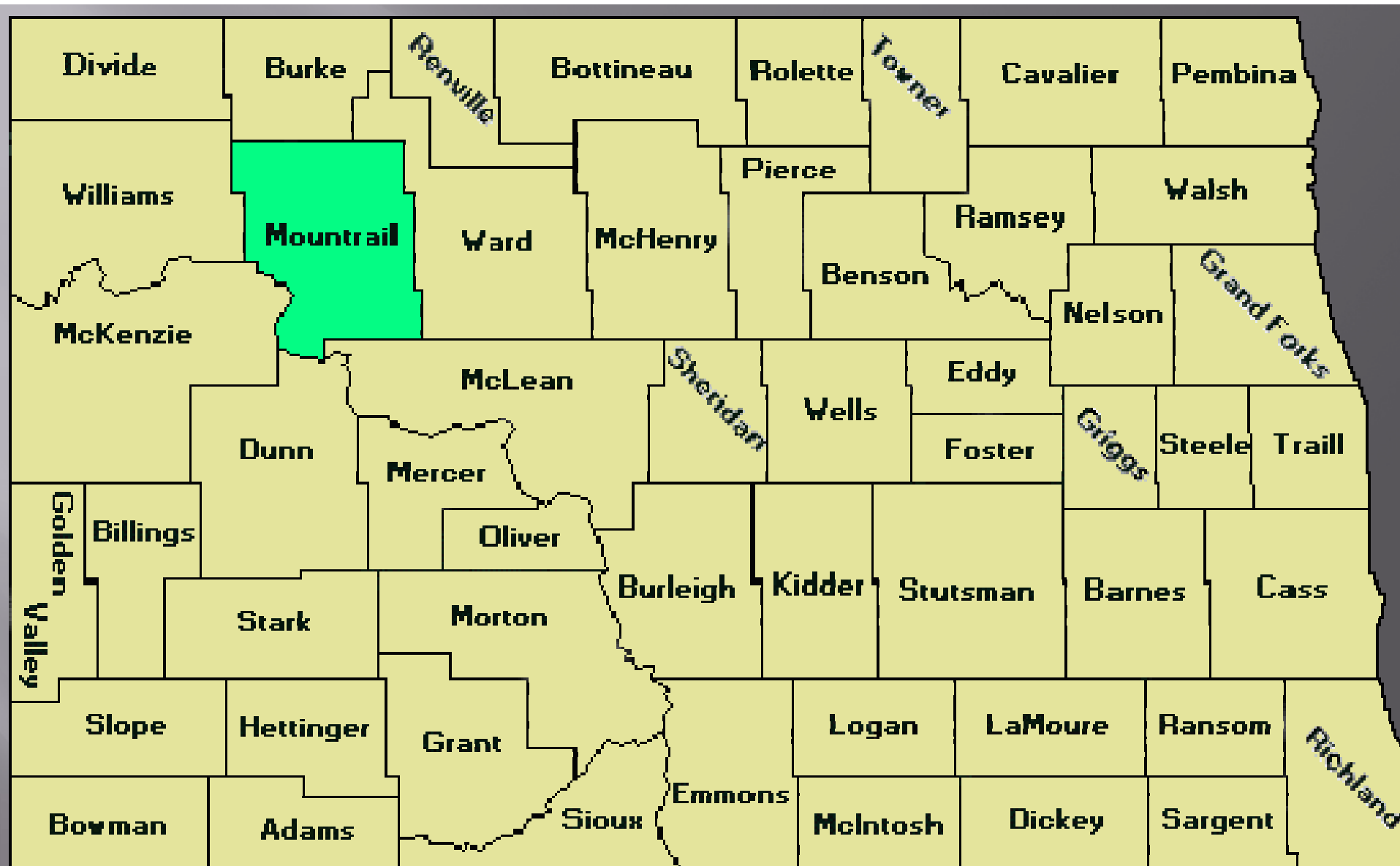


Out West in The Oil Boom

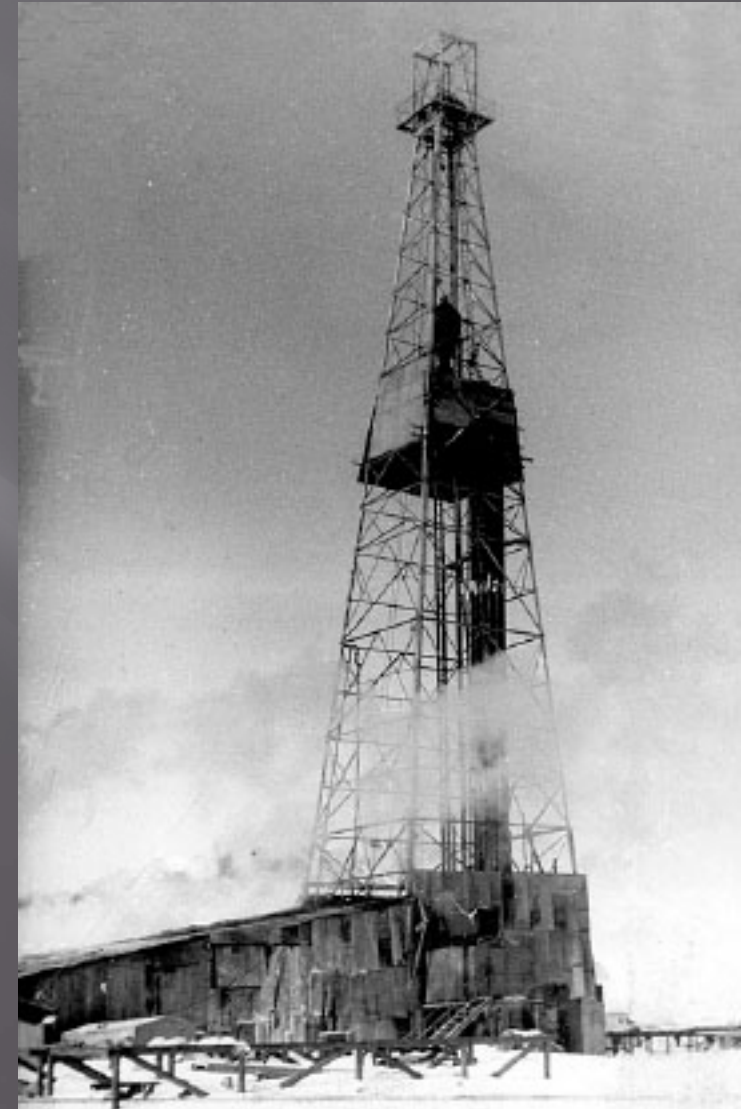


Or Should We Say:
"The Wild West!"



Active Drilling Rigs – 12/26/11

▣ McKenzie	55
▣ Williams	42
▣ Dunn	34
▣ Mountrail	28
▣ Billings	9
▣ Burke	9
▣ Divide	8
▣ Stark	8
▣ Golden Valley	2
▣ Bottineau	1
▣ Renville	1
Total	197



Oil Production

Cumulative Barrels of Oil Produced In North Dakota

- ▣ August 2007 3,866,102 barrels/month
- ▣ August 2008 5,570,981 barrels/month
- ▣ August 2009 7,203,026 barrels/month
- ▣ August 2010 10,230,323 barrels/month
- ▣ August 2011 13,838,530 barrels/month



Cumulative Barrels of Oil Produced @ Mountrail County

August 2007	235,050 B/month	6.08% of State's Production
August 2008	1,586,456 B/month	28.48% of State's Production
August 2009	2,934,463 B/month	40.74% of State's Production
August 2010	4,194,633 B/month	41.01% of State's Production
August 2011	4,260,095 B/month	30.79% of State's Production



5% Oil & Gas Production Tax

Fiscal Year 2010-2011

▣ Total Collected by State	\$501,087,199.65
▣ Total From Mountrail	\$181,374,203.59
▣ Total Allocated to Mountrail	\$ 20,148,760.17

Mountrail County Allocations

•Cities	\$3,581,729.56
•Co. General Fund	\$9,685,589.65 (60% transferred to road
•Schools	\$1,609,999.90
•Infrastructure	<u>\$5,271,441.17</u>
	\$20,148,760.17

STATE OF NORTH DAKOTA HAS JUST SHY OF 100,000 MINERAL ACRES IN MOUNTRAIL

99,940 Acres



MOUNTRAIL COUNTY ROADS

2006

In 2006 the Mountrail County Road System adequately met the transportation needs of the agricultural based economy that prevailed in the majority of the County.

COUNTY ROAD SYSTEM

- ▣ 2006 Paved Roads – 109 miles
- ▣ 2006 Gravel Roads – 258 miles

- ▣ 2011 Paved Roads – 74 miles
- ▣ 2011 Gravel Roads – 293 miles

- ▣ Oil & Gas development has destroyed 35 miles of paved roadway in Mountrail County.

TOWNSHIP ROAD SYSTEM

- ▣ 1,207 miles of Organized Township Roads within Mountrail County
- ▣ County Road and Bridge Department is under contract to maintain 1,016 miles of Organized Township Roads

COMBINED SYSTEM

- ▣ 1,599 combined miles of County and Township Roads
- ▣ Approximately 75% or 1,200 miles of the roads within Mountrail County have been directly impacted by the Oil & Gas Industry.

COUNTY ROAD DEPARTMENT

- ▣ 2006 Employees – 8
- ▣ 2011 Employees – 22

- ▣ 2006 Motor graders – 8
- ▣ 2011 Motor graders – 16

- ▣ 2006 Expenditures - \$1,051,568
- ▣ 2011 Expenditures - \$17,943,997

MOUNTRAIL COUNTY TRAFFIC

- ▣ Ross South Road (2006) – 100 vehicles per day; 10 trucks per day
- ▣ Ross South Road (2011) – 1,700 vehicles per day; 765 trucks per day
- ▣ Loop Road (2006) – 300 vehicles per day; 15 trucks per day
- ▣ Loop Road (2011) – 1,370 vehicles per day; 860 trucks per day

TRAFFIC COMPARISONS

- ▣ State Highway 46 between Enderlin & Kindred (2010) – 1275 vehicles per day; 140 trucks per day
- ▣ US Highway 52 near Harvey (2011) – 1,740 vehicles per day; 580 trucks per day
- ▣ US Highway 85 south of Bowman (2011) – 1,605 vehicles per day; 410 trucks per day

GRAVEL ROAD MAINTENANCE

- ▣ Cost to maintain high volume gravel roads - \$30,000 per mile per year.
- ▣ Cost is for “normal maintenance” – blading, graveling, dust control
- ▣ “Heavy Maintenance Cost” i.e. repairs of holes or blowouts in roads - \$50,000 to \$100,000 per mile.
- ▣ All these \$\$\$\$\$ result in a tolerable gravel road subject to continued damage from Oil & Gas development

2010-2011 PROJECTS

- ▣ Placed overlays on 14 miles of paved roadway to increase load capacity and extend the life of the road.
- ▣ Phase I (grading & base) reconstruction on 7 miles of destroyed paved road. Phase II (paved surface) is contingent on funding

2012

The same road system that was adequate in 2006 is substantially “inadequate” to meet the additional transportation needs required of the Oil & Gas Industry.

2012-2013 PROJECTS

- ▣ Reconstruct 41 miles of road to an all weather, non-restricted paved roadway
- ▣ Cost - \$45,000,000
- ▣ Projects Funded through Oil Impact Roads Funding provided by the 2011 Legislature.

2013-2023 ROAD NEEDS

- ▣ Mountrail County Estimates approximately 225 additional miles of County and Township roads will need to be reconstructed to the all weather, non-restricted paved road standard to support the Oil & Gas Industry
- ▣ Current data indicates the cost to re-construct a mile of road is \$1,375,000

2013-2023 ROAD NEEDS

- ▣ In 2012 \$\$\$ 225 miles would cost \$309,375,000
- ▣ Or.....\$61,875,000 per biennium for the next 5 biennium's

PAVED ROAD MAINTENANCE

- ▣ Annual Crack Sealing - \$5,000 per mile
- ▣ Chip Seal every 5 years - \$30,000 per mile
- ▣ Overlay every 10 years - \$400,000 per mile
- ▣ Equivalent Annual Cost – \$64,000 per mile
(4 chip seals & 2 overlays in 20 years)

MAINTENANCE NEEDS 2013 & BEYOND

- ▣ Annual cost to maintain 266 miles of paved roadway would be \$17,024,000
- ▣ Or.....\$34,048,000 per biennium





2006 Over weight truck
permits = 620

2010 Overweight truck
permits = 8460







The Wild & Wacky !























Housing Issues ?

Environmental Impact







ANY QUESTIONS?