

Next time, we'll look twice



VERN WHITTEN PHOTOGRAPHY

Correction: The Dec. 22 edition of Petroleum News Bakken ran a photo on the front page identified as construction at the Dakota Prairie refinery near Dickinson, but it was actually of the Continental Resources' Atlanta 14-well ECO-Pad in the Baker field in southwestern Williams County. Our apologies. We grabbed the wrong photo and missed it in proofing. The above photo is of construction of the Dakota Prairie refinery.

New Brunswick refinery raised concerns about Bakken crude oil

Irving Oil, whose New Brunswick refinery was the destination for Bakken crude involved in the Lac-Megantic disaster in July, had previously outlined its concerns about the testing of crude oil it was receiving by rail.

In a presentation to a Crude Oil Quality Association conference in Seattle, an Irving employee noted that crude testing at the refinery occurred after deliveries — “too late in the process to address any safety issues.”

An Irving spokesman declined to comment on the presentation because of a federal investigation by the Royal Canadian Mounted Police and Transport Canada into the Quebec derail-

see **REFINERY CONCERNS** page 9

ND gives Statoil green light on produced water storage proposal

A pilot project near the Little Muddy River in Williams County, ND, could result in huge reductions in freshwater and trucking needs throughout the oil patch.

At their Dec. 19 meeting, the state Industrial Commission approved a request by Statoil Oil and Gas to use double-wall, open-top tanks for storing produced water, an exception to administrative rule that forbids storage in open receptacles except in an emergency.

“If this is successful, it has the potential to reduce 14 to 15 million gallons of freshwater needs per day and reduce truck traffic from 900 to 250 semi loads per well,” Lynn Helms, director of the state's Department of Mineral Resources,

see **WATER PLAN** page 9

Online bidding open to Jan. 6 on two NDTL O&G lease parcels

Online bidding opened on Dec. 23 on two adjacent oil and gas leases totaling 240 net acres (320 gross acres) in an existing and active spacing unit in Billings County, N.D. Bidding will remain open through Jan. 6. The Minerals Management Division of the North Dakota Department of Trust Lands is offering the leases through its online auction provider EnergyNet.

The two un-leased tracts are part of a standup 1,280-acre unit where Continental Resources spudded a Three Forks test well in November. The successful bidder will participate in the well on a 3/16ths royalty rate, and will have an option to participate in an authorization for expenditure at a working interest of 18.75 percent.

see **ONLINE BIDDING** page 9

MOVING HYDROCARBONS

XL: pipe and rail?

TransCanada considers rail as Keystone alternative from Canada to Cushing

By **GARY PARK**

For Petroleum News Bakken

If TransCanada ever decides to throw in the towel on Keystone XL, the announcement will be formal. But these days there are increasing reasons to interpret comments by Chief Executive Officer Russ Girling that the company is close to the breaking point with the Obama administration.

In year-end interviews, he has disclosed TransCanada is in discussions with railroads and oil producers about the possibility of moving oil sands crude from Alberta to Cushing, Okla., where it could enter the Gulf Coast pipeline, the



RUSS GIRLING

southern leg of XL that feeds Texas refineries.

Girling also said Mexico's plan to end its government monopoly on energy development could open the way for TransCanada to add oil pipelines to two natural gas delivery systems in Mexico.

In a less-than-subtle comment, he said TransCanada is unlikely to ever “stop pressing the pipeline option” to move 830,000 barrels per day out of Alberta and the North Dakota Bakken on Keystone XL.

“But there is a point in time at which we would consider a rail option. If we need to bridge with

see **KEYSTONE RAIL** page 12

GOVERNMENT

Tightening industry rules

New North Dakota regulations put gathering pipelines under state jurisdiction

By **MAXINE HERR**

For Petroleum News Bakken

North Dakota officials often boast of having some of the toughest oil and gas rules in the nation. Now they're poised to tighten the reins even more.

At the state's Dec. 19 Industrial Commission meeting, Department of Mineral Resources, DMR, Director Lynn Helms brought revised administrative rules for the commission's approval.

One particular rule change requires the state to regulate all gathering pipelines that carry oil, water, gas or carbon dioxide from the edge of the



ALISON RITTER

facility, typically a well pad or tank battery site, to a pipeline governed by the Public Service Commission.

The new rules are a result of House Bill 1333 from the 2013 legislative session, which includes a requirement for oil and gas pipeline companies to provide the locations of these lines. The legislature directed the commission to create a system that will allow every pipeline since Aug. 1, 2011, to be registered in a state GIS map. The map data must

include the diameter, building material, pressure, fluid passing through, and burial depth of every

see **INDUSTRY RULES** page 10

COMPANY UPDATE

Optimizing development

Kodiak sets a lower 2014 Bakken capex as positive downspacing testing continues

By **MIKE ELLERD**

Petroleum News Bakken

Denver-based Kodiak Oil and Gas Corp.'s board of directors has approved a 2014 capital expenditure, capex, budget totaling \$940 million, all of which will go into the Bakken-focused independent's Williston Basin operations.

Of the \$940 million total capex, \$890 million is earmarked for the drilling and completion of an estimated 100 Bakken and Three Forks wells, and the remaining \$50 million is going into the building of infrastructure as well as the acquisition of new, small acreages.

Along with other Williston Basin operators,



LYNN PETERSON

Kodiak has seen improvements in well efficiencies. Kodiak's average well cost for all of 2012 was approximately \$12 million per well. In the third quarter, its well costs ranged between \$9.2 million and \$9.5 million. The company projected costs to be even lower in the fourth quarter. The lower wells costs are reflected in the company's 2014 capex, which is approximately \$60 million lower than its 2013 total capex of \$1 billion. The company, however, plans to drill the same number of wells.

“Our 2014 capital budget is a reflection of this philosophy and we will take a measured approach next year as we continue to optimize our develop-

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for a prosperous
New Year

• LAND & LEASING

6,012 acres slated for MT's March auction

Fourth lowest acreage over the last six years; tract size above six-year average; tracts scattered across five diverse counties

By **MIKE ELLERD**

Petroleum News Bakken

The Trust Land Management Division of the Montana Department of Natural Resources and Conservation, DNRC, has released the preliminary sale list for its March 2014 oil and gas lease auction. Eleven separate tracts totaling 6,011.97 acres have been nominated. The tracts are in five counties in north-central, northeastern, and southeastern Montana (see map).

Among the five counties, Powder River County has the most nominated acres at 1,830.30 acres in three tracts in the south-central area of the county just above the Wyoming border. Two 640-acre tracts were nominated in north-central Big Horn County in south-central Montana, and two more in Blaine County in north-central Montana near the Canadian border. Two tracts were nominated in Richland County, a 640-acre tract and a nearby 21.67-acre tract in far northeastern Richland County near the North Dakota border. Two tracts were also nominated in Sheridan County, a 640-acre tract in the far southeast area of the county along the Roosevelt County line, and a 320-acre tract in central Sheridan County.

The Richland County tracts are identified as Missouri River riverbed and related acreage tracts below the base of the Charles formation. One of the Blaine County tracts is identified as below the base of the Eagle formation.

Nominations perspective

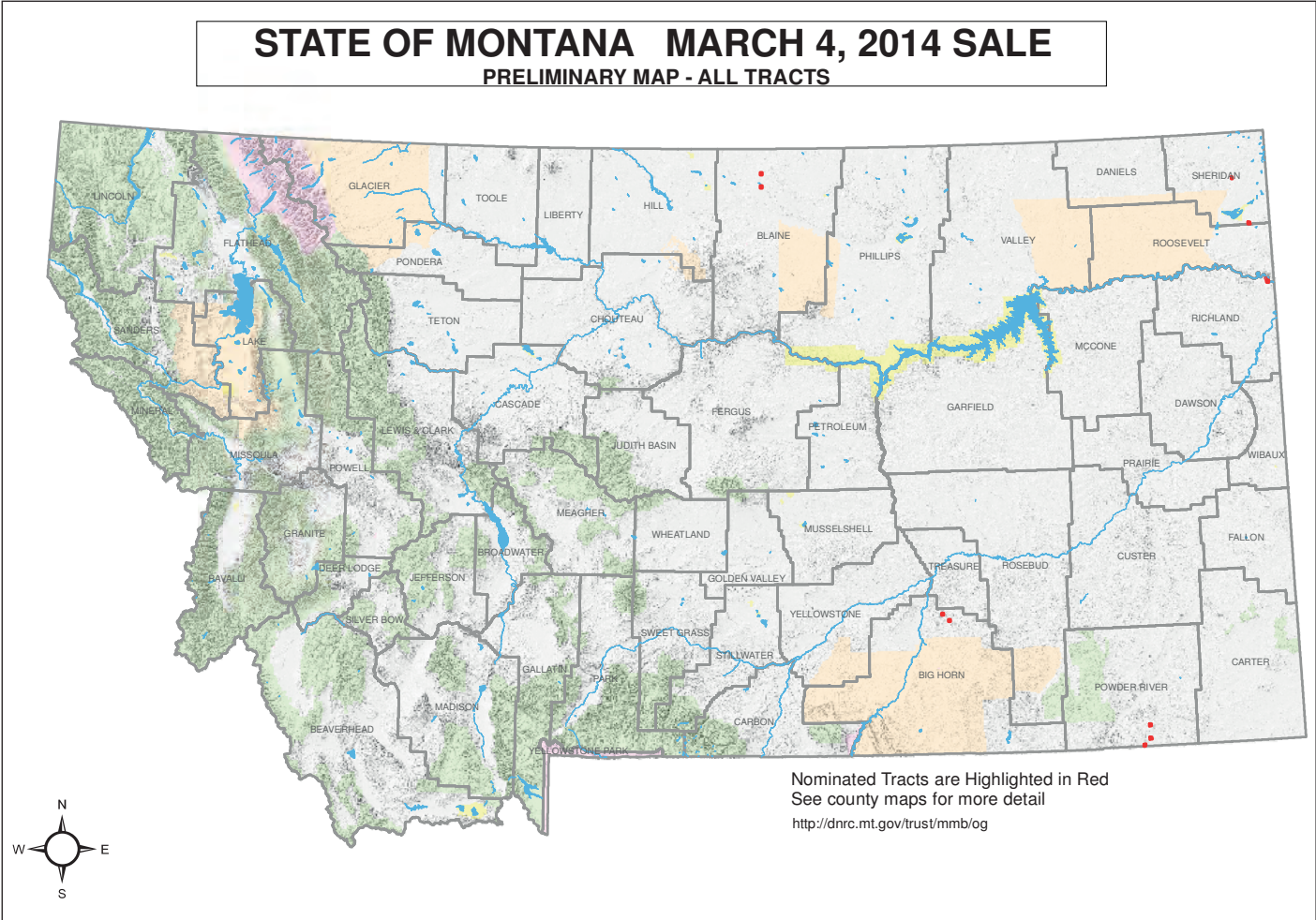
The total of 6,011.97 acres is the fourth lowest total in any Trust Land Management Division oil and lease auction since 2008 and well below the six-year average of 74,697.33 acres per auction. However, the average tract size in the March nominations of 546.54 is higher than the six-year average of 407.92.

The lowest lease auction acreage over the six-year period from 2008 was in the division's last lease auction in December when only 3,333.36 acres were offered. On the other hand, that auction brought in third highest average price per acre over the history of DNRC oil and gas lease auctions at \$88.56. The highest average price per acre was in the September auction when 5,254 acres, one of the lowest acreages in any DNRC lease auction, brought an average of \$106.99 per acre. The average price in DNRC quarterly auctions over the last six years is \$35.34 per acre.

Finalizing the list

All nominated tracts must be reviewed prior to leasing and some tracts may not

see **MONTANA AUCTION** page 5



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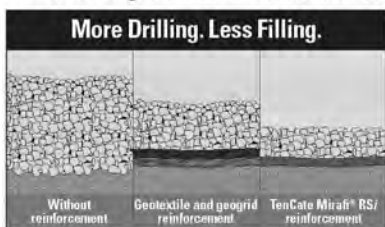
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LEGAL COLUMN

Helpful tidbits for O&G leasing in North Dakota

By **JANNELLE STEGER COMBS**

Column written for *Petroleum News Bakken*

Tips that can help those unaccustomed to North Dakota navigate common pitfalls encountered in oil and gas leasing in North Dakota.

•If you have an oil and gas lease with the North Dakota Department of Trust Lands, you need to file for approval of the lease assignment with the department. While the department will accept your standard assignment form, they will still require the \$10 fee for processing the assignment. You can check the status of your current lease ownership online at <http://land.nd.gov/minerals/mineralapps/lease/leasesearch.aspx>.

•Bureau of Indian Affairs' leases with heirs of an allottee also require approval of the assignment. The current fee is \$75 per assignment, and the process requires specific steps to be followed. Insure you are in contact with the New Town Realty Office or a North Dakota landman or

attorney who is familiar with the process on the Reservation.

•North Dakota law requires real property interests to be probated in North Dakota courts. These interests include mineral rights, overriding royalty rights and other rights attendant to oil and gas. The filing of a will or a probate from another state will have no effect unless there has been a proper filing with a North Dakota court.

•The general rule that many landmen follow that the intestate laws of the state where the property is located will control, may not apply in North Dakota. An intestate action may be commenced in the decedent's domicile and then the North Dakota property devised by the intestate laws of that state. Often those states have significantly different rules than North Dakota. This highlights one of the many risks of relying on affidavits of death and heirships in North Dakota. ●

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Petroleum News Bakken looking for writers

Prefer experienced reporters, but oil industry knowledge also valued.
Contact Kay Cashman at publisher@petroleumnews.com or 907.561.7517

COMPANY UPDATE

Northern Oil near 2013 well guidance

Bakken non-operator Northern Oil and Gas reported on Dec. 10 that in November it participated in 62 gross wells that went on production, of which 4.8 were net to the company. When combined with October completions, Northern has participated in 127 gross (9.5 net) wells in the first two months of the fourth quarter.

The 62 gross (4.8 net) wells brought on production in November bring Northern's net wells brought on production in 2013 to 36.8, very close to the company's revised 2013 guidance of 37 to 39 net wells. Northern's total number of gross Williston Basin wells has increased to 1,712, and the number of net wells to 143. In addition, as of the end of November, Northern was participating in an additional 255 gross (16.6 net) wells that were either being drilled or were waiting on completion.

"The drilling and completing momentum we experienced in the third quarter continued into October and November," said Michael Reger, Northern's chairman and chief executive officer. "With the North Dakota rig count currently at 193 active rigs, we remain very pleased with the level of activity on our acreage."

Northern controls approximately 187,000 acres in the Williston Basin in both North Dakota and Montana. As Petroleum News Bakken reported in November, Northern's third quarter production averaged just over 13,000 barrels of oil equivalent per day and was 90 percent crude oil. Of the 1,712 gross wells in which Northern is participating, over half are operated by Slawson Exploration, Continental Resources, Hess Corp. and EOG Resources.

—MIKE ELLERD

The 62 gross (4.8 net) wells brought on production in November bring Northern's net wells brought on production in 2013 to 36.8, very close to the company's revised 2013 guidance of 37 to 39 net wells.

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COMPANY UPDATE

SM Energy earmarks \$350M for Bakken in '14

Denver independent's Bakken focus remains on Bear Den/Raven and Gooseneck prospects; 2013 divestitures will help fuel growth

By MIKE ELLERD
Petroleum News Bakken

SM Energy has set its 2014 capital budget at \$1.925 billion, of which \$275 million will go into the Denver-based independent's operated Bakken assets with another \$75 million slated for its non-operate Bakken interests.

For 2014, SM Energy's Bakken focus will be on its Bear Den/Raven and Gooseneck prospects. Most of the Bear Den/Raven prospect is spread across northern McKenzie County but some of that prospect extends north into southern Williams County. The company's Gooseneck prospect is in central and northern Divide County. SM Energy plans to drill and complete approximately 45 wells in these two prospects in 2014 employing three drill rigs.

Of the company's \$1.925 billion total budget, \$1.660 billion, some 86 percent, will go into drilling and completion across several plays. In addition to the \$350 million earmarked for the Bakken, SM Energy has budgeted \$900 million for its Eagle Ford assets, with \$650 million of that going into its operated assets and the other \$250 million for non-operated assets. In the Permian Basin, the company has allotted \$130 million for its operated assets and another \$25 million for non-operat-

"We expect to grow production approximately 16 percent on retained properties next year, adjusted for our Anadarko Basin asset sale."
—SM Energy CEO Tony Best

ed assets. Together, those three plays make up nearly 85 percent of SM Energy's 2014 drilling and completion budget. The company has also earmarked \$115 million for operated Powder River Basin assets with another \$25 million for non-operated Powder River assets. It has also budgeted \$115 million for East Texas and "other" operations. The \$265 million balance of SM Energy's 2014 capex is designated for non-drilling activities and new ventures.

Divestitures and growth

The company has divested several assets in 2013, including its Anadarko Basin assets, from which the company expects to receive approximately \$455 million. The Anadarko Basin assets contributed approximately 3 million boe to SM Energy's 2013 production, although the company describes those assets as "relatively gassy."

However, even with the loss of that output, the company expects to grow its annual production by 16 percent

in 2014 to between 51 million and 53.5 million boe. That output is estimated to consist of 53 percent liquid, an increase of 5 percent over 2013.

"We anticipate that our announced program will generate strong returns and will allow SM Energy to post another record year of production in 2014," said Chief Executive Officer Tony Best in a Dec. 18 press release. "We expect to grow production approximately 16 percent on retained properties next year, adjusted for our Anadarko Basin asset sale. Our 2014 growth will be anchored by our core development programs in the Eagle Ford and Bakken/Three Forks, with additional investments being made in our emerging oil programs in the Permian Shales and the Powder River Basin."

Best added that there may be other investments in the coming year. "We also have a number of key appraisal wells scheduled for 2014 across the Company, which if successful, could allow for additional investment during the year."

In October, SM Energy ranked as the 15th largest oil producer in North Dakota with an average daily production of 19,113 barrels of oil per day according to North Dakota Department of Mineral Resources Oil and Gas Division data for operated, non-confidential wells. ●

Contact Mike Ellerd at mellerd@bresnan.net

continued from page 3

MONTANA AUCTION

be included on the final list. No new tracts will be added.

Trust Land Management Division is seeking comments on the nominated tracts, to be submitted by Jan. 24. More detailed maps of the nominated tracts and additional lease auction information are available on the Trust Land Management Division's website at

<http://dnrc.mt.gov/trust/MMB/OG/Default.asp>. The auction will be held in the auditorium at the Montana Department of Transportation building in Helena beginning at 9 a.m. Mountain Standard Time on March 4.

Other upcoming auctions

The Mineral Management Division of the North Dakota Department of Trust Lands will hold its next quarterly oil and gas lease auction on Feb. 4 in the House chambers at the state capitol in Bismarck beginning at 9

a.m. Central Standard Time. Nominations for that auction closed on Dec. 20. In addition, North Dakota Trust Lands is currently offering one lease in an online auction that remains open until Jan. 4 (see story on page1).

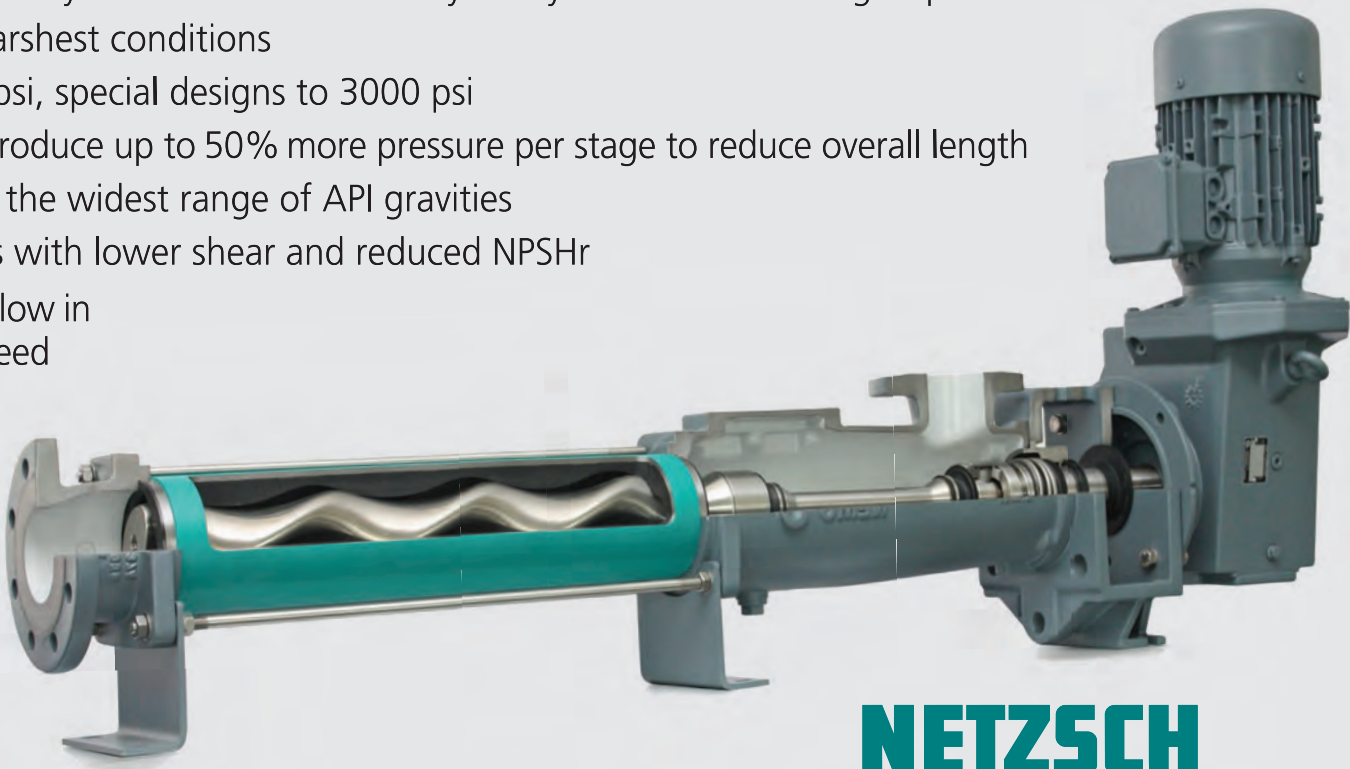
The Montana/Dakotas Bureau of Land Management has its next oil and gas lease auction scheduled for Jan. 29. That auction will be held at BLM's Montana state office in Billings beginning at 9 a.m. MST. ●

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BAKKEN Stats

Montana well permits and completions

December 13—19, 2013

Abbreviations & parameters

With a few exceptions, the Montana weekly oil activity report includes horizontal well activity in the Bakken petroleum system in the eastern/northeastern part of the state within the Williston Basin. It also includes the Heath play and what is referred to as the South Alberta Bakken fairway in northwestern/west-central Montana, which is at least 175 miles long (north-south) and 50 miles wide (east-west), extending from southern Alberta, where the formation is generally referred to as the Exshaw, southwards through Montana's Glacier, Toole, Pondera, Teton and Lewis & Clark counties. The Southern Alberta Bakken, under evaluation by several oil companies, is not part of the Williston Basin.

Following are the abbreviations used in the report and what they mean.

BHL: bottomhole location | **BOPD:** barrels of oil per day | **BWPD:** barrels of water per day
IP: initial production | **MCFPD:** thousand cubic feet per day | **PBHL:** probable bottomhole location
PD: proposed depth | **SHL:** surface hole location | **TD:** total depth

And public land survey system abbreviations:

FNL = from north line | **FEL** = from east line | **FSL** = from south line | **FWL** = from west line

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For Petroleum News Bakken

New locations—horizontal wells

In Carbon County, Energy Corporation of America has been approved to drill the Hunt Creek 1-H, with an SHL at SW SW 7-8S-23E (741 FSL/805 FWL) and a PBHL of 9,654 feet at NW NE 7-8S-23E (1198 FNL/2002 FEL). The Hunt Creek will target the Mowry shale.

In Fallon County's Lookout Butte Field, Denbury Onshore LLC has been approved to drill the Unit 43-34H, which has an SHL at NE SE 34-7N-60E (1445 FSL/775 FEL) and a PBHL of 10,828 feet at SW NE 34-7N-60E (2035 FNL/2030 FEL). The well will target the Red River formation.

In Richland County, Whiting Oil and Gas Corp. was green lighted for six Bakken formation wells. The Sundheim 21-3-2H has an SHL at 3-24N-59E (300 FNL/1980 FWL) and a PBHL of 16,506 feet at SE SW 10-24N-59E (240 FSL/1980 FWL). The Sundheim 21-3-3H has an SHL at 3-24N-59E (300 FNL/2025 FWL) and a PBHL of 17,008 feet at SW SE 10-24N-59E (240 FSL/1980 FEL). The Sundheim 21-3-4H has an SHL at 3-24N-59E (300 FNL/2070 FWL) and a PBHL of 17,809 feet at SE SE 10-24N-59E (240 FSL/660 FEL). The Sundheim 21-27-2H has an SHL at NE NW 27-25N-58E (350 FNL/1980 FWL) and a PBHL of 20,200 feet at SE SW 34-25N-58E (240 FSL/1980 FWL). The Sundheim 21-27-3H has an SHL at NE NW 27-25N-58E (440 FNL/1980 FWL) and a PBHL of 20,542 feet at SW SE 34-25N-58E (240 FSL/1980 FEL). The Sundheim 21-27-4H has an SHL at NE NW 27-25N-58E (395 FNL/1980 FWL) and a PBHL of 21,443 feet at SE SE 34-25N-58E (240 FSL/660 FEL)

Re-issued locations

In Richland County, two re-issued permits were approved for XTO Energy Inc. wells. The Donna 31X-15, with an SHL at NW NE 15-24N-56E (304 FNL/2200 FEL) and a PBHL of 19,897 feet at SW SE 22-24N-56E (700 FSL/2642 FEL) and the Wilbur 34X-29 with an SHL at SW SE 29-24N-56E (500 FSL/2373 FEL) and a PBHL of 19,620 feet at NE NW 20-24N-56E (700 FNL/2649 FWL). Both wells target the Bakken formation.

Slawson Exploration Company Inc. was approved for a re-issued permit for a Richland County well, the Rogue 1-36H. The Rogue has an SHL at SE SE 36-24N-52E (550 FSL/800 FEL) and three laterals with PBHLs of 13,047 feet at NE NE 36-24N-52E (700 FNL/800 FEL); 13,133 feet at SW SW 36-24N-52E (750 FSL/250 FWL); and 13,378 feet at NE NE 36-24N-52E (250 FNL/750 FEL). The well targets the Bakken formation.

Permit modifications/corrections

In Richland County, permit modification/corrections were issued to two Continental Resources Inc. wells: the Colleen 1-29H with an SHL at SE SE 29-26N-55E (1272 FSL/500 FEL) and a PBHL of 19,680 feet at SW SW 30-26N-55E (660 FSL/200 FWL) and the Colleen 2-29H, which has an SHL at SE SE 29-26N-55E (1317 FSL/500 FEL) and a PBHL of 19,692 feet at NW SW 30-26N-55E (1980 FSL/200 FWL). Both wells target the Bakken formation.

Completions

In Richland County, Continental Resources Inc. reported the completion of two Bakken formation wells. The Katherine 2-15H has an SHL at SE SE 15-25N-55E (240 FSL/800 FEL) and a PBHL of 19,943 feet at NE NE 10-25N-55E (234 FNL/804 FEL). The Katherine reported an IP of 546 BOPD, 443

BAKKEN STATS COMMENTARY

Conoco's Burlington again tops IP list

For the 13th consecutive week, ConocoPhillips subsidiary Burlington Resources has wells on the weekly Top 10 IP list for Bakken oil wells in North Dakota.

And for the second straight week a Burlington well took first place on the list (see page 7).

Burlington topped the list for the week Dec. 17-23 with its CCU Bison Point 44-34THF well in the Corral Creek field in northern Dunn County at a 24-hour initial production rate of 2,979 barrels per day. The company's Cleo 21-1MBH well in the Croff field in far eastern McKenzie County came in with the second highest IP at 2,832 bpd.

At a somewhat distant third was Kodiak's P Evitt 154-98-15-12-24-15H3 well with an IP of 2,249 bpd.

Kodiak, Marathon Oil, EOG Resources, WPX Energy and Oasis Petroleum had the remaining seven Top 10 wells with IPs ranging from 1,836 bpd to 2,148 bpd.

New ND well permits

With 10 permits, Whiting Oil and Gas (a subsidiary of Whiting Petroleum) had the most new well permits issued for the week for wells in Billings, McKenzie and Mountrail counties (see page 8).

Hess Corporation had nine well permits issued for the week, all of which are in Mountrail County.

Third in new permits were Zavanna and Burlington with four each. Zavanna's permits are for wells in Williams County and Burlington's wells are in McKenzie County.

Most of the new well permits issued for the week are in Mountrail and Dunn counties with 16 and 11, respectively. McKenzie had eight new well permits and Williams had seven.

Montana permitting

In Montana, Whiting had the most Montana well permits issued for the week of Dec. 13-19 with a total of six — all Bakken formation wells in Richland County (see this page).

To the south in Fallon County, former Bakken player Denbury Onshore received a permit for a horizontal Red River well.

In south-central Montana, Energy Corp. of America was issued a permit for a horizontal well targeting the Mowry shale in Carbon County.

—MIKE ELLERD

MCFPD of natural gas and 481 BWPD. The Thomas 3-27H has an SHL at SE SW 27-23N-56E (225 FSL/2000 FWL) and a PBHL of 20,373 feet at NE NW 22-23N-56E (237 FNL/2080 FWL). The well reported an IP of 294 BOPD, 252 MCFPD



Bakken producers' stock prices

Closing prices as of Dec. 24, along with those from previous Wednesday

Company	Exchange	Symbol	Closing price	Previous Wed.
Abraxas Petroleum Corporation	NASDAQ	AXAS	\$3.51	\$3.21
American Eagle Energy Corporation	OTC	AMZG	\$2.11	\$2.06
Arsenal Energy USA, Inc.	TSE	AEI	\$5.00	\$5.00
Baytex Energy USA Ltd	NYSE	BTE	\$39.08	\$38.53
Burlington Resources Co., LP (ConocoPhillips)	NYSE	COP	\$69.93	\$69.40
Continental Resources, Inc.	NYSE	CLR	\$111.66	\$108.12
Crescent Point Energy US Corporation	TSE	CPG	\$41.14	\$40.51
Denbury Onshore, LLC	NYSE	DNR	\$16.39	\$16.15
Emerald Oil, Inc.	NYSEMKT	EOX	\$7.40	\$7.03
Enerplus Resources USA Corporation	NYSE	ERF	\$18.18	\$18.21
EOG Resources, Inc.	NYSE	EOG	\$168.26	\$162.00
Fidelity Exploration & Production (MDU)	NYSE	MDU	\$30.45	\$29.59
GMX Resources, Inc.	PINK	GMXRQ	\$0.10	\$0.12
Halcon Resources	NYSE	HK	\$3.87	\$3.82
Hess Corporation	NYSE	HES	\$81.14	\$80.83
Kodiak Oil and Gas (USA), Inc.	NYSE	KOG	\$11.31	\$10.82
Legacy Reserves Operating LP	NASDAQ	LGCY	\$27.37	\$26.93
Marathon Oil Company	NYSE	MRO	\$35.25	\$34.72
Mountain Divide, LLC (Mountainview Energy)	CVE	MVW.V	\$0.51	\$0.48
Newfield Production Company	NYSE	NFX	\$24.13	\$23.28
Northern Oil and Gas	NYSE	NOG	\$15.09	\$14.80
Oasis Petroleum North America	NYSE	OAS	\$46.59	\$45.92
Oxy USA, Inc. (Occidental Petroleum)	NYSE	OXY	\$93.48	\$92.26
PetroShale Inc.	CVE	PSH	\$1.40	\$1.50
QEP Energy Company	NYSE	QEP	\$30.97	\$30.28
Resolute Natural Resources Company, LLC	NYSE	REN	\$9.18	\$8.67
Samson Resources Company (KKR & Co)	NYSE	KKR	\$24.44	\$24.53
SM Energy Company	NYSE	SM	\$82.86	\$81.47
Statoil Oil and Gas LP	NYSE	STO	\$23.75	\$23.27
Triangle USA Petroleum Corporation	NYSE	TPLM	\$9.03	\$8.69
Whiting Oil and Gas Corporation	NYSE	WILL	\$60.73	\$60.55
WPX Energy Williston, LLC	NYSE	WPX	\$20.46	\$19.15
XTO Energy, Inc. (ExxonMobil)	NYSE	XOM	\$99.22	\$99.54



Looking for a rig report?

North Dakota

The best list for North Dakota is updated daily by the North Dakota Oil and Gas Division at www.dmr.nd.gov/oilgas/riglist.asp

Saskatchewan

Weekly drilling activity report from the government of Saskatchewan:
www.economy.gov.sk.ca/Daily-Well-Bulletin-Weekly-Drilling-Reports

Manitoba

Weekly drilling activity report from the government of Manitoba:
www.manitoba.ca/iem/petroleum/wwar/index.html



IPs for ND Bakken wells

December 17—December 23, 2013

This chart contains initial production rates, or IPs, for active wells that were filed as completed with the state of North Dakota from Dec. 17-Dec. 23, 2013 in the Bakken petroleum system, which includes formations such as the Bakken and Three Forks. The completed wells that did not have an available IP rate (N/A) likely haven't been tested or were awarded confidential (tight-hole) status by the North Dakota Industrial Commission's Department of Minerals. This chart also contains a section with active wells that were released from confidential status during the same period, Dec. 17-Dec. 23. Again, some IP rates were not available (N/A). The information was assembled by Petroleum News Bakken from NDIC daily activity reports and other sources. The name of the well operator is as it appears in state records, with the loss of an occasional Inc., LLC or Corporation because of space limitations. Some of the companies, or their Bakken petroleum system assets, have been acquired by others. In some of those cases, the current owner's name is in parenthesis behind the owner of record, such as ExxonMobil in parenthesis behind XTO Energy. If the chart is missing current owner's names, please contact Ashley Lindly at alindly@petroleumnewsbakken.com

IPs for completed North Dakota wells

Hess
25060; AN-Morgan Trust-153-94- 3229H-1; Antelope; LOT4 2-152N-95W; 2SEC; McKenzie; Bakken; horizontal; 21,090; 11/17/2013; 599 bbl
25061; AN-Prosser-152-95- 0211H-4; Antelope; LOT4 2-152N-95W; 2SEC; McKenzie; Bakken; horizontal; 21,150; 12/1/2013; 1,432 bbl
25225; BW-Sorenson 149-99-1324H-2; Cherry Creek; NWNW 13-149N-99W; 2SEC; McKenzie; Bakken; horizontal; 20,718; 11/24/2013; 814 bbl
25462; EN-Leo 154-94-2324H-1; Alkali Creek; NWNW 26-154N-94W; 2SEC Mountrail; Bakken; horizontal; 20,924; 11/26/2013; 1,155 bbl
25285; SC-Barney 154-98-1819H-4; Truax; SESW 7-154N-98W; 2SEC; Williams; Bakken; horizontal; 11/11/2013; 991 bbl

Kodiak Oil and Gas
25511; P Evitt 154-98-13-12-1-3H3; Truax; SWSW 12-154N-98W; 2SEC; Williams; Bakken; horizontal; 21,077; 11/17/2013; 1,826 bbl
25563; P Evitt 154-98-13-12-24-14H3M; Truax; SWSW 12-154N-98W; 2SEC; Williams; Bakken; horizontal; 21,645; 11/13/2013; 2,140 bbl
25582; P Evitt 154-98-15-12-24-15H3; Truax; SWSE 12-154N-98W; 2SEC; Williams; Bakken; horizontal; 21,752; 11/18/2013; 2,249 bbl

Marathon Oil
25487; Marland 41-14TFH; Reunion Bay; SESE 11-151N-93W; 2SEC; Mountrail; Bakken; horizontal; 20,802; 12/1/2013; 2,148 bbl

Oasis Petroleum North America
25025; Folda 5393 43-4T; Sanish; SWSE 4-153N-93W; SEC; Mountrail; Bakken; horizontal; 15,350; 7/17/2013; 1,164 bbl
25239; Metz 5093 13-1H; Viking; LOT2 1-160N-94W; N/A; Burke; N/A*; on confidential status; N/A; N/A; N/A

**Note — The geologic target for the above Metz 5093 13-1H well was not listed in its well file because it is on tight (confidential) hole, but the Viking field produces from the Bakken pool.*

XTO Energy (ExxonMobil)
25383; Allie 31X-24H; Capa; NWNE 24-155N-95W; 2SEC; Williams; Bakken; horizontal; 20,402; 9/27/2013; 0 bbl
25327; Olson 34X-19G; Arnegard; SWSE 19-150N-100W; 2SEC; McKenzie; Bakken; horizontal; 20,970; 11/6/2013; 877 bbl
25326; Olson 34X-19H; Arnegard; SWSE 19-150N-100W; 2SEC; McKenzie; Bakken; horizontal; 21,424; 11/11/2013; 887 bbl

IPs for ND wells released from confidential status

Burlington Resources Oil and Gas (ConocoPhillips)
25439; CCU Bison Point 44-34TFH; Corral Creek; SESE 34-147N-94W; U; Dunn; Bakken; horizontal; 20,767; 10/6/2013; 2,979 bbl
25388; Cleo 21-1MBH; Croff; LOT3 1-149N-96W; 2SEC; McKenzie; Bakken; horizontal; 19,786; 9/15/2013; 2,832 bbl
25656; Washburn 43-36MBH; Charlson; NESE 36-153N-

Top 10 Bakken wells by IP rate

Burlington Resources Oil and Gas (ConocoPhillips)
25439; CCU Bison Point 44-34TFH; Corral Creek; Dunn; 2,979 bbl
25388; Cleo 21-1MBH; Croff; McKenzie; 2,832 bbl

Kodiak Oil and Gas
25582; P Evitt 154-98-15-12-24-15H3; Truax; Williams; 2,249 bbl

Marathon Oil
25487; Marland 41-14TFH; Reunion Bay; Mountrail; 2,148 bbl

Kodiak Oil and Gas
25563; P Evitt 154-98-13-12-24-14H3M; Truax; Williams; 2,140 bbl

EOG Resources
23270; Bear Den 8-1621H; Spotted Horn; McKenzie; 2,139 bbl

Marathon Oil
25328; Judy Tuhy USA 31-4H; Murphy Creek; Dunn; 2,034 bbl

WPX Energy
23308; Blackhawk 1-12HD; Moccasin Creek; Dunn; 2,005 bbl

EOG Resources
24855; Van Hook 130-2526H; Parshall; Mountrail; 1,981 bbl

Oasis Petroleum
25053; Dunlap 5693 44-12B; Alger; Mountrail; 1,836 bbl

Note: This chart contains initial production rates, or IPs, from the adjacent IP chart for active wells that were filed as completed with the state of North Dakota from Dec. 17—Dec. 23, 2013 in the Bakken petroleum system, as well as active wells that were released from tight-hole (confidential) status during the same period. The well operator's name is on the upper line, followed by individual wells; the NDIC file number; well name; field; county; IP oil flow rate in barrels of oil.

95W; N/A; McKenzie; Bakken; horizontal; N/A; N/A; N/A
25655; Washburn 43-36TFH; Charlson; NESE 36-153N-95W; N/A; McKenzie; Bakken; horizontal; N/A; N/A; N/A

Continental Resources
25263; Farver 4-29H1; Hamlet; NENW 29-160N-96W; 2SEC; Divide; Bakken; horizontal; 19,280; 11/3/2013; 215 bbl
90294; Lonesome Dove 42-17 SWD; Cedar Hills; SENE 17-131N-106W; N/A; Bowman; Lodgepole; horizontal; N/A; N/A; N/A
25690; Park 1-22H; Juno; NWNE 27-162N-96W; 2SEC; Divide; Bakken; horizontal; 18,748; 9/18/2013; 100 bbl
24802; Rollefstad Federal 10-3H-2; Antelope; LOT2 3-152N-94W; N/A; McKenzie; Bakken; horizontal; N/A; N/A; N/A

24594; Rosenvold 5-30H-2; Hamlet; NENE 30-160N-96W; 2SEC; Divide; Bakken; horizontal; 19,150; 10/13/2013; 570 bbl

Enerplus Resources
23178; Prairie Dog 150-94-04A-09H; Spotted Horn; SWSE 33-151N-94W; N/A; McKenzie; Bakken; horizontal; N/A; N/A; N/A

EOG Resources
23270; Bear Den 8-1621H; Spotted Horn; SESW 16-150N-94W; 2SEC; McKenzie; Bakken; horizontal; 16,015; 7/26/2013; 2,139 bbl
23267; Bear Den 17-16H; Spotted Horn; SESW 16-150N-94W; 2SEC; McKenzie; Bakken; horizontal; 15,517; 7/27/2013; 110 bbl
23063; Bear Den 100-2017H; Spotted Horn; SESW 20-150N-94W; 2SEC; McKenzie; Bakken; horizontal; 21,285; 8/23/2013; 1,418 bbl
24551; Garden Coulee 3-2734H; Ft. Buford; NENE 27-153N-104W; ICO; Williams; Bakken; horizontal; 18,690; 6/25/2013; 616 bbl
24856; Van Hook 23-2526H; Parshall; SWSE 25-152N-91w; 2SEC; Mountrail; Bakken; horizontal; 14,919; 7/24/2013; 611 bbl
24855; Van Hook 130-2526H; Parshall; SWSE 25-152N-91w; 2SEC; Mountrail; Bakken; horizontal; 16,601; 7/24/2013; 1,981 bbl

Hess
25068; EN-Hermanson A 155-93-3601H-2; Robinson Lake; NWNW 36-155N-93W; N/A; Mountrail; Bakken; horizontal; N/A; N/A; N/A
25069; EN- Hermanson A 155-93-3601H-3; Robinson Lake; NWNW 36-155N-93W; N/A; Mountrail; Bakken; horizontal; N/A; N/A; N/A
25462; EN-Leo 154-94-2324H-1; Alkali Creek; NWNW 26-154N-94W; 2SEC; Mountrail; Bakken; horizontal; 20,924; 11/26/2013; 1,155 bbl

Marathon Oil
25328; Judy Tuhy USA 31-4H; Murphy Creek; LOT2 4-144N-96W; 2SEC; Dunn; Bakken; horizontal; 20,540; 9/11/2013; 2,034 bbl
25483; Kruger 24-24TFH; Bailey; NENW 25-146N-94W; 2SEC; Dunn; Bakken; horizontal; 21,155; 10/1/2013; 1,266 bbl

Murex Petroleum
24480; Lisa Marie 22-15H; Writing Rock; SWSE 22-161N-101W; 2SEC; Divide; Bakken; horizontal; 18,525; 8/11/2013; 83 bbl

Newfield Production
25455; Barracuda 150-100-11-2-2H; Sandrocks; SESW 11-150N-100W; 2SEC; McKenzie; Bakken; horizontal; 21,244; 9/30/2013; 1,061 bbl
25456; Barracuda 150-100-11-2-3H; Sandrocks; SESW 11-150N-100W; N/A; McKenzie; Bakken; horizontal; 3,030; N/A; N/A
25457; Barracuda 150-100-11-2-4H; Sandrocks; SESW 11-150N-100W; 2SEC; McKenzie; Bakken; horizontal; 21,225; 9/30/2013; 1,320 bbl

Oasis Petroleum
25053; Dunlap 5693 44-12B; Alger; SESE 12-156N-93W; 2SEC; Mountrail; Bakken; horizontal; 20,485; 9/17/2013; 1,836 bbl

Oxy USA (Occidental Petroleum)
25138; John Williams 1-5-8H-143-97; Crooked Creek; LOT2 5-143N-97W; 2SEC; Dunn; Bakken; horizontal; 20,513; 6/24/2013; 223 bbl

Petro-Hunt
22111; Fredrickson 160-94-33D-28-4H; North Tioga; SWSE 33-160N-94W; 2SEC; Burke; Bakken; horizontal; 19,237; 10/19/2013; 631 bbl
22025; Lee 158-94-22A-27-2H; East Tioga; NWNE 22-158N-94W; 2SEC; Mountrail; Bakken; horizontal; 19,279; 9/17/2013; 127 bbl

Samson Resources (KKR & Co.)
25282; Strom 2536-2H; Ambrose; NENW 25-163N-99W; 4SEC; Divide; Bakken; horizontal; 17,839; 9/13/2013; 957 bbl

SM Energy
24746; Mosser 1-30HN; Colgan; NENE 30-163N-100W; 2SEC; Divide; Bakken; horizontal; 18,503; 10/9/2013; 280 bbl

Statoil Oil and Gas
24986; Domaskin 30-31 5TFH; Alger; SESW 19-155N-92W; N/A; Mountrail; Bakken; horizontal; N/A; N/A; N/A
24987; Domaskin 30-31 6H; Alger; SESW 19-155N-92W; N/A; Mountrail; Bakken; horizontal; N/A; N/A; N/A
24988; Domaskin 30-31 7TFH; Alger; SESW 19-155N-92W; N/A; Mountrail; Bakken; horizontal; N/A; N/A; N/A

True Oil
22948; True Federal 21-16 16-21H; Bully; NENW 16-148N-100W; ICO; McKenzie; Bakken; horizontal; 18,831; 11/19/2013; 886 bbl

Whiting Oil and Gas
24273; Kummer 14-31H; Pleasant Hill; LOT4 31-149N-99W; 2SEC; McKenzie; Bakken; horizontal; 20,650; 6/26/2013; 1,486 bbl
24274; Kummer 14-31-2H; Pleasant Hill; LOT4 31-149N-99W; 2SEC; McKenzie; Bakken; horizontal; 20,818; 6/25/2013; 1,405 bbl
24867; Rovelstad 21-13-2H; Timber Creek; NENW 13-150N-100W; 2SEC; McKenzie; Bakken; horizontal; 21,182; 6/18/2013; 1,768 bbl

WPX Energy
24463; Adam Good Bear 15-22HD; Van Hook; SESE 10-150N-92W; 2SEC; Mountrail; Bakken; horizontal; N/A; N/A; N/A
23308; Blackhawk 1-12HD; Moccasin Creek; SWSE 36-148N-93W; 2SEC; Dunn; Bakken; horizontal; 20,568; 8/21/2013; 2,005 bbl
25628; State of ND 10-3HA; Van Hook; NWNW 15-150N-92W; 2SEC; Mountrail; Bakken; horizontal; 20,600; 10/11/2013; 912 bbl

XTO Energy (ExxonMobil)
25065; Loomer 21X-4A; Tobacco Garden; LOT3 4-150N-99W; N/A; McKenzie; Bakken; horizontal; N/A; N/A; N/A
25066; Loomer 21X-4E; Tobacco Garden; LOT3 4-150N-99W; N/A; McKenzie; Bakken; horizontal; N/A; N/A; N/A
25301; Louise 31X-9C; North Tobacco Garden; NWNE 9-151N-99W; N/A; McKenzie; Bakken; horizontal; N/A; N/A; N/A

—Compiled by Ashley Lindly

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North Dakota oil permit activity

December 17—December 23, 2013

LEGEND

The county name is on the upper line, the type of permit issued is on the second line, and company names are next, followed by individual wells with data in this order: well name; location; footages; field; geological target; well bore type; elevation; NDIC file number; API number; date permit shows on NDIC website.

Abbreviations

Following are the abbreviations used in the report and what they mean:

FNL = From North Line | FEL = From East Line

FSL = From South Line | FWL = From West Line

Billings Co.

Permits issued

Continental Resources

Volesky 1-23H1; SESW 23-141N-98W; 415'FSL and 1,980'FWL; Ukraina; N/A*; 2,645' ground; 27290; 33-007-01816; 12/17/2013

Whiting Oil and Gas

Neru 2102X; NWNW 21-144N-101W; 639'FNL and 676'FWL; North Elkhorn Ranch; N/A*; on confidential status; 2,442' ground; 27328; 33-007-01817; 12/23/2013

Bottineau Co.

Permits issued

Ballad Petroleum Holdings

Fines 24-19; SESW 19-159N-81W; 660'FSL and 1,980'FWL; Wildcat; N/A; on confidential status; 1,532' ground; 27319; 33-009-02354; 12/20/2013

Burke Co.

Permits issued

Petro-Hunt

Setterlund 159-94-28B-33-2H; NWNW 28-159N-94W; 375'FNL and 1,030'FWL; North Tioga; N/A*; on confidential status; 2,286' ground; 27304; 33-013-01761; 12/19/2013
Setterlund 159-94-34C-27B-2H; NWNW 28-159N-94W; 225'FNL and 1,530'FWL; North Tioga; N/A*; on confidential status; 2,448' ground; 27305; 33-013-01762; 12/19/2013

Divide Co.

Permits issued

Baytex Energy USA

Chanda 21-16-162-98H 2QA; SESE 21-162N-98W; 300'FSL and 1,100'FEL; Blooming Prairie; Bakken; horizontal; 2,132' ground; 27324; 33-023-01150; 12/23/2013
Chanda 28-33-162-98H 2XQ; SESE 21-162N-98W; 300'FSL and 1,125'FEL; Whiteaker; Bakken; horizontal; 2,132' ground; 27323; 33-023-01149; 12/23/2013
Wendi 21-16-162-98H 3QA; SESE 21-162N-98W; 300'FSL and 1,150'FEL; Blooming Prairie; Bakken; horizontal; 2,132' ground; 27322; 33-023-01148; 12/23/2013
Wendi 28-33-162-98H 3XQ; SESE 21-162N-98W; 300'FSL and 1,175'FEL; Whiteaker; Bakken; horizontal; 2,131' ground; 27321; 33-023-01147; 12/23/2013

Continental Resources

Brodal 1-36H; NENW 36-162N-95W; 260'FNL and 1,510'FWL; Noonan; N/A**; on confidential status; 2,297' ground; 27298; 33-023-01146; 12/18/2013

SM Energy

Dorothy 3-27HS; NENW 27-163N-101W; 255'FNL and 2,310'FWL; Wildcat; N/A; on confidential status; 2,158' ground; 27288; 33-023-01144; 12/17/2013
Robert 3-27HN; NENW 27-163N-101W; 255'FNL and 2,260'FWL; Colgan; N/A*; on confidential status; 2,164' ground; 27289; 33-023-01145; 12/17/2013

Permits renewed

Samson Resources (KKR & Co.)

Bonneville 3625-5TFH; SESE 36-163N-100W; 259'FSL and 1,310'FEL; West Ambrose; N/A*; on confidential status; 2,272' ground; 24603; 33-023-00972; 12/18/2013

Dunn Co.

Permits issued

Kodiak Oil and Gas

Skunk Creek 4-8-17-13H; NWNW 8-148N-93W; 300'FNL and 1,030'FWL; South Fork; N/A*; on confidential status; 2,055' ground; 27326; 33-025-02402; 12/23/2013
Skunk Creek 4-8-17-13H3; NWNW 8-148N-93W; 300'FNL and 1,000'FWL; South Fork; N/A*; on confidential status; 2,054' ground; 27325; 33-025-02401; 12/23/2013
Skunk Creek 4-8-17-14H3; NWNW 8-148N-93W; 300'FNL and 1,060'FWL; South Fork; N/A*; on confidential status; 2,054' ground; 27327; 33-025-02403; 12/23/2013

Oxy USA (Occidental Petroleum)

Velenchenko 2-4-9H-143-97; SWSW 33-144N-97W; 577'FSL and 1,148'FWL; Crooked Creek; Bakken; horizontal; 2,392' ground; 27286; 33-025-02400; 12/17/2013
Velenchenko 3-4-9H-143-97; SWSW 33-144N-97W; 587'FSL and 1,109'FWL; Crooked Creek; Bakken; horizontal; 2,392' ground; 27285; 33-025-02399; 12/17/2013

Permits renewed

Burlington Resources Oil and Gas

(ConocoPhillips)

Pacific Express 41-25H; NENE 25-147N-95W; 373'FNL and 176'FEL; Corral Creek; N/A*; on confidential status; 2,238' ground; 18582; 33-025-01022; 12/17/2013

Permits cancelled

Oxy USA (Occidental Petroleum)

Henry Kovash 6-7-142-95; NENW 7-142N-95W; 705'FNL and 1,460'FWL; Manning; Duperow; vertical; 2,274' ground; 24592; 33-025-02020; 12/18/2013

Location resurveyed

Marathon Oil

Azure USA 31-15H; SWSE 10-147N-93W; 356'FSL and 2,296'FEL; Moccasin Creek; N/A*; on confidential status; 2,233' ground; 25898; 33-025-02191; 12/17/2013
Swift Eagle USA 31-15TFH; SWSE 10-147N-93W; 383'FSL and 2,314'FEL; Moccasin Creek; N/A*; on confidential status; 2,234' ground; 26063; 33-025-02218; 12/17/2013
Two Crow USA 21-15TFH; SWSE 10-147N-93W; 438'FSL and 2,351'FEL; Moccasin Creek; N/A*; on confidential status; 2,230' ground; 26062; 33-025-02217; 12/17/2013

WPX Energy

Independence 2-35HD; NWNE 11-149N-93W; 566'FNL and 1,749'FEL; Mandaree; N/A*; on confidential status; 2,235' ground; 26519; 33-025-02299; 12/17/2013
Independence 2-35HY; NWNE 11-149N-93W; 569'FNL and 1,849'FEL; Mandaree; N/A*; on confidential status; 2,235' ground; 26517; 33-025-02297; 12/17/2013
Independence 2-35HZ; NWNE 11-149N-93W; 568'FNL and 1,799'FEL; Mandaree; N/A*; on confidential status; 2,235' ground; 26518; 33-025-02298; 12/17/2013

McKenzie Co.

Permits issued

Burlington Resources Oil and Gas

(ConocoPhillips)

Copper Draw 21-27MBH; NENW 27-150N-96W; 250'FNL and 1,628'FWL; Johnson Corner; N/A*; on confidential status; 2,344' ground; 27307; 33-053-05561; 12/19/2013
Copper Draw 21-27TFH; NENW 27-150N-96W; 250'FNL and 1,718'FWL; Johnson Corner; N/A*; on confidential status; 2,347' ground; 27309; 33-053-05563; 12/19/2013
Lillibridge 21-27MBH; NENW 27-150N-96W; 250'FNL and 1,673'FWL; Johnson Corner; N/A*; on confidential status; 2,345' ground; 27308; 33-053-05562; 12/19/2013
Lillibridge 21-27TFH; NENW 27-150N-96W; 250'FNL and 1,583'FWL; Johnson Corner; N/A*; on confidential status; 2,341' ground; 27306; 33-053-05560; 12/19/2013

Petro-Hunt

Brenna 152-96-22D-14-1HS; NENE 27-152N-96W; 321'FNL and 1,025'FEL; Clear Creek; N/A*; on confidential status; 2,367' ground; 27282; 33-053-05557; 12/17/2013

Whiting Oil and Gas

Langwald Federal 31-17-2H; SWSE 8-150N-104W; 290'FSL and 2,470'FEL; Estes; Bakken; horizontal; 1,890' ground; 27320; 33-053-05564; 12/23/2013
Skaar Federal 41-3TFH; LOT1 3-152N-97W; 756'FNL and 320'FEL; Twin Valley; Bakken; horizontal; 2,264' ground; 27284; 33-053-05559; 12/17/2013
Skaar Federal 41-3TFHU; LOT1 3-152N-97W; 728'FNL and 308'FEL; Twin Valley; Bakken; horizontal; 2,264' ground; 27283; 33-053-05558; 12/17/2013

Location resurveyed

Burlington Resources Oil and Gas

(ConocoPhillips)

Arches 14-35TFH; SWSW 35-153N-96W; 218'FSL and 810'FWL; Keene; N/A**; on confidential status; 2,331' ground; 27147; 33-053-05529; 12/23/2013
Old Arches 14-35MBH ULW; SWSW 35-153N-96W; 218'FSL and 765'FWL; Keene; N/A**; on confidential status; 2,330' ground; 27148; 33-053-05530; 12/23/2013

Continental Resources

Kuhn 6-13H; NWNW 13-152N-100W; 668'FNL and 1,164'FWL; Camp; N/A*; on confidential status; 1,873' ground; 26934; 33-053-05461; 12/18/2013
Kuhn 7-13H; NWNW 13-152N-100W; 657'FNL and 1,121'FWL; Camp; N/A*; on confidential status; 1,871' ground; 26935; 33-053-05462; 12/18/2013

Mountrail Co.

Permits issued

EOG Resources

Parshall 61-15H; NWNW 15-152N-90W; 535'FNL and 435'FWL; Parshall; Bakken; horizontal; 1,998' ground; 27291; 33-061-02891; 12/18/2013
Parshall 62-15H; NWNW 15-152N-90W; 465'FNL and 365'FWL; Parshall; Bakken; horizontal; 1,998' ground; 27292; 33-061-02892; 12/18/2013

Hess

EN-Eva 156-94-1621H-1; NENE 17-156N-94W; 445'FNL and 1,036'FEL; Manitou; N/A*; on confidential status; 2,392' ground; 27313; 33-061-02900; 12/20/2013
EN-Joyce- 2560-156-94-1720-1621H-1; NENE 17-156N-94W; 445'FNL and 1,069'FEL; Manitou; N/A*; on confidential status; 2,393' ground; 27314; 33-061-02901; 12/20/2013
EN-Joyce- 2560-156-94-1720-1621H-2; NENE 17-156N-94W; 445'FNL and 1,102'FEL; Manitou; N/A*; on confidential status; 2,392' ground; 27315; 33-061-02902; 12/20/2013
EN-Joyce- 2560-156-94-1720-1621H-3; NENE 17-156N-94W; 445'FNL and 1,135'FEL; Manitou; N/A*; on confidential status; 2,390' ground; 27316; 33-061-02903; 12/20/2013

EN-Ortloff- 156-94-2635H-4; NENW 26-156N-94W; 550'FNL and 1,373'FWL; Big Butte; N/A*; on confidential status; 2,149' ground; 27297; 33-061-02897; 12/18/2013

EN-Ortloff- 156-94-2635H-5; NENW 26-156N-94W; 550'FNL and 1,340'FWL; Big Butte; N/A*; on confidential status; 2,150' ground; 27296; 33-061-02896; 12/18/2013

EN-Ortloff- 156-94-2635H-6; NENW 26-156N-94W; 550'FNL and 1,307'FWL; Big Butte; N/A*; on confidential status; 2,150' ground; 27295; 33-061-02895; 12/18/2013

EN-Ortloff- 156-94-2635H-7; NENW 26-156N-94W; 550'FNL and 1,274'FWL; Big Butte; N/A*; on confidential status; 2,151' ground; 27294; 33-061-02894; 12/18/2013

EN-Ortloff- 156-94-2635H-8; NENW 26-156N-94W; 550'FNL and 1,241'FWL; Big Butte; N/A*; on confidential status; 2,150' ground; 27293; 33-061-02893; 12/18/2013

Slawson Exploration

Nightmaker 4-8-17TFH; SWSW 5-152N-91W; 335'FSL and 270'FWL; Big Bend; N/A*; on confidential status; 2,020' ground; 27312; 33-061-02899; 12/20/2013

Whiting Oil and Gas

Bender 14-6H; LOT7 6-153N-92W; 710'FSL and 425'FWL; Sanish; Bakken; horizontal; 2,178' ground; 27310; 33-061-02898; 12/19/2013
Knife River State Federal 13-32H; NWSW 32-153N-92W; 2,250'FSL and 330'FWL; Sanish; Bakken; horizontal; 1,925' ground; 27287; 33-061-02890; 12/17/2013

Shell Creek 11-16-2H; NWNW 16-153N-89W; 448'FNL and 1,047'FWL; Parshall; Bakken; horizontal; 2,020' ground; 27317; 33-061-02904; 12/20/2013

Shell Creek 11-16-3H; NWNW 16-153N-89W; 448'FNL and 1,002'FWL; Parshall; Bakken; horizontal; 2,019' ground; 27318; 33-061-02905; 12/20/2013

Permits cancelled

Continental Resources

Vachal 6-27H; NENE 27-154N-94W; 380'FNL and 617'FEL; Alkali Creek; N/A*; on confidential status; 2,054' ground; 26500; 33-061-02723; 12/20/2013
Vachal 7-27H1; NENE 27-154N-94W; 380'FNL and 572'FEL; Alkali Creek; N/A*; on confidential status; 2,055' ground; 26501; 33-061-02724; 12/20/2013

Renville Co.

Permits issued

Enduro Operating

LDCMU 4-44; SESE 4-161N-85W; 582'FSL and 518'FEL; Little Deep Creek; N/A**; on confidential status; 1,751' ground; 27311; 33-075-01455; 12/20/2013

Williams Co.

Permits issued

Continental Resources

Jenner1-21H1; SWSE 21-154N-100W; 390'FSL and 1,384'FEL; Catwalk; N/A*; on confidential status; 2,012' ground; 27299; 33-105-03365; 12/18/2013

Whiting Oil and Gas

Solberg 31-2WH; LOT2 2-156N-97W; 346'FNL and 2,315'FEL; Ray; Bakken; horizontal; 2,267' ground; 27330; 33-105-03371; 12/23/2013
Solberg 41-2WH; LOT2 2-156N-97W; 346'FNL and 2,270'FEL; Ray; Bakken; horizontal; 2,267' ground; 27329; 33-105-03370; 12/23/2013

Zavanna

Husky 33-28 2H; SWSW 33-155N-100W; 330'FSL and 540'FWL; Williston; N/A*; on confidential status; 2,051' ground; 27303; 33-105-03369; 12/18/2013
Husky 33-28 4TFH; SWSW 33-155N-100W; 330'FSL and 570'FWL; Williston; N/A*; on confidential status; 2,053' ground; 27302; 33-105-03368; 12/18/2013
Husky 33-28 6H; SWSW 33-155N-100W; 330'FSL and 600'FWL; Williston; N/A*; on confidential status; 2,052' ground; 27301; 33-105-03367; 12/18/2013
Husky 33-28 8TFH; SWSW 33-155N-100W; 330'FSL and 630'FWL; Williston; N/A*; on confidential status; 2,051' ground; 27300; 33-105-03366; 12/18/2013

Permits renewed

Crescent Point Energy

Cpeusc Makowsky 31-30-158N-99W; LOT2 6-157N-99W; 250'FNL and 1,950'FEL; Ellisville; N/A*; on confidential status; 2,133' ground; 22323; 333-105-02522; 12/17/2013

Kodiak Oil and Gas

P Wood 154-98-3-27-16-3H; NENW 27-154N-98W; 450'FNL and 2,464'FWL; Truax; N/A*; on confidential status; 2,188' ground; 24650; 33-105-02950; 12/20/2013

**Note - The geologic target for these wells was not listed in its well file because they are a tight (confidential) hole, but the following fields produce from the Bakken pool; Alkali Creek, Big Butte, Camp, Cat Walk, Clear Creek, Colgan, Corral Creek, Elkhorn Ranch, Ellisville, Johnson Corner, Mandaree , Manitou, Moccasin Creek, North Tioga, South Fork, Truax, Ukraina, West Ambrose and Williston.*

***Note - The geologic target for these wells was not listed in its well file because they are a tight (confidential) hole, but the Keene field produces from the Bakken/Three Forks pool and the Noonan and Little Deep Creek fields produce from the Madison pool.*

—Compiled by Ashley Lindly

• PEOPLE TALK

Marathon promotes exec to senior ranks

Finance VP and treasurer assumes responsibility for investor relations; retired Marathon Oil CFO joins EOG board of directors

By ROSE RAGSDALE

For Petroleum News Bakken

Marathon Petroleum Corp. has appointed Pamela K. M. Beall as senior vice president, corporate planning, government and public affairs, effective Jan. 1, 2014. Marathon split its upstream and downstream operations in into Marathon Oil Corp. and Marathon Petroleum Corp. in 2011, and Beall remained with the downstream entity.

Beall, 57, currently serves as vice president, investor relations and government & public affairs with the company, a position she has held since July 2011.

Beall began her career with Marathon Oil Co. in 1978. After several positions of increasing responsibilities within Marathon, she transferred to USX in 1985 as general manager, treasury services.

Prior to rejoining Marathon in 2002, she held senior financial positions at NationsRent, Inc. and OHM Corp. Since 2002, Beall has held numerous positions, including director of corporate affairs, vice president of business development, vice president of global procurement and vice president of products, supply & optimization.

"Pam's extensive background in finance, business development and global procurement provides a tremendous foundation for these additional responsibilities in the

People Talk

company," said Marathon Petroleum President and CEO Gary R. Heminger. "Since MPC became an independent company in 2011, she has provided strong leadership in establishing a positive relationship with the investor and analyst community."

Beall's new organization will include business development, economics, global procurement, federal and state government affairs and public affairs.

Beall graduated from The University of Findlay, Ohio, with a bachelor's degree in accounting in 1978. In 1984, she received her master's degree in business administration from Bowling Green State University, Ohio. She was licensed as a certified public accountant in Ohio in 1984.

Marathon Petroleum also said Timothy T. Griffith, the company's vice president and treasurer since August 2011, will assume responsibility for investor relations. Griffith, 44, will become vice president, finance and investor relations, and treasurer.

Retired Marathon Oil CFO joins EOG board

EOG RESOURCES INC. HAS ADDED retired

Marathon Oil Corp. executive Janet F. Clark to its board of directors, effective Jan. 1.

Clark, 59, served as executive vice president and chief financial officer of Marathon Oil Corp. for nearly 10 years until her retirement on Oct. 1. She served as executive vice president and chief financial officer of Marathon Oil from January 2007 until her retirement.

She also served as senior vice president and CFO for the previous three years from January 2004.

During her tenure, Marathon spun off its refining and marketing business in 2011.

"We are thrilled to have someone with Jane's industry and financial acumen join our board," said EOG President and Chief Executive Officer Bill Thomas. "She brings years of industry knowledge to EOG."

Earlier this year, Mark Papa, 66, retired as CEO of EOG Resources. He was replaced by Bill Thomas, who was EOG's senior executive vice president for exploration. Papa will retire as executive chairman of EOG's board as of Dec. 31. ●



JANET CLARK

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WATER PLAN

DMR, told the commission.

DMR Public Information Officer Alison Ritter told Petroleum News Bakken following the meeting that the project is a great start in determining if recycling projects like this will work.

"It's a really, really big win for recycling," Ritter said. "Because obviously that's the step we need to take toward reducing water consumption and figuring out how to recycle."

The DMR Oil and Gas Division had previously rejected Statoil's proposal twice, requesting the company address management practices and the building materials they plan to use to alleviate spills. DMR Director Lynn Helms said the latest proposal offers three layers of protection from spills.

The 12-foot high inner tank will be built with safety bands to reinforce the steel walls and secure the panels to prevent them from dislodging and affecting the outer tank. The outer tank will also be 12-feet high with jersey barriers around it to avert vehicular traffic, as well as help slow the flow of water in the event of a spill. An additional safety measure is to surround the entire area with a dike.

Finally, the proposal includes a spill contingency plan to quickly close all road culverts to avoid any water reaching the Little Muddy. In practice drills, Statoil determined that earthmoving equipment could be on site in 15 minutes in response to a spill, and a front-end loader would be available nearby to haul soil to block the culverts within five minutes. Statoil's computer simulation indicates a water spill from the site could reach the culverts in just 15 minutes.

With the multiple safety precautions, Helms believes the plan minimizes any catastrophic failure.

"They're building a model here, and I'm sure we'll learn some things. That's why we want to do this as a single pilot test," Helms told the commission.

—MAXINE HERR

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ONLINE BIDDING

The spacing unit is in the Ukrania field in far eastern Billings County that borders both Dunn and Stark counties. Both tracts consist of 160 gross acres. In one tract, all of the acres are net while in the other only 80 are net.

The well on the spacing unit is on confidential status, but Continental does have a Three Forks well on the adjacent spacing unit to the east. That well went on production in August 2012 with a 24-hour initial production rate of 327 barrels of oil per day and through October 2013 produced a total 62,946 barrels over 447 pumping days for an average daily production of 141 bpd.

Additional information on the auction is available through EnergyNet at the following website:

gov.energynet.com/nd/og/2014/jan/.

—MIKE ELLERD

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REFINERY CONCERNS

ment.

The concerns reinforce a school of thought that crude from the Bakken formation contains high-risk elements that might have triggered the fire and explosions that killed 47 people at Lac-Megantic.

The presentation by Gary Weimer, Irving's quality assurance and control manager, was made on June 6, exactly a month before the accident.

Class-action lawsuit

A class-action lawsuit by survivors of the Lac-Megantic events alleges that the Montreal, Maine and Atlantic Railway and Canadian Pacific Railway — both of which were involved in moving the crude — and a number of other companies, including Irving and oil broker World Fuel Services, were responsible for shipping the crude. None of the claims has been tested in court.

The Seattle presentation said Irving was

concerned about crude from various sources being mixed in tank cars, making it difficult to determine the makeup of crude shipments.

"Samples are not from a homogenous mixture," it said. "Rail cars after 5-7 days delivery time have begun layering; water and sediment on bottom; light products on top."

There have been claims by some industry insiders that Bakken crude is so light that it is more susceptible to combustion. The Irving presentation suggested that more testing at loading sites might help "identify issues related to safety of personnel or specification while the rail car is in transit."

A search warrant of Irving offices executed by Transport Canada said the department was trying to determine whether Irving followed safety and security rules for importing dangerous goods and whether those goods were accompanied by proper documentation.

—GARY PARK

Contact Gary Park through publisher@petroleumnews.com

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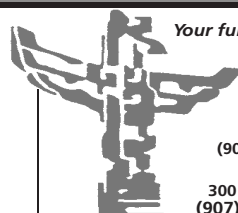


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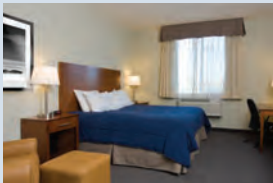
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INDUSTRY RULES

pipeline.

Leading the nation with baby steps

This revision to the rules would give the Industrial Commission jurisdiction over 18,000 miles of gathering pipeline and an additional approximately 30,000 miles expected to be built.

"This is an enormous change in regulatory authority," Helms told the commission. "To this point, gathering pipelines have not been regulated."

In fact, North Dakota would be the only state in the nation to have such rules. Helms says the only other place with gathering pipeline regulations is Alberta, and DMR Public Information Officer Alison Ritter told Petroleum News Bakken following the meeting that Helms poured over all 86 pages of the province's rules to find the portions within it that apply to self-certification.

Under the new rules, pipeline companies will be required to supply an engineer-certified statement indicating each detail of the gathering pipeline. Helms told the commission that companies installing the pipelines must certify that the line will not interfere with road construction, agriculture or utilities, and if there are any complaints, the commission "could take enforcement action."

"It offers protection because if there's a problem, we can go back and check that certification," Ritter told Petroleum News Bakken. "It ensures less error on the part of the pipeline."

One of the additional requirements to accompany the GIS data is a description of how the company will monitor the life of the pipeline. Once it is purged or dug out, that information must enter the file, too.

"So if you're a landowner, you can look and see what is buried under there, whether it is active or abandoned and how it was abandoned," Helms explained to the commission.

The new rules are "baby steps," Ritter said. "Due to the sheer amount of pipelines we'll need and the timeframe we have to develop them, something needed to be done. There's nothing on the books to this point, so it's just the beginning of more rules regulating pipelines. It's a baby step, but it's a big baby step."

Ritter said the department plans to add

three additional staff to manage the workload that this new oversight will require.

Pipeline monitoring task force

During discussion of the revised rules, Gov. Jack Dalrymple announced a new pipeline monitoring task force he formed to "edge out what the right standards are for North Dakota." The goal of the task force is to gather information on new technologies and best practices available for safe pipeline operations in North Dakota. Justin Kringstad of the state's Pipeline Authority told Petroleum News Bakken the 14-member group will hold its first meeting in January. In addition to Kringstad, the task force consists of engineers, industry representatives, and state regulators.

"There's a lot to learn here," Dalrymple told Helms and the commission. "While there are many different approaches, my belief is technology is the greatest single opportunity to improve safety."

Hoping for university research

In response, Helms informed Gov. Dalrymple of a recent conversation he had with North Dakota State University Vice President of Research Kelly Rusch regarding this topic, suggesting the university should research today's fiber optic technology.

Ritter told Petroleum News Bakken that Helms wonders if there is a way to place fiber optics underground with the pipelines to potentially detect something before the spill comes to the surface.

Other rule changes approved by the commission provide surface owner protections regarding tanks and flare stacks, and establish a process for obtaining tax incentives to encourage operators to reduce flaring.

After review by the attorney general's office, the proposed rules will go the Legislature's Administrative Rules Committee for approval. Once finalized, the rules are expected to take effect April 1, 2014.

"The Department of Mineral Resources, Oil and Gas Division considered the rule changes made in the 2009-2011 biennium to be some of the most significant in state history," Helms said in a press release following the meeting. "We believe these changes go beyond that level of importance." ●

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KODIAK CAPEX

ment,” Lynn Peterson, Kodiak’s chairman and chief executive officer said in a Dec. 18 press release. “The high quality of our core acreage position should continue to drive forward high rate of return wells and achieve very attractive production growth in 2014. This growth combined with our continued improvements in well costs and assuming current commodity prices, should allow us to fund most of the capital expenditures from operations.”

Kodiak holds approximately 192,000 net acres in the Williston Basin, and is moving into full development mode in its core areas in Williams, McKenzie and Dunn counties, N.D. “As we continue to move toward full-scale development of our core Williston Basin properties, we believe we are transitioning to a new chapter for Kodiak,” Peterson said. “Moving beyond the leasing, exploration, and delineation stages, we are excited to focus on development and maximizing recoveries and returns.”

Hedging

Kodiak will fund the 2014 capex through operating cash flows and existing working capital as well as an existing revolving credit facility. Kodiak has an active hedging program supporting its cash flows, and currently has 26,150 bpd in crude oil hedged at an average price of \$93.29 per barrel, which amounts to approximately 60 percent of the company’s estimated 2014 daily output hedged above \$93 per barrel.

The company’s hedging program is intended to protect its cash flow as well as support its fixed cost coverage and capital program. Additional volumes may be hedged as more wells are completed and go on production. In 2013, Kodiak hedged 23,030 barrels at \$96.35 per barrel.

Production guidance

As Petroleum News Bakken previously reported, Kodiak’s third quarter output averaged 35,400 boepd. It had projected its 2013 exit production rate at 40,000-plus boepd and full year guidance averaging 30,000 boepd. However, due to the early onset of severe winter conditions in North Dakota in the fourth quarter, Kodiak believes its full year 2013 production will be slightly less than guidance at 29,200 boepd, although the company notes that it has not fully quantified the impacts of the early winter and has not announced revised guidance for the fourth quarter.

In August, Kodiak ranked eighth among the top 50 producers in the state averaging 33,918 barrels of oil per day according to Department of Mineral Resources Oil and Gas Division data for operated, non-confidential well production. In September, Kodiak increased its average daily production to 43,730 bpd, moving into the No. 7 position. However, in October, while Kodiak maintained its seventh place ranking, the company’s average daily production fell slightly to 42,928 bpd amid the adverse weather conditions. As Petroleum News Bakken reported on Dec. 22, a number of the top 15 North Dakota oil producers saw declines in their average daily production in October.

For 2014, Kodiak expects its Williston Basin sales volumes to average between 42,000 and 44,000 barrels of oil equivalent per day, which constitutes a year-over-year increase of 45 percent.

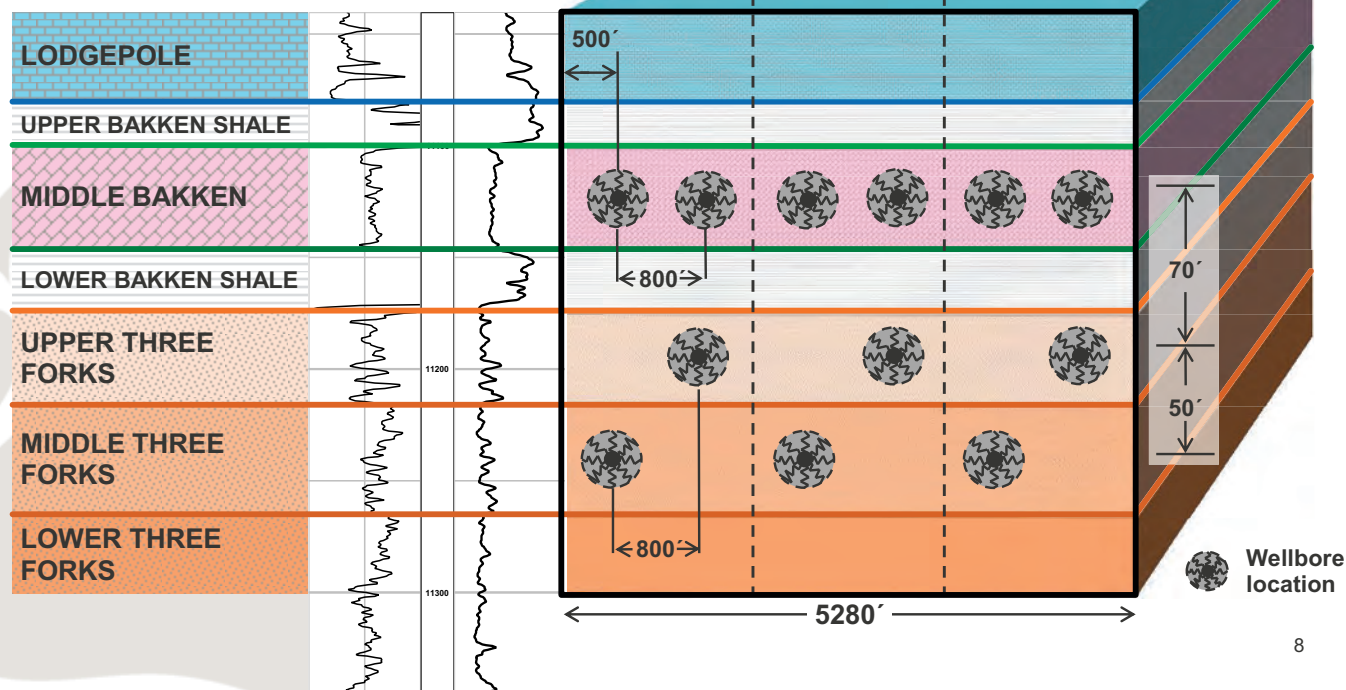
Downspacing pilots

Kodiak has downspacing pilot projects

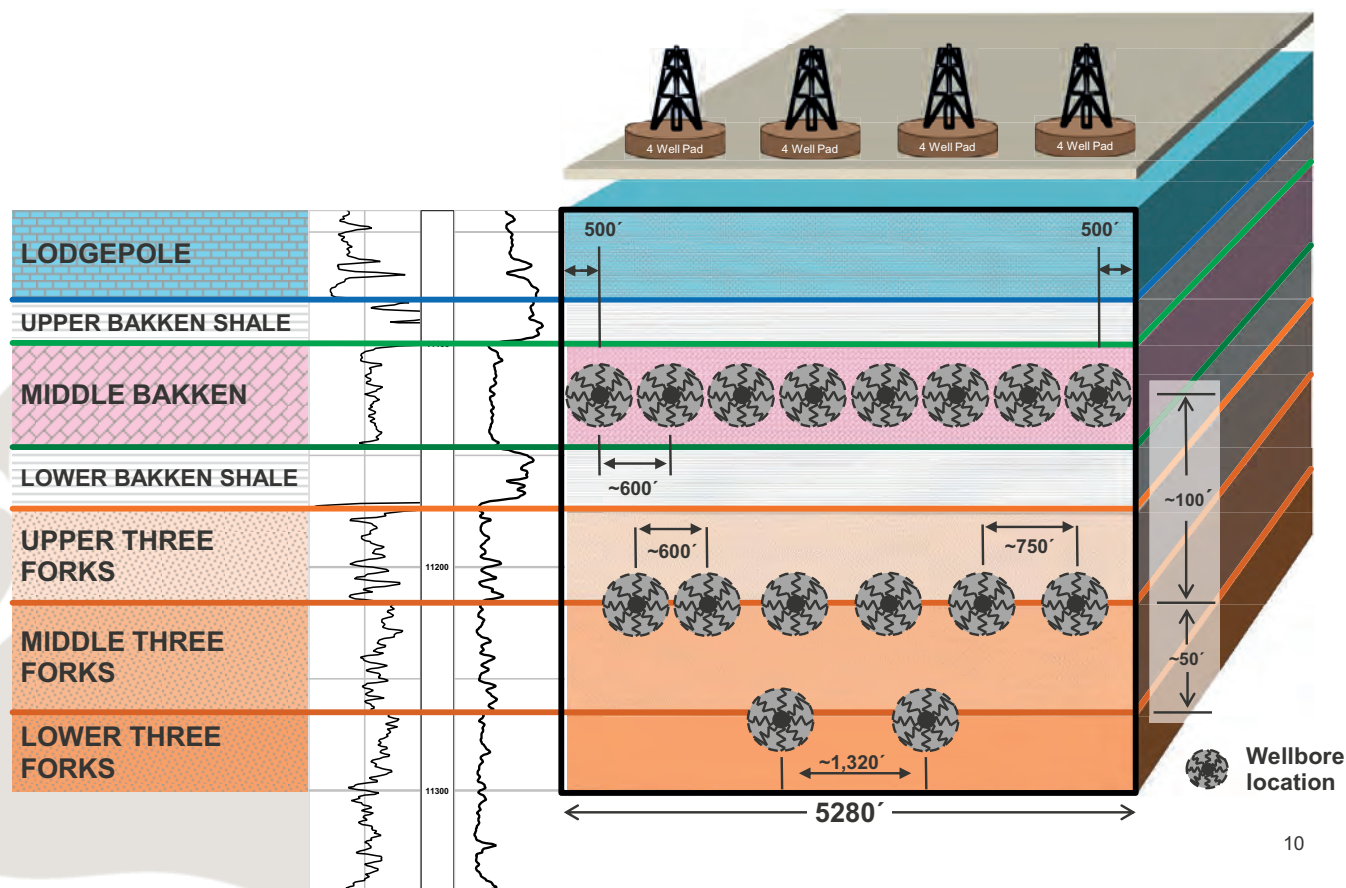
Polar Pilot Project: Reservoir Well Spacing Pattern



■ Pilot Program analyzing 12 wells per 1280-acre DSU



Polar Pilot 2.0 Project: Optimizing Ultimate Development



“The high quality of our core acreage position should continue to drive forward high rate of return wells and achieve very attractive production growth in 2014.”

— Kodiak CEO Lynn Peterson

ongoing in its Polar core area in the Traux field in southern Williams County and its Smokey core area in the Pembroke field in east-central McKenzie County. In each of the pilots, the company has increased densities to 12 wells per 1,280-acre spacing unit, six of which are middle Bakken and six are Three Forks wells. Kodiak identifies three Three Forks benches in both pilot projects, which it refers to as upper, middle and lower benches (see slide).

After 60 days of pumping in the

Smokey project, the six Bakken wells averaged 739 boepd. The six Three Forks wells averaged 517 boepd with an overall 60-day average for the 12 wells of 627 boepd. Three of the Smokey project wells are upper Three Forks and three are middle Three Forks.

In the Polar project, the six middle Bakken wells had an average 24-hour initial production, IP, rate of 2,738 boepd, an average 30-day IP rate of 1,020 boepd, an average 60-day IP of 846 boepd, and an average 90-day IP of 735 boepd. The three upper Three Forks wells had an average 24-hour IP of 2,715 boepd, and 30-day, 60-day and 90-day average productions of 1,441, 1,314 and 1,261 boepd, respectively. In contrast, the three middle Three Forks wells averaged 2,006 boepd in the first 24 hours, and 850, 697 and 591 boepd after 30, 60 and 90 days of production, respectively.

Just east of the Polar downspacing

pilot, Kodiak is completing the first of what eventually will be four four-well pads in a 1,280-acre spacing unit for a total of 16 wells with lateral spacings of 600 to 650 feet. Of the 16 total wells to be completed in the first half of 2014, eight will be in the middle Bakken and the other eight in the Three Forks formation with six in the upper and middle benches and two in the lower bench.

“A key objective is to determine the optimum spacing and development blueprint for our asset,” Peterson says. “We believe the 2013 pilot programs in Polar and Smokey moved us a long way towards making that determination and believe that our 2014 program should provide additional information toward the long-term framework for development, understanding that well bore density will vary throughout our acreage position.” ●

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KEYSTONE RAIL

rail, we will bridge,” he told Canada’s National Post.

Environmental issues

On the upbeat side, Girling said he expects the imminent release by the U.S. State Department of its final environmental impact statement on the \$5.4 billion XL project will show the northern leg of the system will have minimal environmental impact. That was the conclusion in a draft statement issued in March.

When the State Department issues its finding that will start a 90-day national interest determination, possibly setting the stage for President Barack Obama to decide by the end of March whether to issue a presidential permit.

Girling openly admits that he worries the environmental opponents of XL have already created a political tug-of-war over XL that could see the project suffer in the mid-term U.S. congressional elections.

Although critical of the safety aspects of moving crude by rail, he noted that there is unrestricted movement across the Canada-U.S. border, which could force

“But there is a point in time at which we would consider a rail option. If we need to bridge with rail, we will bridge,” —TransCanada CEO Russ Girling

TransCanada to make rail a big part of its future pending regulatory approvals for pipelines, which are now taking twice as long as previously because of the opposition.

Girling said crude-by-rail out of Western Canada is expected to reach 1 million bpd in 2015, more than double current volumes of 400,000-500,000 bpd.

Harold Hamm, chief executive officer of independent oil producer Continental Resources, which is committed to shipping on Keystone, told Reuters that his company and the U.S. oil industry no longer assume that XL will go ahead.

Continental has agreed to move 35,000 bpd on the route from the Bakken, but Girling was not prepared to concede the game to rail.

He also said TransCanada is thinking about completing parts of XL’s section north of Cushing, without crossing the Canada-U.S. border, to provide a link from

the Bakken.

Otherwise, he is open to having discussions with environmental groups about their demand for reduced greenhouse gas emissions, noting that a shift to rail would actually increase GHGs.

However, Girling said “nobody will engage in a dialogue with me because (XL) is too big of a boon to them, for their ability to raise money. They’d rather keep this symbol.”

Opposition to rail

Aware of TransCanada’s rail gambit, environmentalists are preparing to fight any attempt to raise shipments of Canadian heavy crude across the border.

“Debating rail or pipeline is like debating which kind of poison you want,” said Daniel Kessler, a spokesman for the environmental group 350.org, adding there is a “substantive effort under way in many places to block rail.”

The organizations are taking aim at rail terminal projects in California, Washington State and elsewhere and applying pressure on federal regulators to require expensive retrofits of tanker cars to slow a scramble among oil producers to expand their access to rail.

They have already posted some success,

blocking permits for two crude terminal projects at Grays Harbour, Wash., while demanding additional studies of the environmental risks of increased use of rail and barges.

Valero Energy’s plans to build a terminal at its Benicia, Calif., refinery to offload crude have been held up as city officials consider an environmental review.

Valero spokesman Bill Day said that rather than increasing GHGs, the terminal would displace the use of ships, which could improve the air quality, arguing the campaign against the plan is “misguided.”

The Sierra Club is also urging Washington Gov. Jay Inslee to prevent Tesoro and Savage Cos. from building a rail terminal at Vancouver, Wash., a project designed to mostly unload light sweet crude from the Bakken, although Sierra insists some oil sands crude from Alberta could be involved.

Heavy oil and rail

The Canadian Association of Petroleum Producers estimates that heavy oil makes up about 75,000 bpd of 175,000 bpd being moved by rail from Canada to U.S. refineries.

Rail projects in Western Canada could load as much as 450,000 bpd within the next year, although Goldman Sachs said a shortage of tanker cars could create a bottleneck in 2014.

In the event that XL is turned down by Obama, rail could significantly mitigate that decision, said the Royal Bank of Canada.

Philip Verleger, a Colorado energy economist, said environmentalists may have difficulty blocking rail projects because many are either additions to existing facilities or require only limited regulatory processing if they are located on industrial land.

Alex Pourbaix, TransCanada’s president of energy and oil pipelines, told a conference call earlier in December that the total rail capacity in 2015 could reach 800,000 bpd in Alberta, reinforcing the argument that the oil sands will be developed with or without XL.

TransCanada’s hunt for other capital investments has been spurred on by Mexico’s move to end the state monopoly of energy development and open its oil fields to foreign operators, Girling said.

If Mexico is able to reverse its flagging production it might also start exporting crude to Asia, prompting TransCanada to explore the construction of new oil pipelines in addition to the two gas delivery systems it owns in the country, he said.

“Companies like us can come in with our capital and our expertise and build the infrastructure (across difficult and remote terrain) to get crude to a place where it can be exported,” he said, suggesting India and China would likely be the primary destinations.

But Girling did not view a ramp up in Mexico as a threat to XL, adding “the market’s big enough for everybody.” ●

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