

Oil and Natural Gas Stimulate Idaho

Economic and Job Growth



Oil and natural gas are driving the U.S. economy through a major energy boom and that boom is rippling through the economy of Idaho, supporting business activity across the state. This finding grows out of a new American Petroleum Institute survey of domestic oil and natural gas vendors,¹ which offers a glimpse into the job and business creation engine that is the current oil and natural gas industry. The survey shows that at least 34 businesses, located across both of Idaho's congressional districts, are part of the larger oil and natural gas supply chain.

The survey's snapshot of state-by-state activity reinforces the impressive level of industry success throughout the country that is documented in a recent PriceWaterhouseCoopers study conducted for the American Petroleum Institute.² That study found that the oil and natural gas industry in Idaho supports some 27,000 jobs, which is 3.1 percent of the state's total employment. The amount of Idaho labor income supported by the oil and natural gas industry comes to \$1.04 billion annually. That's 2.9 percent of the state's total labor income.

Although Idaho is not a top energy producer, these job and labor income figures demonstrate that the people of Idaho enjoy significant benefits from

energy development.³ The benefits show up in the state's salary statistics as well. Thus, while the average annual salary in Idaho across all industries and sectors is \$36,751, the average oil and gas industry salary (excluding gas stations) is substantially higher—\$46,471 annually. Overall the industry supports \$1.8 billion of the Idaho economy. That's nearly 3.1 percent of the state's total economic activity.

Idaho also benefits from the production of oil and natural gas from shales and so-called "tight formations," energy development that uses the proven engineering technologies of hydraulic fracturing, or "fracking," and horizontal drilling. Total jobs supported by these

1. American Petroleum Institute, "API Onshore Oil and Gas Vendor Identification Survey," Washington, D.C., 2014. The survey was distributed to API members in January 2014 to collect information for the period October 2012 to September 2013. Included are companies that provide goods and services for onshore oil and natural gas development, whether as operators, contractors, service companies, suppliers, or vendors.
 2. PriceWaterhouseCoopers, "Economic Impacts of the Oil and Natural Gas Industry on the U.S. Economy in 2011," Washington, D.C., July 2013. Prepared for API using the IMPLAN input-output modeling system, based on 2011 U.S. Bureau of Economic Analysis data.
 3. Information cited in this paragraph comes from the Bureau of Labor Statistics, Quarterly Census of Employment and Wages (preliminary data for 2013 accessed July 2014); and PriceWaterhouseCoopers, "The Economic Impacts of the Oil and Natural Gas Industry on the U.S. Economy: Employment, Labor Income and Value Added," 7/12/13 (based on 2012 IMPLAN database).

\$1.8 BILLION

THE INDUSTRY CONTRIBUTES TO IDAHO'S ECONOMY

27,000

IDAHO JOBS

SUPPORTED BY OIL AND NATURAL GAS INDUSTRY

AVERAGE ANNUAL SALARY COMPARISON

Category	Average Annual Salary
Avg. Annual Idaho Salary	\$36,751
Avg. Oil and Gas Industry Salary	\$46,471

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State: Idaho

Vendors by Congressional District

Congressional District	Total
Congressional District 1	11
Congressional District 2	23
Grand Total	34

Vendor Profiles⁶

Perma-Rail International Inc.

Perma-Rail International Inc. benefited early on from the opportunity to develop products for the major players in the oil and natural gas industry, products that these players needed to make their businesses safer, more cost-effective, and more predictable. The solutions reached at the expense of these private companies were applied to problems in the state and federal highway systems.

The federal government and all of its entities (including the Federal Aviation Administration, the Bureau of Land Management, the National Forest Service, the National Park Service, and the Interstate Highway System), as well as State Departments of Transportation, have all utilized and specified as required the systems learned from these private industries.

In addition, Perma-Rail International notes, "All of the engineering, surveying, development, manufacturing, marketing, analysis, and documenting performed to keep the snow off the well pad and the railroad track have benefited the public tremendously."

Conservation Seeding and Restoration, Inc.

Conservation Seeding and Restoration, Inc., is a full-service wild land restoration company that specializes in restoring native habitats in the Western United States. The company provides seeding, weed abatement, infield monitoring, Storm Water Pollution Prevention Plans (SWPPPs), and Bureau of Land Management/state compliance reporting. The oil and gas industry has facilitated the growth of CSR, Inc., and has comprised roughly 80 percent of its gross revenue annually for more than a decade.

CSR, Inc. developed the land restoration curve for its oil and gas clients. In this process, surface stabilization timelines dropped from 10 to 5 years or less.

Kodiak America

Kodiak America is a manufacturing company that builds primarily snow removal equipment for airports, state departments, oil and gas companies, mines, ski resorts, and others. The company also performs side-steel fabricated jobs in niche industries.

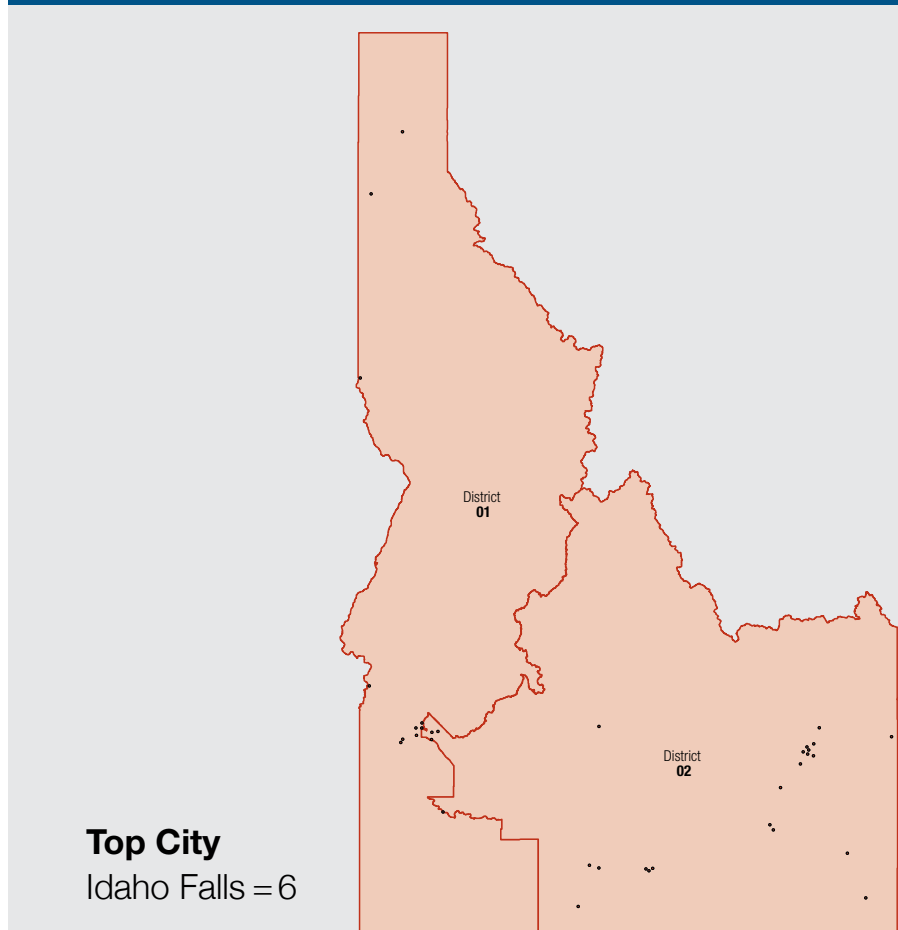
The company is currently making steel filters capable of removing 100 percent of the oil and hydrocarbons out of the flow-back water that results from fracking. This will lead to a significant reduction in the need for fresh water in fracking. The new technology can filter out oil at high flow rates, it uses completely gravity-fed filters, the filter elements never need recharging, and the energy costs are low.

This is a new product and the company has exclusive rights to fabricate it for the part of the oil industry that engages in fracking operations. It is expected that the product will lead to the creation of hundreds of jobs.

In addition, oil and gas companies purchasing snow blowers and snow blower parts comprise about 20

Idaho Vendors by Congressional District

District Location ●



Sources: Esri, DeLorme, NAVTEQ, TomTom, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), and the GIS User Community

activities in Idaho reached 3,052 in 2012. That job total is projected to climb to 5,344 in 2020 and to 6,327 in 2035.⁴

And Americans, including the people of Idaho, get it. A telephone poll of 1,012 registered voters across the country,

conducted on behalf of the American Petroleum Institute, found that 77 percent of Americans, regardless of party affiliation, support increased production of oil and natural gas resources located in the United States.⁵

4. IHS Inc., "America's New Energy Future: The Unconventional Oil and Gas Revolution and the U.S. Economy," Washington, D.C., December 2012.
5. "What America is Thinking on Energy Issues." <http://www.api.org/news-and-media/news/newsitems/2014/july-2014/voters-say-us-should-do-more-to-develop-oil-natural-gas> the results of a national poll conducted by Harris for API July 10-13, 2014. Click on "national poll" to see how percentages of voters answered this and other questions.

percent of the company's sales. The equipment is used to keep roads open so that wells can remain in operation.



AMERICAN PETROLEUM INSTITUTE

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6. From the 2014 "API Onshore Oil and Gas Vendor Identification Survey" returns.

IDAHO - VENDOR LIST

Congressional District 1

4 Seasons Technical Services
Bolken Cherry Creek RV Park
Bosque Disposal Systems, LLC
Commercial Newspaper Service, Inc
Drilling Services Intl, Inc
High Tech Sports Therapy Associates

Intermountain Specialty Gases
Newvision Energy
The Dillon Group, Inc
Tiller Well Services, LLC
US Ecology Idaho, Inc

Congressional District 2

AG News

Alex Macdonald
Basin Wastewater Solutions, LLC
Conservation Seeding & Restoration, Inc
Data Solutions
Deer Valley Trucking, Inc
Eagle Rock Timber, Inc
Eaton Towing

Guy Nielson Co Ind Div, Inc
Ibex, Inc
Idaho Valve & Fitting, Inc
Kaman Industrial Technologies
Kickback Rewards System
Kodiak America, LLC
M J O'Malley Trucking, LLC
Mark Turner, Inc

MBA General Contracting, LLC
Mullen Crane & Transport, Inc
Norco, Inc
Perma Rail International, Inc
Richard W. Leavitt Irrevocable Trust
Western Mountain, Inc
Wyoming Valve & Fitting Co