

TECHNICAL REVIEWERS' RATING SUMMARY

G-022-D

North Dakota Petroleum Council Oil Can! Program

Submitted by North Dakota Petroleum Council

Request for \$120,000; Total Project Costs \$257.834

Rating Category	Weighting Factor	Technical Reviewer			Average Weighted Score
		<u>22D-01</u>	<u>22D-02</u>	<u>22D-03</u>	
Objective	9	3	3	4	30.0
Availability	9	4	4	4	36.0
Methodology	7	3	3	4	23.3
Contribution	7	1	2	3	14.0
Awareness	5	3	4	3	16.7
Background	5	3	5	4	20.0
Project Management	2	3	3	3	6.0
Equipment Purchase	2	5	5	5	10.0
Facilities	2	5	3	4	8.0
Budget	2	3	4	4	7.3
Average Weighted Score		153	173	188	171.3
Maximum Weighted Score					250
<u>OVERALL RECOMMENDATION</u>					
FUND			X	X	
FUNDING TO BE CONSIDERED		X			
DO NOT FUND					

Section B. Ratings and Comments:

- 1. The objectives or goals of the proposed project with respect to clarity and consistency with North Dakota Industrial Commission/Oil and Gas Research Council goals are: 1 – very unclear; 2 – unclear; 3 – clear; 4 – very clear; or 5 – exceptionally clear.**

Reviewer 22D-01 (Rating: 3)

Yes, promotes Public Awareness of the benefits and opportunities provided by the North Dakota oil and gas industry.

- Promotes the benefits of the industry
- Positively impacts the industry

Reviewer 22D-02(Rating: 3)

Objective is to open and improve lines of communication between the ND petroleum industry and stakeholder groups. This public education supports the statutory goal to promote public awareness of the benefits and opportunities provided by the ND oil and gas industry and fits with the grant priority provided for effectively educating the general public about the benefits and opportunities provided by the ND oil and gas industry.

Reviewer 22D-03(Rating: 4)

I thought this section was well bid out with the objective being very straight forward.

- 2. With the approach suggested and time and budget available, the objectives are: 1 – not achievable; 2 – possibly achievable; 3 – likely achievable; 4 – most likely achievable; or 5 – certainly achievable.**

Reviewer 22D-01 (Rating: 4)

Campaign uses a variety of cost-effective promotional tools to further the cause and ensure the likelihood of success.

Reviewer 22D-02(Rating: 4)

The budget is for 1/1/11 -12/31/12 indicative of advance planning. The itemization appears conservatively reasonable with some controllable expenses.

Reviewer 22D-03(Rating: 4)

This approach I believe is likely achievable. I did not see much here that was overly complicated. As an individual that has been involved in various financial aspects (banking) of this oil boom, I think this is a good gesture. Returning something to the community in the form of a driving safe campaign and other good will aspects is important.

3. **The quality of the methodology displayed in the proposal is: 1 – well below average; 2 – below average; 3 – average; 4 – above average; or 5 – well above average.**

Reviewer 22D-01 (Rating: 3)

While most methods of communication seem to be appropriate, the plans for carrying out some of the activities lack accountability and place the burden on others.

The “Drive Safely” portion of the campaign does not provide an incentive for industry to participate, and does not explain how the public will receive the proposed bumper stickers and why would they put them on their vehicles.

Because industry is responsible for a large portion of the increased road traffic in western North Dakota, people often think negatively of the oil industry in regard to worsening road conditions and accidents that take place with impatient drivers around large equipment and vehicles. The industry as a whole has to collaborate in order to maintain a positive public image. So much of the industry’s activity relies on driving and all companies using safe driving practices is critical to ensuring employees and the general public reach their destinations safely.

While companies have been provided bumper stickers for industry and employee vehicles, the general public is offered bumper stickers at Petroleum Council events such as the Williston Basin Petroleum Conference and CookFest. The North Dakota Department of Transportation will also be provided bumper stickers to share with the public. People who live in the Bakken play witness the importance of driving safely every day and likely view reinforcing that message as critical, thus they are apt to support the “Drive Safely” campaign.

This program is a direct response to our guiding principles of “listen first” and “respect others.” It demonstrates that the Petroleum Council is aware of the issues and concerns of citizens living in western North Dakota and that the association is proactively trying to address these areas. It also demonstrates that industry members care about the well being of those living in the areas where they work.

The “Safety Education” program places the burden of educating students about the dangers of playing on oil field equipment onto the school system.

The “Safety Education” component of the *Oil Can!* program is still in its infancy. The Petroleum Council is in the process of forming an ad hoc Safety Committee that would work closely with our *Oil Can!* Committee on public outreach efforts relating to safety. The Safety Committee would be responsible for assisting the Petroleum Council in developing advertising and outreach materials as well as presenting on the importance of safety around oil field activity to students and community members in western North Dakota.

The Safety Alert kits will serve as a means to reinforce this message and assist schools in their current efforts of promoting safety. The various materials should function more as a continual reminder that is to be displayed around schools rather than as handouts.

Reviewer 22D-02(Rating: 3)

Methodology for this type of outreach is not complex nor have complex measures been included for assessment. The planned survey to measure public perception of the industry is reasonable if the survey is designed well and not biased. Independent input on the survey design may be beneficial. The university and college students/faculty involved may have good input regarding the survey design.

As we move forward with the process of conducting a baseline survey, our approach has changed slightly. Agency MABU will serve in the capacity of a facilitator and consultant. Students enrolled in the University of Mary's public relations course will work closely with the Petroleum Council and be responsible for the following aspects: coordinating the focus group meetings, recruiting focus group participants, recording the sessions, transcribing meeting notes, report writing and delivering a final oral report of the findings. If the Petroleum Council opts to conduct a telephone survey in addition to interviewing focus groups, the students will be responsible for: conducting the survey, creating an online survey option, data entry, data analysis and a final report. Agency MABU and two University of Mary communication professors will oversee the development of the survey instrument so that it remains unbiased. The survey will be conducted twice during the term covered in this grant.

The broad array of issues and subprograms to address these issues makes sense. There are multiple audiences with varying concerns and outreach effectiveness to these audiences is improved by the varying methods of outreach proposed in the grant.

The ND Industrial Commission Oil and Gas Research Council mission, goals, and priorities cite public education regarding the benefits and opportunities provided by the ND oil and gas industry. This grant proposal also anticipates addressing concerns by the public and stakeholders early and in a proactive manner. This is important and adds value to this grant proposal, because, if allowed to fester, such concerns can diminish positive public perception of the industry. Examples may include road conditions damaged by increased traffic, concerns of surface owners who may not benefit from royalty payments, driving safety issues, public infrastructure pressure, and environmental and other community issues. The proposed grantee cites media outreach via advertising. Use of unpaid media by offering and being available for interviews for news stories on industry issues of public interest may also be of value. The proposed grantee can enhance their status as an industry expert and further their role as an entity the press goes to for news information.

Petroleum Council President Ron Ness has become a key contact for many media outlets in western North Dakota for articles relating to industry issues such as production, development, workforce needs, housing, safety, etc. He is also periodically interviewed by radio stations in eastern North Dakota such as AM 1100 and AM 790. This type of media exposure is very important in increasing the presence of the Petroleum Council and spreading our messages relating to *Oil Can!*

Reviewer 22D-03(Rating: 4)

Simple – well thought of and bid out.

- 4. The educational contribution of the proposed work to specifically address North Dakota Industrial Commission/Oil and Gas Research Council goals will likely be: 1 – extremely small; 2 – small; 3 – significant; 4 – very significant; or 5 – extremely significant.**

Reviewer 22D-01 (Rating: 1)

Campaign is focused on education, promotion and preservation of industry. It does not have a scientific and/or technical component.

Reviewer 22D-02(Rating: 2)

Although there is value in having a resource such as the proposed grant recipient focused on sharing and communicating the positives of new and evolving scientific methods that improve the environmental, economic and safety aspects of the oil and gas industry.

Reviewer 22D-03(Rating: 3)

I did not see this as a scientific or technical contribution but more of an intangible good will effort.

- 5. The principal investigator's awareness of other current educational efforts being conducted by other persons or entities related to the proposal is: 1 – very limited; 2 – limited; 3 – adequate; 4 – better than average; or 5 – exceptional.**

Reviewer 22D-01 (Rating: 3)

Planned communications methods are relevant.

Reviewer 22D-02(Rating: 4)

I believe the proposed grant recipient, the ND Petroleum Council is well positioned to know the industry and be an effective public relations communication vehicle.

Reviewer 22D-03(Rating: 3)

I believe the website and the information that can be obtained from it will be very useful to the stakeholders.

- 6. The background of the investigator(s) as related to the proposed work is: 1 – very limited; 2 – limited; 3 – adequate; 4 – better than average; or 5 – exceptional.**

Reviewer 22D-01 (Rating: 3)

The background of the investigator appears to be suitable to Oil Can! campaign.

Reviewer 22D-02(Rating: 5)

Note there is a long way on a rating scale between better than average and exceptional. The proposed grantee has the reputation and its staff has the experience and industry connections to be well positioned to carry out the proposed work.

Reviewer 22D-03(Rating: 4)

No Comment

- 7. The project management plan, including a well-defined milestone chart, schedule, financial plan, and plan for communications among the parties involved in the project is: 1 – very inadequate; 2 – inadequate; 3 – adequate; 4 – very good; or 5 – exceptionally good.**

Reviewer 22D-01 (Rating: 3)

Methods of measuring the effectiveness of actions are vague. No methods are described for measuring the success of the “Drive Safely” or the “Safety Education” campaigns. No methods are described for evaluating Town Hall meetings or Cookfests. Use of Google Analytics reports to measure relevance of the website is the only measurement described.

Presently, we have no means of measuring the effectiveness of the “Drive Safely” or “Safety Education” campaigns. These portions of the *Oil Can!* program are proactive measures to spread the important message of always using safe practices around areas of oil activity. As these campaigns grow and develop, additional components and means of education outreach will be added that will likely lend themselves to being more easily measured for effectiveness.

Town hall meetings are likewise a proactive educational outreach effort. Their effectiveness is gauged by the number of people who attend compared to attendance in prior years, as well as by the complexity and nature of the questions asked compared to those asked during previous town hall meetings. An increase in the number of attendees and the technical level of questions asked demonstrates that more people take an interest in learning about industry activity and that the public’s general understanding of this activity is increasing with the length of time people are exposed to it. Additionally, attendees will be asked to complete public perception surveys so we can reach a broader base of North Dakotans.

CookFest events are evaluated on the approximate number of attendees and on discussions that take place between those attending and the companies who participate as part of a grill team. Following CookFest, participating company contacts are asked for suggestions they have for improving the event and for comments they received from attendees for improvements.

Reviewer 22D-02(Rating: 3)

There are not media contracts included, but the reviewer does not deem them required at this point. The project management plan seems reasonable for this type of work.

Reviewer 22D-03(Rating: 3)

This is not overly complicated

- 8. The proposed materials and media to be developed or used are: 1 – very inadequate; 2 – inadequate; 3 – adequate; 4 – very good; or 5 – exceptionally good.**

Reviewer 22D-01 (Rating: 5)

N/A

Reviewer 22D-02(Rating: 5)

No proposed purchase of equipment.

Reviewer 22D-03(Rating: 5)

I did not see any identified

Materials and media that will be developed are focused a few components of the *Oil Can!* program. Several three- to five-minute videos focusing on promotion of the Surface Owner Information Center (SOIC), safety, and other hot topic issues as they arise will be included in the budget for 2011 pending approval from the board of directors. The Petroleum Council is also planning to utilize several other media vehicles to promote the SOIC including a press release and radio and print advertising. The use of social media vehicles such as YouTube, WordPress and LinkedIn will also become part of the Petroleum Council's communication efforts during the next several months.

- 9. The materials and media available and to be purchased for the proposed educational effort are: 1 – very inadequate; 2 – inadequate; 3 – adequate; 4 – notably good; or 5 – exceptionally good.**

Reviewer 22D-01 (Rating: 5)

N/A

Reviewer 22D-02(Rating: 3)

Based on their track record the reviewer is confident the proposed grant recipient would make good selections of facilities for meetings and placement of media for outreach.

Reviewer 22D-03(Rating: 4)

No Comment

10. The proposed budget value relative to the outlined work and the financial commitment from other sources is of: 1 – very low value; 2 – low value; 3 – average value; 4 – high value; or 5 – very high value. (See below)

Reviewer 22D-01 (Rating: 3)

The cost attributed to Website - Social Media (training/contractors) seems high. Social Media services are free, and there is no explanation provided for “training/contractors.”

The costs attributed with employing social media are to cover expenses for the development of videos that will be created and uploaded to our social media vehicles, as well as paying Agency MABU to redesign the Petroleum Council website with a custom widget to aggregate RSS feeds.

The cost attributed to Survey Development – Survey appears to be a very rough estimate. Neither the suggestion to partner with colleges to have students conduct the surveys as a class project or to use Survey Monkey as a vehicle to conduct surveys warrants the amount budgeted. It is more in-line with the use of professional contractor.

The amount allocated to survey development is based on plans to conduct both focus group sessions and telephone interviews twice during the time period covered by this grant. Expenses include costs for materials, paying Agency MABU for consultation and facilitation of the surveys, and compensating the students for mileage and/or time.

Reviewer 22D-02(Rating: 4)

The proposed grantee will fund just over 50% of the cost of the project and is a good candidate to carry out this public relations project. This shows commitment by the industry members of the proposed grantee to support such activities.

Reviewer 22D-03(Rating: 4)

As ND goes through this boom cycle, the defining difference is the way we communicate issues and address problems and needs of the people in the communities that are affected. This is a good strategy that will help build good will and at the same time deliver important safety measures.

¹ “Value” – The value of the projected work and technical outcome for the budgeted amount of the project, based on your estimate of what the work might cost in research settings with which you are familiar.

Financial commitment from other sources – A minimum of 50% of the total project must come from other sources to meet the program guidelines. Support less than 50% from Industrial Commission sources should be evaluated as favorable to the application.

Section C. Overall Comments and Recommendations:

Reviewer 22D-01

The Drive Safely Campaign and the Safety Education portion of the grant request don't follow the same line. Neither program promotes the oil industry. Both items are crisis plans, neither of which appears to be well thought out. The Drive Safely Campaign lacks accountability and incentive for participation. The Safety Education program places the burden of educating students about the dangers of oil field equipment unto the school system. And, neither program appears to include any input from what I would deem to be a critical partner – law enforcement.

While I believe that the majority of the activities fit well under Oil and Gas's goals, I have a concern about the current lack of monitoring of the Oil Can! programs. Outside of the use of Google Analytics to evaluate the website's effectiveness, nothing is being employed to gauge the effectiveness of other programs right now. Included in the grant budget is a line item for "public perception" surveys. In addition to the proposed perception surveys, evaluations should also be solicited at events like the Town Hall Meetings and the Cookfests to gauge their value to the general public and the industry representatives.

My recommendation is to approve a partial funding of the grant. I don't believe that the Petroleum Council's Drive Safely campaign (\$37,872) and the Safety Education program (\$5,954) fit the Oil and Gas Research Council's mission. Therefore I have discounted the Petroleum Council's request, reducing it to \$84,008.

Both the "Drive Safely" and "Safety Education" campaigns help to foster an environment of responsibility, awareness and concern for the well-being of others. Demonstrating that industry is genuinely concerned about the welfare of North Dakota and its citizens helps open channels of communication between industry, policy makers, government agencies and the general public. Helping these groups to feel open and trusting of one another is critical in maintaining the balance that allows our state's oil and gas resources to be developed in a safe and environmentally sound manner. As both of these campaigns grow, additional partnerships will be formed and new means of educational outreach will be used. The Safety Alert kits that will be created as part of the "Safety Education" campaign are intended to supplement the safety education efforts currently being practiced by schools. Increasing safety education efforts will be a main goal of the Petroleum Council's planned Safety Committee.

In regards to measuring effectiveness, CookFest participants are asked for input on ways to improve the event and to share any suggestions for improvement they received from attendees. Town hall meetings are evaluated on whether there is an increase or a decrease in the number of attendees and the complexity of questions asked. Attendees are also asked to complete public opinion surveys to gauge understanding of the industry and effectiveness of the Oil Can! program in its outreach efforts.

Each of the components of the Oil Can! program are important in cultivating an environment that enables responsible development of the oil industry and builds a supporting relationship between industry, government and citizens. All of the Oil Can! events and outreach efforts promote the industry in some form or another. Whether it's educating people on new technologies that increase efficiency or ensuring citizens and policy makers that industry cares about our state and its citizens, fostering an environment of reciprocated support and understanding is critical for the growth of an industry that is vital to our state's economy.

Reviewer 22D-02

The proposed grantee is experienced and well connected with the stakeholders to carry out the proposed education and outreach program. The proposal incorporates a needed variety of educational and outreach components including media advertising, in person meetings, website information and branding which provides better assurances of reaching the targeted stakeholders. It also incorporates a survey to establish a baseline for measuring results of the efforts to build awareness of the positive aspects of the oil and gas industry. This reviewer recommends funding.