

North Dakota Department of Mineral Resources



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

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

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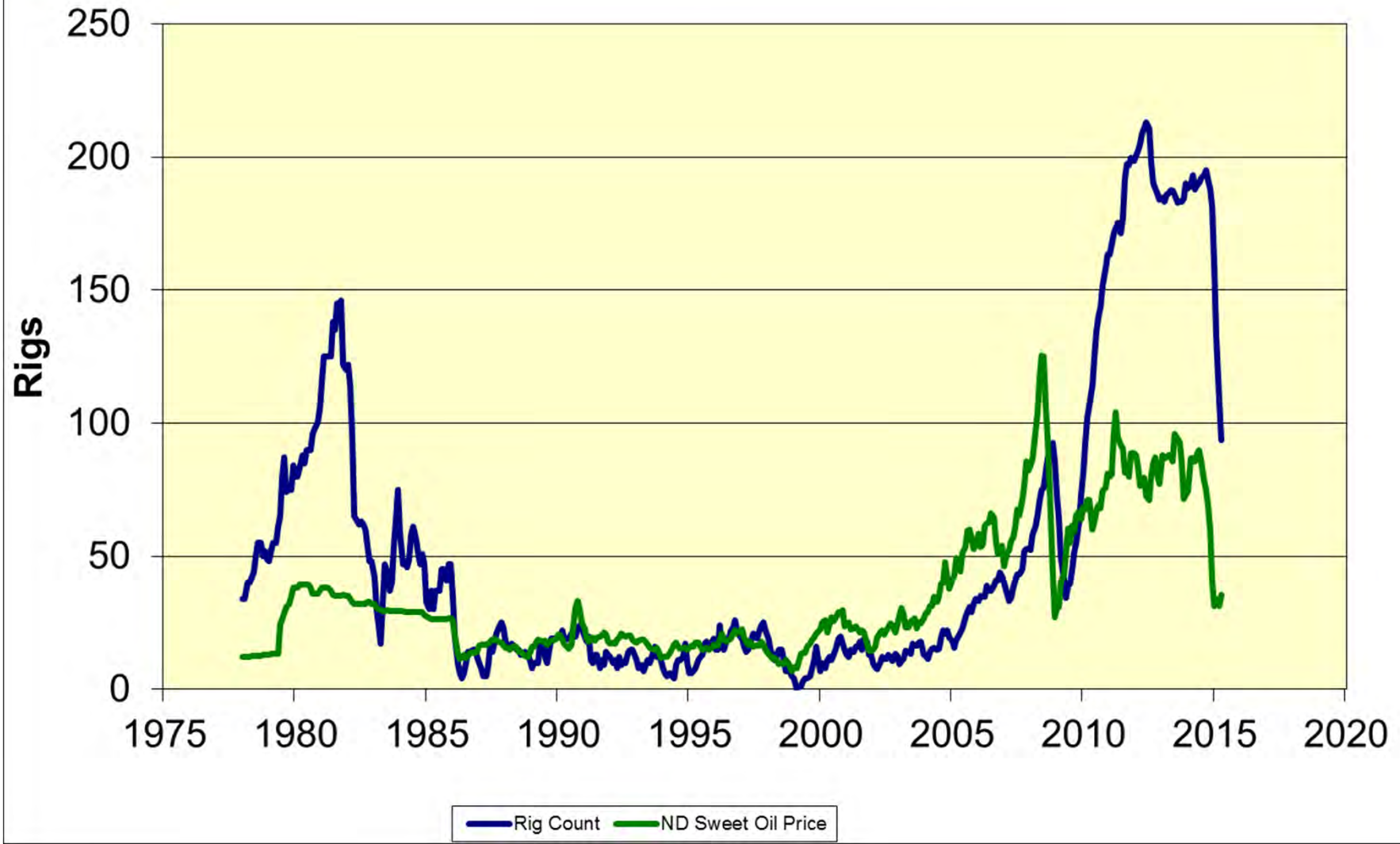
North Dakota's Elevator Conversation:

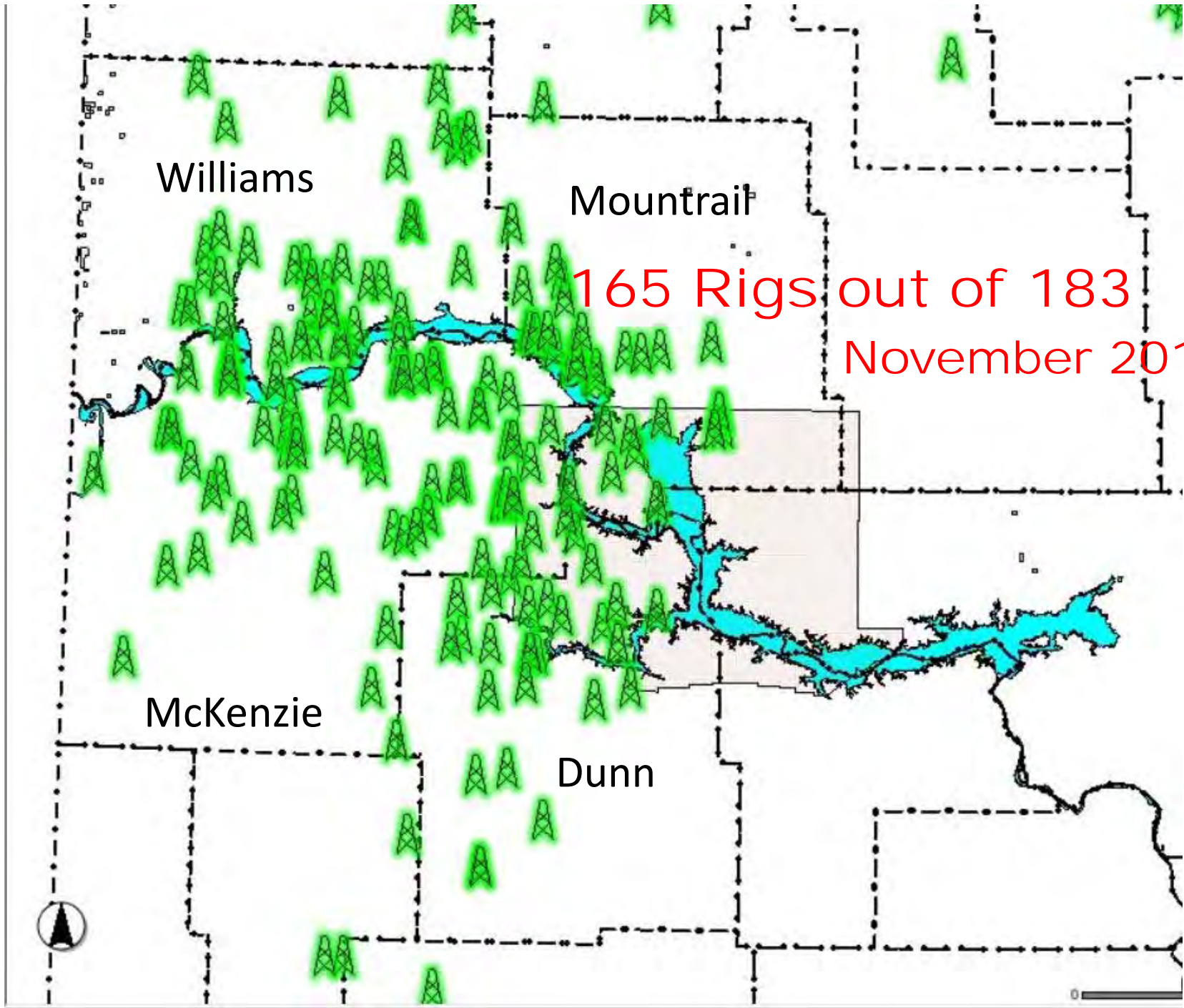
- Oil Price
- Policy Changes
- Legislative Session





North Dakota Average Monthly Rig Count





Williams

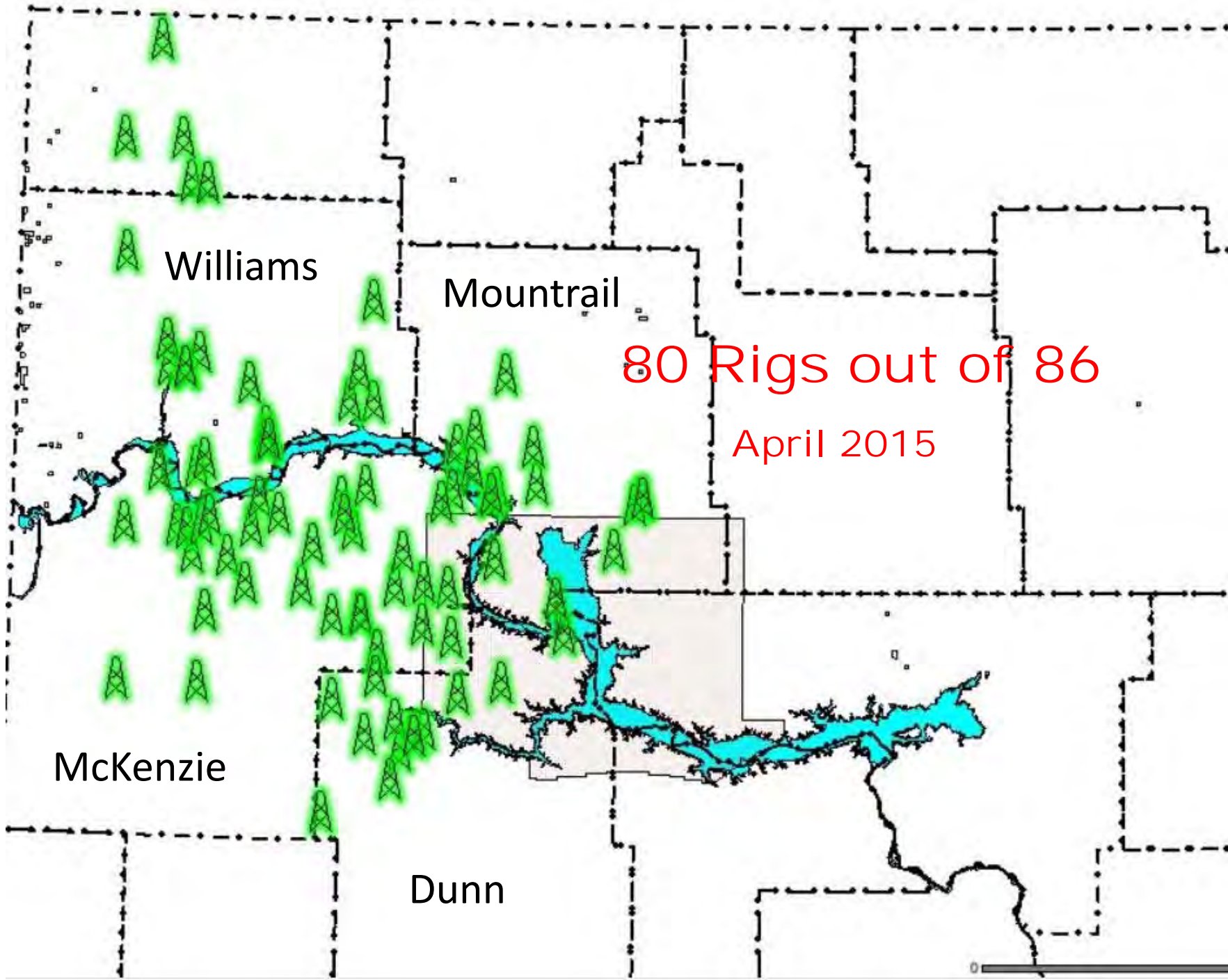
Mountrail

165 Rigs out of 183

November 2014

McKenzie

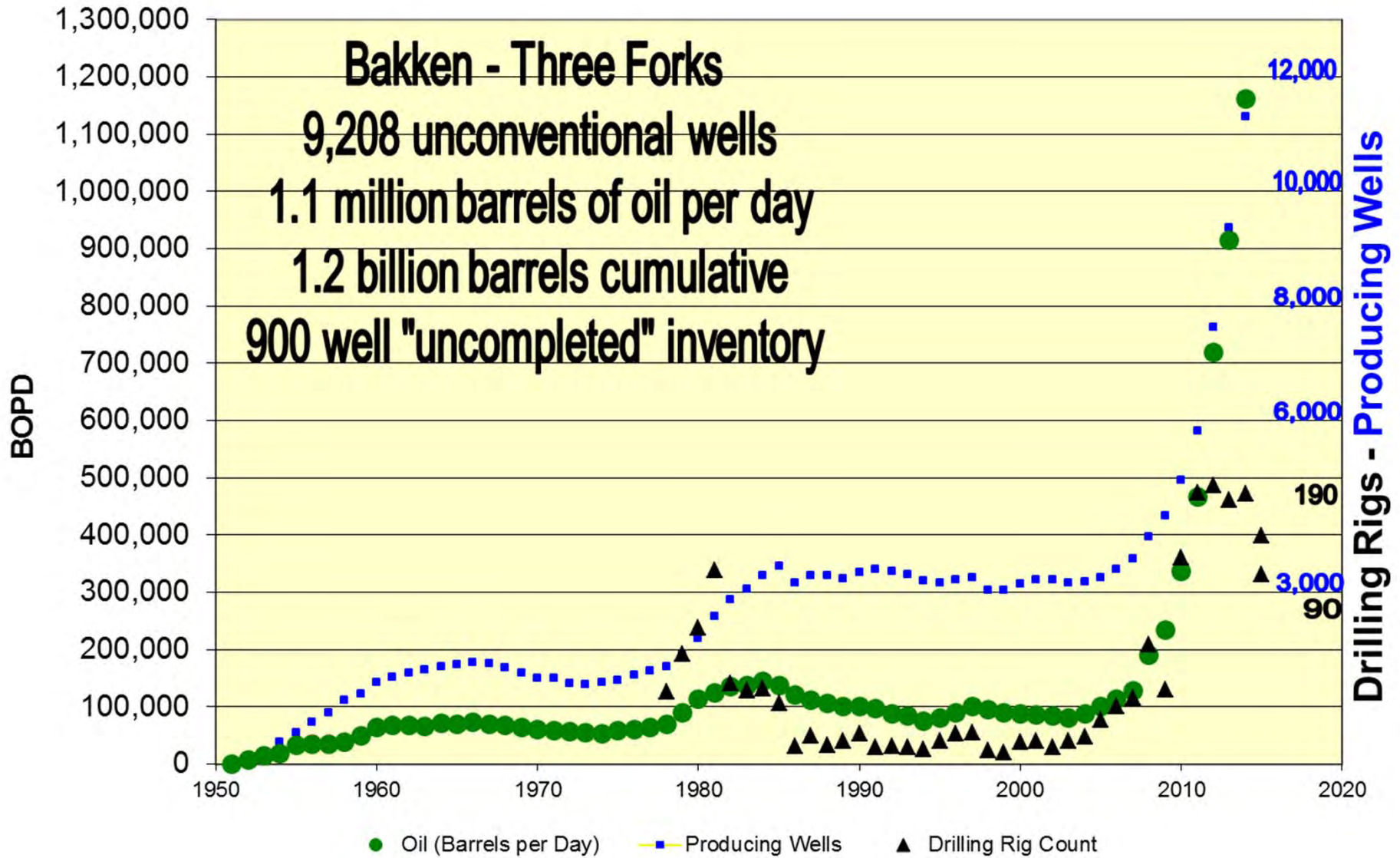
Dunn



Production Projections

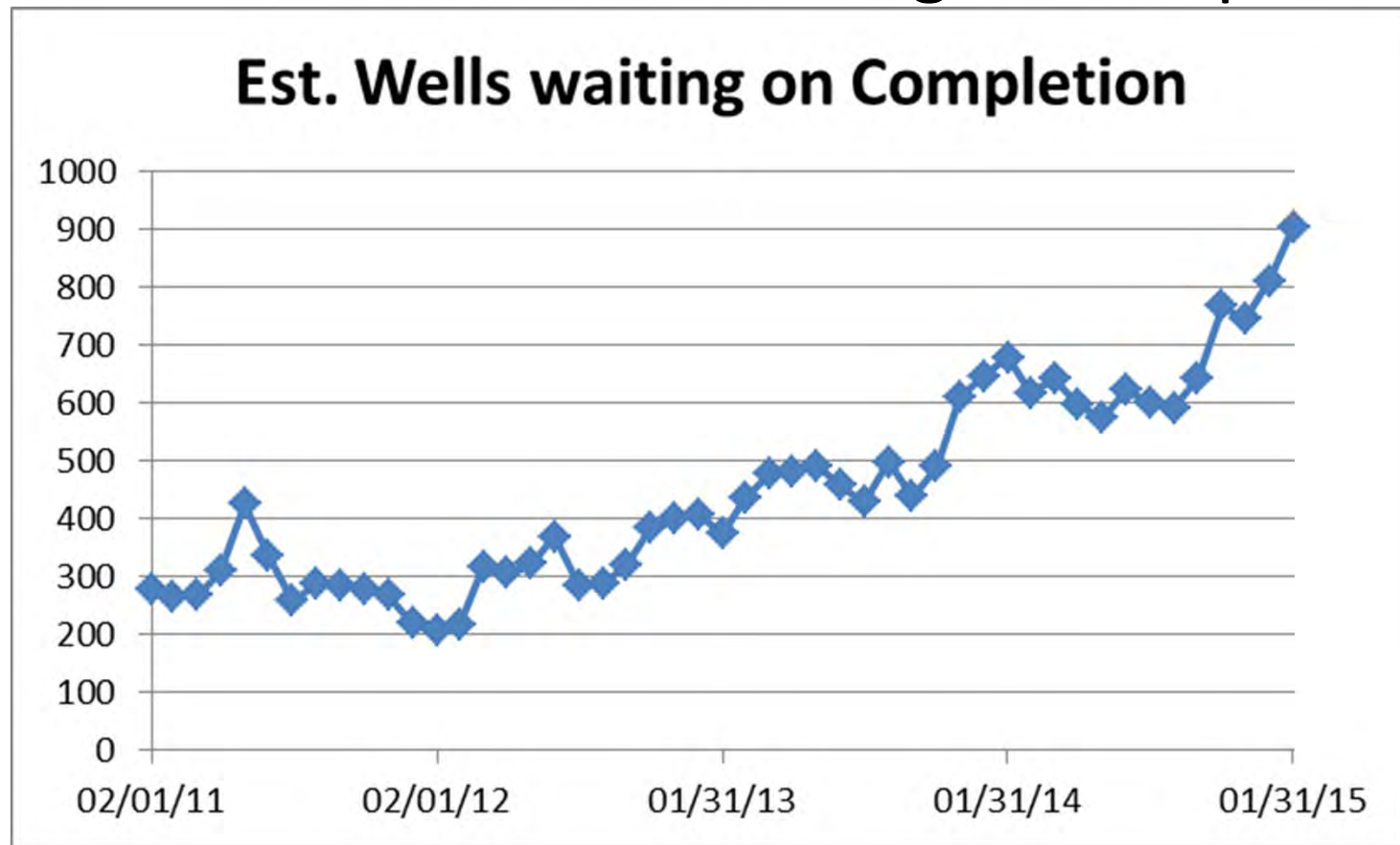
\$/BO at the wellhead	Rigs	New Wells	BOPD 7/1/15	BOPD 7/1/16	BOPD 7/1/17
\$30	40	1,100	1,000,000	800,000	700,000
\$40	90	2,400	1,030,000	875,000	720,000
\$50	120	3,200	1,100,000	1,050,000	975,000
\$60	140	3,800	1,200,000	1,200,000	1,150,000
\$70	155	4,200	1,200,000	1,225,000	1,250,000
\$80	170	4,600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

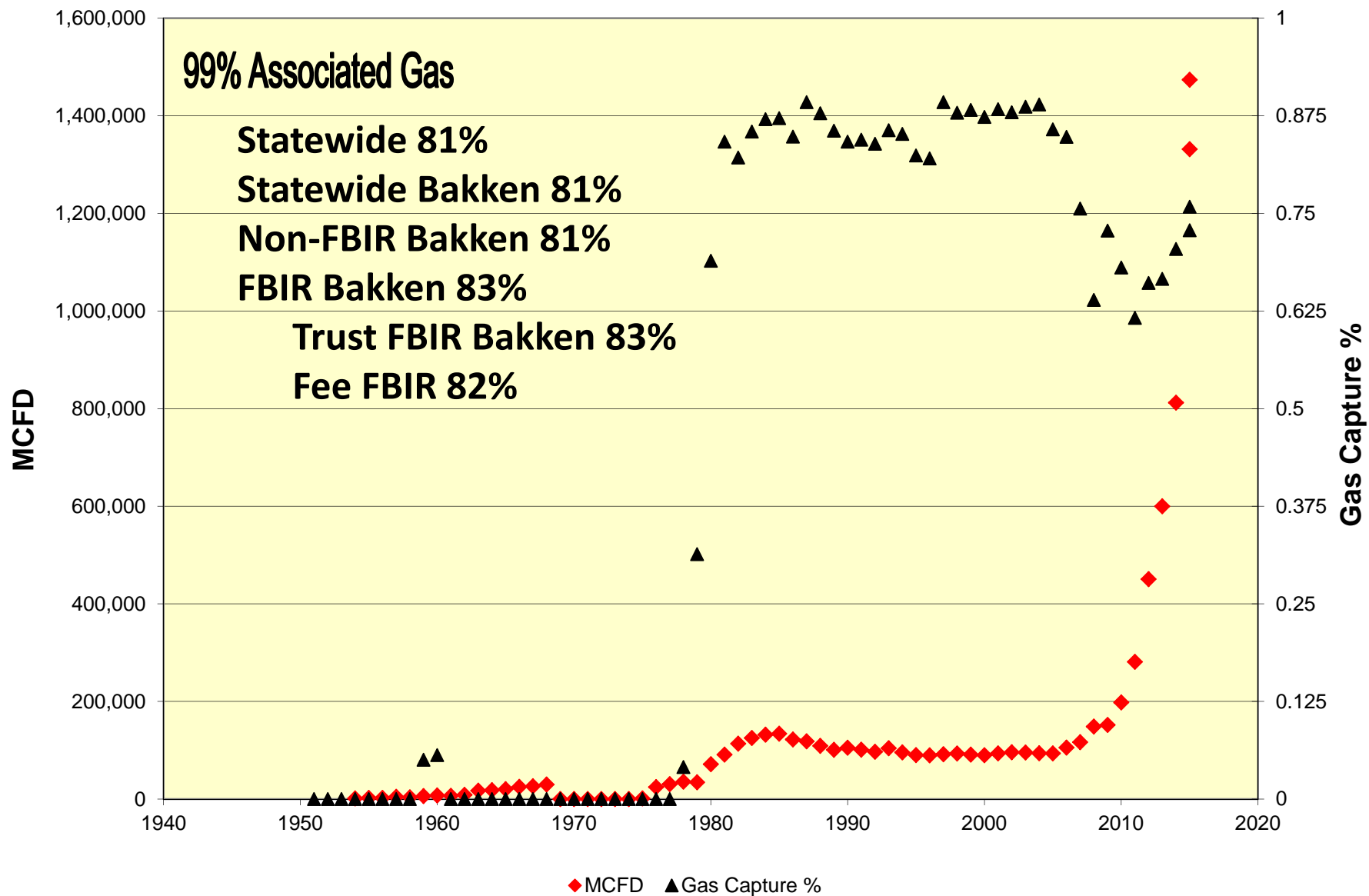


Wells waiting on completion

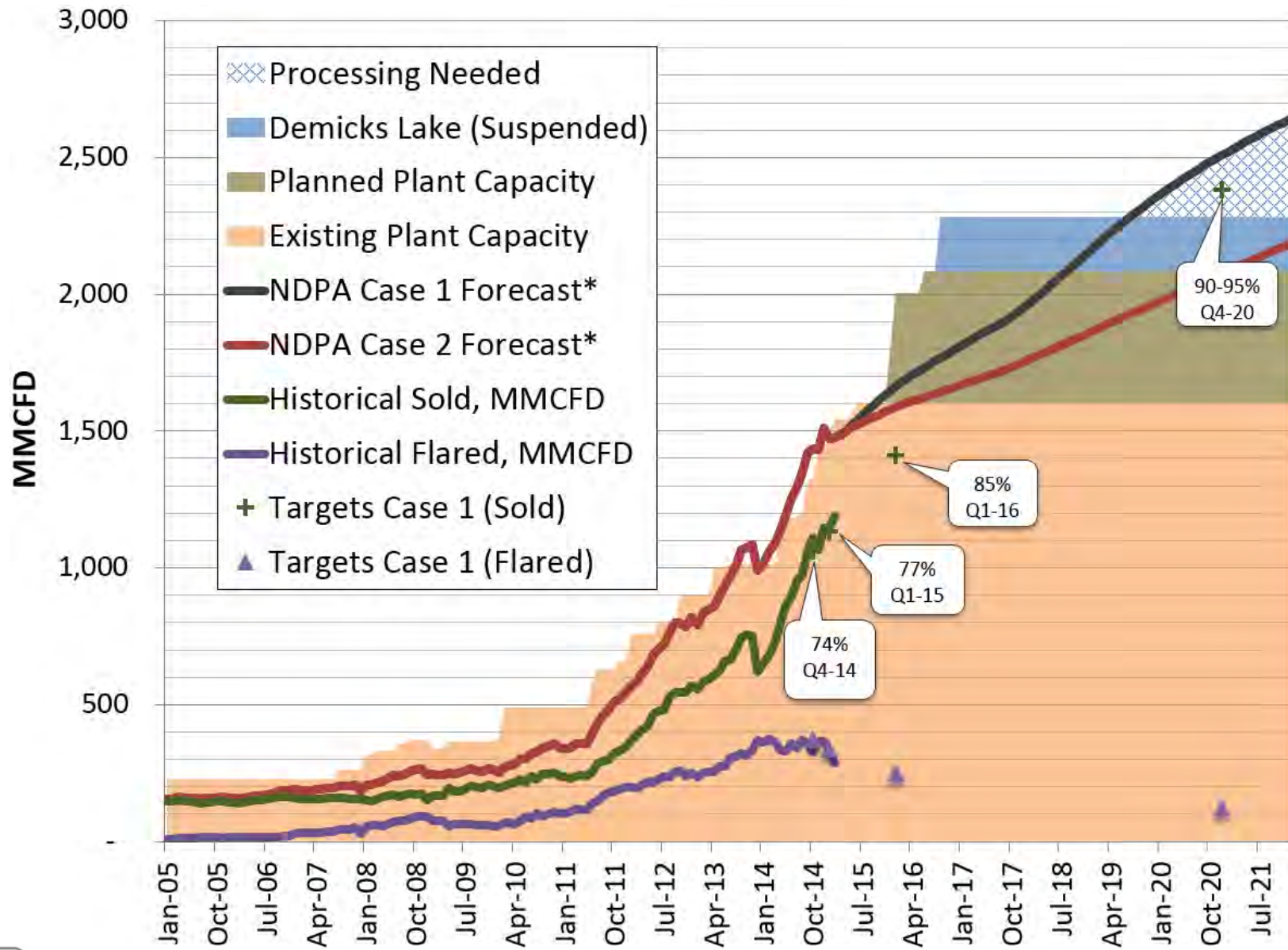
- Price has driven wells waiting on completion



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

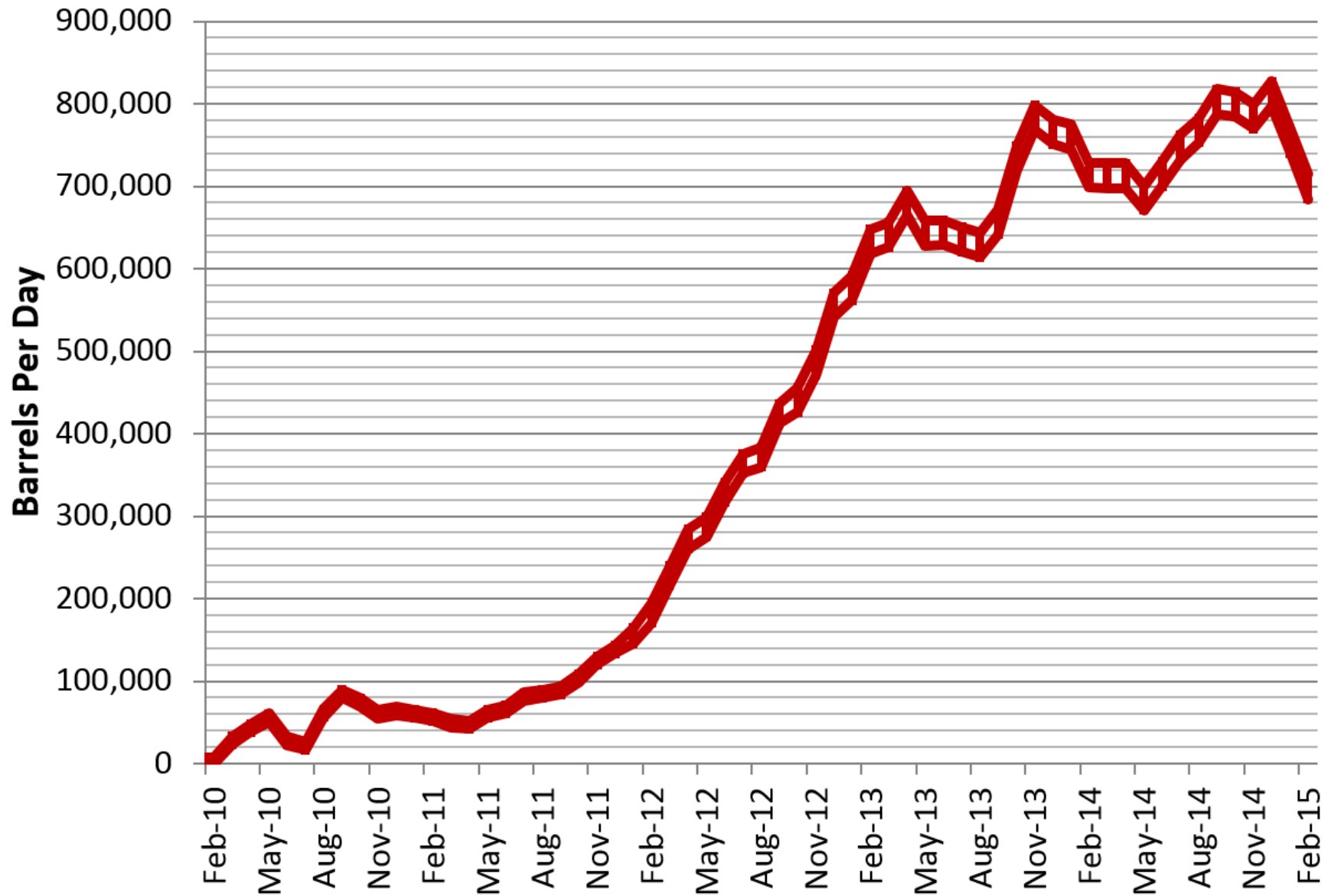
- 220,000 BOPD (Expandable to 300,000 BOPD)
- Route: North to TransCanada Energy East Pipeline, 20"
- Proposed In-service Date: 2020

TransCanada Keystone XL

- Up to 100,000 BOPD
- Timeline Uncertain



Estimated ND Rail Export Volumes



Oil Conditioning

- Signed December 9th, 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](#)

64th 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?