



Ron Ness
President
Marsha Reimnitz
Office Manager

120 N. 3rd Street • Suite 225 • P.O. Box 1395 • Bismarck, ND 58502-1395
Phone: 701-223-6380 • Fax: 701-222-0006 • Email: ndpc@ndoil.org

June 1, 2010

Ms. Karlene Fine
North Dakota Industrial Commission
600 East Boulevard Avenue
Bismarck, ND 58505

Re: Grant Application for the North Dakota Petroleum Council's Oil Can! Program

Dear Ms. Fine:

Enclosed is a grant application requesting the North Dakota Industrial Commission to approve funding from the Oil and Gas Research Council to help fund the North Dakota Petroleum Council's Oil Can! program. This program includes a number of educational and outreach efforts such as the "Drive Safely" campaign, Bakken Rocks CookFests and town hall meetings. These components of the Oil Can! program have been very successful and have grown to become powerful tools for industry outreach.

These education efforts successfully partner private industry with state and federal entities to develop and deliver educational materials in a balanced and effective manner to the target audiences. Total project costs are \$257,834. We are requesting \$120,000 to help fund these educational programs from January 2011 through December 2012. Please note: No funds are requested for this grant application until July 1, 2011, which will be the first reporting period. A \$100 check is enclosed to cover the application fee.

The Petroleum Council is committed to complete the Oil Can! Program components detailed in this grant request. Please contact me if you have any questions or need additional information for the enclosed grant application.

Sincerely,

Ron Ness

Enclosure

Applicant: North Dakota Petroleum Council
PO Box 1395, Bismarck, ND 58502
701-223-6380 / 701-226-0006 (fax)
Principal investigator: Kelly Jo Wald, communications manager
Date of application: June 1, 2010

North Dakota Petroleum Council
Oil Can! Program

Grant requested from the
North Dakota Oil and Gas Research Council

Project expenses: \$ 257,834
Amount requested: \$ 120,000
Grant deadline: June 1, 2010

TABLE OF CONTENTS

1.0 Abstract.....	Page 3
2.0 Project Description.....	Page 4
3.0 Standards of Success.....	Page 6
4.0 Background/Qualifications	Page 7
5.0 Management.....	Page 8
6.0 Timetable	Page 9
7.0 Project Budget.....	Page 9
8.0 Matching Funds.....	Page 10
9.0 Tax Liability.....	Page 11
10.0 Confidential Information	Page 11
11.0 Patents and Rights to Technical Data	Page 11
12.0 Appendices.....	Page 11

1.0 Abstract

The objective of the North Dakota Petroleum Council's Oil Can! program is to open the lines of communication and improve understanding between the petroleum industry of North Dakota and key stakeholder groups such as property owners, royalty owners, policy makers, community leaders, media and the general public. The Petroleum Council has been developing, delivering, and engaging in public education of oil and gas for several decades and continues to build upon its successes by enhancing education efforts through improving existing projects and/or events and adding new ones.

The Petroleum Council's Education Program funding request is for a two-year program from January 1, 2011 to December 31, 2012. The total budget for the education program described in this grant request is \$257,834, of which \$120,000 is requested from the Oil and Gas Research Council. The funding for Oil Can! comes from the Petroleum Council along with program partners' contributions to specific projects. Partners include industry, Petroleum Council members, oil producing counties, Department of Mineral Resources, North Dakota Department of Transportation, and other Oil Can! partners.

The mission of the Oil and Gas Research Council is to promote the growth of the oil and gas industry through research and education. The Petroleum Council's Oil Can! program outlined in this grant request is an effective way for the Research Council to accomplish this mission. The Petroleum Council has taken an active role in providing educational and outreach programs for more than two decades. And, with the creation of the Oil Can! program in 2008, the Petroleum Council's outreach efforts were taken to a higher level as industry engaged in direct communication with partners where oil activity is increasing. Oil Can! has been a tremendous success and was nationally recognized by the Interstate Oil and Gas Compact Commission in October 2009 with its Energy Education Stewardship Award (See Appendix).

These initiatives are costly and time-consuming, but the feedback received is always positive and these programs become more critical each year as the oil and gas industry strives to improve its image and maintain healthy partnerships with the people and businesses of North Dakota. In addition, Oil Can! is helpful in bringing together interest groups to work on key issues such as infrastructure for roads, water and housing, as well as the workforce demand.

This grant has eight primary components that provide targeted education and outreach to industry members, land owners, royalty owners, policy makers and the general public. These

components include: the “Drive Safely” campaign, town hall meetings, CookFests, updating and maintaining our website, safety education, Oil Can! branding and promotion, media outreach, and responding to hot topic issues. Each of these components is further explained in the following section.

2.0 Project Description

“Drive Safely” Campaign

An increase in traffic on western North Dakota roads has led to a number of traffic accidents. As a means to help remind North Dakotans that cautious driving is important, the Petroleum Council launched its “Drive Safely” Campaign in early May 2010. As part of the campaign, the Petroleum Council’s Oil Can! Committee, in partnership with the ND DOT, developed billboards and bumper stickers displaying a reminder to think and use patience when on the roadways. The billboards will be displayed along the following U.S. Highways for the next three years: 2, 8, 22, 85 and 1804 (See Appendix). Additionally, an article about the safety campaign was included in our latest issue of *Oil & Gas Tidbits*, an educational newsletter distributed to more than 1,350 industry members, educators, policy makers and members of the general public. A radio advertisement on keeping the roadways safe is currently airing on WZFG AM1100, and a safety video for employers to use during orientation is in the works.

Town Hall Meetings

Educating the public about the rules and processes involved with the oil and natural gas industry is a tremendous part of building goodwill within the state. Giving people an opportunity to ask questions and hear answers straight from the mouths of industry professionals is the objective of the town hall meetings held during the fall. These meetings had a very good turnout in the past and helped educate people, which was evident based on the growing complexity of questions asked (See Appendix). Up to 10 town hall meetings are being planned for this fall for communities in the oil patch. Professionals presenting at these events will include employees from the Department of Mineral Resources, North Dakota Pipeline Authority, operators, those who work with split estate and royalty owner issues, landmen, and other industry people.

Petroleum Council CookFests

The CookFests have also become an important tool for building goodwill across the western portion of the state. These events give industry operators the opportunity to connect with the people directly impacted by their business on a day-to-day basis. The focus of these events is to provide an evening of food and fun while providing general education regarding the oil industry. This is done through the use of informational booths manned by industry professionals and industry-related general education sessions. The crowd size at each of these events is expected to surpass the total number of attendees in 2009 (See Appendix).

Website

As technology develops and the general population becomes more technologically savvy, it's important to develop resources that can be accessed in a variety of mediums. The Petroleum Council's website, ndoil.org, has become a very popular resource for those looking to learn about the oil and natural gas industry in North Dakota. During the past few years, our website has grown to include resource sections such as the Royalty Owner Information Center (ROIC), the Frequently Asked Questions section, and the Surface Owner Information Center (SOIC). These sections will be continually updated and expanded as new issues arise (See Appendix). In March 2010, ndoil.org had more than 15,000 hits, with more than 3,000 visits to the ROIC.

Safety Education

Another component of *Oil Can!* is safety education. As part of the Petroleum Council's education outreach, Safety Alerts were developed for distribution to schools in western North Dakota. In the near future, Safety Alert kits containing an introduction letter, talking points, flyers/brochures and poster boards will be distributed to schools in western North Dakota (See Appendix). As new hot topic issues arise, additional Safety Alerts will be developed for use in schools. These alerts serve as a reminder to youth that oil field equipment is dangerous and is to be left alone.

Oil Can! Branding and Promotion

Development of promotional materials highlighting *Oil Can!* events is an important tool for staying at the forefront in the minds of North Dakotans. This often includes the use of flyers

and brochures, website promotions, and newspaper, magazine and radio advertisements. Also, reiterating the benefits of our state's oil and natural gas industry helps reassure people that oil is a stable, long-term economic stimulus.

Media Outreach

Advertisements used to address areas of concern and/or hot topics are equally important. One example is the promotional series that will be developed highlighting the Surface Owner Information Center. We will be looking to purchase advertising space in publications by the North Dakota Stockmen's Association, North Dakota Farm Bureau, North Dakota Association of Rural Electric Cooperatives, and North Dakota Farmer's Union. Additionally, utilizing social media vehicles such as YouTube, blogs and LinkedIn will become part of the *Oil Can!* communication efforts.

Hot Topic Issues

As one of North Dakota's largest industries, hot topic issues relating to the oil industry are continually arising and often result in the formation of special interest groups and/or committees. Working closely with these people to address concerns and negate any misconceptions requires staying ahead these issues and maintaining a proactive stance versus a reactive stance. Educating policy makers and the general public on hot topic issues is important so that matters can be resolved by creating solutions based on a deep understanding of the issue at hand.

3.0 Standards of Success

The measuring stick of success in educating the public is difficult, but not impossible, to quantify. This is an area where the Oil Can! program managers continue to seek improvement.

To help with the issue of identifying and proactively addressing hot topic issues that arise as a result of oil field activity, the Petroleum Council's Oil Can! Committee is in the process of developing a baseline survey to gauge North Dakotan's perception of the oil industry. We are looking to partner with several colleges and universities throughout North Dakota on possibly having students conduct the survey as part of a class project. Once the data is analyzed, results will be used to develop a strategy for correcting misconceptions, increasing educational and

awareness efforts, and identify areas of concern. Another vehicle that can be used to help complete the baseline survey is a web-based program such as Survey Monkey. This application can be used for a relatively low price.

The “Drive Safely” campaign was developed to help reduce the number of vehicle accidents and keep our roadways safe. The campaign was officially launched during the 2010 Williston Basin Petroleum Conference. Components of this campaign include five billboards on highways in western North Dakota, more than 7,500 safety bumper stickers that will be distributed to industry members and the general public, radio advertisements, a story highlighting the campaign published in the Oil & Gas *Tidbits* newsletter, and, eventually, a safety video for industry members to use during new employee orientation. Having the ND Department of Transportation as a partner in the billboard project gives our association access to valuable information regarding traffic trends, which will be useful in evaluating the campaign’s effectiveness. The department’s expertise has proven, and will continue to prove, very valuable.

The measurement tool used to gauge the effectiveness of goodwill outreach and educational events such as the Bakken Rocks CookFests and town hall meetings is a comparison of the general understanding members of the public had in the initial stages of the oil boom versus the knowledge people have gained after a few years of living within the oil activity. Since the time of the last town hall meetings held in 2008, the complexity of industry-related questions asked by the general public has increased. People are now interested in much more detailed and in-depth information than in prior years.

To successfully monitor the usage of ndoil.org as an educational resource, Google Analytics reports are reviewed on a monthly basis. These reports show how many people visit the website and which pages they are visiting. We are also able to review common keyword searches, which helps us reorganize our existing website content so that it is easier to locate and aides us in the development of new content people are interested in learning. During the timeframe of April 24 - May 24, the Petroleum Council’s website had more than 19,500 pageviews.

4.0 Background/Qualifications

The North Dakota Petroleum Council is a nonprofit trade association that has represented the industry in North Dakota since 1952. The Petroleum Council represents more than 200

companies involved in all aspects of the oil and gas industry including oil and gas production, refining, pipeline, mineral leasing, consulting, legal work, and oil field service activities in North Dakota, South Dakota, and the Rocky Mountain Region. Petroleum Council members accounted for 95% of the 77 million barrels of oil produced in 2009.

The Petroleum Council has been working to educate the public about the oil and gas industry for decades. The association has continually worked to enhance our education programs and communication with the public on issues that impact the communities where daily oil and gas operations are occurring. The projects and events outlined in this grant are core components of the program that have proven successful. Funding support from the Research Council is valuable and critical to their success and continuation.

In 2008, the Petroleum Council and its member companies formed the Oil Can! program, which has become a brand recognized statewide. The Petroleum Council also has an Oil and Gas Education Program that includes an annual Teacher Education Seminar, quarterly issues of the Oil & Gas *Tidbits* newsletter, and the Energy Career Awareness Program. All of these components include some element of the Oil Can! program.

5.0 Management

The Petroleum Council will manage and oversee the projects and events that are part of the Oil Can! program. Ron Ness, president of the Petroleum Council, and Terry Kovacevich, chair of the Oil Can! Committee and Bakken asset manager for Marathon Oil Corporation, co-manage the Oil Can! program. Kelly Jo Wald, communications manager, and Tyler Rupp, membership and education manager, implement the Oil Can! program functions. Marsha Reimnitz, office manager, manages the budget.

The Oil Can! Committee plays an important role in the development and implementation of Oil Can! Lynn Helms, Director of the Department of Mineral Resources, also plays a vital role in providing direction and expertise on Oil Can! outreach efforts. The guidance and expertise of committee members is very valuable and ensures that issues are viewed from a variety of approaches.

The Petroleum Council staff develops print and radio advertisements, promotional materials, and coordinates with members to organize Oil Can! events.

6.0 Timetable

The Petroleum Council's Oil Can! program will run from January 1, 2011 through December 31, 2012. Several of the events, such as the Bakken Rocks CookFests and the town hall meetings, take place during the summer and fall months. The Oil Can! Committee meets several times a year to plan these events and discuss additional means of education and outreach on behalf of the industry based on topics of importance.

Other components of the program, such as advertising, developing promotional materials and broadening the safety campaign, are year-round commitments, and still other parts of Oil Can!, such as the safety billboards, are multiple year commitments.

7.0 Project Budget

The Petroleum Council's Oil Can! program budget for January 1, 2011 - December 31, 2012 is \$257,834. The two-year proposal allows for planning, development and implementation of the annual projects and new projects under the umbrella of the Oil Can! program.

EXPENSES:

"Drive Safely" Campaign

Billboard contract	\$ 30,000	
Bumper stickers	\$ 4,000	
Safety video	\$ 3,000	
<u>Staff time/Personnel to create video</u>	<u>\$ 872</u>	
TOTAL		\$ 37,872

Town Hall Meetings

Event expense	\$ 10,000	
Travel	\$ 2,500	
<u>Staff time/Personnel to coordinate meetings</u>	<u>\$ 5,380</u>	
TOTAL		\$ 17,880

CookFests

Event expense	\$ 20,000	
Promotion/Advertising	\$ 8,000	
Travel	\$ 2,500	
<u>Staff time/Personnel to coordinate events</u>	<u>\$ 8,724</u>	
TOTAL		\$ 39,224

Website			
Updates and site expansion	\$	3,000	
Social media (training/contractors)	\$	13,000	
<u>Staff time/Personnel to manage content</u>	\$	<u>3,635</u>	
TOTAL			\$ 19,635
Safety Education			
Development of materials	\$	2,000	
Printing/Distribution/Travel	\$	2,500	
<u>Staff time/Personnel to develop and distribute</u>	\$	<u>1,454</u>	
TOTAL			\$ 5,954
Oil Can! Branding/Promotion			
Development/Production of materials	\$	10,000	
Sponsorships	\$	5,000	
<u>Staff time/Personnel to produce materials</u>	\$	<u>1,163</u>	
TOTAL			\$ 16,163
Media Outreach			
Advertising	\$	75,000	
<u>Staff time/Personnel to develop ads</u>	\$	<u>1,454</u>	
TOTAL			\$ 76,454
Next Hot Topic			
Develop outreach/promotional materials	\$	10,000	
<u>Staff time/Personnel to identify, plan, implement</u>	\$	<u>2,326</u>	
TOTAL			\$ 12,326
Survey Development			
Survey contract	\$	30,000	
<u>Staff time/Personnel to develop, analyze, publish</u>	\$	<u>2,326</u>	
TOTAL			\$ 32,326
TOTAL EXPENSES			<u>\$ 257,834</u>

8.0 Matching Funds

The North Dakota Petroleum Council request is based on a match for this project. The remaining \$152,834 will be the sole fiscal responsibility of the North Dakota Petroleum Council.

Total Project Expenses	\$	257,834
Less Total Grant Request	\$	120,000
Less ND DOT "Drive Safely" campaign contribution	\$	10,000

PETROLEUM COUNCIL CONTRIBUTION **\$ 127,834**

9.0 Tax Liability

I, Jeff Herman, certify that the North Dakota Petroleum Council does not have any outstanding tax liability owed to the State of North Dakota or any of its political subdivisions.

Jeff Herman
Treasurer, North Dakota Petroleum Council

Date

10.0 Confidential Information

The Petroleum Council does not request any of the information related to this application be confidential.

11.0 Patents Rights to Technical Data

The Petroleum Council does not request to reserve any patent rights to technical data.

12.0 Appendices

[Oil Can! Program Receives IOGCC Energy Education Stewardship Award](#)

[“Drive Safely” billboard](#)

[Town hall meeting webpage](#)

[CookFest webpage](#)

[Safety Alert flyer](#)

[Frequently Asked Questions webpage](#)

[Surface Owner Information Center](#)

[Royalty Owner Information Center](#)