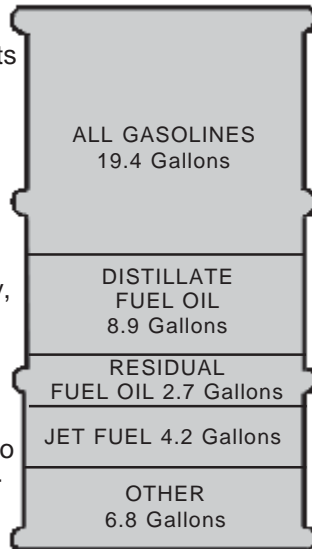


RESPONSIBLE DEVELOPMENT ON PUBLIC LANDS

- ◆ The oil and gas industry in North Dakota has explored and drilled the grasslands for 55 years and has a proven track record of being able to produce oil without disrupting the environment or wildlife.
- ◆ The industry, in cooperation with the Forest Service, has reclaimed more than 700 wells and 280 miles of roads in the national grasslands. This represents 5,300 acres returned to vegetation after the oil and gas reserves were depleted.
- ◆ More than 10% of the state's oil production and more than 17% of the state's producing wells are on the grasslands.

REFINING AND TRANSPORTATION

- ◆ The state's only crude oil refinery is at Mandan. It has a daily capacity of about 60,000 barrels.
- ◆ There are 13 natural gas processing plants operating in western North Dakota. They are located near Arnegard, Ambrose, Killdeer, Knudson, Lignite, Marmarth, Midway, New Town, Ray, Rhame, Stanley, Tioga and Trotters.
- ◆ The 13 natural gas processing plants processed enough natural gas in 2009 to heat 662,000 households for one year. Over 40% of the homes in North Dakota use natural gas as their primary heating fuel.



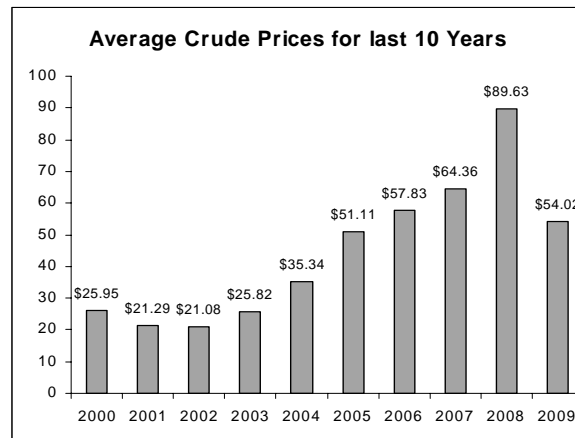
AVERAGE GALLONS OF PRODUCT DERIVED FROM EACH BARREL OF CRUDE OIL
(42 Gallons in a Barrel)

GASOLINE – CONSUMPTION & TAXES

- ◆ North Dakotans pay 23 cents state tax and 18.4 cents federal tax on each gallon of gasoline they buy.
- ◆ North Dakotans used more than 373 million gallons of gasoline in 2009, and more than 473 million gallons of diesel fuel.
- ◆ Gasoline and special fuels taxes raised more than \$144 million in tax revenue during 2009, up \$2 million from the previous year. These funds are used primarily for road construction.

HISTORY

- ◆ Oil was discovered on April 4, 1951 near Tioga in Williams County. That well, the Clarence Iverson #1, produced more than 585,000 barrels of oil over 28 years.
- ◆ Prior to the discovery of oil in 1951, 64 wells had been drilled in the state dating back to 1910. Since 1951, another 16,228 wells have been drilled in North Dakota.
- ◆ The average crude oil posted price for North Dakota in 2009 was \$54.02 per barrel. That represents \$35.61 a barrel decrease from the 2008 average.



- ◆ The future is bright for the oil and gas industry in North Dakota. There is a huge amount of oil and gas still in the ground in areas that have not been explored. New technologies, new discoveries, and new work in older fields have vastly increased both the odds of finding oil and the efficiency of producing it.

AND NATIONALLY.....

- ◆ The biggest source of energy in the United States in 2009 was petroleum, supplying 37% of our nation's energy. Next is natural gas at 25%, coal 22%, nuclear 9% and renewables 8%.
- ◆ The average drilling rig count in the U.S. for 2009 was 1,089, down 42% from 2008. The all-time high was 4,530 in 1981.
- ◆ U.S. annual average crude oil production in 2009 was 5.3 million barrels per day, up 7.3% from the 2008 average of nearly 5 million barrels per day.
- ◆ Total petroleum imports averaged 11.7 million barrels per day for 2009, down 9.2% from 2008.
- ◆ The U.S. imported 63% of its total oil needs in 2009. The largest importers to the U.S. are Canada with 21%, Mexico with 10.5%, Venezuela with 9.2%, and Saudi Arabia with 8.6%. Iraq supplied the U.S. with 3.8% of its oil in 2009. Collectively, OPEC countries supplied about 40.8% of our nation's daily oil needs. Saudi Arabia was the world's largest producer of oil in 2009, producing 8.2 million barrels of oil per day.

All data is from the latest year available. For sources or additional information, contact:

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NORTH DAKOTA OIL & GAS INDUSTRY

FACTS & FIGURES



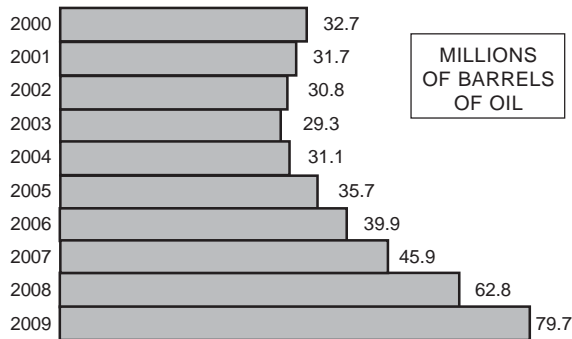
2010 EDITION

NORTH DAKOTA PETROLEUM COUNCIL

NORTH DAKOTA'S OIL PATCH STATS FOR 2009

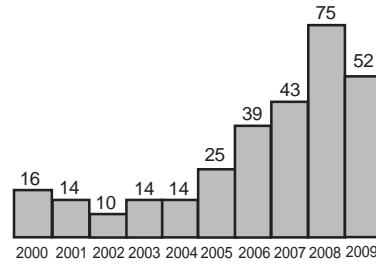
- North Dakota is the fourth largest oil producing state. The state's average production was more than 218,455 barrels of oil per day in 2009, totaling nearly 80 million barrels for the year, up more than 17 million from 2008.
- All-time production of crude oil in North Dakota amounts to more than 1.7 billion barrels.
- At the end of 2009, there were 5,200 wells capable of producing oil and gas in North Dakota. The average North Dakota well produced approximately 47 barrels per day.
- During 2009, 92.5 billion cubic feet of natural gas was produced and 56.4 billion cubic feet of natural gas was processed in North Dakota.

ANNUAL CRUDE OIL PRODUCTION (BARRELS) IN NORTH DAKOTA



- The drilling rig count, which is a prime barometer for measuring new oil and gas activity, averaged 52 rigs a day in 2009. The peak year for drilling rigs was 1981, with an average monthly rig count of 119. The all-time high was in October of 1981 with 146 rigs operating.

AVERAGE NUMBER OF DRILLING RIGS

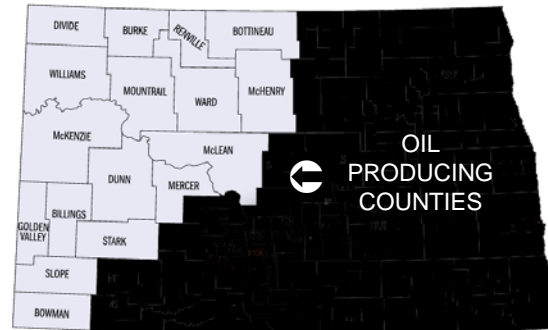


- There were 627 drilling permits issued during 2009, down 319 from last year. There were 517 wells were completed during the year.
- Horizontal, or directional, drilling accounted for 95% of the new wells drilled in 2009 and accounted for 84.7% of the state's total oil production.
- The success ratio for new wells in existing fields in 2009 was 99% and for wildcat wells it was 94%. A wildcat well is a new well drilled at least one mile from existing production. The overall industry success rate for new wells in North Dakota for 2009 was 98%.
- The deepest vertical well drilled last year in North Dakota was 13,805 feet. The average depth for a North Dakota well in 2009 was 17,035. The longest horizontal well drilled last year in North Dakota was 22,174 feet.
- The average cost of completing an oil well in North Dakota was approximately \$5.6 million during 2009. The average cost of completing a well in 2008 was nearly \$5.5 million.

WHERE THE OIL COMES FROM

- There were 17 counties in the state in 2009 with commercial oil production. Oil and gas exploration has occurred, at some point, in every county in the state except Traill County.
- Mountrail County was the top-producing county in 2009 accounting for 37% of the

state's oil production. The other top-producing counties were Bowman, McKenzie, Dunn and Williams.



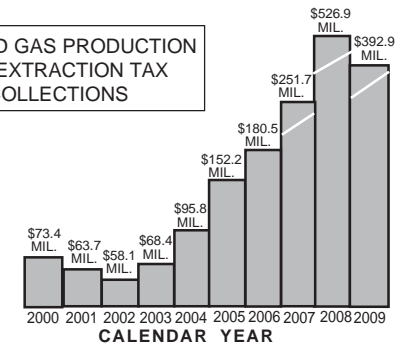
OIL PATCH EMPLOYMENT

- The state averaged more than 5,508 North Dakotans at work in the oil patch in fiscal year 2008-09. Peak oil field employment occurred in late 1981, when more than 10,000 people were working in the oil patch.
- Each drilling rig results in approximately 120 direct and indirect jobs.
- Other sectors of the petroleum industry include refineries, gas plants, pipelines, retail gasoline stations, wholesalers, and transporters. The industry altogether employed 12,747 people in North Dakota in fiscal year 2008-09.
- Job Service North Dakota reports that in fiscal year 2008-09 the average yearly wage in the oil and gas extraction industry was \$82,803. That wage is 132.5% above the statewide average wage of \$35,618!

OIL TAX REVENUES IN 2009

- Production tax revenues for 2009 were more than \$392.9 million, representing a 25% decrease from 2008.

*OIL AND GAS PRODUCTION AND EXTRACTION TAX COLLECTIONS



* Total collections reflect all revenue paid by the industry, including the counties' share of the 5% production tax and the trust fund portion of the 6.5% extraction tax. (Graph not proportionate)

- All-time oil tax revenues to the state are approximately \$3 billion.
- The average production and extraction tax paid on crude oil in 2009 was 9.87%. The tax rate on crude oil varies between 5% and 11.5% depending upon the type of well.
- The oil and gas industry paid \$704.4 million in taxable sales and purchases in 2009, down 26% from 2008.
- The tax on natural gas for calendar year 2009 was 16.5 cents per thousand cubic feet (mcf). In 2009, the state collected more than \$10.2 million in natural gas taxes.
- Over the past 57 years, the State of North Dakota has received more than \$791 million from oil and gas leases, bonuses, royalties and rentals on state land. During 2009, more than \$36.4 million went to the Lands and Minerals Trust and more than \$120 million to the Board of University and School Lands Trust.
- U.S. Forest Service administered lands in the Little Missouri National Grasslands provided federal oil and gas revenues of \$34.1 million during fiscal year 2009. Of that amount, one-fourth, or \$8.5 million, was returned to McKenzie, Billings, Golden Valley and Slope Counties for schools and roads. In addition, Bureau of Land Management administered land produced more than \$54 million during fiscal year 2009. Approximately half of that amount, \$26.4 million (adjusted for new receipts sharing), was returned to the state's general fund and is the first money expended for education statewide.