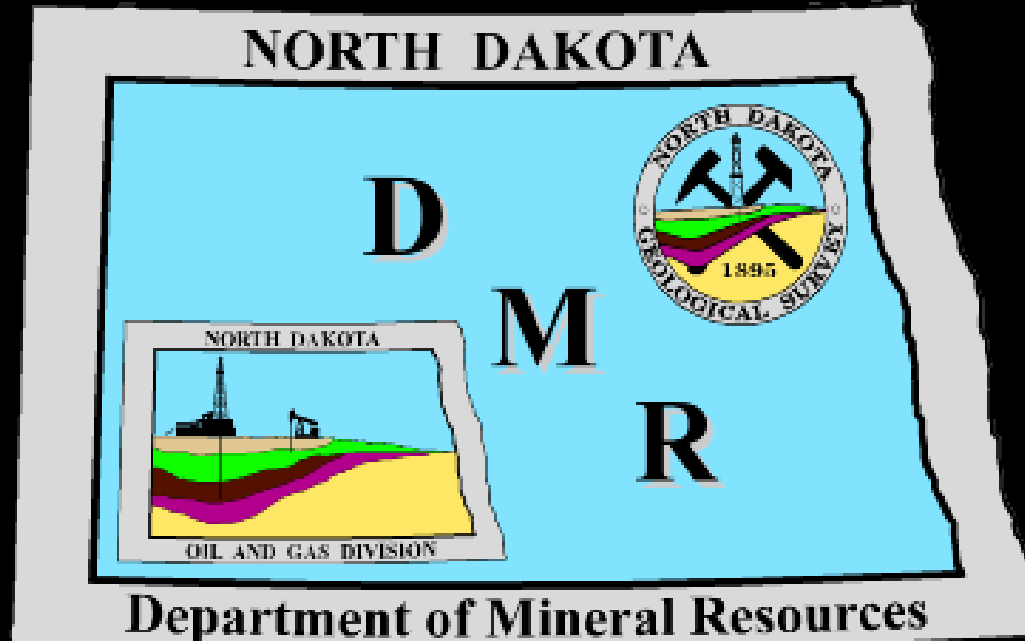


North Dakota Department of Mineral Resources



<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

“WHAT may well be the beginning of a new major domestic oil source in the northern Middle West is indicated by two recent important finds 100 miles apart, one last April in North Dakota and another in the past fortnight in Montana. For several decades this country has depended heavily, though not exclusively, upon southern and western areas—such states as Louisiana, Texas and California. If these new finds in North Dakota and Montana presage the opening of comparable rich fields they are of great importance.

“The mounting number of cars and oil heaters in this country is steadily increasing our consumption of this material, while from a global point of view the shadows over the future of oil production in the Middle East, particularly Iran, make it most desirable to increase production from more certain sources, as in this country, as rapidly as possible.

“In our gratification over these new finds we should not lose sight of the factors which made it possible for oil to be discovered at depths of 7,000 to 11,000 feet underneath the earth. The contributions of geologists, drilling technicians and related specialists are, of course, of the highest importance, for they make possible the location and then the reaching of this buried treasure. But important, too, are the enterprise and the willingness to bear risks which motivated these efforts. Wells that find oil are well publicized, but the large number which are no more than dry holes in the ground are recorded only in red ink in private ledgers.

“The men and organizations who search for oil at fantastic depths risk millions in such ventures, and frequently lose them. But they continue even after repeated disappointments because on balance profits can be made if a reasonable proportion of successes is attained. In this activity, as in many others, the role of the profit motive in inducing socially useful action is of primary importance, a fact which our people and our legislators might well keep in mind.”

New York Times Editorial, reprinted in National Geographic- 1951

OIL & GAS UPDATE

The background of the slide is a photograph of an oil field. On the left, there is a large metal pumpjack (oil pump) with a long arm and a counterweight. To the right of the pumpjack, there are several large, cylindrical metal storage tanks. The foreground is a field of tall, dry grass. In the distance, there are rolling hills under a clear blue sky with a few wispy clouds.

NDIC 2013-2014 Rulemaking

More than 40 different sections of code

Key Legislation: HB1134, HB1149, HB1198, HB1333, HB1348, SB2014

Hearing October 1, 2013

Comment period ended October 11, 2013

Final NDIC approval December 19, 2013

Effective date April 1, 2014

OIL & GAS UPDATE

The “BIG” one: HB 1333

PIPELINES:

- Requires basic construction reporting.
- Construction Self-Certification & Location.
- GIS layer available to Surface owner and tenant.
- Sets pipeline abandonment & reclamation standards.

ABANDONED OIL & GAS WELL SITE PLUGGING & RESTORATION FUND (AWPSRF):

- Increased funding to respond to illegal dumping incidents.
- Funded by Oil & Gas taxes, penalties from violations, OGD fees.
- Responded to 4 incidents so far.

OIL & GAS UPDATE

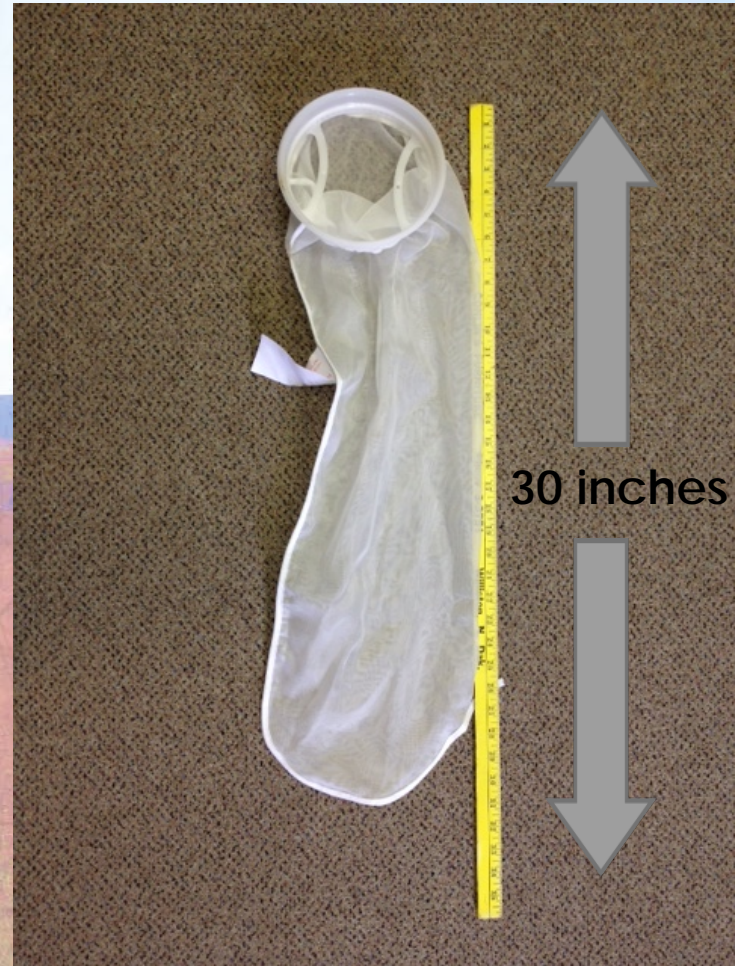
Filter Sock Response:

Permit Stipulations effective June 1, 2014 required on-site: leak-proof, covered, labeled container.

Applies to all disposal wells.

Applies to oil & gas wells during drilling, completion and flow-back.

Container must then be picked up by a licensed waste hauler and disposed of at an authorized facility.



OIL & GAS UPDATE

Flare reduction policy:

Approved by the Commission on March 3, 2014

Require Gas Capture Plan for all future increased density, temporary spacing and proper spacing cases.

Require Gas Capture Plans for all applications for permit to drill after June 1, 2014.

Meet semi-annually with gathering companies.

Develop web based pipeline incident report form.

Pipeline Authority will track flaring on-off Fort Berthold Reservation.

Held a hearing on April 22, 2014 to review Bakken and Three Forks field rules.
Order expected around the end of June.

Report a Gathering Line Incident

* If the incident involves a spill or release of product, please use the Oil and Gas Division's [spill report](#)

Reporting Party Information

Reporting Party First Name

Reporting Party Last Name

Street Address of Reporting Party

City

State

Zipcode

Email


Phone Number

Report Submittal Date

4/28/2014 

Incident Details

Incident Discovery Date

4/28/2014 

Incident Type

Select Incident Type...

Description of Incident and Current Conditions

Please upload a photo of the area of the pipeline that has been affected (This is required)


Select files...

 Test.jpg



Incident Location

Incident County



Latitude (if known)

Longitude (if known)

Township

Range

Section

Quarter

Quarter Quarter

Other Location Description

Erosion-Rain
Erosion-Watercourse
Flood
Third Party Excavation Damage
Earth Movement
Corrosion
Lightning
High Winds
Inadequate Backfill
Vandalism
Tilling/Farming Activity Damage
Heaving
Other Manmade Incident
Other Natural Incident
Pipe Exposed

Photo Upload

Dropdown Lists

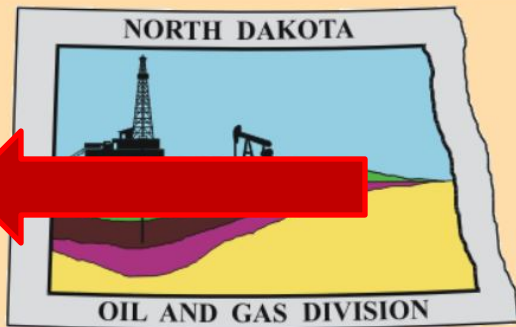
OIL & GAS UPDATE

Drilling Permit Review Policy (Areas of Interest)

Approved on March 3, 2014

Involves comment period for wells permitted on public lands

Services
Rules & Regulations
Forms
Hearing Dockets
Active Drilling Rigs
Daily Activity Reports
Confidential Well List
General Statistics
Seismic
Well Search
Report a Spill/Incident
GIS Map Server
Publications
Surface Mineral Owner
Basic Services
Premium Services
Electronic Filing
Related Links
FAQ & Web Help
Employment Opportunities
Contact Us
Employee Directory
Email Addresses



Welcome to the North Dakota Industrial Commission, Department of Mineral Resources and Gas Division, home page.

[Director's Cut - 05/13/2014](#) and [Recent Presentations](#)

The Director's Cut is an update on current activity in the North Dakota oil patch from the Director of the Department of Mineral Resources and Gas Division.
([View past Director's Cuts](#) | [Webinars](#))

View [press releases](#) from the Oil and Gas Division

[North Dakota Industrial Commission Permitting Policies](#)

["Diesel fuel" in HF stimulation now requires UIC approval](#)

[Bakken and Three Forks Information!](#)

[Class VI Primacy Application for the authority to regulate the Geologic Storage of Carbon Dioxide](#)

Available on the ND Petroleum Council web site are the [Surface Owner Information Center](#), the [Royalty Owner Information Center](#) and the Power of Production that were used at the [2012 Williston Basin Petroleum Conference](#).

OIL & GAS UPDATE

NORTH DAKOTA INDUSTRIAL COMMISSION

DATE: MAY 2014

DAILY REPORT: 16579

PERMIT APPLICATIONS RECEIVED WITHIN THE AREAS OF INTEREST:

FORM 1 ID#- APPLICATION INFORMATION, [FORM 1 ID FILE](#) (CLICK TO VIEW NON-CONFIDENTIAL INFORMATION)

#123456789 - OPERATOR, WELL NAME, LEGAL LOCATION, COUNTY, SURFACE FOOTAGES,
PERMIT TYPE, FIELD NAME, 'Tight Hole', ELEVATION, API NUMBER, [FORM 1 ID FILE](#)
← THIS WILL BE A HYPERLINK TO THE NON-CONFIDENTIAL INFORMATION

Written comments on the above Application for Drilling Permits will be accepted until midnight on mm/dd/yyyy.

Written comments may be submitted in the following manner:

By e-mail to: areaofinterest@nd.gov

Or by mail to: North Dakota Industrial Commission, Attention: Drilling Permit Area of Interest, State Capitol - 14th Floor, 600 East Boulevard, Bismarck, ND 58505

Please clearly identify the Form 1 ID# with your submission.

OIL & GAS UPDATE

HB 1149

& Spill Reporting:

Two key Changes:
Immediate notification
followed by online report

Additional information
required at the time of
the online report

[Incidents](#) [Report Incident](#)

Well / Facility Information

Facility Type

County

Field

All

All

All

Facility #	Name	Operator	Sec	Twp	Rng	QQ	Type	Status
10148301	AUGUST MOBERG 1 P-6 BATTERY	EAGLE OPERATING, INC.	21	159	94	NWSW	Single Well Facility	Active
10942101	Duncan Patten CTB (5C-2-1)	PETRO-HUNT, L.L.C.	5	144	97	NENW	Central Production Facility	Active
11583277	RUSSELL E. SMITH 24-43H	HESS CORPORATION	24	155	96	SWSE	Single Well Facility	Active

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OIL & GAS UPDATE

SB 2014 – Staffing

2013-15 Biennium: 23 FTE's (Full Time Equivalent)

5 emergency staff hires (filled)

18 of 23 positions filled (2 Field positions open)

3 contingent positions ETA July 2014

2015-17 Biennium:

Working on budget request

Similar growth needed

OIL & GAS UPDATE

The background of the slide is a photograph of an oil field. In the foreground, there is a pumpjack (oil pump) with a large, dark, curved arm. To the right of the pumpjack, there are several large, cylindrical oil storage tanks. The landscape is a flat, arid desert with dry, yellowish-brown grass. In the distance, there are low, rolling hills under a clear blue sky with a few wispy clouds.

First barrel of oil produced in April 1951

1 Billionth barrel of oil produced in October 1989

2 Billionth barrel of oil produced in November 2011

3 Billionth estimated in 2015-2016

OIL & GAS UPDATE

The background of the slide is a photograph of an oil field. On the left, there is a large black pumpjack (oil pump) with a long arm and a counterweight. To the right of the pumpjack, there are several large, cylindrical metal storage tanks. The ground is a mix of brown and green, suggesting a dry or semi-arid environment. In the far distance, there are low mountains under a clear blue sky with a few wispy clouds.

Became #3 Oil producing state in March 2012.
(January figures)

Became #2 Oil producing state in May 2012.
(March figures)

March production 30.2 million barrels of oil or
977,051 barrels of oil per day.

33.6 billion cubic feet of natural gas or 1 billion
cubic feet per day.

OIL & GAS UPDATE

1,100 to 2,700 wells/year = 2,000 expected

190 rigs = 2,280 wells per year

218 rigs in May 2012 completed first phase of drilling mid 2012

190 rigs will complete the second phase of drilling in 6-12 months

190 rigs will require about 20 years to complete phase 3 drilling

40,000 / 60,000 / 70,000 new wells

(est. 15,000 well pads)



North Dakota update

- Spotlight on the Bakken: Media Coverage
 - National Geographic
 - New York Times
 - The Globe and Mail (Canada)
 - BBC
 - Al-Jazeera America
 - Daily: California, Florida, New York, Washington, D.C., Colorado, Alaska.
 - Inquiries from Australia, France, Germany, Japan, United Kingdom, Poland, Austria.

Questions?

amritter@nd.gov

701-328-8036

