



# Lewis & Clark County Midyear 2015

By Paul E. Polzin

Director Emeritus

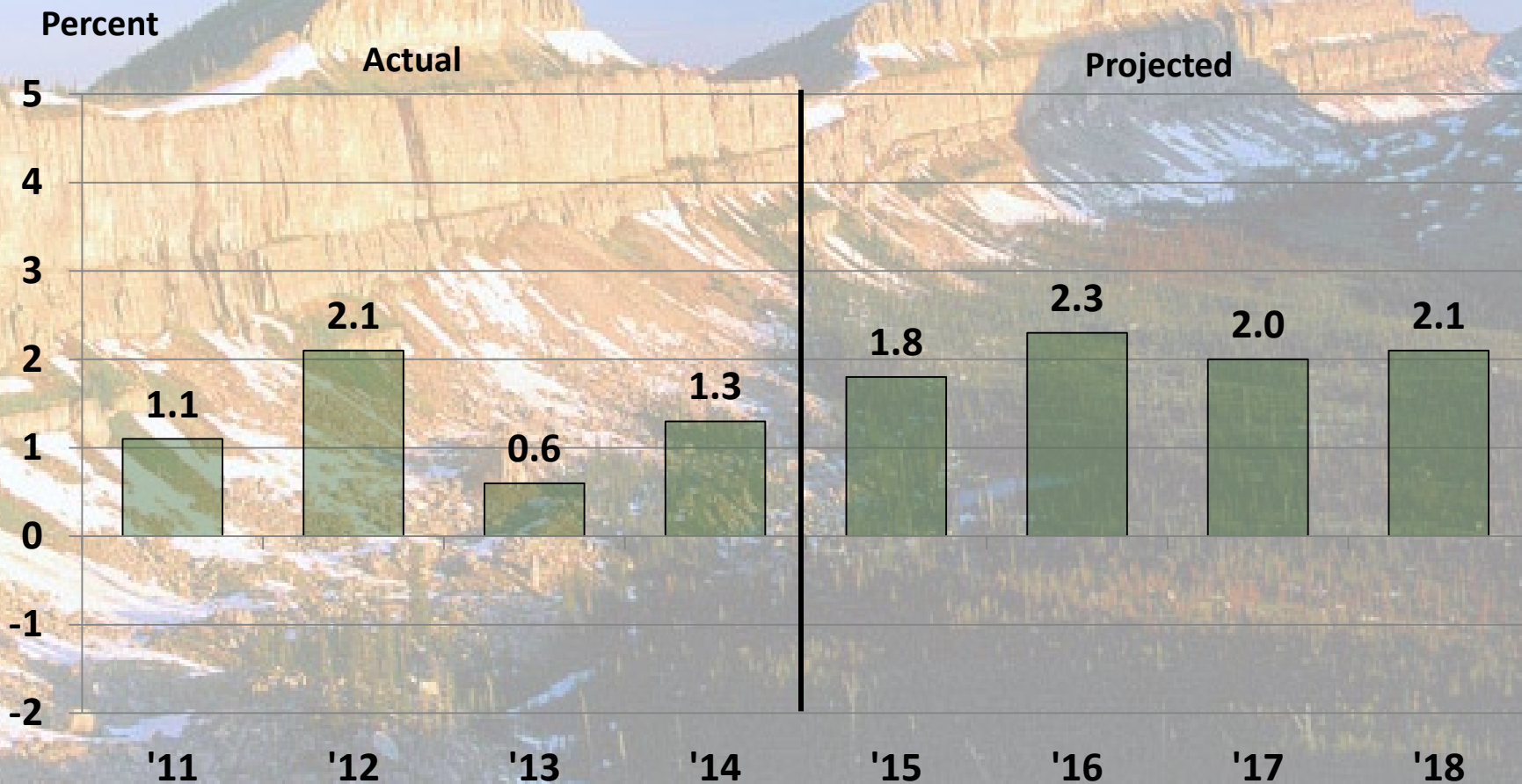
Bureau of Business and Economic Research

The University of Montana

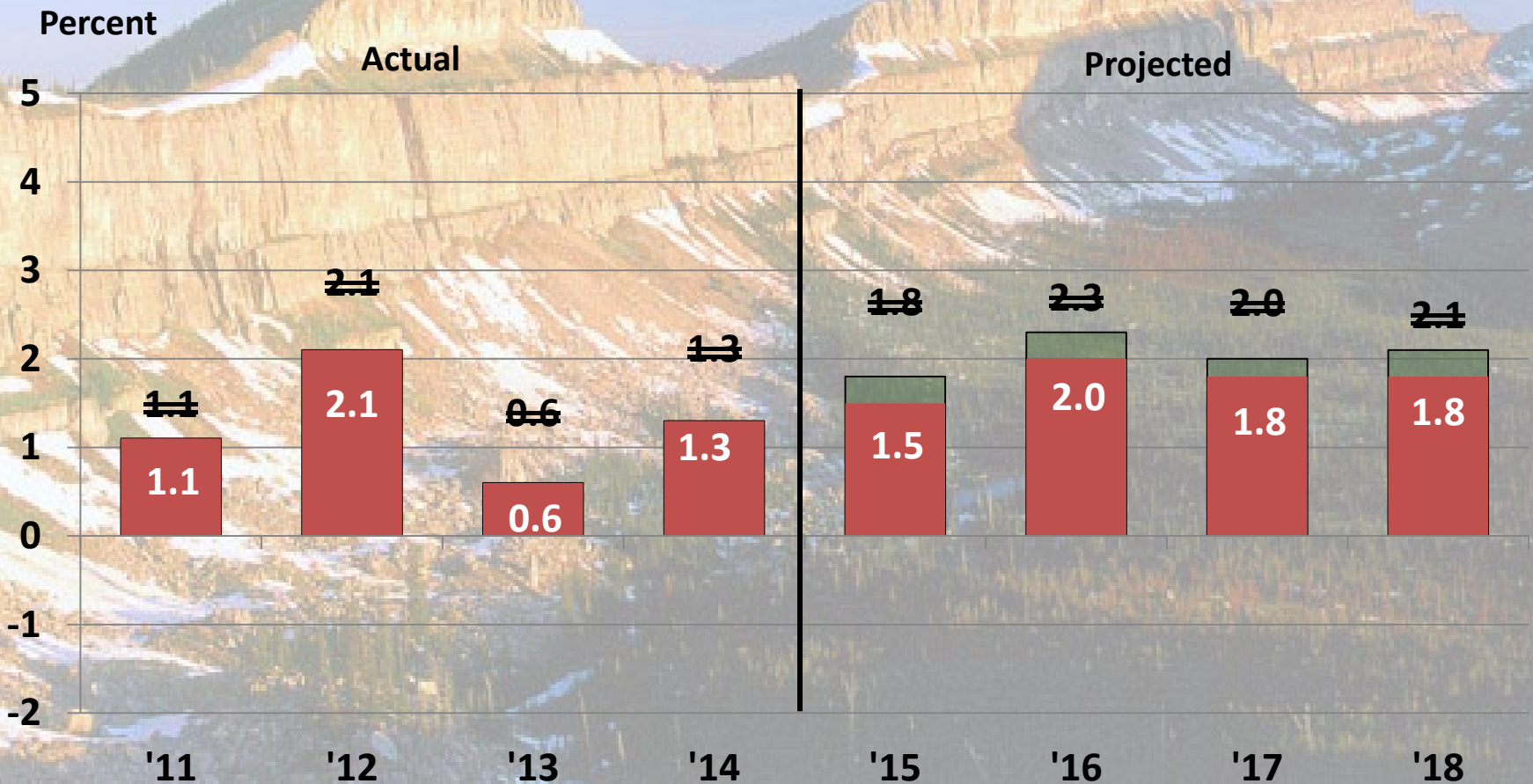
# Lewis & Clark County's Economic Base 2013-2015

		<u>Feb. '15</u>	<u>Aug. '15</u>
Agriculture & Mining	4%	Commodity Prices Down	Weather, Prices
Transportation & Information	3%	Energy Growth	✓
Manufacturing	4%	Boeing Connection	✓
Education, Other	7%	Stable	✓
Trade Center-Insurance	7%	Ownership Change?	✓
Trade Center-Prof. and Tech	6%		Stable
Federal Government	21%	Headwinds	Declines
State Government	48%	Slightly Upward	✓
Construction		Residential Rebound?	✓

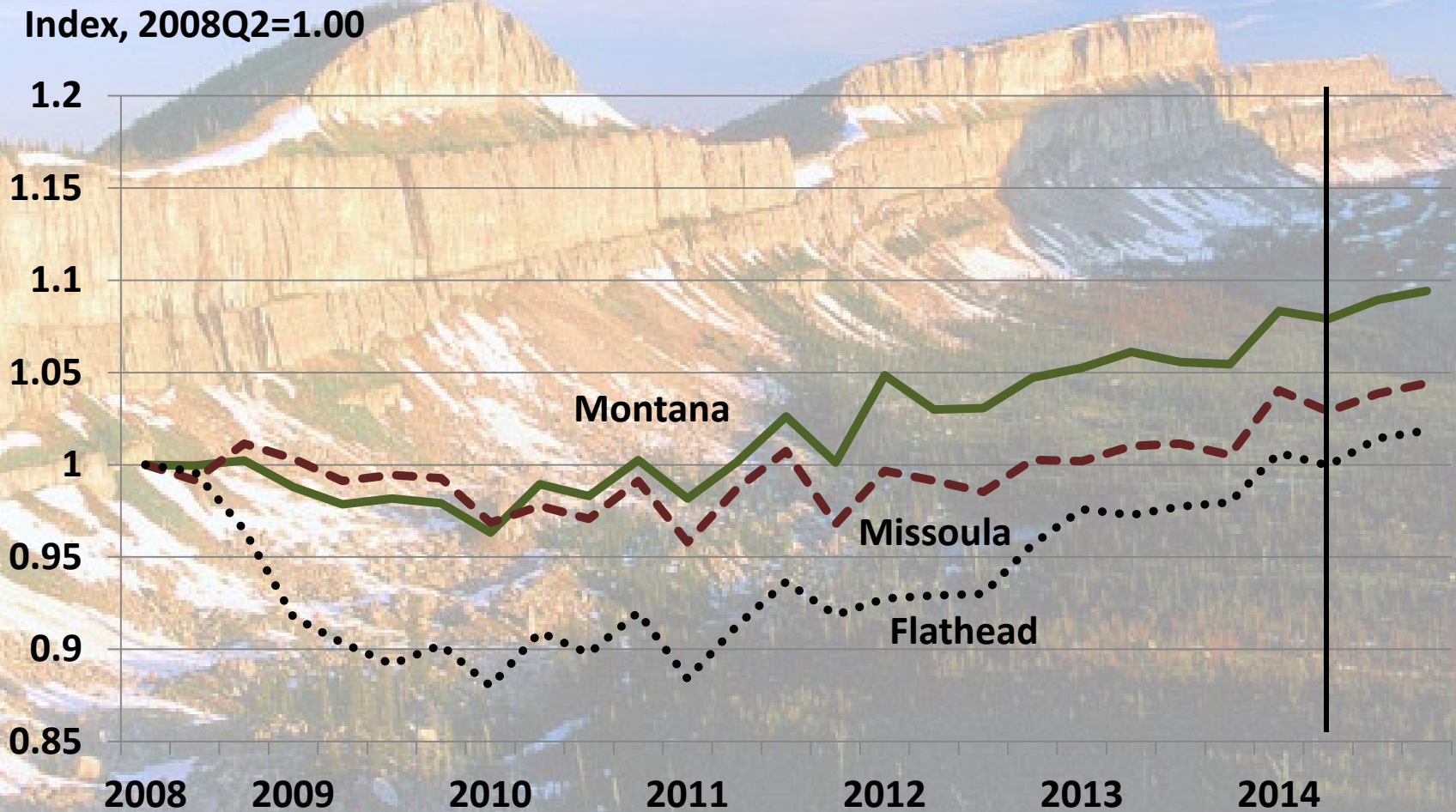
# Actual and Projected Change in Nonfarm Earnings, Lewis & Clark County, 2011-2018



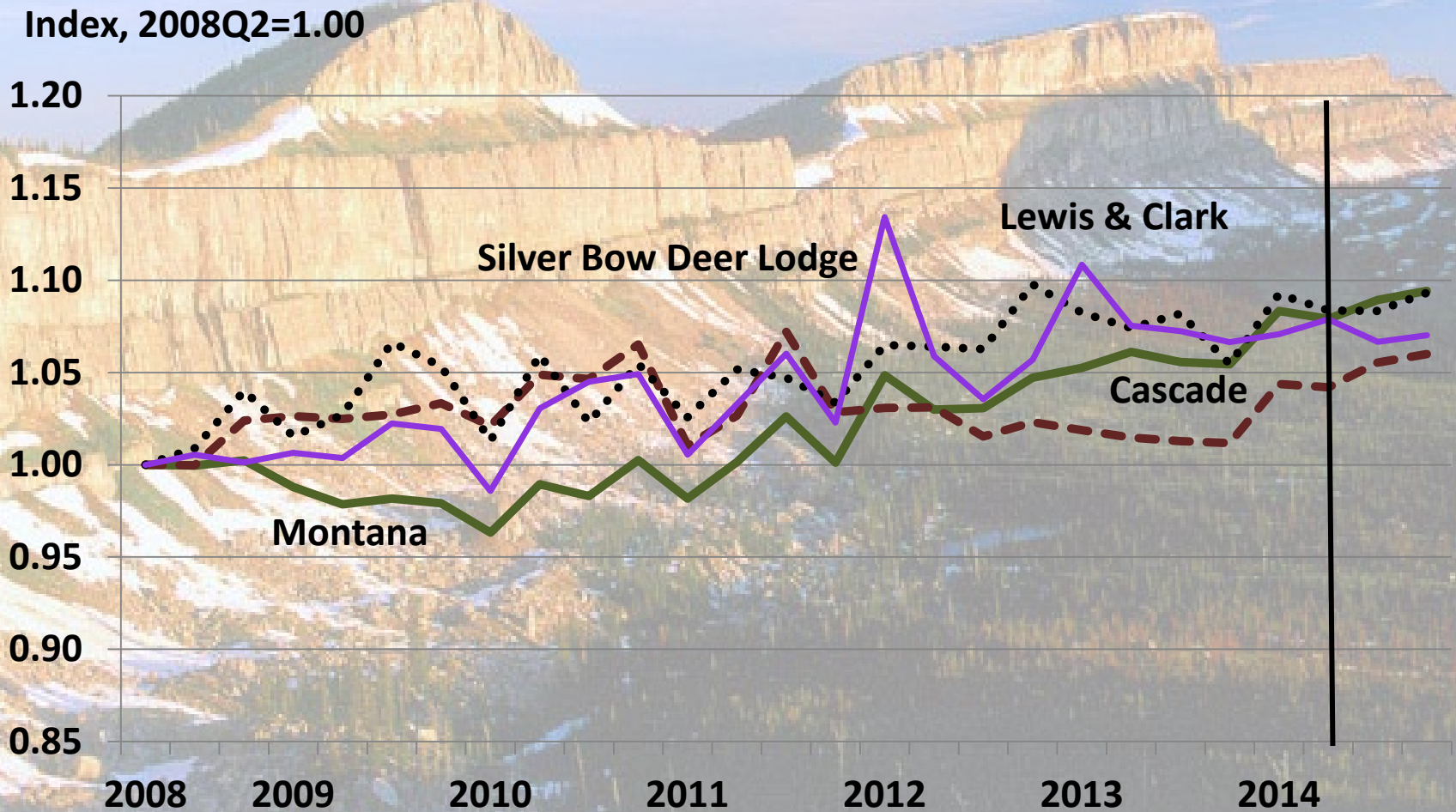
# Actual and Projected Change in Nonfarm Earnings, Lewis & Clark County, 2011-2018



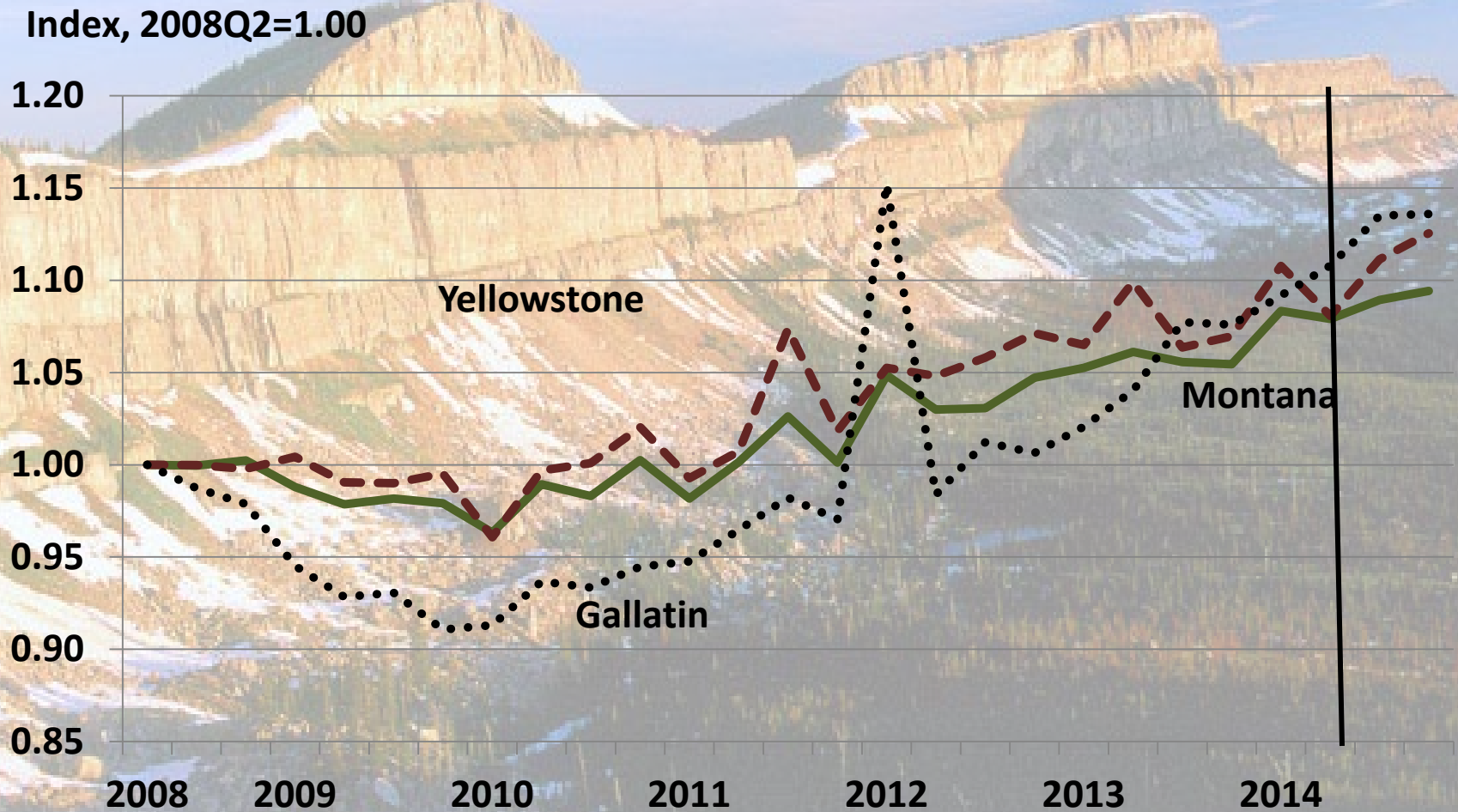
# Inflation Adjusted Wages and Salaries, 2008-2014



# Inflation Adjusted Wages and Salaries, 2008-2014

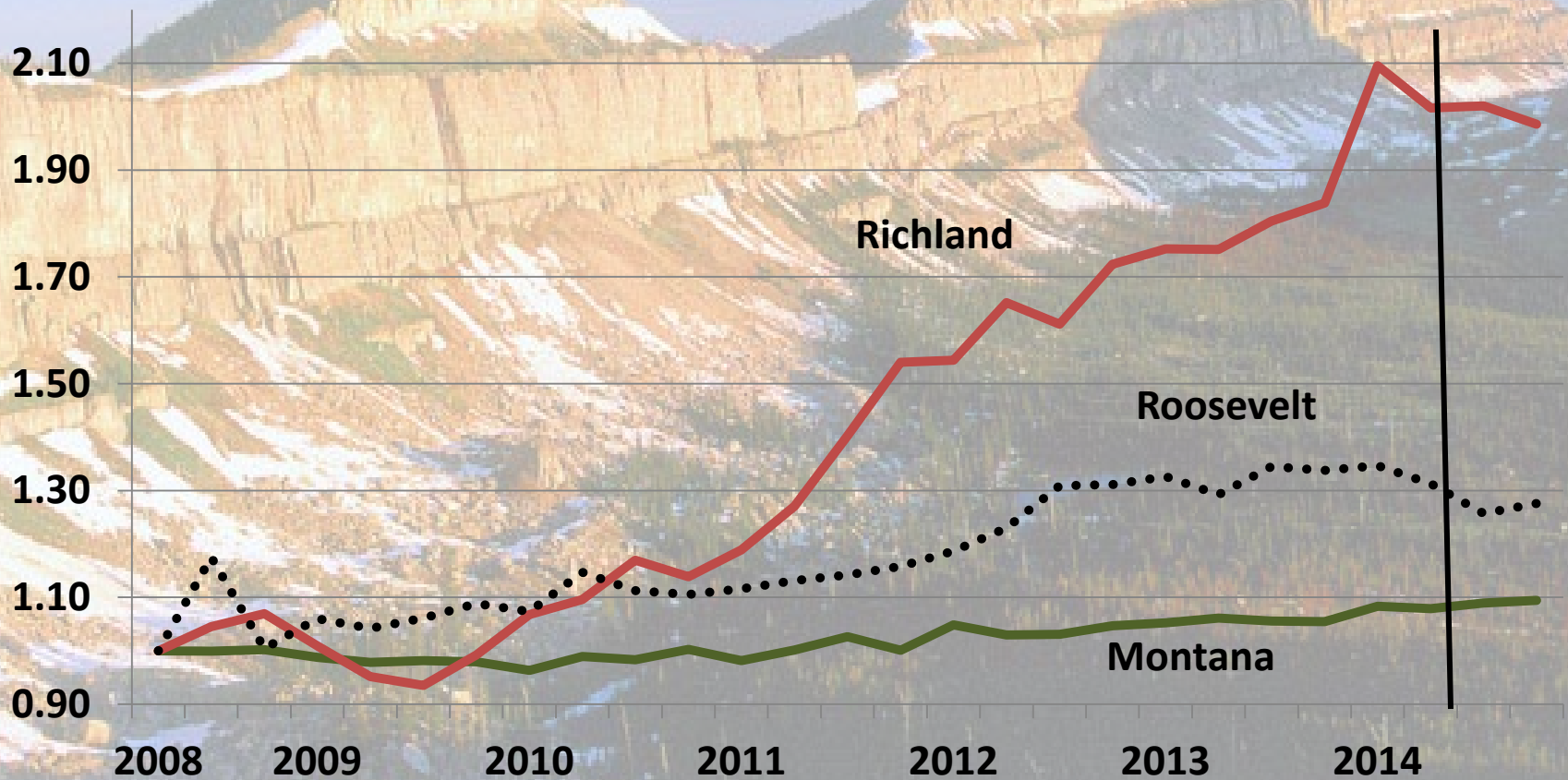


# Inflation Adjusted Wages and Salaries, 2008-2014



# Inflation Adjusted Wages and Salaries, 2008-2014

Index, 2008Q2=1.00







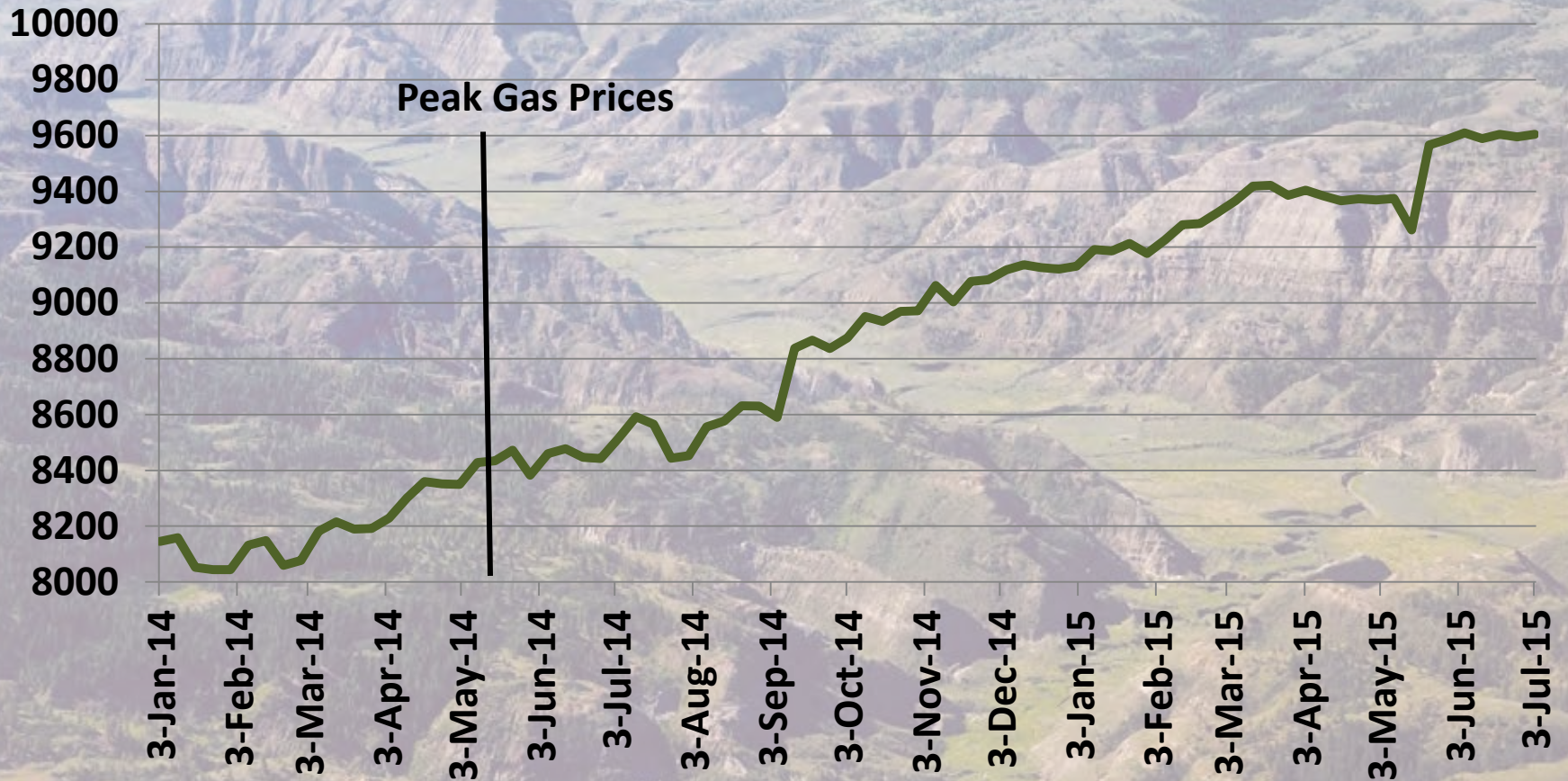
# 2015: A Different Oil “Bust”

By Paul E. Polzin

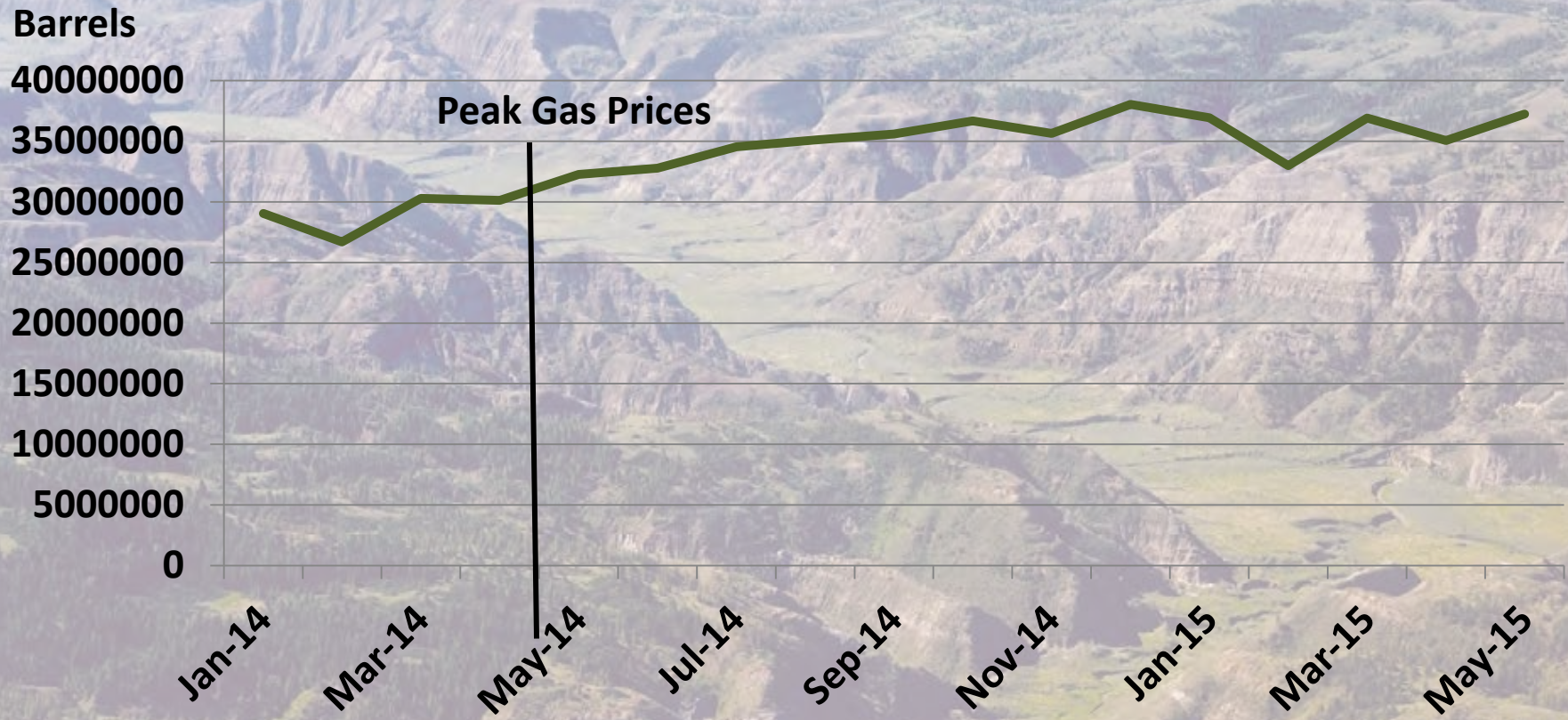
Program for Energy and Resource Economics  
Bureau of Business and Economic Research

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

Thous. Barrels /day



# Monthly Oil Production, North Dakota, 2014-2015



# Monthly Oil Production, Montana 2014-2015

Barrels

2,700,000

2,600,000

2,500,000

2,400,000

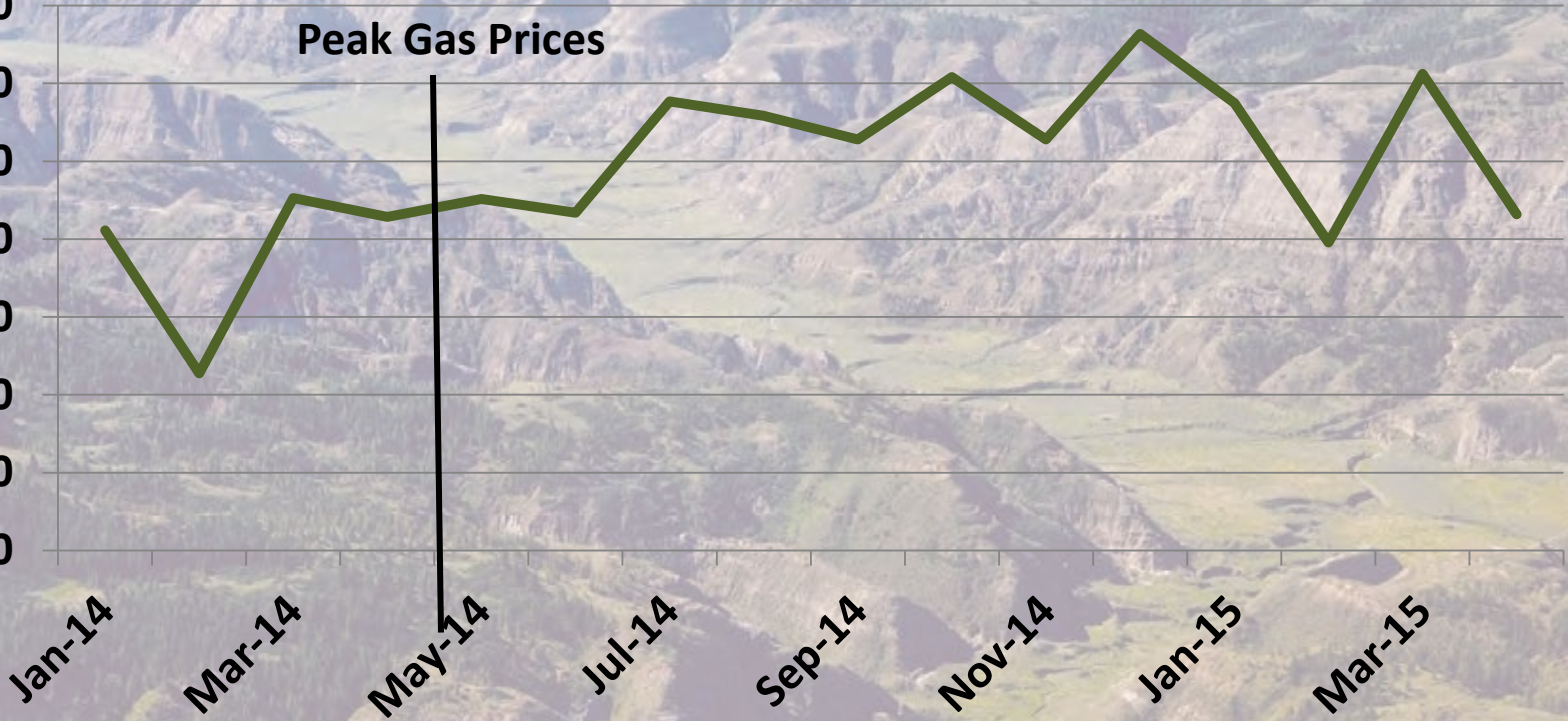
2,300,000

2,200,000

2,100,000

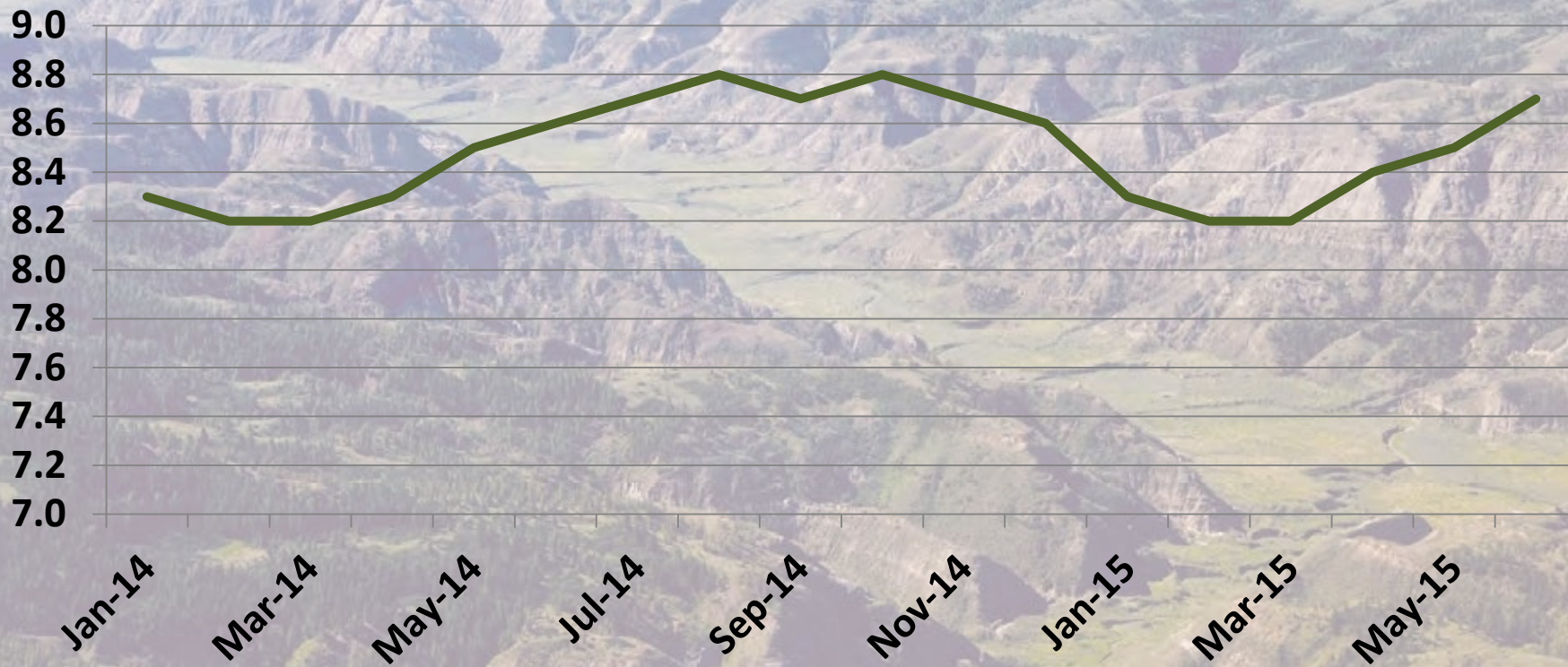
2,000,000

Peak Gas Prices



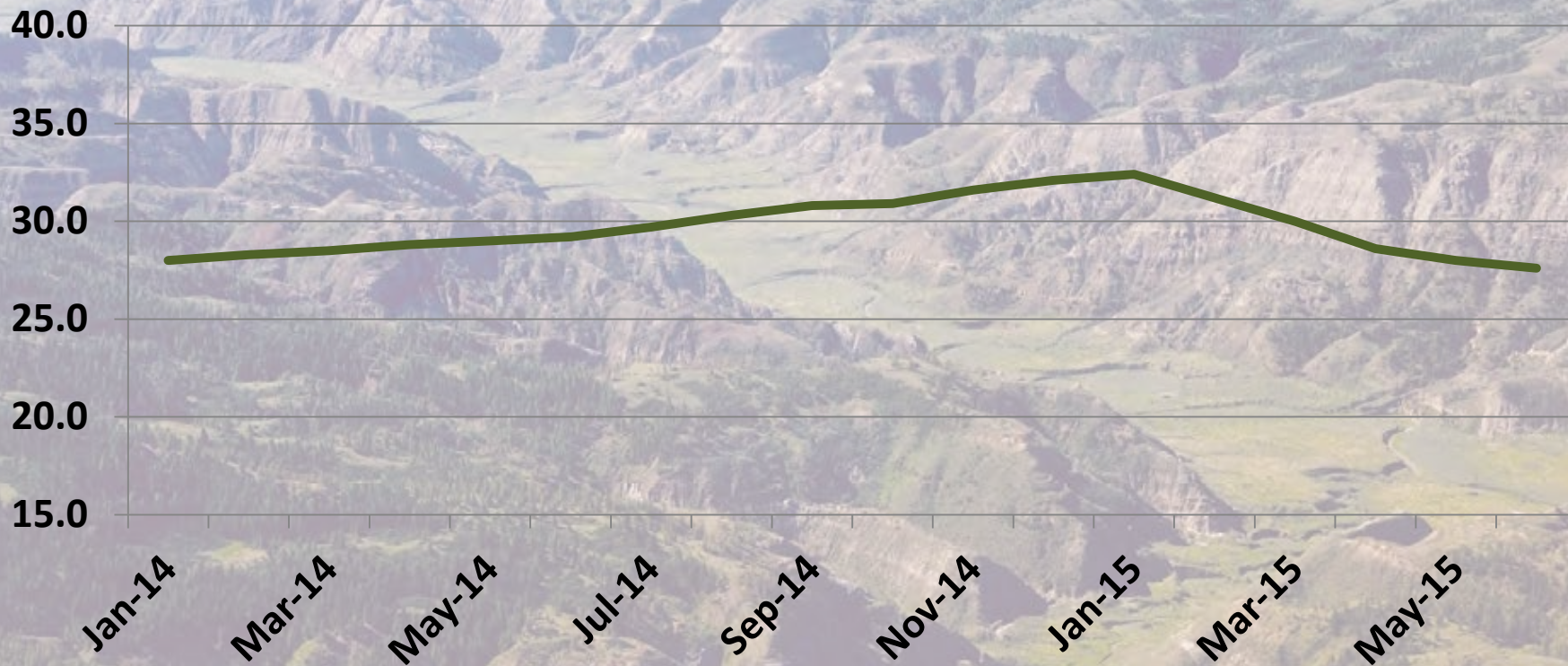
# Monthly Employment, Mining and Logging, Montana, 2014-2015

Thousands of Workers



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

Thousands of Workers



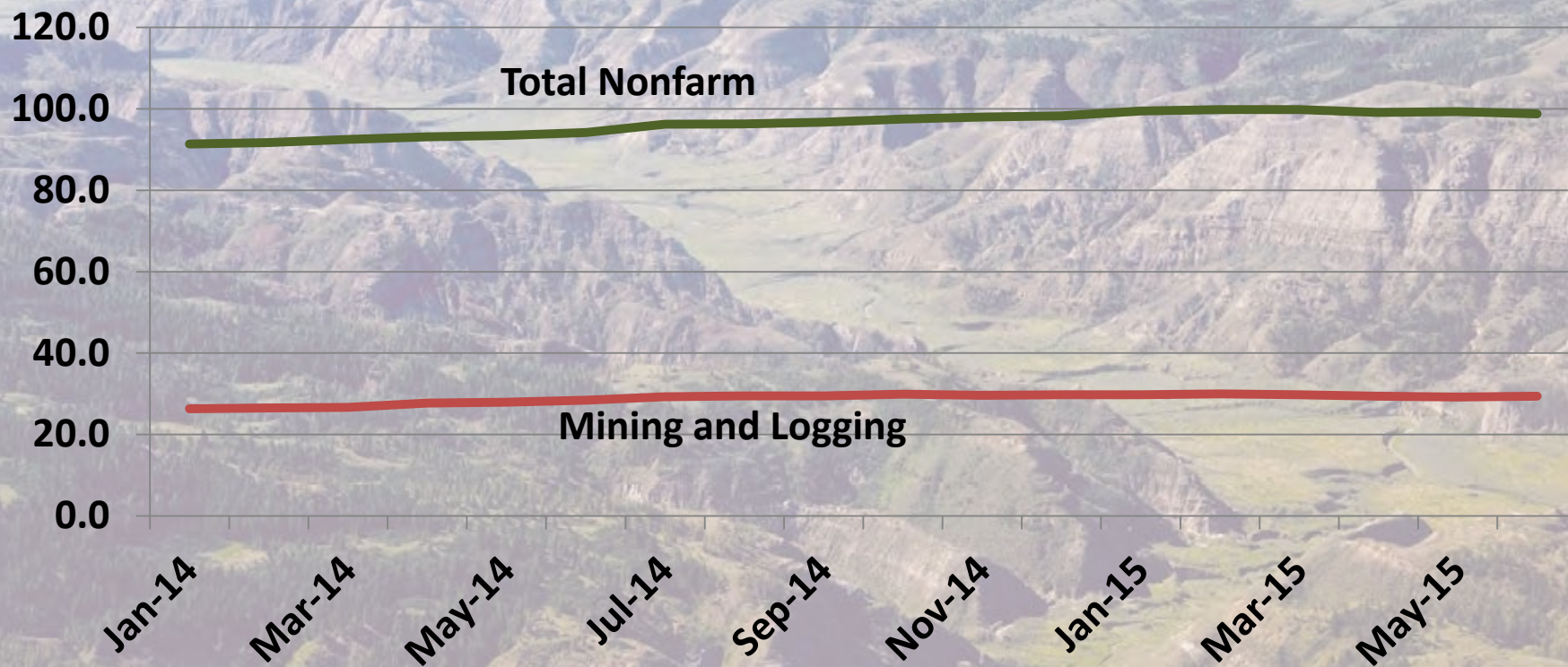
An aerial photograph of a rugged mountain range. The terrain is characterized by deep, winding valleys covered in lush green vegetation, interspersed with steep, rocky ridges that appear brownish-tan. The perspective is from a high altitude, looking down into the valleys. The sky is a pale, hazy blue, suggesting a clear but slightly overcast day. The overall scene conveys a sense of vast, natural beauty and geographical complexity.

Economist, July 4, 2015, P. 53

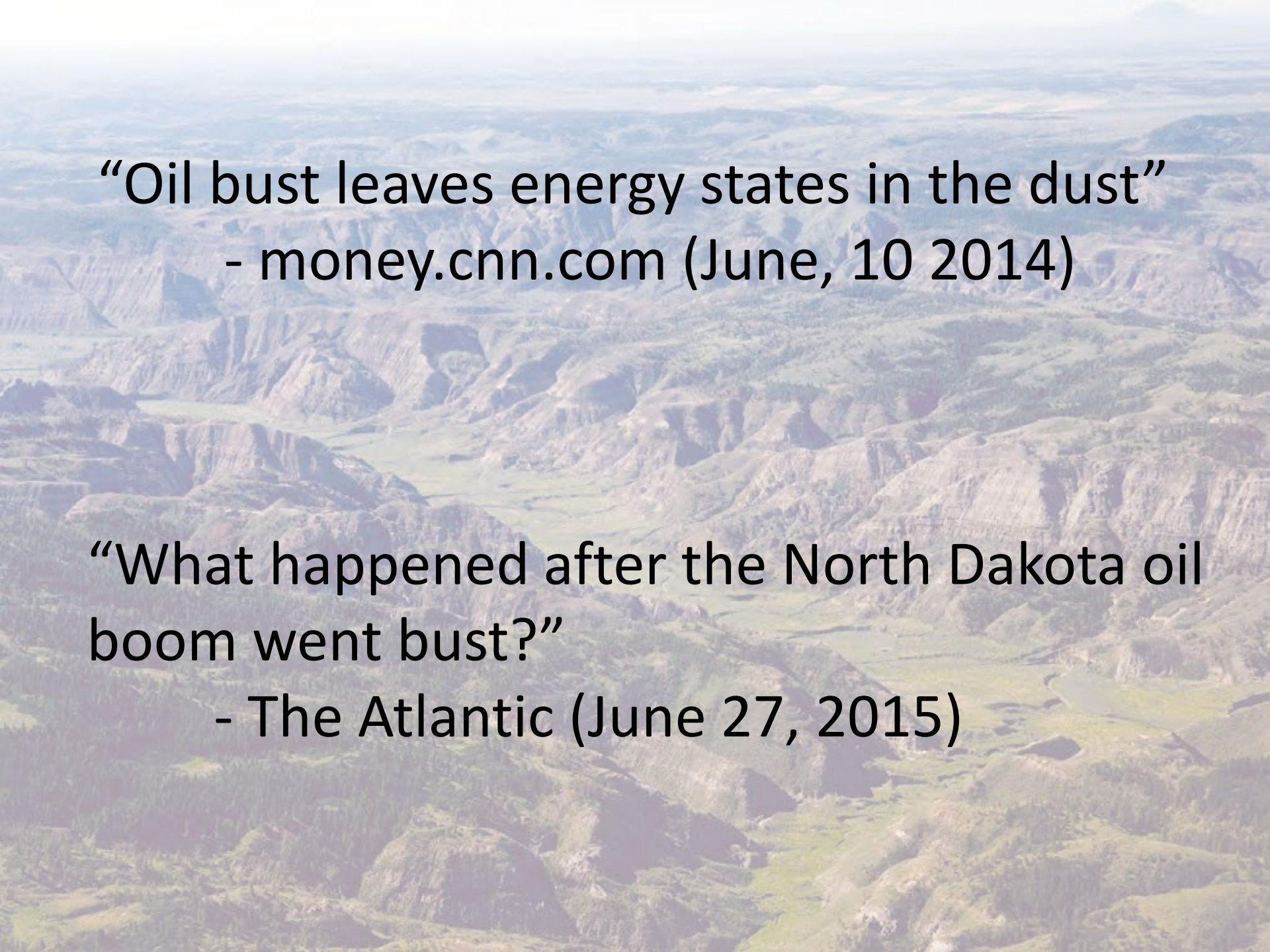
“Midland has witnessed multiple booms and busts since the 1920s. Graced by Ferraris during the 2012-2014 boom, its highways are now populated by pickup trucks. Some 20,000-30,000 temporary workers have left.”

# Monthly Employment, Midland, TX Metro Area 2014-2015

Thousands of Workers



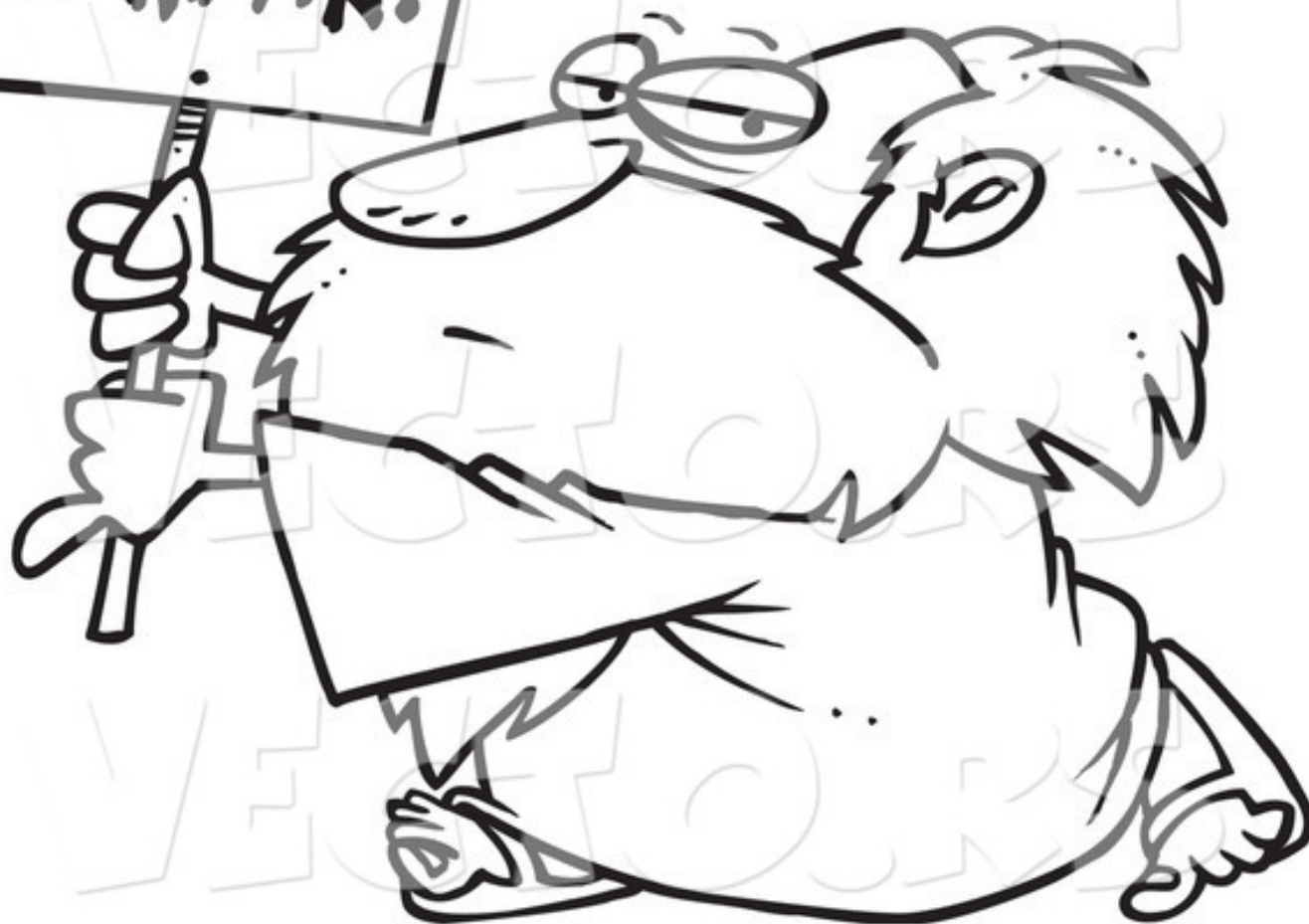




“Oil bust leaves energy states in the dust”  
- money.cnn.com (June, 10 2014)

“What happened after the North Dakota oil boom went bust?”  
- The Atlantic (June 27, 2015)

**THE END  
IS NEAR!**

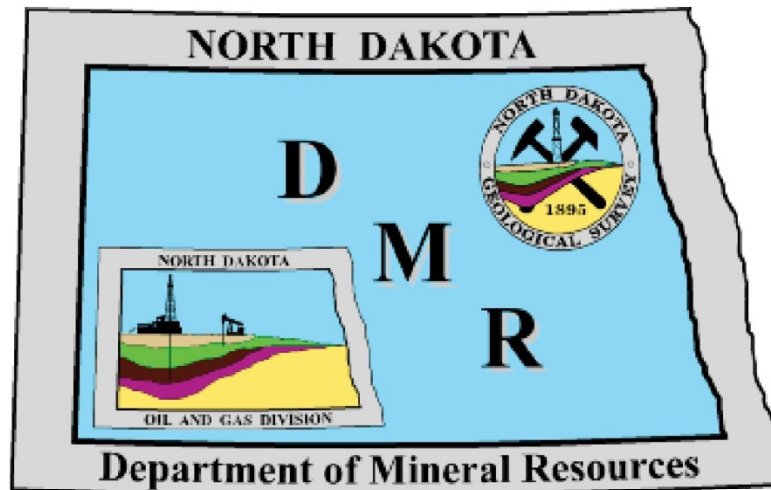


# North Dakota Department of Mineral Resources

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***

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

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.

An aerial photograph of a vast, rugged landscape. The terrain is characterized by deep, winding canyons and valleys. The upper reaches of the canyons are rocky and brownish, while the lower reaches and valley floors are lush with green vegetation, including dense forests and open fields. The perspective is from a high altitude, looking down into the valleys and across the expanse of the land. The sky is clear and light blue, suggesting a bright day.

Questions?