



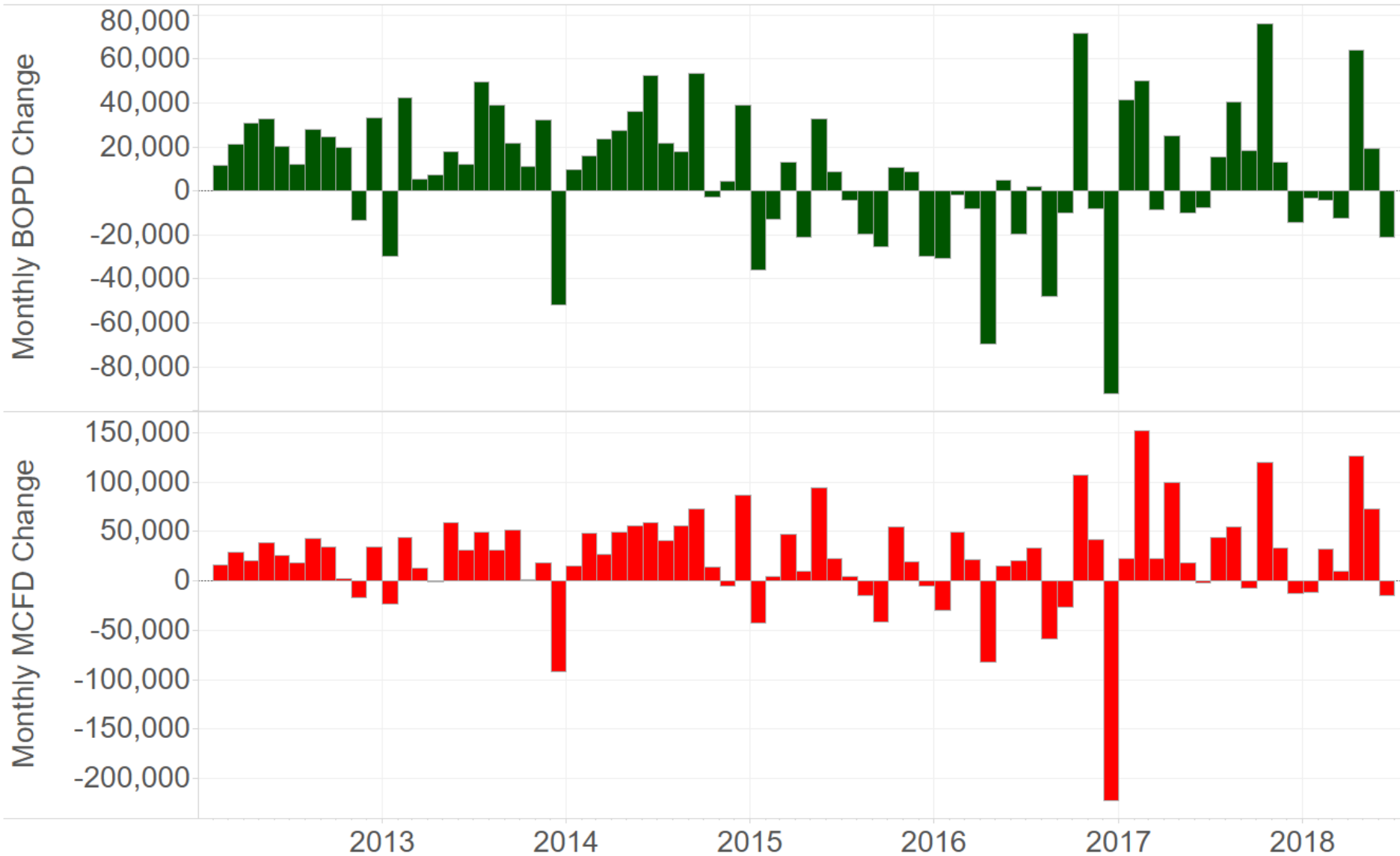
August 2018 Monthly Update
North Dakota Pipeline Authority
Justin J. Kringstad
August 16, 2018

US Williston Basin Oil Production - 2018

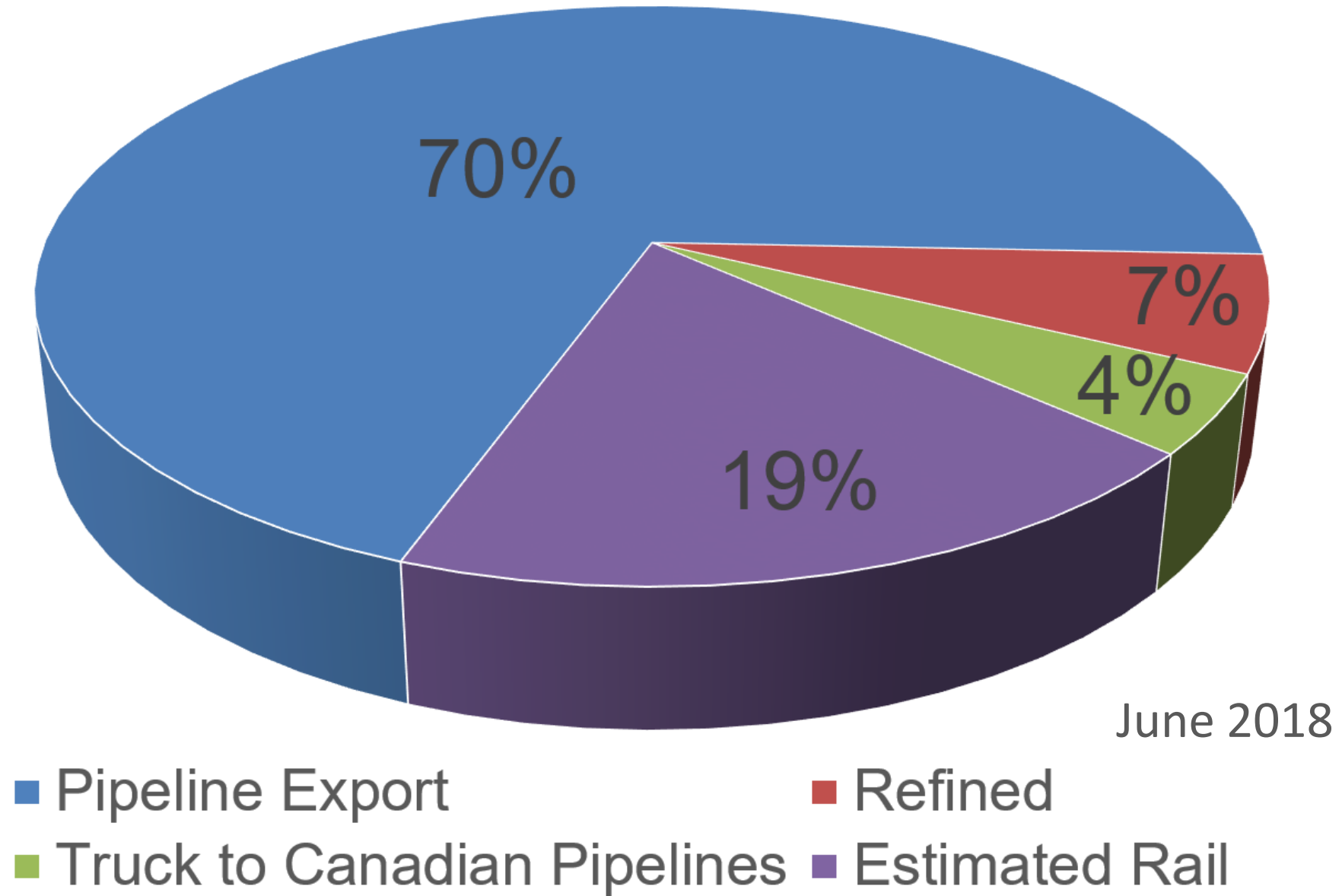
MONTH	ND	Eastern MT*	SD	TOTAL
January	1,179,712	50,122	3,555	1,233,389
February	1,175,284	49,568	3,628	1,228,480
March	1,162,722	48,168	3,502	1,214,392
April	1,226,995	48,512	3,515	1,279,022
May	1,246,355	47,762	3,471	1,297,588
June	1,225,510			
July				
August				
September				
October				
November				
December				



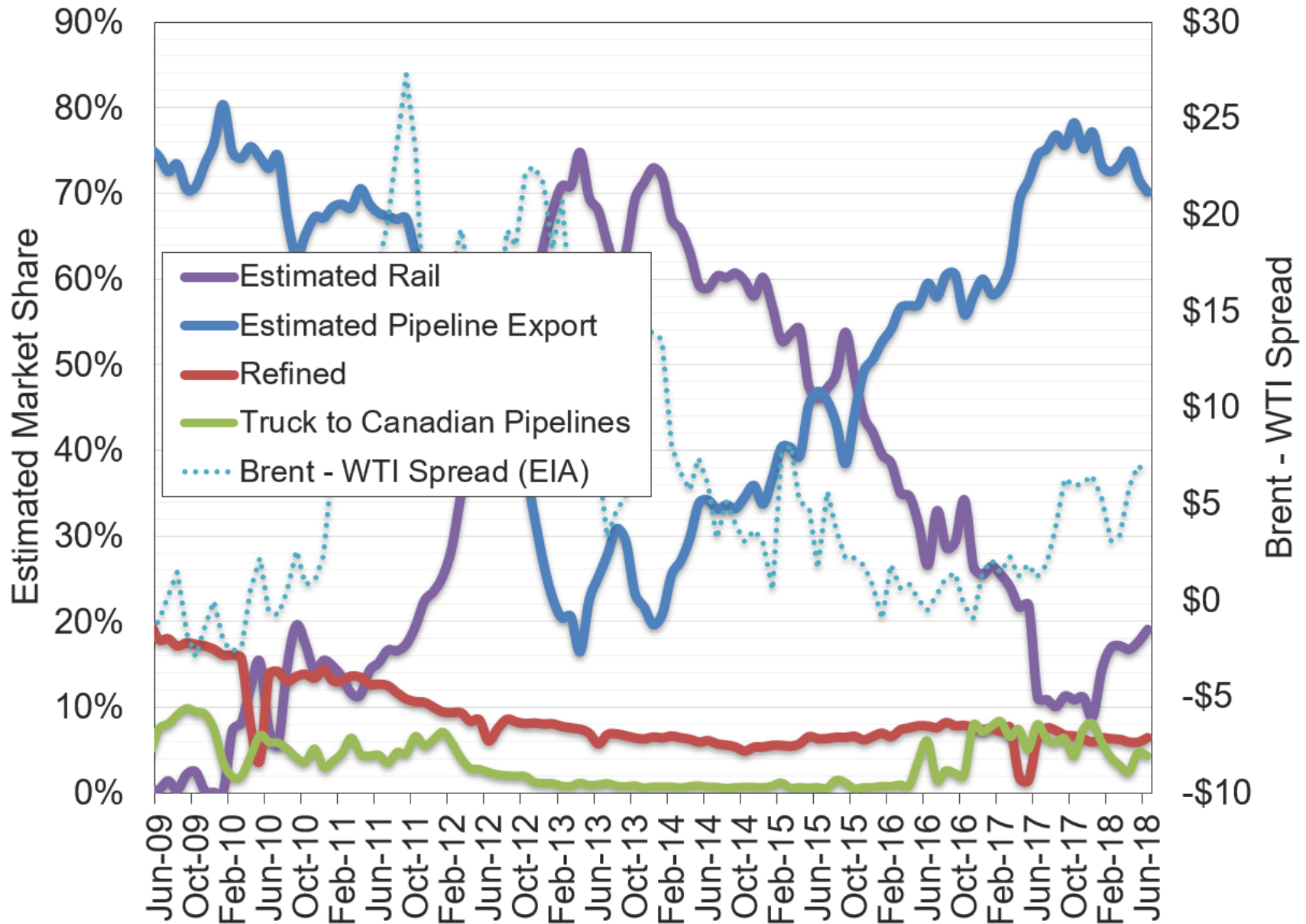
Monthly Production Change



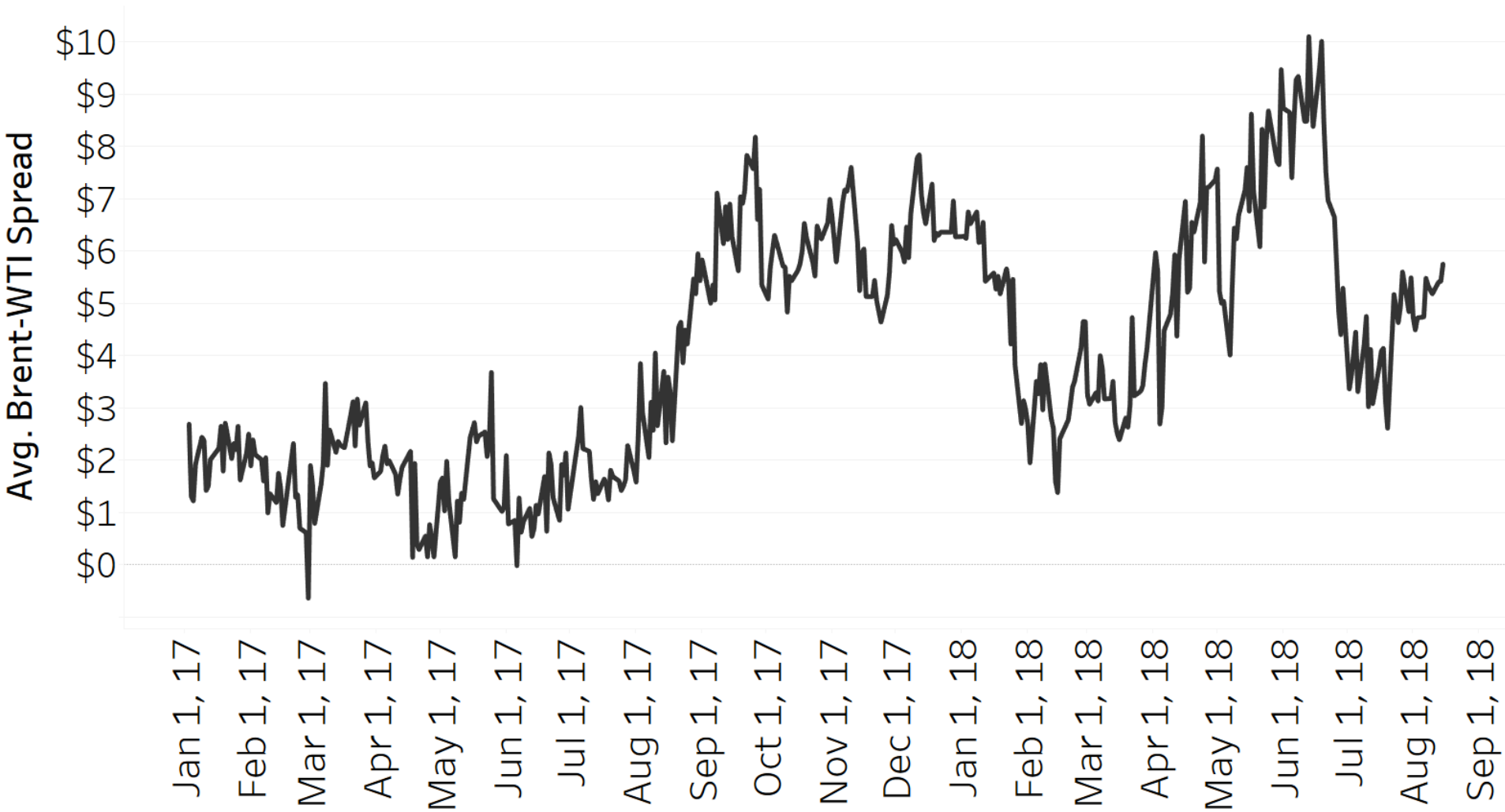
Estimated Williston Basin Oil Transportation



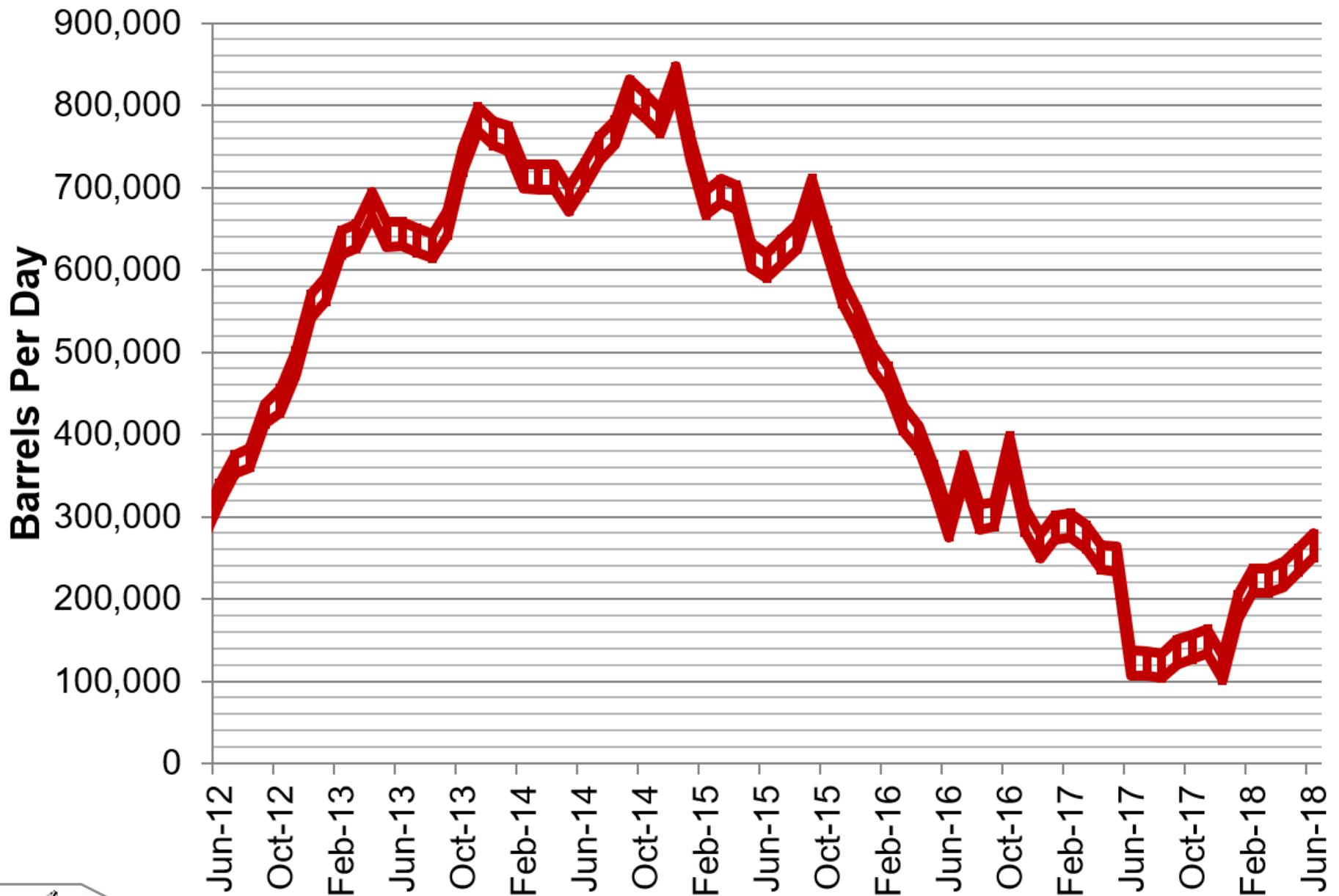
Estimated Williston Basin Oil Transportation



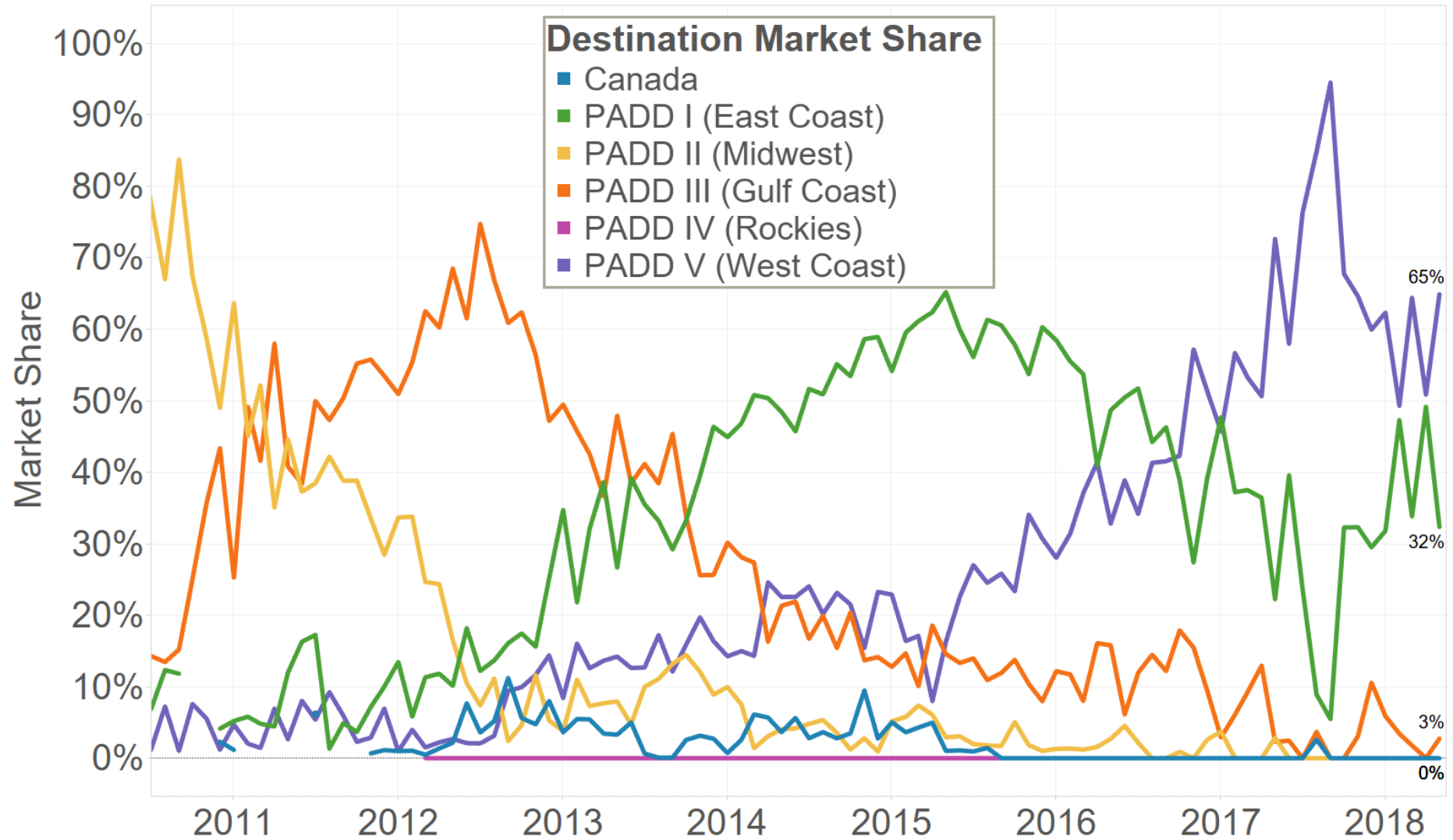
Brent – WTI Price Spread



Estimated ND Rail Export Volumes



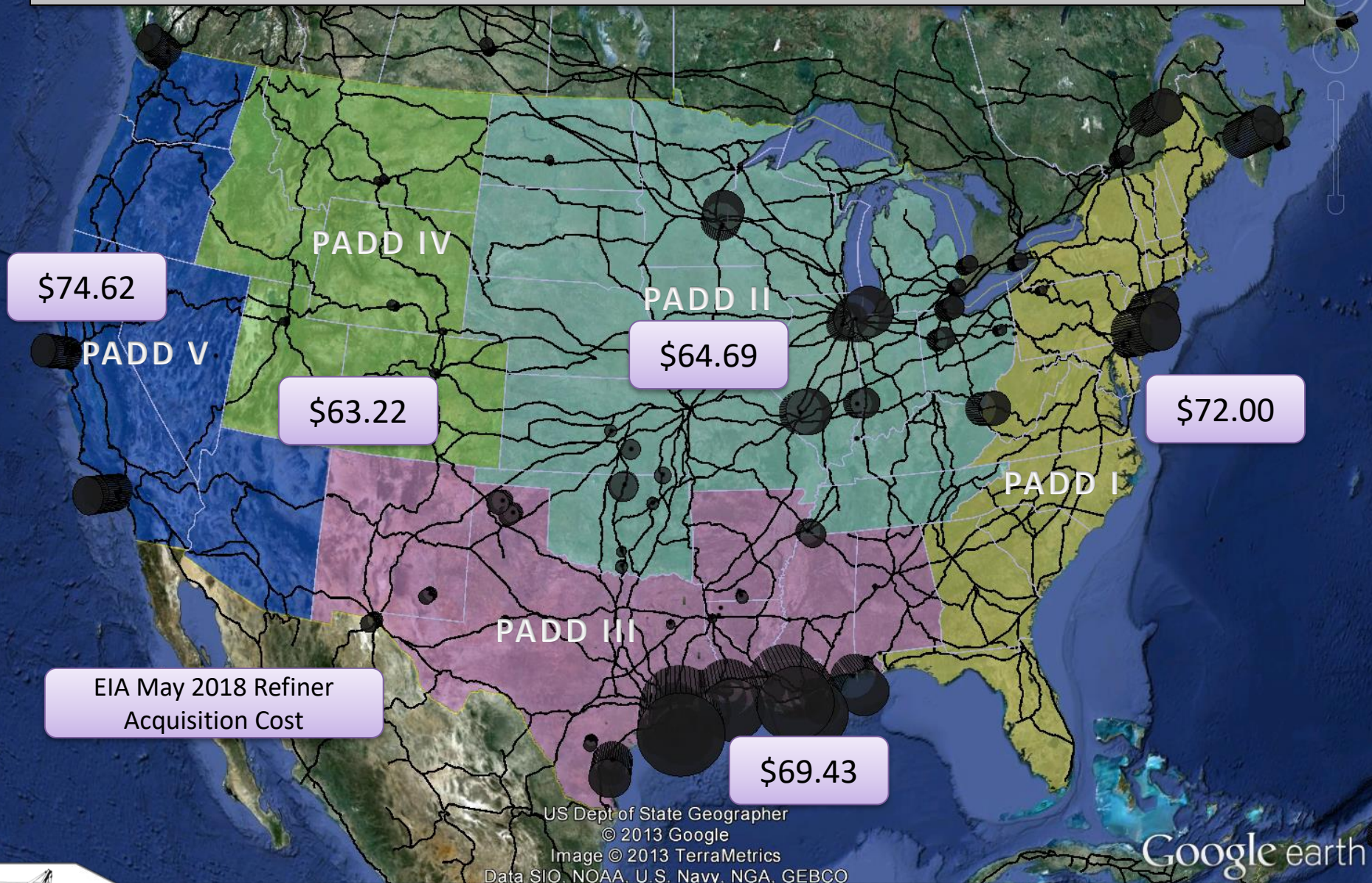
Rail Destinations Market Share (May 2018)



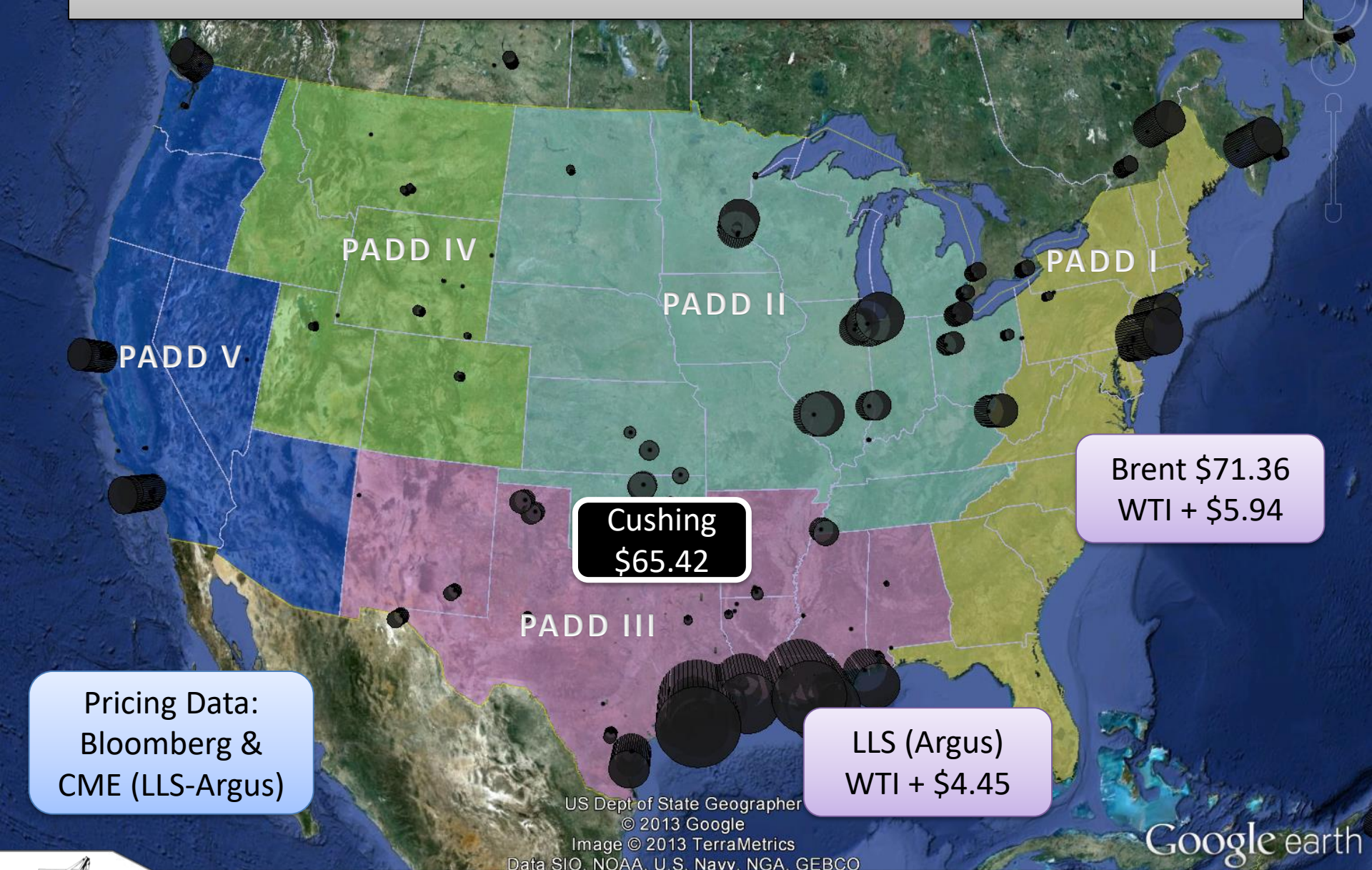
Data for Rail Destination Market Share Provided by the US Energy Information Administration



Major Rail Lines and Refineries



Crude Oil Prices – August 16, 2018



North Dakota Impact of Smaller Discount

- 2016 Weighted Average Discount: \$7.71
- June 2017 - June 2018 Wt. Average Discount: \$4.77
- \$2.94/BBL Improvement Post DAPL Commercial In-Service
- 451,712,138 Taxable Barrels In June 2017 - June 2018
- Wt. Avg. Tax Rate in June 2017 - June 2018: 9.74%

Thirteen Month Revenue Impact

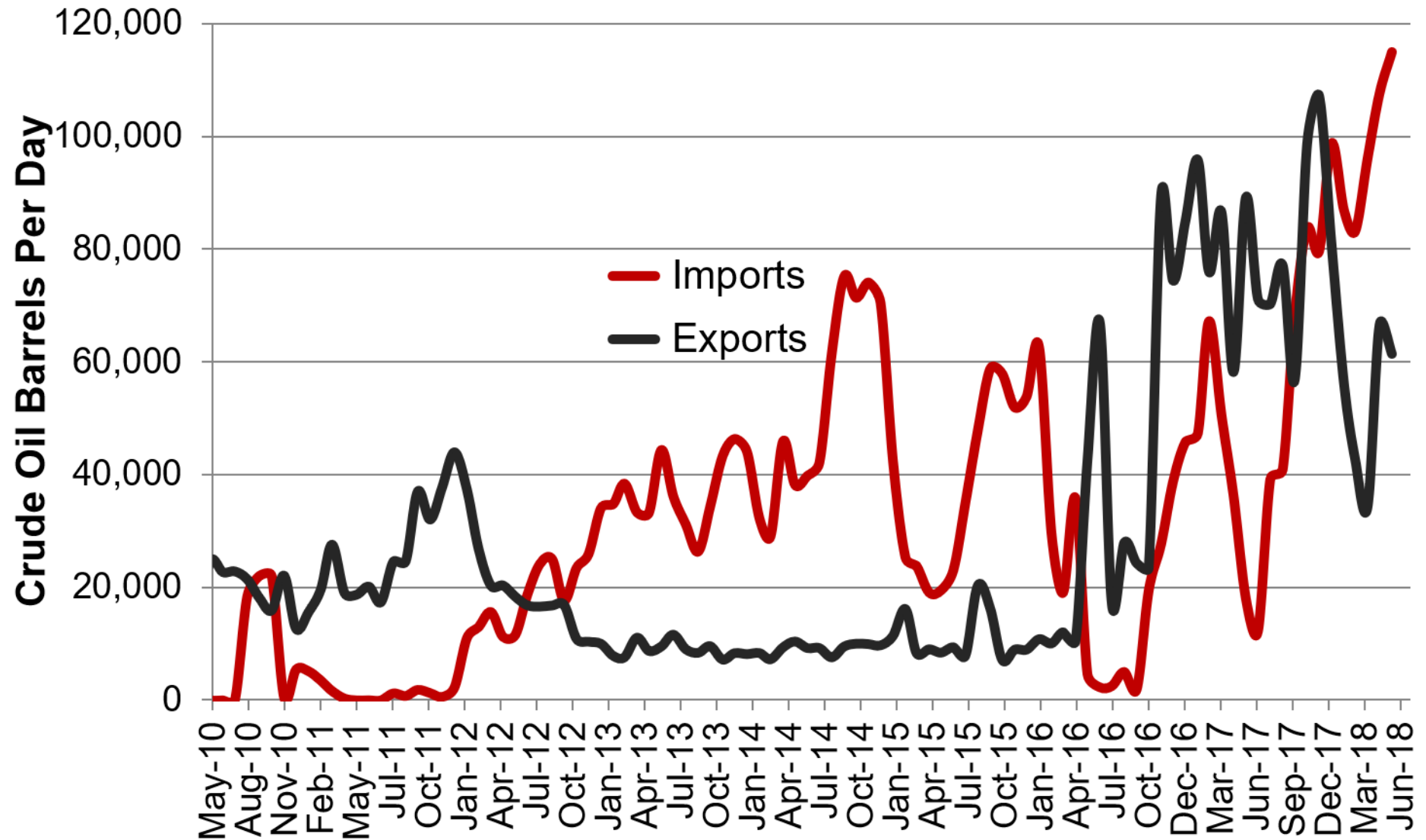
- $9.74\% \times 451,712,138 \times \$2.94 =$

**\$129+ Million Additional State Revenue
When Compared to Avg. 2016 Discount**

**Does Not Include Royalty Owner
and Industry Revenue Impact**



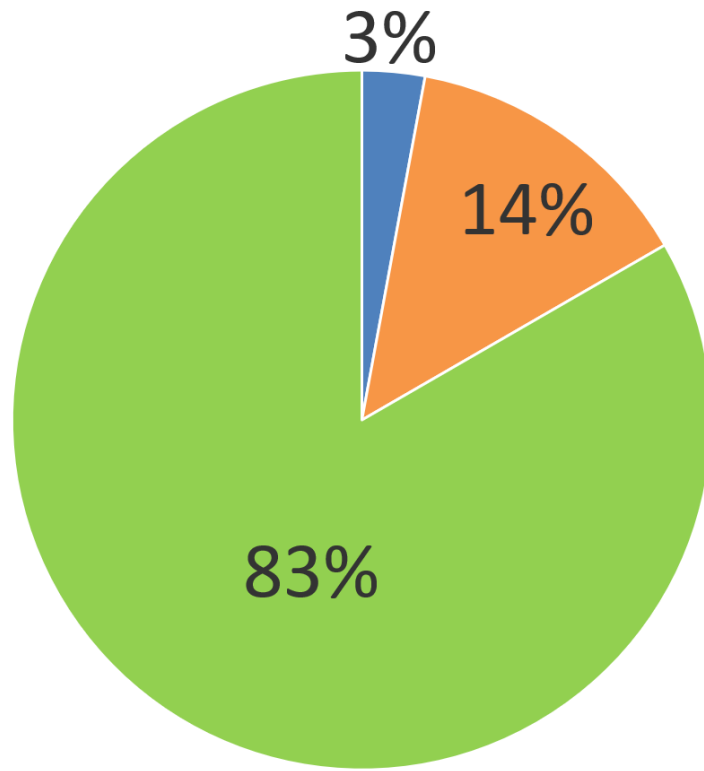
Williston Basin Truck Imports and Exports with Canada



Data for truck imports/exports chart is provided by the US International Trade Commission



Solving the Flaring Challenge



Statewide

GREEN – % of gas captured and sold
Blue – % flared from zero sales wells
Orange – % flared from wells with at least one mcf sold.

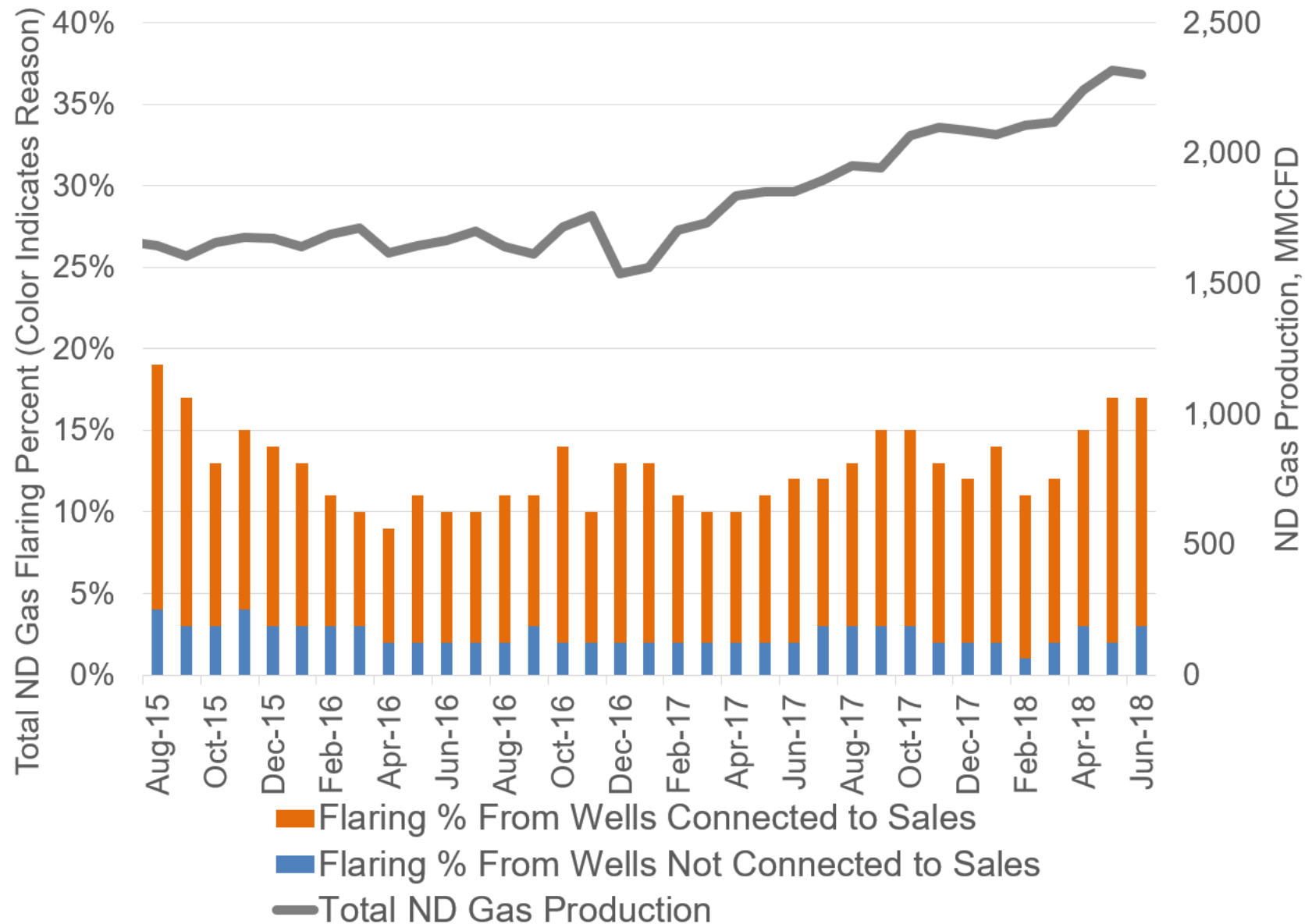
Simple Terms

Blue – Lack of pipelines
Orange – Challenges on existing infrastructure

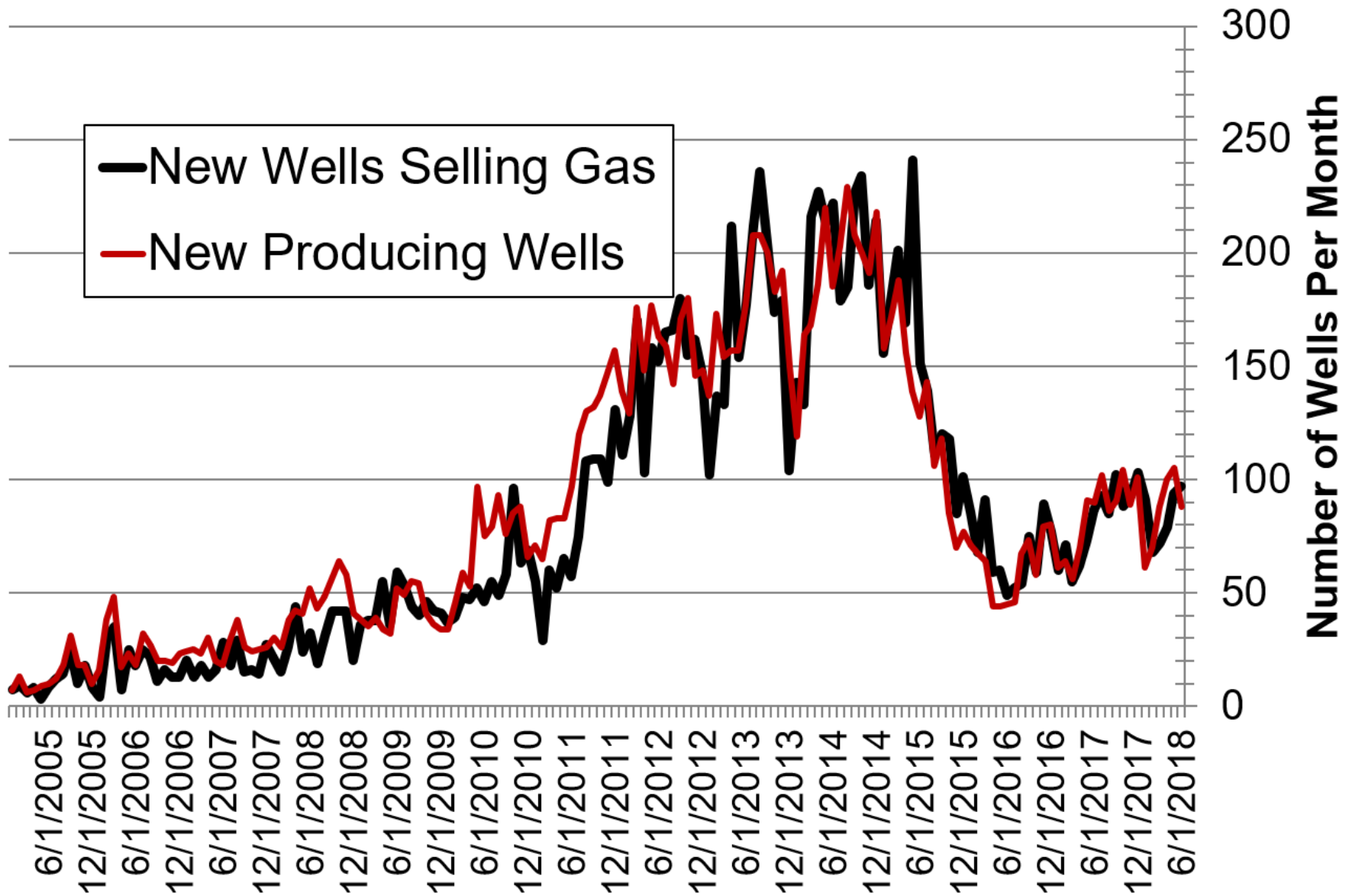
June 2018 Data – Non-Confidential Wells



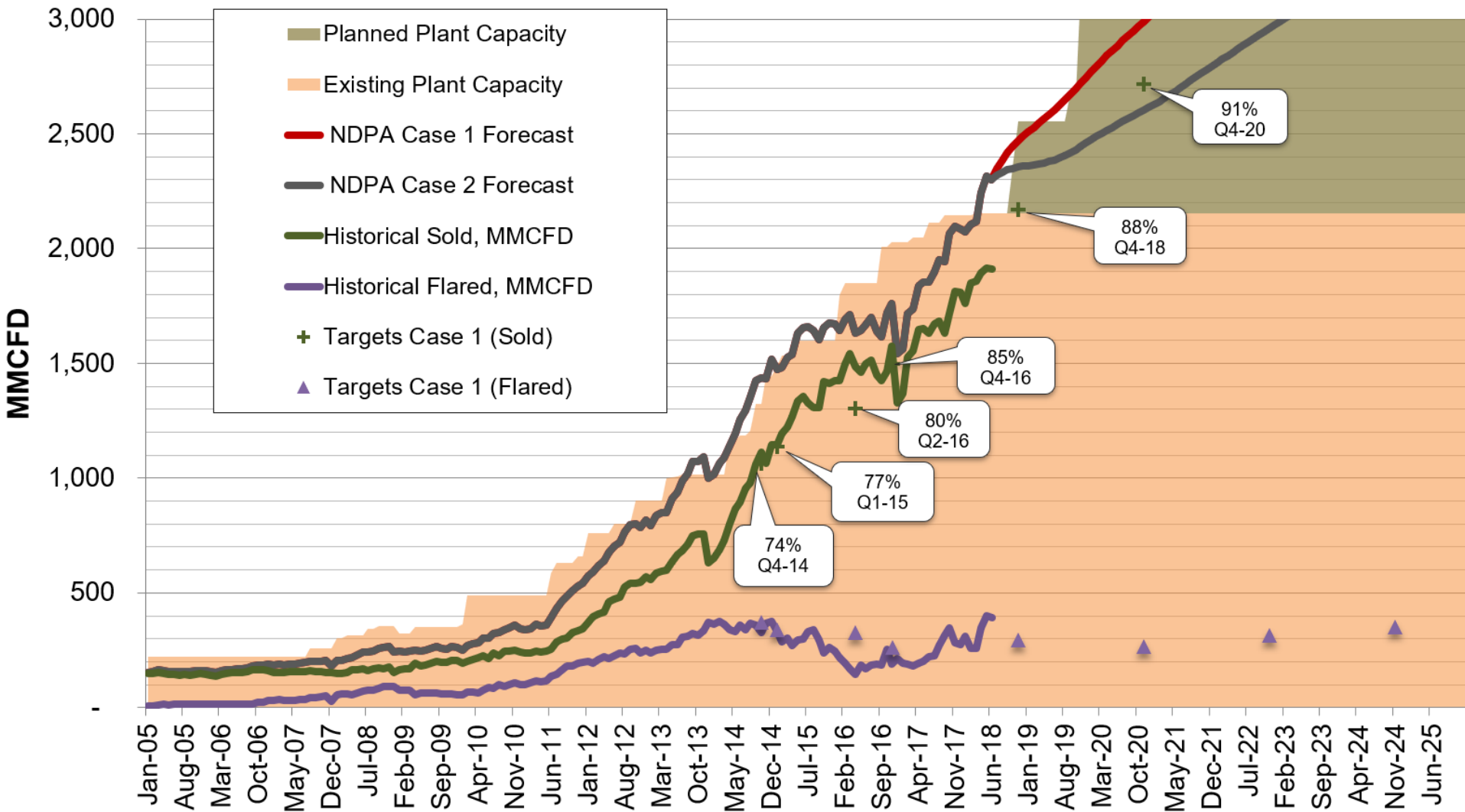
Solving the Flaring Challenge



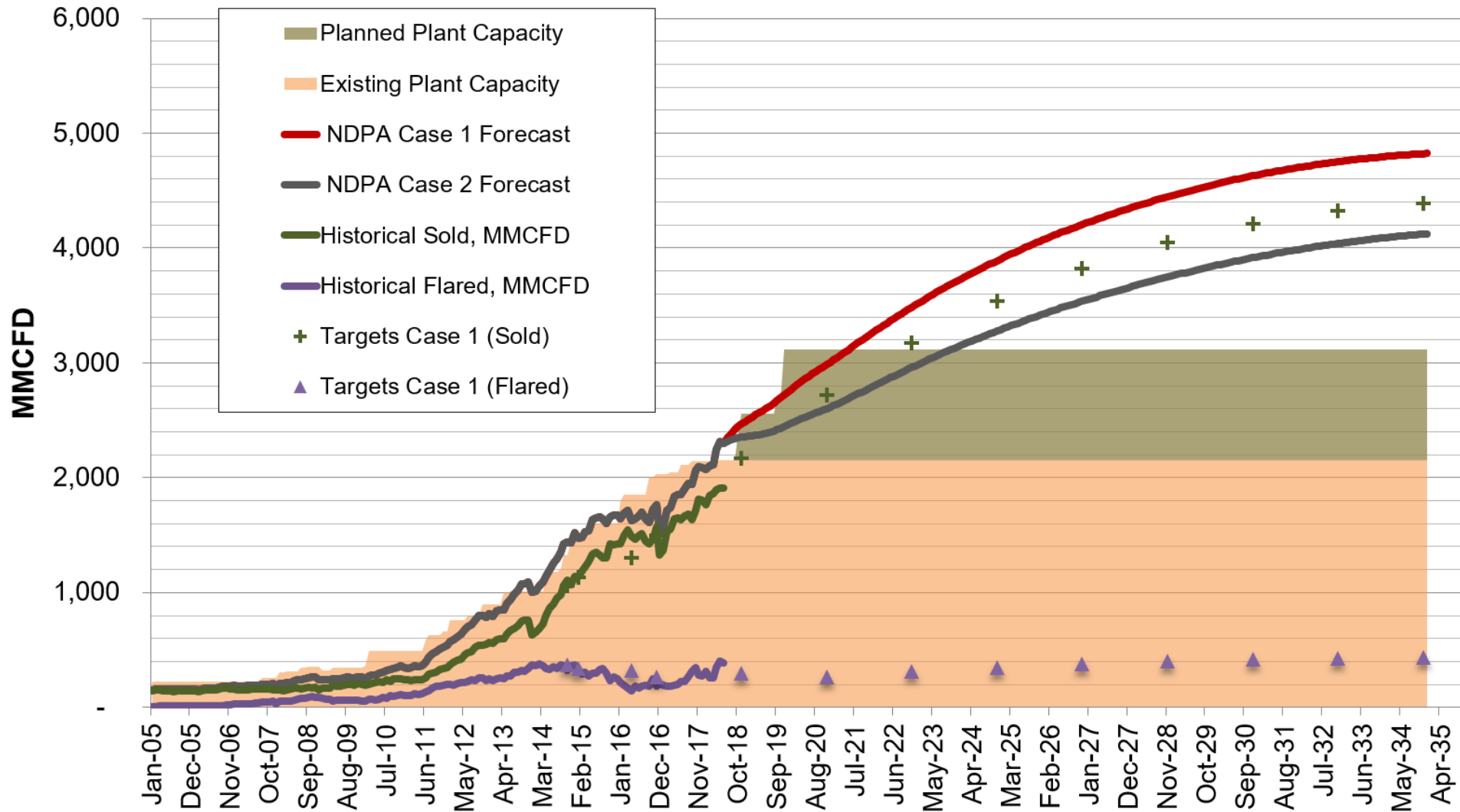
Solving the Flaring Challenge



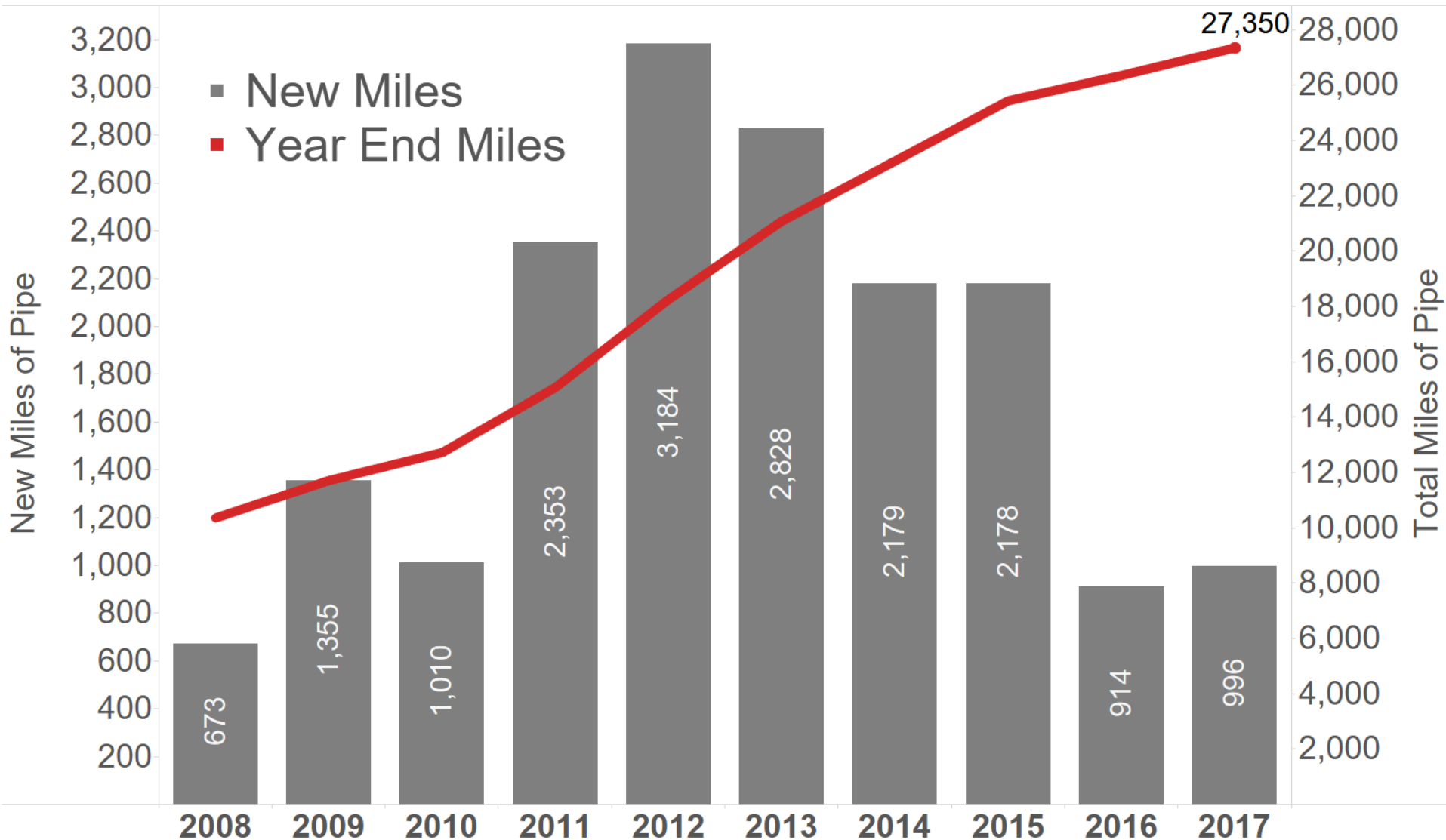
Solving the Flaring Challenge



Solving the Flaring Challenge



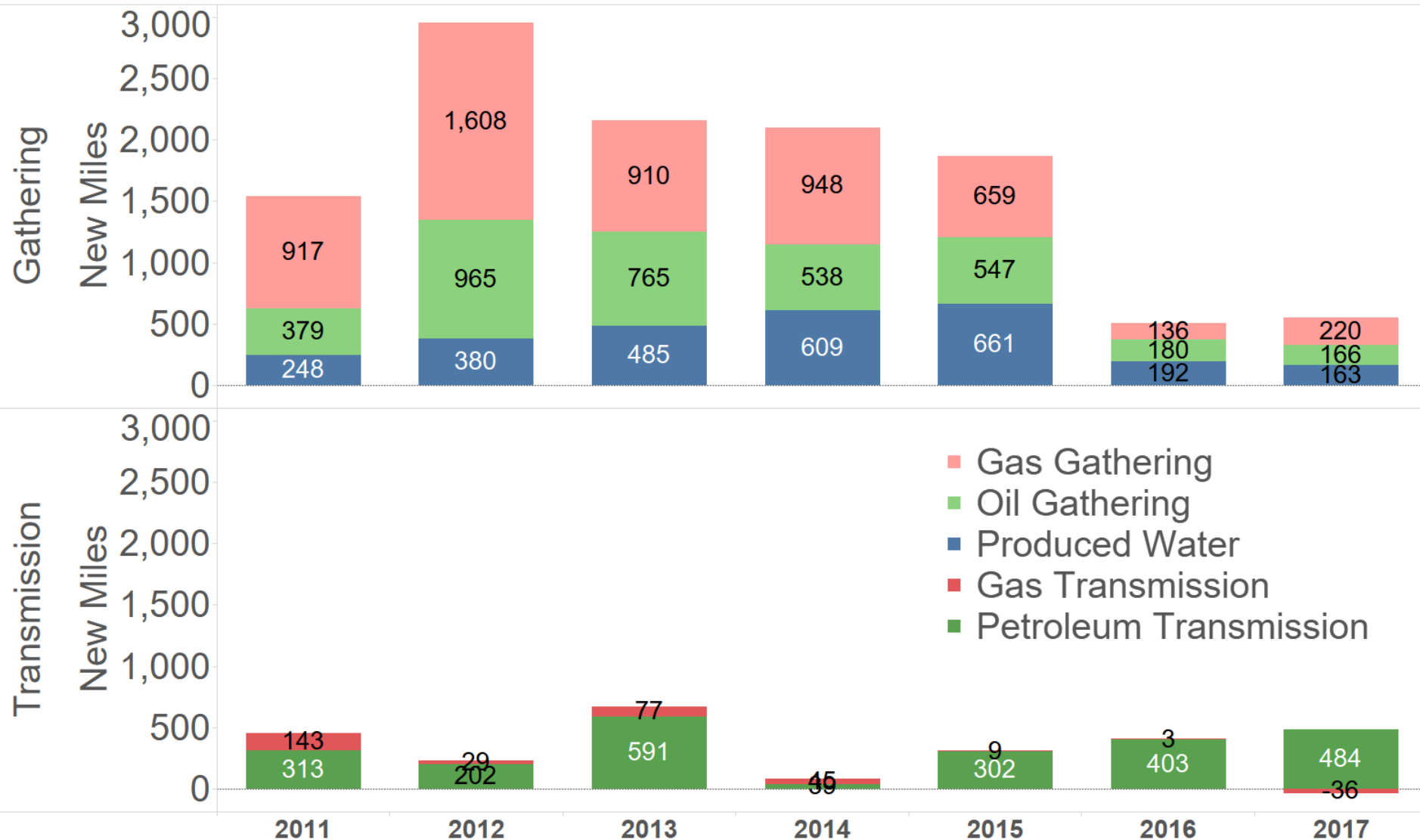
North Dakota Pipeline Construction



Sources: NDIC & PHMSA



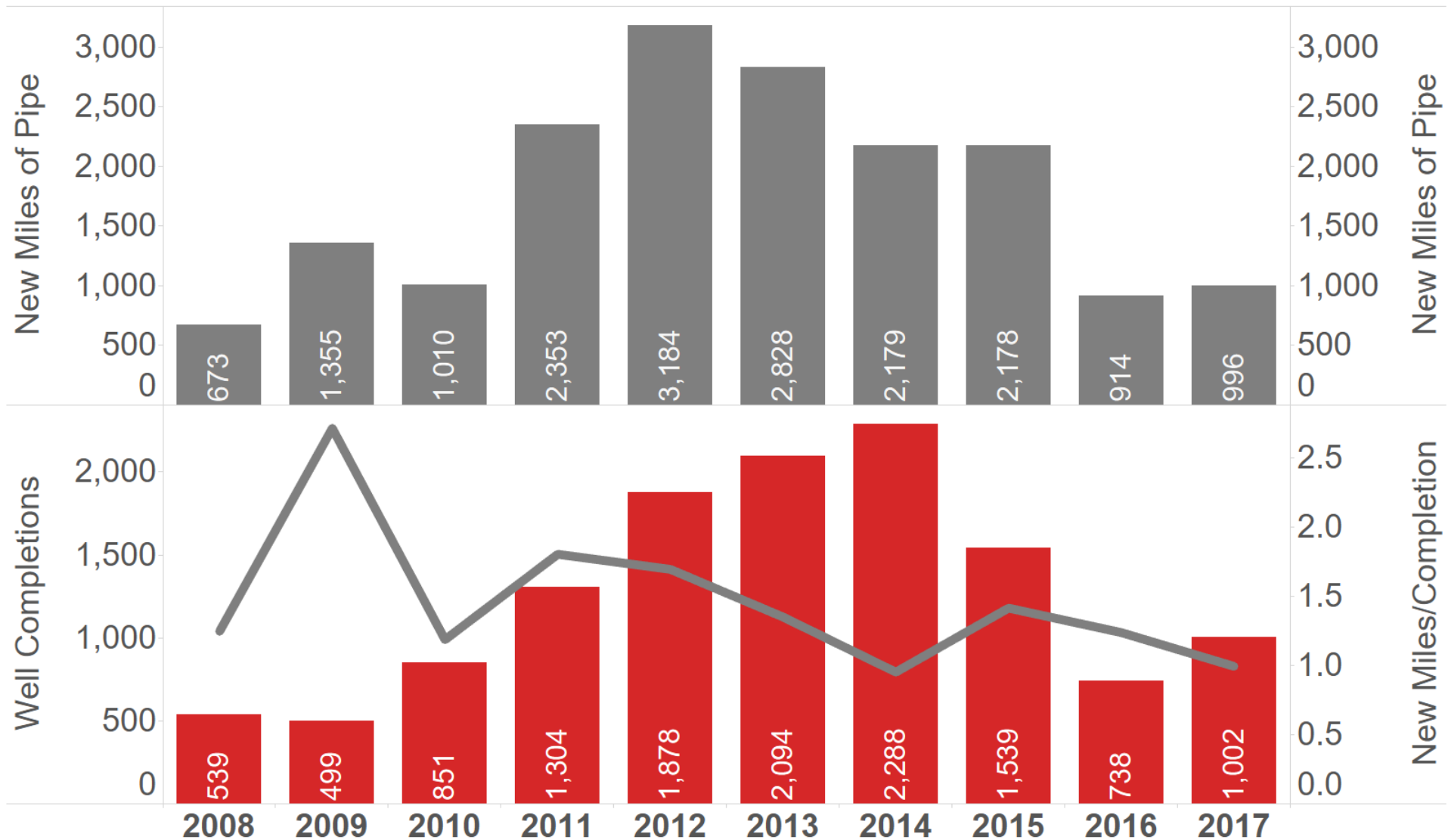
North Dakota Pipeline Construction



Sources: NDIC & PHMSA



New Miles and Well Completions



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