

## Bakken Project Update

September 17th, 2007

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### Who we are

- Established in 1887
- Integrated international energy company focused on profitable growth
- Strength and capability of a major
  - Expertise across energy chain – discovery to delivery
  - Technology enabled
  - Ability to execute
- Mindset of an entrepreneur
  - Cost efficient culture
  - Agility
  - 'Can do' attitude

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### Marathon Rocky Mountain Operations

- Operating in the Rocky Mountain region for over 90 years
  - Largest oil producer in Wyoming
- Recent acquisitions in known resource plays
  - Bakken Shale
  - Piceance Basin
  - Barnett Shale

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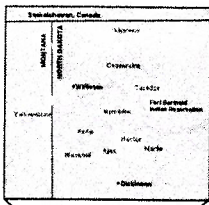
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## Why North Dakota



- Strategic Fit
  - Bakken: large resource play
    - Prolific in Montana
  - Secondary targets
  - Technology developments coupled with higher oil prices make Bakken play viable
- Commitment to Success in ND
  - Industry experience in Williston Basin
  - Training center
  - State and Local Commitment
- First Bakken Well Spudded April 06




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## Bakken Technical Overview

- Historic Activity – Three Generations Of Completions
  - 1950's to 1980's: Secondary target
  - 1990's: Horizontal drilling in Upper Bakken Shale
  - 2000 – present: Long horizontals in Middle Bakken
- Cum Production – 82 MMBOE (Elm Coulee – 34 MMBOE)
- Current Production - 53,388 BOE/D (Elm Coulee – 50,796 BOE/D)
- Current Activity
- Key Subsurface Play Components
  - Understanding reservoir parameters (fractures, structure, lithology)
  - Well construction and stimulations are key
- Studies and data gathering underway to better understand Bakken potential




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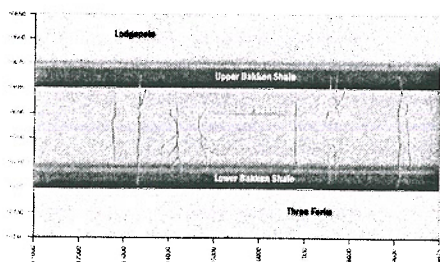
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## Middle Bakken "System" Prior to Drilling




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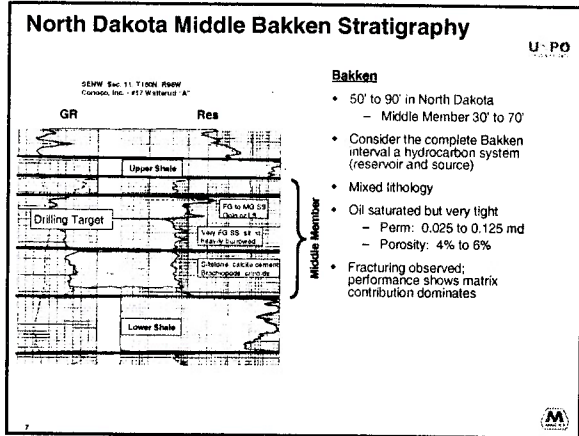
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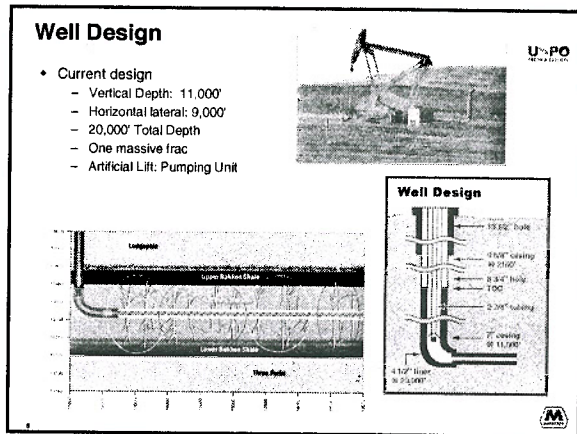
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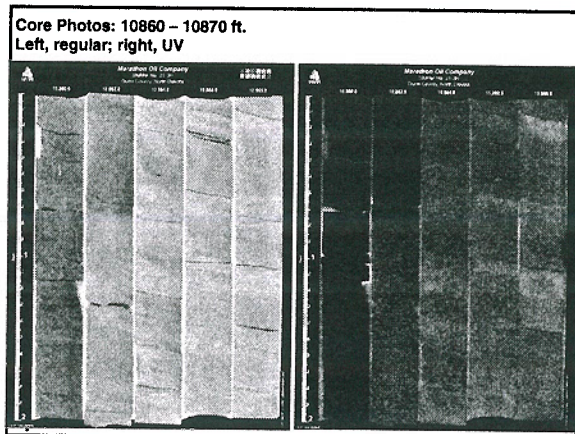
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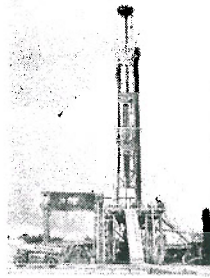
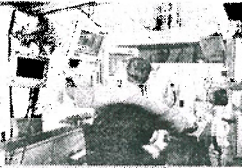
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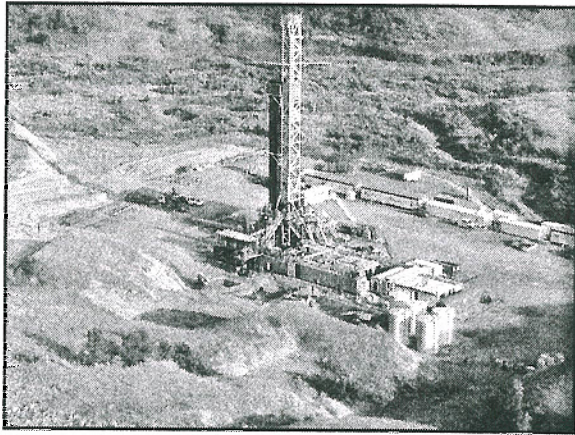
## State of the Art Drilling Rigs

U.P.O.

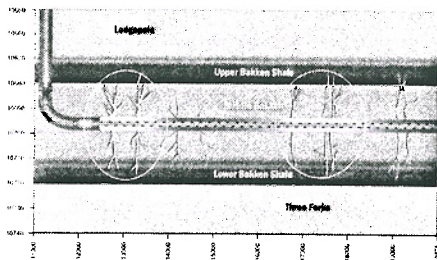
- Electronic/Computerized Controls & Automation
- "Safety by design"
- Fast Moving
- Fuel efficient and minimized emissions
- Reduced well cycle time



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## Fracture Stimulation



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## Fracture Stimulation



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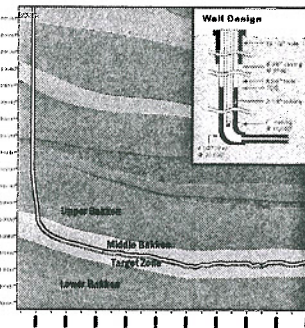
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## Bakken Challenges



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- Well Optimization
  - Challenging reservoir target
  - Cost control essential
- Oil and gas export impact
- Workforce Development
  - High activity level, limitations on contractor workforce
  - Demographic challenge for ND-based workforce
  - High HES standards essential, significant training requirements

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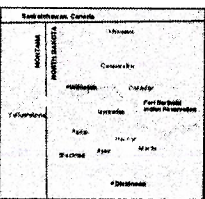
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## Bakken Results (thru June 2007)



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- 2006/07 Bakken Drilling
  - Spud 18 wells in 2006/2007
  - Participated in 5 OBO wells
  - Drilled in 7 Project Areas
    - Hector, Ajax, Paris, Cassandra, Yellowstone, Odysseus, Cazador
  - 33 company-operated and 11 OBO wells planned for 2007
- Bakken Evaluation
  - Ensure Subsurface driven
  - Selective data gathered to develop geologic model, evaluate performance
  - Develop predictive tools

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## Community Involvement

- Marathon has taken on a commitment to be a good neighbor
  - Job growth in the Williston Basin enhanced by Marathon activity, one to six rigs in a year
  - A significant number of jobs are available in the oil and gas industry in the Williston Basin
  - Safety standards are very high
  - Meth Awareness program went over very well in communities
  - Making focused contributions to support safety and education in communities
  - Building a new office in Dickinson
  - Maintain positive landowner relations

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