

MBOGC- MPA 2006-07 Essay Report

Total number of Essays submitted: 136

Total cash Prizes:	First Place	\$2000
	Second Place	\$1000
	6-Runner up	\$3000 at \$500 each
	14 Finalist	\$1400 at \$100 each

Total awards to Students: \$7400

Expenses:

Jensen Contract	\$1500
Gas-Robertus	\$ 35
Supplies	\$ 160
Total Admin:	\$1695

Administrative Comments: Mrs. Jensen was hired to help advise, score and manage the contest. Mrs. Jensen developed both rubrics (score sheets) that were used in the initial scoring process and the determination of finalists. Both of us read each essay. I read them to understand the work load involved in the process. I could read and score an average of 5 essays an hour, and Mrs. Jensen was about the same. Scoring the original essays took each of us approximately 30 hours to grade the original papers. Mrs. Jensen had an additional 25-30 hours in the development of the rubrics and scheduling school events.

The award process was difficult. I was able to personally attend 6 of the eight awards, but one reason was that Helena Capital had 4 of the winners and were awarded their prizes at one assembly. If there had been 8 separate awards the ability of me to cover them would have been impossible.

Content Comments from Jack King, one of the finalists judges.

RESEARCH: The final papers were all well written as would be expected with word programs. However few were well researched, with the Gazette, Wikipedia and Al Gore's movie being primary sources. Industry sources were noticeable light. This may explain why only 2 finalists mentioned more drilling and access as viable alternatives.

NUCLEAR: The one viable alternative with the potential to generate significant energy to replace fossil fuels may be nuclear. Nuclear was barely mentioned. I don't know why but obviously a function of research and other items that conspiratists could have a lot of fun with.

FRAMING THE ISSUE: I thought it was pretty clear that the essayists were asked to deal with energy supply, demand, options and affects on lifestyle. The essays (lightly) touched on all of this to varying degrees, but not nearly as much as they did about a subject that was not part of our stated points. That issue being the environment. Love them or hate them, Greens have done a great job of framing the "energy" issue as environmental and more specifically "global warming" not supply, demand and consequences of too little supply.

"EASY BUTTON": Galt came up with this moniker for the essays and I think it says volumes about the attitudes of our students. There seems to be little concern that we are getting the majority of our oil from countries that hate us and we are running out of oil. The solution... hit the easy button use less oil and burn corn. Solutions to problems have come easy to xyzers and the easy button attitude is certainly manifested. Without exception their concern centers around

global warming with the broad assumption that technology is already in place to save them, we only need to employ it.

TANSTAFI: Remember the old Barry Commoner "there ain't no such thing as a free lunch"? The essays categorically missed the boat, that there are strong and distinct lifestyle adjustments that take place when there is not enough energy to go around.

ETHANOL: The most common solution to most of the energy woes was "burn ethanol". This was a common thread with little to no research about the energy efficiency of ethanol, subsidizing, quantities required, quality of energy and effects on the agriculture industry and food supplies. Ethanol was the principal "easy button" hit by essayist with an "ok problem solved" mentality.

ATTITUDE: Oil was universally accepted as bad and critics of technology driven solutions like ethanol were either wrong, or at best over stated.

Executive Director Recommendations:

Work with a small group of MPA members interested in advancing the essay program and present to MPA board of directors in August, 2007. Items to evaluate include:

1. Continue the cash award format
 2. Announce contest In September of 2007
 3. Market at MEA-MFT Convention
 4. Require Essay Submissions due on January 15, 2008
 5. Establish finalists scoring committee
 6. Hire Mrs. Jensen (or?) to provide the same service for the contest*
 7. Have Essays to scoring committee by March 15, 2008
 8. Announce winners on May 1
 9. Develop plan for award ceremonies
- We need to have a contract with a teacher/advisor that is flexible. I think that \$1500 was fair for the 50-60 hours involved in developing this contest. But if we had been given 500 essays the time would have been quite a bit more substantial. If we continue I want to have the contract offer \$1500 base, plus and additional \$150 dollars for every group of 25 essays in excess of 150 total essays. Furthermore, we need to develop minimum criteria that essay submissions must meet or they are not considered.

FINANCIAL STATEMENT
As of 6/1/07

OIL AND GAS DIVISION
FY 2007 Budget vs. Expenditures
Percent of Year Elapsed = 92

FTE Obj.	2007 Regulatory			2007 UIC			2007 Educ & Outreach			2007 NAPE			2007 Pub Acc Data			TOTAL BUDGET	TOTAL EXPENSES	Expend % of Budget
	Budget	Expend	% of Budget	Budget	Expend	% of Budget	Budget*	Expend	% of Budget	Budget*	Expend	% of Budget	Budget*	Expend	% of Budget			
	17.0			3.5									1.0			21.5		
1000 Pay Plan	-			-									-			-		
1100 Salaries	670,448	533,672	0.80	157,119	120,369	0.77							25,000	18,605	0.74	1,506,609	672,646	0.45
1300 Other Comp	4,880	5,612	1.15	1,220	440	0.36							-	-	-	12,154	6,053	0.50
1400 Benefits/ins	206,823	164,316	0.79	45,983	35,395	0.77							10,520	7,440	0.71	463,038	207,150	0.45
1600 Vacancy Svcs	(33,983)	-	0.00	(7,383)	-	-							(1,421)	-	-	(42,787)	-	0.00
2100 Contracted Svcs	419,655	127,580	0.30	69,773	10,700	0.15	65,000	-	-				170,000	-	-	862,709	138,280	0.16
2200 Supplies	37,641	41,266	1.10	7,346	6,823	0.93				4,000	-	-	3,500	1,368	0.39	100,578	49,457	0.49
2300 Communications	37,942	35,111	0.93	7,134	7,276	1.02							1,500	-	-	88,964	42,386	0.48
2400 Travel	28,995	34,606	1.19	7,830	5,174	0.66				4,442	-	-		-	-	81,048	39,779	0.49
2500 Rent	13,442	18,164	1.35	2,882	2,194	0.76								-	-	36,685	20,358	0.55
2600 Utilities	11,221	11,059	0.99	2,407	2,446	1.02								-	-	27,135	13,505	0.50
2700 Repair/Maint	19,025	14,952	0.79	4,256	3,282	0.77								-	-	41,516	18,234	0.44
2800 Other Svcs	15,767	16,555	1.05	10,136	8,394	0.83				5,000	-	-		-	-	55,854	24,949	0.45
3000 Equipment	50,000	23,255	0.47	-	-	-								-	-	50,000	23,255	0.00
6000 Grants							10,000	6,000	-									
Total	1,481,856	1,026,148	0.69	308,703	202,492	0.66	75,000	6,000	0.08	13,442	-	-	209,099	27,413	0.13	2,088,100	1,262,052	0.60

* includes unspent funds from fy06 (biennial approp)

FUNDING	2007 Regulatory Budget	2007 UIC Budget	2007 Educ & Outreach Budget*	2007 NAPE Budget*	2007 Pub Acc Data Budget*	TOTAL BUDGET	2007 Regulatory Expend	2007 UIC Expend	2007 Educ & Outreach Expend	2007 NAPE Expend	2007 Pub Acc Data Expend	TOTAL EXPENSES
State Special	1,481,856	198,703	75,000	13,442	209,099	1,978,100	1,026,148	115,658	6,000	-	27,413	1,175,219
Federal		110,000				110,000		86,834				86,834
Total Funds	1,481,856	308,703	75,000	13,442	209,099	2,088,100	1,026,148	202,492	6,000	-	27,413	1,262,052

REVENUE INTO STATE SPECIAL REVENUE ACCOUNT as of 6/1/07

	FY 07	Total FY 06	Percentage FY07 to FY06
Oil Production Tax	3,148,244	3,424,490	0.92
Gas Production Tax	976,842	1,508,204	0.65
Penalty & Interest	-	-	
Drilling Permit Fees	72,155	86,850	0.83
UIC Permit Fees	185,300	190,350	0.97
Enhanced Recovery Filing Fee	-	-	
Interest on Investments	466,193	299,860	1.55
Copies of Documents	11,339	13,351	0.85
Miscellaneous Reimbursemts	6,981	2,859	2.44
TOTALS	\$4,867,054	\$5,525,964	0.88

REVENUE INTO DAMAGE MITIGATION ACCOUNT as of 6/1/07

	FY07
Transfer in from RIT	0
Bond Forfeitures	65,195
Interest on Investments	<u>8,465</u>
TOTAL	73,660

BOND FORFEITURES as of 6/1/07

Nerlihc Company	65,194.75
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REVENUE INTO GENERAL FUND FROM FINES as of 6/1/07

	FY07
Nerlihc	2500
Yellowstone Petroleums	500
Cowry Enterprises	500
Brandon Oil	40
Delphi - William Athens	90
Nerlihc	1500
DL Inc.	<u>180</u>
TOTAL	5310

INVESTMENT ACCOUNT BALANCES as of 6/1/07

Damage Mitigation	204,780
Regulatory	12,464,018

GRANT BALANCES - 6/1/2007

<u>Name</u>	<u>Authorized Amt</u>	<u>Expended</u>	<u>Balance</u>
EPA Exchange Network Grant	750,000	248,302	501,698
2005 Northern	300,000	111,272	188,728
2005 Eastern	<u>300,000</u>	<u>87,830</u>	<u>212,170</u>
TOTALS	\$1,350,000	\$447,405	\$902,595

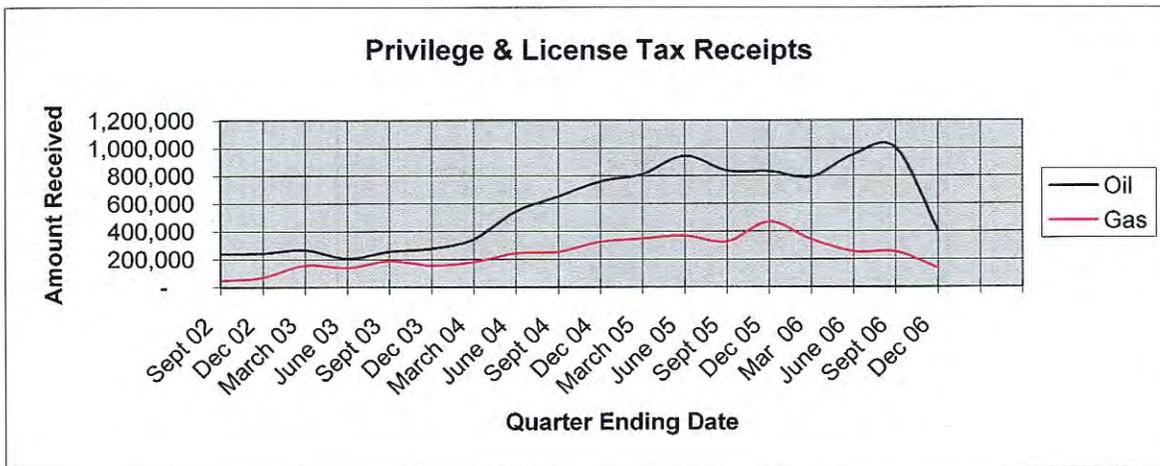
CONTRACT BALANCES - 6/1/2007

HydroSolutions - Tongue River Info Project	150,000	55,085	94,915
HydroSolutions - Groundwater Vulnerability	49,924	10,377	39,547
Sylvan Petroleum LLC	36,750	-	36,750
GWPC - Mgmt - Exchange Node	131,450	38,068	93,382
ALL Consulting - IT - Exchange Node	577,825	291,145	286,680
DNRC Centralized Services Indirect - EPA	40,725	18,106	22,619
COR Enterprises - Janitorial	17,700	6,011	11,689
Agency Legal Services - Legal*	50,000	21,778	28,222
Liquid Gold - 05 Northern	210,000	138,284	71,716
C-Brewer - 05 Eastern (og-cb-120)	110,000	0	110,000
C-Brewer - 05 Eastern (og-cb-119)	250,000	126,084	123,916
TOTALS	1,624,374	704,937	919,437

Agency Legal Services Expenditures to Date in FY07

Case	Amt Spent	Last Svc Date
Diamond Cross	185	8/06
Diamond Cross 2	5,276	4/07
Tongue & Yellowstone	259	4/07
Hugh Gwynn	1,473	12/06
MEIC	3,885	4/07
BOGC Duties	10,700	4/07
Total	21,778	

Privilege and License Tax Receipts			
Qtr End	Oil	Gas	Rate
Sept 02	239,752	48,227	0.026 of 1%
Dec 02	244,878	69,231	
March 03	266,315	158,091	
June 03	205,217	139,338	
Sept 03	256,076	187,576	
Dec 03	276,512	155,673	
March 04	343,307	180,346	
June 04	542,882	243,903	
Sept 04	650,332	252,907	
Dec 04	758,533	325,086	
March 05	812,080	348,034	
June 05	944,955	367,483	
Sept 05	836,676	325,374	0.018 of 1%
Dec 05	830,779	467,313	
Mar 06	790,349	338,721	
June 06	952,886	253,299	
Sept 06	1,002,159	250,539	
Dec 06	402,849	134,283	



2005 GRANT PROJECT STATUS

June 13, 2007

2005 NORTHERN

2005 Northern RFP for well plugging and restoration issued.

Contract awarded to Liquid Gold Well Service.

7 Southeast Cut Bank Sand Unit (SECBSU), wells plugged and restored on State Section 16 T32N R5W
December 2006 and January 2007

4/10/07 Starting on KSB well P&A Finished P&A and surface cleanups.

Additional invoice cost forthcoming for work done since April 2007.

Cost: \$138,284 to date.

2005 EASTERN

2005 Eastern RFP for well plugging reissued.

Contract awarded to C-Brewer, Inc.

Started October 3, 2006 - Plugged & Restored 11 wells Phillips & Valley Counties

Second part surface restoration on orphaned wellsites RFP issued.

Contract awarded to C-Brewer, Inc.

Anticipated Start: Spring 2007 Very wet spring. Contractor recommends drier weather to start.

Emergency Orphan Well repair and Cleanup done on the Charoil Co., Creighton Memorial Hospital #1,
Section 1 T7N R31E, Yellowstone County, MT.

Cost: \$2721.74

2007 GRANT APPLICATIONS

2007 Northern and 2007 Southern applications completed.

2007 Southern Restoration completed.

All grant submitted to RDGP/DNRC May 15, 2006.

2007 Northern and Southern applications accepted for grant

2007 Southern Restoration accepted for grant.

All 2007 Grants Funded.

Compliance Status Report

Run Date: 6/13/2007

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Brandon Oil Company

Action Date: 4/26/2007

Production - Delinquent

Penalty:

Date Assessed:

Compl. Required: 5/15/2007 Achieved:

Comment: Leases 3483 and 3667 - need September through December 2006 reports; board referral, 6/13/2007.

Letter, Certified

4/26/2007

Signed for on 4-27-2007

Carrell Oil Company Dba Coco

Action Date: 4/26/2007

Production - Delinquent

Penalty: \$150.00

Date Assessed: 4/26/2007

Compl. Required: 5/15/2007 Achieved:

Comment: Lease 603 held up for errors, August and September 2006, called 1-22-2007 (no response), wrote letter 2-22-2007 (no response). Need reports for all Carrell Oil Company leases for October 2006 through December 2006. Board referral 6/13/2007. Karen called 6-13-2007, she is bringing in injection reports today and will bring in production reports before Thursday with \$150.00 fine.

Telephone Call

6/13/2007

Karen called us

Letter, Certified

5/17/2007

letter returned-unclaimed

Letter, Certified

4/26/2007

(errors and delinquent)

Letter

2/22/2007

(errors)

Telephone Call - Unanswered

1/22/2007

left message (errors)

Delphi International Inc.

Action Date: 4/26/2007

Production - Delinquent

Penalty:

Date Assessed:

Compl. Required: 5/15/2007 Achieved:

Comment: Leases 900, 1787, 4639 - September 2006 through December 2006 reports. Spoke w/Ashley on 5/30/2007 and 6/7/2007. Her boss, Mr. Athens, is supposed to call me about mistakes on reports on Monday, June 11th. Called 6-11-2007, left message that they have to call before board meeting to get reports correct or they will be fined. Bill Athens called 6-12-2007, left message. I called him back 6-13-2007 and asked him to call me before 1:30 today with report corrections.

Telephone Call

6/11/2007

Left message

Letter, Certified

4/26/2007

Signed for on 4-28-2007

Hi-Dezert, Wesley Miller dba

Action Date: 4/27/2007

Production - Delinquent

Penalty:

Date Assessed:

Compl. Required: 5/15/2007 Achieved:

Comment: Lease 3361 for November and December 2006. Steve is in contact with surety/bonding agent.

Letter, Certified

5/17/2007

letter returned-unclaimed

Letter, Certified

4/27/2007

EXHIBIT 4

Compliance Status Report

Run Date: 6/13/2007

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Rankin, Paul	Action Date: 4/27/2007	Production - Delinquent
Penalty:	Date Assessed:	Compl. Required: 5/15/2007 Achieved:
Comment: Lease 341 only for December 2006. Letter sent with deadline of July docket deadline.	Letter, Certified	6/8/2007 Penalty assessed; deadline of 6/28
	Letter, Certified	4/27/2007 Signed for on 5-4-2007
Rocky Mountain Gas, Inc.	Action Date: 4/26/2007	Production - Delinquent
Penalty:	Date Assessed:	Compl. Required: 5/15/2007 Achieved:
Comment: All leases for April 2006 through December 2006. Fine assessed due to no response - deadline of July docket deadline.	Letter, Certified	6/7/2007 Penalty assessed, deadline of 6/28
	Letter, Certified	4/26/2007 Signed for on 5-2-2007
Sauby, Warren	Action Date: 4/26/2007	Production - Delinquent
Penalty:	Date Assessed:	Compl. Required: 5/15/2007 Achieved:
Comment: Lease 1012 for June 2006 through December 2006 [Jansky has taken over lease; need letter to Jansky requiring action on part of Somont, letter to Sauby stating continued responsibility for reporting and plugging.]	Letter, Certified	4/26/2007 Signed for on 4-27-2007
TCA Operations, Ted Clark Db	Action Date: 4/27/2007	Production - Delinquent
Penalty:	Date Assessed:	Compl. Required: 5/15/2007 Achieved:
Comment: Lease 4546 for December 2006 (Steve)	Letter, Certified	4/27/2007 Signed for - no date given
Yellowstone Petroleum, Inc.	Action Date: 4/26/2007	Production - Delinquent
Penalty:	Date Assessed:	Compl. Required: 5/15/2007 Achieved:
Comment: All leases for October 2006 through December 2006. Faxed letter 4-26-2007. Board referral 6/13/2007.	Letter, Certified	4/26/2007