

THE 2005 NORTH AMERICAN PROSPECT EXPO (NAPE)

Final Report to the
North Dakota Oil and Gas Research Council

Edward C. Murphy
North Dakota Geological Survey

June 17, 2005

PROJECT SUMMARY

Purpose of Project

The purpose of the project was to generate interest in the oil and gas potential of the North Dakota portion of the Williston Basin by staffing a booth at the 2005 North American Prospect Expo (NAPE). This is the largest gathering of the oil companies and landmen in the U.S.

Work Accomplished

Two NDGS Petroleum Geologists, Randy Burke and Julie LeFever, created posters and handouts of the three most prominent oil and gas plays in the Williston Basin (Bakken, Birdbear, and Ratcliffe/Mission Canyon). Two hundred oil and gas play handouts were distributed at the meeting to interested oil company geologists, executives, landmen, and financiers that visited our booth to discuss the Williston Basin.

Project Results

One of our subsurface geologists has received requests for information on the Bakken from several dozen geologists that she either spoke directly to while at NAPE meeting, or to company geologists that heard about her work on the Bakken Formation from colleagues that saw her at NAPE. Our other subsurface geologist was unable to document any specific requests on the Ratcliffe or Birdbear stemming from NAPE.

Potential Application of the Prospect

The record levels of leasing and other activities associated with oil and gas exploration have made it difficult to identify the success of our appearance at NAPE. That is, how much additional activity resulted from the NAPE meeting. The leasing of a single quarter section of mineral acres, the running of a seismic survey, or the drilling of an oil well, even if it were to be a dry hole, would generate tax revenues for the state of North Dakota far in excess of the total cost of this project.

Introduction

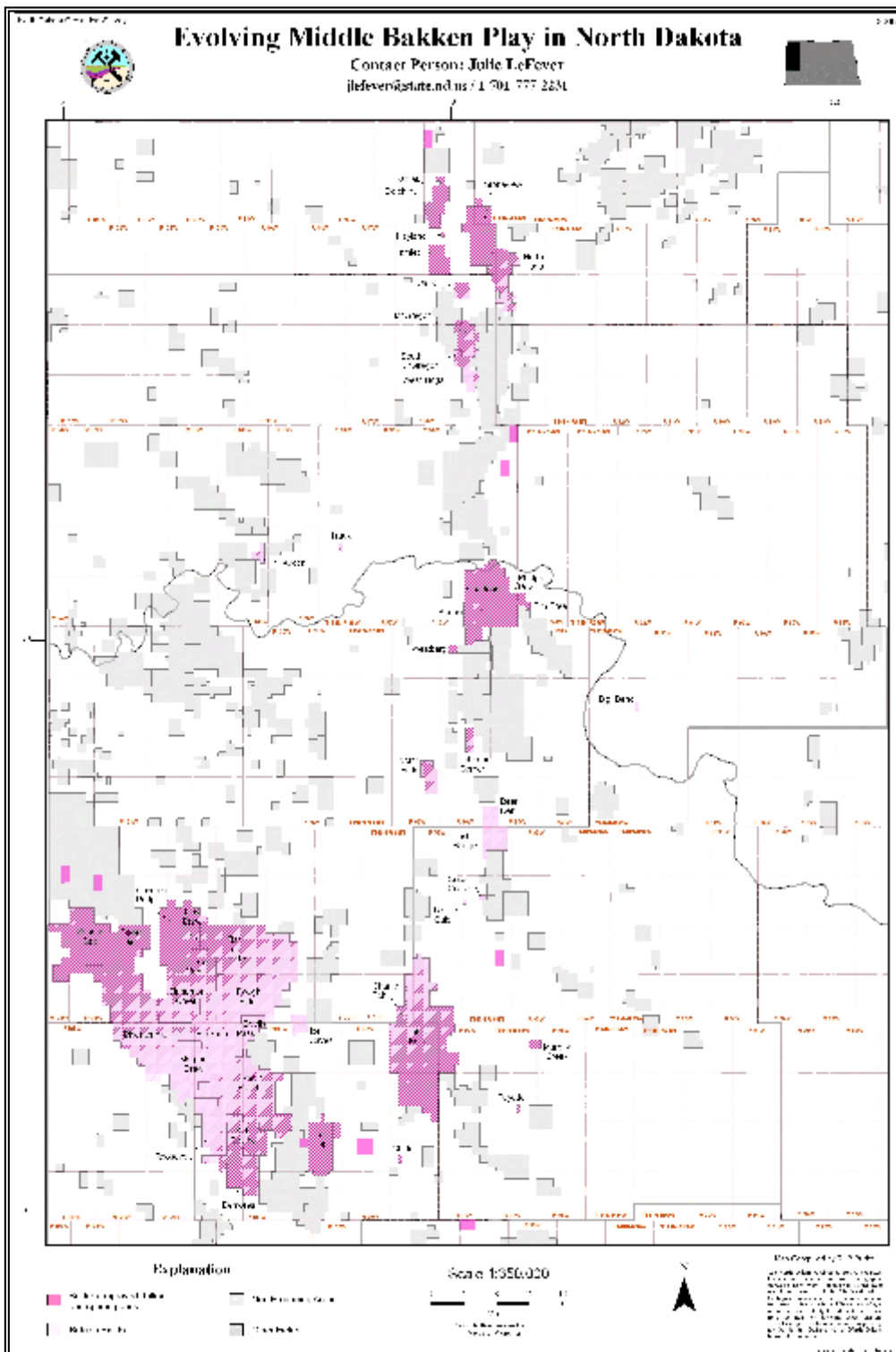
The North Dakota Geological Survey received a \$5,000 grant from the North Dakota Oil and Gas Research Council in the fall of 2004. The grant was to defray travel expenses for two of our subsurface geologists (Julie LeFever and Randy Burke) to attend the North American Prospect Expo (NAPE) held in Houston, Texas on January 26-27, 2005. The expo is billed as the largest oil and gas production event in the world. This year, over 10,700 geologists, landmen, oil company executives, and financiers attended the event.

Display Material

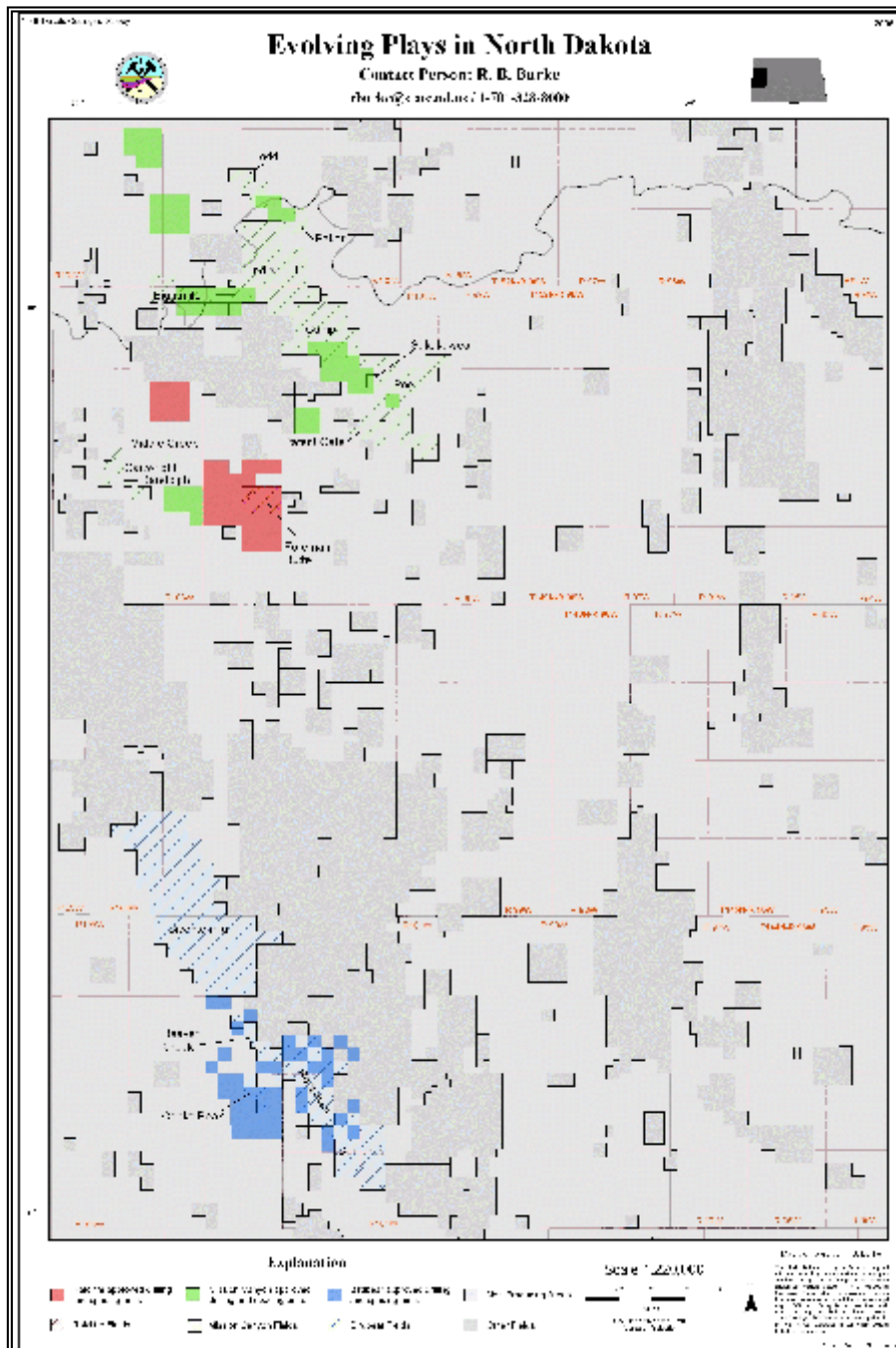
Our subsurface geologists created posters and a double-sided handout that highlighted drilling blocks that have been established in the four major oil and gas plays (Bakken, Birdbear, Ratcliffe, and Mission Canyon) currently taking place in western North Dakota. We also handed out brochures from the North Dakota Petroleum Council to expo attendees. A laptop computer was available to demonstrate the Oil and Gas Division's subscription website.



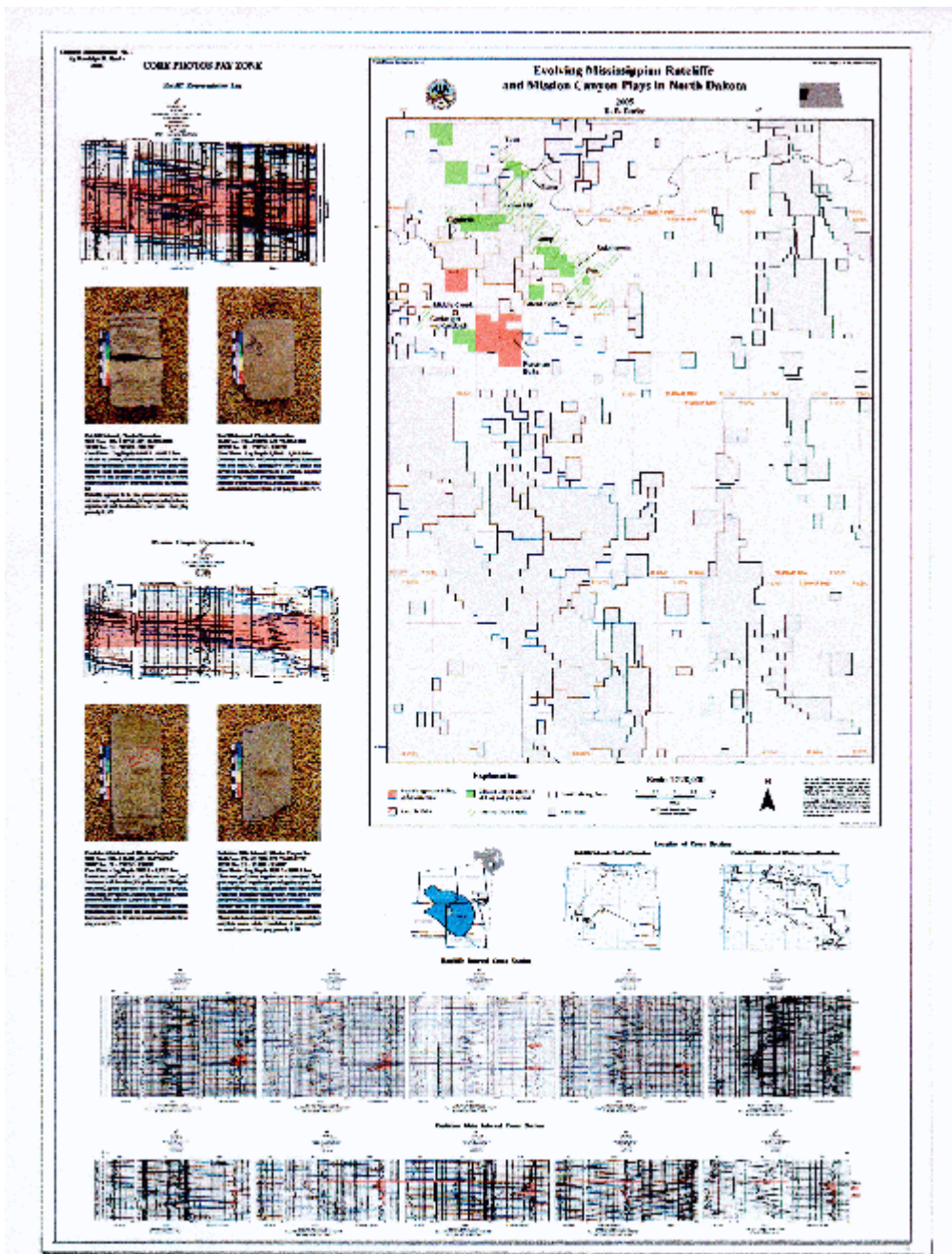
North Dakota Geological Survey geologist Randy Burke (right) explains the geology of one of the oil plays currently taking place in western North Dakota to an interested attendee of the 2005 NAPE meeting. The laptop computer was open to the North Dakota Oil and Gas Division's subscription website. One of the two gift packages from the North Dakota Tourism Division is visible on the left side of the table.



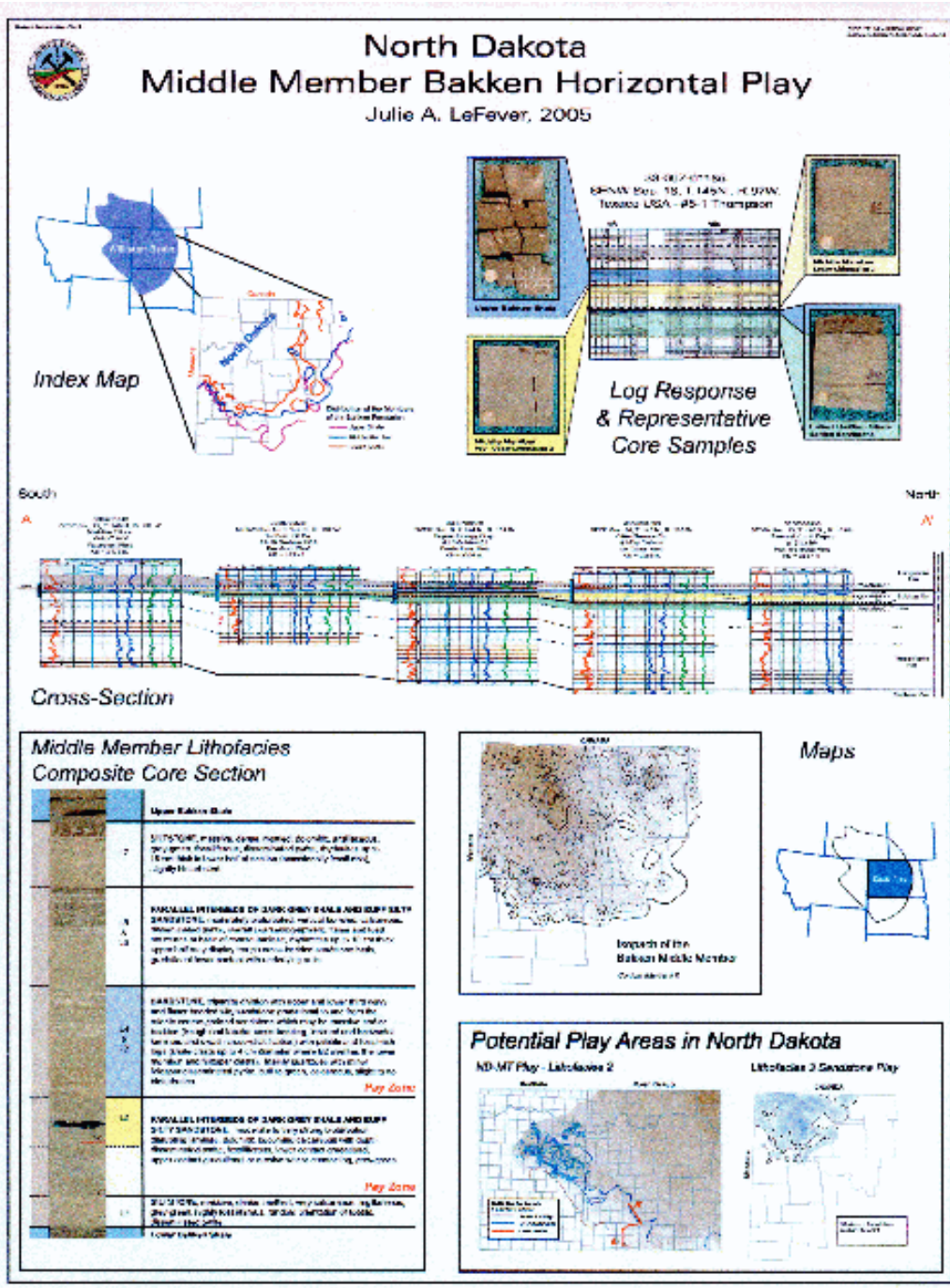
One side of the page-sized handout for NAPE 2005. This map identifies the approved Bakken drilling blocks as of January 1, 2005.



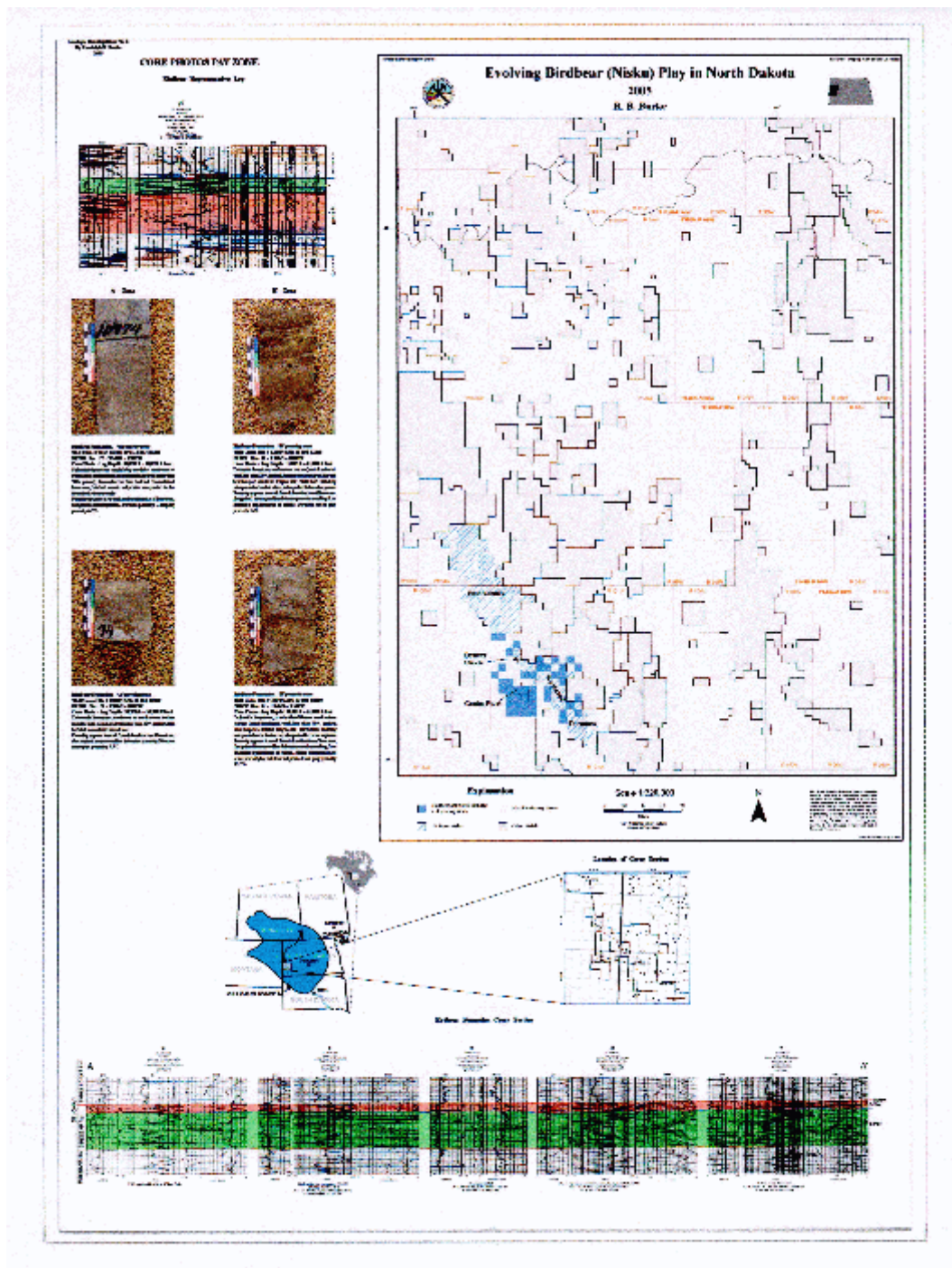
One side of the page-sized handout for NAPE 2005. This map identifies the approved Birdbear and Ratcliffe/Mission Canyon drilling blocks as of January 1, 2005.



_____A poster created for NAPE 2005 showing log cross-sections and oil well cores through oil-producing horizons in the Ratcliffe Interval and Mission Canyon Formation in North Dakota.



A poster created for NAPE 2005 showing log cross-sections and oil well cores through productive horizons in the Middle Bakken Formation in North Dakota.

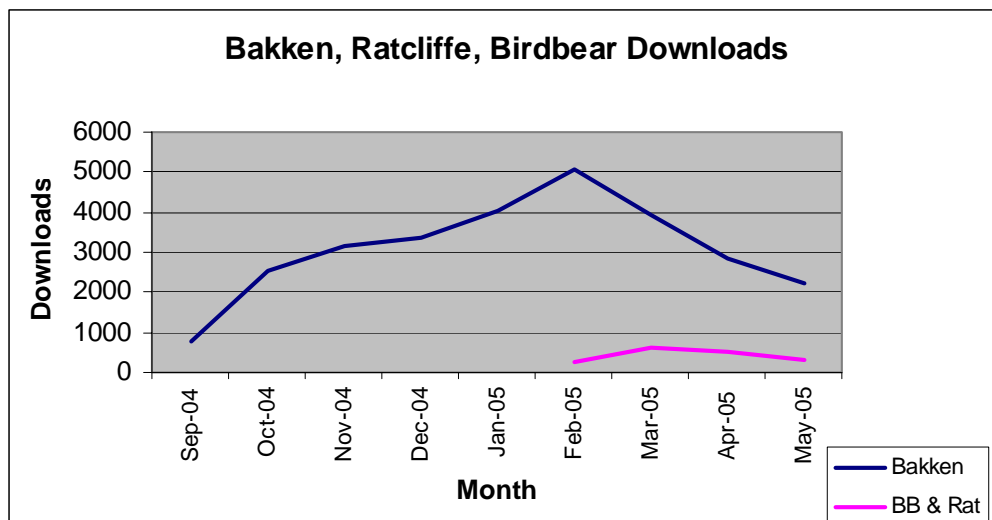


_____A poster created for NAPE 2005 showing log cross-sections and oil well cores through productive horizons in the Birdbear Formation in North Dakota.

Results

More than 200 people stopped by our booth to discuss the current oil plays in North Dakota and to obtain copies of our handouts. During the meeting, the results of the January, 2005 federal lease sale were announced which included record bonuses being paid for lands in western North Dakota. Julie and Randy said news of the lease sale record spread quickly through the expo and drew additional people to our booth. A drawing of business cards was held each day with baskets from the North Dakota Tourism Department as door prizes. Business cards were retained in order to attempt to identify individuals or companies contacting us due to our presence at NAPE.

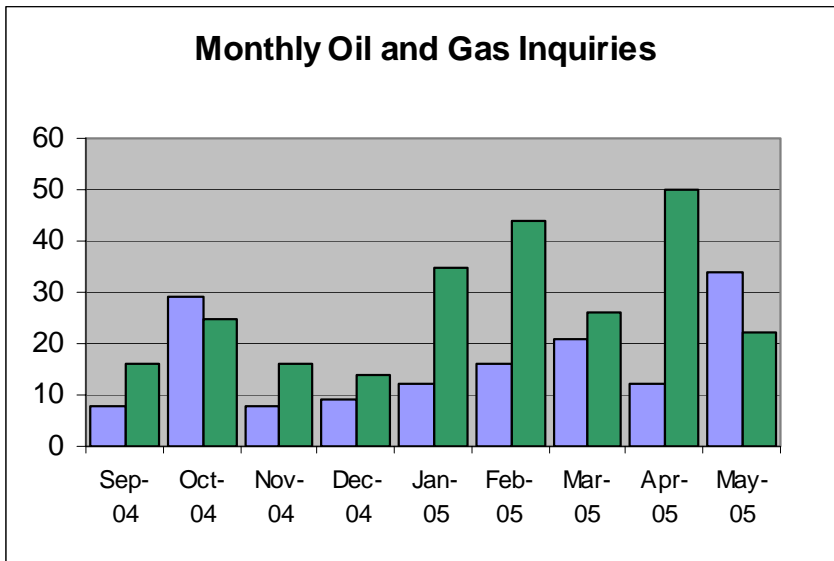
Since the NAPE meeting, we have been closely monitoring our enquiries, website hits, publication sales, etc. to assist us in determining the benefit of our having a booth at NAPE. During the last four months, we have been experiencing increased activity in all of these areas. This includes almost 30,000 downloads of our Bakken, Birdbear, and Ratcliffe posters, powerpoint presentations, and reports on the North Dakota Geological Survey website. We have also been experiencing higher than normal levels of activities in our core and sample library in Grand Forks.



This graph indicates a peak in downloads of Bakken items on the ND Geological Survey website in February, 2005, the month following NAPE 2005. We are confident that at least some of that increase came from the handouts and contacts that we made at that meeting.

The North Dakota Geological Survey will staff a booth at the Rocky Mountain Sectional Meeting of the Association of American Petroleum Geologists this fall in Wyoming. Randy Burke and Julie LeFever will compare their experiences at this meeting to those at NAPE 2005. We have initial plans to attend NAPE 2006 and share a booth with the North Dakota State Land

Department. This should reduce our participation costs (one geologist, rather than two, and half the booth rental) by one-half. Following the NAPE 2006 meeting, we will assess the benefits to the State of North Dakota for the Geological Survey to staff a booth at both the NAPE and AAPG meetings.



Inquiries on oil and gas matters received by the North Dakota Geological Survey from September, 2004 through May, 2005. One of our subsurface geologists's inquiries steadily increased from November, 2004 through March, 2005 (in blue). Another subsurface geologist's inquiries (in green) rose in January, February, and April of 2005. Most of this increase (in green) was attributable to organization of the Williston Basin Petroleum Conference held in late April.

EXPENSES CHARGED TO GRANT

Travel Expenses

Airline Tickets (we saved approximately \$500 on airfare)	\$1,358.60
Lodging and per diem, taxi, airport shuttle, etc (823.39 + 784.63)	\$1,608.02

Miscellaneous

NAPE Registration and Booth Rental	\$ 900.00
Bulletin board rental	\$ 108.50
Power cable into booth	\$ 53.90
Two give-away tourism baskets	\$ 79.60
Copying 1,000 major ND play handouts	\$ 140.00
Shipping materials to NAPE (Fed Ex)	\$ 30.72
Poster supplies	\$ 75.00
Laminating Posters	\$ 73.70

TOTAL REQUESTED FROM OIL AND GAS RESEARCH COUNCIL GRANT \$4,428.00

IN-KIND SALARY SUPPORT

	<u>Hours x Salary</u>	
<i>geologist</i>	202 x \$31.239	\$ 6,310.21
<i>geologist</i>	70 x \$29.67	\$ 2,076.98
<i>gis tech</i>	33.5 x \$20.189	\$ 676.34
<i>drafting tech</i>	88 x \$18.237	\$ 1,604.83
<i>core library tech</i>	20 x \$17.164	\$ 343.28

TOTAL MATCH FROM THE ND GEOLOGICAL SURVEY \$11,011.64