Bakken 2.0: advancements to create a new economic situation

Kari Cutting, NDPC June 2017
Oil and Gas Prices
Major Cost Cutting

- Staff and contractor reductions
- Renegotiate contracts
- DUCs
- More efficient rigs
- Bigger frac jobs—more production
Gaining Efficiency Through the 3 R's

Reuse
Drill cuttings to road base

Reduce
Recycle water to reduce waste

Recycle
Recycle water to reduce waste & costs
Bakken a world-class resource
With a LOT of oil left
CRUDE BY RAIL
ND Crude Transportation

March 2014

Estimated Williston Basin Oil Transportation

- Estimated Rail: 66%
- Estimated Pipeline Export: 27%
- Tesoro Refinery: 1%
- Truck to Canadian Pipelines: 6%

March 2014 estimates

October 2014

- Estimated Pipeline Export: 34%
- Tesoro Refinery: 0.6%
- Truck to Canadian Pipelines: 6%
- Estimated Rail: 60%

www.northdakotaoilcan.com  |  www.ndoil.org
Estimated North Dakota Rail Export Volumes, August 2014

[Graph showing barrels per day from August 2009 to March 2017]
Estimated Williston Basin Oil Transportation

- Estimated Rail
- Estimated Pipeline Export
- Refined
- Truck to Canadian Pipelines
- Brent - WTI Spread (EIA)

Estimated Market Share

Brent - WTI Spread

Mar-08 to Mar-17

www.northdakotaoilcan.com   |   www.ndoil.org
Ship, baby, ship! Calls come for US to export oil

Full Steam Ahead

The ban on U.S. oil exports is dead and the first cargoes have arrived in Europe. What's next for producers and how much growth will exports provide in the long run?

By LESLIE HAINES WITH DARREN BARBEE AND GREG HAAS

Maiden Bakken oil cargo to Asia ships out, with more to come
Dakota Access Pipeline

Pipeline to stretch through 4 states

The 1,172-mile Dakota Access Pipeline would connect oil-rich areas of North Dakota to Illinois, where the crude oil could then be transported to refineries on the Gulf Coast or East Coast.

Sources: CNN, Energy Transfer Partners, US Census Bureau
KFYR: “What’s on your Mind?”

You will not hear the truth on DAPL from main stream media and definitely not on social media!

--Scott Hennen, ND Radio Personality
This LINK is to a Democracy Now! exclusive on the ongoing protest at the Standing Rock Sioux Reservation in North Dakota over the $3.8 billion Dakota Access (oil) Pipeline that will run under the Cannonball River, which supplies the drinking water not only to the Standing Rock Sioux Tribe, but to other areas as well. On Saturday, September 3, the security company hired by the pipeline company used attack dogs and pepper spray to attack hundreds of nonviolent “protectors” as they were gathered to protect their water supply, sacred burial grounds, and stop the pipeline from being built. (NOTE: There are seven videos to watch regarding this story. When you go to the above link, click on the DN logo in the upper left corner, then scroll down to the Tuesday, September 6 show.)

CORRECTION NOTE: The posted photo of the little girl with the dog bites on her face was removed from this website after we were advised that it was an older photo not related to the North Dakota event. To clarify, the photo was obtained using the Bing search engine under “standing rock sioux dog attack.” The same photo was used in a story on OpEdNews.com prior to our posting. The person listed as the one who originally used it as a tweet was notified by the LACW via Facebook of her fraudulent and deceptive posting. Although it was posted on this website without knowledge of the fraud, we apologize for our part in making it go viral.
Visit the site for more information.
Police & EMS response

Arrests

581 NUMBER OF ARRESTS
556 NUMBER OF PROTESTERS ARRESTED
94.5% ARRESTEES FROM OUT OF STATE
182 ARRESTEES WITH PRIOR CRIMINAL RECORDS
25 ARRESTEES WITH HISTORY OF VIOLENCE*

*Includes domestic violence and child abuse.

Source: ND State Police/ND Stockmen’s Association

Number of Livestock...

10 KILLED
32 MISSING

3 POACHING INVESTIGATIONS TIED TO PROTEST AREA

50-75 ESTIMATED NUMBER OF ABANDONED CARS/STRUCTURES ON PROTEST CAMP

As of Jan. 6, 2017

Tom Bredesen / Sioux Valley News
The Protest Aftermath

Department of Health calls camp “an environmental disaster”

#NoDAPL Environmentalists Trash the Land They’re Camping on While Feds Look the Other Way

Dakota Access protesters accused of destroying environment in order to save it
Activists Plan ‘Emergency Mass Action’ In Westlake to Protest Keystone, DAPL

Trump today signed executive orders reversing Obama’s actions on the controversial projects.
Lessons learned

- **Communication:**
  - Company must communicate
  - Must get out the facts to combat the “Fake News”
  - Protesters dominated social media
    - Those who disagreed were hazed, harassed and in some cases, threatened

- **Professional protesters—national movement**
  - Trained to be arrested
  - Talking points developed
  - Go Fund Me Accounts
  - Laws written to protect citizen’s rights against intimidation, trespass, harassment,

- **Security:**
  - Landowner protection
  - Lawyers, Banks and Associations threatened, families harassed
  - State government impacted
ADDRESSING IMPACTS
FLARING

GAS STATS*

90% CAPTURED & SOLD

8% FLARED DUE TO CHALLENGES OR CONSTRAINTS ON EXISTING GATHERING SYSTEMS

2% FLARED FROM WELL WITH ZERO SALES

*MAR 2017 NON-CONF DATA
REGULATORY ACTIVITIES
NDPC Regulatory Committee

• > 130 participating individuals
• Comments committee
• Spill Remediation working group
• ESA working group
• Forest Service development plan group
• BUATF working group/EPA 114 requests
• BLM flaring sundries appeal
• Crude by Rail--conditioning
President Trump’s 1st 100 days

Energy

- Presidential Memorandum and eventual approval of the Dakota Access Pipeline.
- Presidential Memorandum and eventual approval of Keystone XL Pipeline.
- Signed Congressional Review Act disapproval of the Office of Surface Mining’s Stream Protection Rule.
- Signed Congressional Review Act disapproval of the Bureau of Land Management’s Planning 2.0 Rule.
- Signed Executive Order on Reviewing the Antiquities Act.
- Signed Executive Order on Implementing an America-First Offshore Energy Strategy.
100 days continued

**Regulatory**

- Signed Executive Order directing executive departments and agencies to freeze new or pending regulations, giving the new administration time to review them.

- Signed Executive Order which requires federal agencies to cut two existing regulations for every new regulation they implement.

- Signed Executive Order establishing a Regulatory Reform Task Force to review unnecessary and costly regulations in each federal agency.
Questions?