

Status Report on Oil and Gas Research Program Ongoing Education Projects
June 26, 2007

North Dakota Petroleum Council and Oil and Gas Education Program

This is a program submitted by the North Dakota Petroleum Council. Total cost of the program is \$210,000 with the Oil and Gas Research Council providing \$100,000. The purpose of this program is two fold—providing funding for the Teacher Education Seminar and a school-based program called the Energy Career Awareness Partnership which is a year-round program that puts someone in the classrooms across the State on a daily basis to make presentations, conduct seminars and trade-shows and hold training sessions about the energy industry. The expected result of this program is to provide an on-going education effort in North Dakota schools that will eventually expose virtually every North Dakota student to the energy industry. The duration of this project is two years.

November 15, 2005

Contract being drafted.

March 1, 2006

Contract signed and first report received. The three-day Teacher Seminar was held last year and continues to educate teachers about the oil and gas industry. Plans are being made for the 2006 seminars with teachers being recruited at this time. The Energy Career Awareness Partnership (ECAP) continues its work in providing information about the oil and gas industry to students and adults. An effort is being made to reach out to parents to inform them of the great career opportunities in North Dakota's energy industry. The ECAP is also assisting with the rewriting of the Bismarck Public School's Career Education classes to include a focus on the oil and gas industry. This is scheduled to be available to 9th grade students in the Bismarck Public School District in the 2006-2007 school year.

November 20, 2006

Second status report received. The 2005/2006 academic year resulted in direct contact with 5,431 individuals for grades four through adult. ECAP is returning annually to classrooms across the state, career, energy and job fair events. ECAP continues to try to engage parents in knowing that there are opportunities in the North Dakota energy industry.

April 10, 2007

Third status report received (June 1, 2006 – December 31, 2006) and has been posted on the OGRP website. NDPC three-day 2006 Teacher Seminar was held June 12-14. Forty-three participants attended with the majority being middle school math and science teachers. Positive evaluations were received from the participants. The Energy Career Awareness Partnership (ECAP) changed for the 2006-2007 year to a half-time contract with the Bismarck School District. With this change the funding for ECAP will be utilized an additional year – through 2007/2008. An amendment is being drafted to the contract to reflect this change. ECAP directly presented to nearly 8,300 students, teachers and parents during the time frame of the report. A detailed list of schools receiving direct ECAP services is available in the third status report along with a list of ECAP's participation in conferences and other activities for young people.

June 26, 2007

An amendment to this contract has just been forwarded to the Contractor for a one-year extension.

Contribution of the Petroleum Industry to the North Dakota Economy

This is a project submitted by the North Dakota Petroleum Council and Dr. Larry Leistriz of NDSU to estimate the contribution of the petroleum industry to the North Dakota economy, measured by indicators such as employment, income, additional gross receipts in various sectors of the state, and revenues from selected state taxes. In addition the Petroleum Council will develop a communications plan to determine the best use and distribution of the results to a targeted audience of North Dakota policy makers and/or the general public. The total cost of this project is \$40,000 with \$20,000 provided from the Oil and Gas Research Fund

March 1, 2006

Contract has been signed with the contingency that the Petroleum Council seeks involvement from the North Dakota Association of Oil and Gas Producing Counties and the Northern Alliance of Independent Producers. Input has been received from these two entities. Draft Oil Contribution Analysis is due October 1, 2006.

November 20, 2006

North Dakota State University is in the final stages of gathering data from the North Dakota oil industry for the Oil Contribution Analysis. The report based on the Analysis will be done by February 1. Once that report has been completed the next phase of the project regarding the communications plan will begin.

April 10, 2007

The draft report was just recently received and is currently under review. Once that report has been finalized the information will be made available to the Oil and Gas Research Council at their June meeting and a communications plan will be developed. This contract may need to be amended as it does not appear that the work will be completed by June 30, 2007

June 26, 2007

Final report has been received. Presentation is to be made at June 26, 2007 Oil and Gas Research Council meeting. The communications plan is still to be developed. Discussions regarding education projects will take place at the June 26, 2007 Oil and Gas Research Council meeting. These discussions may impact the development of the communications plan.

Education of Oilfield Fire Safety

This is a project submitted by the North Dakota Association of Oil and Gas Producing Counties. Total cost of the project is \$216,500 with \$15,000 being provided from the Oil and Gas Research Fund. The purpose of this project is to provide education to 3,000 volunteer and staff firefighters in western and central North Dakota and encourage them to learn more about oilfield fire safety by attending training at the Dickinson-based Williston Basin Oilfield Fire Training Facility that is currently being constructed. In addition this will include providing information to state officials and policy makers about oilfield fire safety and the importance of providing this training.

March 1, 2006

Contract signed. First report is due March 31, 2006

November 20, 2006

Two status reports have been received. Three newsletters of the four authorized in the funding have been distributed to 1,100 western oilfield fire volunteers. Information was also provided in early May at the Williston Basin Petroleum Conference in Minot. The North Dakota Association of Oil and Gas Producing Counties is requesting a no-cost extension to publish additional quarterly newsletters with the funds that remain.

April 10, 2007

Oil and Gas Research Council granted the no-cost extension. No quarterly newsletters have been provided at this point because of legislative responsibilities and workload. A no-cost contract extension will be submitted to the North Dakota Association of Oil and Gas Producing Counties in the near future.

June 26, 2007

A no-cost contract extension has just been forwarded to the North Dakota Association of Oil and Gas Producing Counties.

Research and Survey of Public Perception Program

This is a program submitted by the Northern Alliance of Independent Producers. Total value of the project is \$210,000 with \$20,000 provided from the Oil and Gas Research Fund. The purpose of this project is to launch a public education program through print and electronic media regarding the oil and gas industry—to educate the public regarding America’s current energy situation; assist consumers in making informed choices; help consumers have realistic expectations regarding energy; assist the public in supporting sound public policy choices; and complement current employment training, and education programs. The funding provided from the Oil and Gas Research Fund is to be focused on the research and survey aspects of this program.

March 1, 2006

Draft contract just forwarded to applicant this week.

November 20, 2006

Contract has been signed. The launch of the survey was postponed until after the November elections. Field research is now being done and is scheduled for completion by the end of November. Anticipate a report being made to the Council in December, 2006.

April 10, 2007

Between November 27 and December 5, 2006, telephone interviews were conducted with 400 North Dakota residents. Detailed tables of the responses were recently provided to the Council along with an Executive Summary. The Executive Summary has been posted on the OGRP website. Portions of the Executive Summary are outlined below:

- In regard to oil and gas development, almost half of residents feel the U.S. energy policy is headed in the wrong direction; a little less than one-third think it is headed in the right direction.
- Respondents strongly agree that the oil industry is important to North Dakota’s economy, the United States needs to decrease its reliance on foreign oil and increase its use of renewable energy, and that we should reduce our consumption of oil by using energy more efficiently. (Residents also feel North Dakota should promote

ways to increase its domestic oil and natural gas and in addition, they believe oil and natural gas prices will become more expensive in the next ten years.)

- Residents do not believe oil companies charge fair prices.
- More than half of residents think oil and gas companies should be taxed even if they don't make a profit.
- The most important facts in gaining public support for changes in North Dakota's oil and gas taxes to increase oil production in the state would be that increased oil production would increase the number of good energy jobs and would reduce our dependence on foreign energy. (The fact that taxes paid by North Dakota's oil and gas producers helps to reduce local property taxes was not considered important.)
- Two out of three residents would support changes in oil and gas taxes to increase oil production in the state; one-fifth would not. (Support levels did not change after respondents heard various facts about the oil and gas industry.)

June 26, 2007

A presentation will be made to the Oil and Gas Research Council at their June 26, 2007 meeting regarding the survey conducted with funding from this project. The Contractor has submitted a request for funding of Phase II of the original application which will also be discussed at the June 26, 2007 meeting.

Petroleum Safety and Technology Center

This a project submitted by the NW North Dakota Workforce Training Division (Williston State College). Total cost of the program is \$1,235,638 with the Oil and Gas Research Council providing \$27,066. The project is a multi-faceted effort to meet the critical workforce needs of the oil and gas industry in the Williston Basin. By developing a new training site offering hands-on experience with an actual rig, Williston State College's Workforce Training Division will educate individuals on the latest technology needed for a career in the oilfield industry. The funding of this project allows the College time to develop curriculum, to procure additional equipment, to customize to meet area service companies' needs and to establish permanent funding for a self-sustainable program.

June 26, 2007

A contract has just been forwarded to Williston State College.