

2591
Houser

Successful Exploration Incentive Example

Hawkinson Area

Horizontal Producers

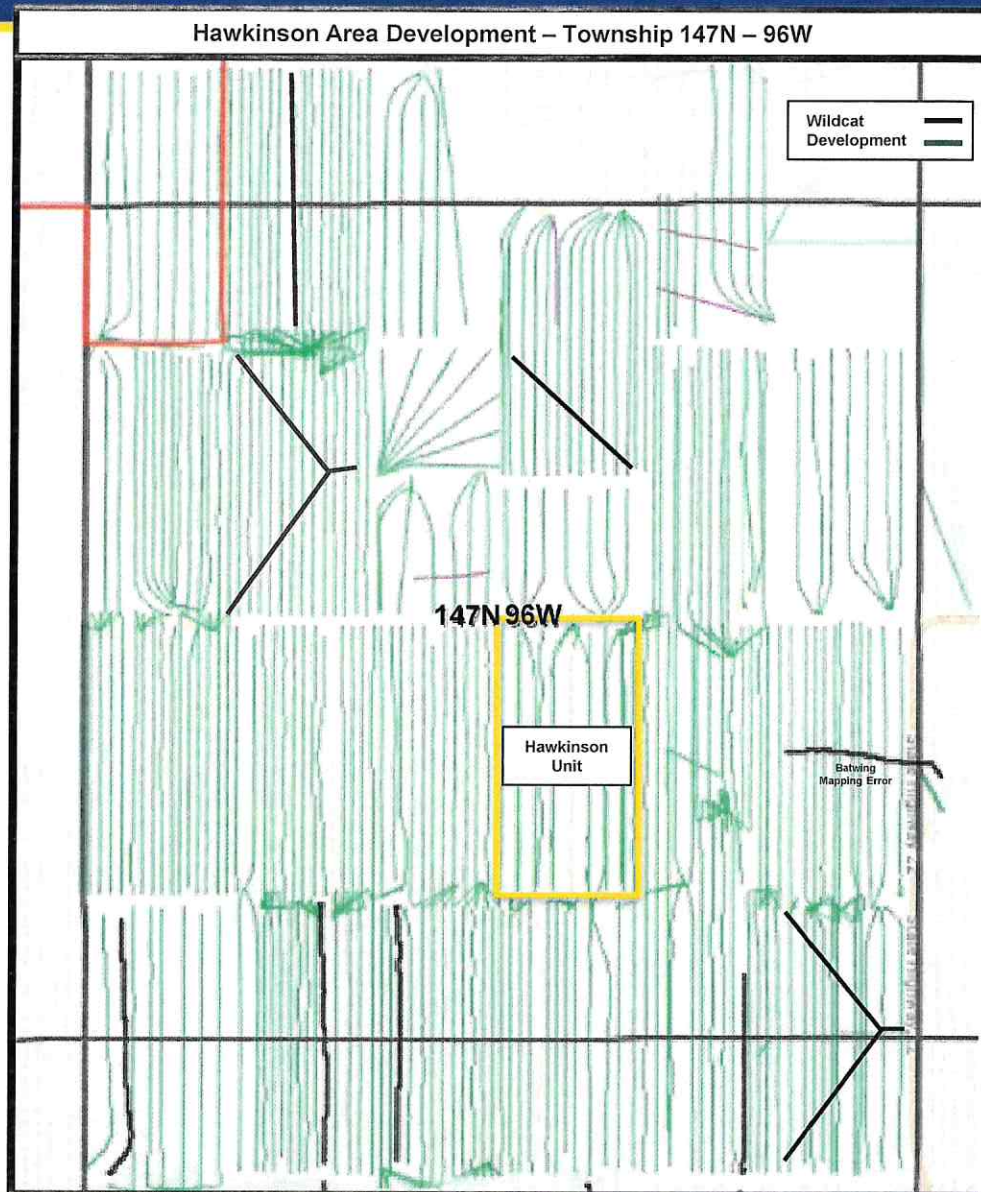
- Wildcat Wells – 9
- Subsequent Wells – 271

Cumulative Production

- Wildcat Wells – ~3 MMbo
- Subsequent Wells – ~105 Mmbo

Under the proposed incentive structure, this historical example would have:

- **Generated >\$700 MM and counting tax revenue** (gross production & extraction)
- All from the incentive to operators to risk and explore via **~\$100 MM of their risked capital** with the incentive from the state of **reduced taxes of only ~\$5MM**
- In addition, the state and Western ND communities would have received **material additional benefits** from this exploration and subsequent wells (jobs, commerce, taxes, etc)



Wildcat: Known permit designated Wildcat Middle Bakken or Three Forks wells; 2007+ initial production date
Subsequent: Non-Wildcat designated Middle Bakken or Three Forks wells; 2007+ initial production date

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