



# MINERAL TRACKER<sup>®</sup>

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**SB 2319**

## **Federal Oil & Gas Development Forecasts**

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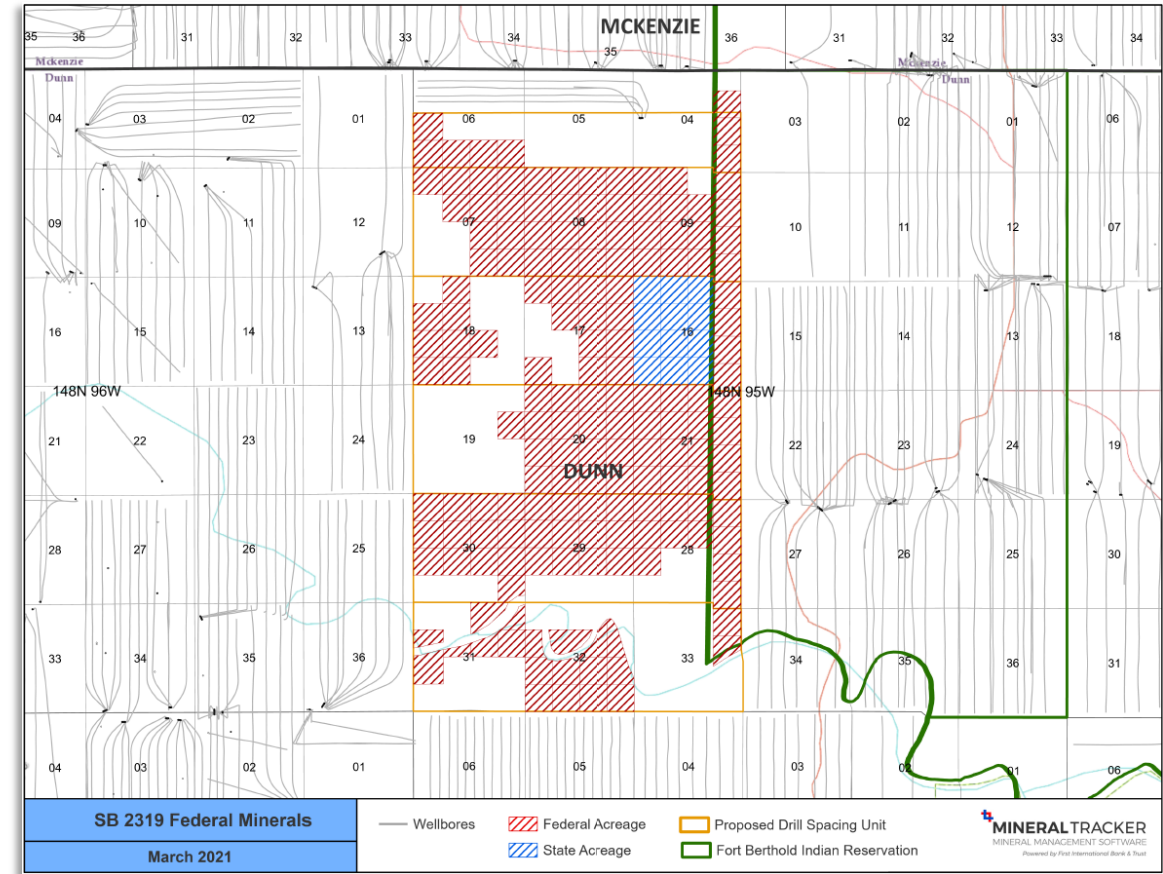
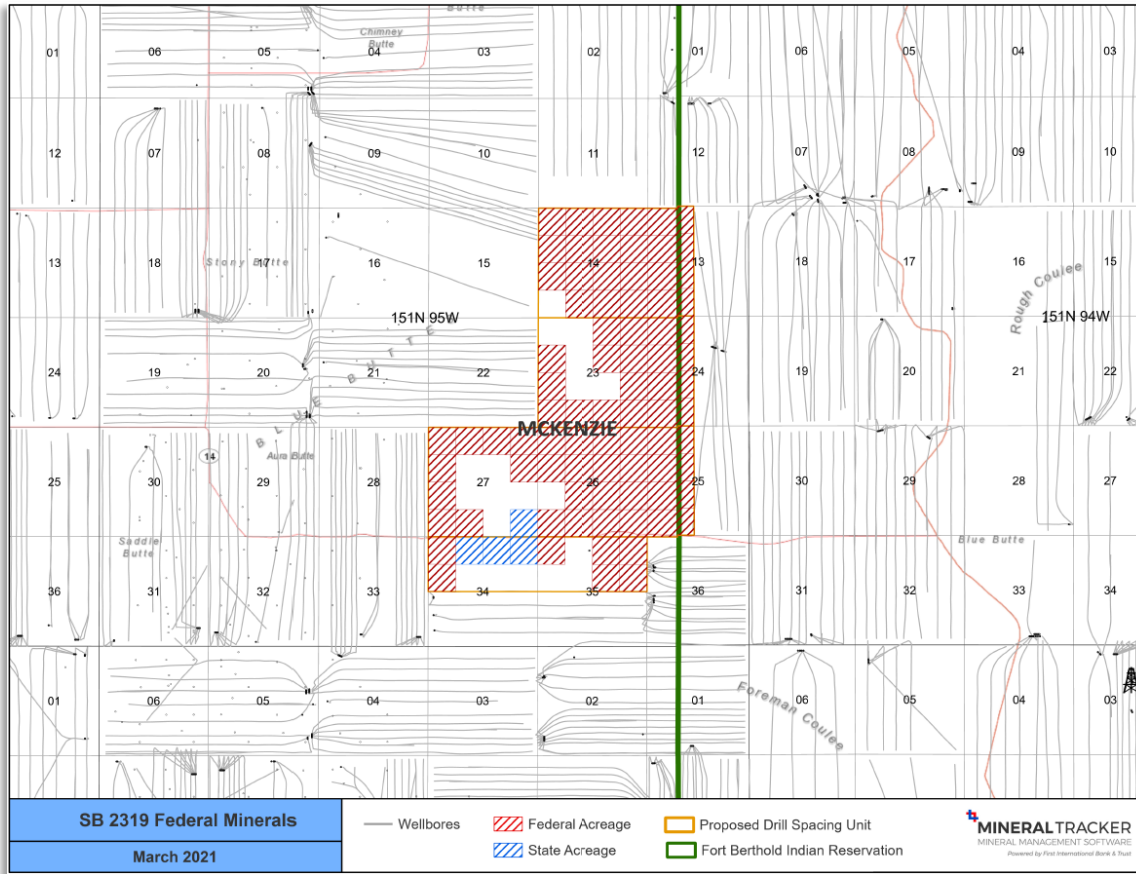
March 23, 2021

# Overview

SB 2319 refers to the development of Federal minerals located outside the exterior boundaries of the reservation. The specific minerals described are located in highly productive regions of the Bakken and Three Forks Formations in Dunn and McKenzie Counties.

The purpose of this presentation is to provide a forecast of the fiscal impacts if the subject Federal minerals were to be developed. This methodology employs common industry practices for projecting oil and gas production, including decline curve analysis. Assumed economic factors were employed to establish cash flow projections in a full development scenario.

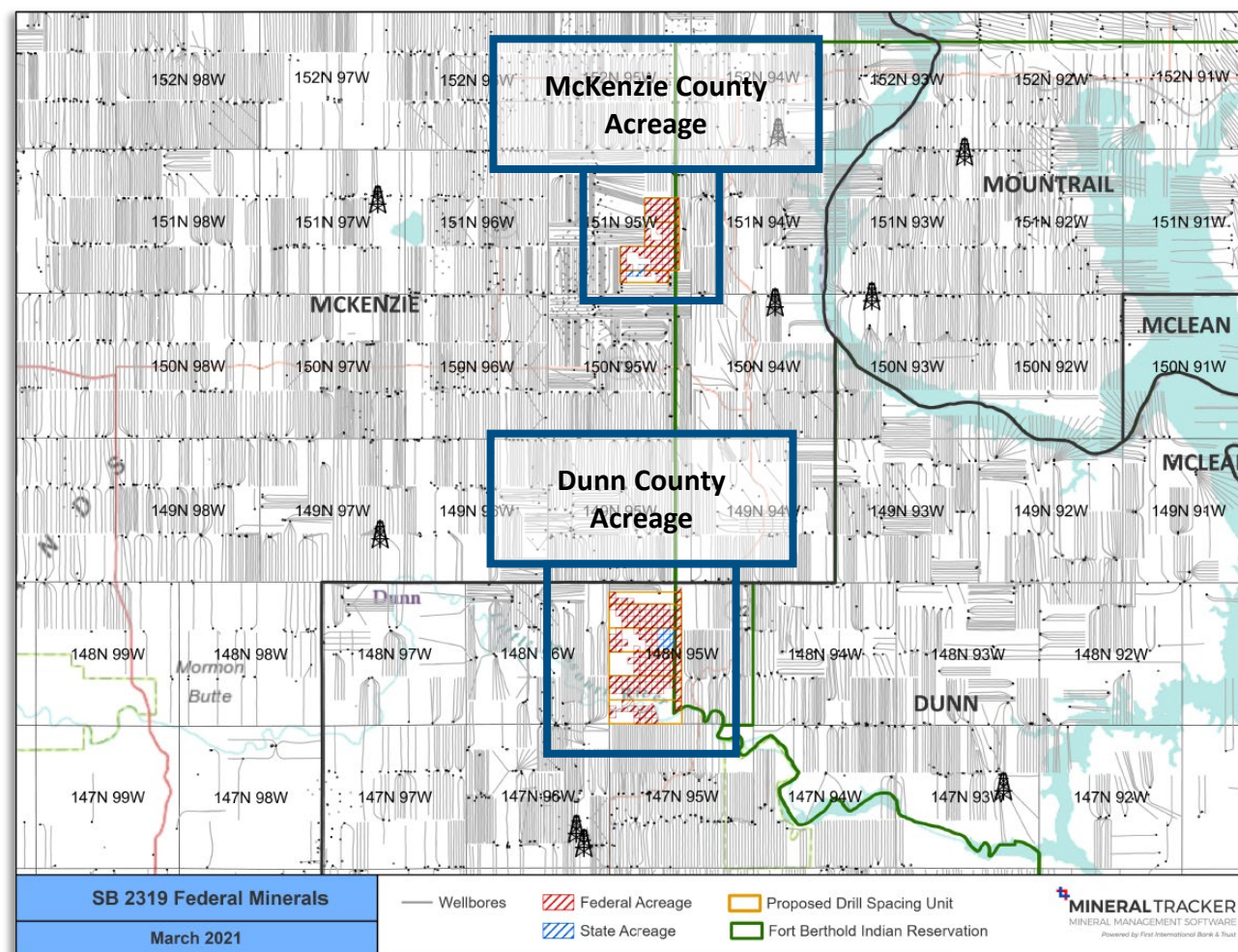
# Subject Federal Minerals



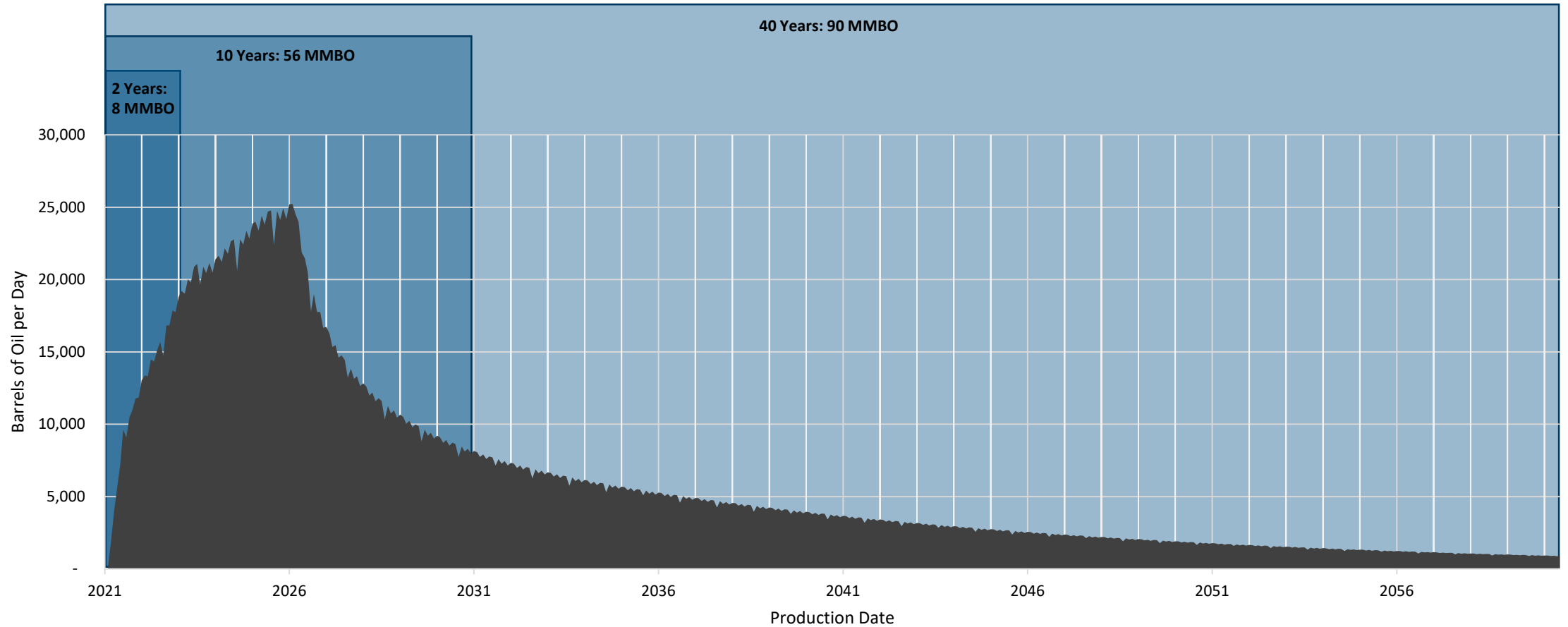
# Subject Federal Minerals

## Development Model

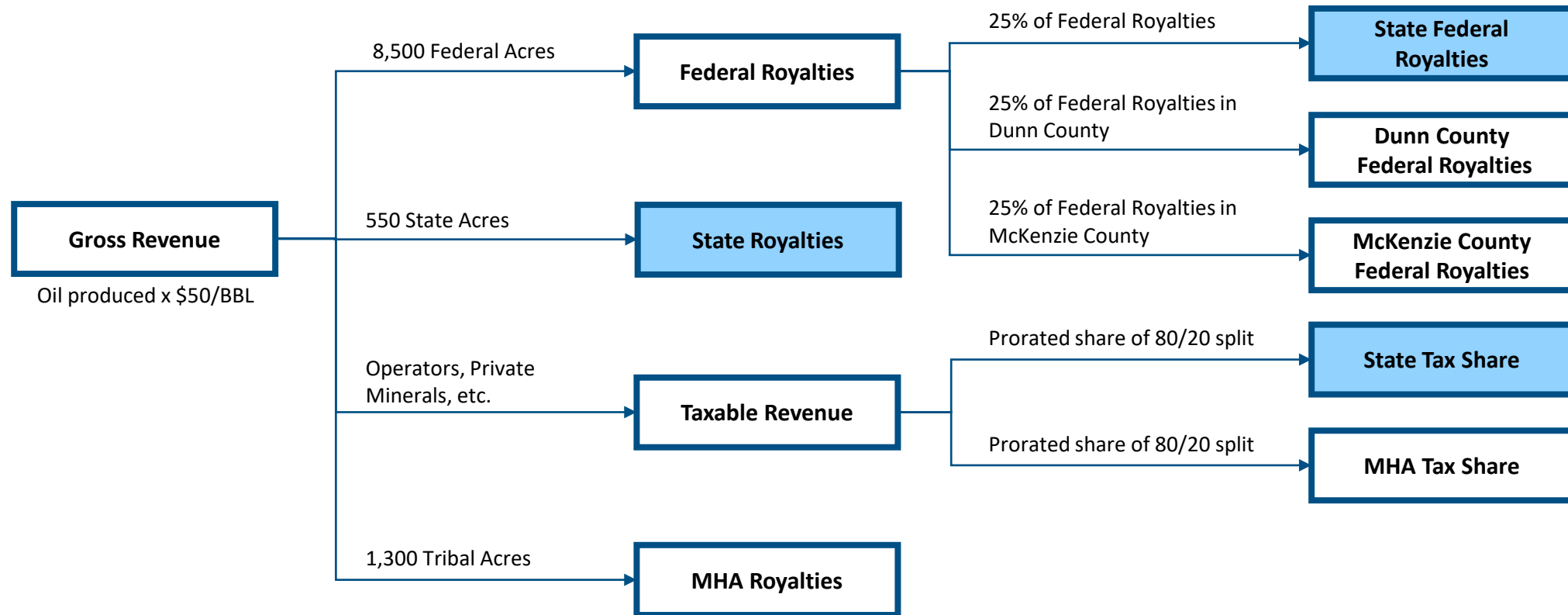
- ~15,000 Undeveloped Acres
  - ~8,500 Federal Acres
  - ~1,300 Tribal Acres
  - ~550 State Acres
- 10 Drill Spacing Units
- 110 Wells Drilled
  - 67 in Dunn County
  - 43 in McKenzie County
- 5 Year Drilling Schedule



# Oil Production Forecast

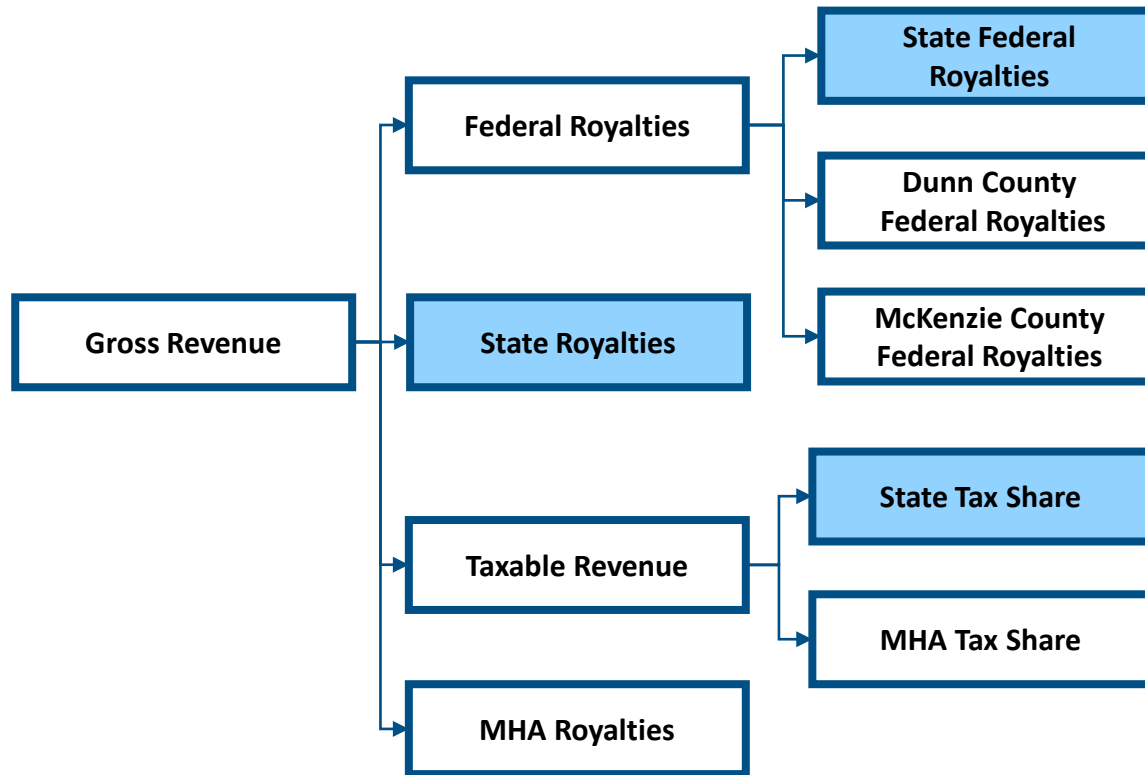


# Cash Flow Forecasts



*Model assumes a \$50 per barrel oil price.*

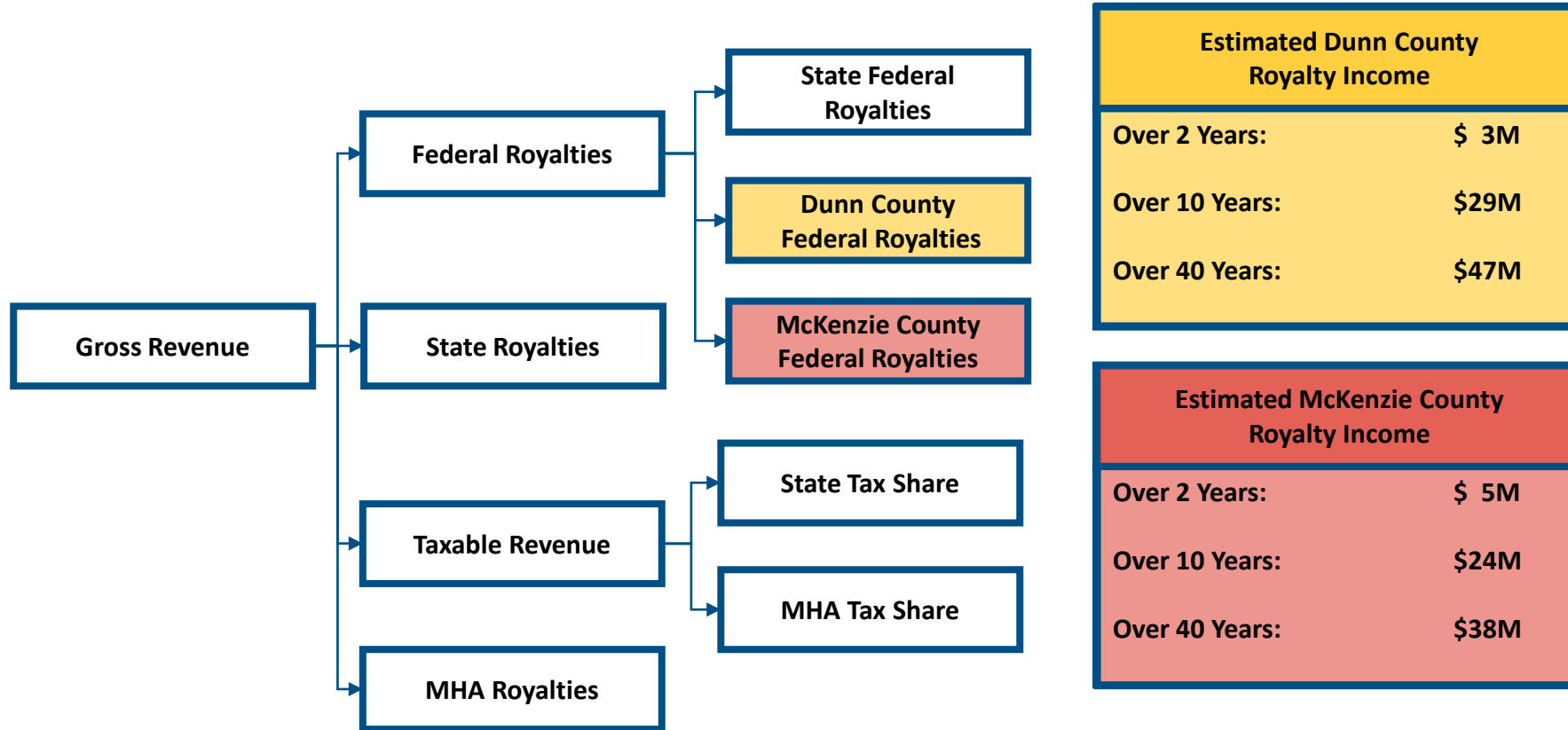
# Cash Flow Forecasts



Estimated State Income	
<b>Over 2 Years:</b>	<b>\$ 36M</b>
• Taxes:	\$ 28M
• State Royalties:	\$ 1M
• State Federal Royalties:	\$ 7M
<b>Over 10 Years:</b>	<b>\$265M</b>
• Taxes:	\$195M
• State Royalties:	\$ 17M
• State Federal Royalties:	\$ 53M
<b>Over 40 Years:</b>	<b>\$426M</b>
• Taxes:	\$312M
• State Royalties:	\$ 29M
• State Federal Royalties:	\$ 85M

*Model assumes a \$50 per barrel oil price.*

# Cash Flow Forecasts



*Model assumes a \$50 per barrel oil price.*



# Disclaimer

Please note, all estimates of future cash flow were constructed using decline curve analysis. Other evaluators may arrive at differing conclusions from the forecasts described herein. Cash flow projections were generated using assumptions pertaining to future commodity prices, tax structures, and mineral/royalty ownership. MineralTracker cannot provide guarantees as to the accuracy of the underlying assumptions or resulting cash flow results.

