

# INSIDE ENERPLUS: Focusing on the Bakken oil play as a key growth driver

The Bakken light oil play, which has more than three billion barrels of original oil in place, is not new to most people in the oil and gas industry. And it's also not new to Enerplus, who has been developing the play in Montana since 2005.

What is new for Enerplus is the fact that this year, it has invested almost \$600 million to acquire land in the play in North Dakota and Saskatchewan. And it now represents the single largest oil resource play in its portfolio with more than 200,000 net acres.

"We're interested in plays like the Bakken because it offers scope, repeatable development, lower geological risk and tremendous upside potential. The Bakken produces a high-quality, light oil that attracts a good price. It all translates into great

netbacks and it will help improve the profitability of our business," says Ian Dundas, Executive Vice-President at Enerplus.

Through the purchase of Lyco Energy in 2005, Enerplus acquired a strong initial position and started to build a knowledge base and expertise in the play.

Since then, it has drilled more than 100 wells in its Sleeping Giant field in Montana, growing production from 8,700 BOE/day in 2005 to about 10,000 BOE/day at year-end 2009.

"We're now taking our experience and applying our success to our North Dakota and Saskatchewan assets," says Dundas.

The company has continued to amass Bakken lands, adding over 70,000 net acres in North Dakota and more than 140,000 acres in southeast Saskatchewan this year.

The majority of these lands are also operated by Enerplus—with a greater than 90 per cent working interest.

"Being the operator is important for us strategically," says Dundas. "It enables us to control our destiny — giving us the time to manage our assets effectively, control the pace of our capital spending and also to make appropriate portfolio decisions along the way to maximize the value of the resource. Recent drilling results in North Dakota have exceeded our expectations, and we'll continue to apply our expertise," says Dundas. "In the Fort Berthold area of North Dakota alone, we could see production grow from essentially a standing start less than a year ago to more than 20,000 barrels a day in as little as five years."

The company's Bakken production

**"The Bakken Shale is a key growth area for Enerplus."**

averaged about 10,000 BOE/day at the end of the second quarter, mainly from the Sleeping Giant field in Montana, and it expects to boost production by about 30 per cent by the end of the year as a result of new growth in North Dakota.

Enerplus plans to spend almost \$200 million this year alone to drill more than 40 wells. These are deep horizontal wells with multi-stage fracs and require an experienced technical team to execute. Enerplus has a full complement of geologists, geophysicists, engineers and landmen on staff to ensure that the company's investment is well managed and delivers the production and reserves potential expected.

Enerplus expects to continue to look for opportunities to add more assets like the Bakken to its portfolio. Unlocking the value in new resource plays is one of the ways that Enerplus expects to deliver on its growth and income strategy.

**THE ADVENT OF HORIZONTAL DRILLING** with hydraulic fracturing technology has enabled the Bakken resource to be unlocked economically.



**NAME:** David Hart, CPA

**YEARS AT ENERPLUS:** 3

**PROFESSION:** Finance Manager, Enerplus USA

## Our Resources

### What do you do at Enerplus?

I lead a group of professionals responsible for operational accounting for our U.S. operations including our properties in the Marcellus and Bakken plays. This includes forecasting as well as handling expenses from our partners and distributing royalties.

### What do you like about Enerplus?

I value the financial strength of Enerplus as well as the knowledgeable people working for the company both in Denver and Calgary. It's great being part of a team working on world class oil and gas assets within a company that believes in work-life balance. This balance is not only evident by the flex days provided, but by the attitude from the top.

### Do you believe there is potential for career growth at Enerplus?

Definitely. Since the Denver office opened, we've built a solid foundation for growth and have significantly enhanced the quality of our assets over the past year. This will mean new challenges, increased visibility and more opportunity for all employees to play a critical role in the company's success.



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