



Enhanced Bakken Supply Chain Initiative

Powered By:

Will!ston
Economic Development

- Oil prices are roughly half of what they were this time in 2014
- Price does not look to recover anytime soon.
- Contrary to media reports:
THIS IS NOT A BUST



“There are two things to keep I mind abut the petroleum sector. First, we have gone through many commodity cycles in the past, and we will continue to in the future. It’s the nature of commodities. Second, the industry has survived each and every one of these cycles, coming out stronger through innovation and optimization.”

Tessa Sandstrom
North Dakota Petroleum Council





THE OIL & GAS INDUSTRY SEEKS TO
**REDUCE COSTS
& INCREASE
EFFICIENCIES**
IN THE **BAKKEN REGION**



OPPORTUNITY FOR
**MANUFACTURING
& LOGISTICS**
BUSINESS DEVELOPMENT

GOAL:

The Williston Economic Development office seeks to understand the challenges Bakken operators are facing due to the high costs and inefficiencies experienced while operating in the Bakken.

By gaining an understanding of these challenges WED will position itself to better relay the challenges to prospective manufacturing, logistics and service providers within the region.

Williston Economic Development is not the problem solver but merely a conduit of information relayed between two entities in order to start the dialogue towards addressing the issues.





2015 – 2016 Strategy

- Build relationships with the operators in the Bakken
- Build relationships with the suppliers, manufacturing and logistics entities in the region.
- Actively develop and pursue activities and venues to educate discover, and connect.



OIL & GAS INDUSTRY ECOSYSTEM

PRODUCT & SERVICE SUPPLY CHAIN

COMMODITIES

High volume materials used in the oil and gas industry, particularly in the exploration and production sector.

- Frac Sand
- Ceramic Proppant
- Aggregate
- Chemicals
- Water
- Drill Pipe
- Casing

PRODUCTS

Countless tools and materials are necessary to explore, drill, produce and transport oil and gas. There are literally thousands of products used on a daily basis in the industry.

- Drill Bits
- Gas Lift Systems
- Downhole Tools
- Mud Motors
- Coiled Tubing
- PVC Pipe
- Coated Steel Pipe
- LAC Units
- Flare Stacks
- Precast Pads
- Work-over Rigs
- Tongs, Elevators, Slips
- Gaskets, Flanges, Seals
- Pumps, Sucker Rods

SERVICES

Hundreds of service companies provide the day-to-day operational services and support needed to

- Seismic
- Land Services
- Architects, Engineers, Surveyors
- Drilling
- Hydraulic Fracturing
- Trucking and Rental Equipment
- Casing Crews
- Wireline
- Well Service
- Water Disposal
- Roustabouts
- Rig Movers
- Crane Services
- Machining and Welding

BUSINESS DEVELOPMENT

OIL & GAS INDUSTRY



UPSTREAM

EXPLORATION & PRODUCTION

Upstream companies focus primarily on the exploration and location of oil and gas reserves and the subsequent drilling and production of oil and gas for sale to the commodities market.

- Continental Resources
- Whiting Oil and Gas Corporation
- Hess Corporation
- EOG Resources
- Statoil Oil & Gas LP
- Marathon Oil Company
- XTO Energy Inc.



MIDSTREAM

TRANSPORTATION, STORAGE, & WHOLESALE MARKETING

Midstream companies provide the transportation, storage, and wholesale marketing of crude or refined petroleum products.

- MBI
- Nuverra
- Enbridge
- Plains All American Pipeline
- True Cos.
- Summit Midstream
- Bakken Oil Express
- Crestwood



DOWNSTREAM

REFINING, PROCESSING, MARKETING & DISTRIBUTING

Downstream companies include those that refine crude oil, process natural gas and develop products derived from crude oil and natural gas.

- Liquefied Natural Gas (LNG)
- Gasoline
- Diesel Oil
- Jet Fuel
- Heating and Fuel Oils
- Propane
- Asphalt
- Synthetic Rubber
- Plastics
- Lubricants
- Pharmaceuticals
- Fertilizers

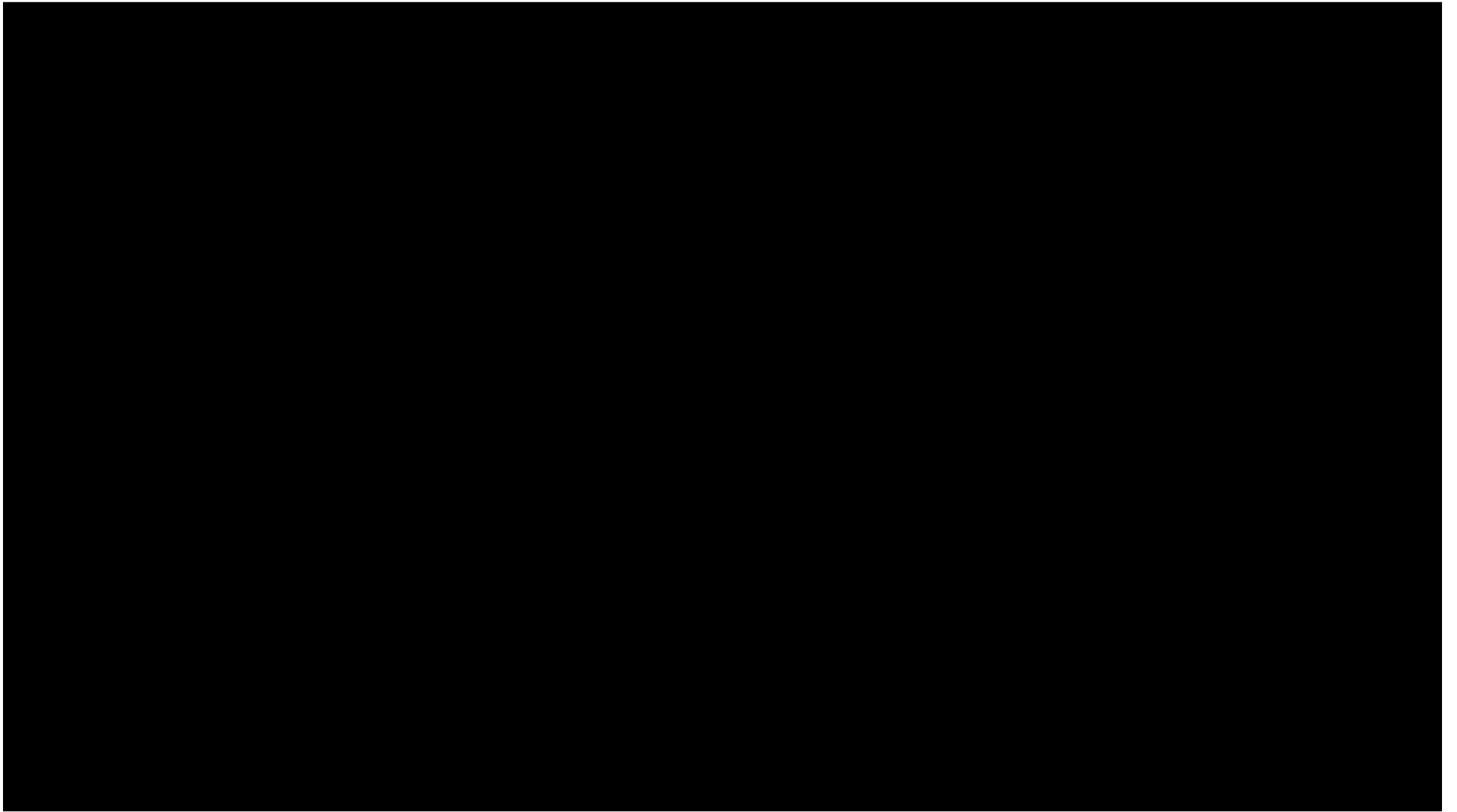
LOGISTICS

Logistics is the flow of commodities and products throughout the product and service supply chain and oil and gas industry.



- Class I Railroads
- Short-Line Railroads
- Transload Facilities
- Over-the-Road Trucking
- Common Carrier
- Contract Carrier
- Hotshot
- Air Freight





Reducing Costs and Increasing Efficiencies

Flowcore Systems

Introduced a vision to bring innovative chemical treatment solutions to the oil & gas industry. FlowCore Systems uses a non-mechanical pump controlled with a micro-processor to replace failing mechanical pumps. This provides a safer and more accurate metering of fluids into needed production processes thereby decreasing down time and increasing production.



Petroleum Services

In addition to their oilfield service rentals, the company established a mud-motor remanufacturing facility. Thus, decreasing downtime and lost revenue by having to send mud motors out of state to be remanufactured.

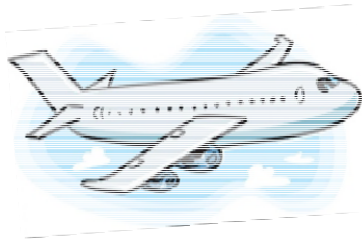
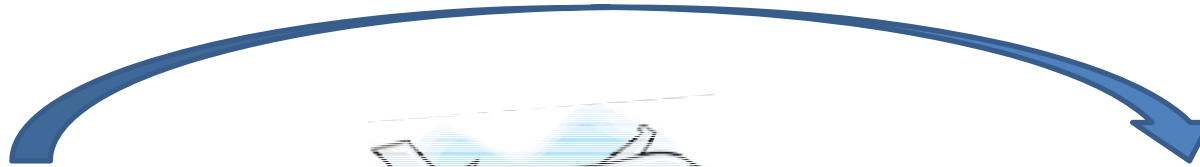


Working on a pilot program to recycle Bakken drilling waste while protecting the environment, turning waste that would otherwise go to a landfill into material for roads or other uses.





Enhanced Bakken Supply Chain Initiative



- Attended the North Dakota Petroleum Council Board Meeting and Social
- Connected with over 20 Identified operators in the Bakken with headquarters in Denver



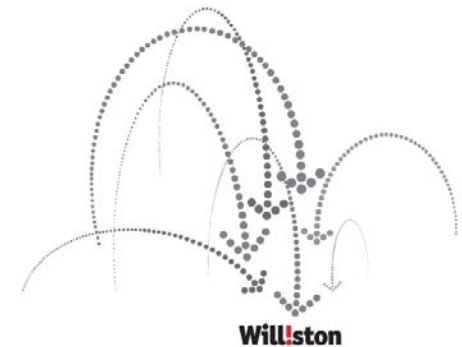


**Enhanced
Bakken
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TECHNOLOGY

- “Technological advancements in unconventional oil and gas drilling will continue to reduce well drilling and development costs.”
- “Automation will create additional demands for labor skilled in Information Technology. Operators will catch small problems before they become bigger, more costly problems, and gain enhanced production efficiencies.”

KLJ: 2014-2019 ND Oil and Gas Industry Impact Study





**Enhanced
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Still Demonstrates A Need For Surface Transportation Development

Drilling Related Truck Movements Per Bakken Well

Water (Fresh) – 450

Water (Waste) – 225

Frac Tanks – 115

Sand – 100

Scoria/Gravel – 80

Rig Equipment – 65

Drilling Mud – 50

Cement – 20

Pipe – 15

Other - 30

1,150 Loaded Trucks

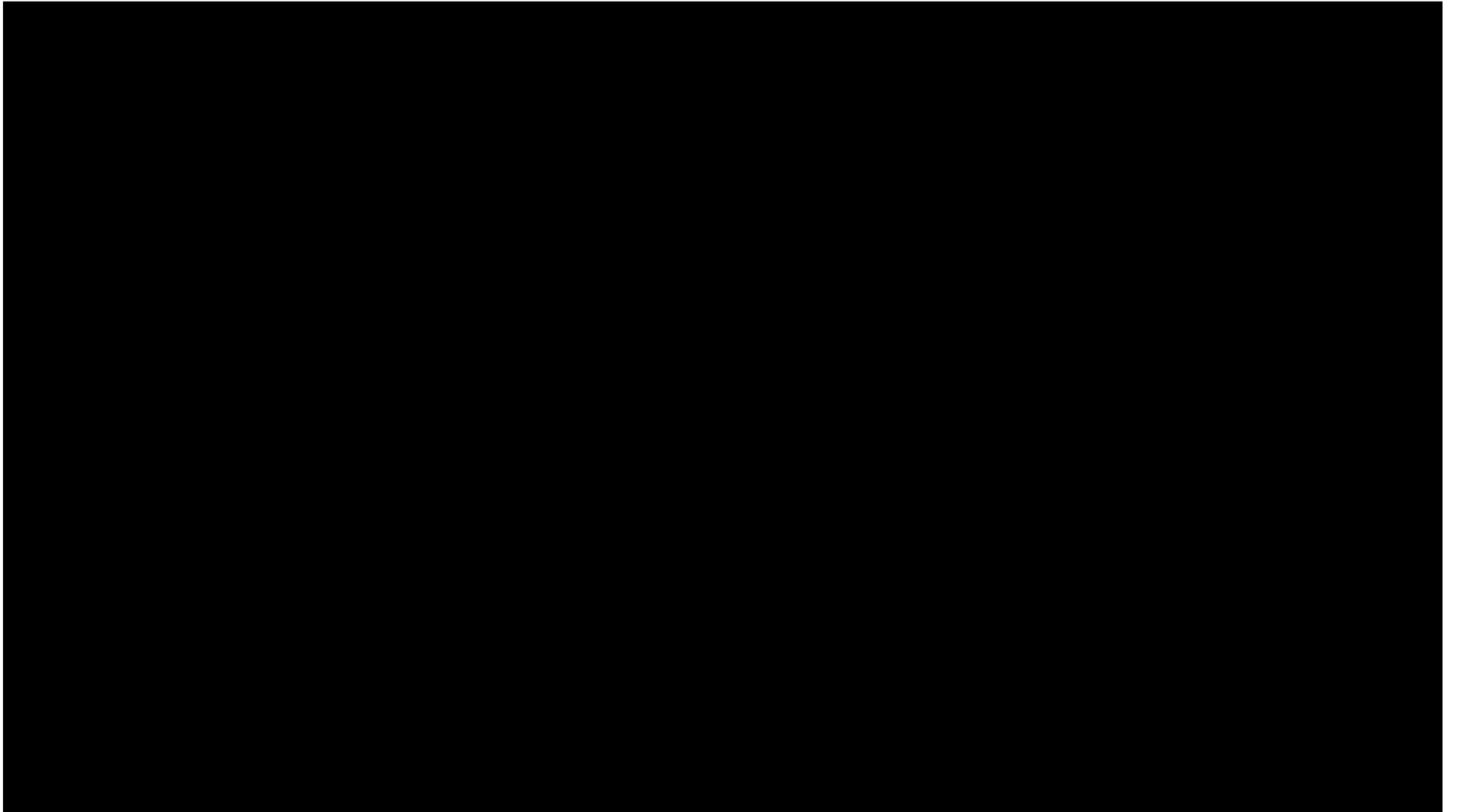
2,30 Loaded and Empty





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JOIN THE INITIATIVE!!!



Will!ston

Economic Development

Thank-You

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