



INDUSTRIAL COMMISSION OF NORTH DAKOTA

John Hoeven
Governor

Wayne Stenehjem
Attorney General

Doug Goehring
Agriculture Commissioner

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N.D. THREE FORKS STUDY POINTS TO ENHANCED BAKKEN SUSTAINABILITY As Much as 2 Billion Barrels of Recoverable Oil in the Three Forks

BISMARCK, N.D. – Gov. John Hoeven, Attorney General Wayne Stenehjem and Agricultural Commissioner Doug Goehring today announced the results of a state study requested by the N.D. Industrial Commission evaluating oil reserves in the Three Forks Formation in western North Dakota.

The Three Forks Formation could yield as much as 2 billion barrels of petroleum, enhancing the sustainability of the play over time, according to a recently completed study by the North Dakota Geological Survey and Department of Mineral Resources. Study authors said the results were not a surprise, considering what they already know about the geology of the region. Currently, there are 181 wells drilled in the Three Forks Formation. This confirms that it will be an important part of the overall Bakken play.

According to the report, there is a high likelihood that the expected ultimate recovery from the Bakken and Three Forks combined is approximately 4 billion barrels of oil, 2.1 billion from the Bakken and 1.9 billion from the Three Forks Formation. The upper fifty feet of the Three Forks Formation is the lowermost portion of the Bakken pool.

“Knowing that there are additional recoverable deposits in the Bakken will help us to attract new investments, build infrastructure and continue oil development in sustainable way over the long-term,” Hoeven said. “That’s good news for North Dakota in terms of jobs and opportunity, and it’s also good news for our country in terms of greater domestic oil production and energy security.”

The study is similar to studies done by the state in 2006 and 2008 to confirm a preliminary unpublished estimate done in 1999 by Dr. Leigh Price, a U.S. Geological Survey scientist who died before his report could be published and peer reviewed. Price predicted much higher levels of petroleum in the Bakken than was conventionally believed at the time.

In 2006, the North Dakota Geological Survey did a study indicating proved and probable reserves of 2.6 billion barrels. In 2008, they released a study confirming the earlier study and boosting the recoverable Bakken reserve estimate to between 3.0 and 4.3 billion barrels of recoverable oil. Between 2005 and 2008, wells increased by more than 20 percent, from 3363 to 4080. As of April 2010, there were 111 drilling rigs and 4642 active wells in North Dakota.

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“The Mineral Resources Division’s first report on the Bakken and other pools in 2006 helped to propel petroleum development in the Williston Basin earlier, and now this new report will help to extend that development into the future,” Hoeven said.

“North Dakota is in an excellent position to continue providing for the energy needs of the nation, and reducing dependence on foreign oil,” Stenehjem said. “We can be proud of what we are doing to develop an essential resource in an environmentally responsible way.”

“New technology and processes have enabled us to further develop our resources more efficiently, effectively and responsibly for our state and for mineral owners,” Goehring said. “I’m excited about what the future for our oil and gas industry holds for our citizens and our state. It is especially good news for our agricultural producers who will need a dependable supply of petroleum products to meet the world’s increasing demand for food.”

“As data has accumulated from new wells drilled and Oil and Gas Research Council sponsored projects we became increasingly certain that the Three Forks contains additional recoverable reserves over and above our 2008 assessment of the Bakken members,” said Lynn Helms, director of the North Dakota Oil and Gas Division. “The real impact of this information is greater sustainability of this play and decreased geologic and economic risk across the areas of North Dakota where Bakken and Three Forks are present.”

The new Three Forks projection is based on more than 200 well measurement logs and 85 sets of testimony from technical experts. The report provides estimates on a county-by-county basis, as well as statewide totals. Maps detailing the distribution of wells used to make the reserve estimates are also included. Work on the third installment of the Bakken pool assessment is currently underway. That report will focus on estimates for the lower Lodgepole Formation, as well as technological advancements that continue to increase recovery percentages, according to Helms.

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