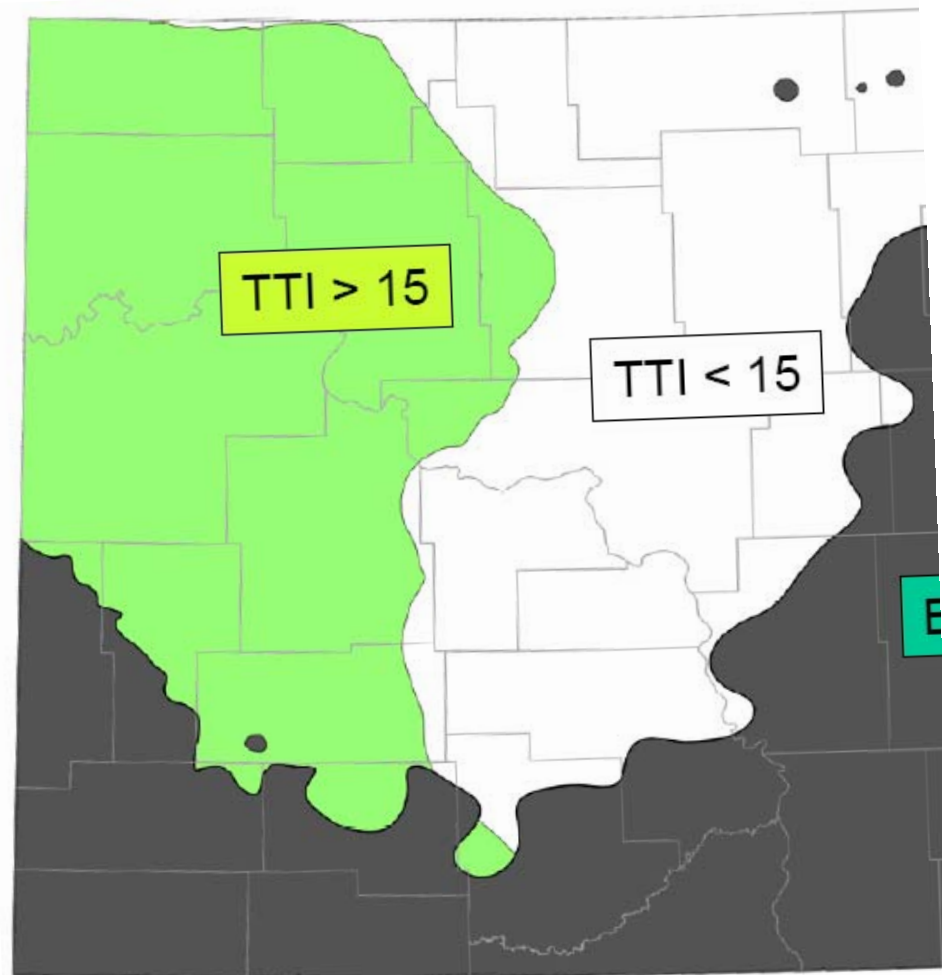
Figure 8- MISSISSIPPIAN "E" SALT





CONTOUR INTERVAL - 10 FEET

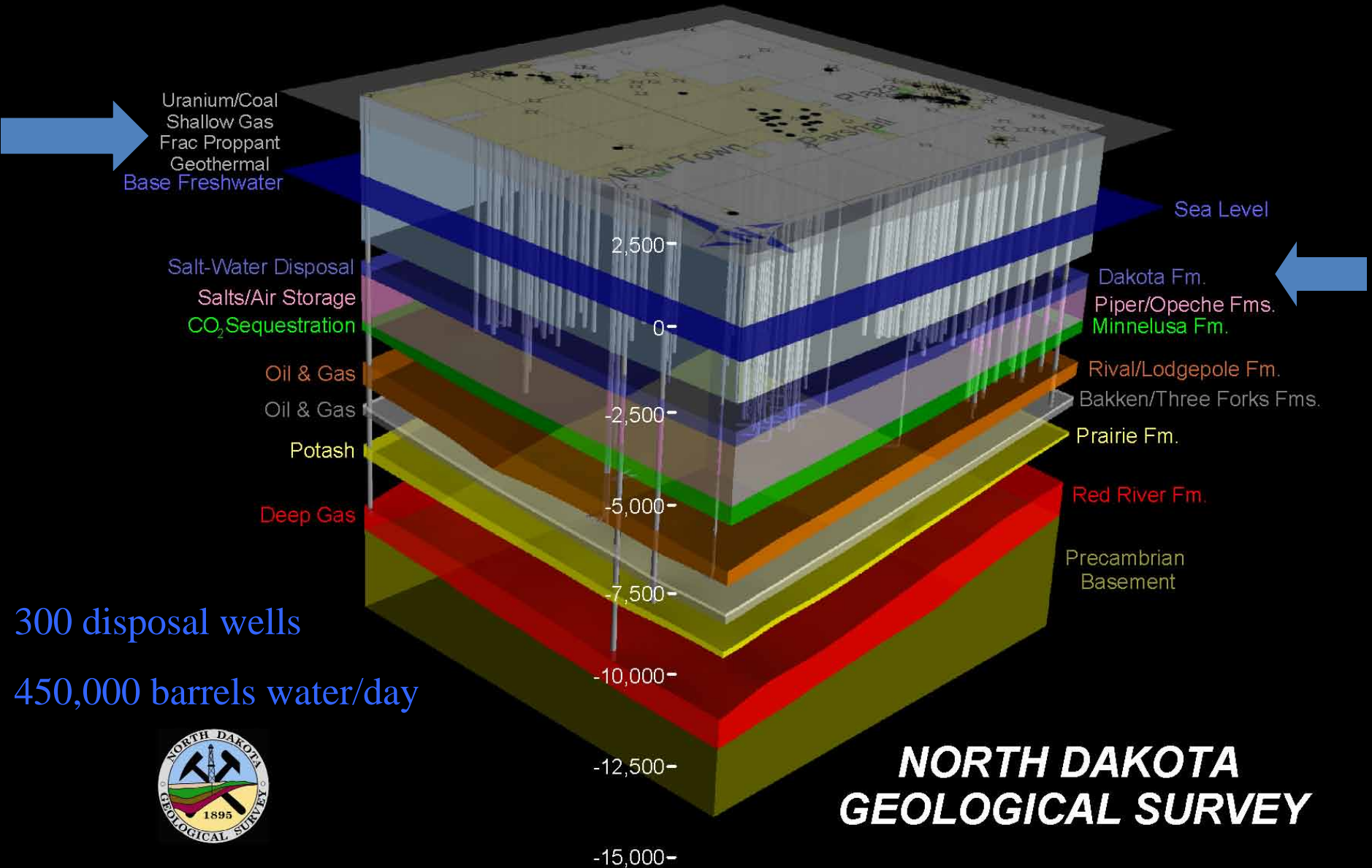
Figure 9- MISSISSIPPIAN "F" SALT



Industrial Commission Regulation

- **Water flow back after frac**
 - **Storage in open pits prohibited**
 - **Disposal wells permitted through
Underground Injection Program**
 - **Disposal zone is 2,500 feet below
potable waters with impermeable
shale between**

Three-Dimensional Geologic Model of the Parshall Area



Health Department Regulation

- Cleanup of discharge to environment
- Coordinate with local Emergency Managers
- Emergency Planning and Community Right-to-know Act (EPCRA)
- Congress passed for storing and handling of chemicals
- Requires material safety data sheet (MSDS) for each chemical on location

- **Compound**
 - **Purpose**
 - **Common application**
- Fresh **Water** – 80.5%
- Proppant – 19.0%
 - Allows the fractures to remain open so the oil and gas can escape
 - Drinking water filtration, **play ground sand**
- Acids - 0.12%
 - Help dissolve minerals and initiate fractures in rock (pre-fracture)
 - **Swimming pool cleaner**
- Petroleum distillates – 0.088%
 - Dissolve polymers and minimize friction
 - **Make-up remover**, laxatives, and candy
- Isopropanol – 0.081%
 - Increases the viscosity of the fracture fluid
 - **Glass cleaner**, antiperspirant, and hair color
- Potassium chloride – 0.06%
 - Creates a brine carrier fluid
 - Low-sodium **table salt substitute**
- Guar gum – 0.056%
 - Thickens the water to suspend the sand
 - **Thickener used in cosmetics**, baked goods, ice cream, toothpaste, sauces, and salad dressing
- Ethylene glycol – 0.043%
 - Prevents scale deposits in the pipe
 - Automotive **antifreeze**, household cleansers, deicing, and caulk



- Sodium or potassium carbonate – 0.011%
 - Improves the effectiveness of other components, such as cross-linkers
 - Washing soda, detergents, **soap**, water softeners, glass and ceramics
- Sodium Chloride – 0.01%
 - Delays break down of the gel polymer chains
 - **Table Salt**
- Polyacrylamide – 0.009%
 - Minimizes friction between fluid and pipe
 - **Water treatment**, soil conditioner
- Ammonium bisulfite – 0.008%
 - Removes oxygen from the water to protect the pipe from corrosion
 - Cosmetics, **food and beverage processing**, water treatment
- Borate salts – 0.007%
 - Maintain fluid viscosity as temperature increases
 - Used in laundry **detergents**, hand soaps and cosmetics
- Citric Acid – 0.004%
 - Prevents precipitation of metal oxides
 - **Food additive**; food and beverages; lemon juice
- N, n-Dimethyl formamide – 0.002%
 - Prevents the corrosion of the pipe
 - Used in **pharmaceuticals**, acrylic fibers and plastics
- Glutaraldehyde – 0.001%
 - Eliminates bacteria in the water
 - **Disinfectant**; Sterilizer for medical and dental equipment



Hydraulic Fracturing Stimulation is Safe

- **IOGCC survey—no contamination**
- **EPA survey – no contamination**
- **GWPC study verifies State's regs**
- **GWPC National Registry f/chemicals**
 - **FracFocus**

Chemical Disclosure - Find - Windows Internet Explorer

http://www.hydraulicfracturingdisclosure.org/fracfocusfind/Default.aspx

File Edit View Favorites Tools Help

Google bismarck energy generation conference 2012 Search More >> Sign In

Favorites Suggested Sites Free Hotmail Web Slice Gallery BT BismarckTribune.com Enter... BT BismarckTribune.com Enter... Customize Links Training Accredited Install... Windows

Chemical Disclosure - Find

Home / Welcome / Publications / News & Updates / Links

Frac Focus
Chemical Disclosure Registry

HYDRAULIC FRACTURING
HOW IT WORKS

GROUNDWATER
PROTECTION

CHEMICAL
USE

REGULATIONS
BY STATE

FIND A WELL
BY STATE

FREQUENT
QUESTIONS

Find a Well

Map Search Standard Search

Back To Search

Next Page

Page 1 of 5 Go

	API No.	Job Date	State	County	Operator	WellName	Well Type	Latitude	Longitude	Datum
	33-053-03113	3/22/2011	North Dakota	Mc Kenzie	XTO Energy/ExxonMobil	101 Federal 21X-24	Oil	47.546178	-104.000694	NAD83
	33-053-03180	1/26/2011	North Dakota	Mc Kenzie	XTO Energy/ExxonMobil	Mondak Federal 24X-12	Oil	47.648122	-104.004350	NAD83
	33-053-03371	5/14/2011	North Dakota	Mc Kenzie	SM Energy	Johnsrud 1-1H	Oil	47.847475	-103.288350	WGS84
	33-053-02818	2/4/2011	North Dakota	Mc Kenzie	XTO Energy/ExxonMobil	Dwyer Federal 44X-1	Oil	47.576450	-103.862594	NAD83
	33-053-03399	5/30/2011	North Dakota	Mc Kenzie	XTO Energy/ExxonMobil	Dedrick 24X-32	Oil	48.025169	-103.702631	NAD83
	33-053-03328	6/10/2011	North Dakota	Mc Kenzie	ConocoPhillips Company	RANSOM 44-31H	Oil	47.848664	-103.138711	NAD83
	33-053-03206	5/12/2011	North Dakota	Mc Kenzie	ConocoPhillips Company	Sunline 11-1TF-2SH	Oil	47.933392	-102.917211	NAD83
	33-053-03208	6/6/2011	North Dakota	Mc Kenzie	ConocoPhillips Company	Veeder 14-24H	Oil	47.790619	-102.917733	NAD83
	33-053-03200	6/20/2011	North Dakota	Mc Kenzie	XTO Energy/ExxonMobil	Johnsrud Federal 34X-14	Oil	47.718181	-102.930300	NAD83

Default.aspx

Internet 100%

Draw AutoShapes

Slide 64 of 71

Office Theme

English (U.S.)

start

Secure A... Calendar ... Chemical ... Presentat... Oil and G... BasinEGC...

2:44 PM

Hydraulic Fracturing Fluid Product Component Information Disclosure

Fracture Date:	3/22/2011
State:	North Dakota
County:	McKenzie
API Number:	33-053-03113
Operator Name:	XTO Energy
Well Name and Number:	101 Federal 21X-24
Longitude:	-104.0006S4
Latitude:	47.546178
Long/Lat Projection:	NAD83
Production Type:	Oil
True Vertical Depth (TVD):	10,358
Total Water Volume (gal)*:	2,301,916

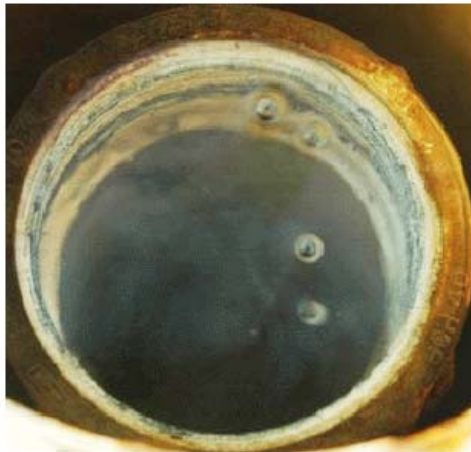
Hydraulic Fracturing Fluid Composition:

Trade Name	Supplier	Purpose	Ingredients	Chemical Abstract Service Number (CAS #)	Maximum Ingredient Concentration in Additive (% by mass)**	Maximum Ingredient Concentration in HF Fluid (% by mass)**	Comments
Water		Vehicle	Water	7732-18-5	100.00%	88.90168%	
Sand	Superior Well Svcs	Proppant	Crystalline Silica	14808-60-7	100.00%	10.06333%	
LSG-1	Superior Well Svcs	Gel					
			Iso-Alkanes/n-Alkanes	proprietary	60.00%	0.25284%	Pending Disclosure by Supplier
			Polysaccharide Blend	proprietary	60.00%	0.25284%	Pending Disclosure by Supplier
XLBHT-2	Superior Well Svcs	Delayed Cross-linker					
			Potassium Formate	590-29-4	50.00%	0.11252%	
			Formic Acid	64-18-6	2.00%	0.00450%	
			Proprietary Component	proprietary	48.00%	0.10802%	Pending Disclosure by Supplier
Clay Treat LT	Superior Well Svcs	Clay Control					
			Choline Chloride	67-48-1	70.00%	0.07002%	
			Water	7789-20-0	50.00%	0.05001%	
PH-16L	Superior Well Svcs	Gel Stabilizer (Buffer)					
			Potassium Hydroxide	1310-58-3	70.00%	0.05763%	
			Proprietary Component	proprietary	30.00%	0.02470%	Pending Disclosure by Supplier
Super OW-3	Superior Well Svcs	Non-Emulsifying Surfactant					
			Isopropyl Alcohol	67-63-0	40.00%	0.03141%	
			Proprietary Component	proprietary	5.00%	0.00393%	Pending Disclosure by Supplier
			Proprietary Component	proprietary	55.00%	0.04319%	Pending Disclosure by Supplier
Gypton T-475	Champion Technologies	Scale Inhibitor					
			Ethylene Glycol	107-21-1	30.00%	0.02292%	
			Methanol	67-56-1	10.00%	0.00764%	
			Amine phosphonate 5	proprietary	5.00%	0.00362%	Pending Disclosure by Supplier
			Potassium Chloride	7447-40-7	5.00%	0.00362%	
			Amine phosphonate 5, Potassium Salt	proprietary	30.00%	0.02292%	Pending Disclosure by Supplier
			Proprietary Component	proprietary	20.00%	0.01528%	Pending Disclosure by Supplier
Bactron K-139W	Champion Technologies	Antibacterial					
			Isopropyl Alcohol	67-63-0	60.00%	0.02672%	
			Ethylene Glycol	107-21-1	30.00%	0.01336%	
			Quaternary ammonium compounds, benzyl-C12-16-alkyldimethyl, chlorides	68424-85-1	10.00%	0.00445%	
			Glutaraldehyde	111-30-8	5.00%	0.00223%	
			Ethanol	64-17-5	5.00%	0.00223%	
OB-2 HT	Superior Well Svcs	Encapsulated Gel Breaker (Delayed) High Temp.					
			Ammonium Persulfate	7727-54-0	100.00%	0.00336%	

SHALLOW GAS PROJECT



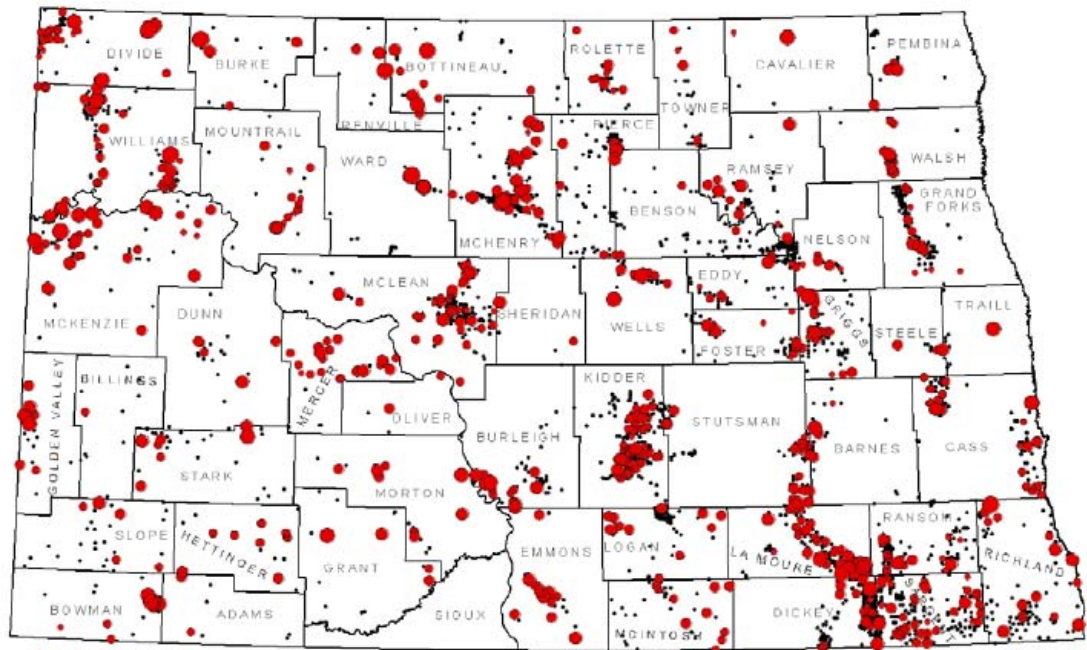
The Geological Survey tested 4,325 NDSWC monitoring wells for methane in 52 of the 53 counties in North Dakota from 2006-2010.



Methane bubbling to the surface in a two-inch NDSWC monitoring well.

The Geological Survey recently completed phase I of a study of shallow natural gas in North Dakota. We investigated 9,400 ND State Water Commission monitoring well sites, tested 4,325 wells, and detected methane in 905 wells. Approximately 20% of the wells contained detectable gas.

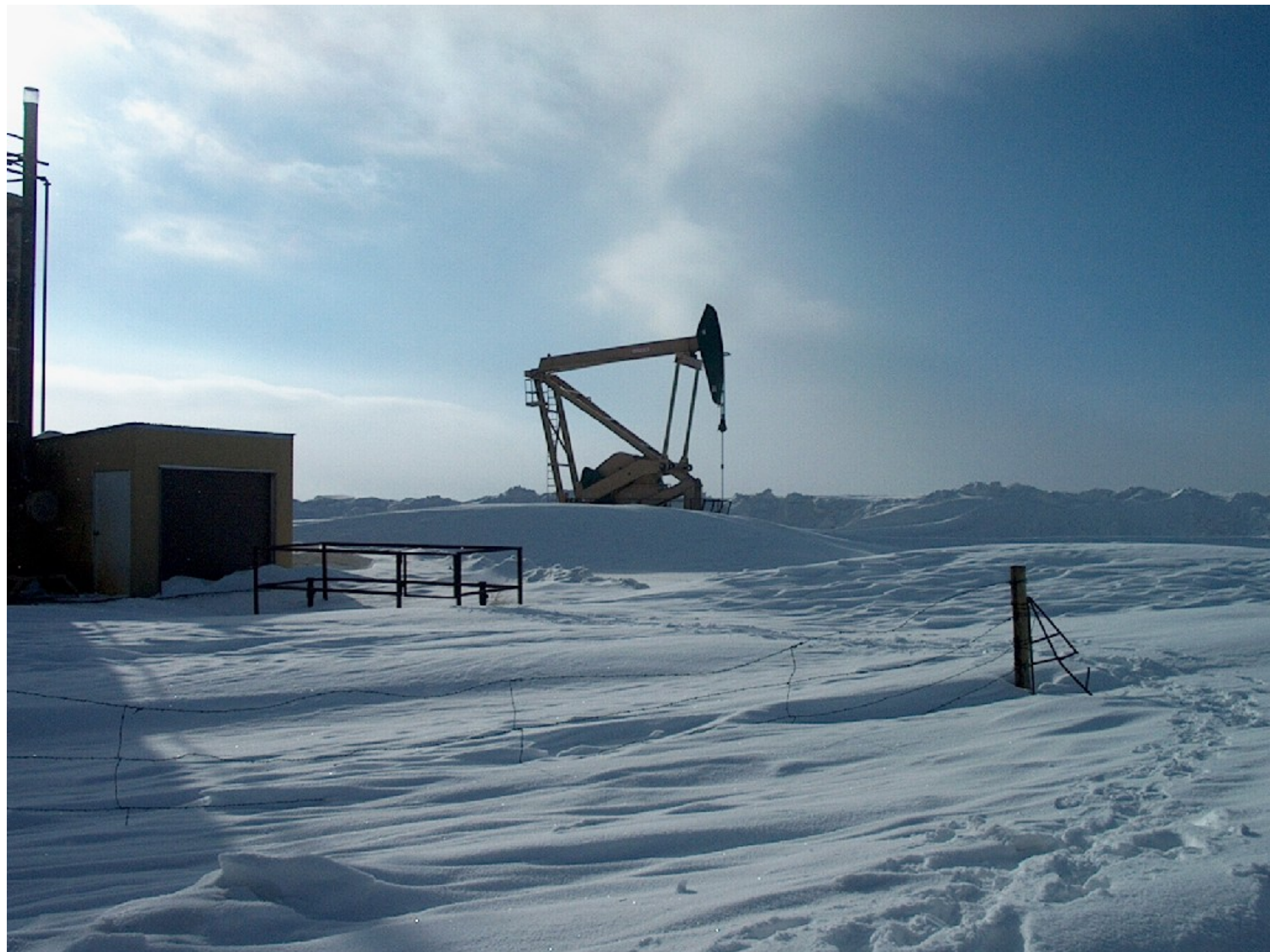
During the second phase of the project, thirty groundwater samples, primarily from eastern North Dakota, will be analyzed for dissolved gas composition, isotopes, and general chemistry. This will enable us to determine the source of the gas and identify chemical groundwater signatures that might assist the oil and gas industry in natural gas exploration.



Monitoring wells that contained methane are indicated with red dots, black dots are wells that contained no detectable methane. The red dots are sized to reflect the concentration of methane -- the higher the concentration, the larger the dot.

43-02-03-28	Safety Regulation	Incorporated language removed from 43-02-03-05 on well shut in f/public safety
		Requires automatic shut-down equip if well is threat to public health or safety
		Prohibits injection equipment from being installed < 500' from occupied dwelling





43-02-03-15	Bonds	Increase \$20,000 bond to \$50,000
		Commercial SWD bond increased from \$20,000 bond to \$50,000
		Eliminates \$50,000 10-well blanket bond



Topics for Today

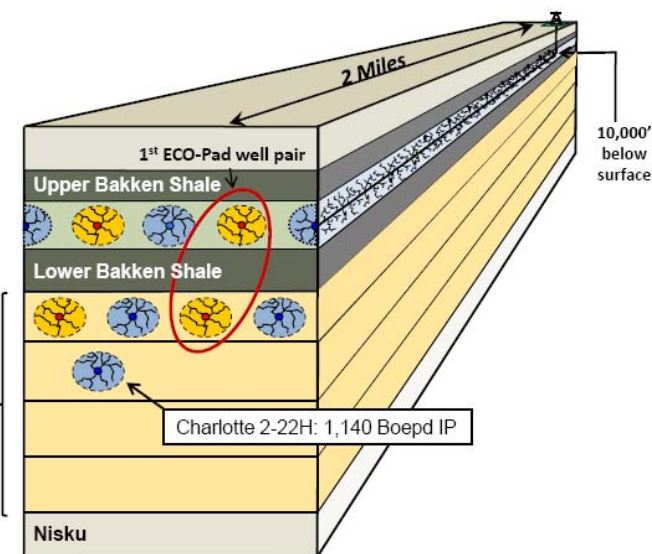
- Resource Plays
- Development History
- Impact mitigation
- CO₂ potential

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

Additional Three Forks potential



11

Most Likely

County	Bakken		Three Forks		Total	
	OOIP per County	EUR per County	OOIP per County	EUR per County	OOIP per County	EUR per County
Billings	3,141,271,156	115,858,434	1,717,909,400	154,611,846	4,859,180,556	270,470,280
Bottineau			1,642,257,140	147,803,143	1,642,257,140	147,803,143
Burke	14,891,719,317	187,975,278	2,084,609,970	187,614,897	16,976,329,287	375,590,175
Divide	16,836,857,774	123,315,660	855,513,980	76,996,258	17,692,371,754	200,311,919
Dunn	18,059,716,691	294,169,921	2,008,459,540	180,761,359	20,068,176,231	474,931,279
Golden Valley	66,147,411		25,519,700	2,296,773	91,667,111	2,296,773
Grant	62,508,094				62,508,094	
McHenry			539,104,280	48,519,385	539,104,280	48,519,385
McKenzie	32,438,937,580	382,654,320	3,941,684,770	354,751,629	36,380,622,350	737,405,950
McLean	3,253,719,118		351,841,190	31,665,707	3,605,560,308	31,665,707
Mercer			118,427,220	10,658,450	118,427,220	10,658,450
Morton			84,144,950	84,144,950	84,144,950	84,144,950
Mountrail	27,242,795,837	424,826,873	1,676,048,980	150,844,408	28,918,844,817	575,671,281
Oliver			9,002,880	810,259	9,002,880	810,259
Renville			183,377,880	16,504,009	183,377,880	16,504,009
Slope	10,586,089				10,586,089	
Stark	2,349,351,546	86,371,150	1,604,239,450	144,381,551	3,953,590,996	230,752,701
Ward	4,540,670,907		446,420,030	40,177,803	4,987,090,937	40,177,803
Williams	26,263,485,095	474,392,108	2,666,823,630	240,014,127	28,930,308,725	714,406,235
Total	149,157,766,614	2,089,563,745	19,955,384,990	1,872,556,554	169,113,151,604	3,962,120,299

