Contract No. G-023-051

“Investigation of Improved Conductivity & Proppant Applications in the Bakken”

Submitted by: Energy and Environmental Research Center
Principal Investigator: Darren Schmidt

PARTICIPANTS

<table>
<thead>
<tr>
<th>Sponsor</th>
<th>Cost Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Department of Energy – EERC Joint Program</td>
<td>$113,201</td>
</tr>
<tr>
<td>CARBO Ceramics</td>
<td>$ 69,231 (in-kind)</td>
</tr>
<tr>
<td>North Dakota Industrial Commission/OGRC Funding</td>
<td>$150,000</td>
</tr>
<tr>
<td>Total Project Cost</td>
<td>$332,432</td>
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</tbody>
</table>

Project Schedule – 12 months
Contract Date – June 20, 2011
Start Date – May 1, 2011
Completion Date: April 30, 2012

Project Deliverables:
Status Report:
July 31, 2011
November 30, 2011

OBJECTIVE/STATEMENT OF WORK:
The goal of the project is to improve the lateral and vertical drainage of hydrocarbons from the Three Forks and Bakken Formations by identifying the factors that lead to the collapse of propped fractures. Laboratory testing is proposed to determine whether more durable fracture conductivity can be achieved in the Bakken by altering the fracturing fluids, proppant types, and proppant concentrations.

STATUS
Contract has been signed and the work has been started.

6/30/11