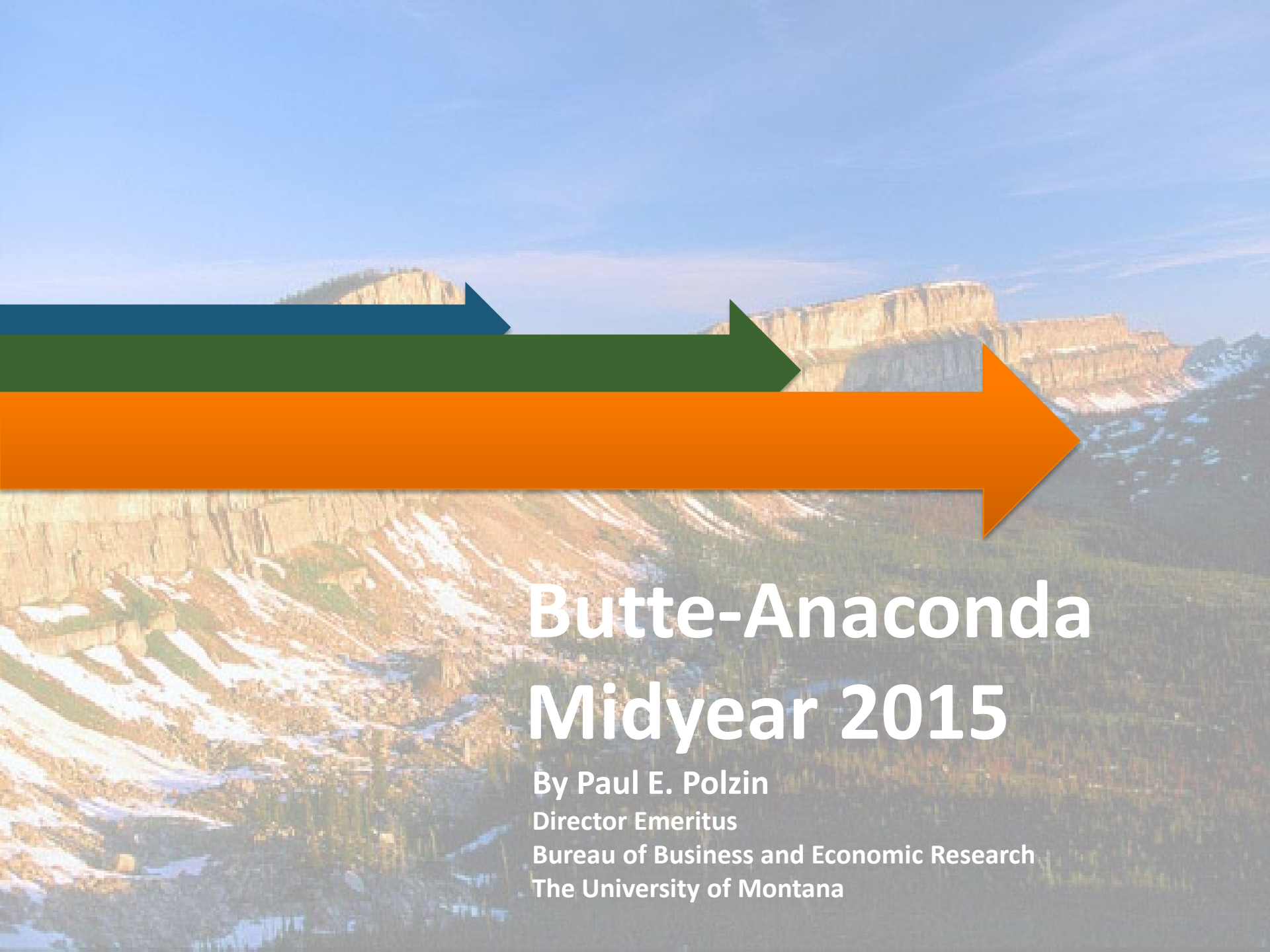


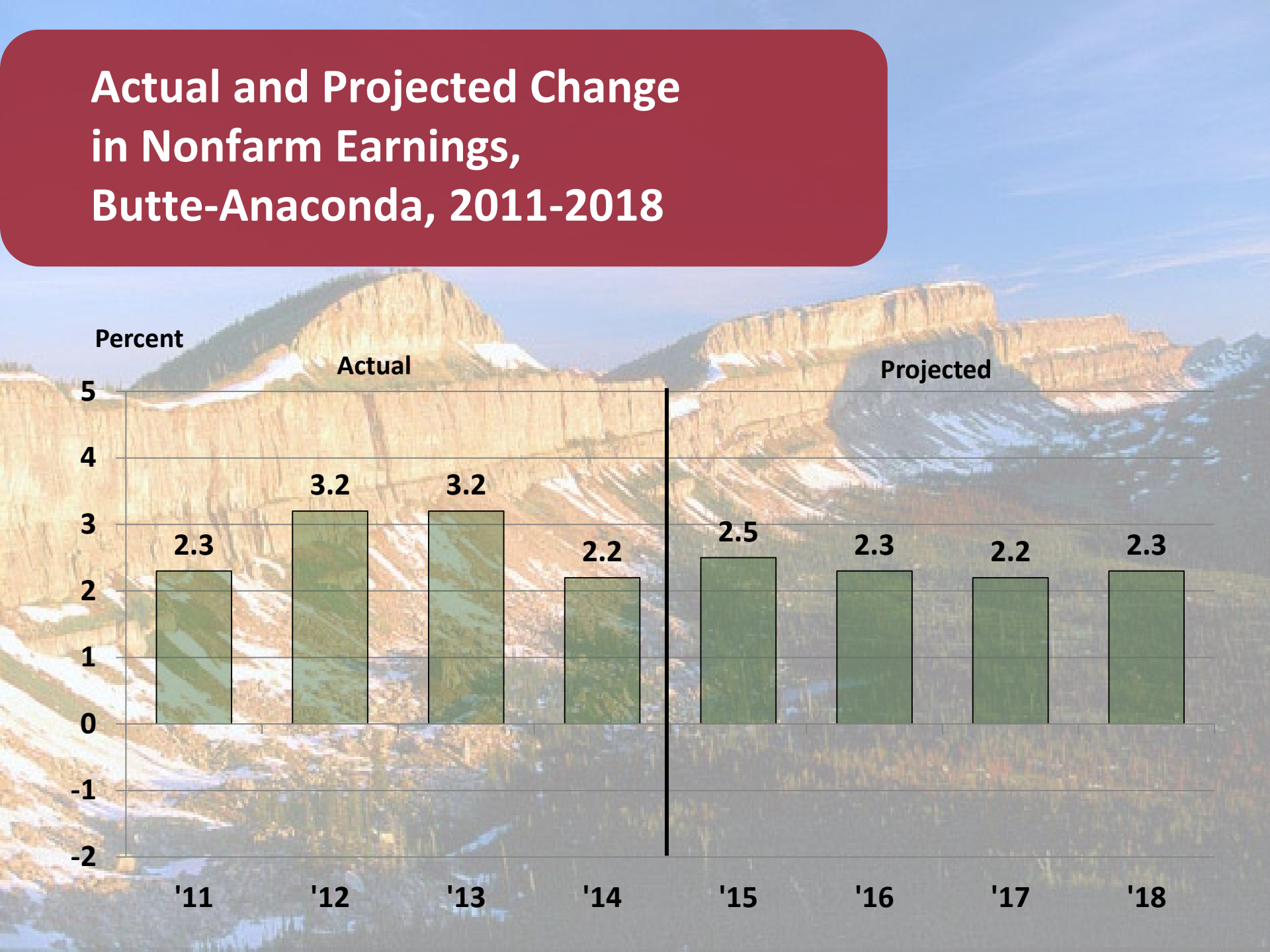
Butte-Anaconda Midyear 2015

By Paul E. Polzin
Director Emeritus
Bureau of Business and Economic Research
The University of Montana

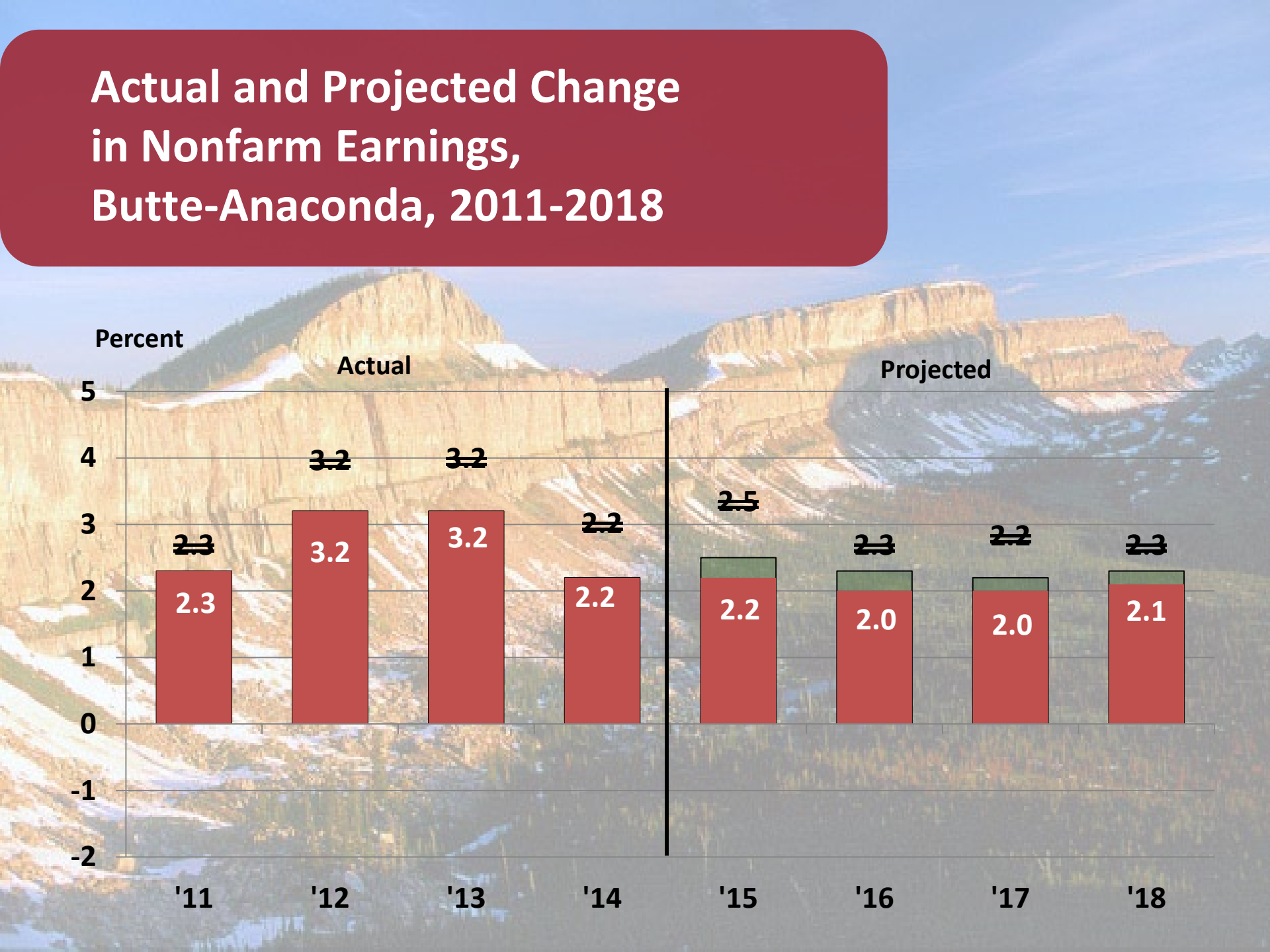
Butte-Anaconda's Economic Base 2013-2015

		Feb. '15	Aug. '15
Trade Center-Services	2%	Slow Rural Growth	✓
Trade Center-Health Care	5%	Affordable Care Act?	✓
Manufacturing	11%	Modest Layoffs	Strong Q3 Q4
Federal Government	11%	Headwinds	Declines
Trade Center-Retail & Travel	11%	Slow Rural Growth	Strong Tourism
Utility	13%	New Building	✓
Montana Tech, State Gov't	20%	Stable	✓
Mining	27%	Price Trends, Bonuses?	Trending Down
Construction		Rebound?	✓

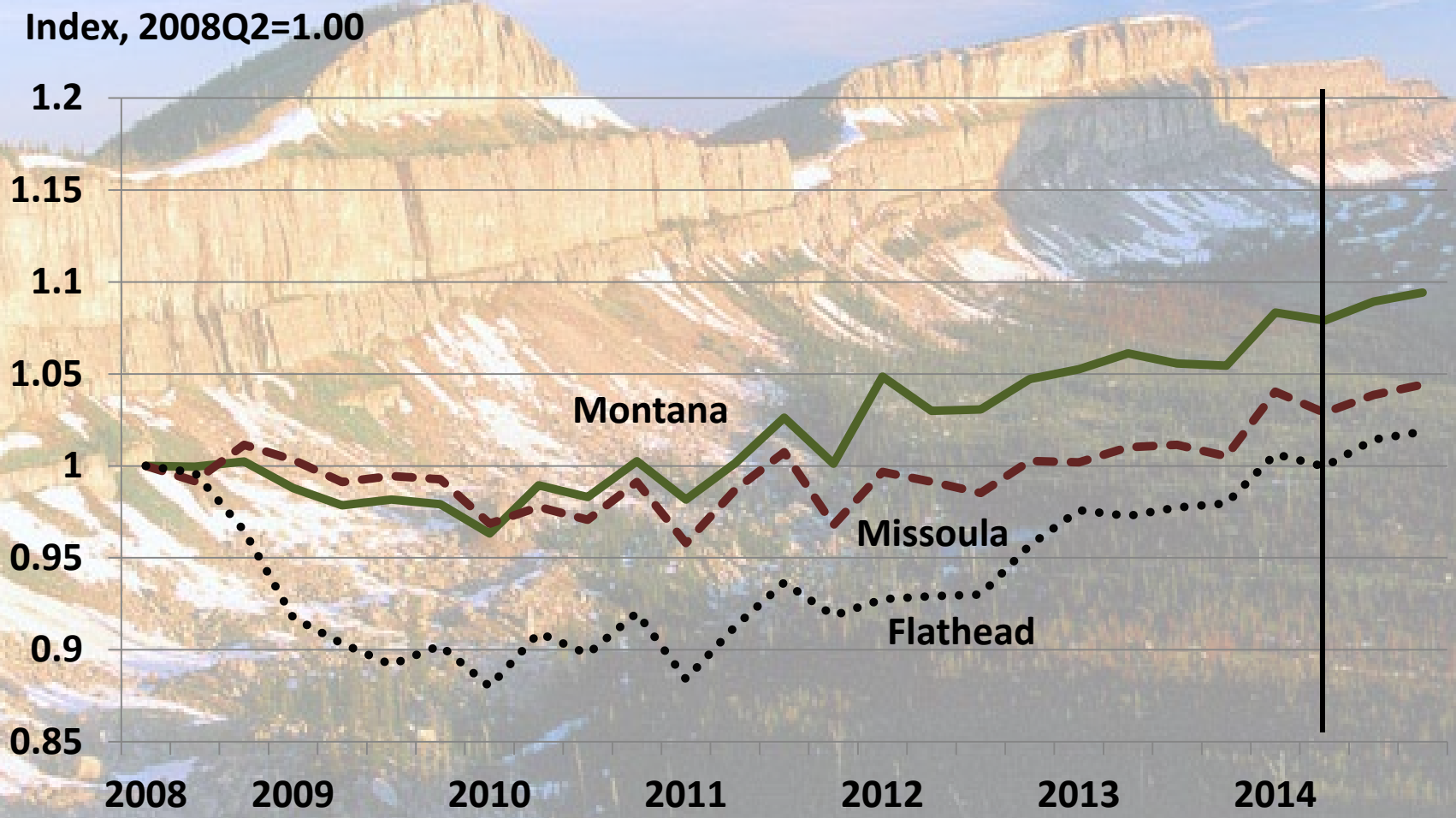
Actual and Projected Change in Nonfarm Earnings, Butte-Anaconda, 2011-2018



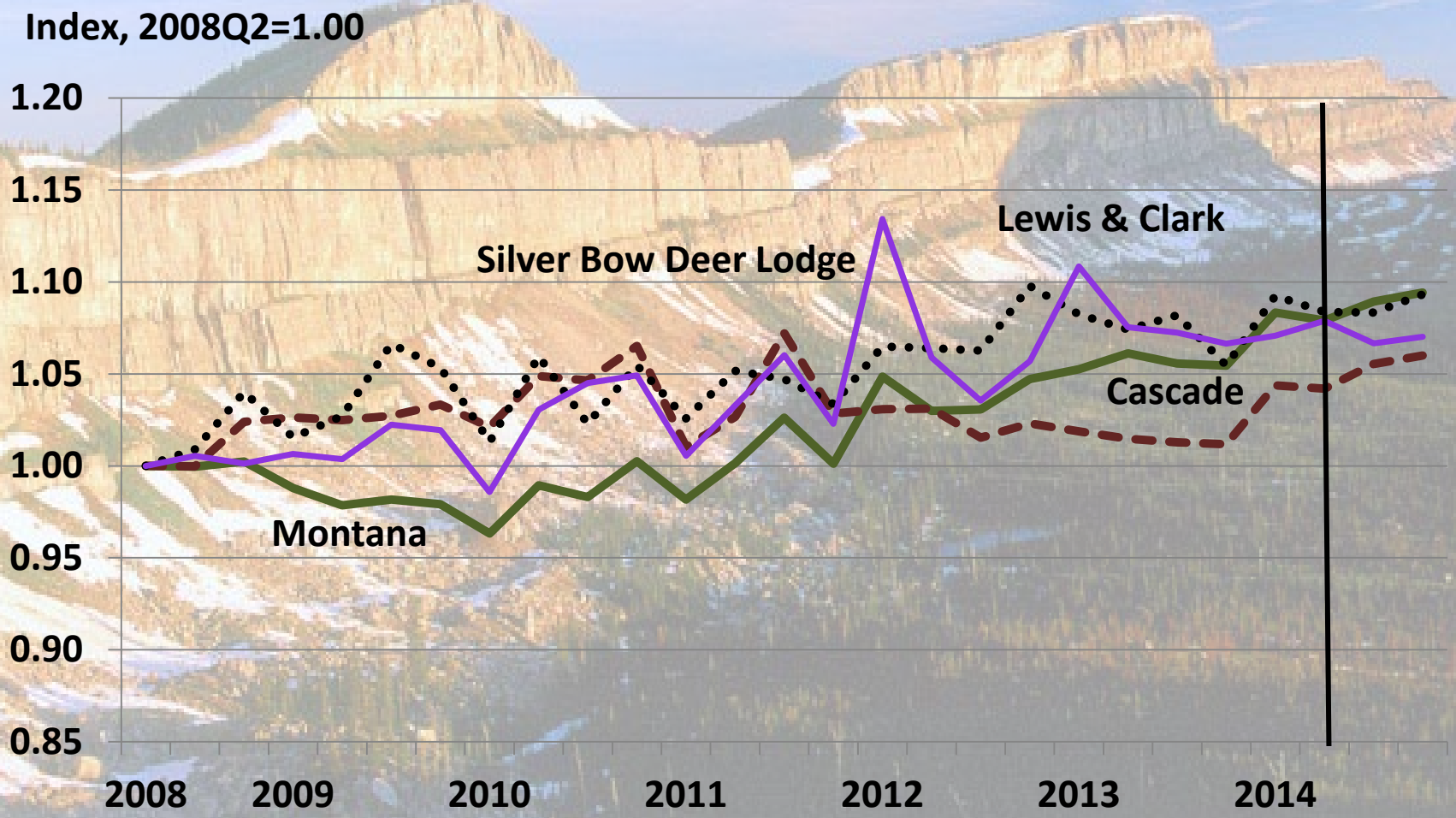
Actual and Projected Change in Nonfarm Earnings, Butte-Anaconda, 2011-2018



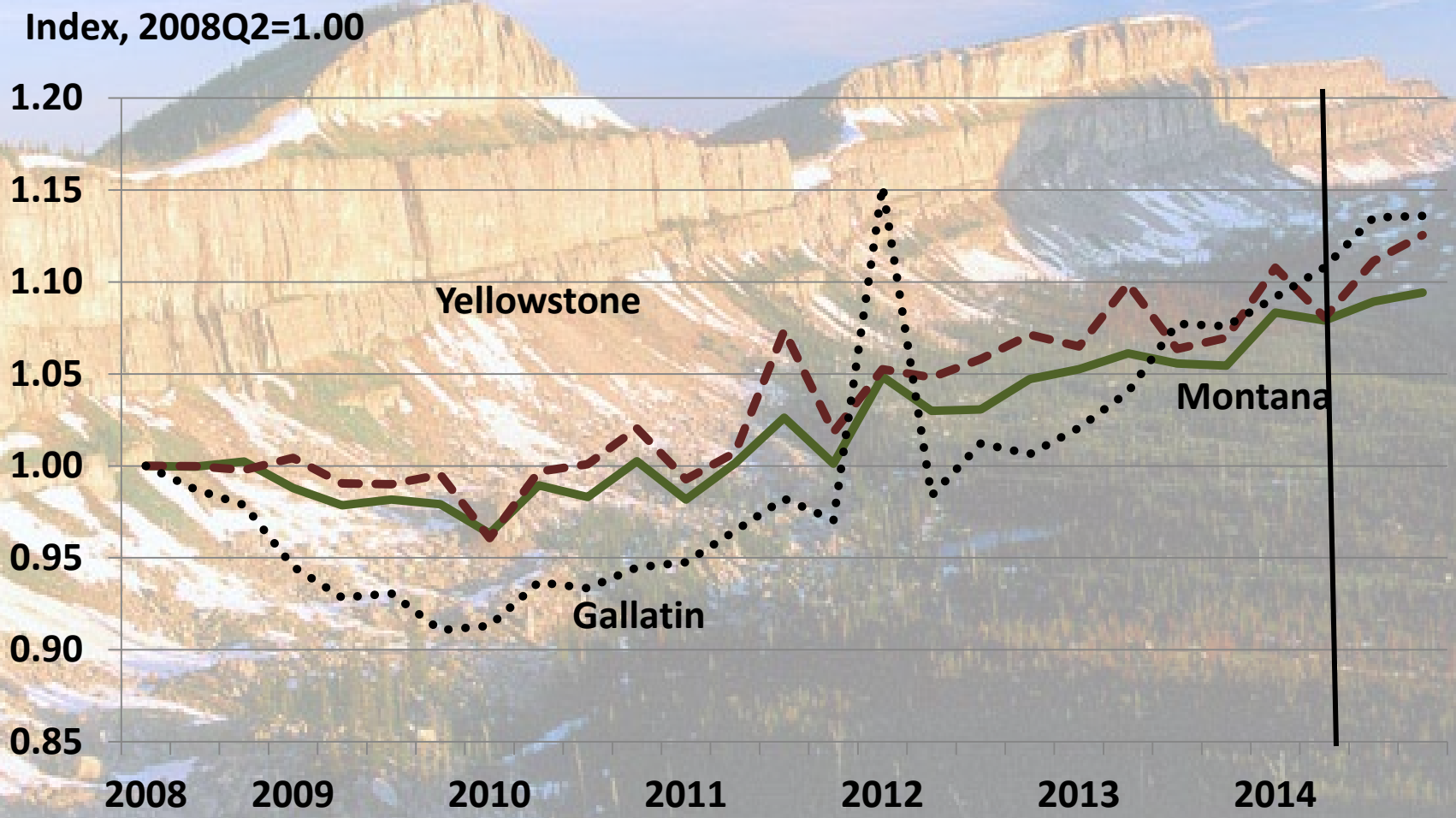
Inflation Adjusted Wages and Salaries, 2008-2014



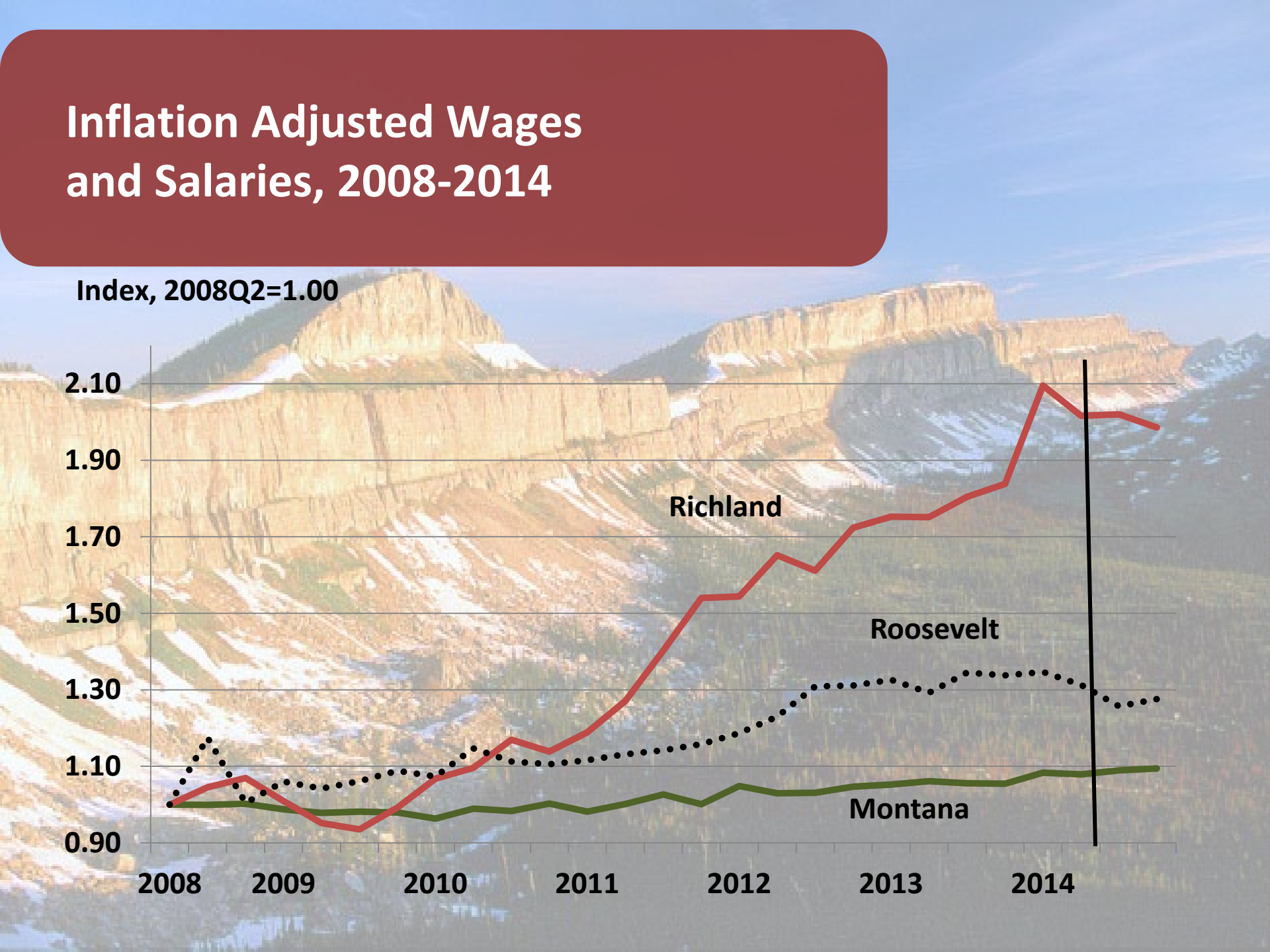
Inflation Adjusted Wages and Salaries, 2008-2014

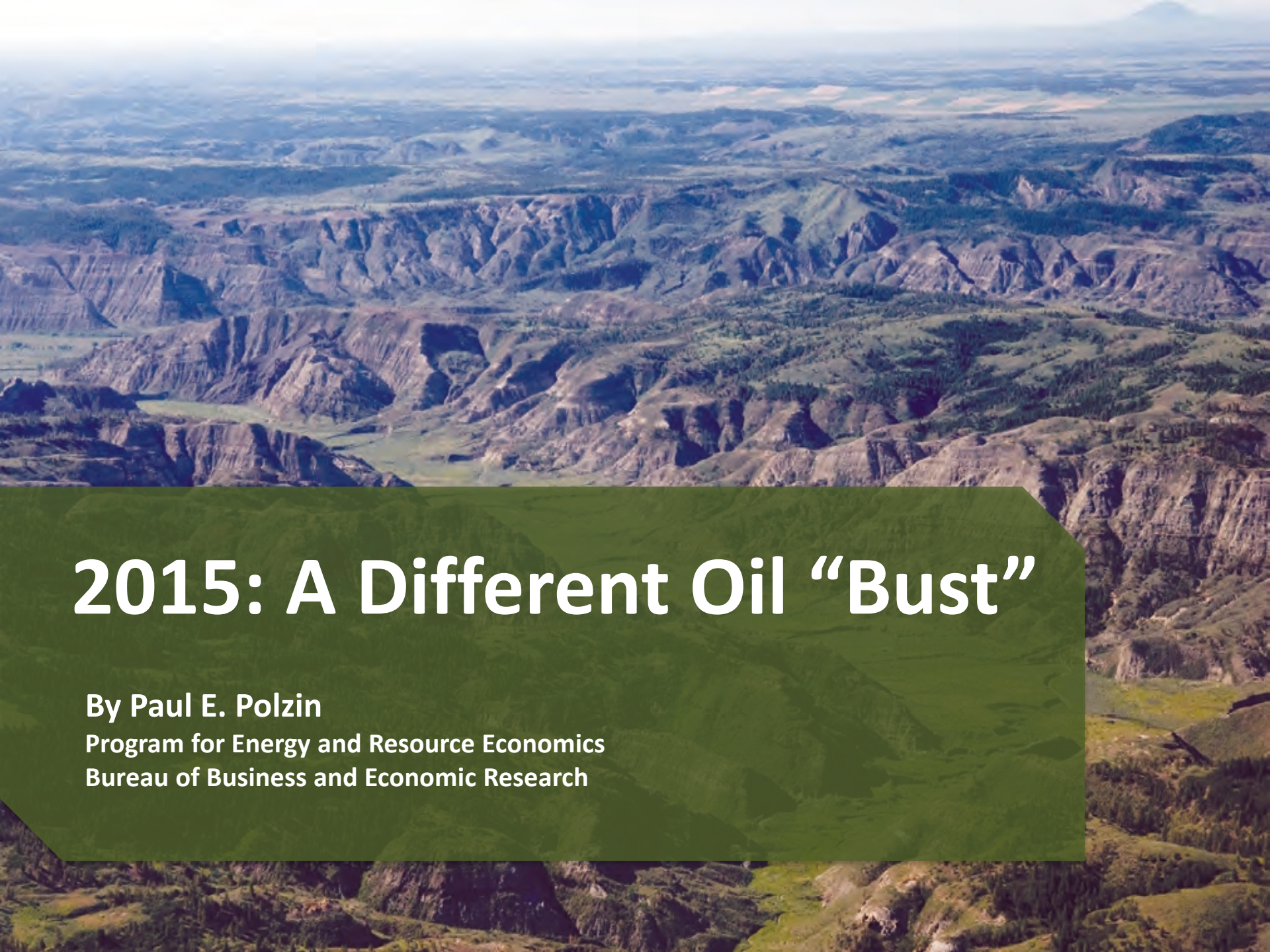


Inflation Adjusted Wages and Salaries, 2008-2014



Inflation Adjusted Wages and Salaries, 2008-2014

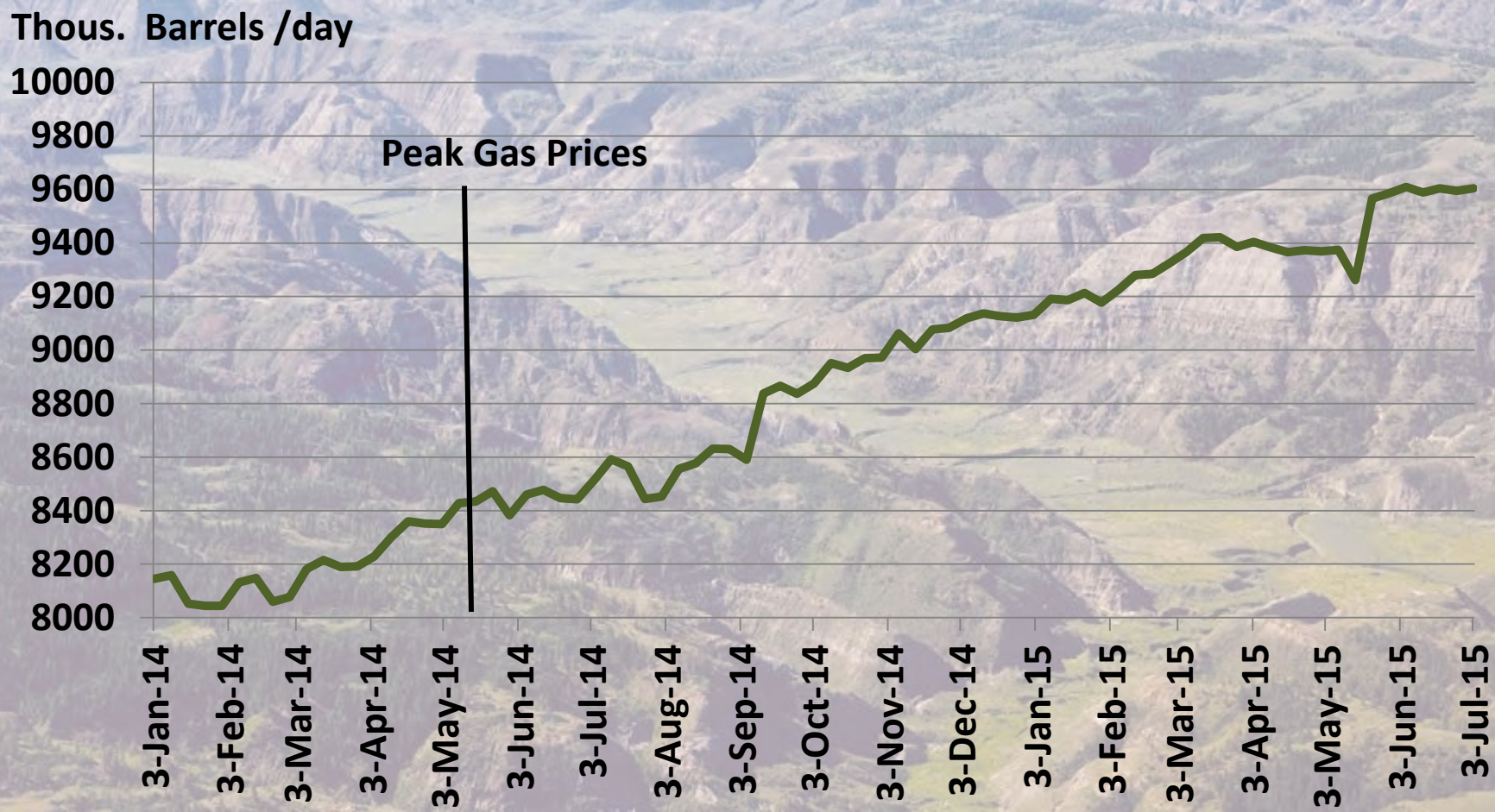




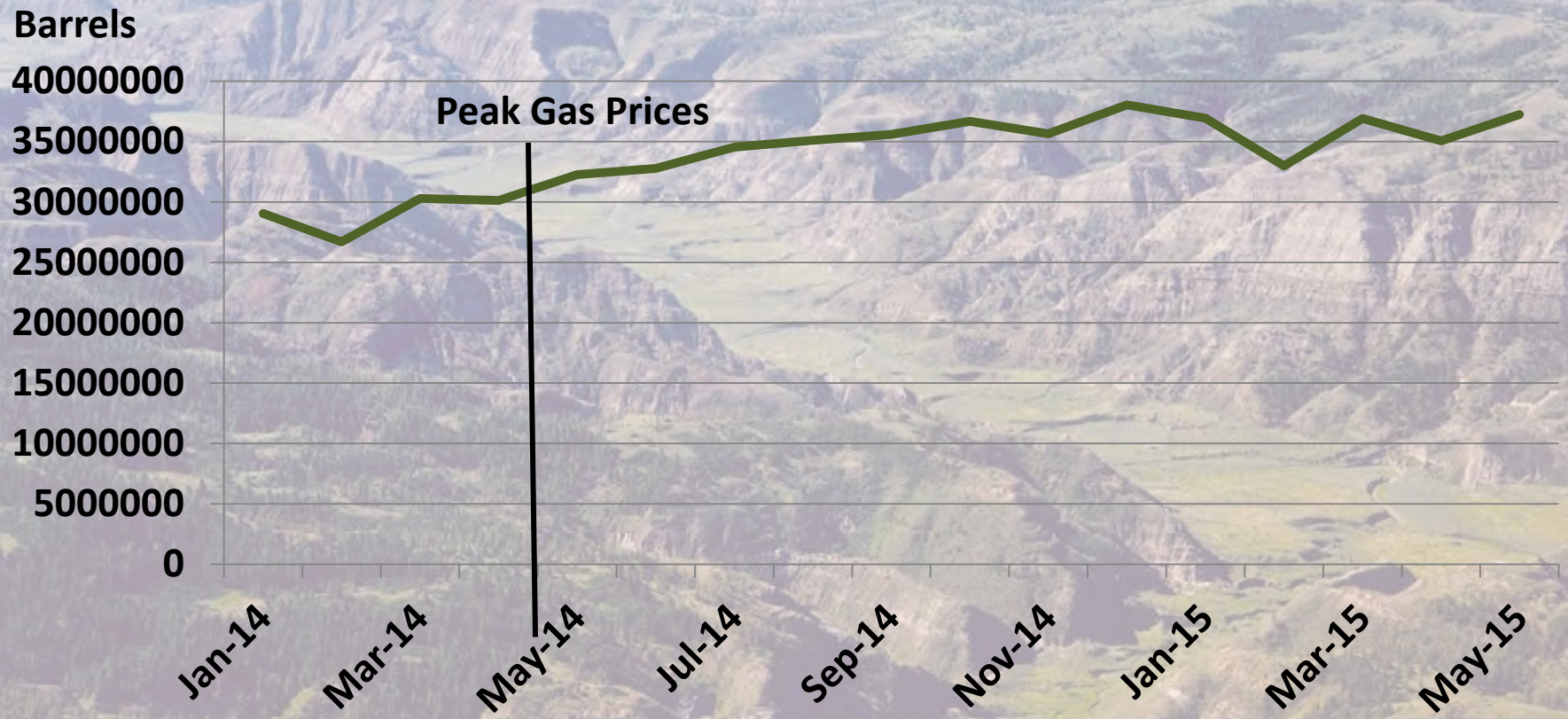
2015: A Different Oil "Bust"

By Paul E. Polzin
Program for Energy and Resource Economics
Bureau of Business and Economic Research

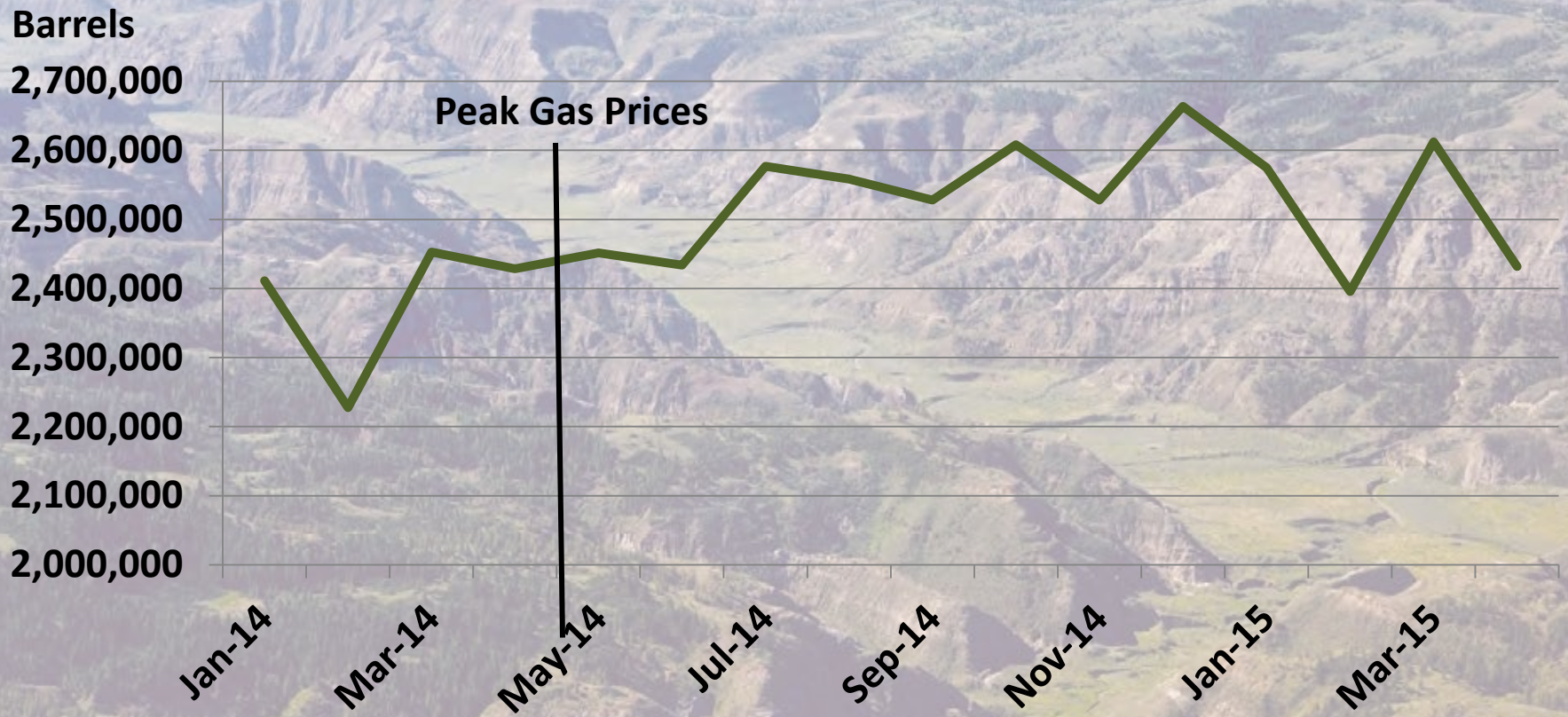
Weekly U.S, Crude Oil Production, 2014-2015



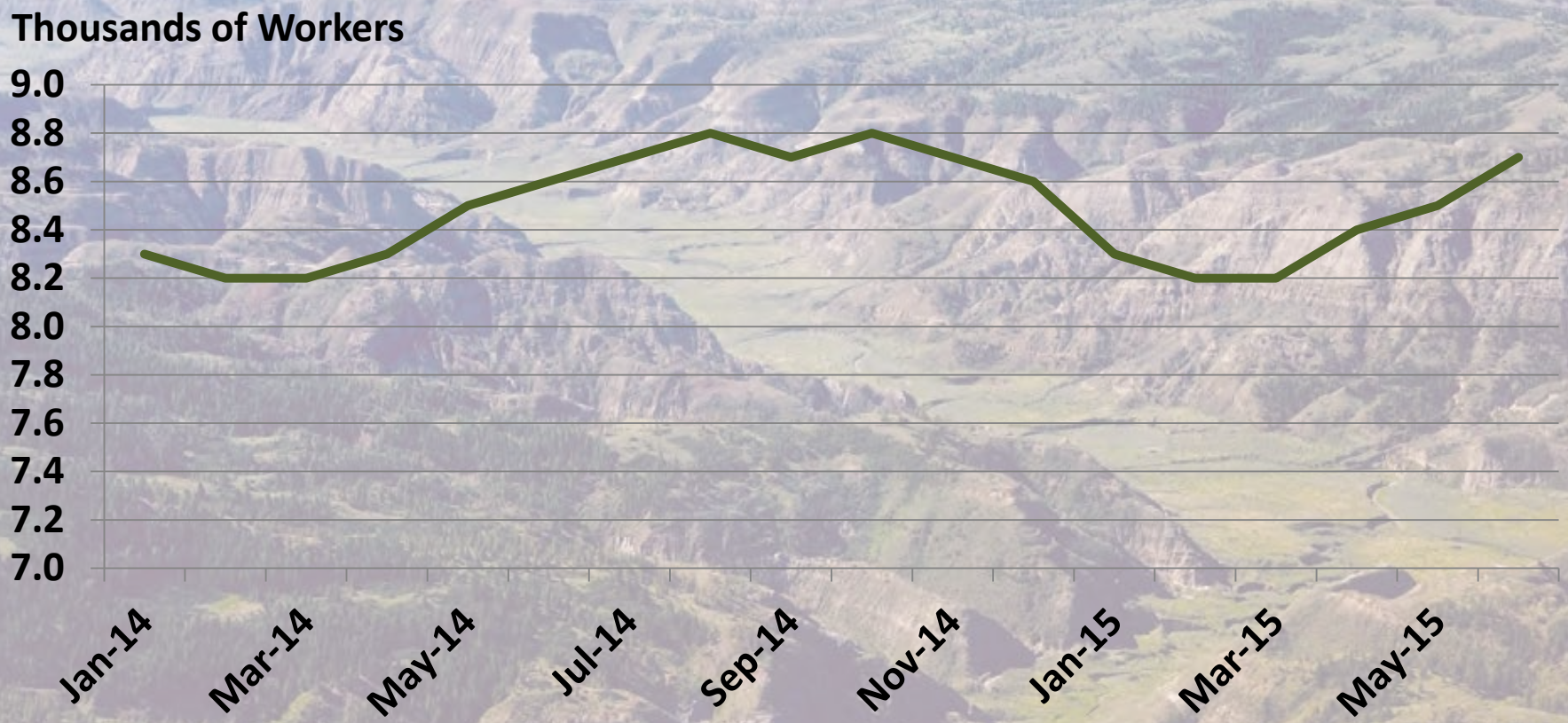
Monthly Oil Production, North Dakota, 2014-2015



Monthly Oil Production, Montana 2014-2015



Monthly Employment, Mining and Logging, Montana, 2014-2015

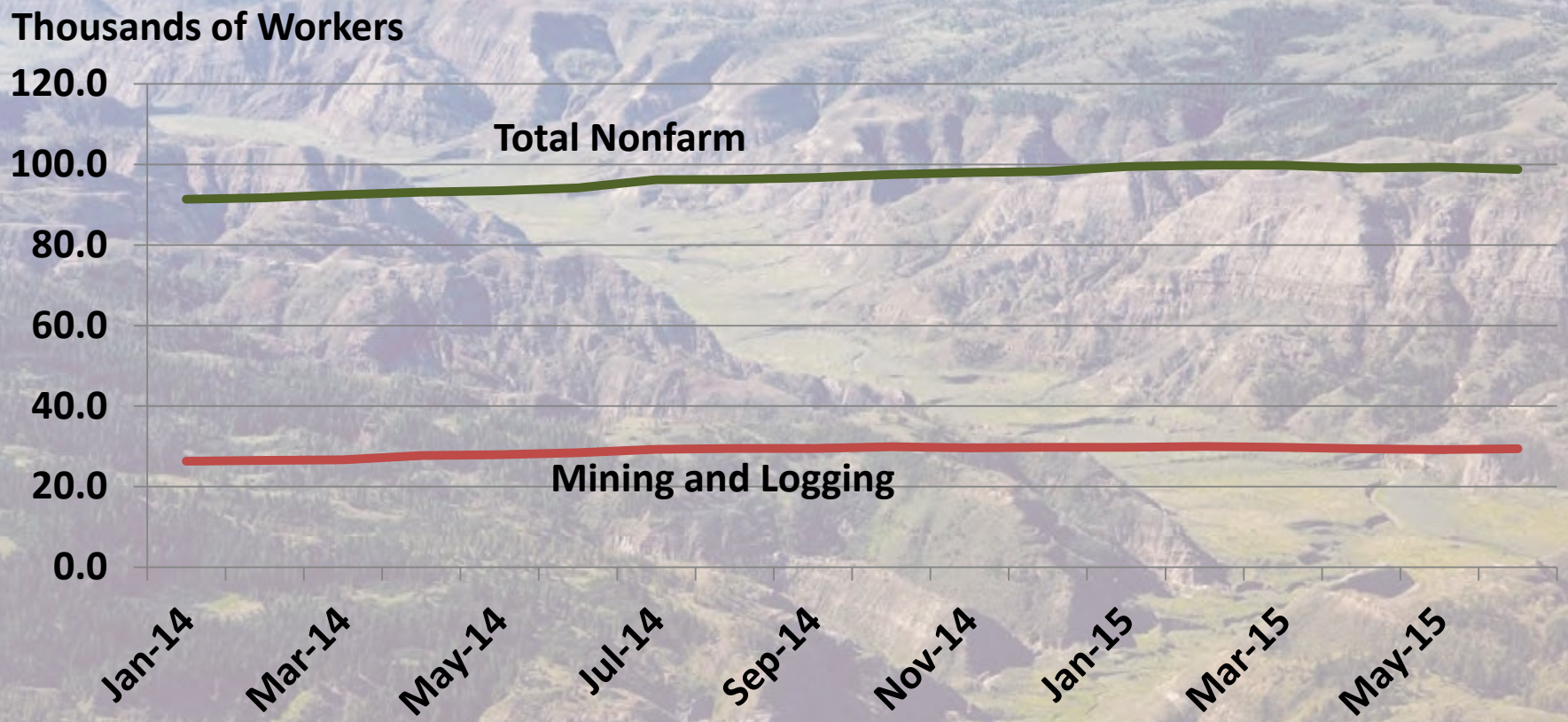


Monthly Employment, Mining and Logging, North Dakota, 2014-2015

Economist, July 4, 2015, P. 53

"Midland has witnessed multiple booms and busts since the 1920s. Graced by Ferraris during the 2012-2014 boom, its highways are now populated by pickup trucks. Some 20,000-30,000 temporary workers have left."

Monthly Employment, Midland, TX Metro Area 2014-2015



“Oil bust leaves energy states in the dust”

- money.cnn.com (June, 10 2014)

“What happened after the North Dakota oil boom went bust?”

- The Atlantic (June 27, 2015)

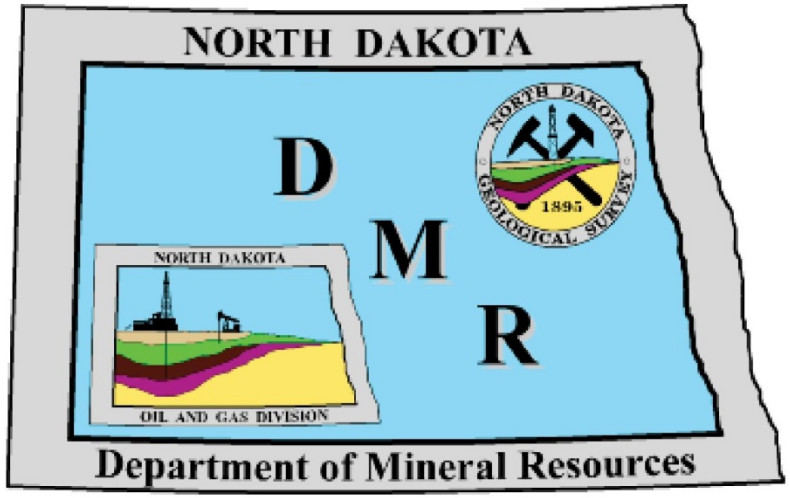
www.Vecto.rs · 14374

North Dakota Department of Mineral Resources

House Appropriations Committee

01/08/2015

Lynn D. Helms, Director



http://www.oilgas.nd.gov *http://www.state.nd.us/ndgs*

600 East Boulevard Ave. - Dept 405

Bismarck, ND 58505-0840

(701) 328-8020 (701) 328-8000

	Breakeven	Rigs	
		12/12/2014	1/7/2015
Billings	$44	2	1
BOT-REN	$52	5	4
BOW-SLP	$75	2	3
Burke	$62	3	2
Divide	$73	4	6
Dunn	$29	28	26
Golden Valley	$52	0	1
McKenzie	$30	64	59
McLean	$77	1	0
Mountrail	$41	33	28
Stark	$37	0	1
Williams	$36	40	35
		183	166

Breakeven costs reflect a price at which new drilling would cease.
The price at which production from existing wells would be shut-in is $15/bbl.

Questions?