SENATE TAX
Exhibit No. 8
Date 3-10-2015
Bill No. SB 374

SM ENERGY

MT SB 374 Analysis

March

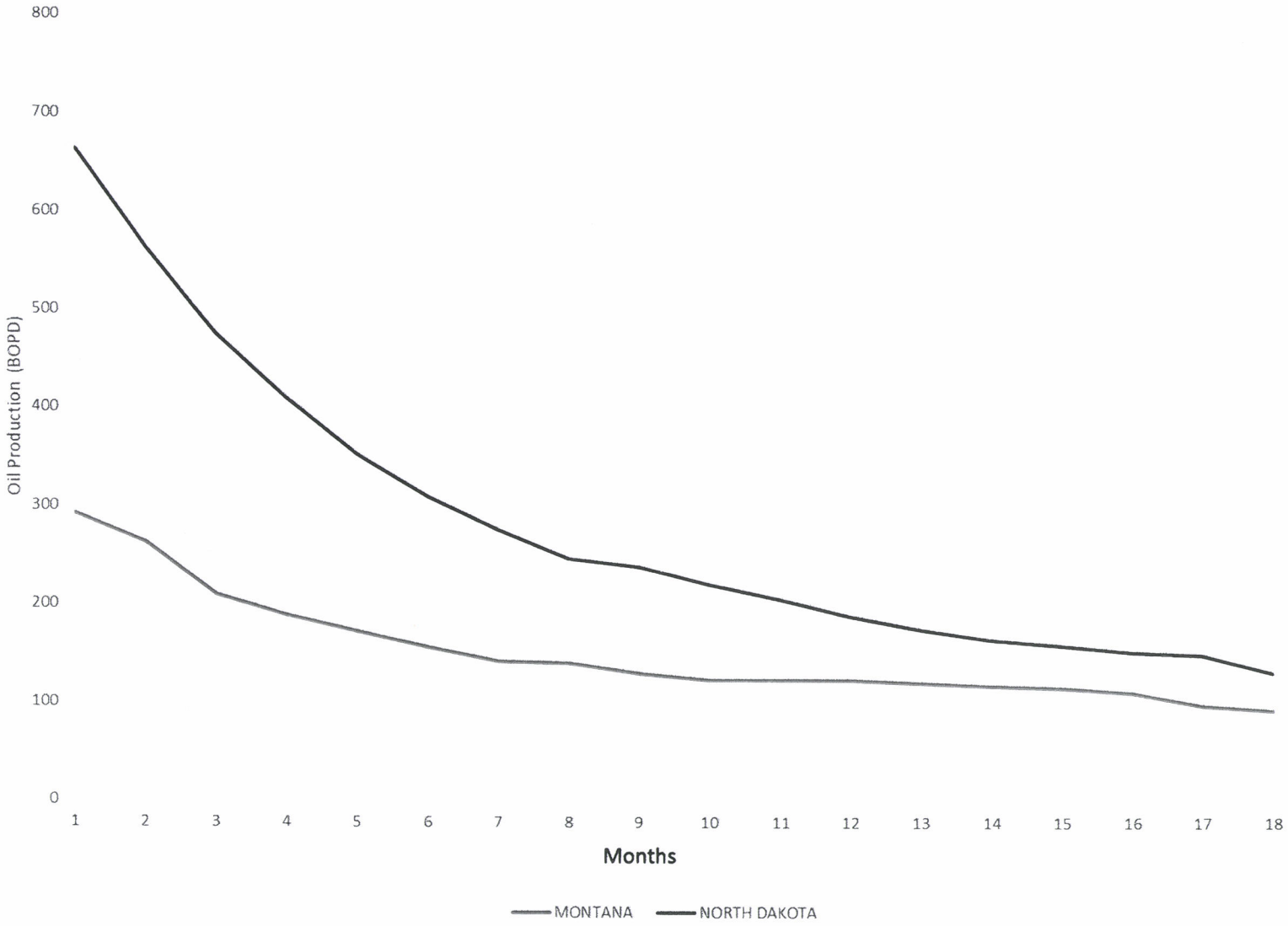
2015

Company Information

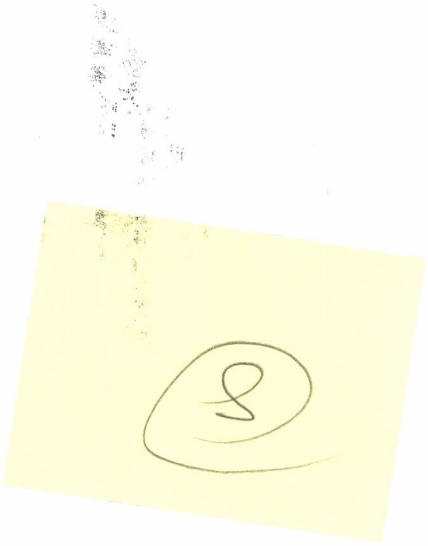
SM ENERGY

- Founded in 1908
- Headquartered in Denver, CO
- Strong Montana presence
  - 91 employees in Billings, MT Regional Office
  - 16 employees in Sidney, MT Field Office
- Rocky Mountain Region
  - Presence in North Dakota, Montana, and Wyoming
  - 245,000 net acres in Williston Basin
    - 34,000 acres in Montana

Industry Bakken Oil Production 2013 & 2014



Data set averages production from all operators of Bakken wells in McKenzie County, ND and Richland, Roosevelt Counties, MT.

Industry Investment Criteria

Criteria	North Dakota	Montana
Reservoir	Recent McKenzie County Bakken wells produce an average of 176,000 BO in first 2 years	Recent Roosevelt & Richland County Bakken wells produce an average of 96,000 BO in first 2 years
Cost Per Well	Same depth and length as Montana. Opportunities for shallow drilling in northwestern North Dakota	Same depth and length as North Dakota-McKenzie County
Tax Environment	**11.5% tax on oil well production; drops to 5% during low price periods**	**0.76% tax on oil well production in first 18 months, increases to 9.76% after initial production period ends.**