

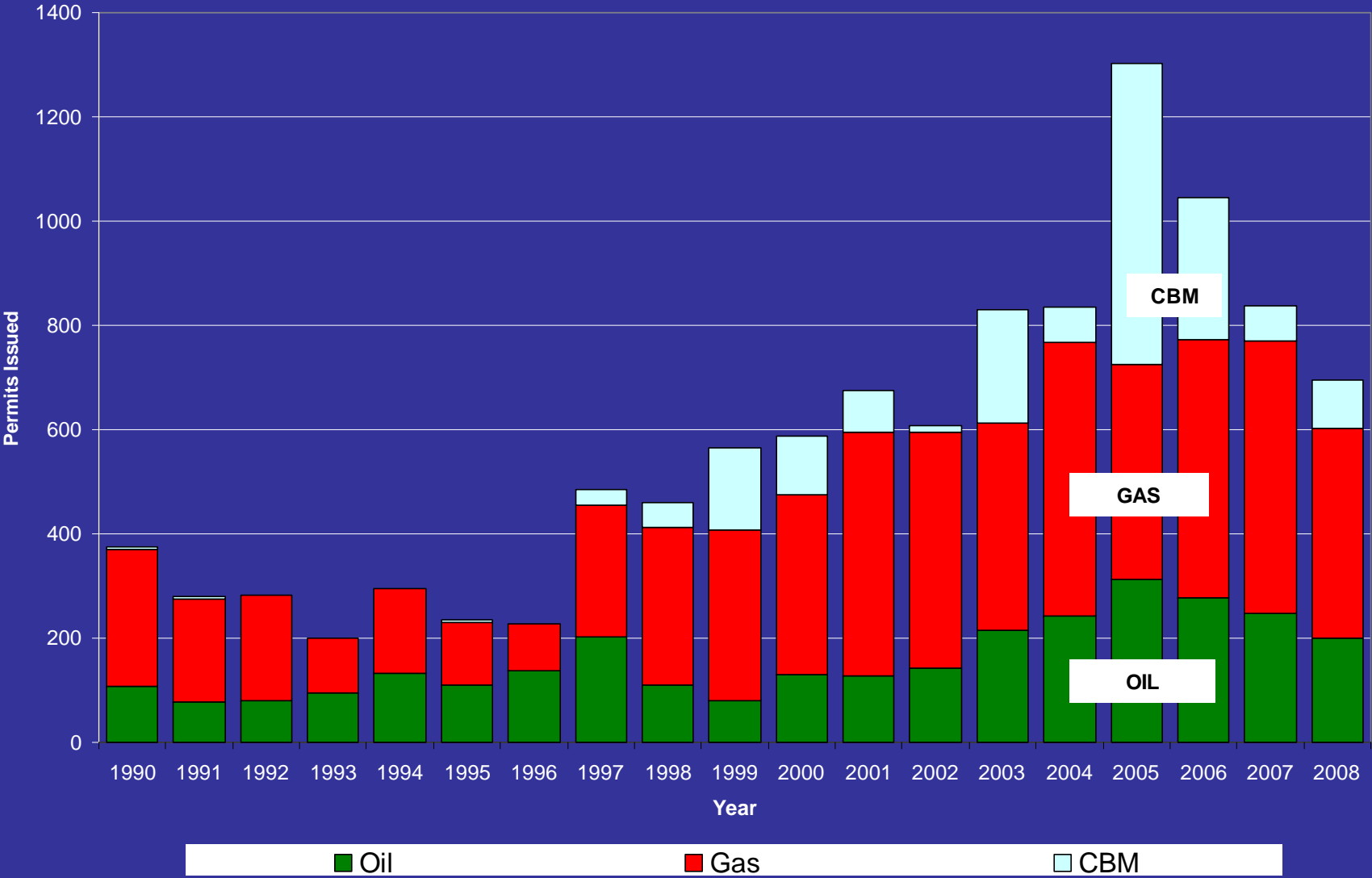
Legislative Trends?

- **Waximization** – solving global climate change through punitive tax policy
- **Taxstration** – O&G recessionary tax policy
- **Splitrifying** – unnecessary split estate solutions
- **Regulining** – faux regulation streamlining
- **Grousectomy** – procedure of empowering state fish and game departments
- **Microlicy** – county level O&G regulations for HF, air permits, etc.
- **Bakkenization** – when state O&G policy is done correctly

Montana – *Oro y Plata*

- **“The Great Slowing”**
 - Dramatic slow down in Q4 2008
 - 2 rigs running in the state
 - Oil production dropping 6% per year
 - Natural gas production dropping 2% per year
 - Job losses
 - Drilling permits down to 109

Montana Drilling Permits, by Year



Montana – Legislative Recap

- **Got Taxes?**
 - Tax, tax, tax!
 - Increase in production taxes - failed
 - \$1/bbl and 0.8\$/mcf
- **Montana Saves the Ice Cap!**
 - 30 climate bills – no negative bills passed
- **Road Kill, it's what's for dinner!**
 - Colorado Wildlife protection bill copied but not heard

Montana – Trends?

- **Buddy Can You Spare a Dime?**
 - Recession may lead to Special legislative session - O&G will be targeted for \$\$\$
- **Hey, Can I Butt in?**
 - Remove public lands from development
 - More process review by Fish and Game
- **OGAP: The Path to Enlightenment - End Your Addiction**
 - Hyd. Frac, low carbon fuels, CO2 emissions
- **Hoodoo and Voodoo Economics**
 - “Headwaters Economics” – used in tax bills