

May 31, 2005

North Dakota Industrial Commission
ATTN: Oil and Gas Research Program
State Capitol – Fourteenth Floor
600 East Boulevard
Bismarck, North Dakota 58505

Dear Oil and Gas Research Council Members,

Attached you will find a funding request for an 11-month project to be completed by the State Historical Society of North Dakota Foundation, the State Historical Society of North Dakota and Keitu Engineers & Consultants, Inc. Enclosed is a grant application for \$15,720 representing 50% of the proposed budget of \$31,440 for this project phase and a check for the \$100 grant application fee.

Please accept this letter as a binding commitment on behalf of Keitu Engineers & Consultants, Inc. to complete the project as described in the application if the Commission approves the grant as requested.

Sincerely,

Kathleen M. Spilman, PE
Managing Director

Enclosures: Grant Application
 \$100 Check Application Fee

cc: Mr. Merl Paavrud, Executive Director
 State Historical Society of North Dakota

 Ms. Virginia Nelsen, Executive Director
 State Historical Society of North Dakota Foundation

 Mr. William Schott, Marketing Consultant
 State Historical Society of North Dakota Foundation

Oil & Gas Research Council Project Proposal

“ND Oil & Gas Historical Artifact Catalog” \$15,720 Matching Grant Request

May 31, 2005



STATE HISTORICAL SOCIETY
OF NORTH DAKOTA



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Abstract

The proposed project entitled “Historical Artifacts’ Catalog” is will identify, compile and catalog historically relevant artifacts to North Dakota’s petroleum industry. The effort is expected to be a multi-phase project to assist civic, state and industry leaders and citizens to retain, restore and display these artifacts.

This first phase of the project is expected to cost \$31,440 and is expected to be completed within eleven (11) months. The project work will be performed by a multidisciplinary team led by the Keitu Engineers & Consultants, Inc. working together with the State Historical Society of North Dakota and its Foundation. The project team is requesting \$15,720 matching grant funding from the Oil & Gas Research Council in support of its 20% funding goal for educational projects.

Project Summary

The proposed project entitled “Historical Artifact Catalog” will establish the infrastructure, identify probable private collection locations, compile and consolidate information from public collections into a single computer database and complete a pilot program obtaining oral histories from up to 10 ND oil industry pioneers. Working with staff from the State Historical Society of North Dakota and its auxiliary Foundation, the project will establish an infrastructure and a staff of volunteers to setup a centralized database of oil & gas related artifacts throughout the state. An owner survey will be developed and ranking criteria established to represent an items historical significance to the State’s oil and gas industry and its potential for public display. The project infrastructure will validated during the initial project’s initial use to compile information collected

during the first phase of owner contacts. A pilot program to compile oral histories from the State's oil industry pioneers will be initiated to evaluate success with this mechanism for this application. Finally, information gathered will be posted to a centralized database that can be accessed throughout the state via internet.

This effort will support subsequent projects to compile specific information on privately-held artifacts, assess the availability of items from various categories and evaluate the possibility of combining elements into cohesive public displays.

Artifact purchase acquisitions are beyond the scope of this project. Likewise, no attempt will be made to validate or authenticate any item included in the catalog in this phase of the project.

Project Description

In support of the educational goal of the North Dakota Oil & Gas Research the proposed project entitled "Historical Artifact Catalog" will establish the infrastructure, identify probable private collection locations, compile and consolidate information from public collections into a single computer database, and begin to compile information on state-wide collections.

The State Historical Society of North Dakota (SHSND) recently completed its effort to evaluate current Commercial Off-The-Shelf (COTS) collection management software packages and selected Past Perfect as best suited for its use. The SHSND will be converting its archive database to "Past Perfect" format beginning July 1, 2005. To be directly compatible with the largest data repository of items of interest in the state, the Historical Artifact Catalog project proposes

the purchase of Past Perfect and multiple software licenses for its data management and reporting purposes.

As a first attempt to consolidate historically relevant information, an “80-20” strategy will be employed. Identification of the location of items of interest will focus on incorporation of inventories from existing public historic and commercial organizations and trade associations with a limited outreach effort to invite the general public to participate if desired. Public collection owners will be contacted via telephone or written correspondence, and direct contact with existing historical and industry-specific organizations. Outreach efforts to private collectors will rely on referrals from industry specific trade associations and commercial organizations. Project press releases, public service announcements, an internet website, and potentially a limited number of newspaper advertisements in targeted to western North Dakota are planned in an attempt to “cast the net” as wide as practical. Finally, up to 10 individuals who represent North Dakota’s “oil industry pioneers” will be contacted and attempts to record their oral history of the state’s early days.

This project will (1) develop criteria to be used to rate the historical significance of artifacts; (2) purchase and install a multi-license version of a collection management software package; (3) identify “value added” custom database fields; (4) train project personnel on the use of the software; (5) compile a database of industry-specific “Level 1” contacts which are likely to be able to identify individual “Level 2” contacts likely to directly or indirectly possess items of interest; (6) contact Level 1 individuals and develop a database of Level 2

individuals; (7) correspond with Level 2 contacts to determine likely items of interest and willingness to participate in subsequent phases of the project; (8) establish internet website and email account for project (9) engage the mass media to issue public service announcements, press releases and limited paid newspaper advertisements to encourage open participation by private collection holders; (10) compile and load information on oil & gas artifacts into the database (11) establish internet access to catalogue: (12) train staff and/or volunteers to conduct oral histories; (13) collect oil histories from up to 10 of the states oil industry pioneers; (14) assess number of confirmed and suspected artifacts and locations to refocus efforts if necessary;; and (15) develop plan for next phase of the project. Total for Phase I of the project is \$31,440 (O&GRC share: \$15,720).

Standards of Success

The success of this project will be tracked by using hard number metrics including completion dates of project milestones, total number of contacts development, success rate of participation and website hits. Progress will be monitored using completion date tracking for defined tasks for items 1, 2, 3, 8, 9, 11,12, 14 and 15 while item 4 software training will be assessed by tracking the total number of volunteers trained in its use. The number of contacts identified and the success rate in contacting or generating interest from these contacts will be used for items 5, 6 and 7. Total number of data records loaded or oral histories obtained will indicate success for items 10 and 13.

Background

The North Dakota Heritage Center, home of the history agency, and the state's largest museum will be expanding in the next 4-6 years. The staff of the agency will be developing new exhibits. With the help of the leaders in the oil and gas industry, this industry's story can be preserved and organized for an appropriate exhibit in an appropriate location at the appropriate time. But if the information and artifacts are lost, and more importantly, if the users of these artifacts are lost, the stories cannot be told and great history is lost forever.

The story of the oil and gas industry in North Dakota begins in the swamp lands of times long past and continues today. This progression is a story that our professionals can tell and want to enhance for the citizens and visitors to our state. This "Historical Artifact Catalog" will identify key artifacts - critical to telling the complex story of this significant economic sector. This inventory will be critical to other history professionals and communities who want to add oil and gas history venues to their regional story telling.

This project incorporates an effort to share this information with other regional and county historical societies. Most organizations at this level will not be able to afford the software and having access to training and the use of this software though a web connection will be very helpful for regional attractions. The project team recognizes other communities and agencies throughout the state have strong ties to the petroleum industry and may want to pursue similar efforts to support the educational goals of the ND Oil & Gas Research Council.

Qualifications

The project work will be performed by a team led by the State Historical Society of North Dakota, its Foundation and Keitu Engineers & Consultants, Inc. Co-project managers will be William Schott, Consultant to the State Historical Society of North Dakota Foundation and Kathleen M. Spilman, PE of Keitu Engineers & Consultants, Inc.

The State Historical Society of North Dakota manages the State's historical collections and are the self-described "attic keepers" for North Dakota. Their staff also provides technical support and consulting to over 100 local historical organizations. The mission of the Foundation is to support that mission by doing things the Society cannot do for itself. The Foundation is a 501(c)3 nonprofit and was organized by Governors Guy, Brunsdale and Davies to support the building of the North Dakota Heritage Center. The Foundation continues to fulfill that mission by providing fundraising support, community outreach, marketing and support of the programs and publications of the Society.

Keitu Engineers & Consultants, Inc. was established in 2001 to provide professional services to a wide range of local and regional clients. Past projects have included managerial and information technology (IT) support to private, public and military sector clients including survey development and software installation and configuration. Keitu can provide petroleum industry background knowledge to the project team.

Value to North Dakota

The proposed historical oil & gas artifact catalog supports the educational goals of the ND Oil & Gas Research Council; specifically:

- Most effectively educate the general public about the benefits and opportunities provided by the North Dakota oil and gas industry.
- Develop baseline information that will lead to other projects, processes, ideas, and activities.

Certain international industries, including “big” oil, have for a variety of reasons acquired a negative stigma in the public eye that may or may not be deserved. Explanations provided in a historical context offer a unique opportunity to educate the general public and work to remove the negative stigma. Preparation of exhibits for family-orientated, educational settings will incorporate information about the energy industry. It will identify the importance of this industry in the state and provide a broader understanding of the issues relevant to North Dakota’s present and future energy needs.

Finally, outreach activities to both collectors and museums will raise awareness of the value such artifacts may offer encourage others to locate and/or preserve such artifacts for future display.

Management

William Schott, Consultant to the State Historical Society of ND Foundation and Kathleen M. Spilman, PE of Keitu Engineers and Consultants, Inc. will be jointly responsible for the project. Mr. Schott is a Marketing

Consultant for the State Historical Society of North Dakota Foundation. Ms. Spilman is a Managing Director at her firm.

Schedules and priorities will be reviewed every week in project staff status meetings. Status reports will be issued monthly outlining product performance, delivery deadlines, and intermediate progress review steps and project metrics.

Timetable

- (1) Develop artifact ranking criteria – August 2005
- (2) Purchase and install software package – September 2005
- (3) Identify “value added” custom database fields – September 2005
- (4) Attend user Past Perfect user training – October 2005
- (5) Compile initial list of “Level 1” contacts – October 2005
- (6) Contact Level 1 individuals to develop Level 2 database – November 2005
- (7) Correspond with Level 2 contacts – February 2006
- (8) Establish project website and email accounts – September 2005
- (9) Engage the mass media outlets – November 2005
- (10) Compile and load database – February 2006
- (11) Establish internet access to catalogue – February 2006
- (12) Train staff and/or volunteers to conduct oral histories – December 2005
- (13) Collect oil histories from oil industry pioneers – February 2006
- (14) Assess number of confirmed and suspected artifacts – March 2006
- (15) Develop plan for next phase of the project – March 2006

Budget

Past Perfect Software Purchase	\$ 1,800
System Administration and Configuration	\$ 2300
Internet Database Hosting (6 months)	\$ 600
Past Perfect Training Development, Delivery and Attendance	\$ 1900
Internet Domain Name / Email Accounts / 5 Page Webpage	\$ 300
Webpage Development (Staff Salary)	\$ 500
Webpage Support & Email Administration (Staff Salary)	\$ 3000
Artifact Ranking Criteria Development (Staff Salary)	\$ 1500
Newspaper Advertising & Development (\$120 Staff Salary)	\$ 620
Level 1 Correspondence and Data Gathering (Staff Salary)	\$ 4020
Level 2 Contacts and Data Gathering (Staff & Support Staff)	\$ 3375
Level 2 Contacts and Data Gathering - Subject Support	\$ 1250
Level 2 Contacts and Data Gathering (Overhead & Travel)	\$ 1320
Past Perfect Data Entry (Volunteer Staffing)	\$ 1000
Level 3 Oral Histories (Staff, Training & Support Staff)	\$ 3535
Level 3 Oral Histories – Subject Support	\$ 480
Level 3 Oral Histories – (Overhead, Equipment Rental & Travel)	\$ 720
Data Analysis & Reporting and Project Management (Staff Salary)	\$ 2220
Project Overhead (Network Hosting, Postage, Long Distance, etc)	\$ 1000

PROJECT TOTAL

\$31,440

The funding requested is necessary to achieve the project's objectives within the proposed timetable. If no funding or less funding is available than requested, the project will reduce scope as appropriate. Outreach efforts and the oral history pilot program with oil industry pioneers will be deferred to later project phases.

Matching funds

Tesoro Refining & Marketing – \$500 – cash; \$500 in kind support

Other Corporate & Private Support TBD – \$1000 – cash

In-kind Subject Support - \$2,730 (ND Petroleum Council, etc.)

State Historical Society of ND – \$2000 – in kind support

State Historical Society of ND Foundation – \$5000 – in kind support

Keitu Engineers & Consultants, Inc. Overhead – \$3990 – in kind support

Tax Liability

Keitu Engineers & Consultants, Inc. does not have an outstanding tax liability with the State or any of its political subdivisions. Affidavit is provided as page 14.

Confidential Information

None of the information in this application is of a confidential nature.

Patents and Rights to Technical Data

There are no patents or rights that the applicant wishes to reserve. The database developed for the project is expected to be shared with other non-profit entities engaged in educational pursuits in the State of North Dakota that meet the artifact lend/lease criteria currently employed by the State Historical Society of North Dakota.

Tax Liability Certification

I, Kathleen M. Spilman, do hereby confirm that the Keitu Engineers & Consultants, Inc. does not have an outstanding tax liability owed to the State of North Dakota or any of its political subdivisions.

(Affiant's Signature)

STATE OF _____)
)ss
COUNTY OF _____)

On _____,

known to me to be the person described in and who executed the foregoing instrument, personally appeared before me and acknowledged that (s)he executed the same as a free act and deed.

Notary Public
Seal State of _____, County of _____
My Commission expires _____