



UPDATE FROM DEPARTMENT OF MINERAL RESOURCES

NORTH
Dakota | Mineral Resources
Be Legendary.™



AWPSRF UPDATE

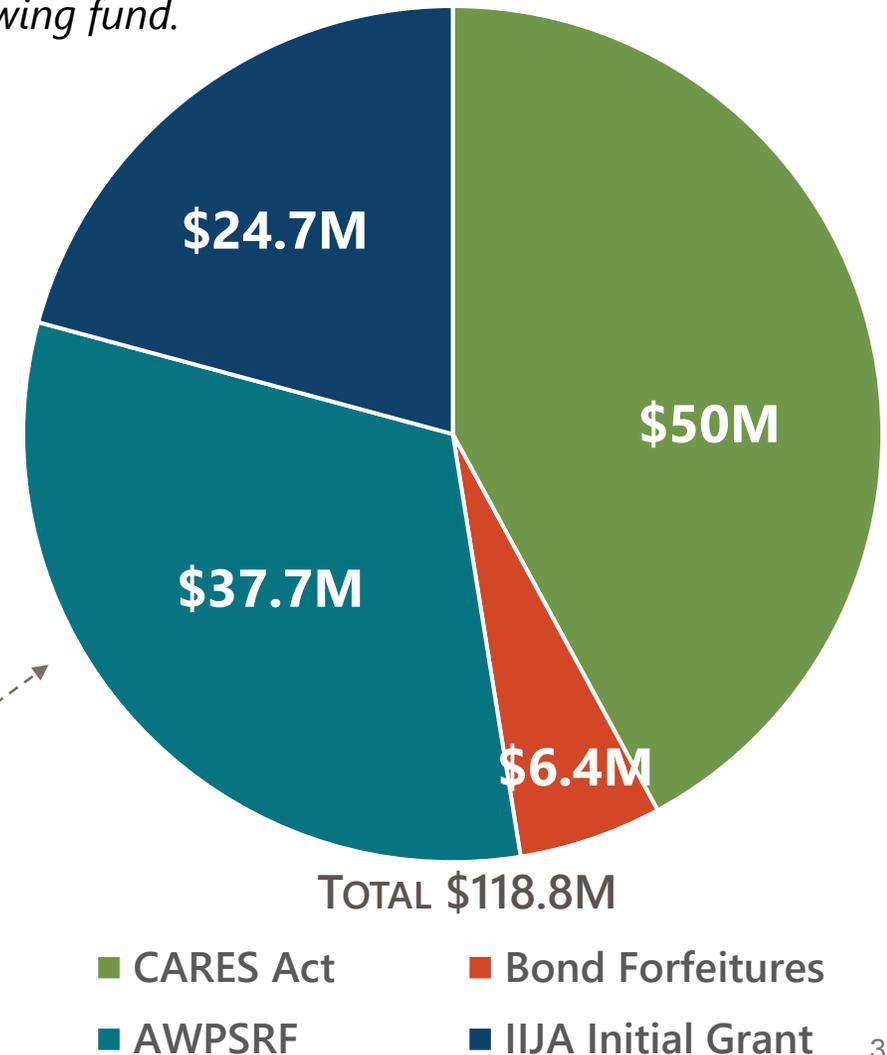
AWPSRF UPDATE

HISTORY:

- Started in 1983 (NDCC 38-08-04.5) | Historically underfunded by fees, fines and confiscated bonds
- 80% of the orphaned well sites that used CARES Act funding were drilled 1950-1985
- In 2013, a portion of gross production tax was allocated to the fund to create a growing fund.

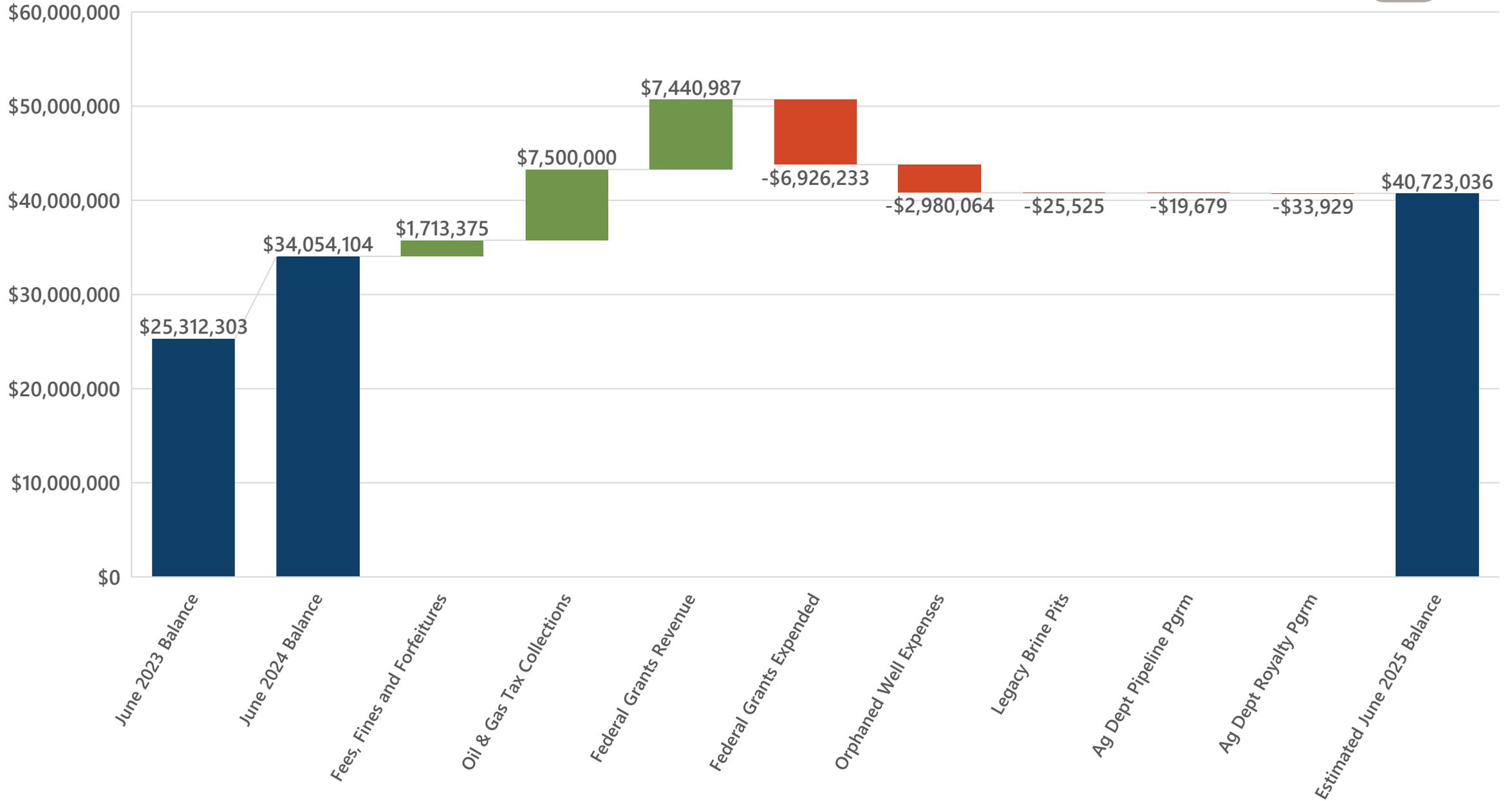
TODAY:

- Each biennium, \$15 million is allocated to AWPSRF
- North Dakota has successfully reclaimed more than 18,097 wells and sites
- 2,600 sites are currently in the reclamation process, pending final approval
- Brine Pond Remediation: Pending DOI decision on IJA Grant amendments
- As of June 2025, DMR has successfully reclaimed more than 476 wells and sites with the help of these dedicated funds:
 - CARES Act: Plugged 258 wells, reclaimed 173 sites
 - Bond Forfeitures: Plugged 55 wells, reclaimed 73 sites
 - AWPSRF: Plugged 60 wells, reclaimed 118 sites
 - IJA Initial Grant: Plugged 73 wells, reclaimed 112 sites (1 to finish in 2025)



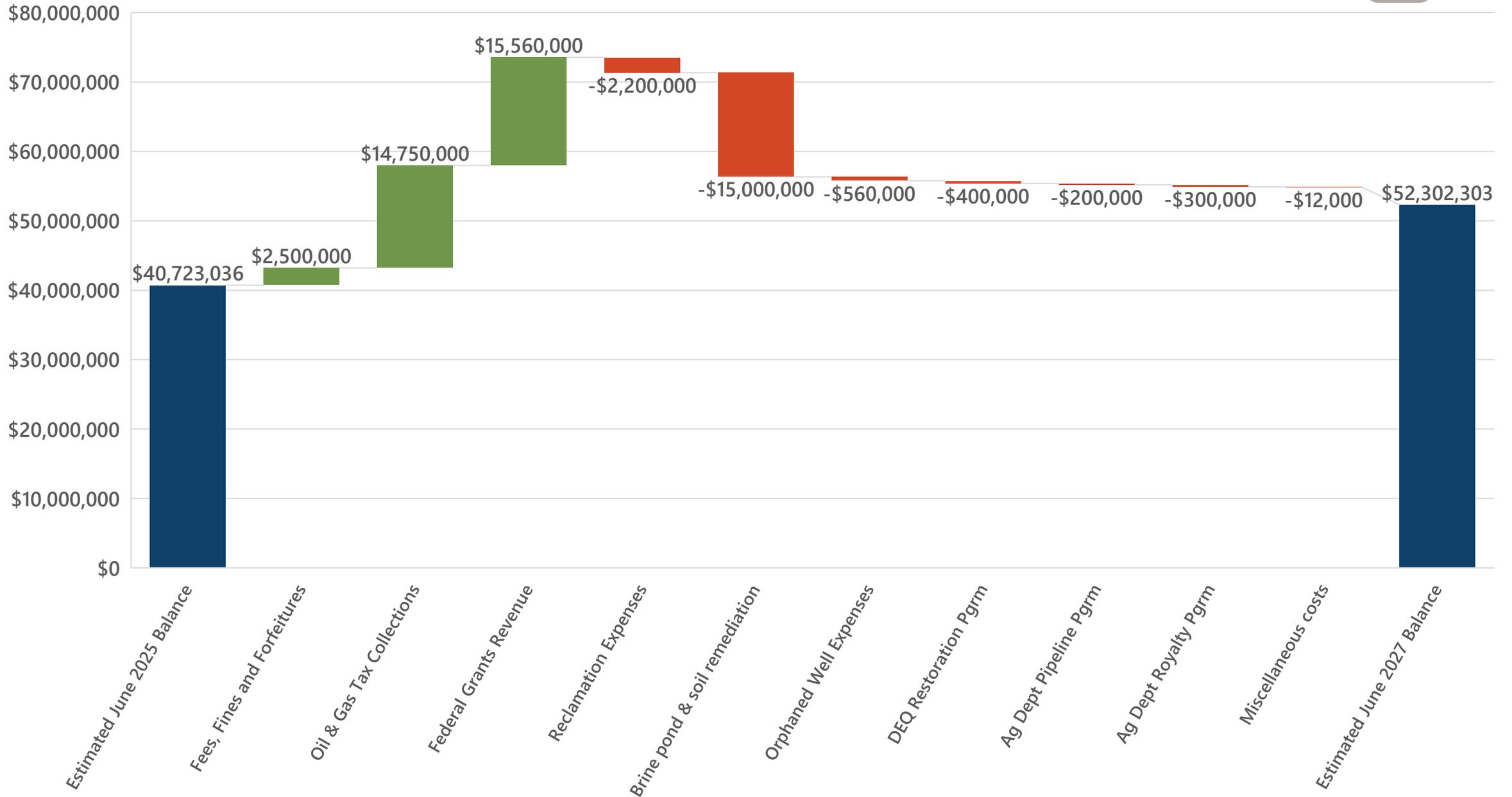
2024-2025 AWPSRF Fund Update

■ Increase ■ Decrease ■ Total



2025-2027 AWPSRF Forecast

■ Increase ■ Decrease ■ Total



5-10 YEAR GOALS

Abandoned Well and Site Restoration

- Reduce physical inspections utilizing drone technology for all but final release inspections
- Reduce, excavate and replace method of spill restoration with in-situ, when possible
- Annual operator meetings discussing activity levels and asset retirement
- Implement Terracon's process and long-term plan to restore salt damaged lands
 - Continue to monitor full site projects
- 2024-2029 utilize IJA funds to plug 50 wells, reclaim 116 sites and remediate 166 brine impacted sites at an estimated cost of \$100 million
 - Use Terracon's developed plan to finish remediation of 105 brine ponds; goal is to finish during 2026.
- Evaluate potential long-term plugging and reclamation. Develop plan, if there is a deficit.

AWPSRF LIMITATIONS

Abandoned Well and Site Restoration

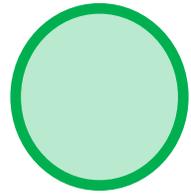
- Gross Production Tax allocation
- Litigation – max \$3 Million
- \$7.5 Million per year
- \$15 Million per biennium
- Capped at \$100 Million
- Will be reduced to \$50 Million after June 30th, 2027



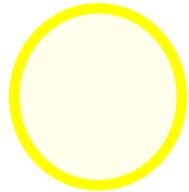


INVENTORY & EMERGING **TECHNOLOGIES**

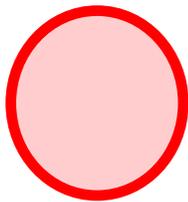
BAKKEN-THREE FORKS INVENTORY



Core=Tier 1
85-90% developed
+2,600 wells
1-2% growth = 22 rigs for 5 years



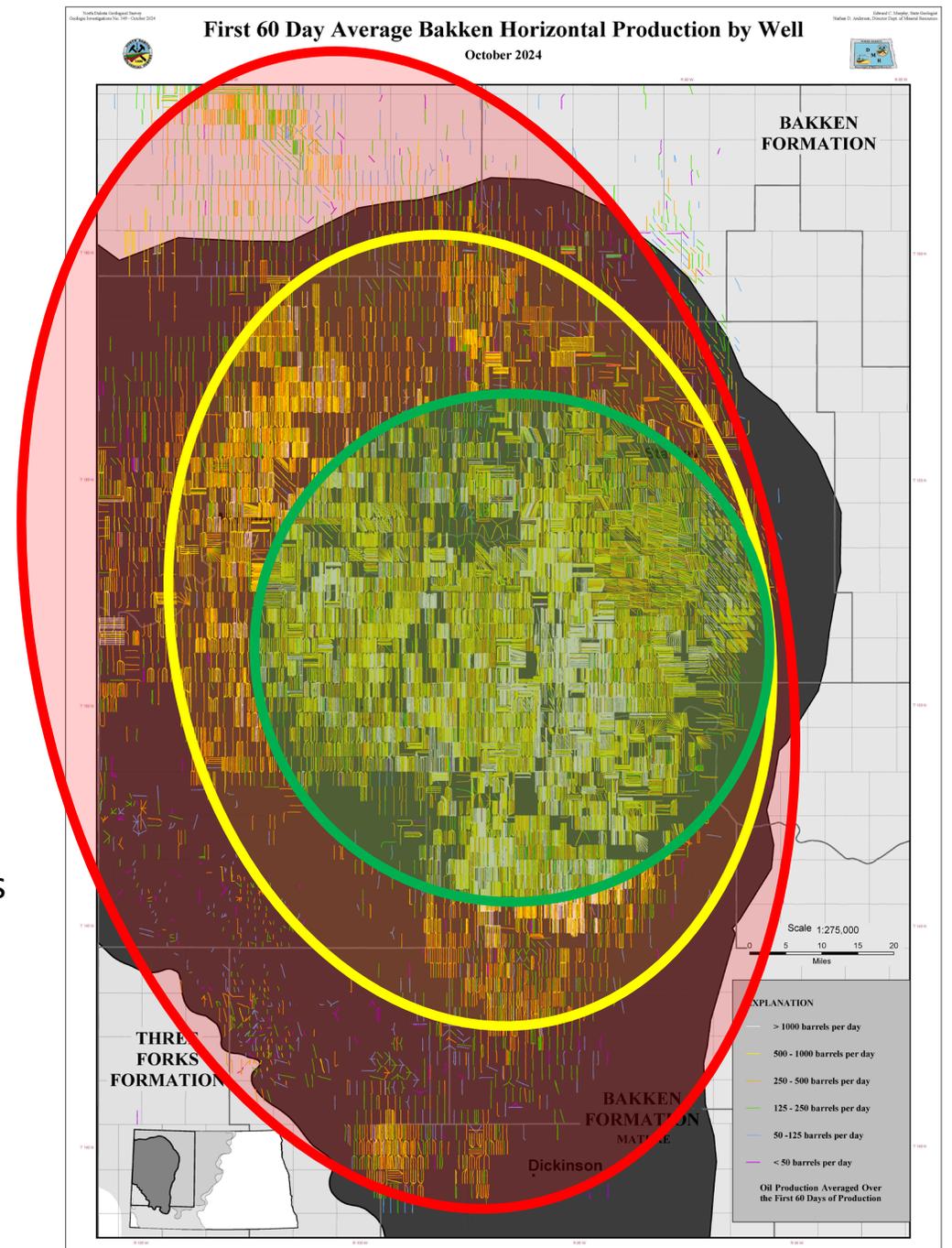
Tier 2
50% developed
+11,000 wells
1-2% growth = 16 rigs for 5 years = 1920 wells
Remaining inventory 9080 wells



Tier 3
15% developed
+10,000 wells
1-2% growth = 2 rigs for 5 years = 240 wells
Remaining inventory 9760 wells

Total: +23,600 wells
EOR expected to extend inventory in the future

Assumes 15 days/well, 24 wells/year, 2 mile lateral equivalents



EMERGING DRILLING TECHNOLOGY - U-SHAPED LATERALS

SLIDE F

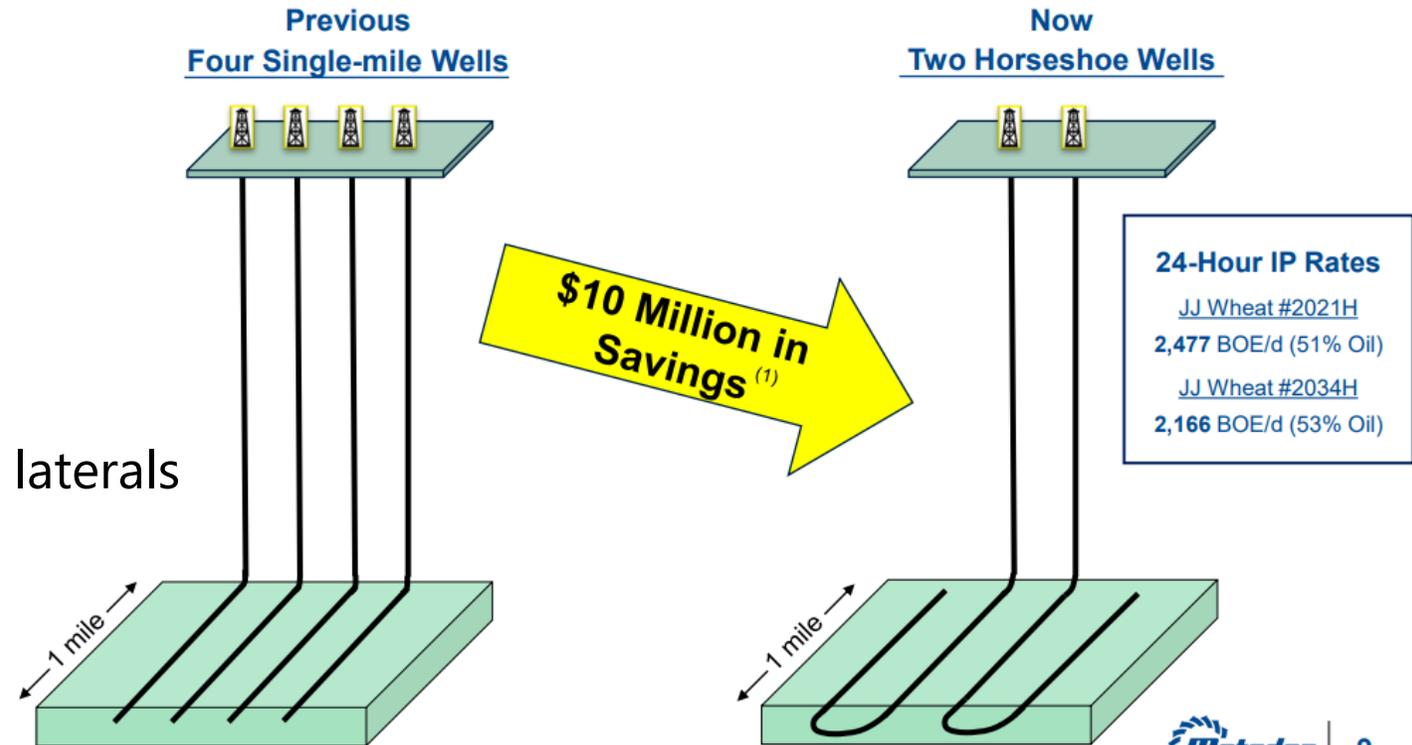
Matador Resources Example
Q2, 2024 Press Release
Permian Basin

“Horseshoe” Wells – Savings Achieved Through Successful Operational Execution

- **Q4 2023:** Two Horseshoe wells turned in line
 - **Increases value and potential** of acreage portfolio
 - **Drilled wells in record time**

What is the application

- Stranded sections
- Odd shaped tracts
- Surface challenges
- J-shaped wells
- Not an economic substitute for 2-4 mile laterals

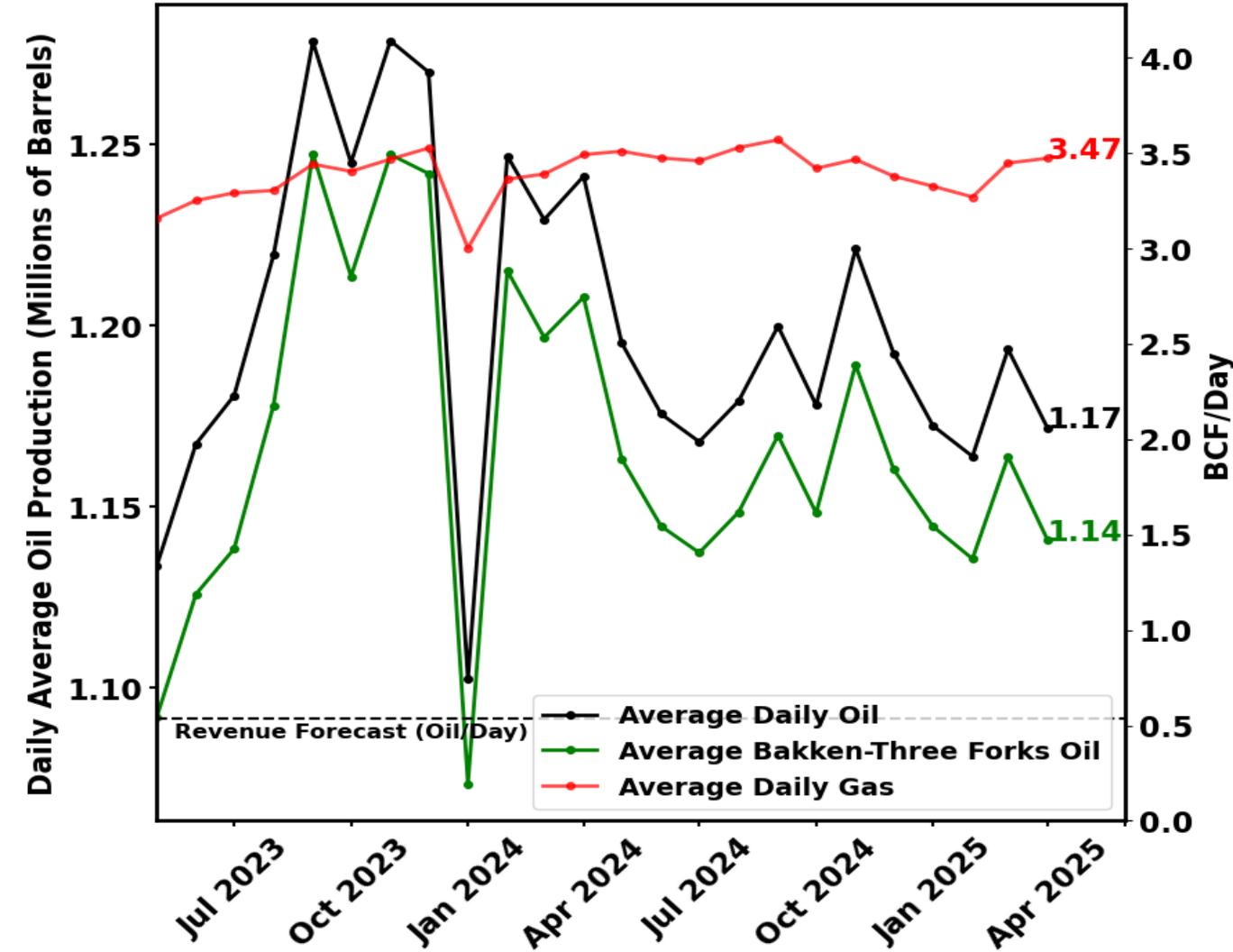


(1) Savings based on cost estimates for drilling four single-mile laterals versus two horizontal horseshoe well designs.

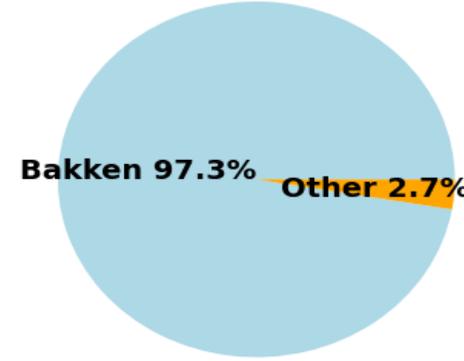
A black and white photograph of an oil pumpjack in a field. The pumpjack is the central focus, with its long walking beam and counterweight visible. The background shows a line of trees and a clear sky. In the top right corner, there are several faint, light gray rounded square shapes.

NORTH DAKOTA **ACTIVITY** **LEVELS**

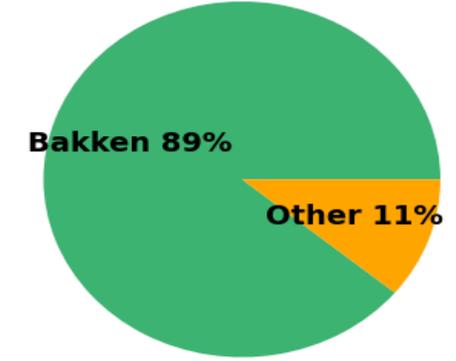
NORTH DAKOTA PRODUCTION



Statewide Production



Producing Wells



OIL PRODUCTION:

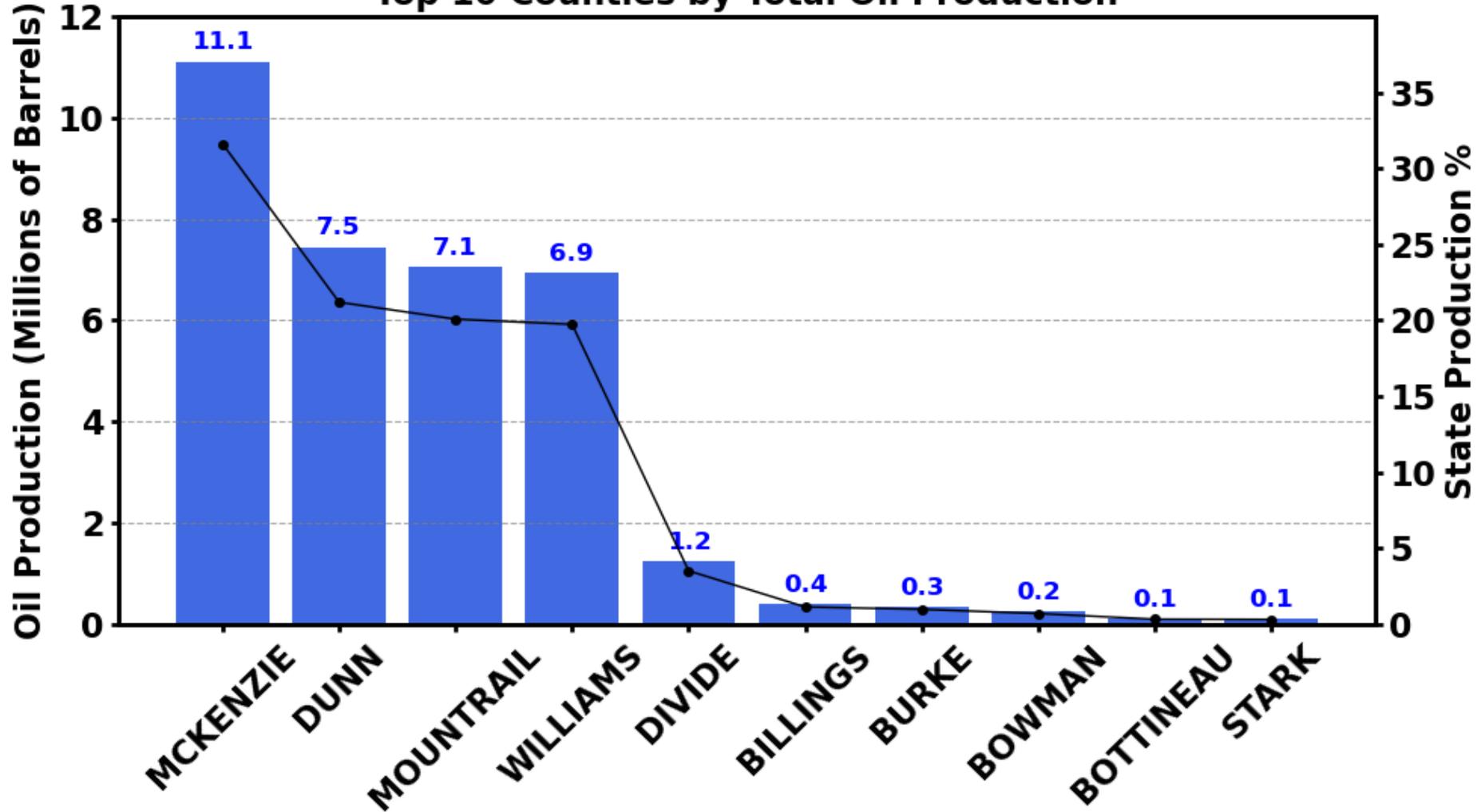
- April: 35,151,886 bbls = 1,171,730 bbls/day
- March: 36,995,308 bbls = 1,193,397 bbls/day
 - +6.5% above Revenue Forecast (RF = 1,100,000 bbls/day)
 - -1.8% from March to April
 - -21,667 bbls/day Mar. 2025 to Apr. 2025
- 1,140,887 bbls/day or 98% from Bakken/Three Forks
- 30,843 bbls/day or 2.7% from non-Bakken/Three Forks

GAS PRODUCTION:

- April: 104.1 BCF/Month = 3.471 BCF/Day
- March: 106.8 BCF/Month = 3.446 BCF/Day
 - +0.73% from March to April

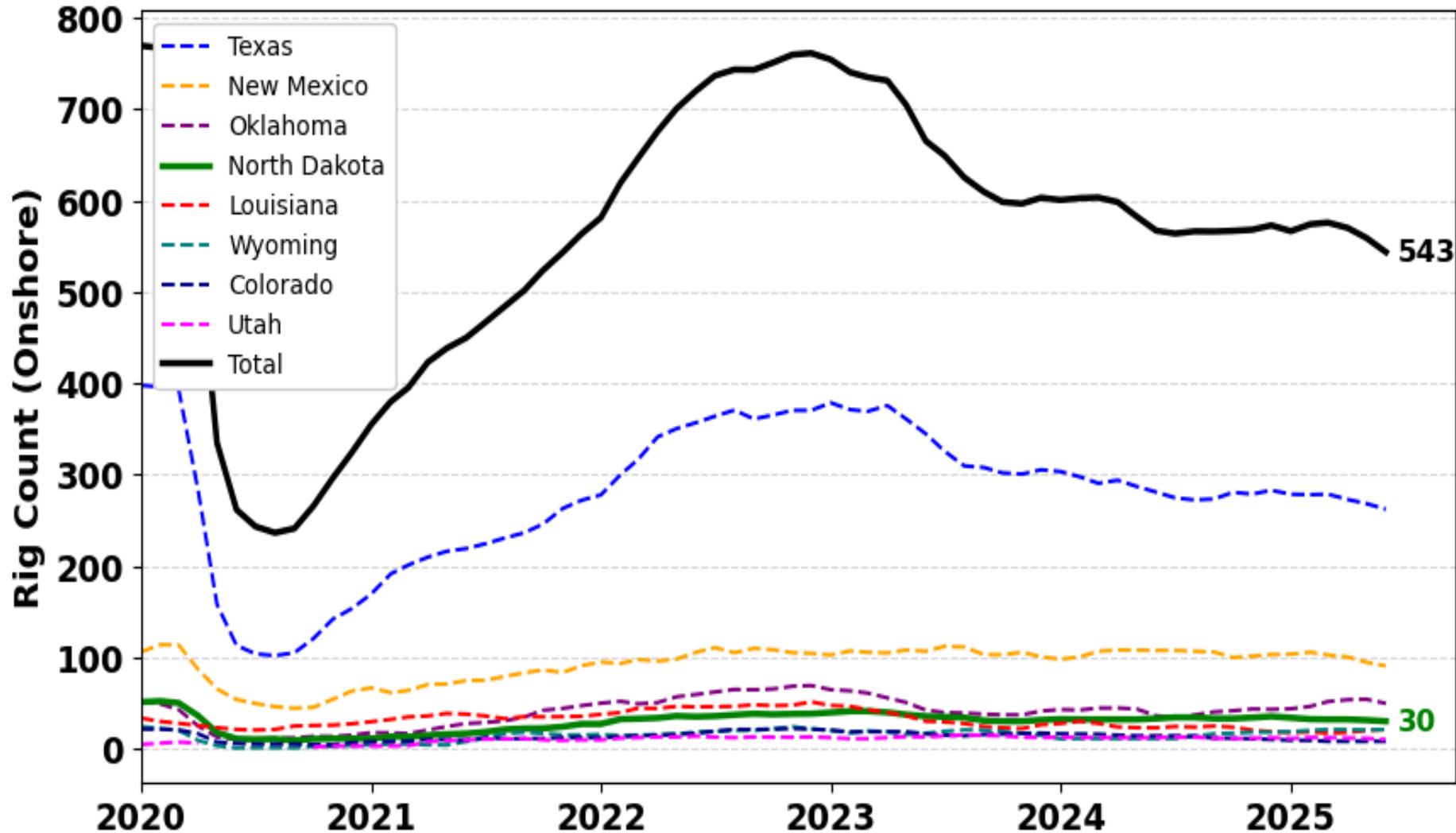
NORTH DAKOTA COUNTY PRODUCTION

Top 10 Counties by Total Oil Production



- ~32% of ND production comes from McKenzie County
- Top 5 counties make up
- ~97.5% of ND oil production

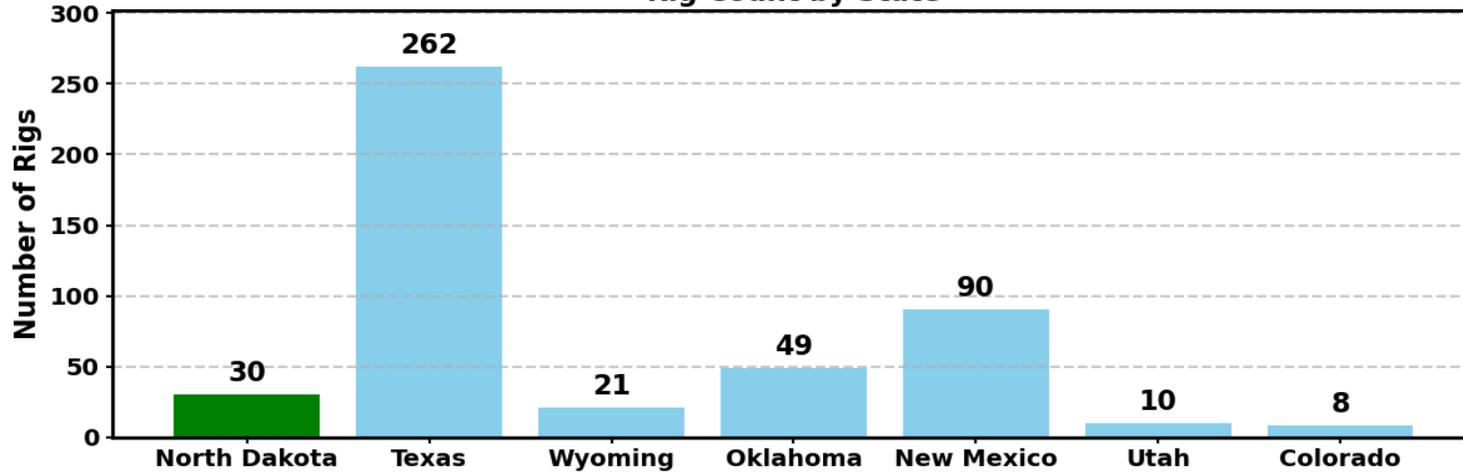
RIG COUNTS OVER TIME - STATE



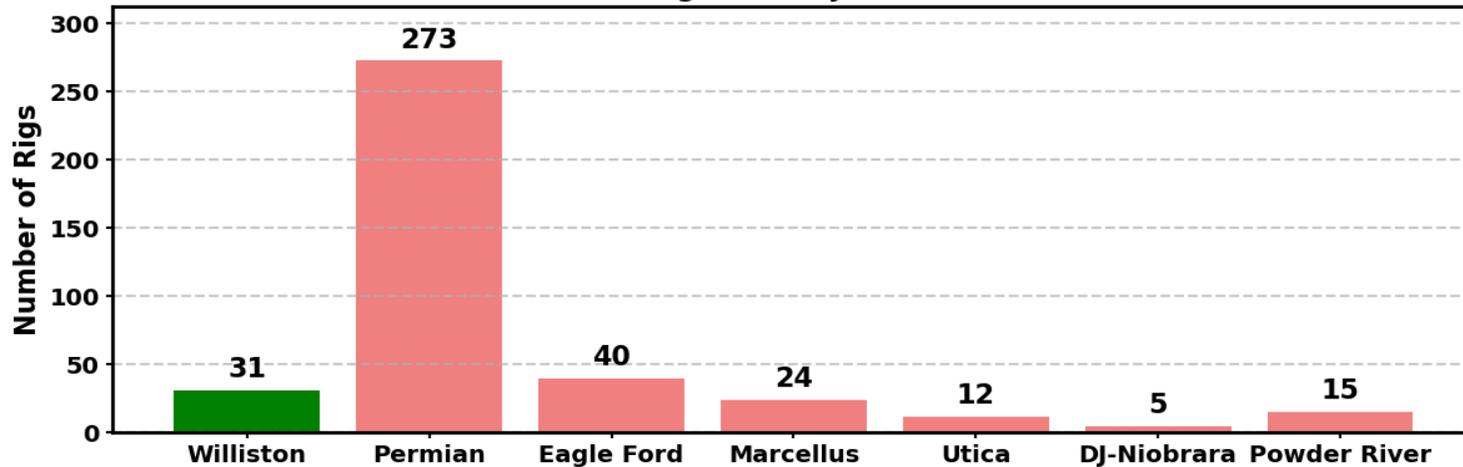
- North Dakota rig count remaining steady at 30
- US rig count steady since early 2024
- Total US rig count includes land only

RIGS OVER TIME - BASINS

Rig Data Overview for June 13, 2025
Rig Count by State



Rig Count by Basin

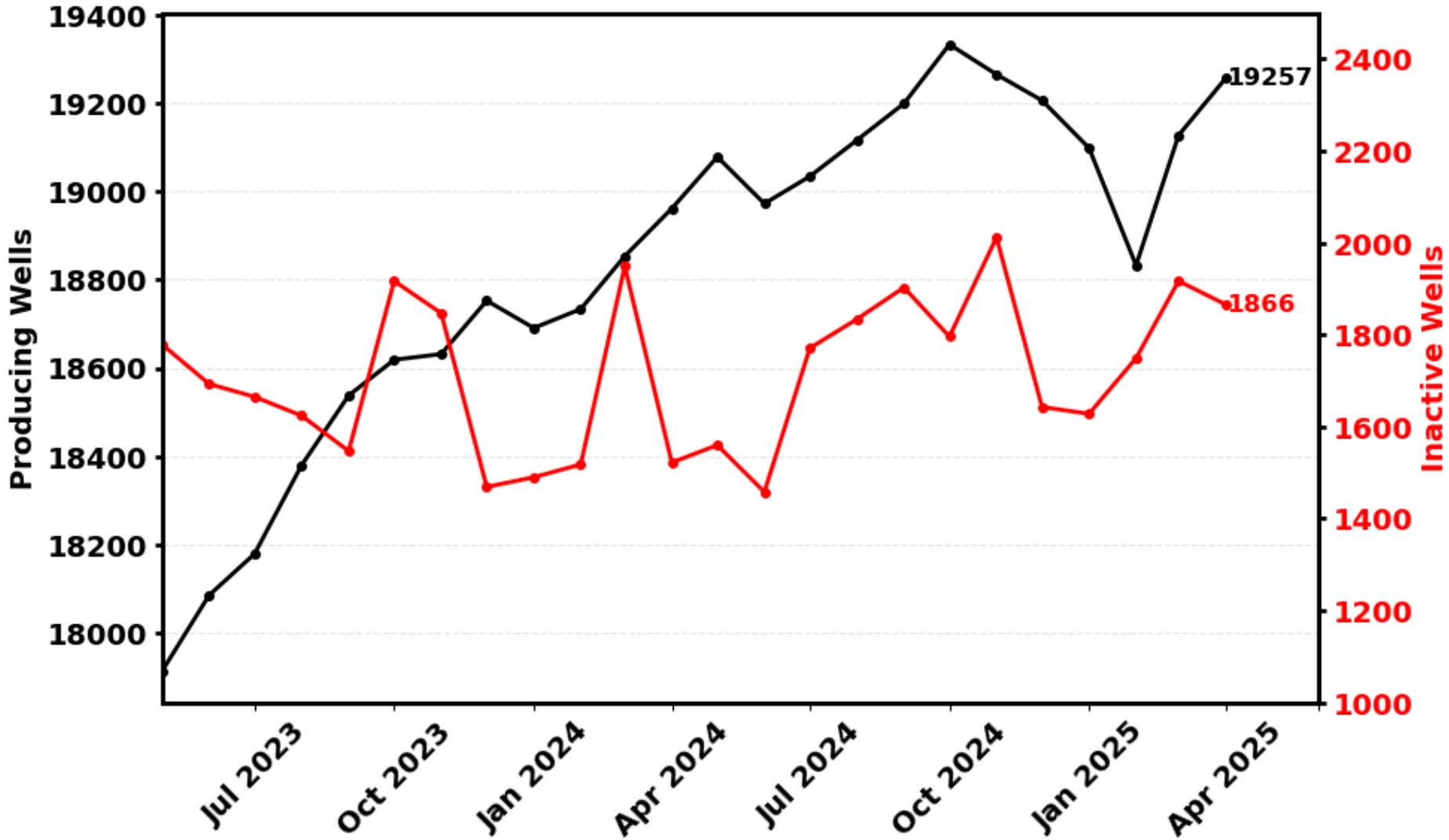
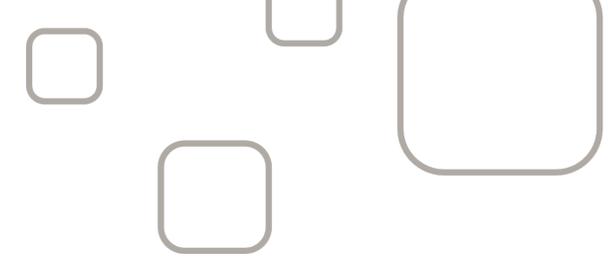


- Total US Rig Count = 554
 - May was approx. 578
- ~47% of Rigs are in Texas
- ND Rig Count Trend
 - Current = 32
 - May = 32
 - April = 32
 - March = 32

All time high of 218 on 5/29/2018

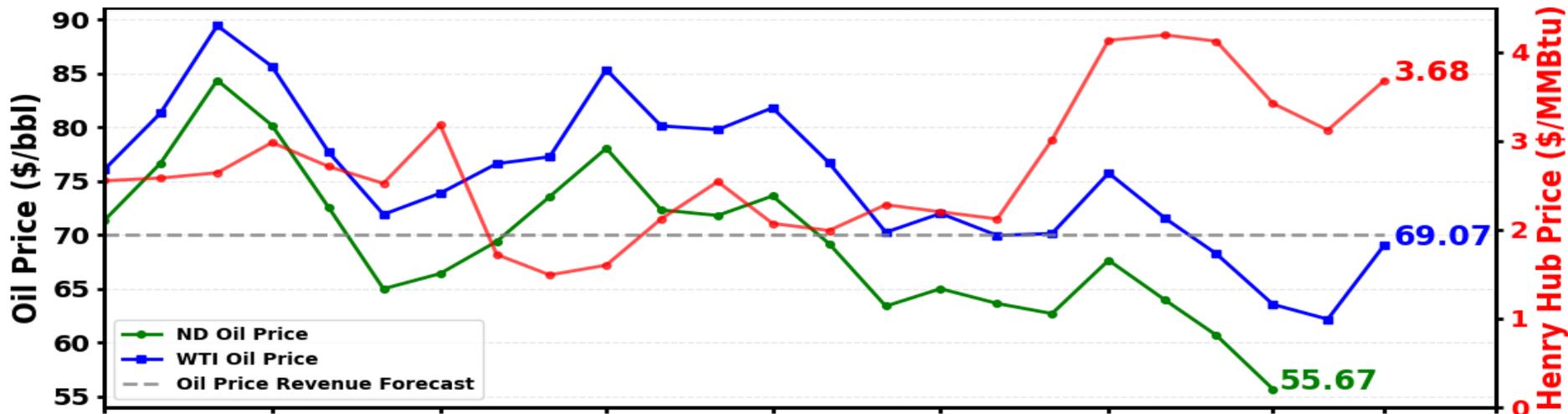
- 31 total rigs in Williston Basin
- 273 rigs in Permian (TX & NM)
 - ~49.3% of total US rig Count
- 36 rigs in the NE US, dry gas play

WELL COUNT



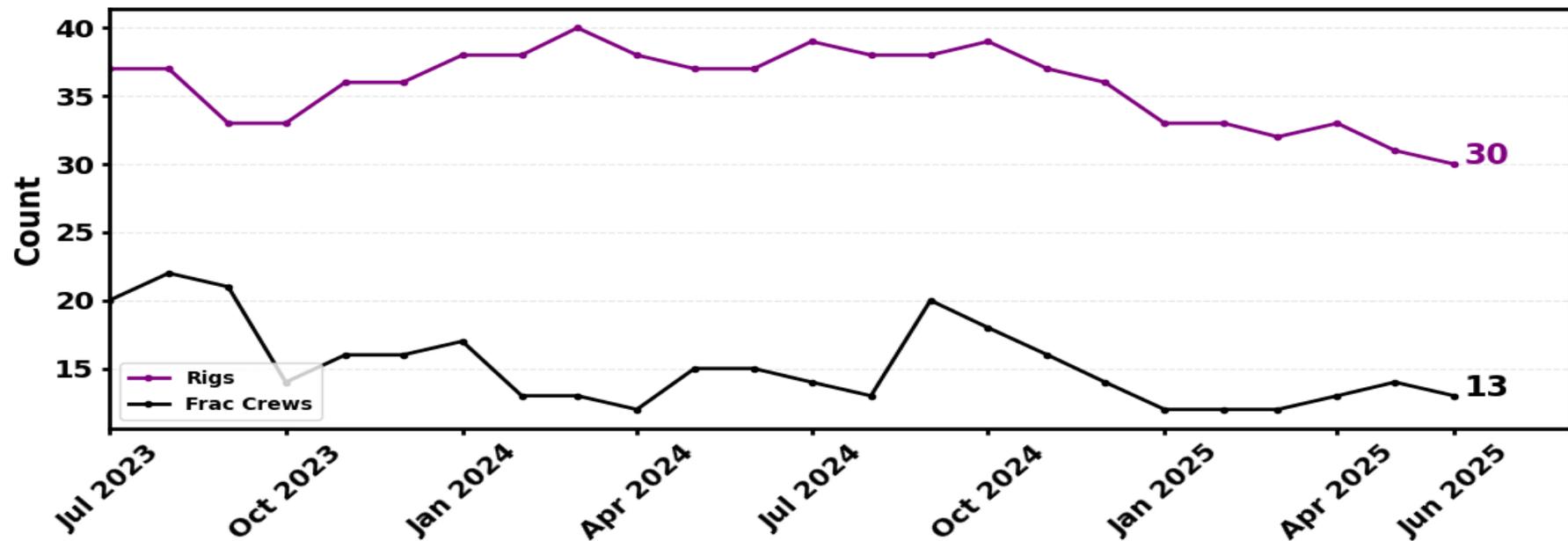
- Total number of producing wells rebounded from the extreme winter weather conditions
- Number of inactive wells is steady between 1400 and 2000, typical to be highly variable

PRICING AND ACTIVITY LEVELS

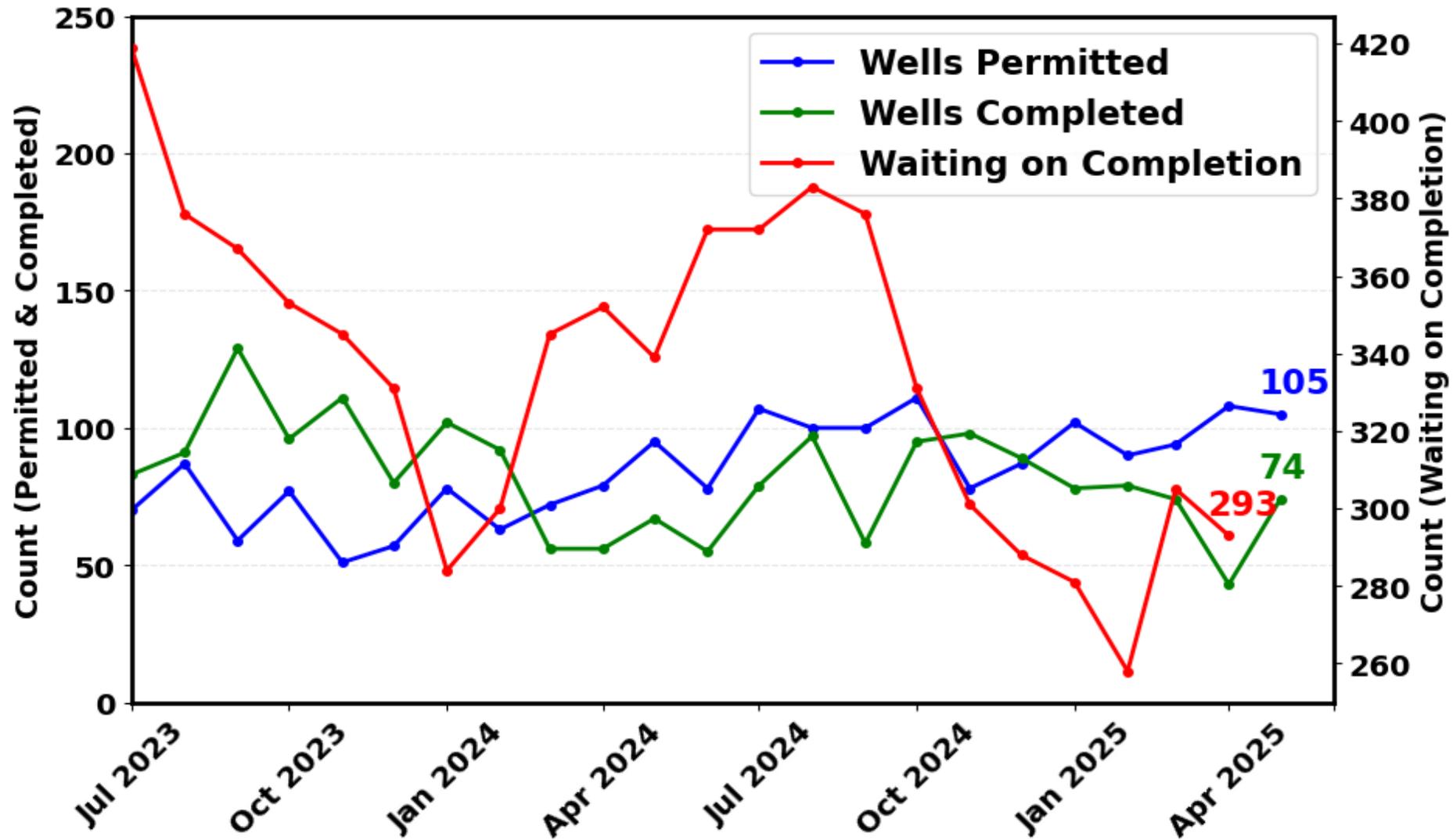


- Current WTI Oil = \$65.00
 - Current HH Gas = \$3.61
- ND Market Oil Price**
- Revenue Forecast = \$70
- April = \$55.67
 - -20.5% TO RF
 - March = \$60.68

- Current frac crew count = 13



PERMITS AND COMPLETIONS



PERMIT TRENDS

- May = 105
- April = 108
- March = 94

COMPLETION TRENDS

- May = 74
- April = 43
- March = 74

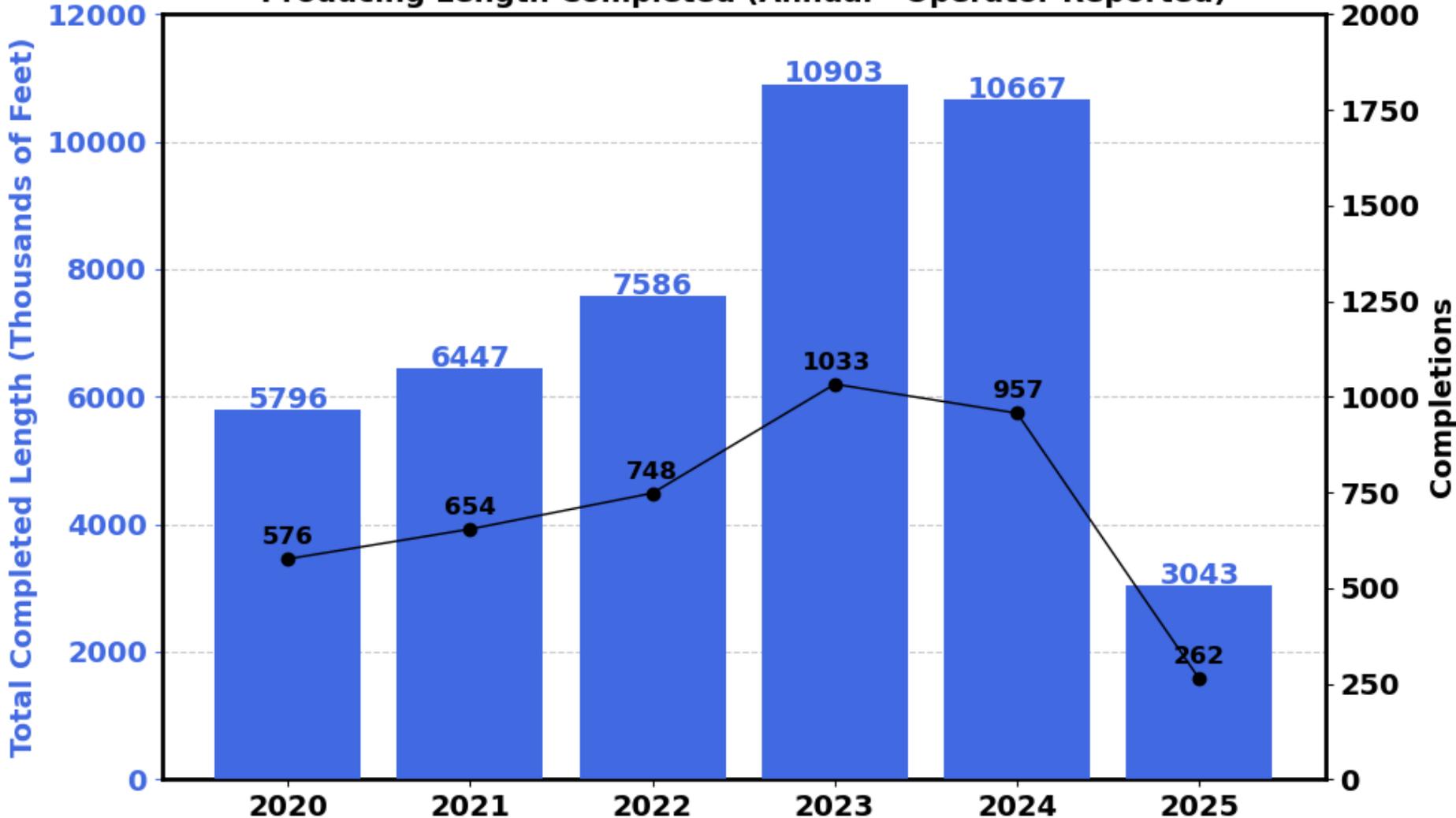
EXTENDED REACH PERMITS

(Issued to date)

- 966 3-mile lateral permits
- 47 4-mile lateral permits

COMPLETED FOOTAGE OVER TIME

Producing Length Completed (Annual - Operator Reported)



TREND OF LATERAL LENGTHS

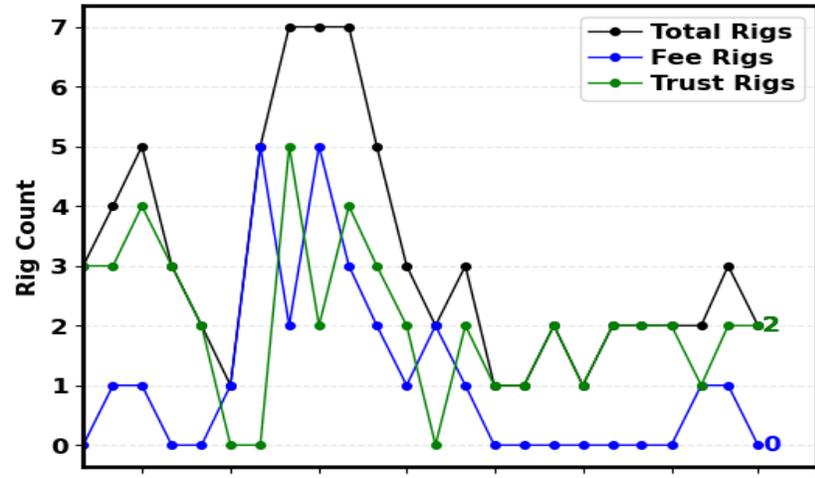
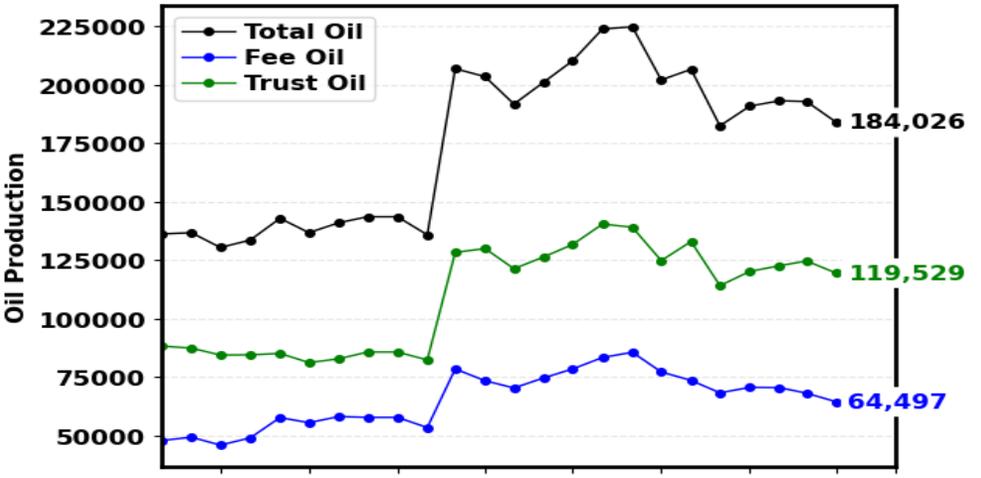
- 2024 = 10,647,000 total feet completed
- Estimated average lateral length completed by year:
 - 2020 = 10,062
 - 2021 = 9,850
 - 2022 = 10,141
 - 2023 = 10,554
 - 2024 = 11,149

U-SHAPED LATERAL UPDATE

(Issued to date)

- 15 U-Shaped lateral permits
 - 3 are 4 mile U-shaped
- 2 J-Shaped lateral permits

FORT BERTHOLD ACTIVITY

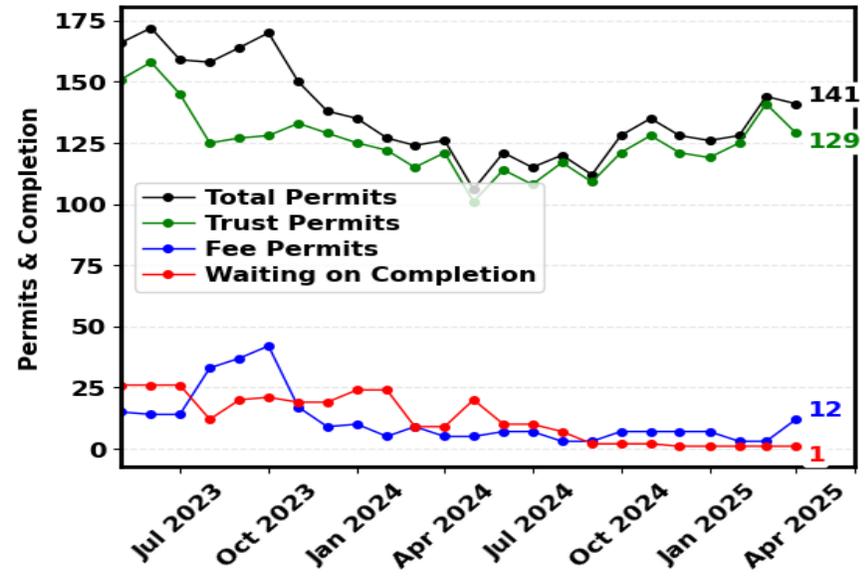
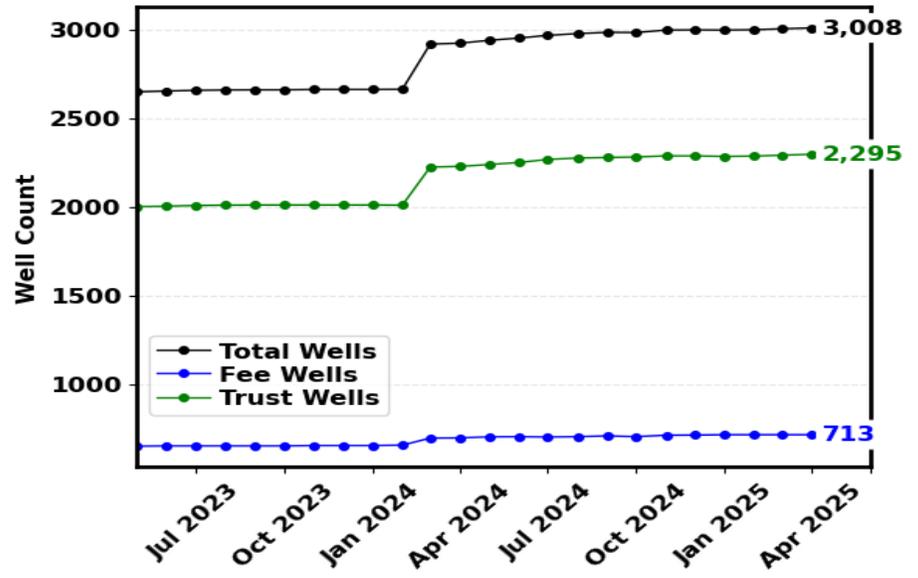


Apr. Oil Production = 184,026

- 4.6% decrease

Mar. Oil Production = 192,961

Rig count at 2



Total Active Permits = 141

- Slight decrease from last month

Number of Active Wells = 3,008

- Fee = 713
- Trust = 2,295

GAS CAPTURE

The state-wide gas flared volume from March to April decreased by 8.91 MMCF/D to 149.05 MMCF/D, the statewide gas capture increased to 95.7% while Bakken gas capture remained steady at 96.0%.

Gas capture details are as follows:

Statewide	95.7%
Statewide Bakken	96.0%
Non-FBIR Bakken	95.8%
FBIR Bakken	97.4%
Trust FBIR Bakken	97.4%
Fee FBIR	97.4%

The Commission has established the following gas capture goals:

74% October 1, 2014 through December 31, 2014

77% January 1, 2015 through March 31, 2016

80% April 1, 2016 through October 31, 2016

85% November 1, 2016 through October 31, 2018

88% November 1, 2018 through October 31, 2020

91% beginning November 1, 2020

A black and white photograph of an oil pumpjack in a field. The pumpjack is the central focus, with its long walking beam and counterweight visible. The background shows a line of trees and a clear sky. In the top right corner, there are several faint, rounded rectangular shapes of varying sizes.

PRICING & GEOPOLITICS

CRUDE OIL & NATURAL GAS PRICING

WTI Crude (Aug'25)

@CL:1:New York Mercantile Exchange

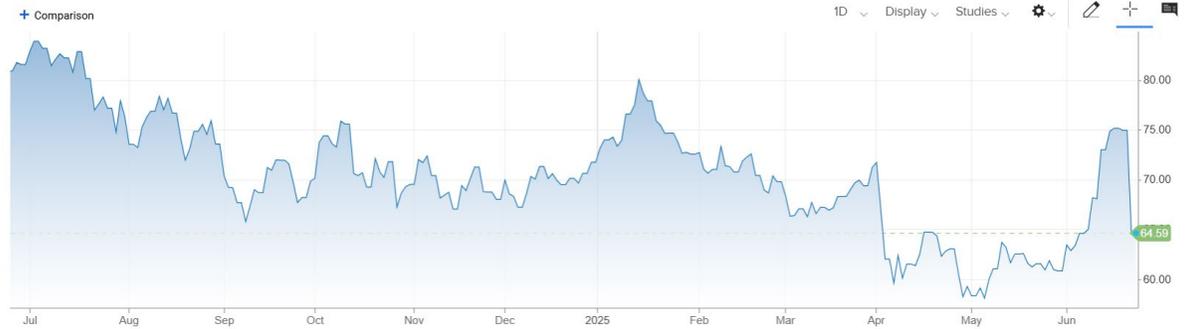
*Data is delayed | Exchange | USD

Last | 2:07 PM EDT

64.56 ▼ **-3.95 (-5.77%)**

Volume
468,432

1D 5D 1M 3M 6M YTD 1Y 5Y ALL



Natural Gas (Jul'25)

@NG:1:New York Mercantile Exchange

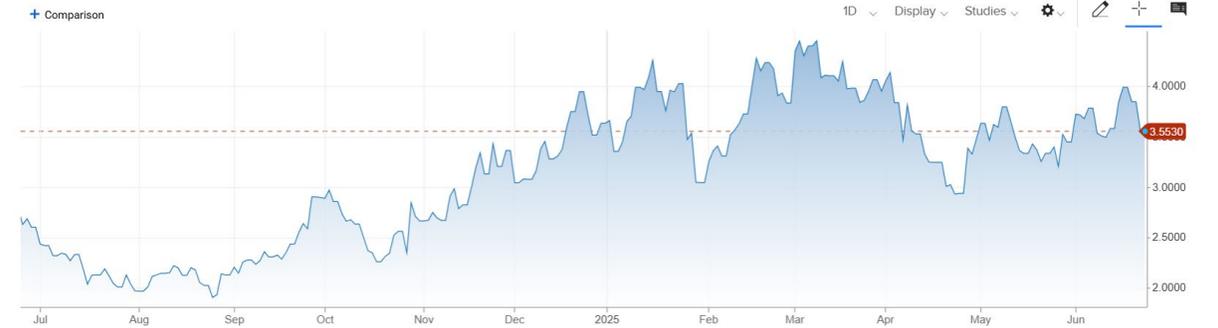
*Data is delayed | Exchange | USD

Last | 2:08 PM EDT

3.553 ▼ **-0.145 (-3.92%)**

Volume
50,080

1D 5D 1M 3M 6M YTD 1Y 5Y ALL

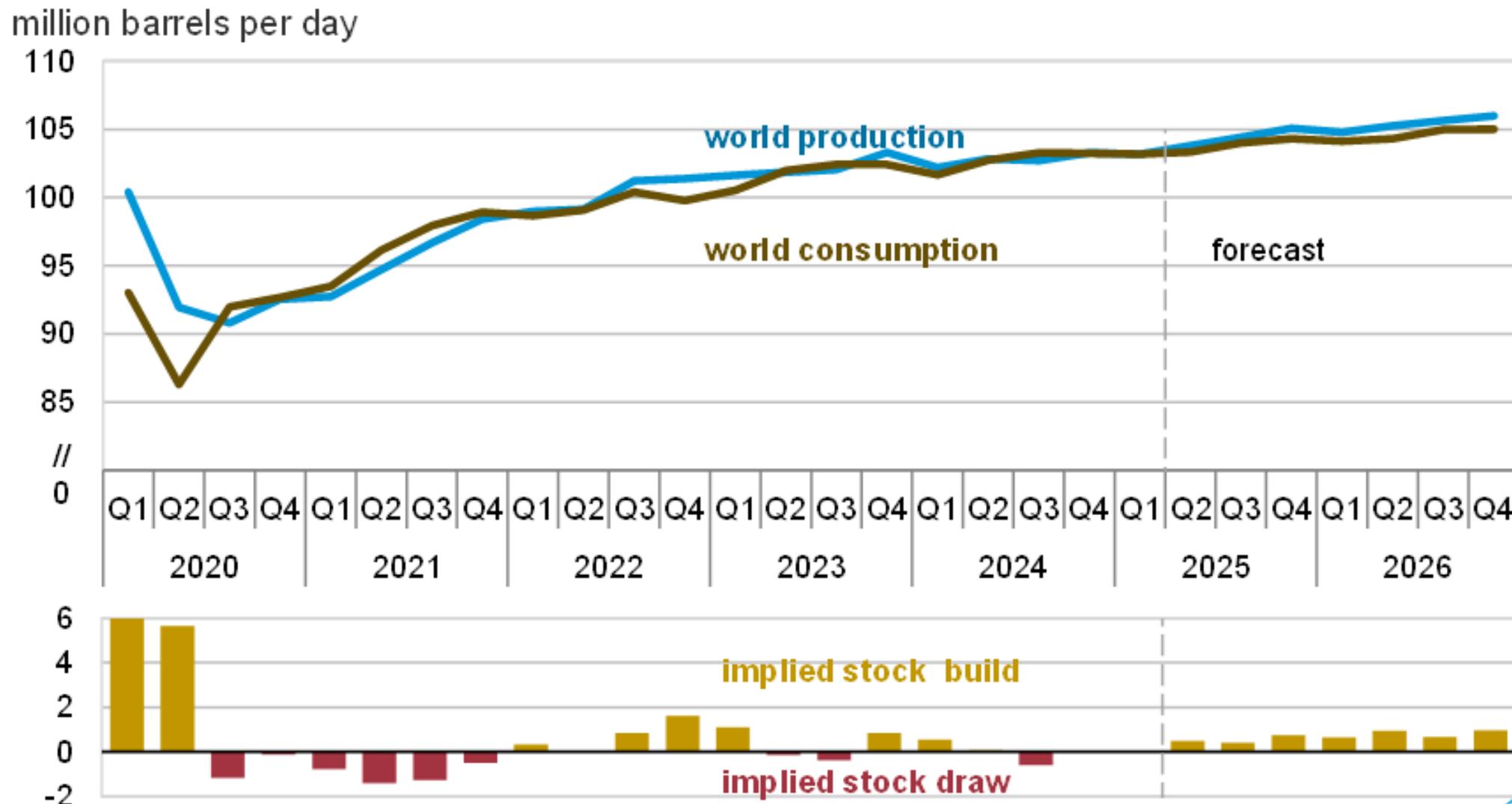


SOURCE: CNBC.

CURRENT IMPACTS

- Industry leaders dealing with uncertainty; ongoing wars, Saudi Arabia and OPEC, tariffs, and recession.
- China will maintain imports, if not increase, due to low oil prices, continuing to stockpile oil.
- A prominent Permian operator has announced a 10% cut to CapEx.
- In a May 3, 2025 Saudi and OPEC press release, OPEC increases output amidst lower price environment – taking back some of the market share from when they agreed to output cuts a couple of years ago.
- Current geo-political events have shifted prices dramatically—volatility = uncertainty

WORLD LIQUID FUELS PRODUCTION & CONSUMPTION



Data source: U.S. Energy Information Administration, Short-Term Energy Outlook, May 2025





FORECAST

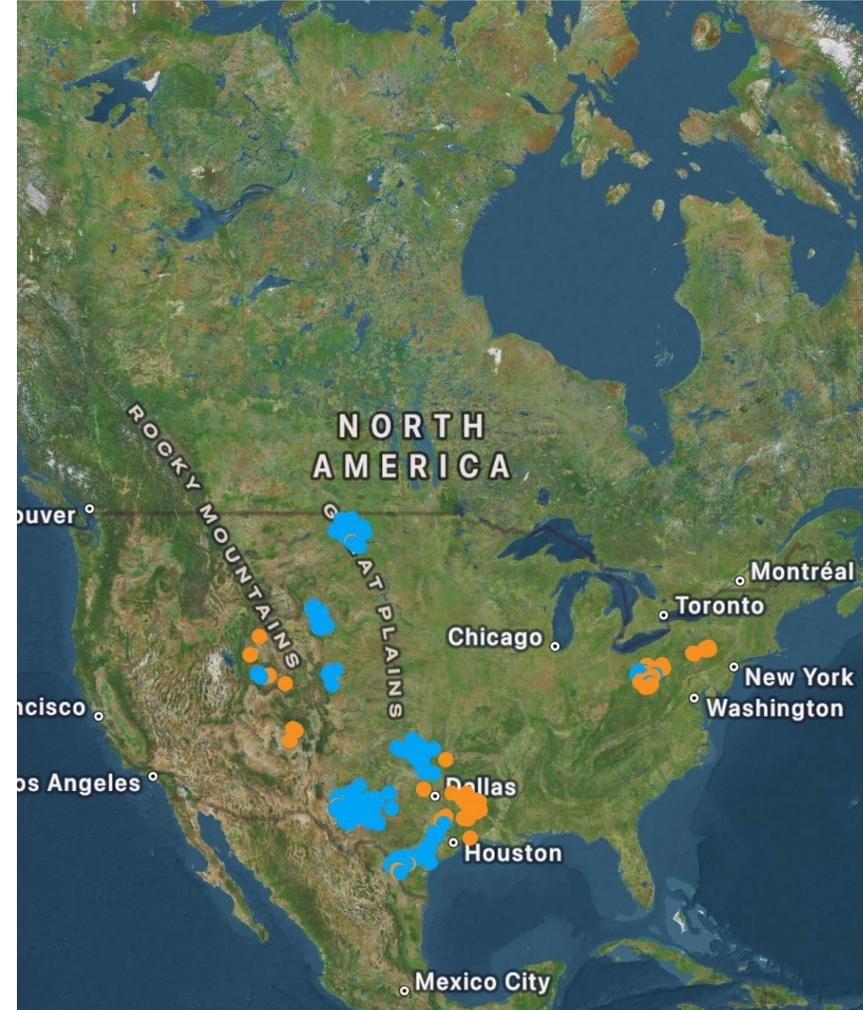
RIG LOCATIONS AND EXPECTED ACTIVITY

▲ Oil ▲ Gas ▲ Thermal
△ Directional △ Horizontal △ Vertical



WILLISTON BASIN RIG LOCATIONS

● Oil ● Gas ● Thermal
△ Directional △ Horizontal △ Vertical



UNITED STATES RIG LOCATIONS

NORTH DAKOTA PRICE AND VOLUME FORECAST

- JULY 2025 – JUNE 2027 - FORECASTED OIL PRICE:
 - Year 1: \$59.50 / bbl
 - Year 2: \$57.00 / bbl
- JULY 2025 – JUNE 2027 FORECASTED OIL VOLUME:
 - Year 1: 1,150,000 bbls / day
 - Year 2: 1,100,000 bbls / day
- CURRENT FORECAST (THROUGH JUNE 30, 2025)
 - Oil Price: \$70.00 / bbl
 - Daily Volume: 1,100,000 bbls / day



May 2025 Field Tour Photos

West Texas Intermediate (WTI) crude oil price and NYMEX confidence intervals

dollars per barrel



Data source: U.S. Energy Information Administration, Short-Term Energy Outlook, June 2025, CME Group, Bloomberg, L.P., and Refinitiv an LSEG Business

Note: Confidence interval derived from options market information for the five trading days ending June 5, 2025. Intervals not calculated for months with sparse trading in near-the-money options contracts.

(contact us)



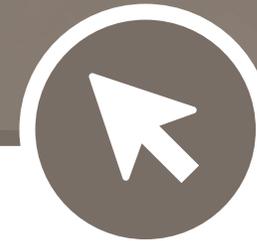
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