

Bakken Economics

Full Slide Deck

Justin J Kringstad

Geological Engineer

Director

North Dakota Pipeline Authority

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Objective

Define where the Bakken/Three Forks system may be economic in the current oil price environment.

Method

Analyze past well performance across the region and estimate well economics for various production levels.

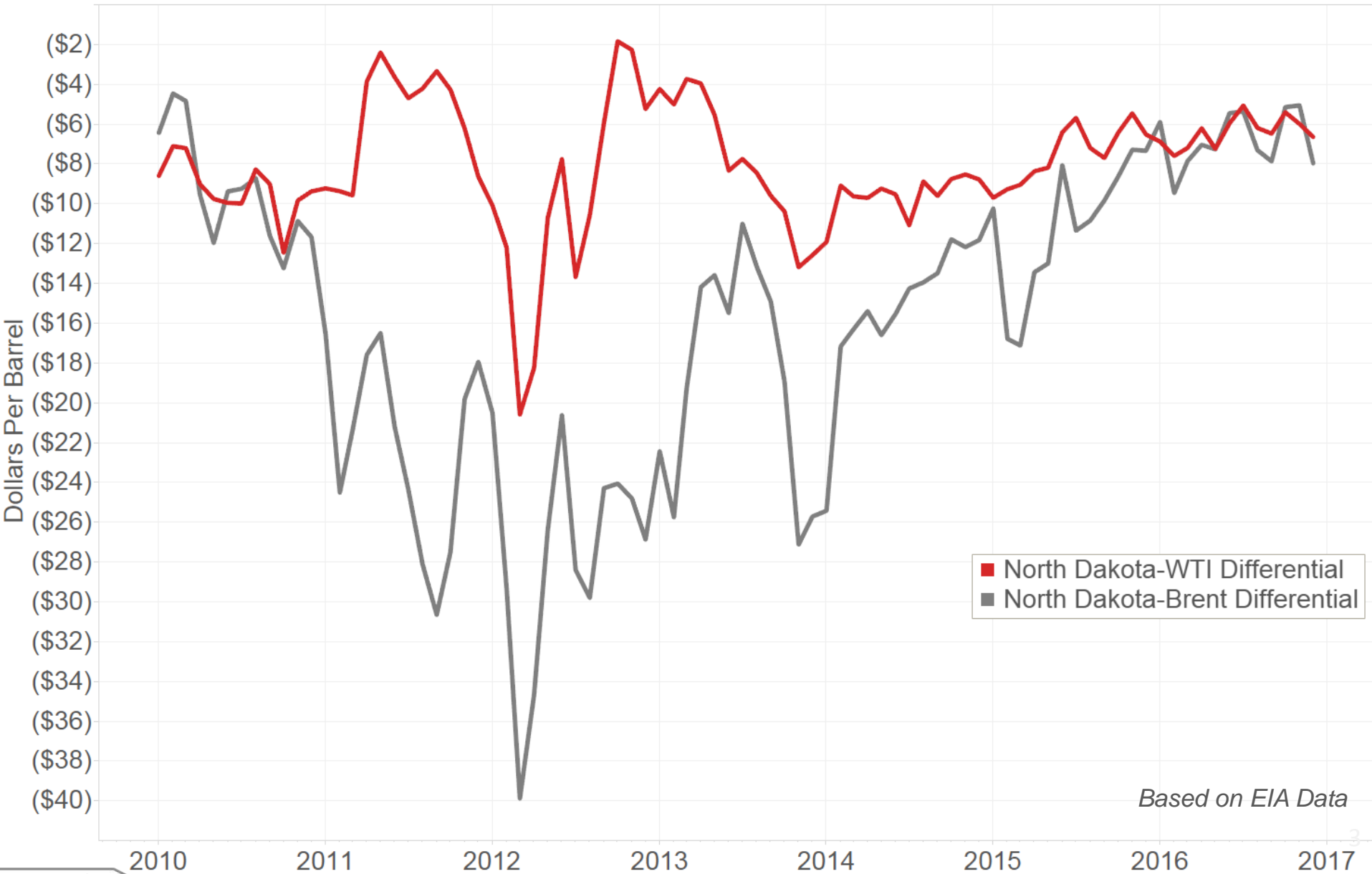
Disclaimer

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North Dakota Oil Differential



Based on EIA Data

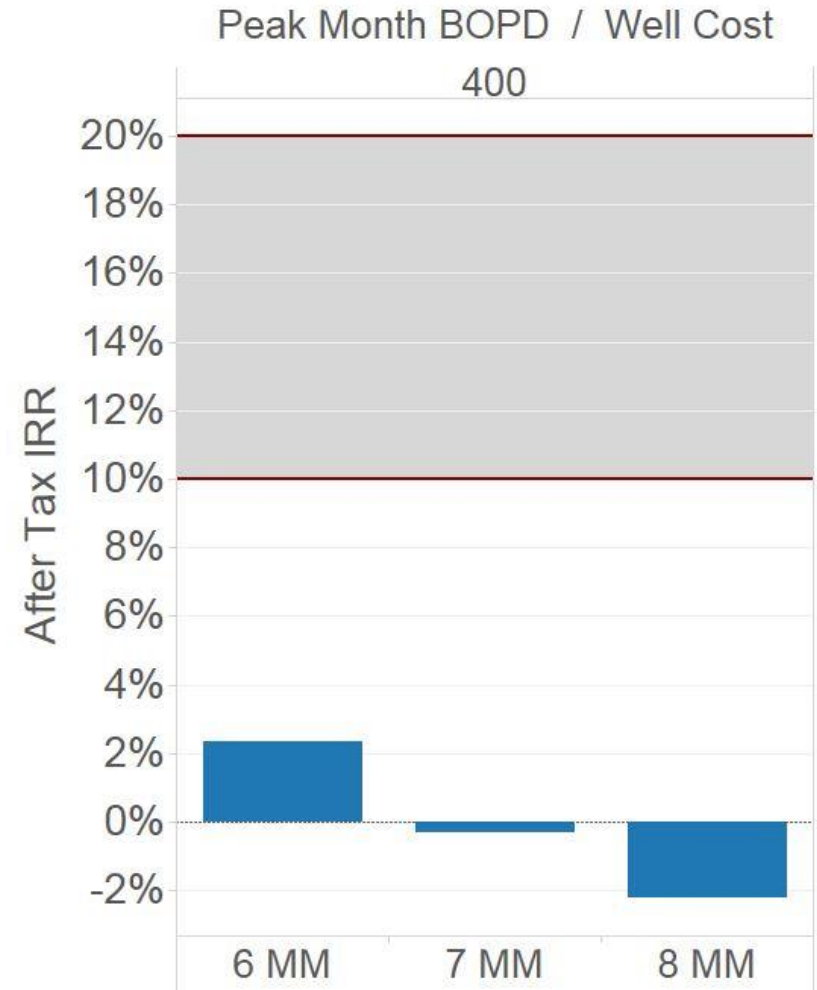
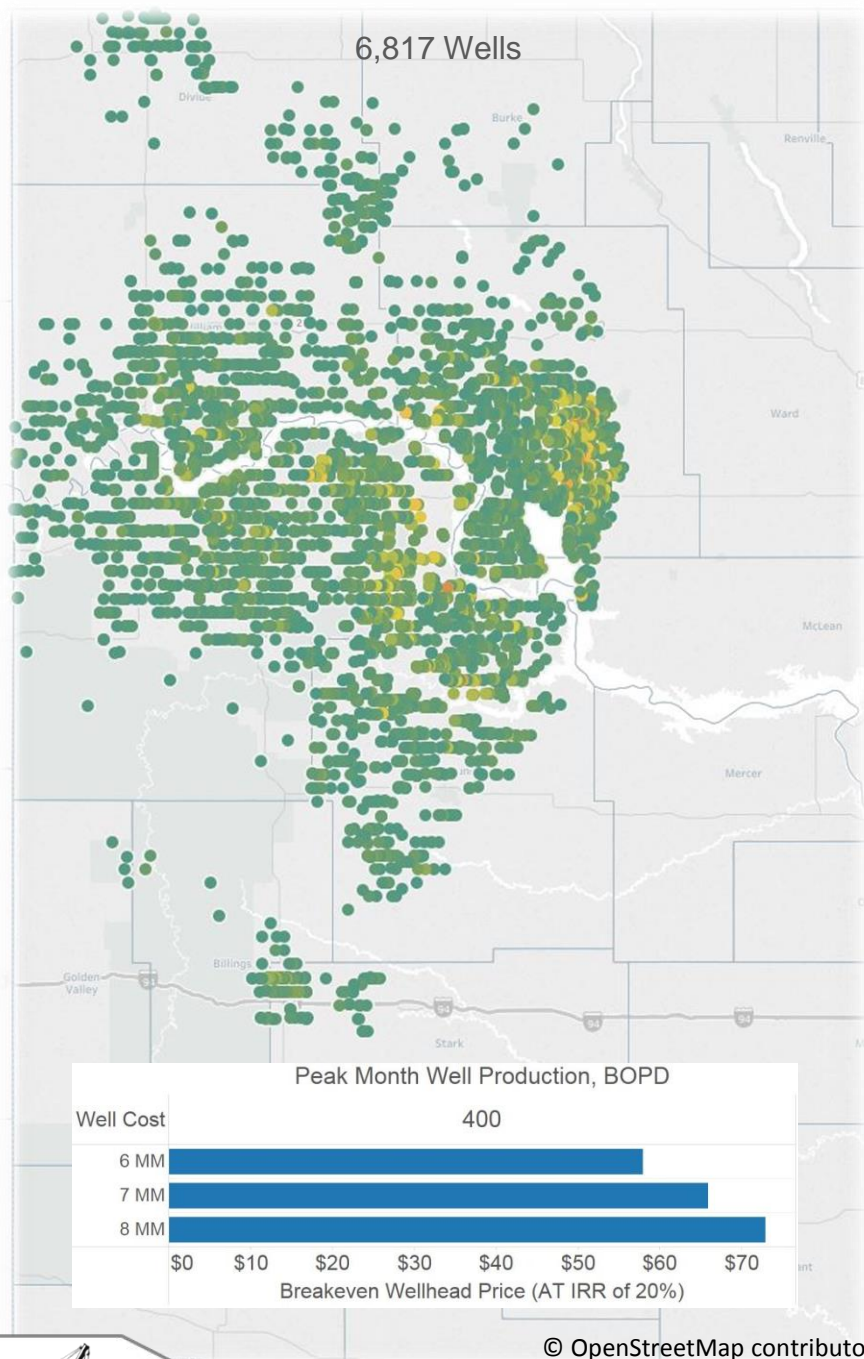


Key Economic Assumptions

- \$6-\$8 Million Well Costs
- \$40/BBL & \$2.00/MCF Wellhead Pricing
- 1/6 Royalty
- Zero Flaring
- Assumed 10-20% IRR to drill (calculated after production taxes and royalties)
- No Tax Incentives Included
- Production rate is 30-day average
- All Bakken/Three Forks wells drilled in 2008+



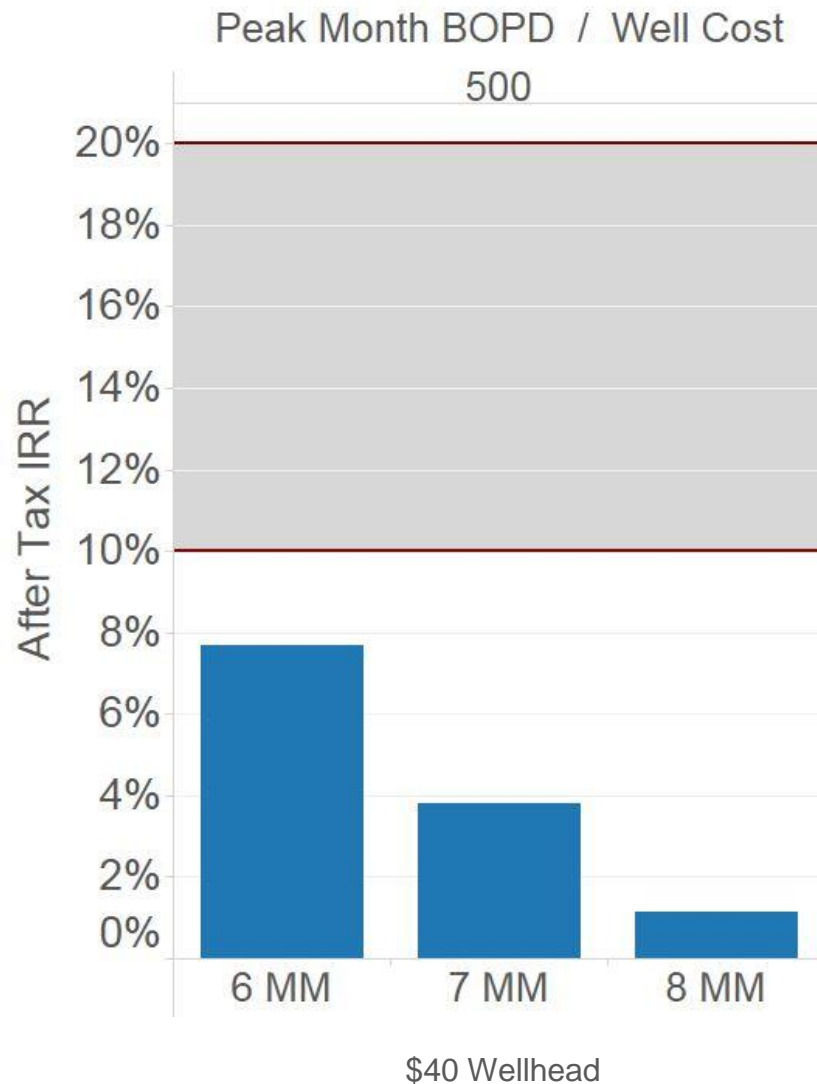
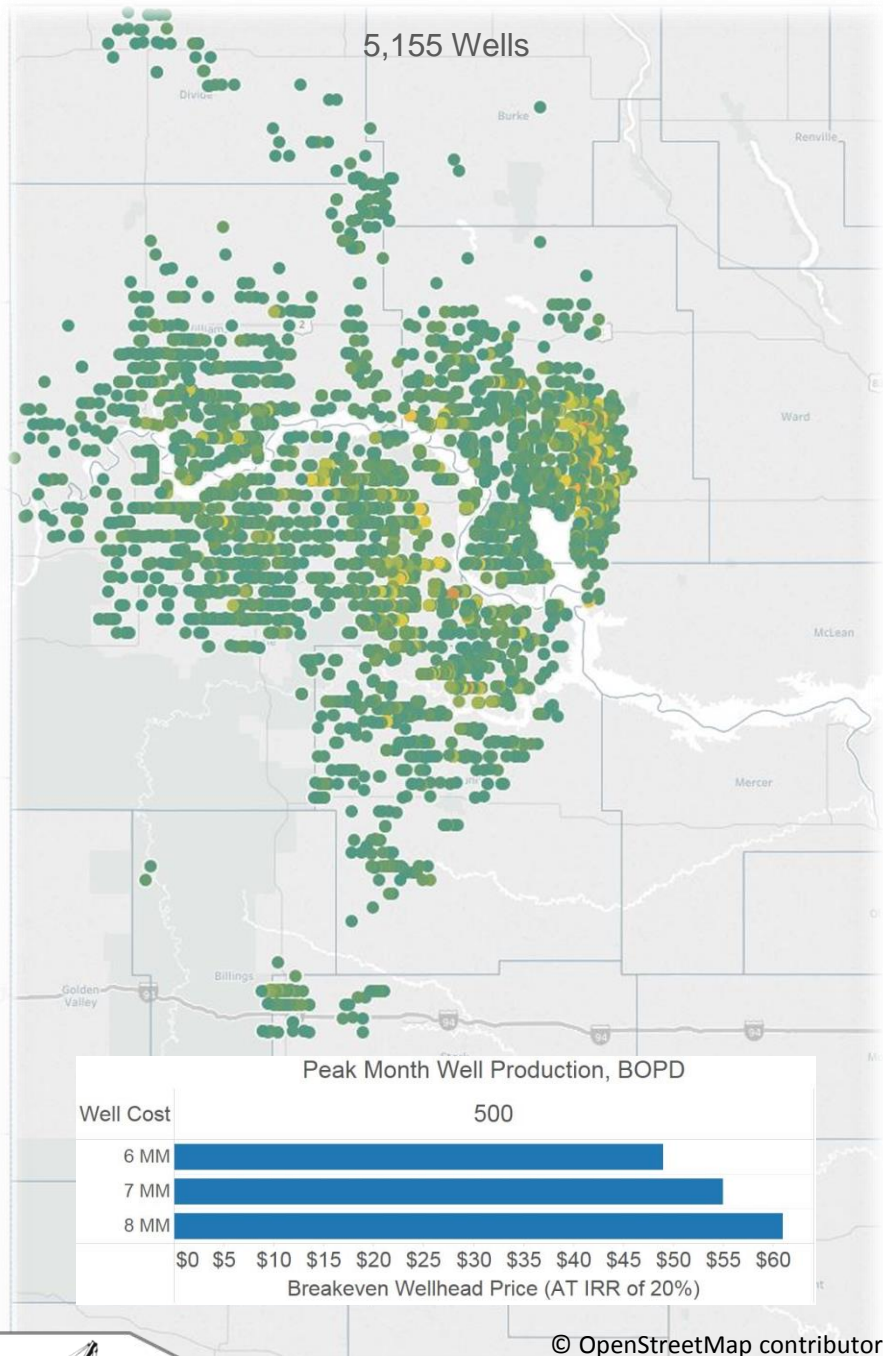
Peak Month Minimum 400 BOPD



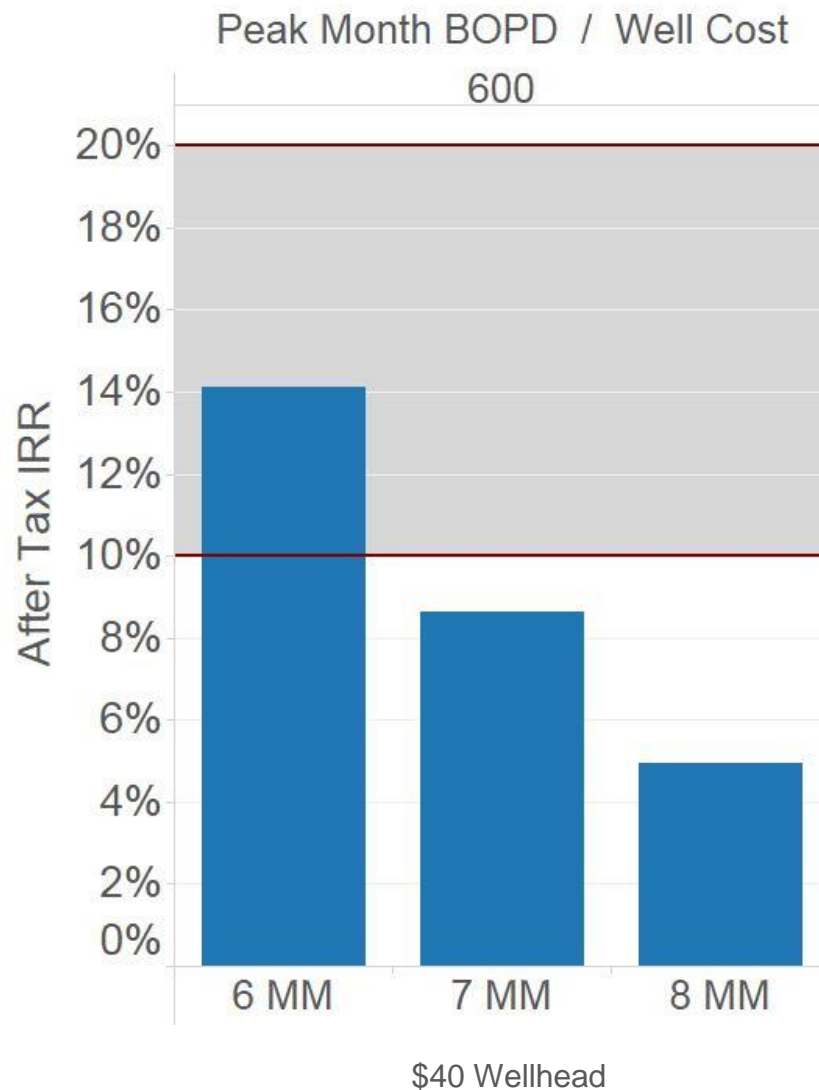
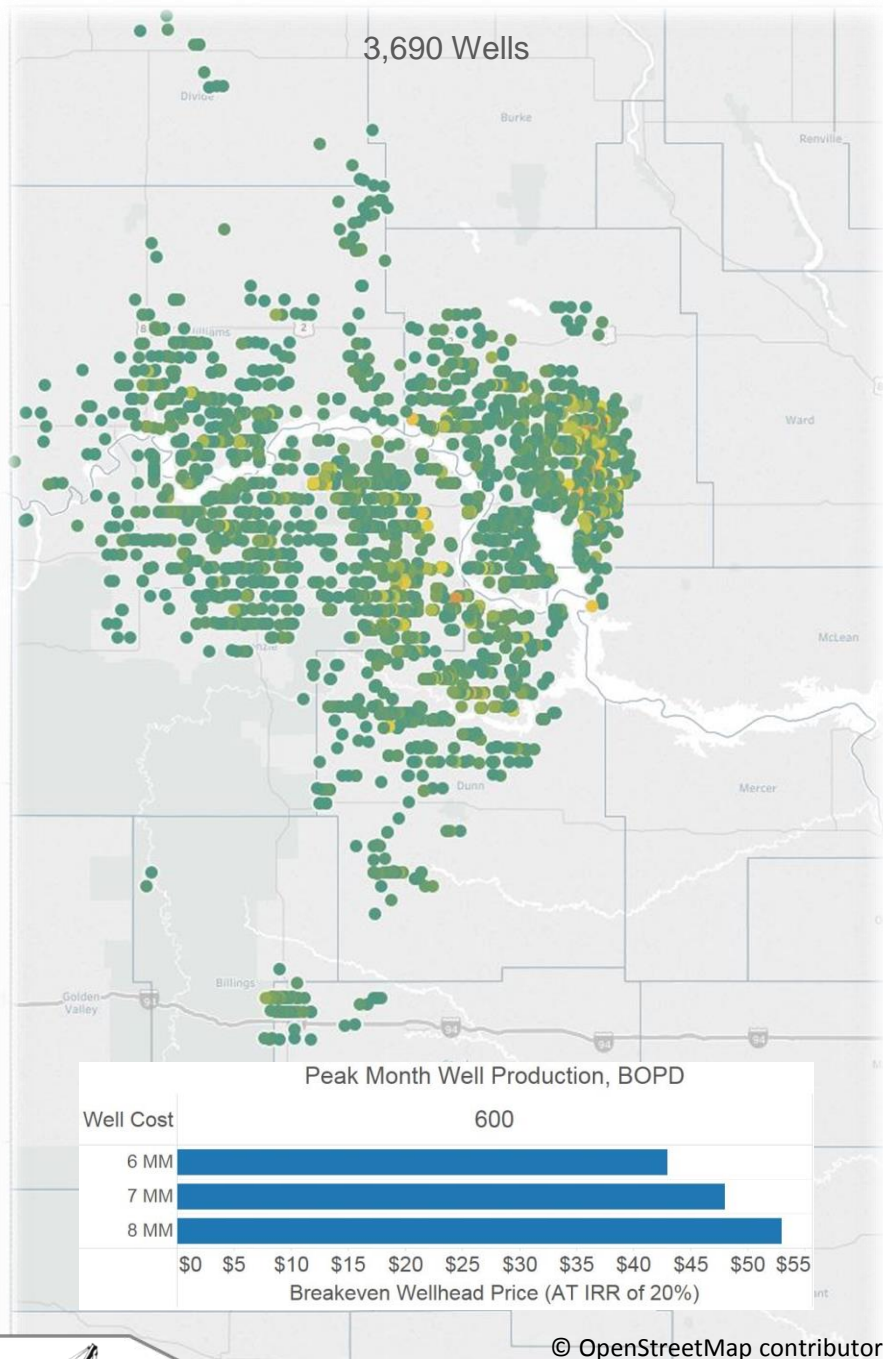
\$40 Wellhead



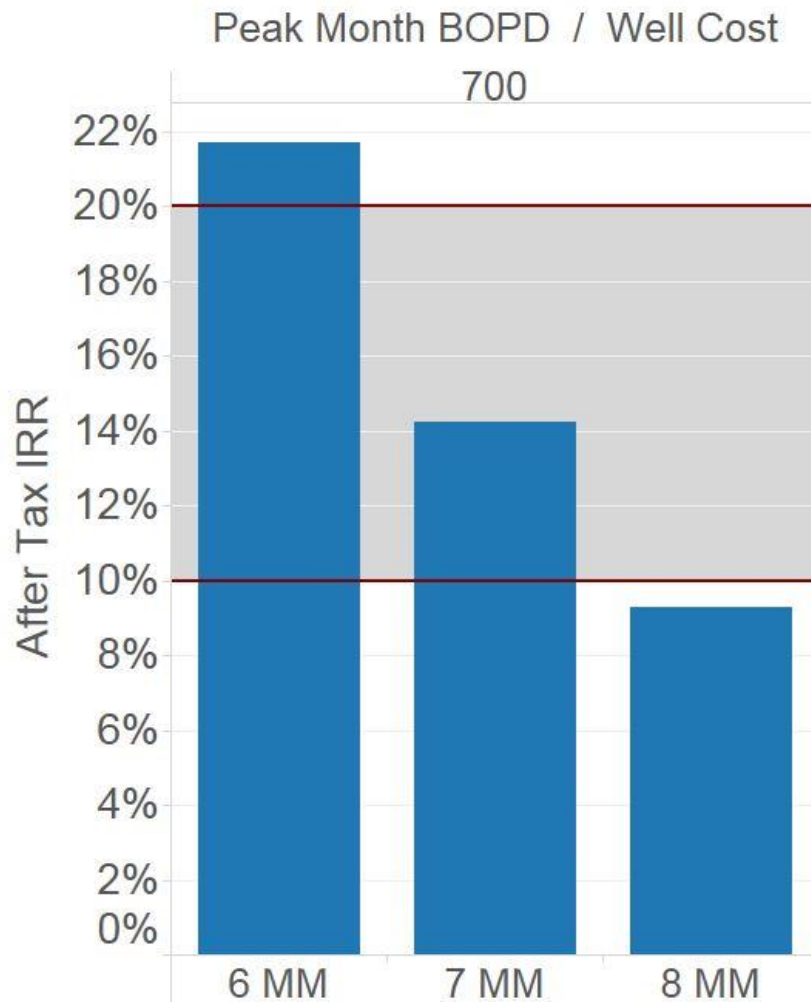
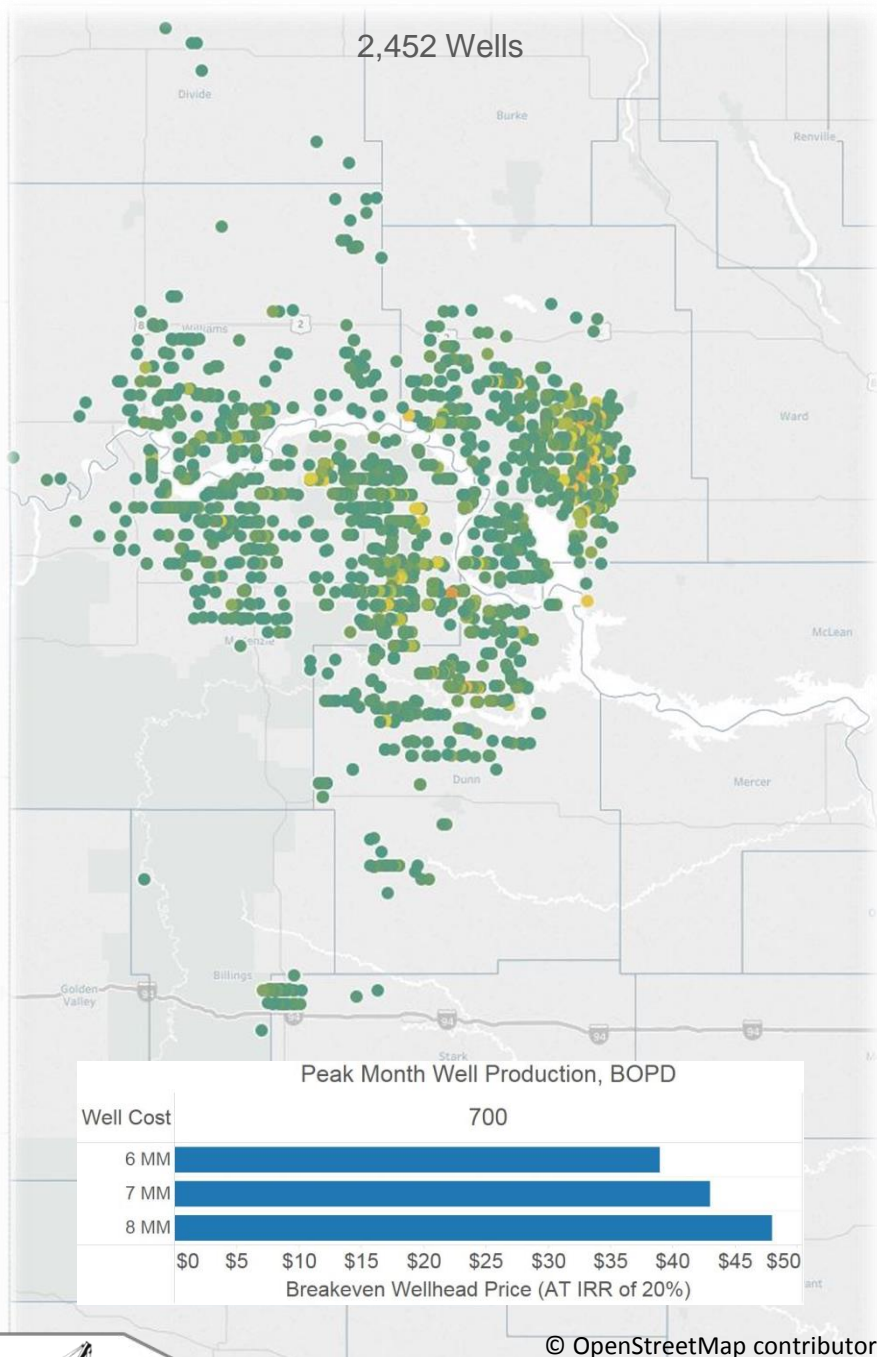
Peak Month Minimum 500 BOPD



Peak Month Minimum 600 BOPD



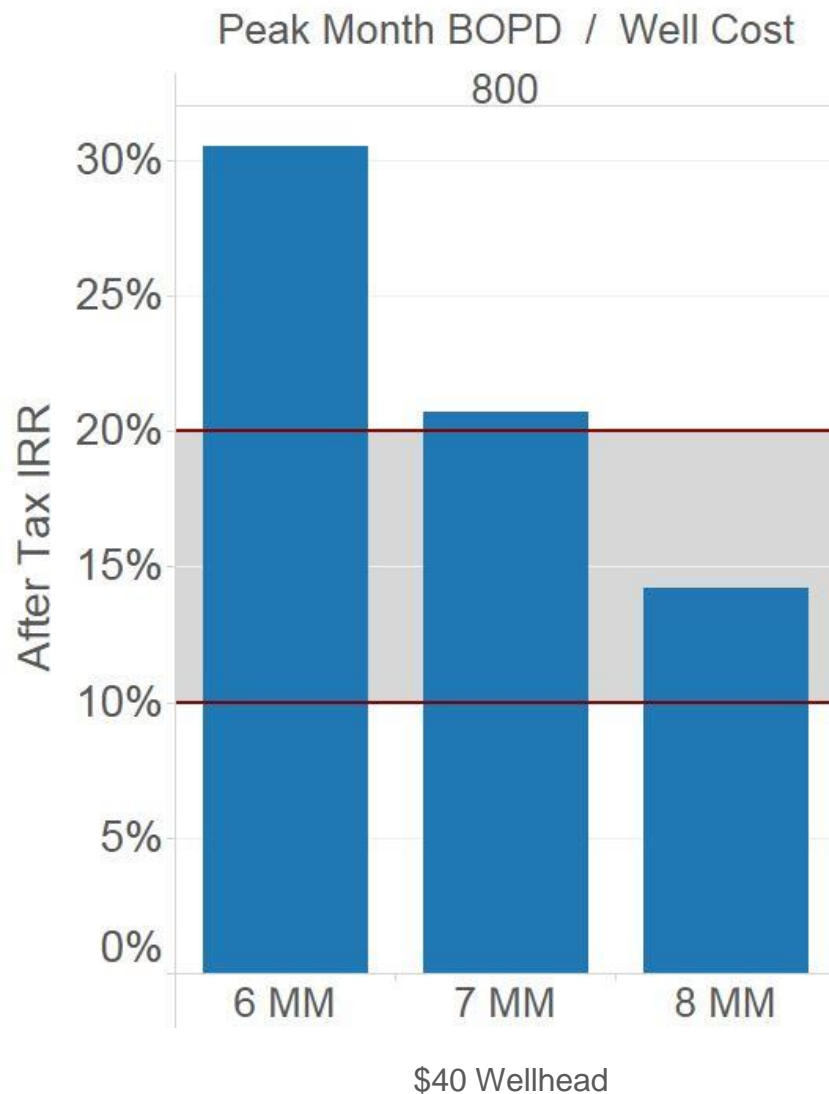
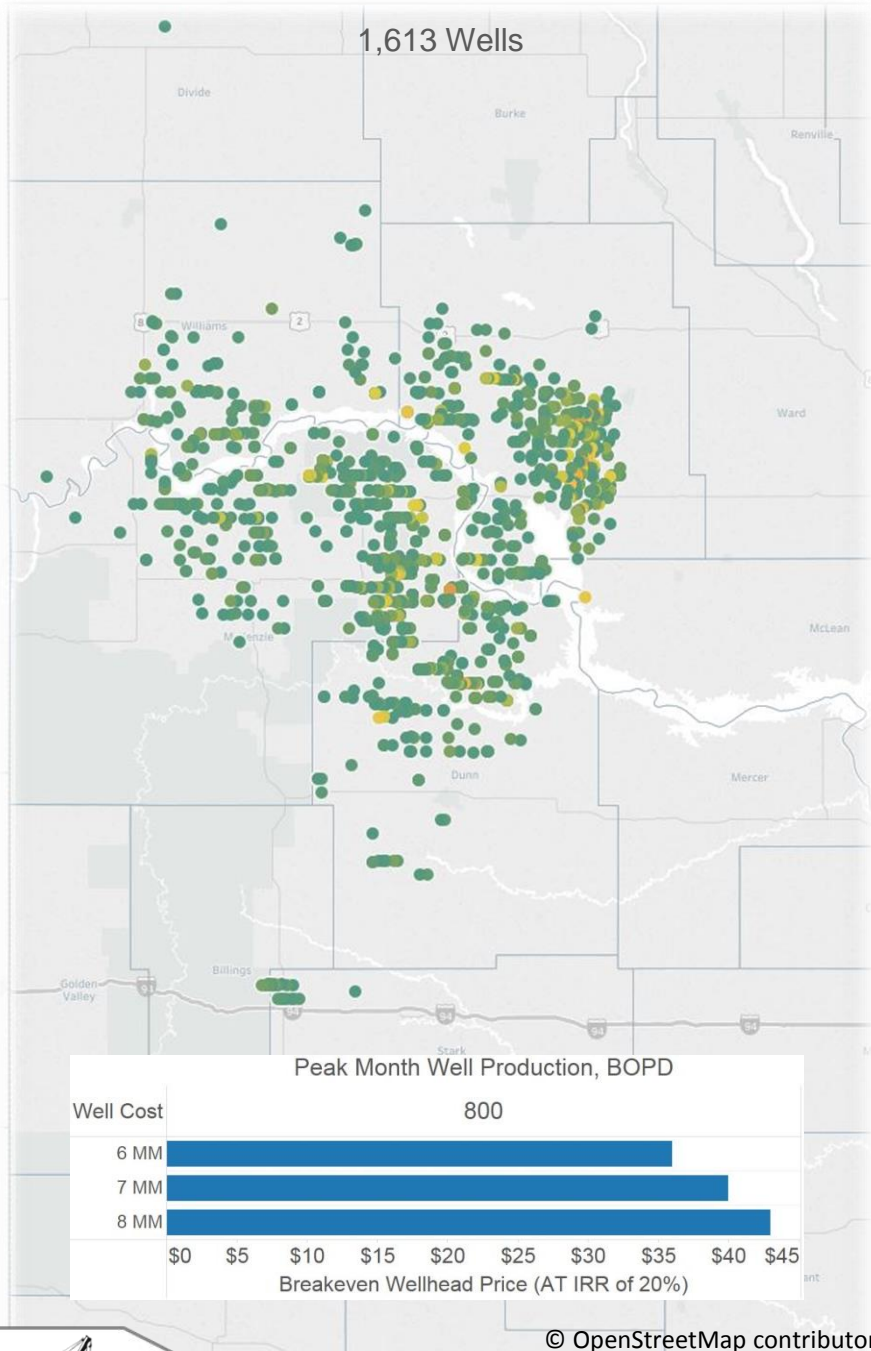
Peak Month Minimum 700 BOPD



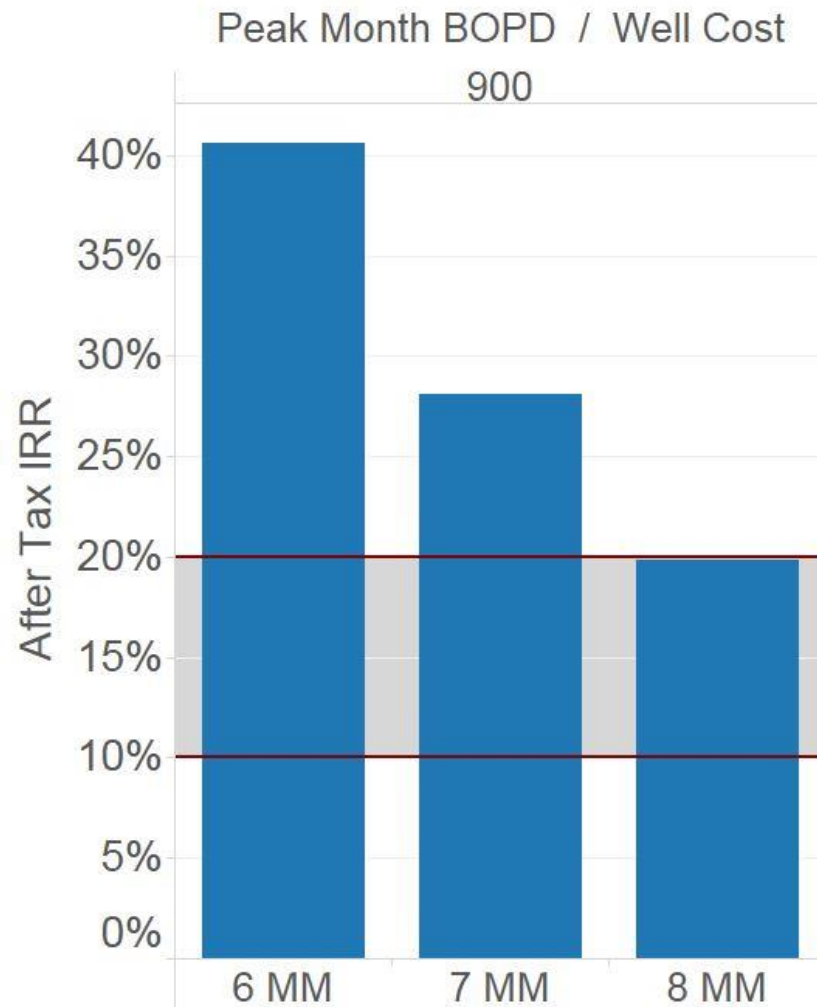
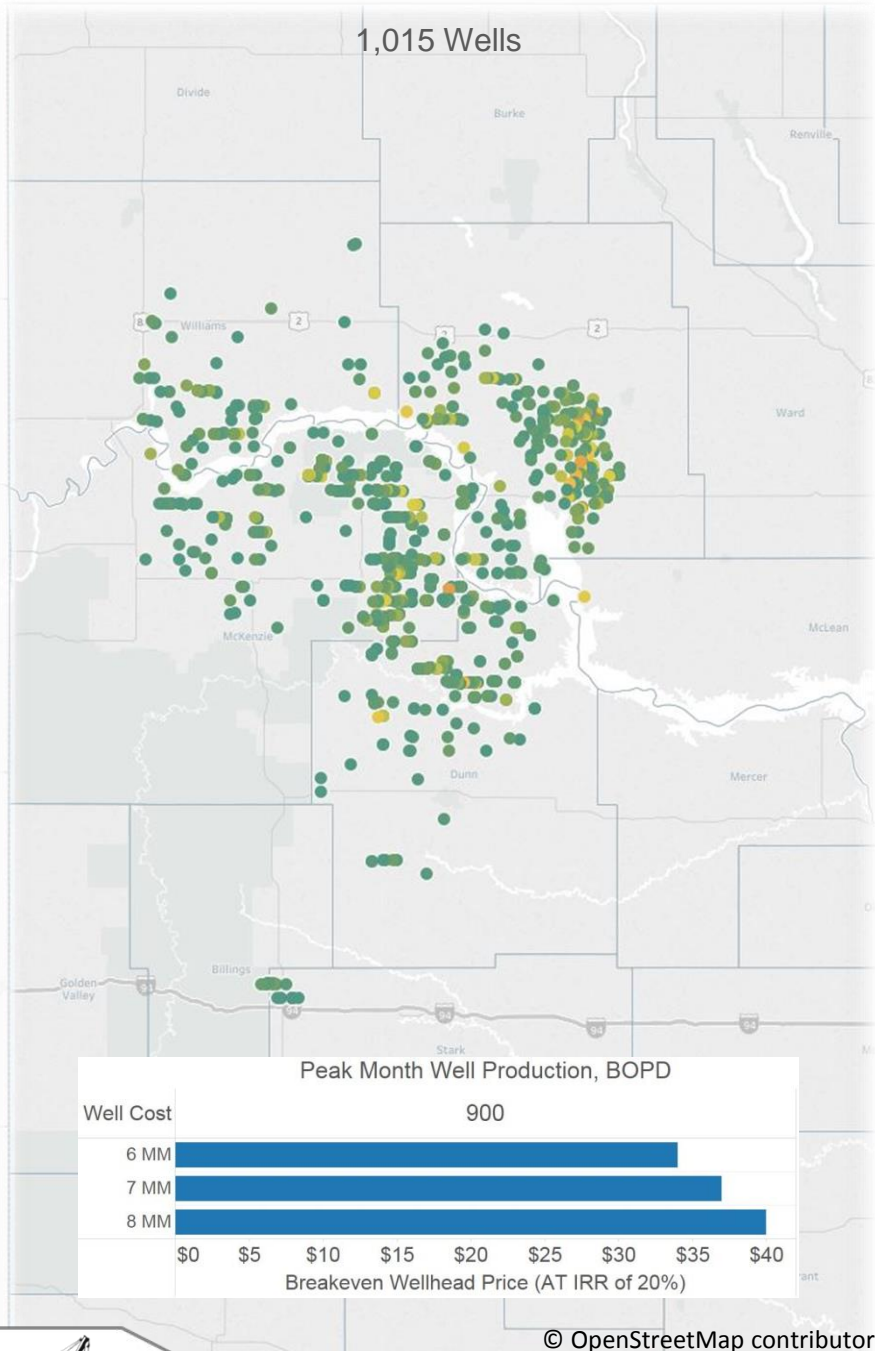
\$40 Wellhead



Peak Month Minimum 800 BOPD



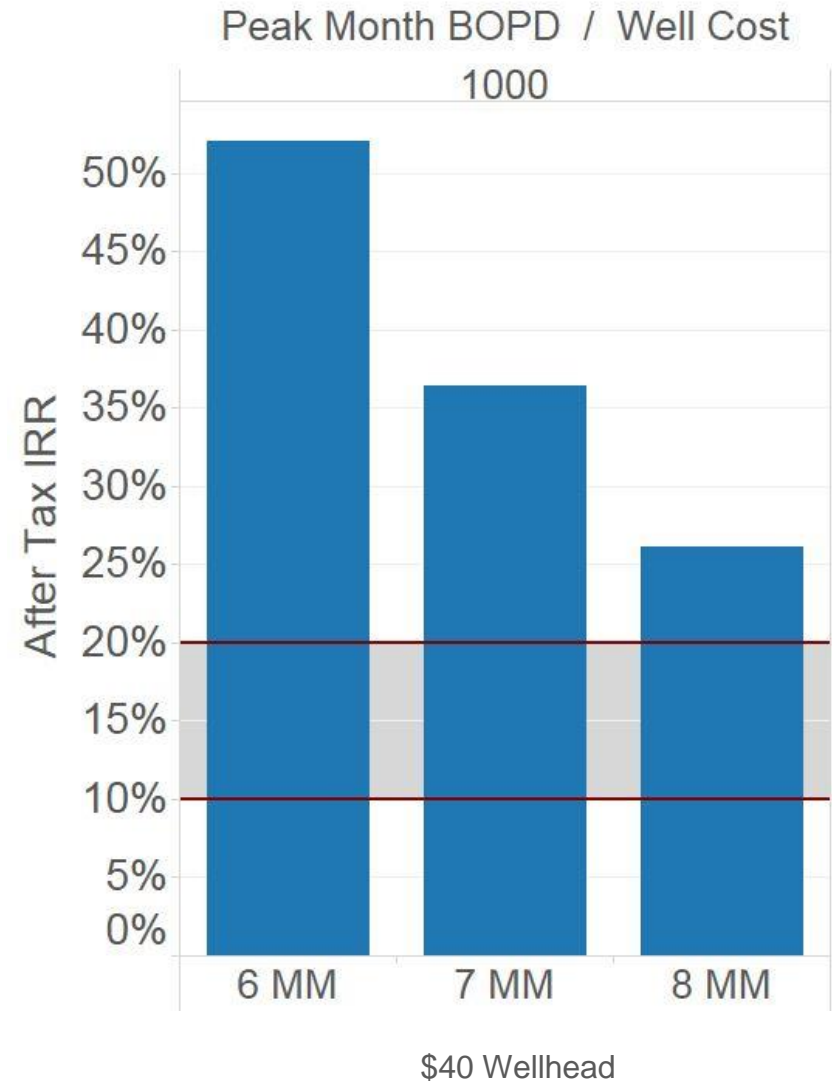
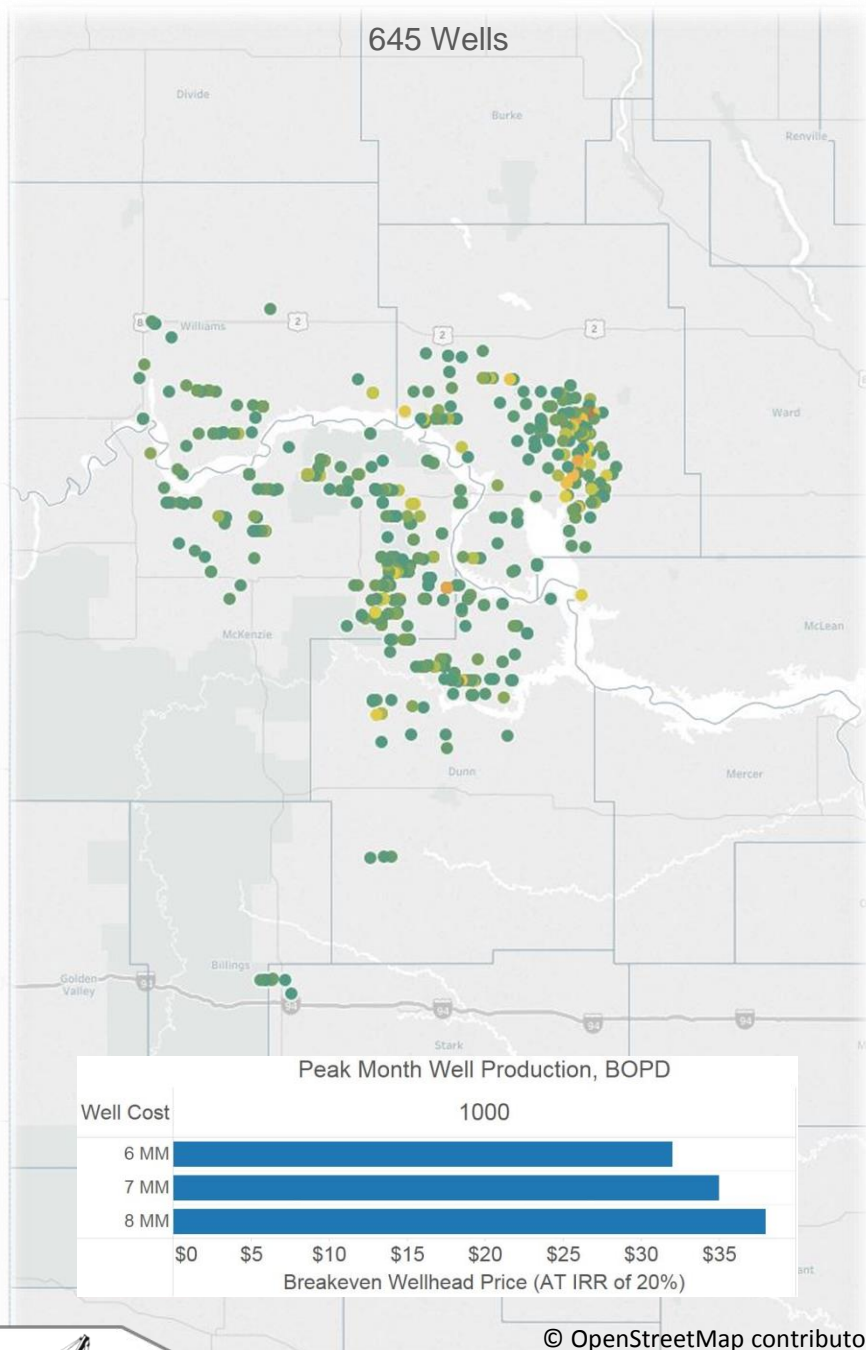
Peak Month Minimum 900 BOPD



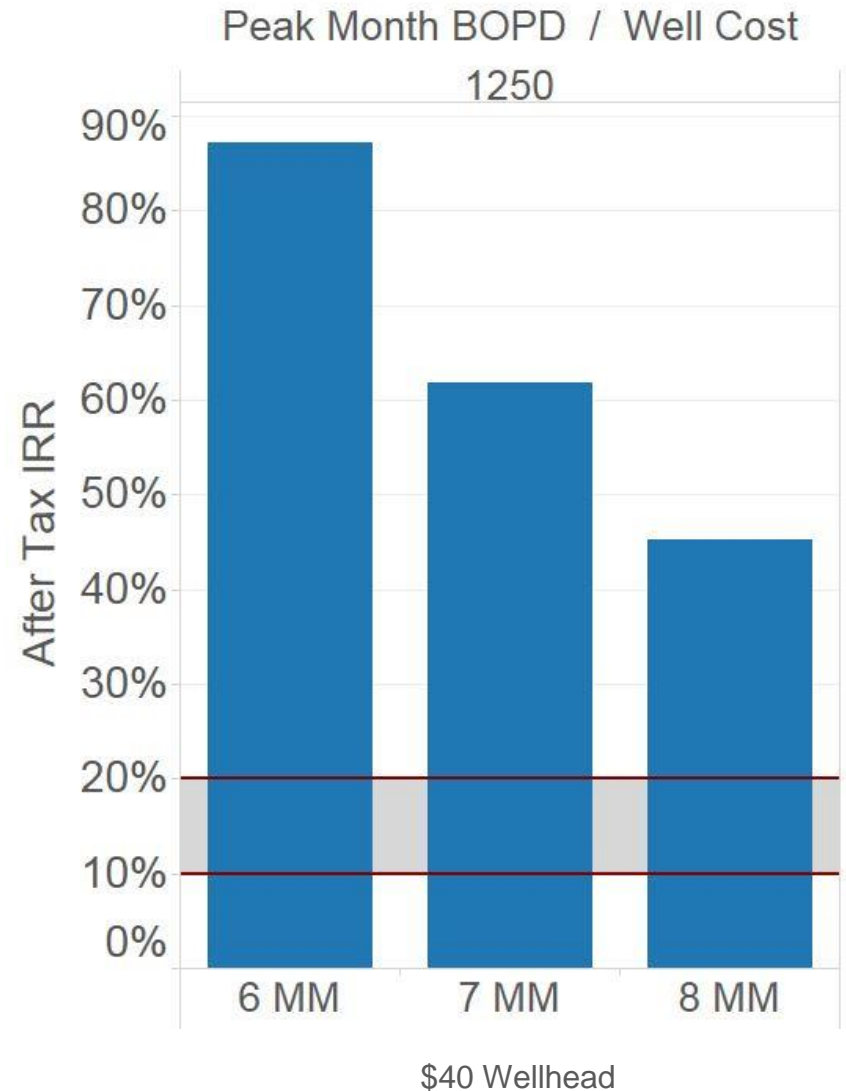
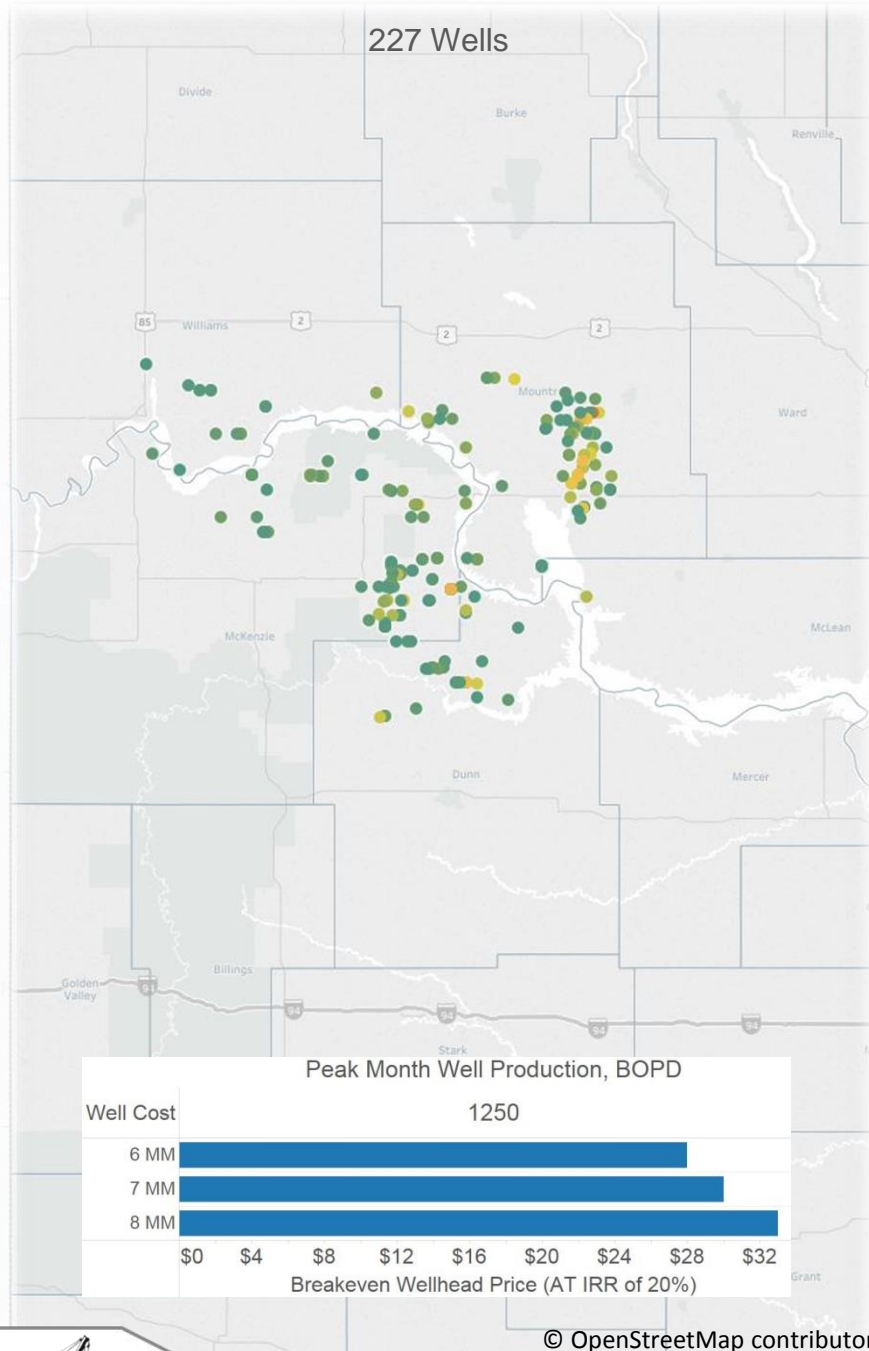
\$40 Wellhead



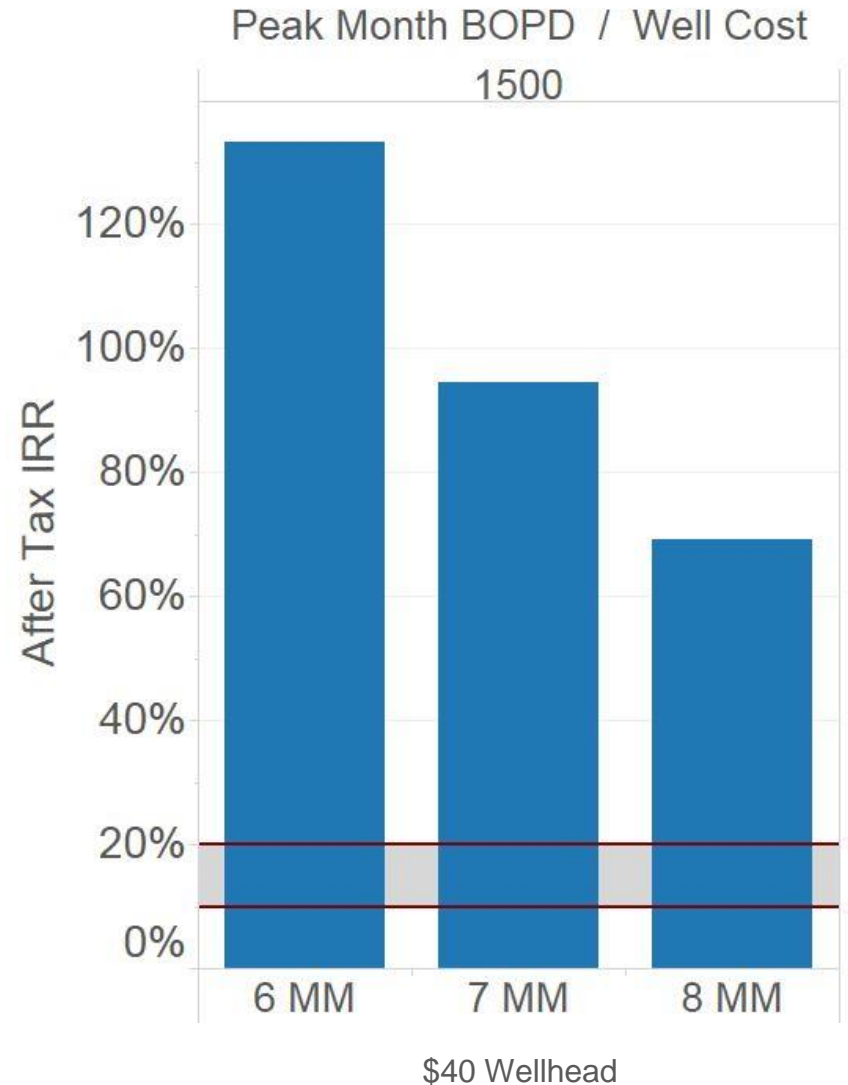
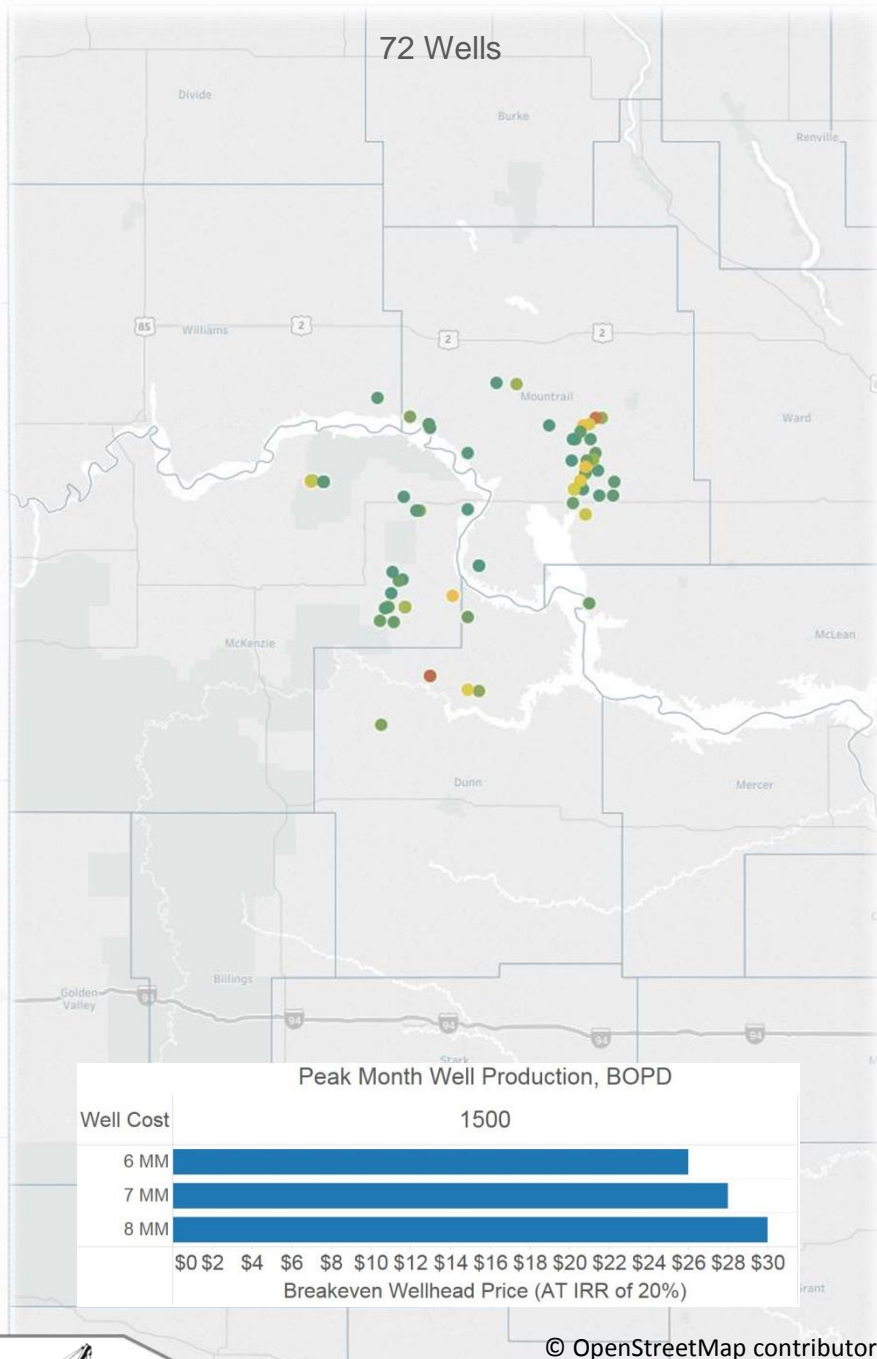
Peak Month Minimum 1,000 BOPD



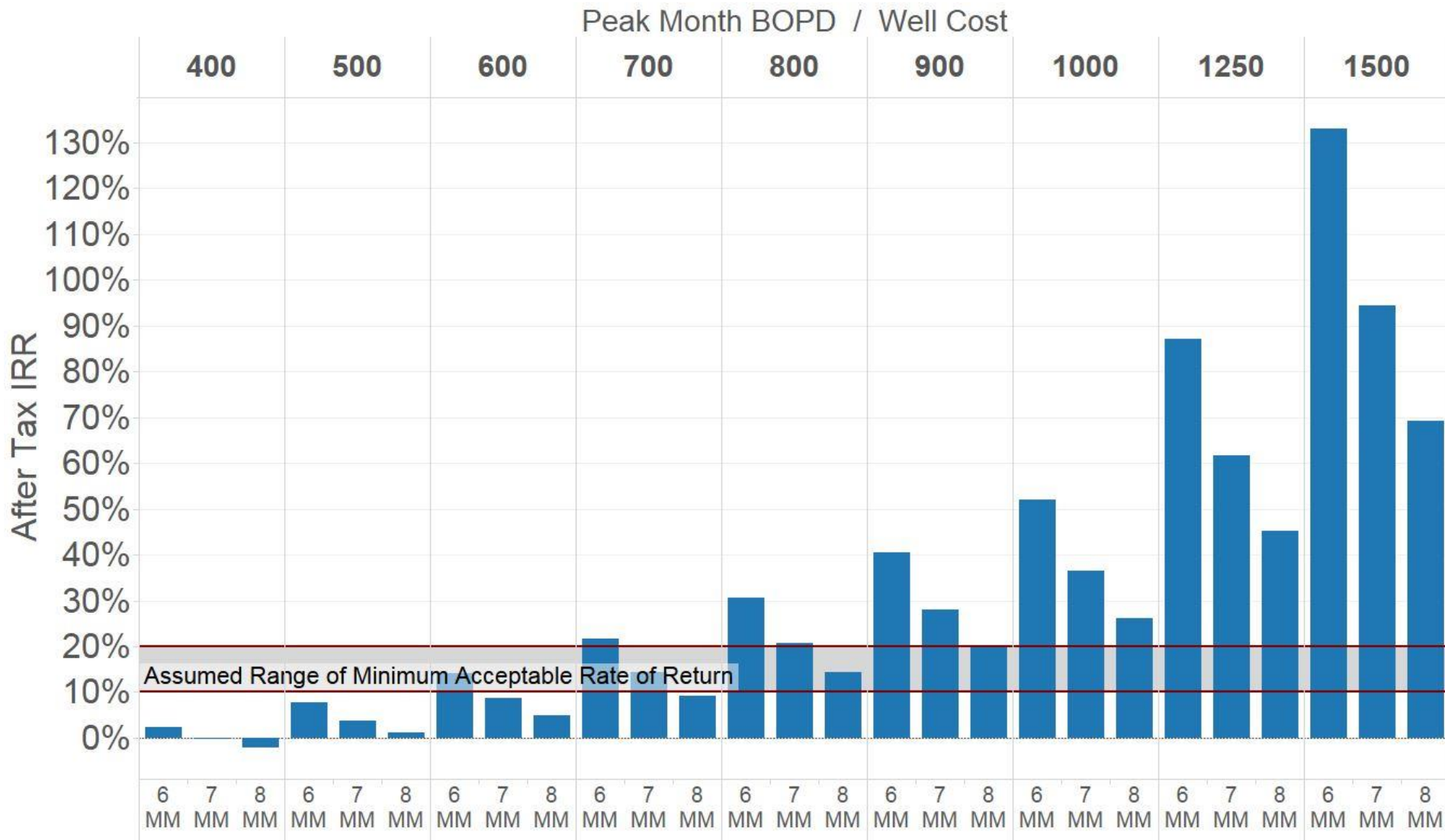
Peak Month Minimum 1,250 BOPD



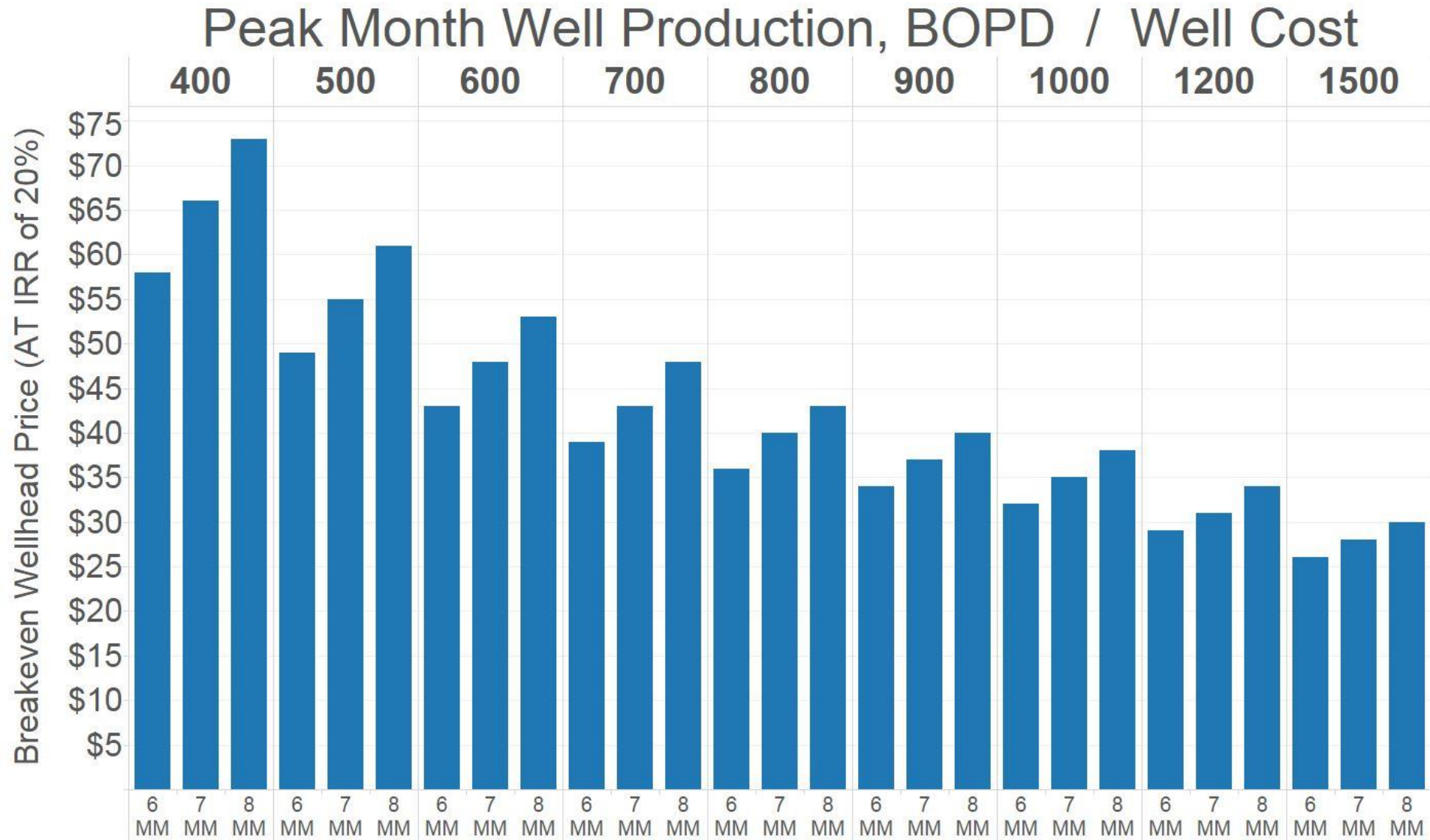
Peak Month Minimum 1,500 BOPD



Summary of \$40 Wellhead Oil

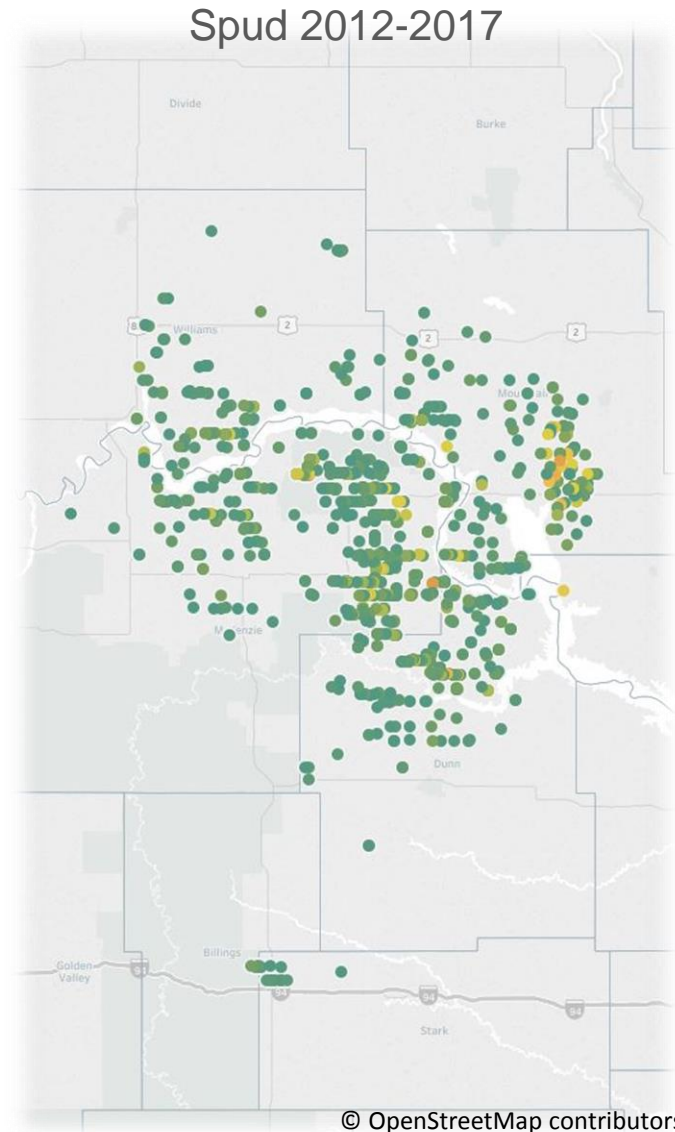
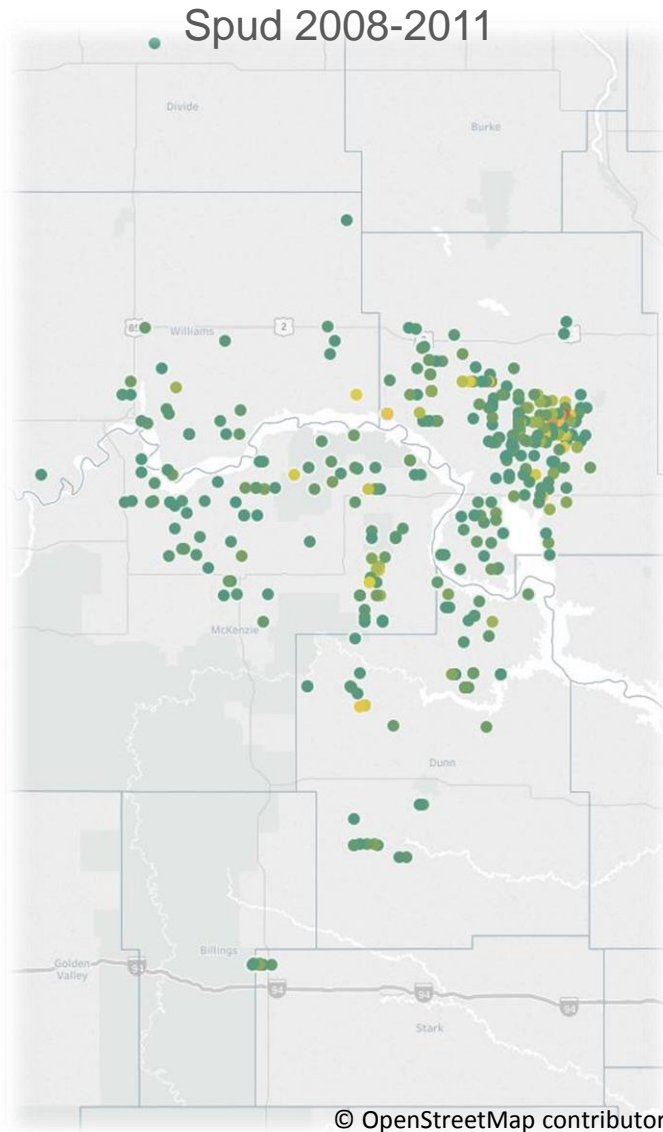


Breakeven Summary



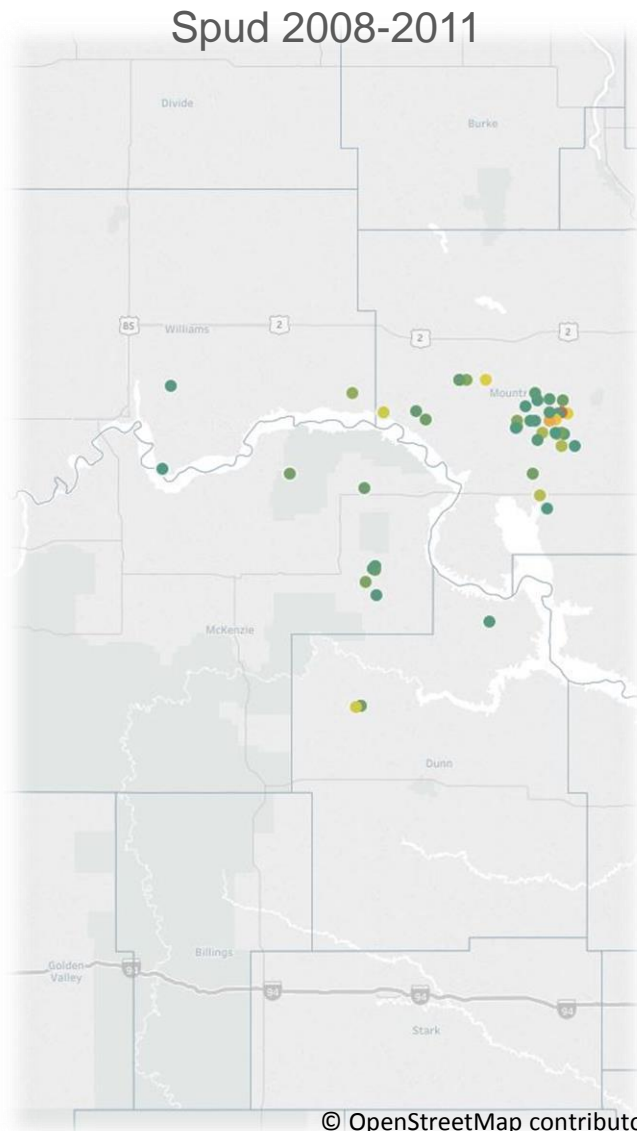
Understanding “The Core” Footprint

Peak Month Minimum: 800 BOPD

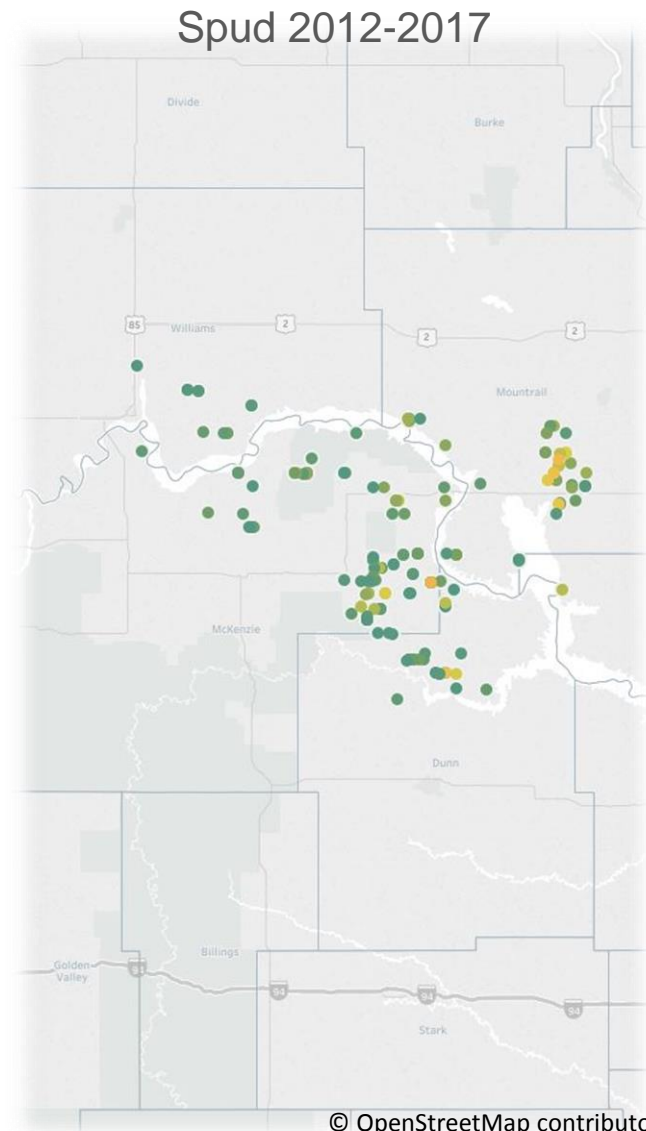


Understanding “The Core” Footprint

Peak Month Minimum: 1,250 BOPD



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Contact Information

Justin J. Kringstad, Director
North Dakota Pipeline Authority

600 E. Boulevard Ave. Dept. 405
Bismarck, ND 58505-0840

Phone: (701)220-6227

Fax: (701)328-2820

E-mail: jjkringstad@ndpipelines.com

Websites:

www.pipeline.nd.gov

www.northdakotapipelines.com



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