



N.D. Oil Boom Produces Labor Shortage

Perhaps no job in America is more important than generating energy. Yet many parts of West Virginia today have high unemployment because the environmental regulations have made it virtually impossible or cost-prohibitive to extract coal, despite the fact that our nation has a huge reserve of this proven fuel. Oil, however, is considered the most vital fossil fuel for our nation.

Increasing the domestic production of oil would allow our nation to pursue a foreign policy guided only by our wish to remain independent, free, and peaceful. Buying more of our own oil, and less foreign oil, would lower America's balance of trade as well. Expanding the supply of oil also would put downward pressure on the price of this vitally important product.

And, of course, productive industries create real jobs that pay well and that have a future beyond the next appropriations cycle. Is this possible? The dramatic expansion of extractable oil today — and these reserves are much greater than just a couple of years ago — is the consequence of private enterprise and individual ingenuity.

North Dakota's oil boom has created so many new jobs that it has actually caused a <u>labor shortage</u>. Lynn Helms, Director of the North Dakota Department of Natural Resources, explains why: "And largely that's driven by the oil play in what we call the Bakkan Formation. We're estimating now about 18,000 square miles of western North Dakota, another 6,000 square miles in Montana, Saskatchewan and Manitoba that is mature oil-source rock. It can be drilled up almost (like) an oil-producing factory. We did not drill a single dry hole in the last year-and-a-half."

Hydraulic fracturing is the new technology that has allowed oil companies to extract oil reserves in tight shale formations that had been inaccessible until recently. In the Bakken field alone, experts believe, two billion barrels of oil which could equal \$200 billion, depending upon market conditions. The impact upon the North Dakota economy is clear, and Helms describes it: "We're very confident that we've got a twenty year oil boom ahead of us," Helms says. "And that's driving tens of thousands of jobs. I think right now we're estimating 35,000 jobs in direct employment. People actually out there working. And there's about another 18,000 jobs that are looking for somebody to fill."

Until recently, the "experts" had been predicting that the demographic trends of North Dakota would follow what has happened in other Great Plains states. Rural areas lose young people to cities, and cities in places like North Dakota lose people to bigger cities in more temperate climates. But that what is now happening to North Dakota, a state hit hard by the Great Depression. The long trend of population decline has been reversed and the state is now at or near its level in 1939.

Moreover, a lot of the people attracted to North Dakota because of the employment situation find that they simply like the state as well. Thomas Jordan of Georgia went to Stanley, North Dakota, in search of a job: "Did a few inquiries with the recruiters and me and my brother both were hired and here we are. It's everything they said it was and I absolutely love it." Stephen Patterson, who moved to Stanley from Florida, says much the same things: "It's nice, it's quiet because people are either eating or working and that's it. That's the daily pattern of life here, really. You're working or you're sleeping."

Benefiting from the oil boom made possible by hydraulic fracturing, the American Dream is still quite well and alive in North Dakota.

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