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June 1, 2011

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

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

Dear Ms. Fine:

Enclosed is a requested addendum to the North Dakota Petroleum Council's current grant funded by the Oil and Gas Research Council to support the association's Oil Can! program. This program includes a number of educational and outreach efforts such as public education, Bakken Rocks CookFest events 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.

The Petroleum Council, in partnership with the North Dakota Department of Transportation, is developing a public safety campaign entitled "ProgressZone." Total project expenses are estimated to be \$55,000. We are requesting that an additional \$20,000 be added to our current Oil Can! program grant to help with the creation and implementation of the campaign. This funding would be in addition to the approved \$120,000 two-year grant from the Oil and Gas Research Council effective January 2011. Funds for the development of the "ProgressZone" campaign are requested for the period of July 1, 2011 – December 31, 2012. A \$100 check is enclosed to cover the application fee.

Please contact me if you have any questions or need additional information for the enclosed grant application.

Sincerely,

A handwritten signature in black ink, appearing to read "Ron Ness", is written over a horizontal line.

Ron Ness

Enclosure

Applicant: North Dakota Petroleum Council
PO Box 1395
Bismarck, ND 58502
701.223.6380
Principal investigator: Kelly Jo Wald, communications manager
Date of application: June 1, 2011

North Dakota Petroleum Council

Oil Can! Program

Grant addendum requested from the
North Dakota Oil and Gas Research Council

Project expenses: \$ 55,000
Amount requested: \$ 20,000
Grant deadline: June 1, 2011

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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 addendum to the current Oil Can! program grant is a request for funding to help develop and implement a public safety campaign titled "ProgressZone" in partnership with the North Dakota Department of Transportation. If approved, the additional funding would be used for the remainder of the current Oil Can! program grant timeline: July 1, 2011 – December 31, 2012. The total budget for the "ProgressZone" campaign described in this grant request is \$55,000, of which \$20,000 is requested from the Oil and Gas Research Council. The remaining funding for the campaign will come from a \$20,000 grant from the National Highway Traffic Safety Administration in addition to Petroleum Council and member company contributions.

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 "ProgressZone" campaign outlined in this grant addendum 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.

2.0 Project Description

The standing grant that funds the Oil Can! program has eight primary components that provide targeted education and outreach to industry members, government officials, land owners, royalty owners, policy makers and the general public. These components include: the "Drive Safely" campaign, Town Hall meetings, CookFest events, updating and maintaining our website, safety education, Oil Can! branding and promotion, media outreach, and responding to hot topic issues. The additional funding is intended to finance the development and implementation of the "ProgressZone" campaign as part of the safety education component.

Billboards

A critical part of the campaign's success will depend on continual visual reiteration of the core messages developed to represent the campaign. The quickest and most effective way to reach the majority of people on specific roadways and remind them to practice safe driving habits is through the use of billboard advertising. Six "ProgressZone" billboards will be displayed for three months targeting the areas of Dickinson, Garrison, Minot, Richardton, Stanley, Washburn, Watford City and Williston.

Informational Materials

To help reach people on a more individual level, we plan to produce and distribute several informational materials including vertical banners, posters for community areas and schools, and FAQ brochures. We will also be developing a series of press releases to generate earned media that will draw attention to the campaign and to the importance of practicing safe driving habits.

Website and Social Media Campaign

The Petroleum Council's website, www.ndoil.org, will serve as the hub of information for the "ProgressZone" campaign by including all of the different campaign components, providing statistics, highlighting training opportunities, providing updates on best practices of member companies concerning safety, and showcasing ways members and the public can get involved with the Petroleum Council's safety efforts. We'll also make use of social media vehicles to supplement our paid advertising and reach a wider demographic. This will help us target younger individuals who may be less experienced drivers.

Promotional Materials

Promotional materials will include give-away items such as pens, air fresheners for vehicles and static clings for windows. These items will be handed out at upcoming Petroleum Council and Department of Transportation events. The messaging displayed on these items will serve as a constant reminder to drive safely, especially those items that are displayed within and/or on a vehicle.

Radio Advertising

Another effective way to remind people to drive safely is through the use of radio advertisements. This is especially helpful for those who spend a large portion of their workday

on the road. These advertisements will be aired on stations in and around the key target markets of Dickinson, Minot and Williston.

Safety Committee “Lunch & Learn” Sessions

Several months ago, the Petroleum Council formed a Safety Committee that is responsible for determining ways to improve well site and ground disturbance (e.g. pipeline) safety, manage contractor safety, and inform the public about actions taken by industry to improve safety efforts. The committee will be holding quarterly “Lunch & Learn” sessions used to share best practices, near misses, and ideas for making the industry even safer. Members of the Petroleum Council will alternate co-hosting the event and coordinating speakers and small group discussions. The hosting companies also cover a portion of the expenses.

3.0 Standards of Success

To measure the success of the public safety campaign “ProgressZone,” the Petroleum Council will add related questions to its annual Public Perception Survey, and the Department of Transportation will likewise add related questions in its annual survey. The Department of Transportation will be responsible for monthly reports to the National Highway Traffic Safety Administration to gauge the campaign’s effectiveness by seeing how current progress matches up with identified metrics for public safety campaigns. Having the North Dakota 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.

To successfully monitor the usage of www.ndoil.org as an informational safety resource, Google Analytics reports will be 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 about.

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 250 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 98% of the 113 million barrels of oil produced in North Dakota in 2010.

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 parts of the “ProgressZone” campaign outlined in this grant addendum are core components of the Petroleum Council’s safety education efforts.

5.0 Management

The Petroleum Council and the Department of Transportation will manage and oversee the projects and events that are part of the “ProgressZone” campaign. A safety task force charged with managing the “ProgressZone” campaign has been established and is meeting regularly to develop and implement the plan to improve road safety. Members of the DOT Safety Division are involved with the task force and will co-manage the campaign. Agency MABU will serve in a consultative role and create the campaign materials.

6.0 Timetable

The “ProgressZone” campaign will run from July 1, 2011 – December 31, 2012. Majority of the outreach materials will be developed during the summer months of 2011 and implemented during the remainder of the grant period. The “ProgressZone” Task Force meets a few times each month to discuss the continued development and implementation of the campaign.

7.0 Project Budget

The Petroleum Council’s “ProgressZone” budget for July 1, 2011 – December 31, 2012 is \$55,000. The eighteen-month proposal allows for planning, development and implementation of the various components of the “ProgressZone” campaign.

EXPENSES:

Billboards

Billboard contract	\$ 13,530	
Production	\$ 3,530	
<hr/>		
TOTAL		\$ 17,060

Informational Materials			
Vertical banners	\$	1,500	
Posters	\$	750	
FAQ brochures	\$	500	
Additional print materials	\$	1,235	
<u>Staff time/Personnel to develop</u>	\$	<u>9,015</u>	
TOTAL			\$ 13,000
Website			
Staff time/Personnel to develop "Safety Corner"	\$	3,286	
<u>Social media campaign development/training</u>	\$	<u>500</u>	
TOTAL			\$ 3,786
Promotional Materials			
Pens	\$	800	
Car Fresheners	\$	900	
Static Clings	\$	1,300	
<u>Staff time/Personnel to develop and distribute</u>	\$	<u>3,490</u>	
TOTAL			\$ 6,490
Radio Advertising			
Contract expense	\$	8,210	
<u>Staff time/Personnel to produce materials</u>	\$	<u>1,454</u>	
TOTAL			\$ 9,664
Safety Committee "Lunch & Learn" Sessions			
Facility/food expense	\$	3,605	
<u>Staff time/Personnel to coordinate</u>	\$	<u>1,395</u>	
TOTAL			\$ 5,000
TOTAL EXPENSES			<u>\$ 55,000</u>


8.0 Matching Funds

The North Dakota Petroleum Council request is based on a match for this project. The remaining \$35,000 will be the fiscal responsibility of the North Dakota Petroleum Council, its member companies, and the North Dakota Department of Transportation.

Total Project Expenses	\$	55,000	
Less Grant Addendum Request	\$	20,000	
Less NHTSA Grant	\$	20,000	
Less NDPC Member Company Funding	\$	5,000	
PETROLEUM COUNCIL CONTRIBUTION			<u>\$ 10,000</u>

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

6/1/11

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

“ProgressZone” billboard, bumper stickers, and talking points draft concepts/examples

**PASS WITH
CAUTION**



ProgressZone
WWW.NDOIL.ORG

**SLOW DOWN
ARRIVE ALIVE**



ProgressZone
WWW.NDOIL.ORG

**BE PATIENT
NOT A PATIENT**



ProgressZone
WWW.NDOIL.ORG



ProgressZone

WWW.NDOIL.ORG

SAFETY TIPS

➔ Pass with Caution

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➔ Be Patient, Not a Patient

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➔ Slow Down, Arrive Alive

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