



Michigan's Oil and Gas Industry: Economic Contribution

Michigan Oil and Gas Association

Study conducted by Public Sector Consultants

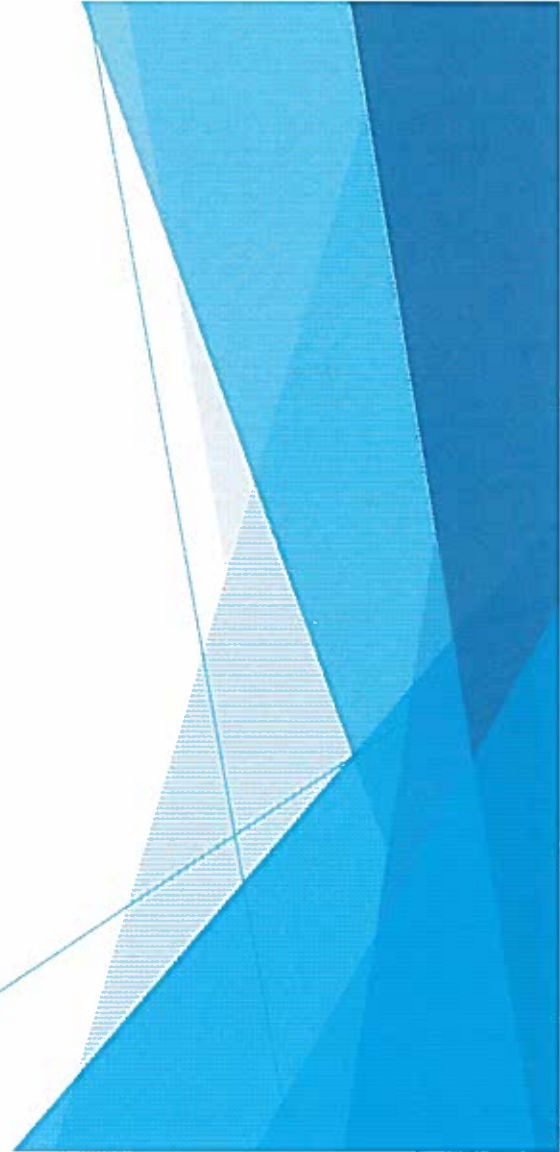
Michigan's oil and natural gas industry

- ▶ Producing in Michigan for nearly 90 years
- ▶ Many small, local businesses located across the state
- ▶ Diverse types of jobs, requiring diverse skill sets
- ▶ Technology-driven

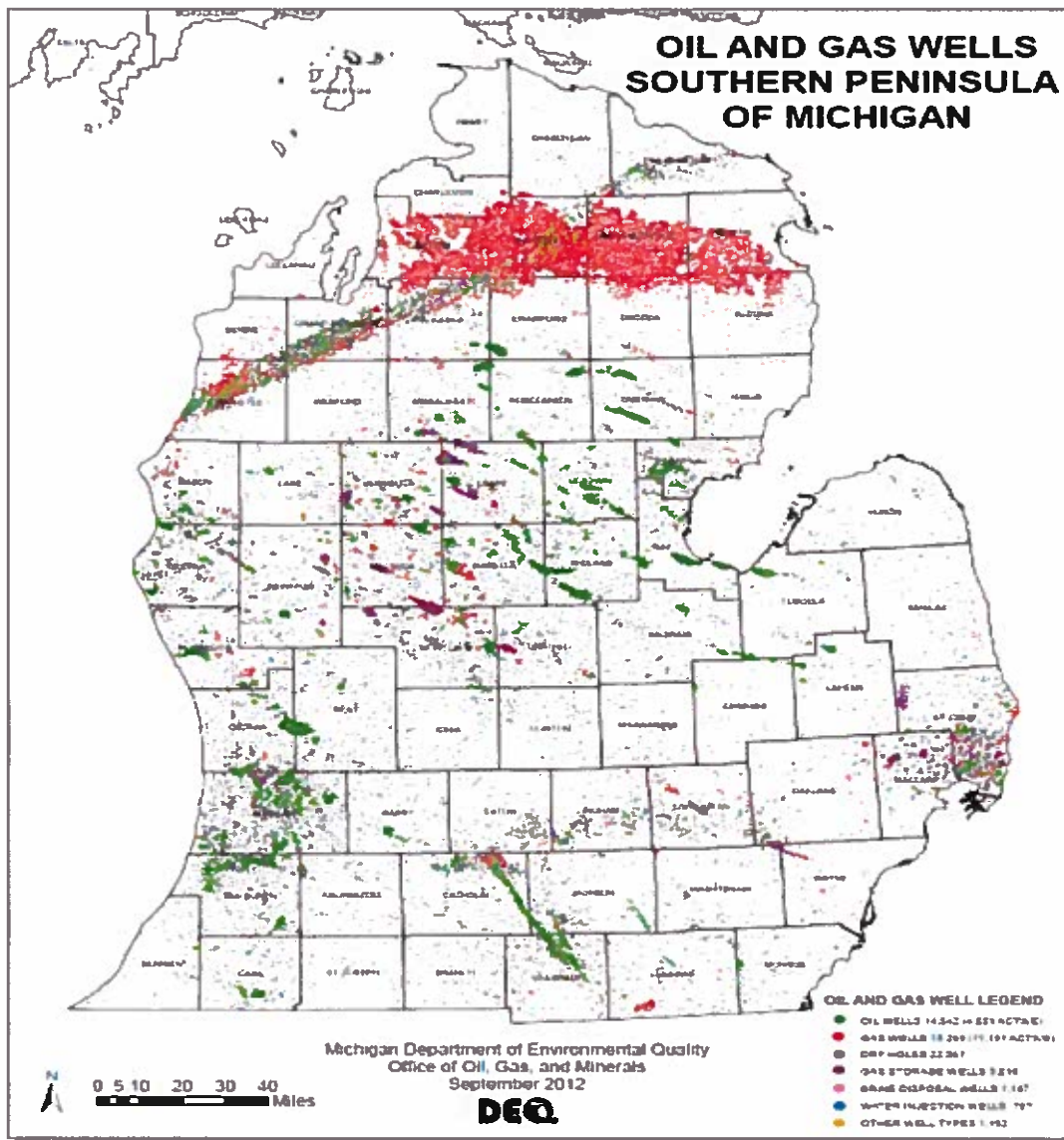
- ▶ In 2014 62 of Michigan's 83 counties produced oil and/or natural gas
- ▶ 82 of 83 counties have economic activity resulting from the presence of the oil and natural gas industry



- ▶ Ranks 17th out of 32 for oil and 16th for natural gas
- ▶ 60,000 well drilled since 1925
- ▶ 15,000 oil wells
- ▶ 13,000 natural gas wells
- ▶ Largest storage capacity in the U.S. (690 BCFG from 57 fields)
- ▶ Produced over 1.3 billion barrels of oil and 7.2 trillion cubic feet of natural gas since 1925

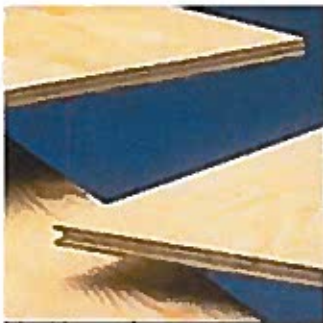


OIL AND GAS WELLS SOUTHERN PENINSULA OF MICHIGAN



Fueling Our Lives in Unexpected Ways

Adhesives



Carpeting



Cosmetics



Fertilizers



Paints



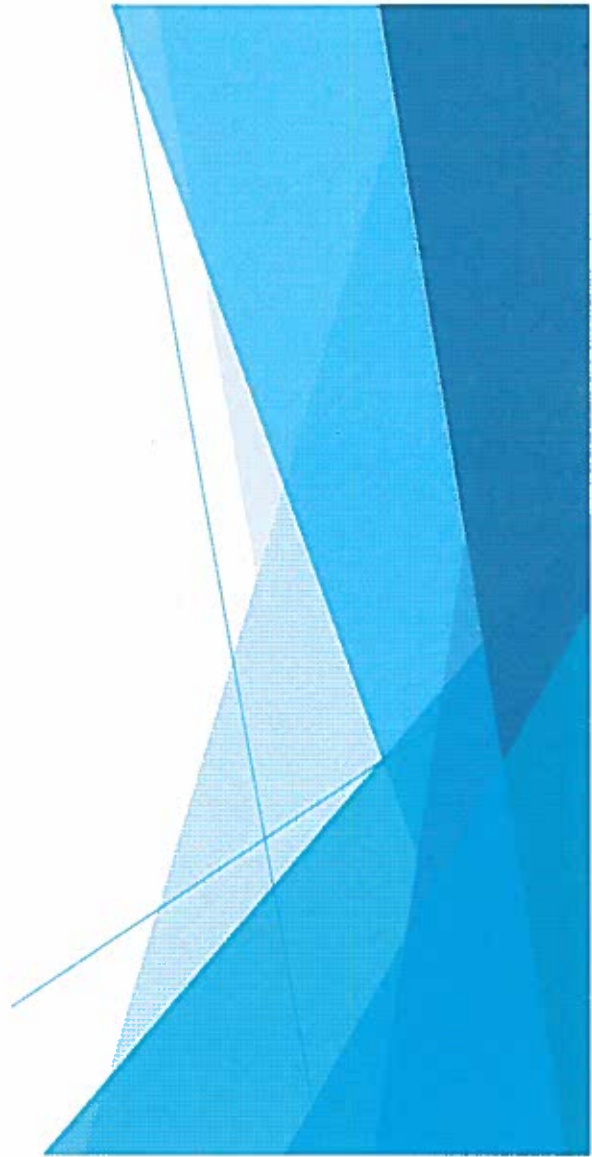
Rubber



Fabrics



Plastics



Why an economic impact study?



Michigan's Economy

Drove a total **\$13.6 Billion** in economic output, making up 3% of the state's overall GDP in 2015.



Michigan's Oil and Gas Industry: Working for YOU

MICHIGAN OIL AND GAS INDUSTRY JOB CREATION

TOTAL JOB IMPACT

Michigan's oil and gas industry is a primary driver of Michigan's economy by creating and supporting tens of thousands of jobs.

SUPPORTED JOBS

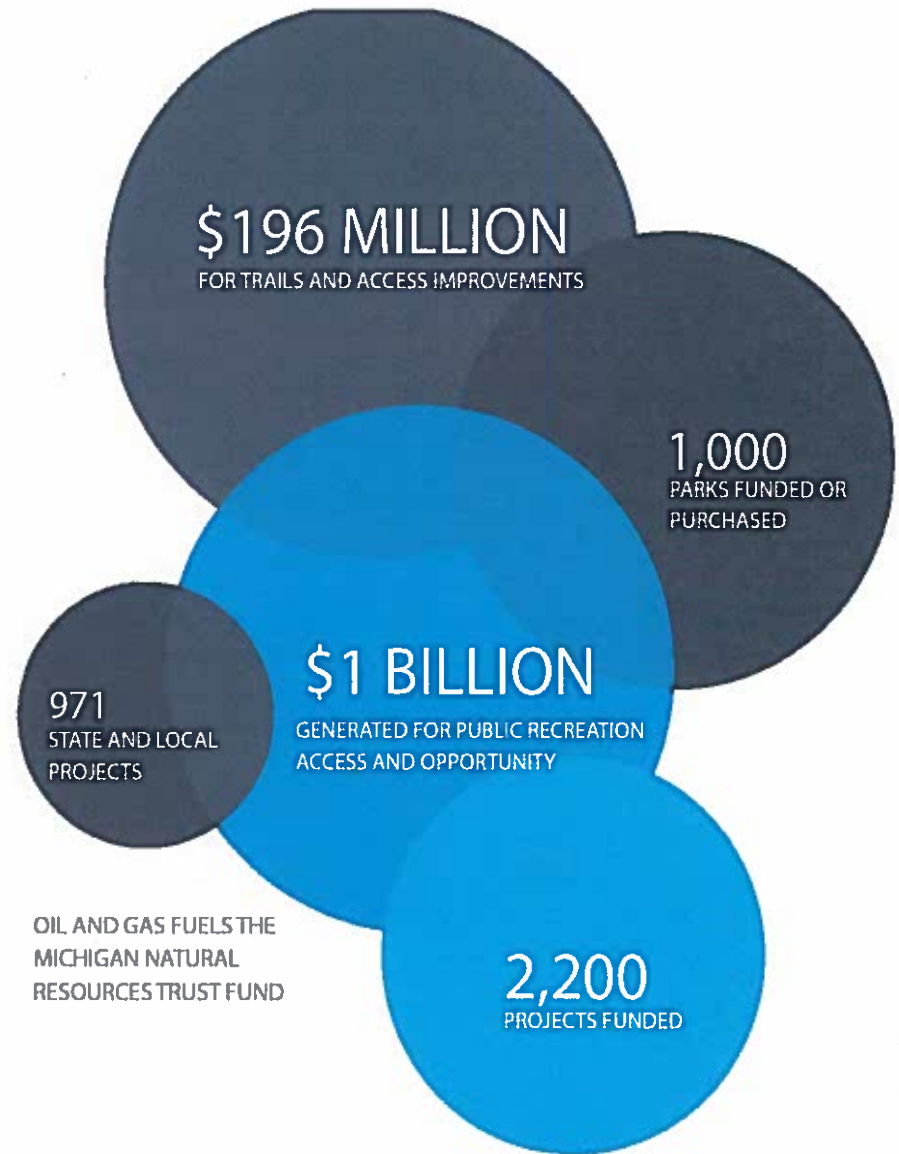
DIRECTLY EMPLOYED WORKERS





Tax Dollars Back into the Community

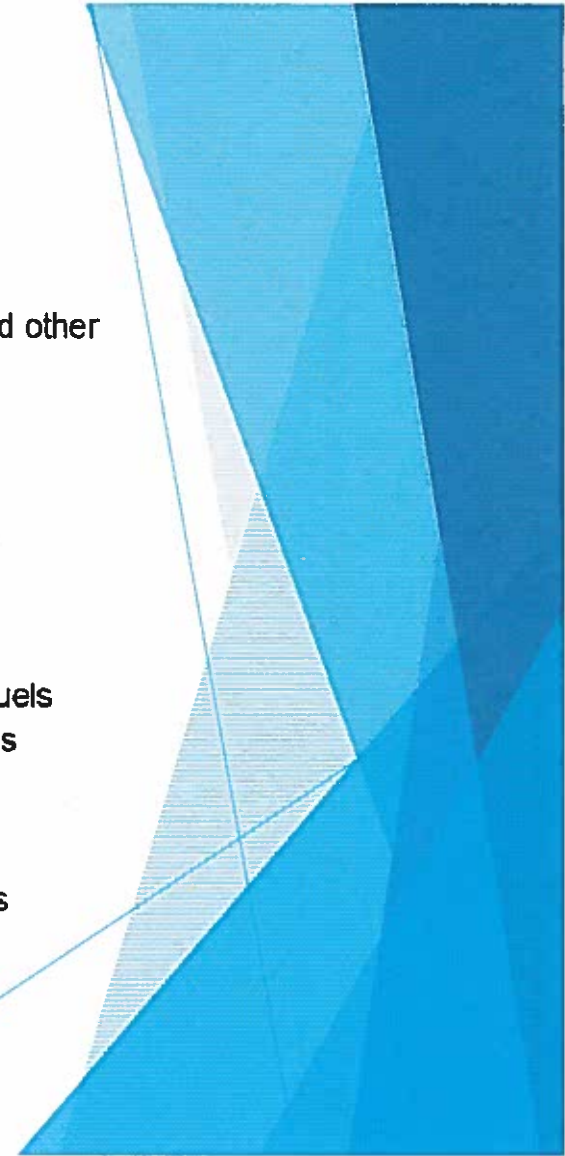
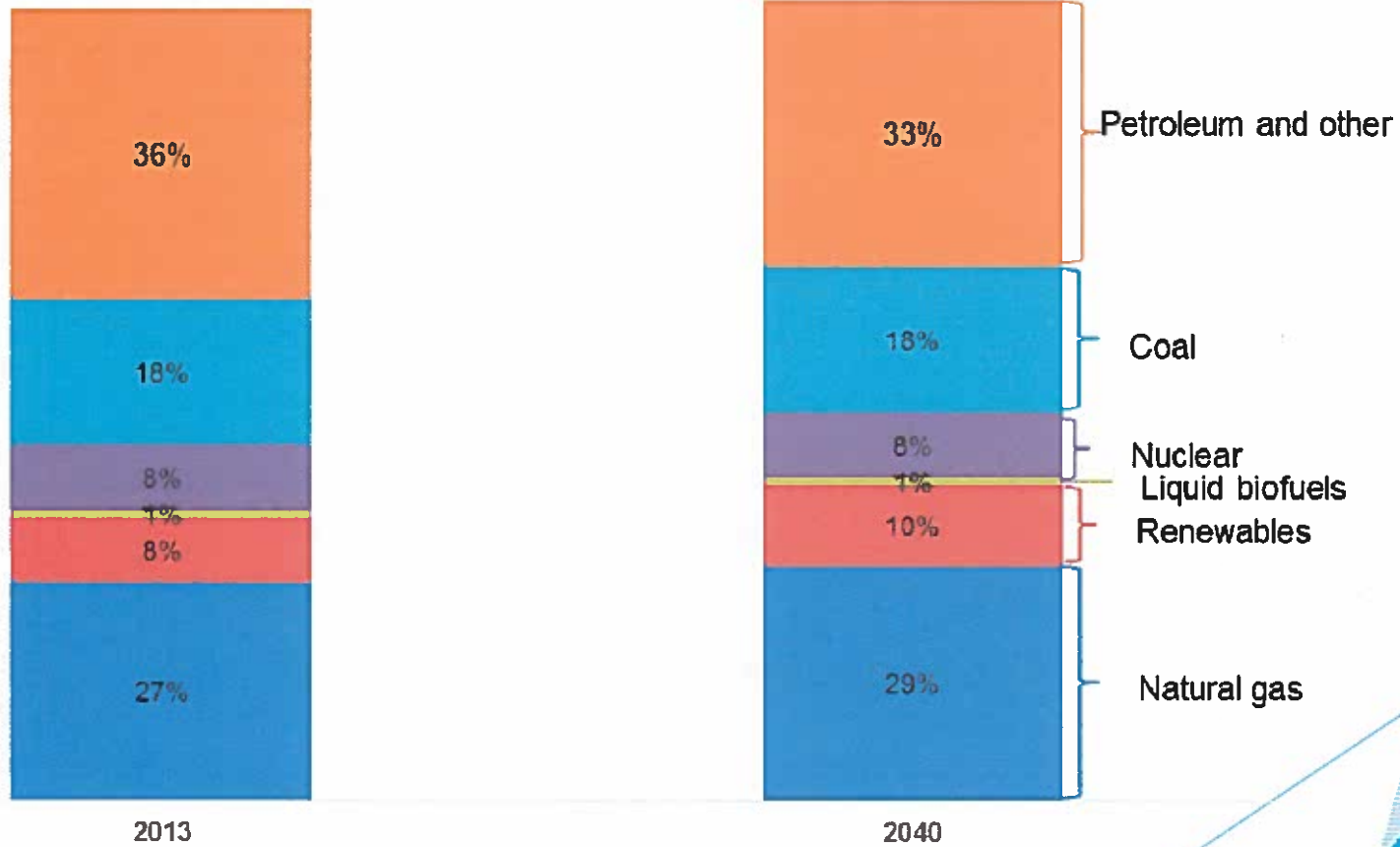
Community Recreation



Royalties

- ▶ Paid approximately \$250 Million in leasing and royalty payments to private landowners in 2014
- ▶ Paid approximately \$46 Million in leasing and royalty payments to the state of Michigan in 2014

Energy Future and Michigan's Potential



Michigan's potential

- ▶ With over half of the United State's energy needs being met by oil and natural gas in 2040, it is clear that these sources will remain an important part of the country's energy portfolio for decades to come.
- ▶ Michigan has a KNOWN reserve of 53 million barrels of crude oil
- ▶ Michigan has a KNOWN reserve of 1.8 billion cubic feet of natural gas



Production Timeline

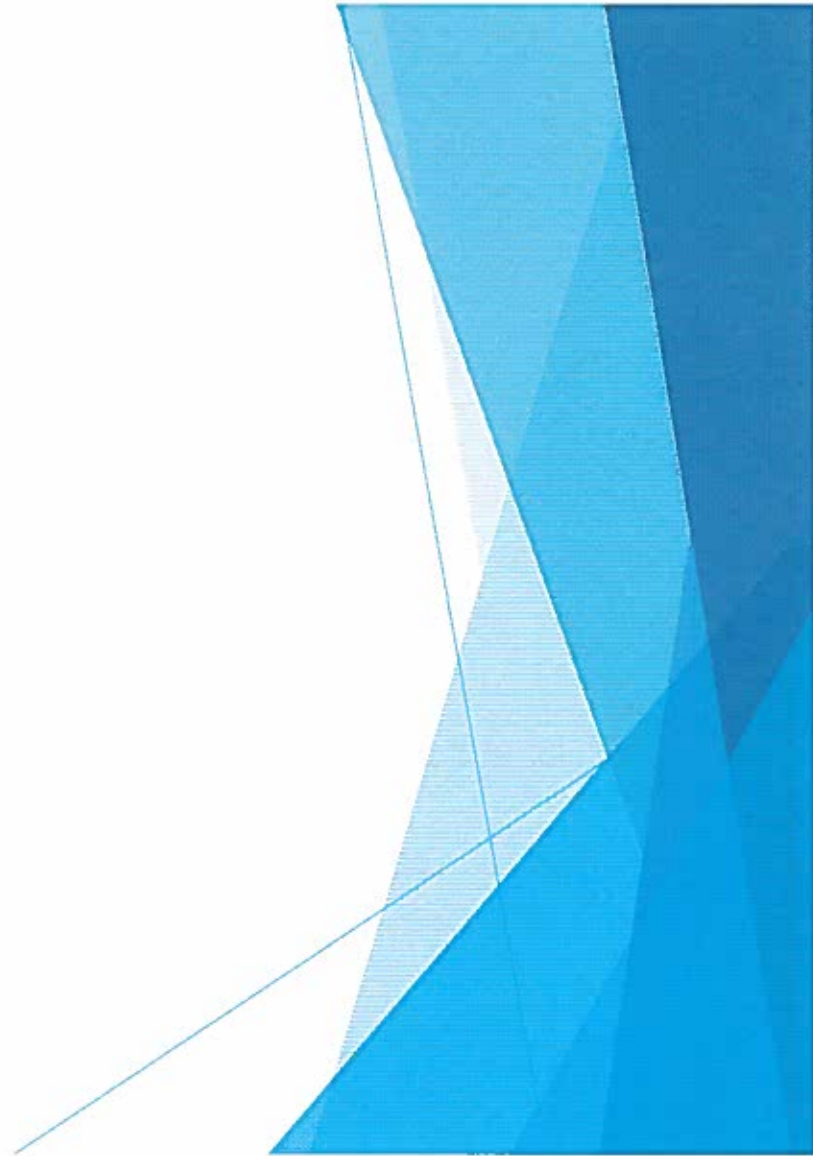


Lapeer County Labor Impact

- ▶ **Direct Employment:** 73
- ▶ **Labor Income:** \$2,044,000
- ▶ **Output:** \$14,331,000

- ▶ **Indirect/ Induced:** 24
- ▶ **Labor Income:** \$768,000
- ▶ **Output:** \$17,061,000

- ▶ **Total Employment:** 97 jobs
- ▶ **Labor Income:** \$2,812,000
- ▶ **Output:** \$17,061,000



Lapeer County Tax Impact

- ▶ Severance Tax: \$148,000
- ▶ Sales Tax: \$237,000
- ▶ Local Property Tax: \$840,000
- ▶ Income Tax: \$51,000



Lapeer County Royalty, Trust Fund & Production

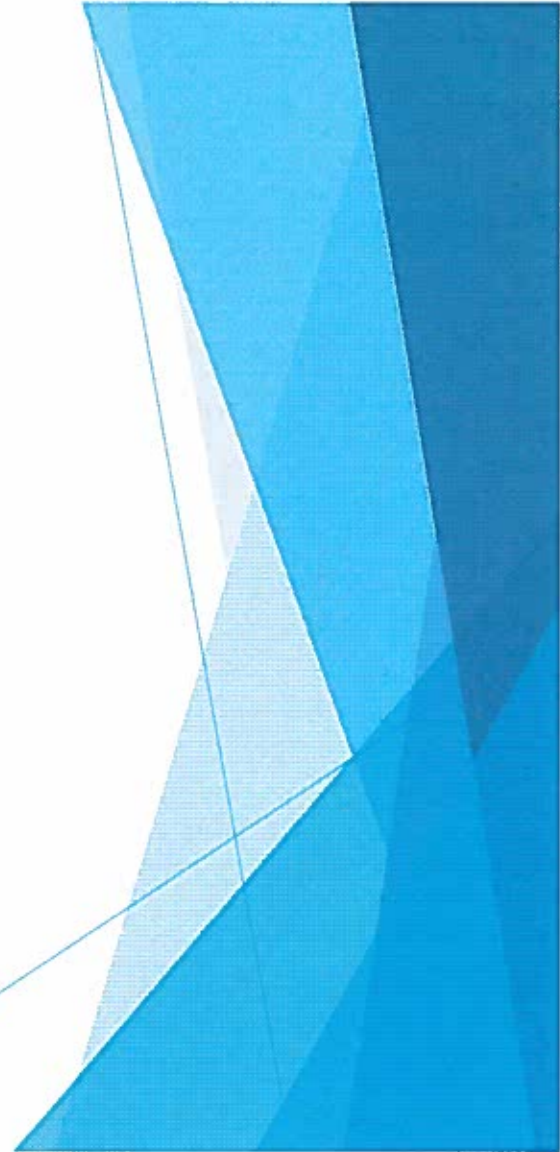
- ▶ Private Royalty Payments in 2014: \$566,000

All-Time Oil Production Through 2014: 5,923,027 bbl

2014 Production: 32,221 bbl

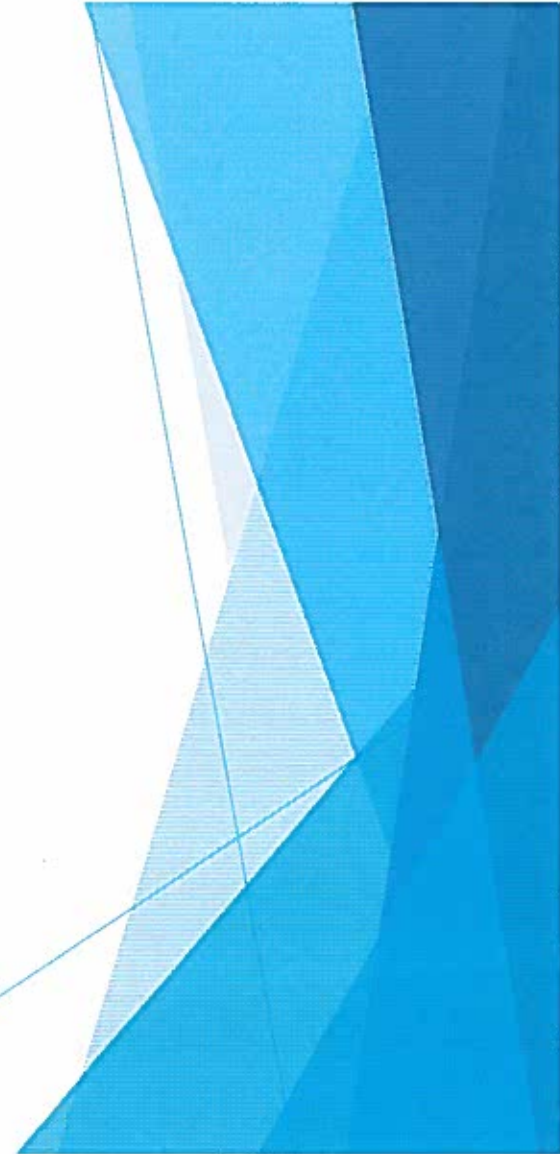
All-Time Natural Gas Production through 2014: 10,037,353 Mcf

- ▶ All-time Natural Resources Trust Fund Contributions through 2014:
7 totaling \$1,602,000



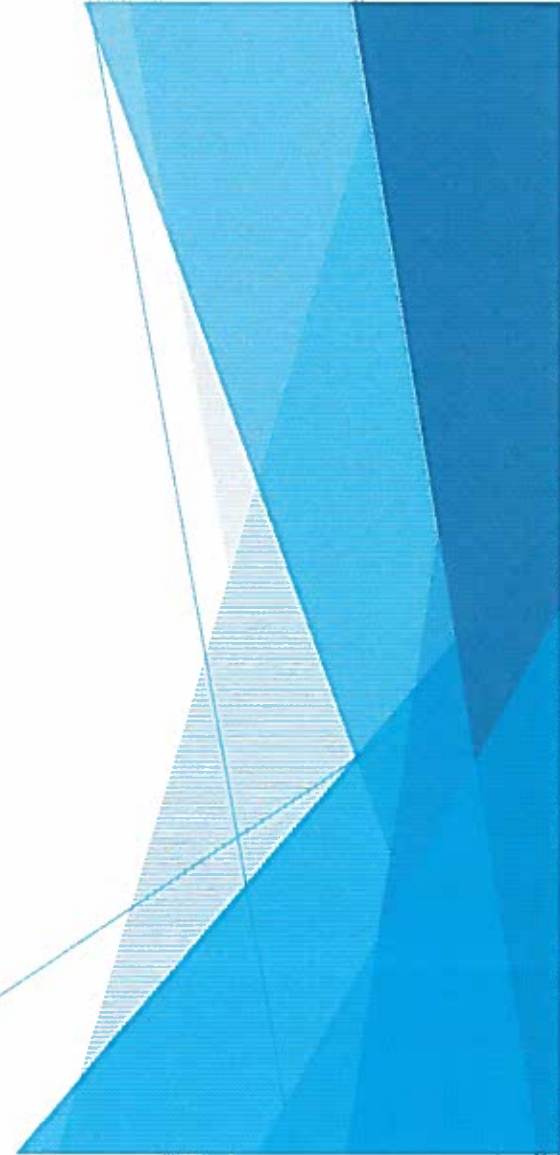
Lapeer County Trust Fund Projects

- ▶ Flint River Lapeer State Game Area (2)
- ▶ Rails to trails
- ▶ Rowden Parks
- ▶ General Squire Memorial Park
- ▶ Marathon Township Park
- ▶ Veterans Memorial Boardwalk



Current top counties

- ▶ Top oil producer: Jackson County
- ▶ Top natural gas producer: Otsego County
- ▶ Top recipient of Natural Resources Trust Fund dollars: Wayne County



Thank You!

Questions?

Full Report: Michiganoilandgas.org

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