

USGS doubles estimate of Bakken-area resources to 7.4B barrels

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The Interior Department today said there is likely 7.4 billion barrels of recoverable oil in shale formations underlying North Dakota, South Dakota and Montana, more than doubling its previous estimate five years ago.

The new [estimate](#) from the U.S. Geological Survey confirms what some industry leaders have been saying for years about the Bakken and Three Forks shale formations, which are largely responsible for the recent surge in domestic oil production.

The new estimate is about 50 times larger than the amount of oil believed recoverable in 1995. The increase is largely attributable to advancements in horizontal drilling and hydraulic fracturing, which blast high-pressured water and chemicals deep underground to coax oil from tight shale formations.

"These world-class formations contain even more energy resource potential than previously understood, which is important information as we continue to reduce our nation's dependence on foreign sources of oil," Interior Secretary Sally Jewell said in a statement. "We must develop our domestic energy resources armed with the best available science, and this unbiased, objective information will help private, nonprofit and government decision makers at all levels make informed decisions about the responsible development of these resources."

The 7.4 billion barrels of recoverable oil is evenly split between the Bakken and Three Forks, the latter of which was previously thought to be unproductive, USGS said. Since the agency's previous estimate in 2008, more than 4,000 wells have been drilled and more than 450 million barrels of oil has been produced.

The new estimate was informed by data from the North Dakota Geological Survey, the North Dakota Industrial Commission, the Montana Board of Oil and Gas and multiple industry groups, USGS said.

There is a 5 percent chance that the two formations hold 11.4 billion barrels of oil. That's still far below the 87 billion barrels of undiscovered, technically recoverable oil and gas in Saudi Arabia, USGS said.

The new estimate will likely not surprise industry leaders.

Harold Hamm, the CEO of Continental Resources Inc. and a former energy adviser to Republican presidential candidate Mitt Romney, told *Forbes* magazine in 2011 that he believes 20 billion barrels of crude will be produced in the Bakken Shale region.

USGS said the two formations are estimated to also contain about 6.7 trillion cubic feet of undiscovered, technically recoverable natural gas and half a billion barrels of undiscovered, technically recoverable natural gas liquids.