

Oil and Natural Gas Stimulate Minnesota

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 Minnesota, 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 189 businesses, located across all eight of Minnesota'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 Minnesota supports some 122,100 jobs, which is 3.5 percent of the state's total employment. The amount of Minnesota labor income supported by the oil and natural gas industry comes to \$6.02 billion annually. That's 3.4 percent of the state's total labor income.

Although Minnesota is not a top energy producer, these job and labor income figures demonstrate that the people of Minnesota 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 Minnesota across all industries and sectors is \$50,475, the average oil and gas industry salary (excluding gas stations) is substantially higher—\$76,853 annually. Overall the industry supports \$14.3 billion of the Minnesota economy. That's 5 percent of the state's total economic activity.

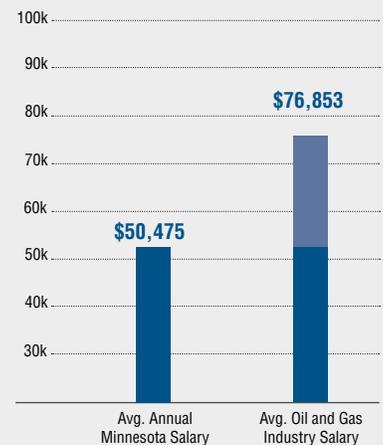
Minnesota also benefits from the production of oil and natural gas from shales and so-called "tight formations," energy development that uses the proven engineering technologies of hydraulic fracturing, or "fracking," and horizontal drilling. Total jobs supported by these

\$14.3 BILLION
THE INDUSTRY CONTRIBUTES TO MINNESOTA'S ECONOMY

122,100
MINNESOTA 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: Minnesota

Vendors by Congressional District

| Congressional District | Total |
|--------------------------|------------|
| Congressional District 1 | 6 |
| Congressional District 2 | 14 |
| Congressional District 3 | 26 |
| Congressional District 4 | 22 |
| Congressional District 5 | 75 |
| Congressional District 6 | 13 |
| Congressional District 7 | 23 |
| Congressional District 8 | 10 |
| Grand Total | 189 |

Vendor Profile⁶

Xcel Energy

Xcel Energy is a regulated major U.S. electricity and natural gas company, headquartered in Minneapolis, with regulated operations in eight Western and Midwestern states. Xcel Energy provides a comprehensive portfolio of energy-related products and services to 3.4 million electricity customers and 1.9 million natural gas the business, the company is involved in generation, transmission, and local distribution. For natural gas, the company is primarily a local distribution company with some intrastate pipeline.

Xcel Energy is a significant purchaser of natural gas for use in its electric and natural gas businesses and, to lesser degree, for steam and chilled water production. Considerable volumes of production of natural gas are utilized, both at the company's natural gas generation power plants and as part of the company's local distribution to end-use residential and business customers.

Fastenal

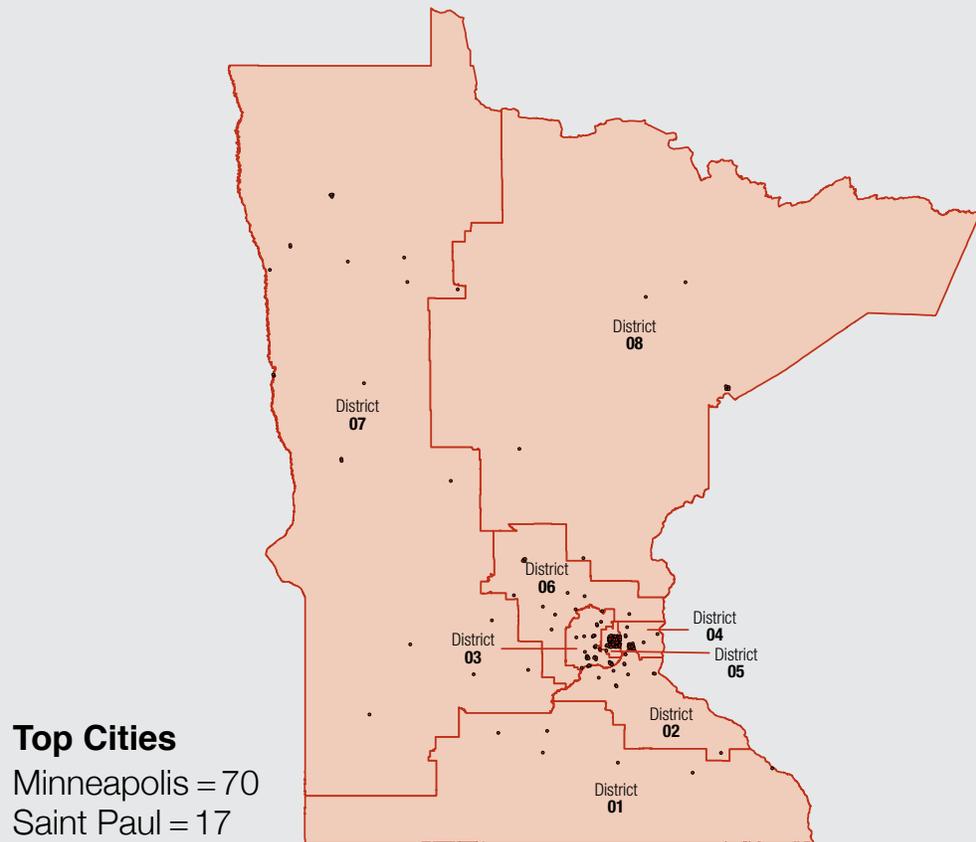
Headquartered in Winona, Minnesota, Fastenal is a full-line industrial and construction supply distributor with more than 2,600 store locations in all 50 states and across multiple countries. Fastenal also has an oilfield sales team that focuses directly on supplying products to drilling sites. In addition, the company supplies custom-manufactured bolts and other intricate parts to original equipment manufacturers in the oil and natural gas industry through its world-class manufacturing services.

With a broad range of store locations, there is a store very close to all of the shale plays across the United States. And the company's automated supply (industrial vending) solutions make it possible to provide state-of-the-art inventory control solutions.

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

Minnesota 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 Minnesota reached 19,103 in 2012. The job total is projected to climb to 34,815 in 2020 and to 42,691 in 2035.⁴

And the people of Minnesota get it. A statewide telephone poll of 604 registered

Minnesota voters, conducted on behalf of the American Petroleum Institute, found that 80 percent of them, regardless of party affiliation, support increased production of oil and natural gas resources located here in the United State.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/apr-2014/poll-large-majorities-of-minnesota-voters-support-investments-in-oil-and-natural-gas>, the results of a Minnesota poll conducted by Harris for API July 29-August 3, 2014. Click on "new poll" to see how percentages of voters answered this and other questions..



AMERICAN PETROLEUM INSTITUTE

To find out more, visit API.org

for more information and follow us on [Twitter@EnergyTomorrow](https://twitter.com/EnergyTomorrow).

Congressional District 1

Concepts & Designs, Inc
Fastenal Company, Inc
Fire Safety Usa
Minnesota Valley Testing
Paul Hinski
Scholarship America, Inc

Congressional District 2

Applied Air Systems, Inc
Charnstrom
Concrete Mobility, LLC
Despatch Industries LP
Durag, Inc
Fox-1 Drafting & Design, Inc
Genave/Nrc, Inc
Greystone Construction Company
Jane M. MacLennan
Norex, Inc
North Dakota Safety Professionals
Sarah M. Owens
Sarah Stokes
Thomson Legal & Regulatory Ltd

Congressional District 3

Appdev Products, LLC
Carlson Wagonlit Travel
Convey Compliance Systems, Inc
Cuts Forth Products, Inc
Digital River, Inc
Emerson Process Mgmt Value Automation, Inc
Engineered Sales Co
Gerald Duffy
Harvey & Elizabeth Thompson Revocab
Herc-U-Lift, Inc
Instrument & Valve Services Co
J&B Equipment Company, Inc
Korterra, Inc
Mcquay Factory Service
Open Systems International

Patriot Technologies, Inc
Power Process Equipment, Inc
Rhino
Rosemount, Inc
Satellite Shelters, Inc
Structural Anchor Supply, LLC
Swanson Flo-Systems Company
T-Chek Systems, Inc
VAA, LLC
Westwood Professional Services, Inc
Wigen Companies, Inc

Congressional District 4

111 Realty Investors LP
3M Company
6NN Land Trust Andrew A. Stohler
Amy L. Frandson
Briggs & Morgan PA
Burlington Northern & Santa Fe
CHS, Inc
CMS Heat Transfer Division, Inc
Corval Constructors, Inc
Ecolab, Inc
Engineering America, Inc
Gagnon, Inc
H.R. Peterson Company
Karges Faulconbridge, Inc
Merrill Brink International Corporation
Pentair Filtration Solutions, LLC
Plum Company
Porous Media Corporation
Spartan Promotion Group, Inc
Team Industrial Services
TSL, Inc
US Bank

Congressional District 5

Action Marketing Research, Inc
Alfredos Trucking
American Colloid Company
Aruba Networks, Inc

Ashley R. Iverson
Black Box Network Services
Boart Longyear
Braun Intertec Corporation
C.H. Robinson Worldwide, Inc
Capital Safety USA
Chemstar Products
CHS, Inc
Cohasset Assoc, Inc
Comsys Information Technology
Cutsforth, Inc
Detector Electronics Corporation
Detronics Detector Electronics
Dezurik
Engineered Sales Co
Environmental Systems Corporation
Ernst & Young Product Sales, LLC
Farstad Oil
FEI, Inc
Filtration Systems, Inc
Fredrikson & Byron PA
Graybar Electric Company
Health Fitness Corporation
Help Systems, Inc
Hirshfield's, Inc
Interstate Companies, Inc
Interstate Detroit Diesel, Inc
Interstate Power Systems, Inc
Journal Record Publishing Co
Judy A. Frandson
Korn Ferry International
Lacrosse Footwear, Inc
Leonard Street & Deinard
Lewis Mckay LILP
Lindquist & Vennum PL LP
Lominger Limited, Inc
Marsh USA
Medtox
Midco Supply
Mid-State Supply
Minco Products, Inc
Morsekode Ltd
MTS Sensors Division

Open Access Technology International, Inc
Pace Analytical Services, Inc
Personnel Decisions International
Regents of The University of Minnesota
Rhino Marking & Protection Systems
S&S Sales, Inc.
Satellite Shelters, Inc
Selkea Systems, LLC
Sick Maihak, Inc
Southwestern Public Service Co
Tenenz, Inc
Tennant Sales & Service Company
The ALS Association
The Great Lakes Construction Co.
Tioga Air Heaters, Inc
Truenorth Steel, Inc
TSI, Inc
United States Postal Service
VAA, LLC
Voice & Data Networks, Inc
WCL Interiors, Inc
WD Larson Companies Ltd, Inc
WEG Service Co
Wells Fargo Equipment Finance
Winsted Corporation
Wunderlich Malec Engineering, Inc
Xcel Energy
Xerxes Corporation

Congressional District 6

ATS Specialized, Inc
Border States Electric Supply
Carlson McCain, Inc
Juno, Inc
KDAK, LLC
Merrill Communications, LLC
Minnesota Limited, LLC
MTG Ltd
Scott Builders, Inc

US Water Services
WCE, Inc
Wolters Kluwer Financial Services
WSI Industries

Congressional District 7

Alpha Oil & Gas Services, Inc
Americinn of Crookston
Charles R. Hicks
CHS, Inc
Clark D. Cvancara & Kathleen Digi Key Corporation
Dwyer Instruments, Inc
Farmer's Union Oil Company
Fultz Contracting, LLC
Garden Valley Telephone Co
Harry B. & Phyllis P. Brown
HCB, Inc
Lester Christensen Trust
Locators & Supplies, Inc
Napa Auto Parts
Northern Fire Equipment Service
Northwest Beverage, Inc
Otter Tail Power Company
Sanford Medical Center Thief River Falls
Sparboe Summit Farms, Inc
Steins, Inc
Superior Lamp, Inc
Usbef Exchange Co

Congressional District 8

Bendtec, Inc
Consolidated Title & Abstract Co
Cope & Peterson Ltd
First American Title Co, Inc
Fryberger Buchanan Smith
GPM, Inc
Jasper Engineering & Equipment Co
LW Survey Co
Minnesota Propane Gas Assn
North Shore Metal Products