IOGCC 75 Anniversary

INTERSTATE Oil & Gas COMPACT COMMISSION

May 28, 2010

Ms. Karlene Fine, Executive Director
North Dakota Industrial Commission
State Capitol – 14th Floor
600 East Boulevard Ave Dept. 405
Bismarck, ND 58505-0840

Dear Ms. Fine,

The Interstate Oil and Gas Compact Commission (IOGCC) is pleased to submit the enclosed proposal for the development of a Hydraulic Fracturing Regulatory E-Reference to the North Dakota Industrial Commission (NDIC).

Please find enclosed the application, $100 application contribution, and tax exemption letter.

Should you have any questions or comments regarding the application, I can be reached at (405) 525-3556 ext. 107 or via e-mail at rachel.amann@iogcc.state.ok.us.

Best regards,

Rachel Amann

Rachel Amann
Projects Director
Interstate Oil and Gas Compact Commission

Oil and Gas Research Program

North Dakota

Industrial Commission

Application

Project Title:

Applicant:
Interstate Oil and Gas Compact Commission

Principal Investigator: Rachel Amann

Date of Application: *May 26, 2010*

Amount of Request: *$125,000*

Total Amount of Proposed Project: *$500,000*

Duration of Project: *36 months*

Point of Contact (POC):

Rachel Amann, Projects Director

POC Telephone: *(405) 525-3556 ext. 107*

POC E-Mail Address:

rachel.amann@iogcc.state.ok.us

POC Address:

PO Box 53127
Oklahoma City, OK 73152

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ABSTRACT

Objective: The hydraulic fracturing process – although safely used since the 1940s in more than one million wells in the United States[1] -- continues to be a cause for public concern, especially in regions with limited exposure to oil and gas exploration. Because the term "hydraulic fracturing" may not be used in a state's regulations, there is often a mistaken perception that hydraulic fracturing is an unregulated process, causing unnecessary concerns about public safety.

The Interstate Oil and Gas Compact Commission (IOGCC) proposes to develop an interactive web-based reference tool (or "e-reference") that will list existing state regulations that apply to the process of hydraulic fracturing by state and topic. By presenting the existing regulatory framework in an easy-to-understand manner, key stakeholders in the regulatory process will be able to develop a better understanding of the safeguards already in place so they can make informed decisions.

Expected Results: This cross-reference tool will enable the end-user to access reports of specific regulations and citations in a .pdf format, either by individual state regulations or by topic, for reference and comparison, with the goal of fostering a better understanding of the regulatory process.

Duration: Regulatory information will be presented in modules – regulations categorized by subtopic -- to support a phased implementation process with periodic releases of topical information as data are collected.

Phase I (months 1 – 4). Initial database development is anticipated to occur during months one through three. During month three, the database will be finalized with a launch of the initial module at the end of month four.

Phase II (months 5 – 11). Data collection, cataloging, cross-referencing and verification for additional modules will continue during months 5 – 11 and subsequent modules will be released approximately every two months.

Phase III (months 12 – 18). The final seven months will be dedicated to project evaluation and adjustments to the e-reference. Briefings, technical presentations, and outreach will continue throughout the life of the project.

Total Project Cost: The IOGCC is requesting $125,000 from the North Dakota Industrial Commission, $250,000 from the U.S. Department of Energy, and $125,000 from other sources -- such as other states and associations. IOGCC member states will contribute an additional 20% in-kind cost share for a total project cost of $599,771. **Participants:** Project participants will include the regulatory authorities from each of the 38 states that have significant oil and natural gas production, the United States Department of Energy (DOE), Louisiana State University, and Brothers Company.

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[1] American Petroleum Inst., Hydraulic Fracturing, available at http://www.api.org/policy/exploration/hydraulicfracturing/index.cfm; see also Interstate Oil and Gas Compact Commission testimony submitted to the House Committee on Natural Resources Subcommittee on Energy and Natural Resources (Washington, D.C. June 18, 2009), available at http://www.iogcc.state.ok.us/Websites/iogcc/Images/Additional-IOGCC-Testimony-June2009.pdf.

PROJECT DESCRIPTION

Objectives: There are three primary objectives of development of the e-reference tool:

1) To demonstrate to U.S. citizens, policy-makers, and lawmakers that member states of the IOGCC have effective regulatory systems and processes that prevent damage to resources, the environment, and public health and safety from hydraulic fracturing;

2) To provide citizens, interest groups, policy-makers, and lawmakers with easy access to individual states' regulations relating to hydraulic fracturing; and

3) To provide state oil and gas regulatory agencies with a tool and information in an easy-to-access format for comparison to other states and improvement of individual state programs.

Methodology: The IOGCC, through its Shale Gas Directors Task Force – comprised of oil and gas directors from 17 states with existing, emerging, and major frontier shale plays across the U.S. – has identified the five key regulatory processes involved in hydraulic fracturing: (1) permitting; (2) casing and cementing; (3) fluids management (recycling, disposal, water sources/supply and additives); (4) public hearings, notice, and comment periods; and (5) inspection and enforcement.

Based upon this preliminary assessment, the IOGCC proposes to:

1) Form a regulatory working group to lead and direct project activities;

2) Identify specific regulations already in place by individual states for identified key regulatory processes;

3) Catalog and cross-reference specific regulations;

4) Insert the catalog into a web-based interactive database.

The IOGCC will form a work group -- comprised of state oil and gas lawyers, regulatory authorities, local, state and federal agencies, content-area experts, industry representatives, and other stakeholders -- to assist with the research and development of the e-reference. This work group will be facilitated by the IOGCC project management team and contracted content-area experts to ensure the accuracy and integrity of the final product.

The e-reference database will be developed with an eye for integration into IOGCC's regulatory web site Groundwork. This sustainable database and web interface will be designed so it can be expanded upon for future topics and updated periodically, allowing end-users to access the latest regulatory information about hydraulic fracturing at the push of a button.

Anticipated Results: This cross-reference tool will enable the end-user to access .pdf reports of specific regulations and citations regarding individual state regulations or by topic for comparison, fostering a better understanding of the regulatory process.

Facilities: The national headquarters for the IOGCC has been in Oklahoma City, Oklahoma, since Congress authorized and ratified the Compact in 1935. The IOGCC offices house computers, office equipment, and meeting space typical to any office environment.

Resources: Since 1935 IOGCC member states have established effective regulation of the oil and natural gas industry through a variety of programs designed to gather and share information, technologies, and regulatory methods. IOGCC's success is founded on the commitment and participation of the highly qualified regulatory officials from each of its 30 member states, including their vast resource and information bases.

Techniques to Be Used, Their Availability and Their Capabilities:

IOGCC Collaborative Work Groups: In its 75-year history, the IOGCC has perfected a consensus-building model for development and review of statutory and regulatory guidance documents. Collaborative work groups --- comprised of state oil and gas lawyers, regulatory authorities, content-area experts, industry representatives, and other stakeholders --- are facilitated by the IOGCC project management team and contracted content-area experts. This distinctive collaborative process leverages the combined experience and expertise of oil and gas community members to create comprehensive guidance documents that encompass all management aspects, including regulatory, legal, economic, environmental, and educational issues.

The IOGCC will utilize this model to ensure that project objectives are met and that data collection and analysis is of the highest integrity. A collaborative work group (or "Task Force") will be formed by the IOGCC to provide project oversight and guidance.

Statement of the Work

Project goals and objectives will be identified by the following project components: Project Research (R), Database Development (D), Project Management (P), and Communications (C).

Task 1.0 Project Management and Reporting

Subtask 1.1: Project Management Plan. The IOGCC will develop and maintain a current Project Management Plan (PMP) throughout the contract period to include a description of the project's organization and structure, communication and coordination, resource loaded schedule/Gantt chart, funding and cost profiles, milestone log, and the current statement of work. The plan will be updated on an annual or more frequent basis.

Subtask 1.2: Project Coordination and Reporting. The IOGCC will be responsible for overall management of the project. This includes execution of each task, subcontractor procurement and management, maintenance of the project budget, and collaborating with government agencies and stakeholders.

IOGCC will be responsible for compiling and submitting reports, including deliverables and periodic reports in accordance with the contract requirements, and making formal presentations as required (Task 2.0).

Subtask 1.3: Task Force Coordination. The IOGCC will facilitate and coordinate Task Force activities on an ongoing basis. The IOGCC will plan and implement a project kick-off meeting and mid-point meeting, whereby the Task Force will establish research objectives, finalize subtopics, and provide guidance for data collection approaches. In addition, the IOGCC will facilitate Task Force activities through meeting and event planning, conference calls, web meetings and other communications vehicles.

Milestone(s): PMP finalized

Task 2.0 Briefings, Technical Presentations, and Outreach

Briefings, Technical Presentations and Outreach will continue throughout the life of the project. Related presentation materials and handouts will be submitted as deliverables, as appropriate. Key project personnel (IOGCC, Task Force participants, and subcontractors, as appropriate) will participate in project meetings and reviews as requested.

Subtask 2.1: Develop a communications plan. A communications plan will be developed that includes a target audience description; target audience analysis; project information and description; key messages, timelines, tactics and evaluation; and an outline of how papers, presentations and research findings will be presented. The communications plan will be evaluated on an ongoing basis and incorporated into the PMP.

Preliminary target audiences include state officials, federal officials, industry representatives, project operators, local officials, and the affected public.

Subtask 2.2: Briefings and Presentations. General information, education, and findings from the project will be presented to a number of stakeholder groups in the form of presentations, posters, and/or fact sheets. The IOGCC holds Midyear and Annual meetings in the summer and fall of each year during which materials can be presented.

Estimated briefings and presentations*
4 press releases
4 briefings/presentations
2 fact sheets about the project and Task Force
*Briefings and presentations will be finalized during communications plan development

Subtask 2.3 Layout, print, and publicize reports. The communications component will print and distribute key deliverables through methods identified by research done in Subtask 2.1, which will focus on best communication vehicles for key stakeholders and target audiences.

Key Deliverables
Module I: Permitting Regulations
Module II: Casing and Cementing Regulations
Module III: Fluids Management Regulations
Module IV: Public Hearings, Notice, and Comment Period Processes
Module V: Inspection and Enforcement Regulations
Final Report: Findings and Recommendations of the Task Force

Subtask 2.4: Web postings. The IOGCC recently launched the Groundwork website (www.groundwork.iogcc.org) , which offers a multi-tiered approach for delivering state regulatory information. Groundwork has a user-friendly web page dedicated to the issue of hydraulic fracturing. General information, findings, and fact sheets will be posted on the site.

Estimated Web postings*
Groundwork Flash Rotator Updates: 2
Groundwork Statistics Rotator Updates: 2
Groundwork E-Blast Updates: 5
News story updates: 1 per month
*Web postings will be finalized during communications plan development

Subtask 2.5: Evaluate results. On an ongoing basis, the IOGCC, through its communications team, will assess the outreach and education results through the use of surveys, informal user feedback, and other measurements. Outreach strategies will be modified based upon the results of assessments.

Milestone(s): Communications Plan

Task 3.0 Legal Research and Analysis

Subtask 3.1: Form Task Force. The IOGCC will identify Task Force participants.

Subtask 3.2: Conduct Research and Analysis. Project research will be conducted by IOGCC staff, under the guidance and oversight of an IOGCC working group and a contracted legal/regulatory consultant.

During the project kick-off meeting, the Task Force will finalize subtopics and research objectives. IOGCC staff will then collect relevant data associated with the subtopics. Data will be presented to state agencies for review and will undergo a final review by the contracted legal and regulatory specialist. The data will be prepared for exportation into the database. The Task Force will assemble again at a project mid-point meeting to evaluate progress to-date; make any additional suggestions; and formulate any project recommendations for inclusion into the final technical report.

Milestone(s): Roster, Kick-off meeting, mid-point meeting

Task 4.0 Database Development

Database coding and developing will be done concurrently with project research. Database development will be subcontracted.

Subtask 4.1: Develop Initial Database. Design, develop, and code regulatory database.

Subtask 4.2: Database Testing and Final Implementation. Import data, beta test data, and implement.

Subtask 4.3: Evaluation and subsequent adjustments. Evaluate and adjust based upon end-user surveys and other data (see "Satisfaction Measurements").

Environmental and Economic Impacts while Project is Underway: Not applicable.

Ultimate Technological and Economic Impacts: The project will affect local and state economies by increasing the knowledge, awareness, and perceptions of the affected public and by aiding regulatory compliance.

Why the Project is Needed: Hydraulic fracturing is generally considered to be part of well completion operations—i.e., work performed on a well after it has been drilled, to evaluate the well and prepare it for production.

States regulate all aspects of well drilling, production, plugging, and waste management. States regulate hydraulic fracturing directly as one of the aspects of well completion. The regulations provide for the protection of public health and safety, natural resources, and the environment—including soils, groundwater, surface water, and air.

Regulation of hydraulic fracturing is embedded within the framework of existing regulatory processes. Although most states do not have a specific statute or rule governing hydraulic fracturing, an oil and gas producing state generally has the authority to regulate the process as it deems necessary.

The hydraulic fracturing process – although safely used since the 1940s in more than one million wells in the United States[2] – continues to be a cause for public concern, especially in regions with limited exposure to oil and gas exploration. Because there are normally no specific "hydraulic fracturing" regulations written into a state's rules, there is often a mistaken perception that hydraulic fracturing is an unregulated process, causing unnecessary concerns about public safety.

IOGCC research has indicated that the lack of credible, unbiased, understandable information about regulatory processes and safeguards employed by states is a constraint to responsible domestic oil and gas development.

STANDARDS OF SUCCESS

Value, Impact on Marketing of State Oil and Natural Gas, and Job Creation: The process of hydraulic fracturing, properly regulated, is integral to the development of unconventional resources found in the state of North Dakota and other IOGCC member states. The authority to regulate oil and gas production activities, including hydraulic fracturing, traditionally has been the province of the states.

A streamlined regulatory process, with the support of an informed public, is critical in the efficient and environmentally sound production of oil and natural gas, and influences state economies at every level. More efficient compliance and permit activities increase production, reduce state costs, and increase tax revenues. The continued use of hydraulic fracturing, properly regulated, ensures the production of unconventional oil and natural gas vital to state economies.

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[2] American Petroleum Institute, Hydraulic Fracturing, available at http://www.api.org/policy/exploration/hydraulicfracturing/index.cfm; see also Interstate Oil and Gas Compact Commission, Testimony Submitted to the House Committee on Natural Resources Subcommittee on Energy and Natural Resources (Washington, D.C. June 18, 2009), available at http://www.iogcc.state.ok.us/Websites/iogcc/Images/Additional-IOGCC-Testimony-June2009.pdf.

Measurable Deliverables: Web-based database application with five individual modules that catalog regulations by state, key process, subtopic, citation, and full text of citation and produce searchable .pdf reports.

Success Measurement: Success measurement will be incorporated into the database design by automatically counting the number of users who access the information. In addition, a brief satisfaction survey will pop up on every fifth visitor with 5 – 8 questions and a comment box to aid in continuous improvement activities, baseline data measurements, and trending for satisfaction improvement.

Public/Private Sector Use: It is anticipated that state agencies will utilize the database (1) to access information about other states for comparison purposes; and (2) to refer concerned citizens, legislators, and intrastate agencies to the database for educational purposes. Industry will utilize the database to aid in planning and streamlining regulatory compliance.

Potential Commercial Use: Industry will utilize the database to aid in planning and regulatory compliance.

Success Reporting: The IOGCC will issue periodic progress reports based upon contract requirements and at the request of the North Dakota Industrial Commission (NDIC). Progress reports will include a concise narrative assessment of the status of the work and the results of work during the reporting period. Success will be measured based upon completion of milestones and deliverables within the time allocated by the project management plan. Outcome measurement will include the following:

- Number of users who access the information
- Percentage of increased usage over the life of the project
- Satisfactory responses to user-satisfaction survey

BACKGROUND/QUALIFICIATIONS

The United States' Constitution gives states the right to "compact" (or agree to work together) to resolve common issues. In 1935, six states endorsed and Congress ratified the Interstate Compact to Conserve Oil and Gas, resulting in the formation of the unique governmental entity now known as the Interstate Oil and Gas Compact Commission. States took this action to control unregulated petroleum overproduction and resulting waste. Since that time, states have established effective regulation of the oil and natural gas industry through a variety of IOGCC programs designed to gather and share information, technologies, and regulatory methods. This sharing of information takes place primarily during IOGCC meetings, held quarterly at sites across the United States, where IOGCC committees offer presentations and discussion focusing on specific, vital issues. A key result of the meetings is the writing and approval of IOGCC resolutions, which express the organization's action plan for emerging issues.

Prior Work Summary

IOGCC has a long history of conducting research, collecting and synthesizing data, reviewing collected information and comparing it to benchmarks, and forming and communicating recommendations and

findings. IOGCC has published numerous research studies and publications, many of which are available to download online at http://www.iogcc.state.ok.us/news_pubs.aspx and www.iogcc.groundwork.org

Projects similar in size and scope. In its 75-year history, the IOGCC has completed many regulatory compilations or incorporated regulatory compilations into model statute development. A few examples include the *Summary of State Statutes, Model Statute and Fieldwide Unitization References, and Carbon Capture and Geologic Storage Biennial Update of Legislation and Regulation* (scheduled for release this summer).

Key Personnel Summary. The IOGCC has a knowledgeable staff with a history of success in the execution of grant programs and access to a wide variety of resources in both the public and private sector as illustrated in the following key personnel summary. In addition to a qualified staff, IOGCC has a wealth of organizational resources as a result of its unique status as a multi-state government agency and long-standing relationships with state agencies, governors, industry associations, oil and gas legal experts, industry, federal government agencies, and the environmental community.

Mr. C. Michael Smith, IOGCC Executive Director. Carl Michael Smith has served as Executive Director of the Interstate Oil and Gas Compact Commission (IOGCC) since April 2008.

From 2002 to 2004, Mr. Smith served as assistant secretary of fossil energy for the U.S. Department of Energy. He served as the primary policy advisor to Secretary Spencer Abraham on federal coal, petroleum, and natural gas programs, including extensive research and development efforts. Duties also included managing the nation's Strategic Petroleum Reserve and the Northeast Home Heating Oil Reserve, both key emergency response tools available to the president to protect Americans from energy supply disruptions.

From 1995 to 2002, Mr. Smith served as Oklahoma's secretary of energy in the cabinet of former Gov. Frank Keating. He was responsible for fossil energy policy and oversight of seven major state energy agencies and commissions. He served as the governor's official representative to the IOGCC, the Southern States Energy Board, the Interstate Mining Compact Commission, and the Governors' Ethanol Coalition. He served IOGCC as its vice chairman in 1999.

Mr. Smith served as president of the Oklahoma Independent Petroleum Association in 1994 and operated an independent oil and gas exploration company based in Oklahoma City. He practiced energy law and earned Bachelor of Arts and law degrees from the University of Oklahoma.

Mr. Gerry Baker, IOGCC Associate Executive Director. Gerry Baker has been the associate executive director of the IOGCC since 2002. He is responsible for all operational matters related to the organization. Mr. Baker has extensive professional experience with the grant-making process as Director of Communications for one of the nation's largest community foundations. In addition, Mr. Baker brings expertise in the petroleum industry and as an experienced liaison and advocate between member governors, state oil and gas regulators, industry, and the environmental community. Mr. Baker will strive to ensure the success of this program.

Ms. Rachel Amann, IOGCC Federal Projects Director. Rachel Amann accepted the position of projects director for the IOGCC in March 2007. With more than 10 years of cumulative experience in grants management and new program development, Ms. Amann brings to the organization extensive professional experience in the areas of grants management and program compliance for governmental and non-profit organizations. She holds a Bachelor of Business Administration from the University of Central Oklahoma. Ms. Amann will be responsible for program compliance and project oversight as directly related to specific activities or accomplishments that result from performance of the award.

Ms. Amann will serve as principal investigator and facilitate and coordinate the grant-making process and serve as grants administrator and project manager upon receipt of the award. Additionally, she will oversee the components of volunteer work group management, events management, and communications associated with the implementation of project goals.

Ms. Amy Childers, Federal Projects Manager. Ms. Childers has been with the IOGCC since 2005 and has managed national and international projects funded by U.S. Department of Energy and U.S. Environmental Protection Agency. She has coordinated compilation of information for research reports for international release, has served as liaison for five operational committees spanning seven countries and 37 states, and has proposed, completed, and submitted applications for federal grant monies. Among Ms. Childers key accomplishments at the IOGCC, she has effectively coordinated research and timely release of high-profile research reports regarding issues surrounding domestic oil and natural gas resources. Ms. Childers will be responsible for events and work group management and assist with project management.

In the project management capacity, Ms. Childers will be responsible for the overall management of the project and coordination of the project components. Grants management tasks include the writing and submission of routine and special project reports, the coordination and submittal of grant deliverables, the negotiation and monitoring of grant subcontracts, cost-share tracking, monitoring and reporting, and monitoring and oversight of grant purchases and grant budgets.

Ms. Childers will coordinate and facilitate all aspects related to development and implementation of events associated with the implementation of identified project goals including management of contracted specialists, recruitment of speakers, management and planning of event logistics, and tracking and reporting of associated cost-share and event attendance.

In her capacity as work group manager, Ms. Childers will facilitate volunteer work group component and contracted experts associated with the work group. This is includes the planning of work group meetings, conference calls and events in coordination with the events management component, the facilitation of specialized task force assignments and coordination of submittal of findings and recommendations to the work group and to the IOGCC project management component.

Additionally, Ms. Childers will facilitate, plan and coordinate any meetings, conference calls, or events associated with the project. Coordination includes the posting, tracking and communication of routine schedules, management and planning of event logistics, and tracking and reporting of associated cost-share and event attendance, agendas, minutes and identified post-event activities.

Mr. Ellis "Wes" Deweese. Ellis Deweese is a recent graduate of the University of Oklahoma College of Law. While attending the University of Oklahoma, he interned for the Oklahoma Corporation Commission's Office of General Counsel where is actively participated in Commission hearings before Administrative Law Judges and performed legal and regulatory research for technical conferences and formal Commission hearings. After his time with the Oklahoma Corporation Commission, he came to the IOGCC as the IOGCC's Legal and Regulatory Research Specialist. While with the IOGCC, Ellis has drafted several fact sheets on the importance of domestic shale gas resources. Ellis is also the author of a report on the safety of hydraulic fracturing and the negative effects that proposed federal legislation might have on hydraulic fracturing and shale gas and oil resources. Aside from his Juris Doctorate, Ellis also has a Bachelors of Art in Political Science from the University of St. Thomas in Houston, Texas.

Mr. Deweese will coordinate legal and regulatory research, oversee data entry, and compile all technical reports as well as assist with work group management.

MANAGEMENT

The IOGCC will be responsible for overall management of the project. This includes execution of each task, subcontractor procurement and management, maintenance of the project budget, and collaborating with government agencies and stakeholders.

The IOGCC will develop and maintain a current Project Management Plan (PMP) throughout the project period to include a description of the project's organization and structure, communication and coordination, Gantt chart, funding and cost profiles, milestone log, and the current statement of work. At a minimum, the plan will be updated on an annual basis.

The IOGCC will compile and submit any reports, including deliverables and periodic reports, in accordance with the reporting checklist issued with the contract and will make formal presentations as required.

The IOGCC will facilitate and coordinate Task Force activities on an ongoing basis. The IOGCC will plan and implement a project kick-off meeting. In addition, the IOGCC will facilitate Task Force activities through meeting and event planning, conference calls, web meetings, and other communication vehicles.

TIMETABLE

Phase I (months 1 – 4). Initial database development is anticipated to occur during months one through three. During month three, the database will be finalized with a launch of the initial module at the end of month four.

Phase II (months 5 – 11). Data collection, cataloging, and cross-referencing for additional modules will continue during months 5 – 11 and subsequent modules released approximately every two months.

Phase III (months 12 – 18). The final seven months will be dedicated to project evaluation and adjustments to the e-reference. Briefings, technical presentations, and outreach will continue throughout the life of the project

HYDRAULIC FRACTURING REGULATORY E-REFERENCE PROJECT SCHEDULE

No.	Critical Path Project Milestone Description	Component	Start Mo.	End Mo.	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6
1.0	Project Management and Reporting		1	18																		
1.1.	**Create and Maintain a Project Management Plan (PMP)**																					
1.1.a.	MS: PMP finalized	P	1	1																		
1.1.d.	Periodic updates to PMPs as necessary	P	1	18																		
1.2.	**Project Coordination and Reporting**		1	18																		
1.2.a.	Submit periodic progress, special and financial	P	1	18																		
1.3.	**Task Force Coordination**		1	18																		
1.3.a.	MS: Task Force roster	P	1	1																		
1.3.b.	MS: Hold Task Force kick-off meeting	P	2	2																		
1.3.c.	MS: Hold Task Force mid-point meeing	P	12	12																		
1.3.d.	Facilitate Task Force activities	P	1	18																		
2.0	Briefings, Technical Presentations, and Outreach																					
2.1.	**Develop communications plan**																					
2.1.a.	Year 1: Write initial plan	C	1	1																		
2.1.a.1.	MS: Submit plan to Project Mgmt team for PMP	C		1																		
2.1.a.2.	Carry out plan components	C, P,R	2	18																		
2.1.b.	Periodically update plan as necessary	C	2	18																		
2.2.	**Briefings and Presentations**																					
2.2.a.	Prepare materials	C,P,R	1	18																		
2.2.b.	Make presentations upon request	R	1	18																		
2.3.	**Web postings**																					
2.3.a.	Monitor news and post to Web site	P	1	18																		
2.3.b.	Update state progress map	P	1	18																		
2.3.c.	Post outreach materials on Web site	P	1	18																		
3.0	Legal Research and Analysis		1	18																		
3.1.	**Form Task Force**	R	1																			
3.1.a.	Recruit task force members	R, P	1	1																		
3.1.b.	Negotiate subcontracts		1	1																		
3.2.	**Conduct Research and Analysis**		2																			
3.2.a.	Finalize subtopics and research objectives	R	2	2																		
3.2.b.	Collect and catalog data	R	2	18																		
3.2.c.	Data review	P	2	18																		
3.2.d.	Export data into database	P, R	2	18																		
3.2.e.	Formulate final project recommendations	R	12	12																		
3.2.f.	Compile project report	R	15	18																		
3.2.g.	MS: Final technical report submitted	P		18																		
4	**Database Development**																					
4.1	Develop initial database	D	1	3																		
4.2	Database Testing and Implementation	D	4	4																		
4.2a	MS: Database Live	D		4																		
4.3	Database analysis and success measurement	D	4	18																		

BUDGET

The IOGCC is requesting $125,000 from NDIC, $250,000 from the U.S. DOE, and $125,000 from other sources. Total project cost including in-kind estimate is $599,771.

	NDIC Share (proposed)	IOGCC Share (cash)	IOGCC Share (in-kind)	DOE Share (proposed)	Other Share (proposed)	TOTAL
Salaries	29,260			58,520	29,260	117,039
Fringe	14,337			28,675	14,337	57,349
Materials & Supplies	125			250	125	500
Travel	6,486			12,972	6,486	25,944
Other	2,583			5,165	2,583	10,330
Total Direct Charges	52,791			105,581	52,791	211,162
Subcontracts	50,106		99,496	100,213	50,106	299,921
Indirect charges	22,103	276		44,206	22,103	88,688
Total Estimated Project Cost	125,000	276	99,496	250,000	125,000	599,771

TOTAL PROPOSED SHARE	500,000
TOTAL NON-FEDERAL SHARE	99,771
TOTAL PROJECT COST	599,771
% COST SHARE	20%

Line-Item Budget (Total Project Cost for 18 months)

Description	Total cash outlays	IOGCC	Total project estimate
Salaries			
Smith, C, Executive Director, 5% FTE	9,563		9,563
Baker, G., Assoc. Executive Director, 5% FTE	7,969		7,969
Amann, R., Projects Director, 15% FTE	11,045		11,045
Childers, A., Federal Projects Manager, 35% FTE	17,571		17,571
Deweese, W., Legal Research, 60% FTE	30,122		30,122
Batdorf, T., Communications Mgr, 10% FTE	5,020		5,020
TBD, Legal Interns (75% FTE x 2)	35,750		35,750
TOTAL SALARIES	117,039		117,039

Fringe Benefits			
49% predetermined	57,349		57,349
TOTAL FRINGE BENEFITS	57,349		57,349
Materials and Supplies			
Office/Meeting Supplies	500	0	500
TOTAL MATERIALS & SUPPLIES	500	0	500
Travel			
Kick-off Meeting	11,280		11,280
Presentations	3,384		3,384
Mid-point meeting	11,280		11,280
TOTAL TRAVEL	25,944		25,944
Other Direct Costs			
OneHub services	530		530
WebEx conferencing, annual fee	900		900
Conference call fees	1,250		
Layout and printing: Permitting	1,250		1,250
Layout and printing, Casing and Cementing	1,250		1,250
Layout and printing, Fluids Management	1,250		1,250
Layout and printing, Public Information	1,250		1,250
Layout and printing, Inspection and Enforcement	1,250		1,250
Layout and printing of fact sheets	1,000		1,000
Press release service	400		400
TOTAL OTHER	10,330		10,330
Subcontracts			
TBD Database Design	105,000		105,000
Brothers Company Groundwork E-Blasts	10,300		10,300
Brothers Company Groundwork Flash Rotator	3,050		3,050
Brothers Company Groundwork Stats Rotator	3,600		3,600
TBD Legal Research	75,600		75,600
Pauly, Larry Editing services	2,875		2,875
CCGS: states, industry, academia		99,476	99,469
TOTAL SUBCONTRACTS	200,425	99,476	299,921
TOTAL DIRECT COSTS	411,587	99,496	511,083
LESS SUBCONTRACTS	200,425	99,496	299,921
	211,162		211,162
INDIRECT CHARGES (42% predetermined)	88,413	276	88,688
TOTAL ESTIMATED PROJECT COST	**500,000**	**99,772**	**599,771**

A. Personnel: Personnel expenses are budgeted to support the development, management, and delivery of the proposed modules, including management of work groups, project research and deliverables, and technology transfer efforts. Salaries include a 5% cost of living allowance (COLA) per budget period. Salaries are estimated based upon historical data for projects similar in scope and size.

Fringe benefits are estimated at 49% based upon negotiated rate. Employees are provided a wide range of benefits, including all programs prescribed by law such as workers' compensation, state disability, and unemployment insurance. In addition, employees receive vacation time, twelve (12) paid holidays, sick leave benefits, voting leave, bereavement leave, health and dental insurance, and long- and short-term disability benefits plans.

B. Travel: Travel expenses are budgeted to support work group meetings, project coordination, and technology transfer efforts. Travel estimates are based upon GSA 2010 rates and historical data for projects similar in scope and size.

Travelers	Purpose	Destination	Airfare	Lodging /Night	Nights	Lodging Total	Meals/ Per Diem	Days	Meals/ Per Diem Total	Other Transportation	Total
15	Kick-off Meeting	St. Louis, MO	350	110	2	220	66	2	132	50	11,280
4	Presentations	TBD	500	92	2	184	56	2	112	50	3,384
15	Mid-point meeting	St. Louis, MO	350	110	2	220	66	2	132	50	11,280

C. Equipment: No equipment expenses are budgeted

D. Supplies: Supplies are budgeted to support the Task Force and meetings of the Task Force. Copies, office, and meeting supplies are directly allocated to individual projects as they are purchased. Funds are budgeted for meeting expenses. Expenses can include the cost of room and equipment rental, copies, conference call and web conferencing fees, audio-visual equipment rental, and equipment.

The IOGCC utilizes WebEx, an interactive web-based conferencing service for Task Force meetings. Necessary supplies include headsets for participants, and charges for conferencing services.

The IOGCC utilizes OneHub, a web-based document sharing service for the posting and sharing of documents and information.

E. Contractual:

Database Design. Contractual funds are budgeted for database design. The IOGCC will choose a vendor for design based upon its internal competitive bid purchasing policies and procedures.

Legal and Regulatory Consultant. Contractual funds are budgeted for a legal and regulatory consultant to provide content-area expertise and ensure data accuracy. The IOGCC will choose a consultant based upon a competitive bid process.

Editing Services. An editor will be utilized to ensure grammatical accuracy in fact sheets and reports.

Non-Federal Share. It is anticipated that IOGCC member governors, state regulators, and their staff will assist with the development of research objectives, the collection and analysis of study-related data, the preparation of research reports and technology transfer efforts.

F. Construction. No construction budgeted.

G. Other. Other direct costs are budgeted to support technology transfer and the publication of outreach and awareness materials in accordance with the Communications Plan. Budgeted expenses include media development activities for individual modules such as publication and associated materials layout, Web page development, and other communications vehicles. Other technology transfer expenses include postage and mailing expenses.

Preparation, layout, and printing of published materials: Expenses associated with the preparation of technology transfer materials, such as publications, Web pages, newsletters, etc., have been budgeted. Expenses are based upon historical data for 100-page publications and two fact sheets.

H. Indirect Costs. Indirect costs are estimated at 42% less contractual costs based upon proposed 2010/2011 rate agreement with the U.S. DOE.

CONFIDENTIAL INFORMATION	Not applicable
PATENTS/RIGHTS TO TECHNICAL DATA	The IOGCC will apply for copyrights for the database
STATUS OF ONGOING PROJECTS (IF ANY)	Not applicable

9097

INTERSTATE OIL & GAS COMPACT COMMISSION
PO Box 53127
OKLAHOMA CITY, OK 73152
405-525-3556

Oil & Gas

INTRUST BANK, NA
WICHITA, KS 67201-9755
40-2/1011

5/17/2010

PAY TO THE ORDER OF North Dakota Industrial Commission $ **100.00

One Hundred and 00/100********** DOLLARS

North Dakota Industrial Commission
State Capitol - 14th Floor
600 East Boulevard Ave
Department 405
Bismarck, ND 58505-0840

MEMO

Interstate Oil & Gas Compact Commission
D. Gerow Baker MP

⑈009097⑈ ⑆101100029⑆ 1603642976⑈

INTERSTATE OIL & GAS COMPACT COMMISSION

9097

North Dakota Industrial Commission

5/17/2010

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
5/17/2010	Bill	App Fee/Proposal	100.00	100.00		100.00
					Check Amount	100.00

Intrust Bank 100.00

OKLAHOMA TAX COMMISSION
STATE OF OKLAHOMA
2501 LINCOLN BLVD.
OKLAHOMA CITY, OKLAHOMA 73194

ROBERT E. ANDERSON, Chairman
ROBERT V. CULLISON, Vice-Chairman
DON KILPATRICK, Secretary-Member

TAXPAYER ASSISTANCE DIVISION
Russ Nordstrom, Director
(405)522-0018

May 29, 1997

Interstate Oil and Gas Compact Commission
PO Box 53127
Oklahoma City OK 73152-3127

TPL

RE: Federal Employer Identification No. 736022750

Dear Sir/Madam:

This is in response to your request for documentation concerning the sales taxability of purchases made by the Interstate Oil and Gas Compact Commission, Oklahoma City, Oklahoma. This entity of government is exempt from payment of state/local sales taxes pursuant to Title 68 O.S. 1996 Supp., Section 1356(1) which reads as follows:

> "There are hereby specifically exempted from the tax levied by this article:
>
> (1) Sale of tangible personal property or services to the United States government or to the State of Oklahoma, any political subdivision of this state or any agency of a political subdivision of this state; . . . ."

Because we do not issue "sales tax permits" to entities that are exempt by statute, you may provide vendors with a copy of this letter for documentation concerning your sales tax exemption. Travel expenses incurred on a reimbursable basis are not sales tax exempt.

The response contained in this letter applies only to the fact situation provided in your letter of May 20, 1997. Any change in the facts surrounding the transaction described, invalidates this letter. This letter may not be used by any entity other than the addressee.

If we can be of further assistance, please feel free to contact us at (405) 521-3279.

Sincerely,

OKLAHOMA TAX COMMISSION

Russ Nordstrom, Director
Taxpayer Assistance Division

RN:LW:tls