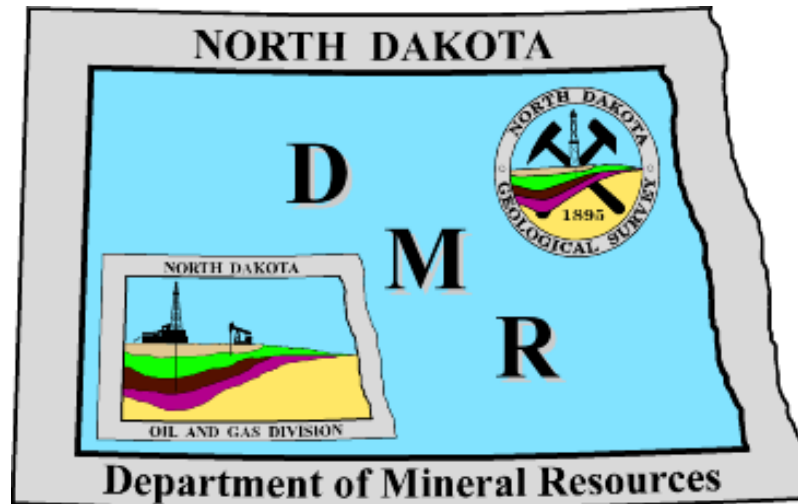


North Dakota Department of Mineral Resources

House Appropriations Committee

01/08/2015

Lynn D. Helms, Director



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

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

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Current Situation:

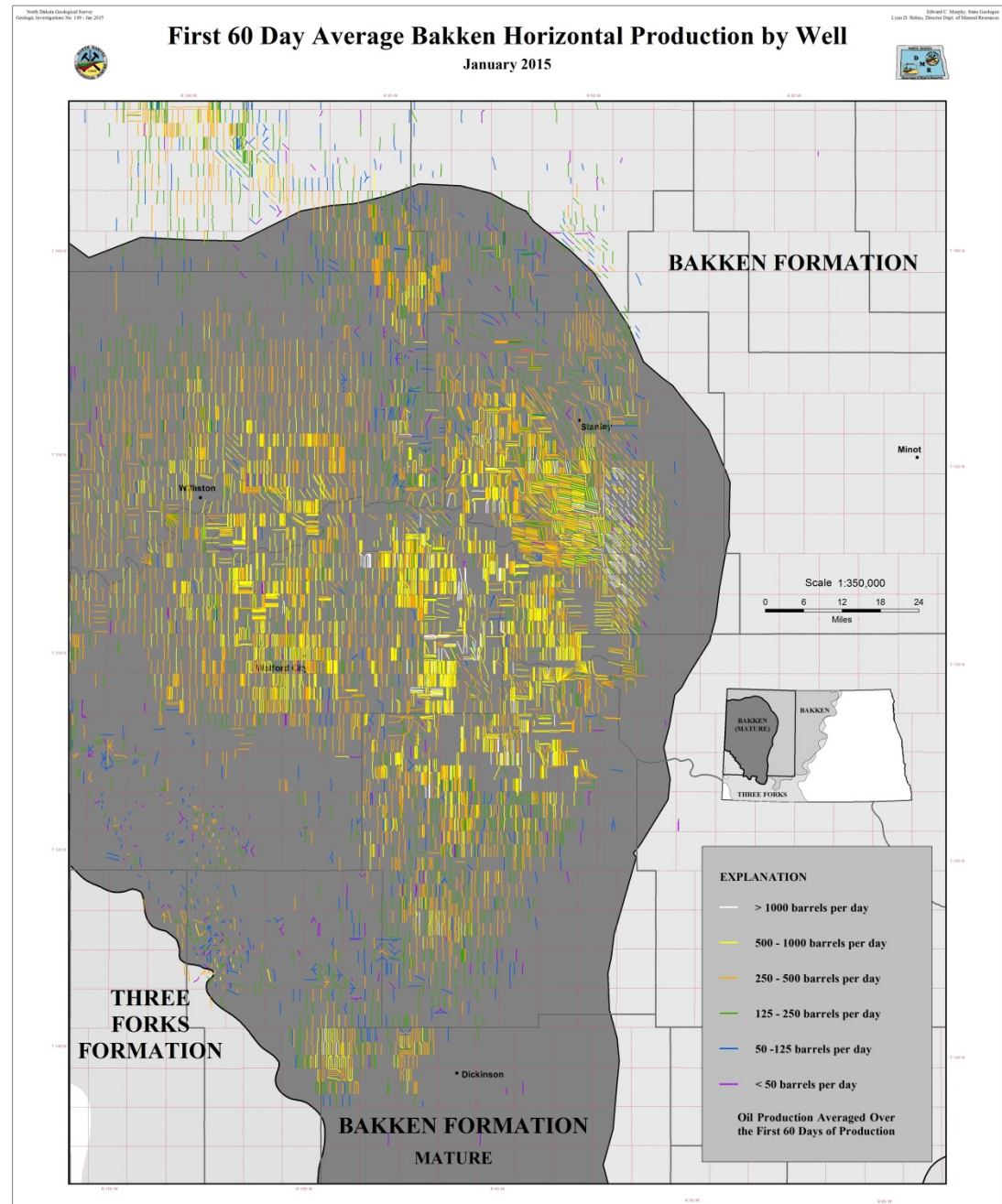
Oil Price: \$48.83/WTI
\$32.25/FHR
Avg. Price: \$40.54

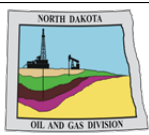
Rig Count: 166

Daily Production: 1.2 million bopd

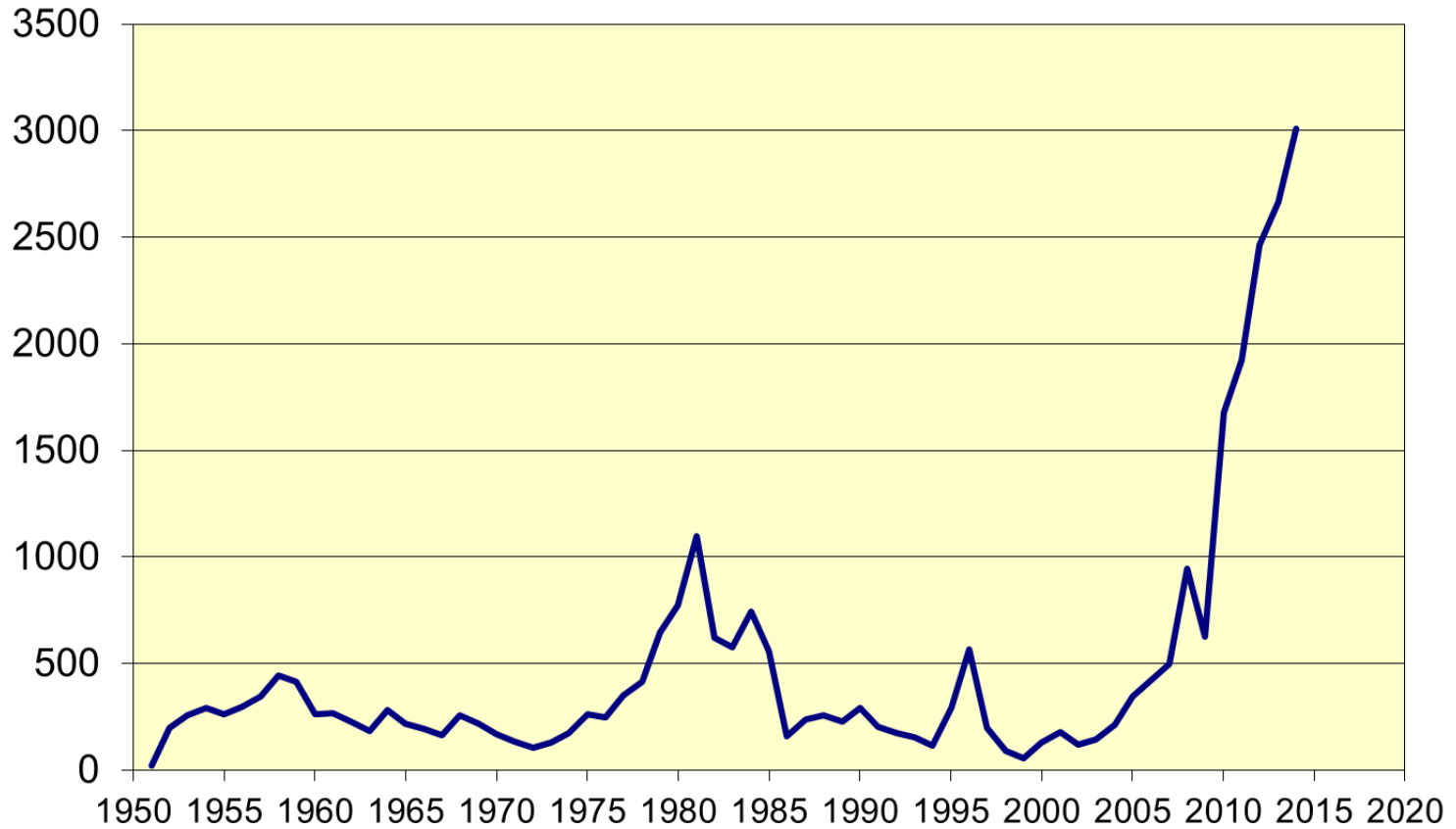
Well Count : 11,892
8,406 well are Bakken/TF
3,486 wells are legacy pools

2014 Permitting: 3,030
(all-time high) *issued permit #30000

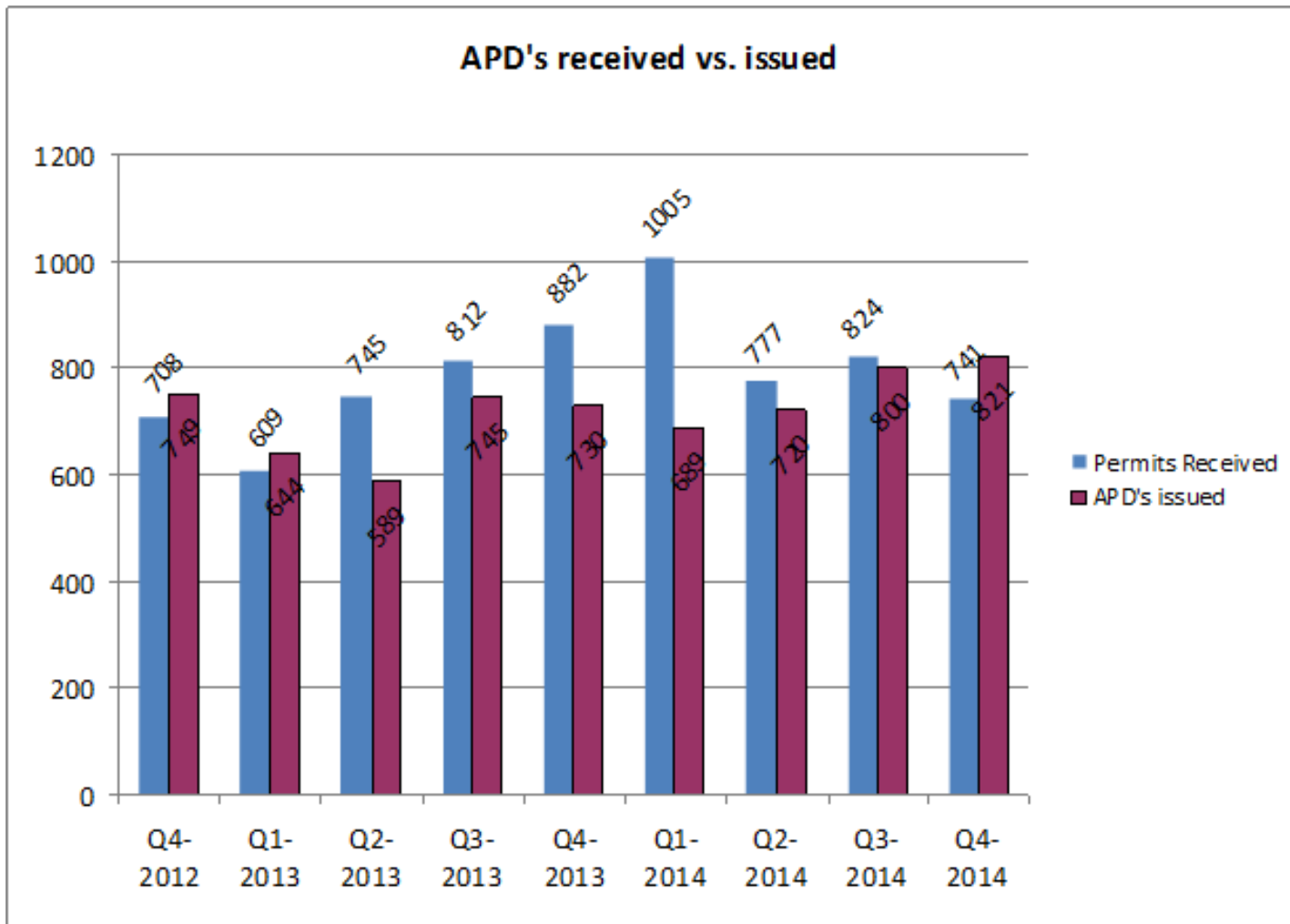




North Dakota New Well Permits Issued



	Q1-2014	Q2-2014	Q3-2014	Q4-2014
Permits Received	1005	777	824	754
Rec'd in AOI: PP 2.01	0	0	0	8
Permits Issued in PP 2.01	0	0	0	0
Denied/Relocated: PP 1.01	25	13	9	6
Stipulations: PP 1.02	70	44	88	64
Approval Time	40	50	53	44



Q4 2014 Permits received:

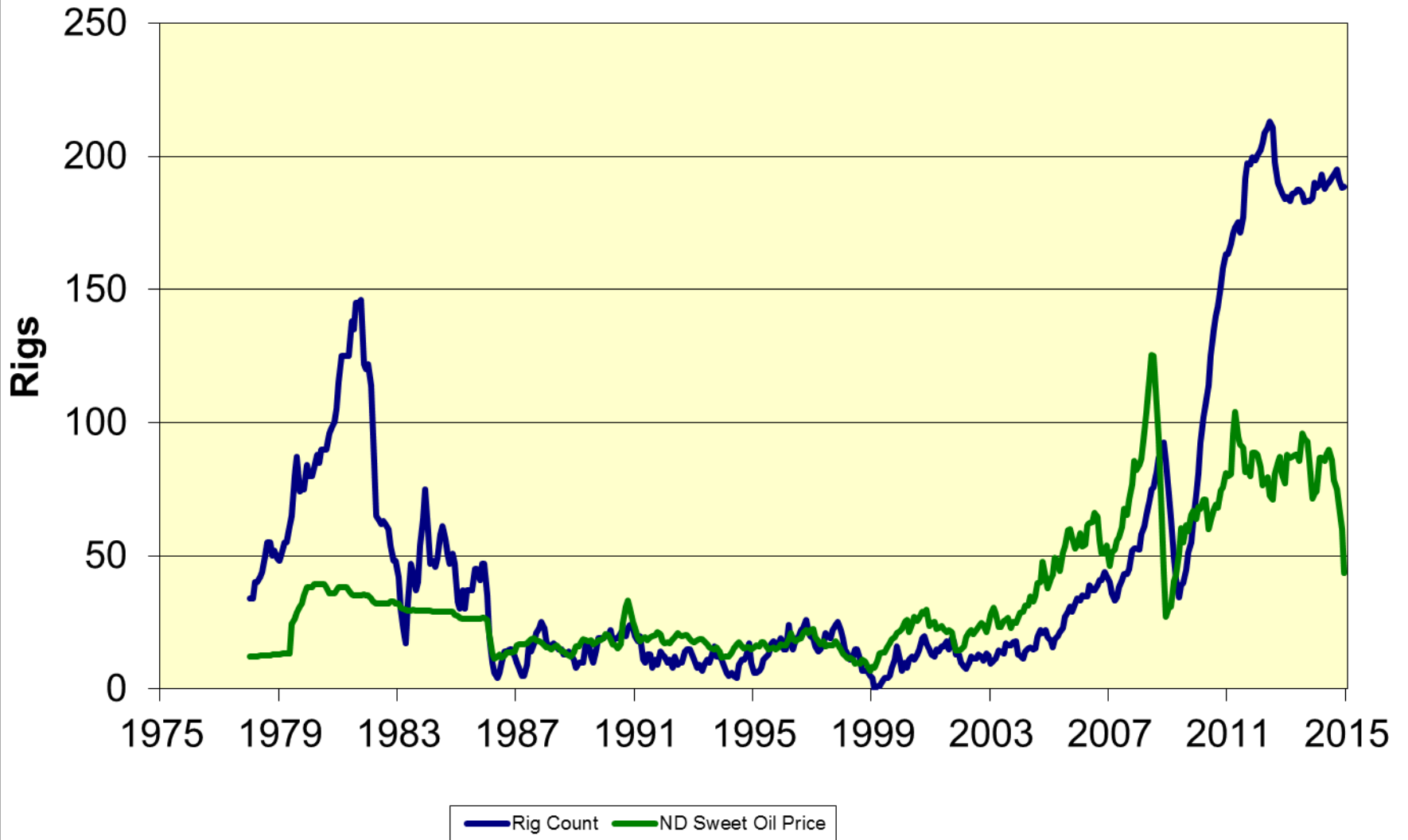
October 315

November 196

December 230



North Dakota Average Monthly Rig Count

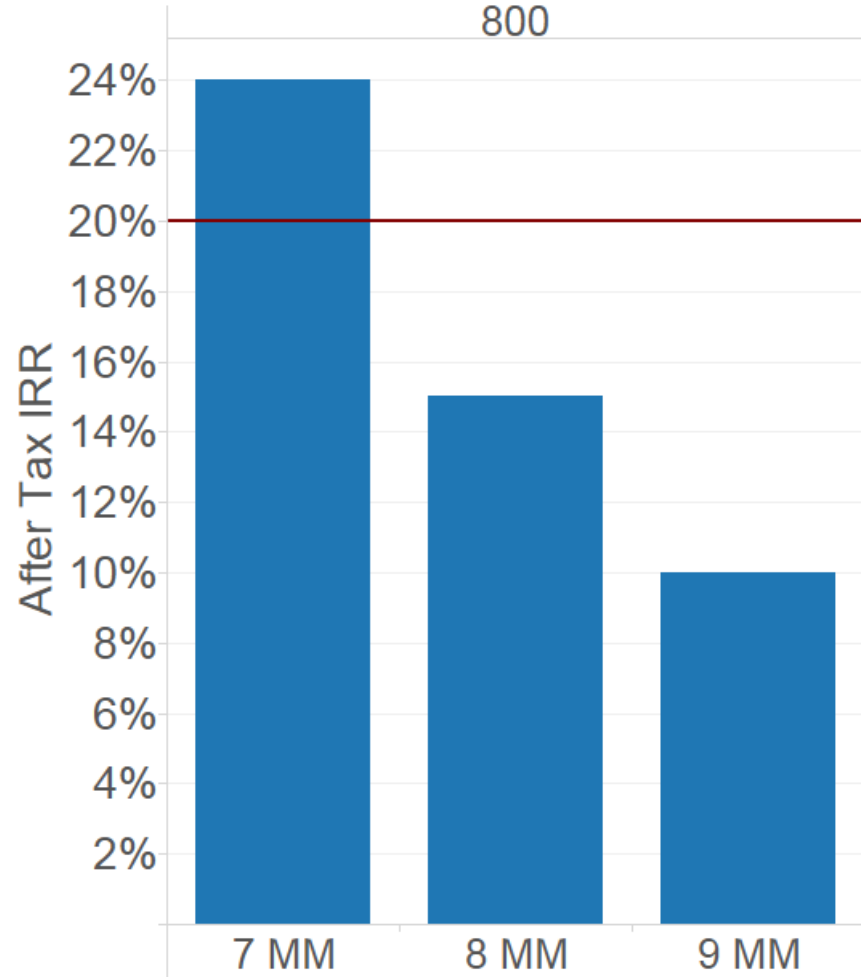


	Breakeven	Rigs	
		12/12/2014	1/7/2015
Billings	\$44	2	1
BOT-REN	\$52	5	4
BOW-SLP	\$75	2	3
Burke	\$62	3	2
Divide	\$73	4	6
Dunn	\$29	28	26
Golden Valley	\$52	0	1
McKenzie	\$30	64	59
McLean	\$77	1	0
Mountrail	\$41	33	28
Stark	\$37	0	1
Williams	\$36	40	35
		183	166

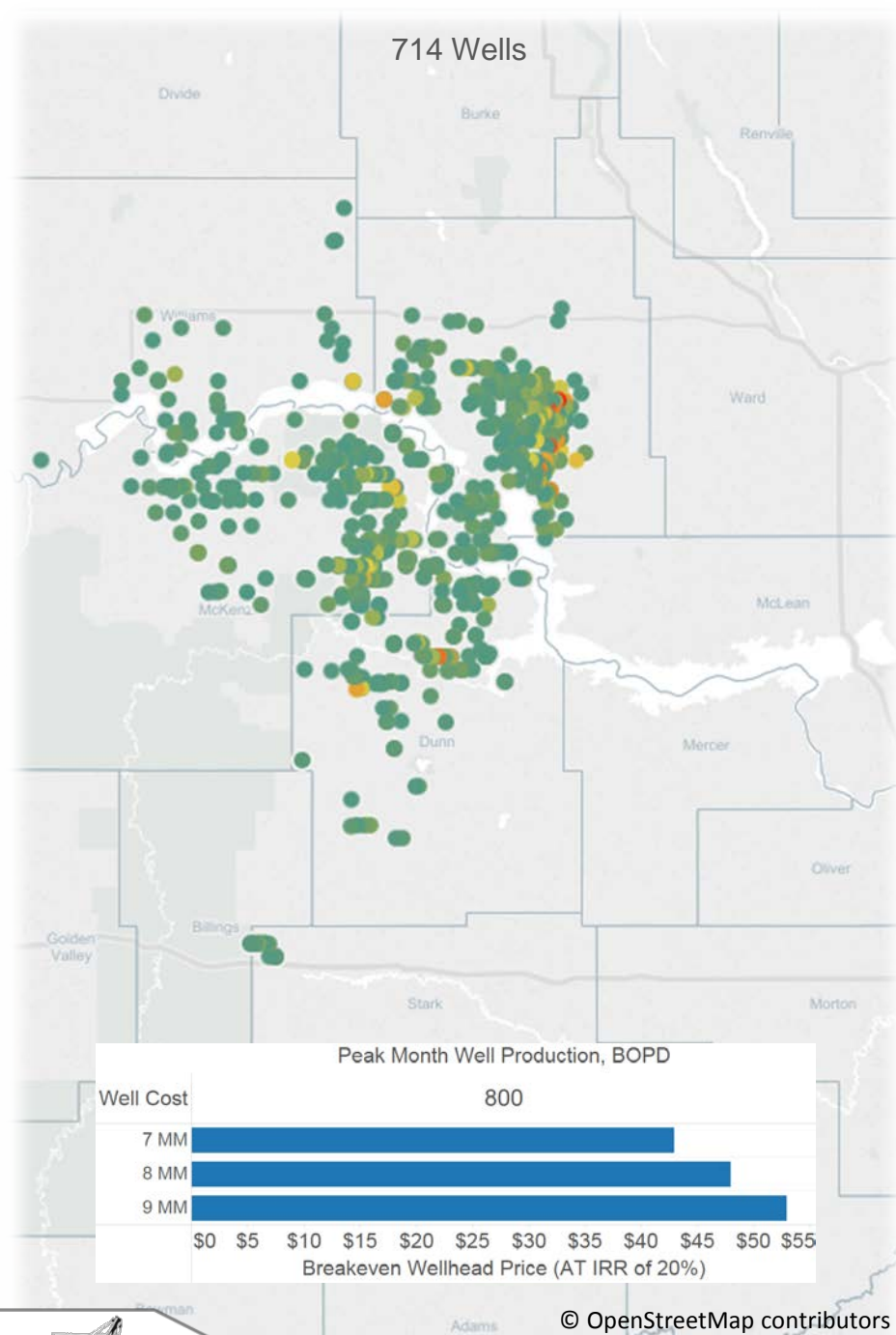
Breakeven costs reflect a price at which new drilling would cease.
The price at which production from existing wells would be shut-in is \$15/bbl.

Peak Month Minimum 800 BOPD

Peak Month BOPD / Well Cost
800

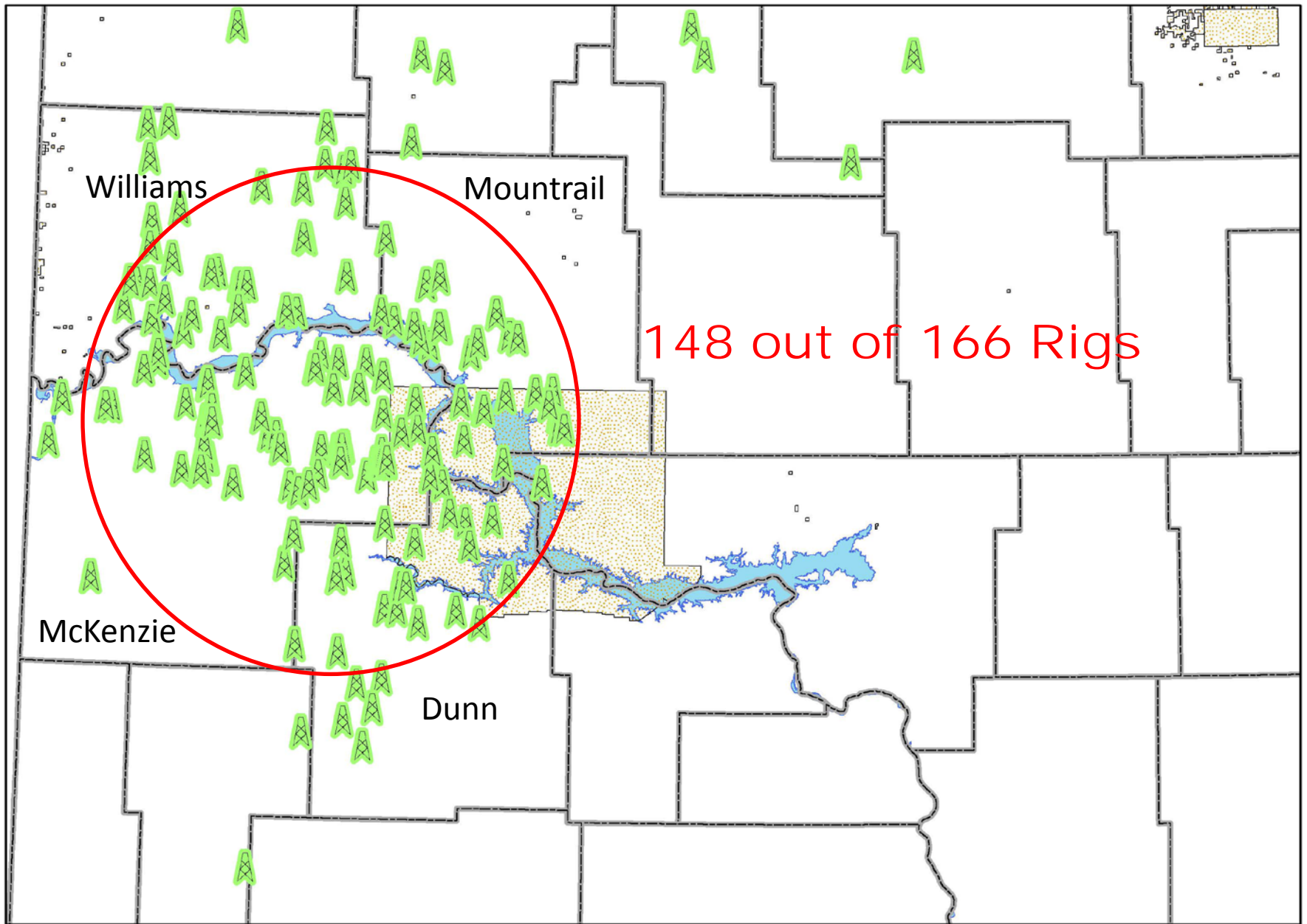


\$45 Wellhead



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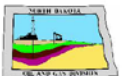




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Prepared by N.D.I.C.
Oil and Gas Division



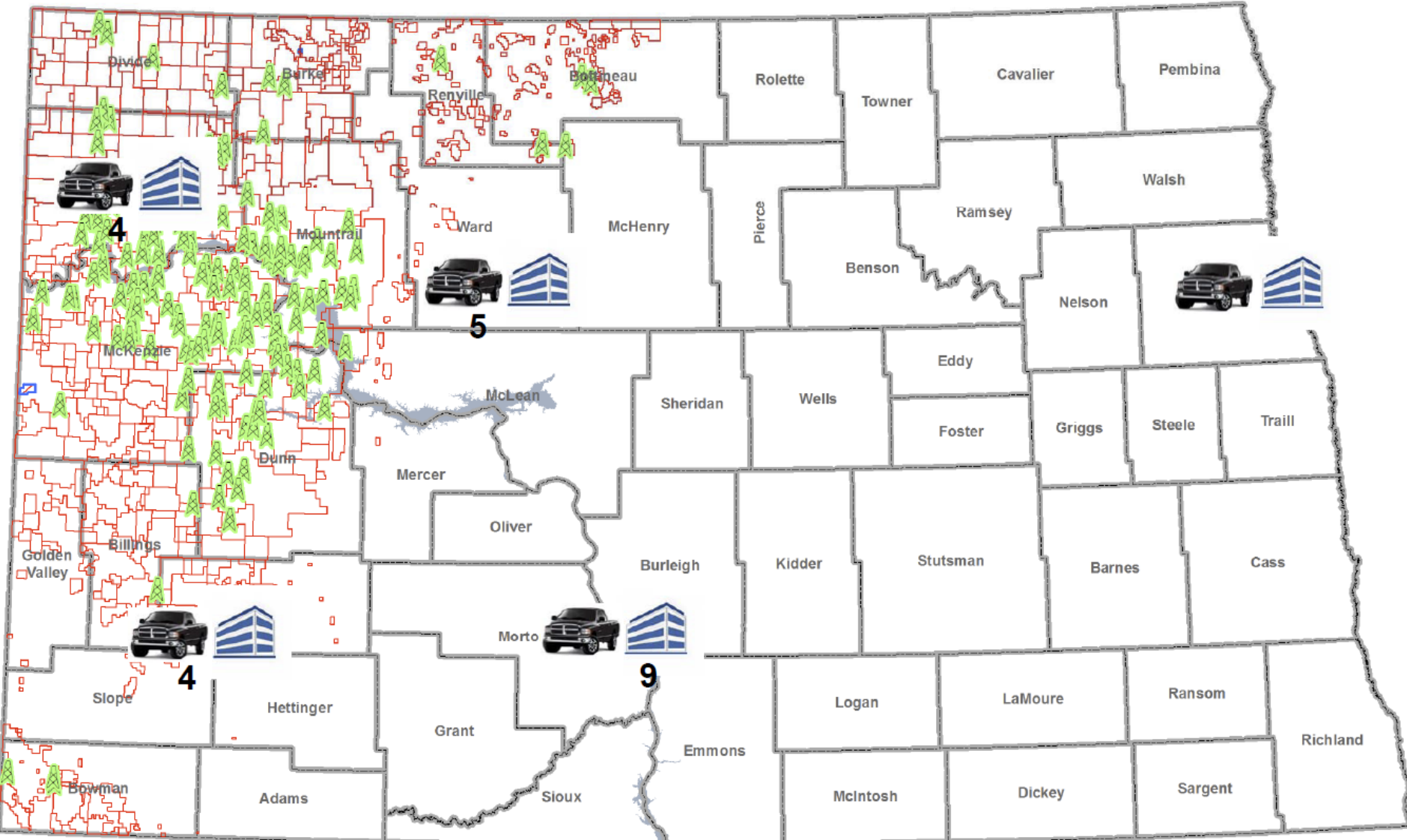
Production Projections

\$/BO	Rigs	New Wells	BOPD 7/1/15	BOPD 7/1/16	BOPD 7/1/17
\$25	40	1,100	1,000,000	800,000	700,000
\$35	90	2,400	1,030,000	875,000	720,000
\$45	120	3,200	1,100,000	1,050,000	975,000
\$55	140	3,800	1,200,000	1,200,000	1,150,000
\$65	155	4,200	1,200,000	1,225,000	1,250,000
\$75	170	4,600	1,200,000	1,300,000	1,400,000
\$85	190	5,000	1,250,000	1,400,000	1,550,000

Regulatory Policies

- Potential Federal Impacts:
 - BLM revised regulations for hydraulic fracturing on federal and Indian lands.
 - BLM venting and flaring regulations.
 - USFWS additional endangered species protections.
- Potential State Impacts:
 - Gas Capture targets:
 - Jan. 2015: 77%
 - Jan. 2016: 85%
 - Oct. 2020: 90-95%
 - Oil Conditioning practices.
 - Effective April 1, 2015.

DMR Budget Highlights 2015 - 2017



Additional Requests: Core Library Expansion, \$16 million

Litigation Contingency Fund, \$3 million