

Oil and Natural Gas Stimulate South Dakota

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 South Dakota, 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 36 businesses, spread across South Dakota's at-large congressional district, 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 South Dakota supports some 22,500 jobs, which is 3.9 percent of the state's total employment. The amount of South Dakota labor income supported by the oil and natural gas industry comes to \$857 million annually. That's 3.5 percent of the state's total labor income.

Although South Dakota is not a top U.S. energy producer, these job and labor income figures demonstrate that the people of South Dakota 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 South Dakota across all industries and sectors is \$37,086, the average oil and gas industry salary (excluding gas stations) is substantially higher—\$55,257 annually. Overall the industry supports \$1.5 billion of the South Dakota economy. That's 3.9 percent of the state's total economic activity.

South Dakota 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

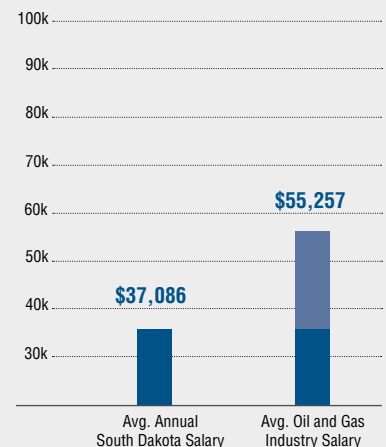


\$1.5 BILLION
THE INDUSTRY CONTRIBUTES TO
SOUTH DAKOTA'S ECONOMY

22,500
SOUTH DAKOTA JOBS

SUPPORTED BY OIL AND
NATURAL GAS INDUSTRY

AVERAGE ANNUAL SALARY COMPARISON



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).

State: South Dakota

Vendors by Congressional District

Congressional District	Total
Congressional District (At Large)	36
Grand Total	36

3,937

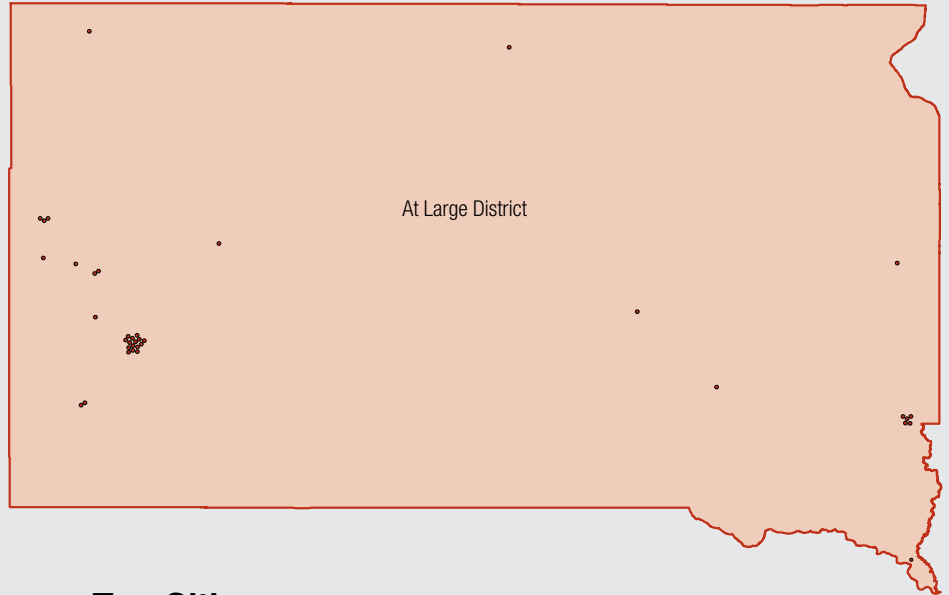
SOUTH DAKOTA JOBS BY 2035
FROM HYDRAULIC FRACTURING
AND HORIZONTAL DRILLING

77%

OF AMERICANS SUPPORT
INCREASED PRODUCTION OF OIL
AND NATURAL GAS IN THE U.S.

South Dakota Vendors by Congressional District

District Location ●



Top Cities

Rapid City= 15

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 South Dakota reached 2,013 in 2012. The job total is projected to climb to 3,477 in 2020 and to 3,937 in 2035.⁴

And Americans, including the people of South Dakota, 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.



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SOUTH DAKOTA - VENDOR LIST

Congressional District (at Large)

Anders Trucking, Inc	Carr Coatings, LLC	Interstate Batteries of Rapid City	Northern Plains Safety	Sturgis Meats
Armstrong Extinguish Service, Inc	Chris Supply	Jeffrey A. Tennyson P C	Pacer Corporation	Thermo Bond Buildings, LLC
Besler, Inc	CTC Engineering & Design Co	Journey Energy ServicesLLC	Pete Lien & Sons, Colorado	Tim W. Olson Construction, Inc
Black Hills Energy	Dakota Fluid Power, Inc	LG Everist, Inc	Lien Company, Dakota Block Company, Birdsall Sand & Gravel, Trans Colorad	Timothy Swenson
Brown & Saenger, Inc	Eagle Sky Patrol, Inc	Matthew Oakes Consulting	Rush Wellsite Services, LLC	Warne Chemical & Equipment Co
CAJ Enterprises, Inc	Electro - Test & Maintenance	Matthew Oakes Consulting	Servall UniformandLinen, Inc	Waynes, Inc
	H2E, Inc	MG Oil Company	Shirley A. Martinez	Xiaoqian Ma
	Hauck Electric & Controls	Midcontinent Communications		
	HillCrest Spring Water, Inc	Muth Electrical		