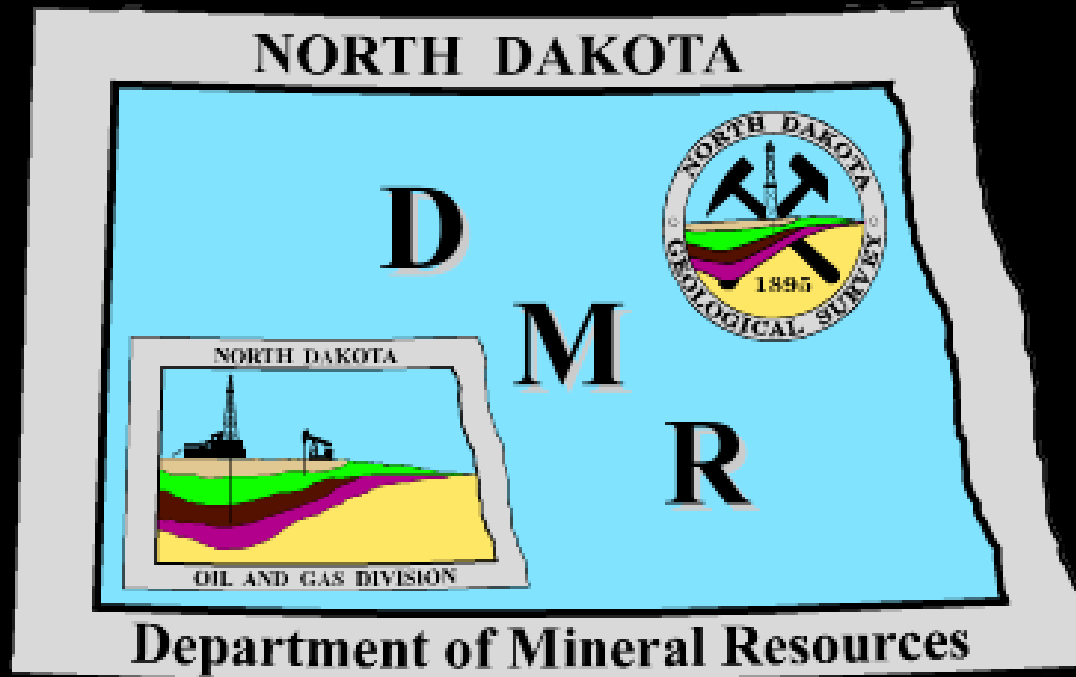


# North Dakota Department of Mineral Resources



<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*

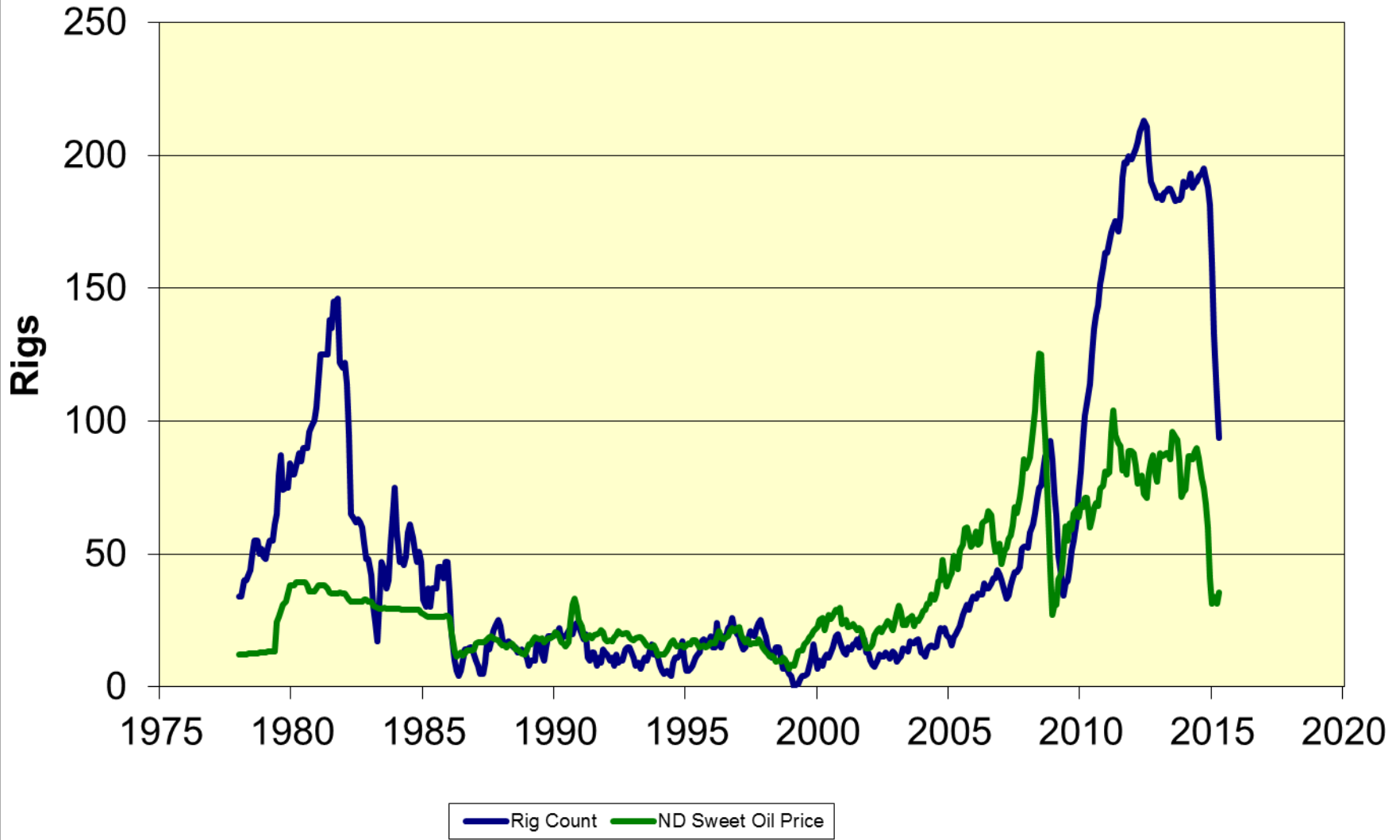
# North Dakota's Elevator Conversation:

- Oil Price
- Policy Changes
- Legislative Session





# North Dakota Average Monthly Rig Count



Williams

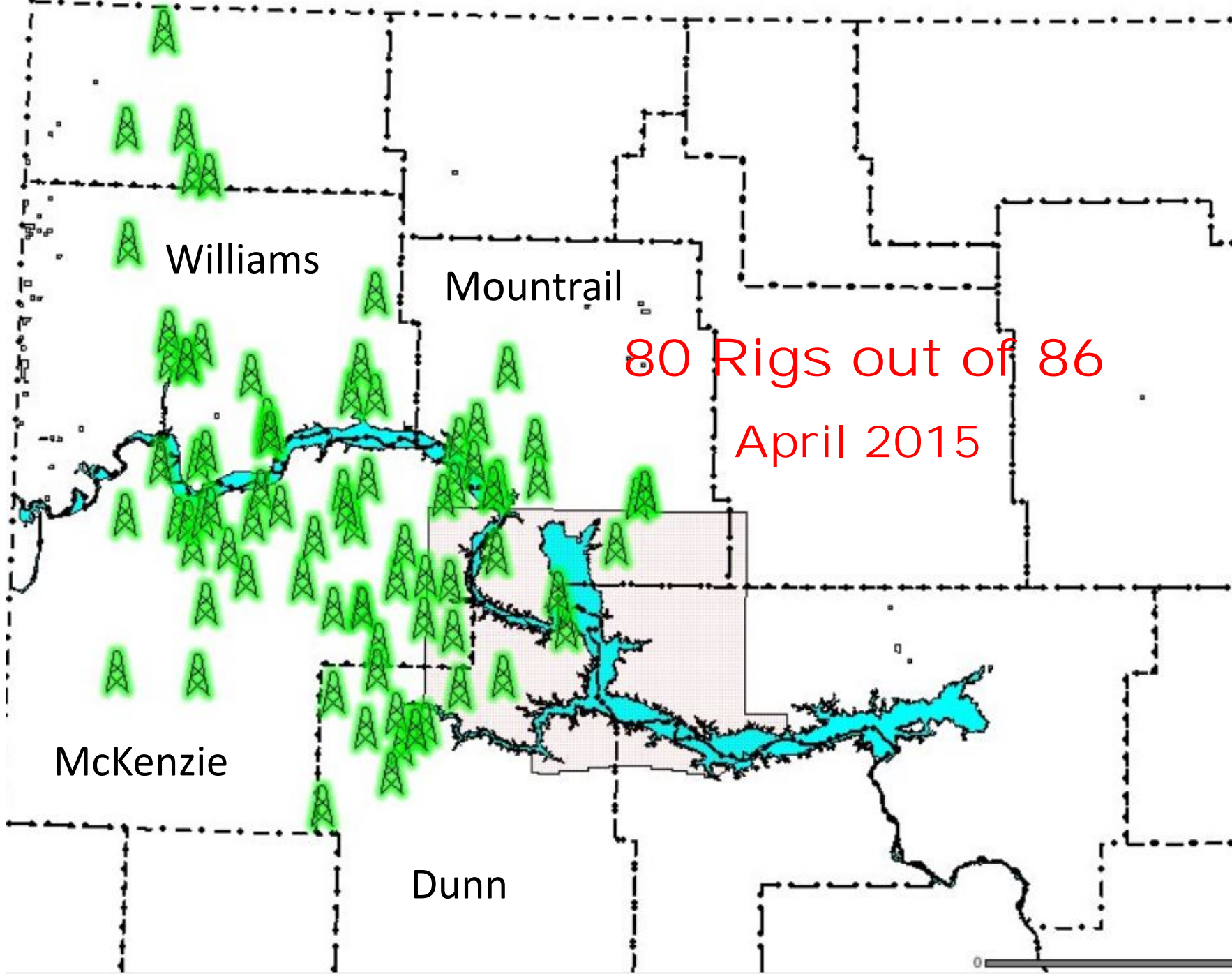
Mountrait

165 Rigs out of 183  
November 2014

McKenzie

Dunn



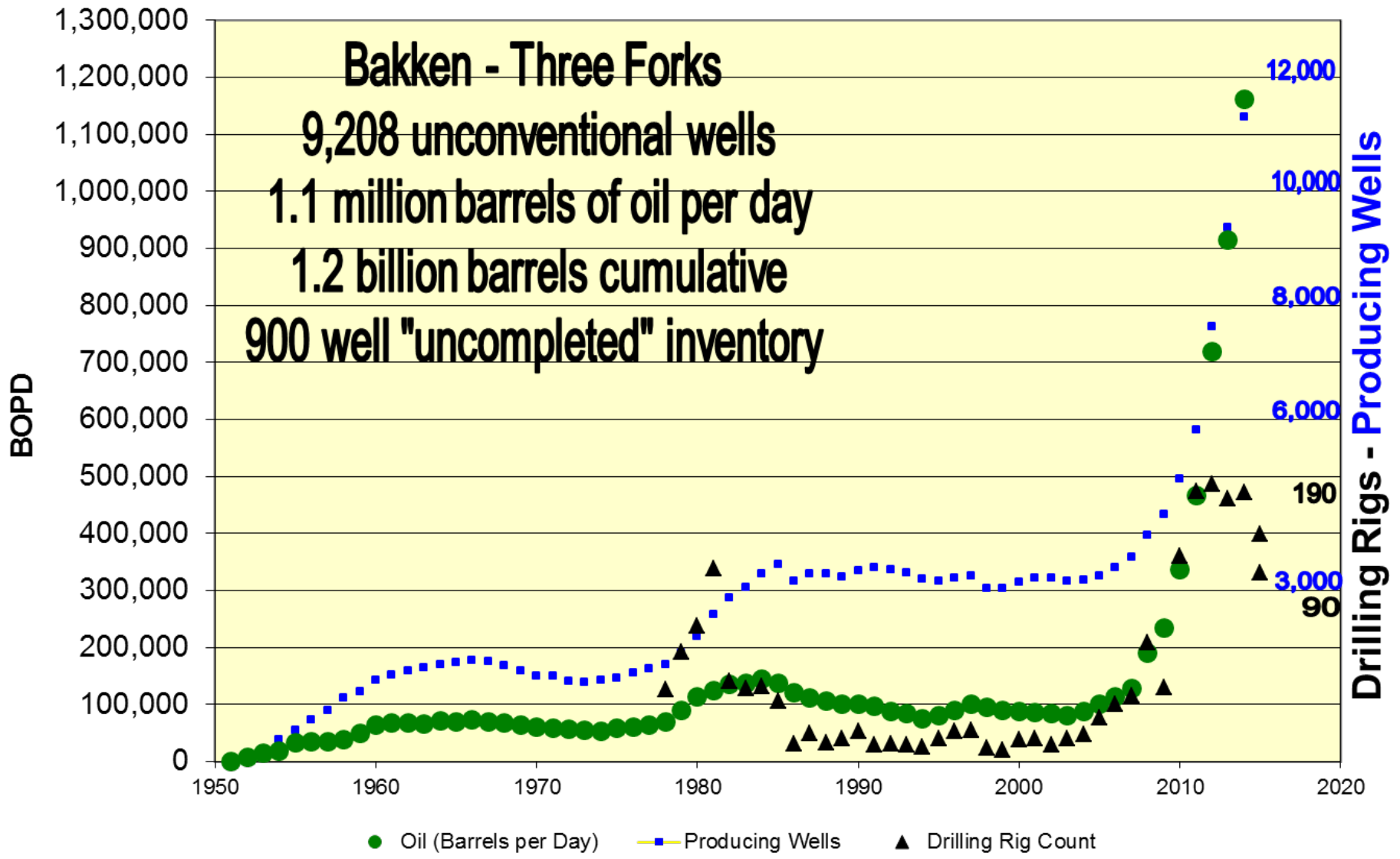


# Production Projections

<b>\$/BO at the wellhead</b>	<b>Rigs</b>	<b>New Wells</b>	<b>BOPD 7/1/15</b>	<b>BOPD 7/1/16</b>	<b>BOPD 7/1/17</b>
\$30	40	1,100	1,000,000	800,000	700,000
\$40	90	2,400	1,030,000	875,000	720,000
\$50	120	3,200	1,100,000	1,050,000	975,000
\$60	140	3,800	1,200,000	1,200,000	1,150,000
\$70	155	4,200	1,200,000	1,225,000	1,250,000
\$80	170	4,600	1,200,000	1,300,000	1,400,000
\$90	190	5,000	1,250,000	1,400,000	1,550,000

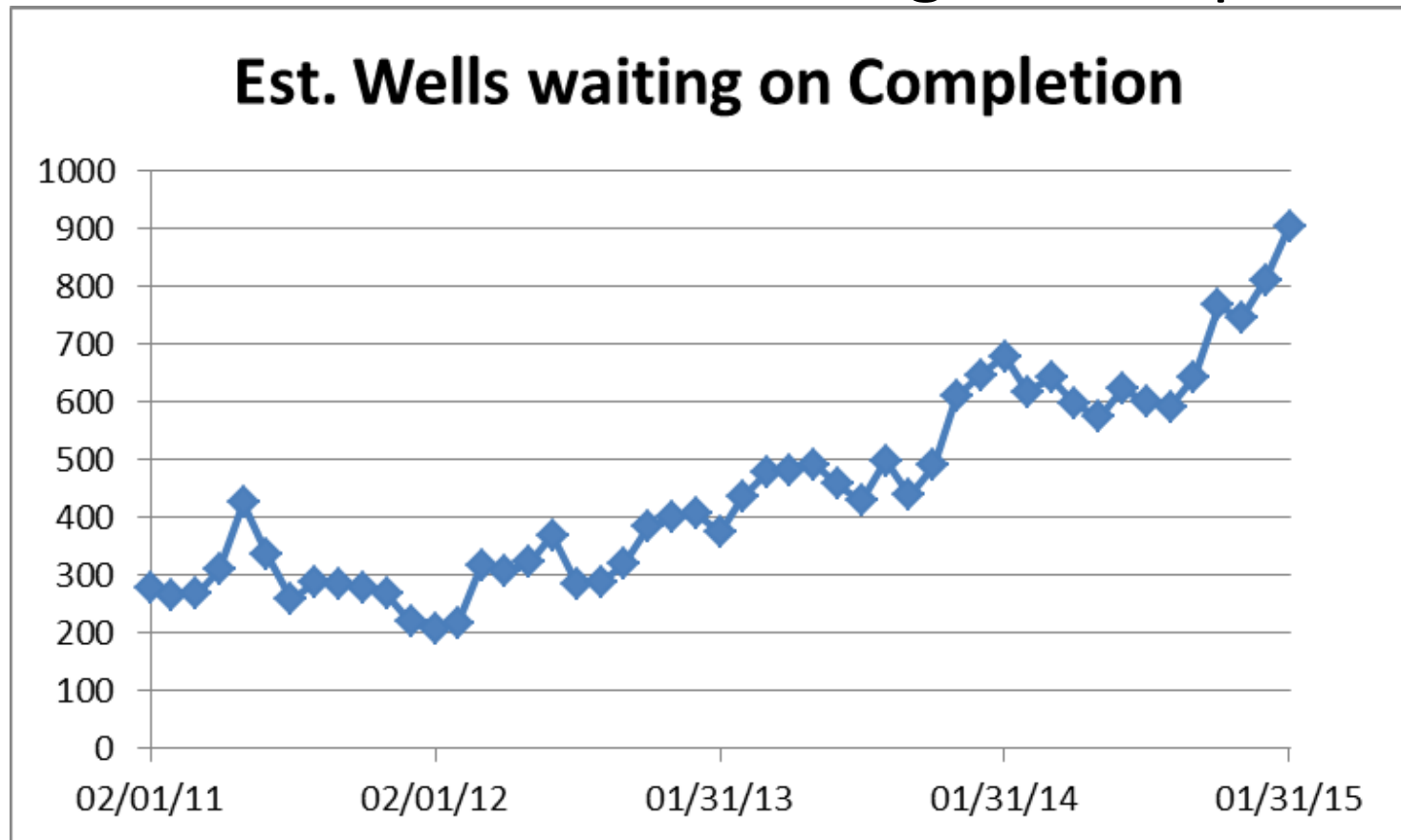


# North Dakota Oil Production



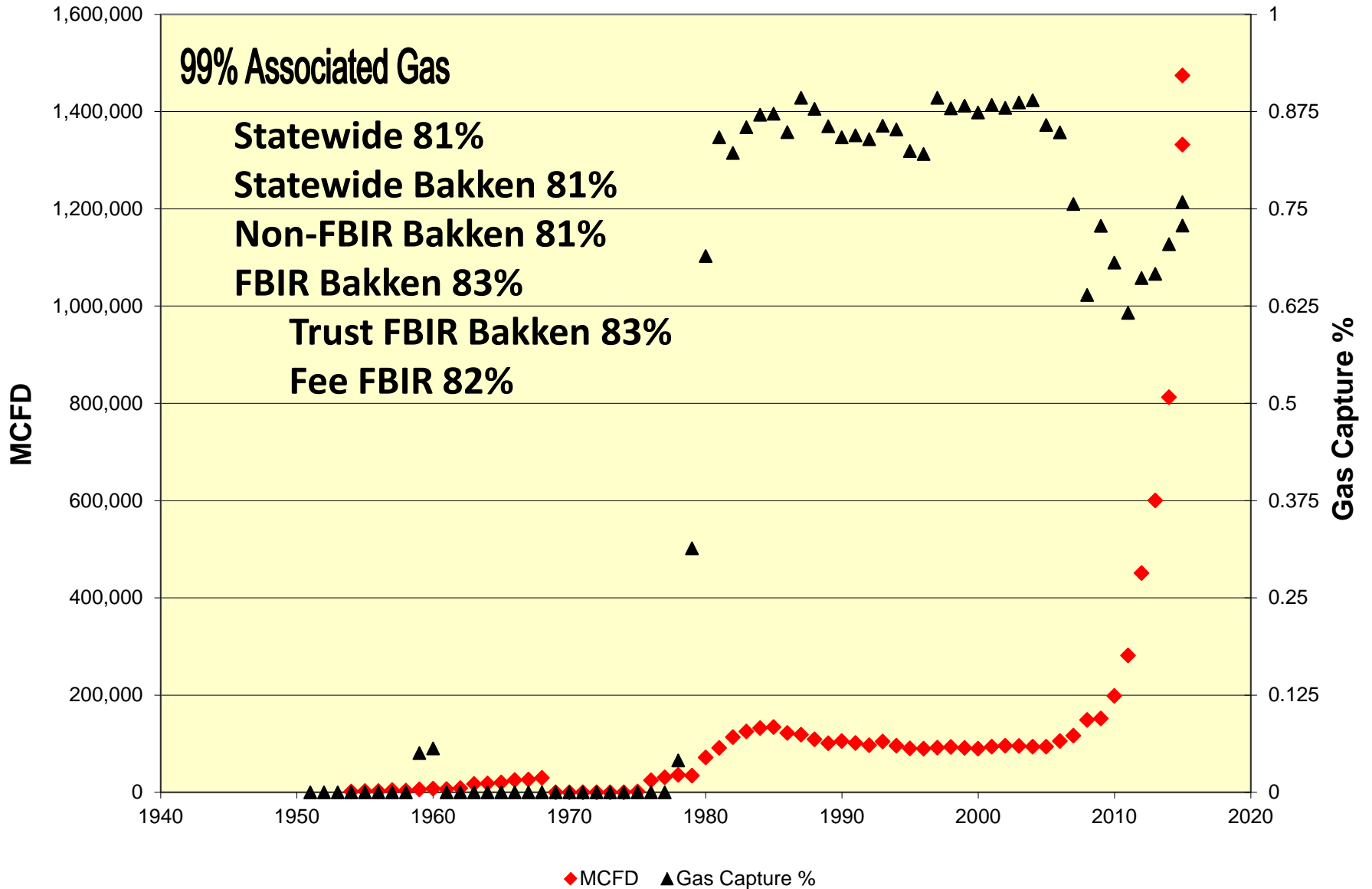
# Wells waiting on completion

- Price has driven wells waiting on completion

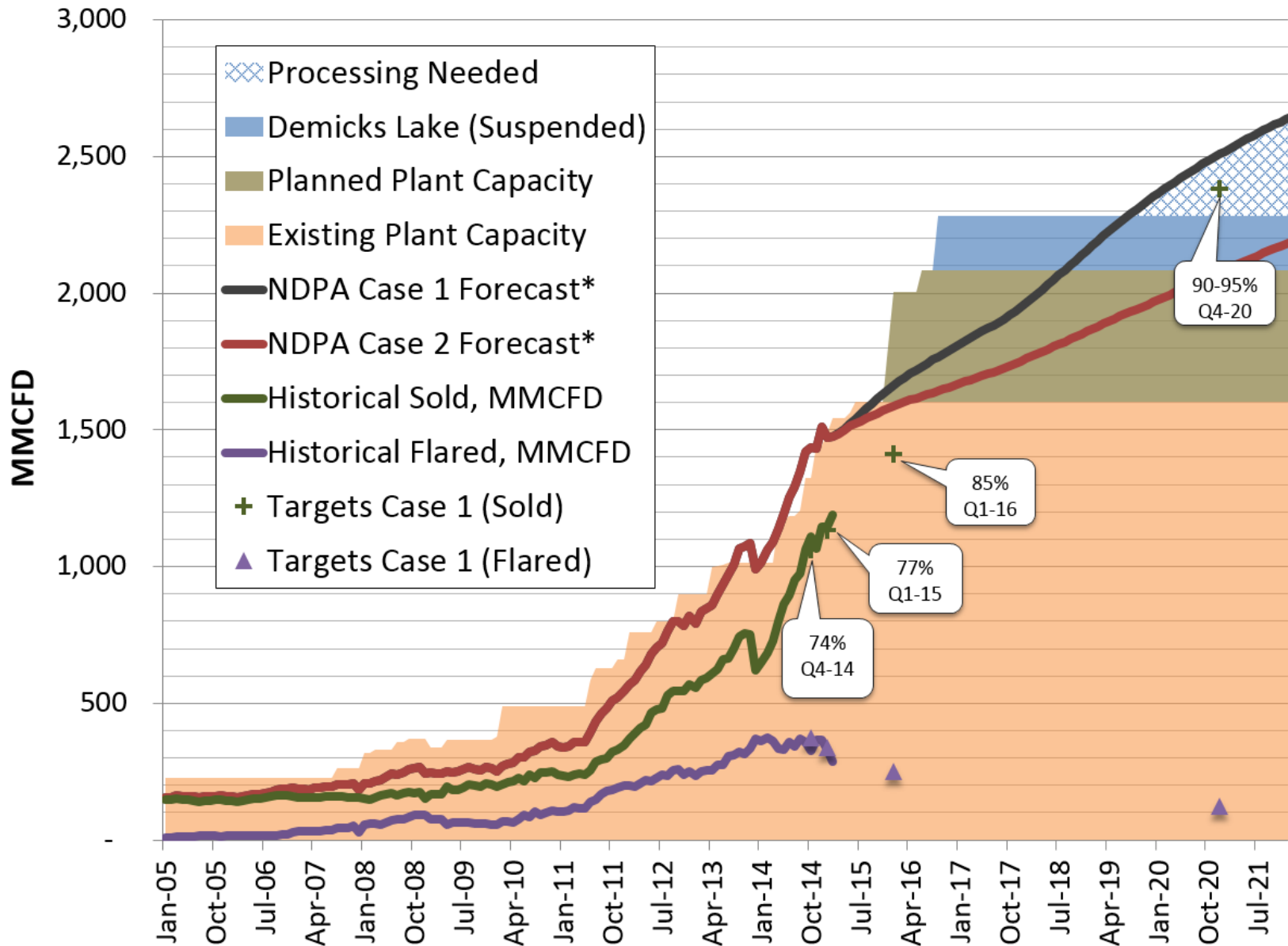




# North Dakota Natural Gas



# Solving the Flaring Challenge



# Pipeline Projects In Regulatory Review

## **Energy Transfer Partners - Dakota Access Pipeline**

- 450,000 BOPD(Expandable to 570,000 BOPD)
- Route: ND to Patoka, IL, 1,100 miles, 30"
- Proposed In-service Date: Q4 2016

## **North Dakota Pipeline Company Sandpiper**

- 225,000 BOPD
- Route: ND to Clearbrook, MN, 24" Clearbrook to Superior, WI, 30"
- Proposed In-service Date: Q1 2017

## **TransCanada Upland Pipeline**

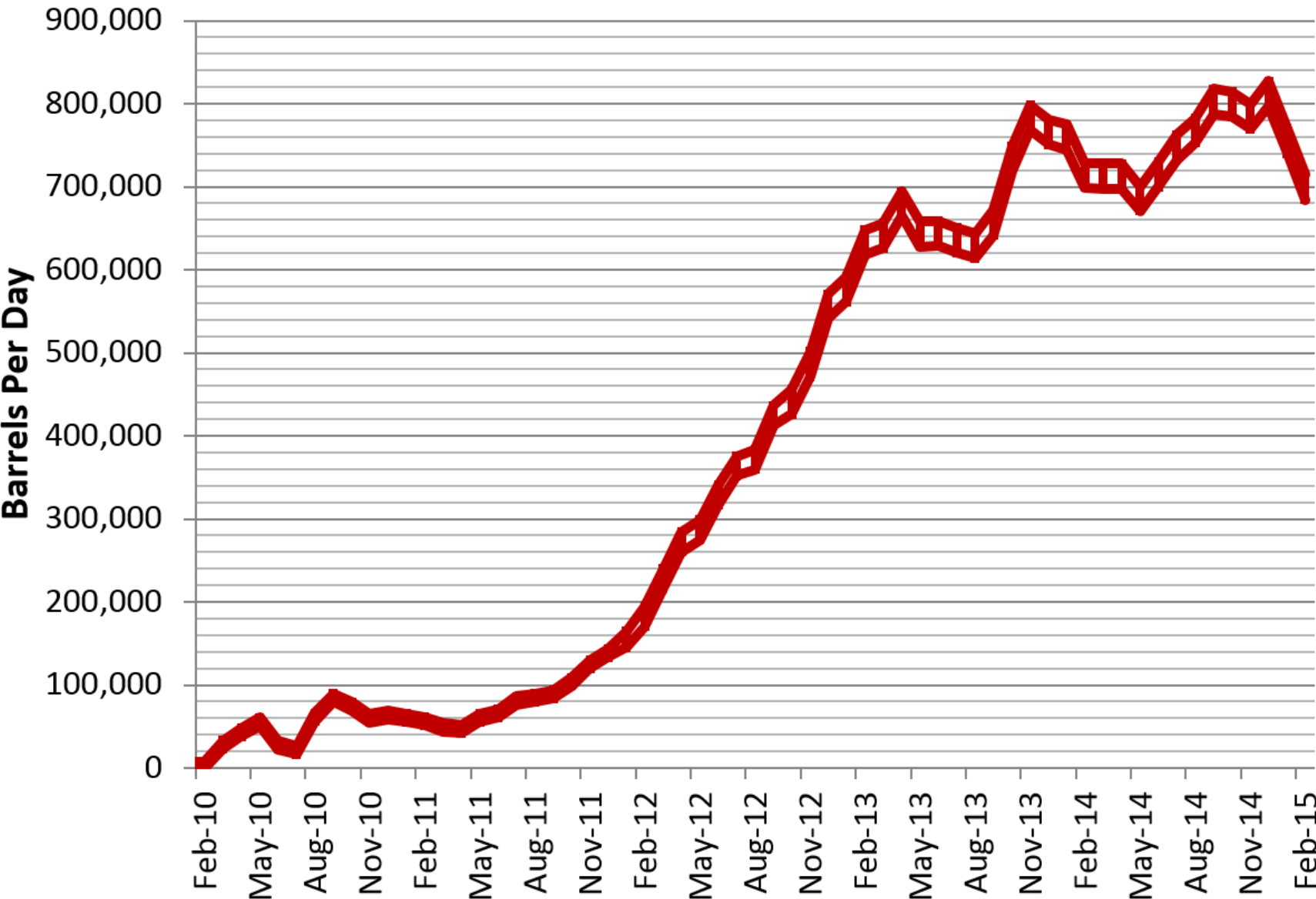
- 220,000 BOPD (Expandable to 300,000 BOPD)
- Route: North to TransCanada Energy East Pipeline, 20"
- Proposed In-service Date: 2020

## **TransCanada Keystone XL**

- Up to 100,000 BOPD
- Timeline Uncertain



# Estimated ND Rail Export Volumes



# Oil Conditioning

- Signed December 9<sup>th</sup>, 2014; effective April 1, 2015.
- Goal: to produce a consistent product that does not exceed a vapor pressure of 13.7 pounds per square inch (psi).
- Achievable: IC prescribed temperatures and pressures, or through quarterly field testing.
- Result: a safer, stable, crude oil.
- Oil Conditioning [FAQ](#)

# 64<sup>th</sup> Legislative Session

## Highlights:

HB 1014- Department Budget

HB 1032- Abandoned Well Plugging and Site Reclamation Fund (AWPSRF)

HB 1358- Enhanced Pipeline Safety

SB 2015- (OMB Budget)

SB 2271- Pipeline restoration and reclamation oversight program

QUESTIONS?