

Time's up: nominate a Bakken explorer for annual magazine

Petroleum News Bakken is looking for nominations for its new annual magazine, *The Bakken Explorers*, in which qualified oil companies operating in the Williston Basin will be featured. The magazine goes to press in early July; all nominations must be in by June 28.

The of oil companies nominated and approved to date are Apache Corp. (no matter what its results in Daniels County); Burlington Resources (ConocoPhillips); Continental Resources;

see **EXPLORERS MAGAZINE** page 7

ND expects oil surge; weather still interrupting O&G activity

While oil production in North Dakota reached yet new record highs in April, Lynn Helms, director of the Oil and Gas Division of the state's Department of Mineral Resources, says the April production statistics are simply "more of the same" in that the numbers continue a slow but steady overall increasing trend in the state's oil production. The pace of production has been hampered through the winter and spring by adverse weather conditions, and spring road restrictions have hampered production even more.

However, Helms believes that trend is about to change,

see **PRODUCTION PACE** page 19

Modeling IDs better long-term recoveries from Three Forks

When asked what effect the lower benches of the Three Forks dolomite formation could have on overall North Dakota oil production during the North Dakota Oil and Gas Division's monthly press conference on June 14, Director Lynn Helms said that recent modeling suggests that long-term recoveries from the Three Forks could be much higher than initially thought.

Helms said that based on preliminary results from both private and state models, he believes that production curves

see **RECOVERIES** page 18



LYNN HELMS

MATT BECKER

NATURAL GAS

Gas connects hit high

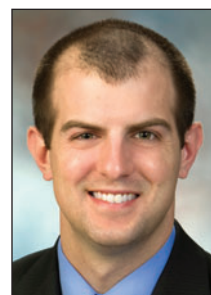
Progress continues on new gathering lines; older systems not meeting demand

By **MIKE ELLERD**

For *Petroleum News Bakken*

A sure sign that the ongoing construction of gas gathering infrastructure in North Dakota is gaining ground on capturing natural gas was the record number of 185 new oil wells connected to gas gathering systems in April. That milestone was announced by North Dakota Pipeline Authority Director Justin Kringstad during a June 10 press conference. The new April well connections bring the total number of wells connected to gas sales in the state to well over 6,000.

The increase in gas connections comes after months during which the number of new well con-



JUSTIN KRINGSTAD

nections actually decreased. In October 2012 the number of new well connections began a downward trend that continued through January 2013. In February the number of new connections increased, but the number of new well connections again fell in March to below 100, a level not seen since 2011. The April increase and the new record are encouraging, especially in light of the fact that the weather conditions then were less than ideal in western North Dakota. "April was a tough month weather-wise," Kringstad said at the press conference, which was jointly held with the Oil and Gas Division of the

see **GAS GATHERING** page 20

COMPANY UPDATE

Magnum almost on track

Files 10-K with SEC nearly 3 months after deadline; revenue, production soared

By **RAY TYSON**

For *Petroleum News Bakken*

Magnum Hunter Resources finally released its required 2012 fourth quarter and full-year financial report, nearly three months after missing a crucial March 18 filing deadline with the U.S. Securities and Exchange Commission.

It turns out that the Houston, Texas-based E&P independent had a stellar 2012, with both revenue and production more than doubling compared to the previous year, according to the company's latest 10-K filing.

Magnum Hunter also informed analysts in a June 14 conference call that it anticipated filing its 2013 first-quarter 10-Q financial report (also

Production for full-year 2012 soared 139 percent to an average 14,587 barrels of oil equivalent per day versus 5,510 boe per day in 2011.

late) within 30 days, and that it should be on time and back on track with the company's second-quarter filing by the Aug. 10 deadline.

Gary Evans, chairman and chief executive officer of Magnum Hunter, originally issued an apology for busting the 2012 fourth quarter and full-year reporting deadline, citing accounting problems.

see **MAGNUM REPORTS** page 19

COMPANY UPDATE

Apache still not talking

By **KAY CASHMAN**

For *Petroleum News Bakken*

A year ago when Apache Corp. announced its entry in to the Williston Basin Bakken play via the acquisition of 300,000 net acres in Daniels County, Mont., its top executives said the company would drill "up to five" exploratory wells as phase 1 of a potential development, with phase 2 starting in 2013 if drilling results were favorable.

So far, no announcement; just rumors Apache is pulling out.

To date, as Apache promised, its subsidiary Apache Western Exploration drilled five exploratory wells on three pads in its Daniels Jayhawk prospect on the fringe of the known productive

Bakken petroleum system. Those wells, which have been temporarily abandoned while the company evaluates its plans, are:

- Lindley 24-10H-T, spud Aug. 31, permitted as a horizontal well with a proposed measured depth of 11,789 feet and a proposed vertical depth of 7,208 feet, targeting the Three Forks formation.

- Lindley 19-9H-B, spud Sept. 3, permitted as a horizontal well with a PMD of 12,113 feet and a PVD of 7,084, targeting the Three Forks.

- Haworth 17-8H-T, spud date unknown, permitted as a horizontal well with a PMD of 12,211 feet and a PVD of 7,172 feet, targeting the Bakken.

- Haworth 18-7H-B, spud Oct. 25, permitted as



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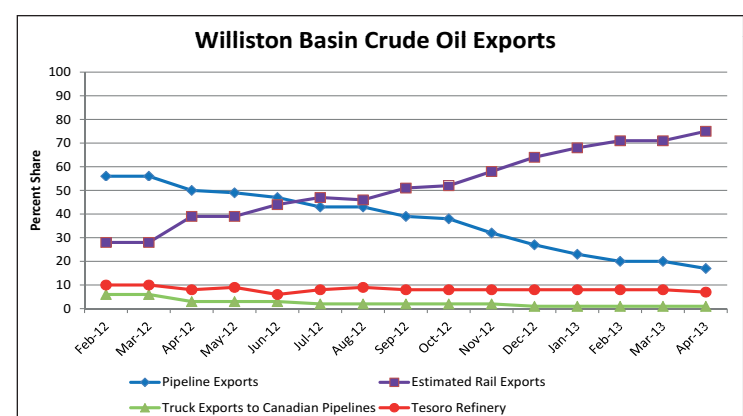
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WATCH FOR IT IN AUGUST

The Bakken Explorers

from Petroleum News Bakken

For more information on this new annual magazine, which will feature those oil companies exploring vertically or laterally in the Bakken petroleum system, email Kay Cashman, publisher and executive editor, at publisher@petroleumnews.com.



● EXPLORATION & PRODUCTION

Canada on robust production path

By GARY PARK

For Petroleum News Bakken

Us? Panic? Not a chance. In the thick of layoffs, spending cuts, dividend reductions, asset sales, long delays in building pipelines to new markets and rising carbon taxes, the Canadian upstream sector is clinging to its traditional glass-half-full view of the future.

In the industry's annual output report, the Canadian Association of Petroleum Producers forecast a 500,000 barrels per day increase in estimated crude production by 2030 over what was predicted a year ago.

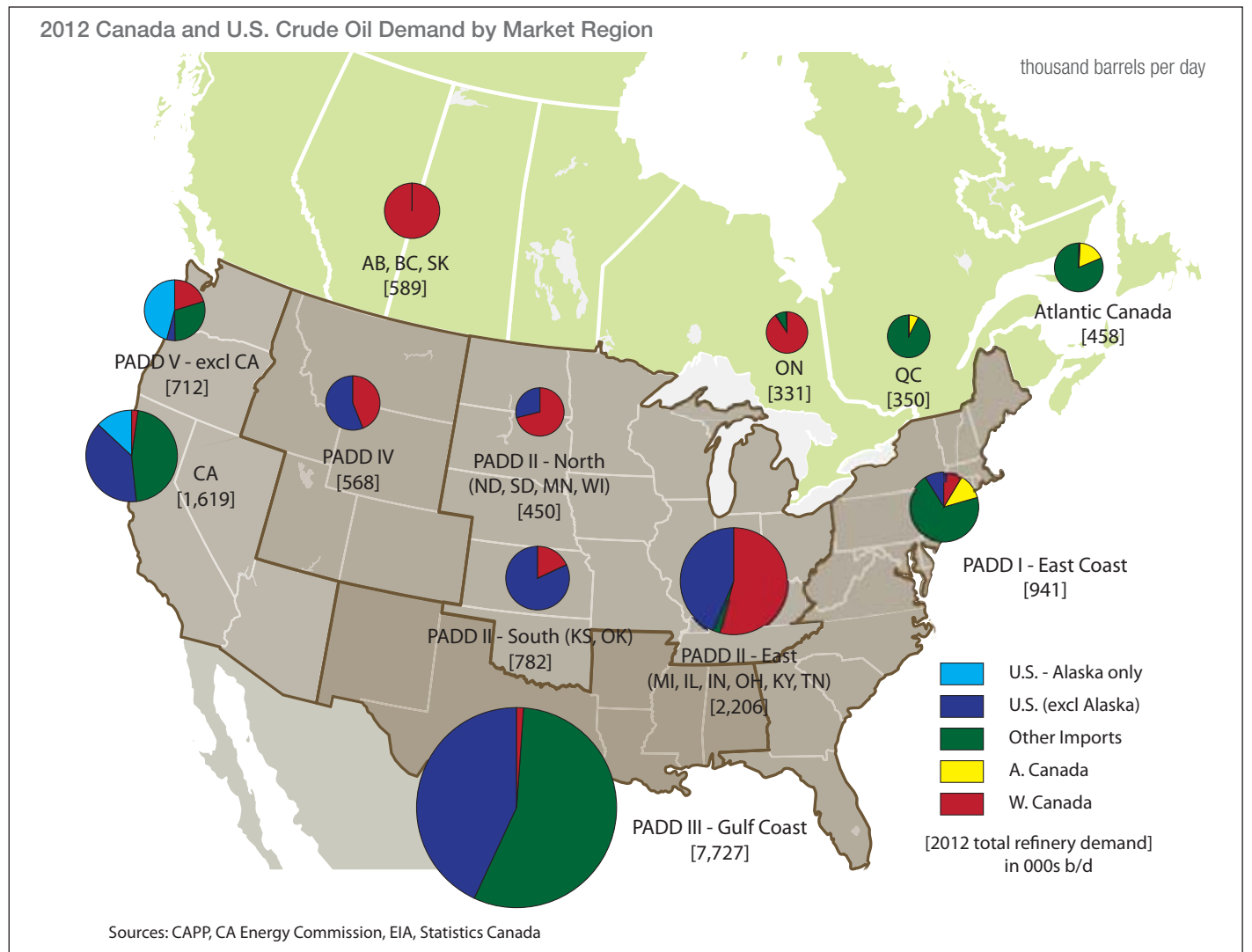
If accurate, the prediction will see volumes soar to 6.7 million bpd from 3.2 million bpd in 2012, including a rise in oil sands production to 5.2 million bpd from 1.8 million bpd over the same period.

The trend is highlighted by incremental conventional crude production of 300,000 bpd by 2030 and 200,000 bpd from the oil sands.

Greg Stringham, CAPP vice president, markets and oil sands, said the strong performance for conventional tight oil in Canada and the U.S., coupled with oil sands growth, will contribute to greater North American energy security.

"It creates further opportunities to replace foreign crude oil imports in both Canada and the United States and to increase exports to new markets beyond North America," he said.

CAPP said the "application of advanced drilling technology to previously inaccessible tight oil reserves has reversed the



steady decline seen in conventional production over the last several decades."

Reinvigorating mature basins

The report said the application of hor-

izontal multistage hydraulic fracturing is reinvigorating mature basins, a trend that has been even more pronounced in the U.S. than Canada, and has doubled or even tripled the percentage of the tight oil

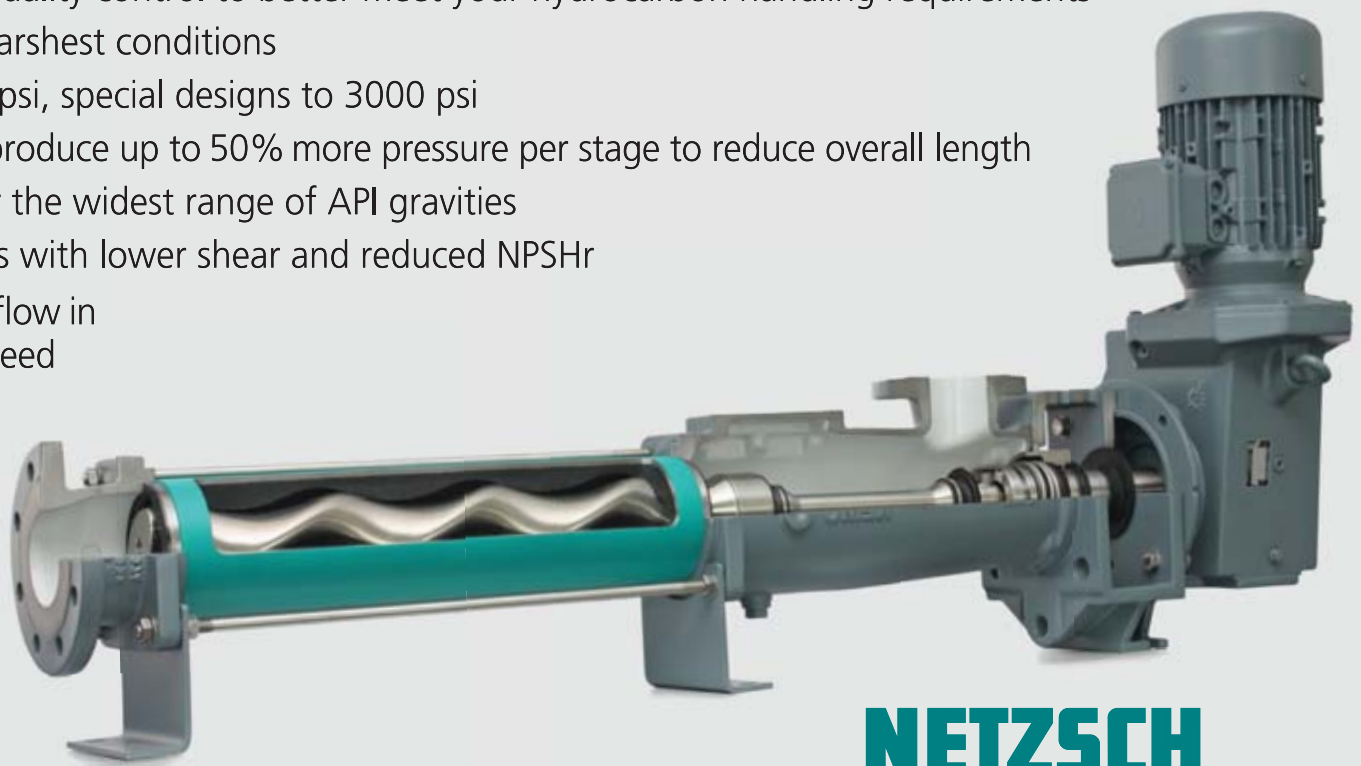
resource that the industry expects to recover from the reservoirs.

It projected that conventional production (including condensates) in Western

see **PRODUCTION PATH** page 4

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PRODUCTION PATH

Canada should grow 200,000 bpd over the next two years to 1.4 million bpd and maintain that level until 2030, with light, tight crude accounting for most of the gain.

The oil sands will drive overall growth, climbing strongly to 2.3 million bpd in 2015, 3.2 million bpd in 2020 and 4.5 million bpd in 2025 as in-situ operations overtake mining to account for 3.5 million bpd in 2030.

Stringham said the surge in light oil volumes started to emerge in 2011 and suggested CAPP is still taking a conservative approach in its forecasting "given the experience we've seen in the Bakken. There is still some upside potential."

C\$20 billion in oil sands

CAPP said the industry is expected to spend C\$20 billion in the oil sands this year and C\$37 billion on exploration and development of conventional oil and gas.

Stringham said that despite its domestic supply growth, the U.S. will still depend on imports, especially in feedstock for heavy oil refineries.

Steve Williams, chief executive officer of oil sands giant Suncor Energy, has previously agreed with that assessment. "The shortage on this continent will be in heavy and that's exactly what Canada has got," he said.

Stringham estimated there is 500,000 bpd of spare refining capacity on the U.S. Gulf Coast as a market for Canadian heavy and 700,000 bpd of foreign crude imported by refineries in Eastern Canada as a market for light oil from Western Canada and the Bakken.

However, in a recent report, RBC Dominion Securities said that up to one-third of oil sands growth, or

450,000 bpd, could be put on hold if Keystone XL is turned down by the Obama administration, and about C\$2.4 billion in capital spending could be cancelled.

Robert Johnson, director of energy and natural resources with the Eurasia Group, said that a "medium-, long-term haziness on market access is clouding final investment decisions" on some oil sands projects.

Pipelines an issue

"Visibility not just on Keystone XL but also another strategic pipeline (whether to the west or east in Canada) needs to happen soon to avoid a further slowdown," he said.

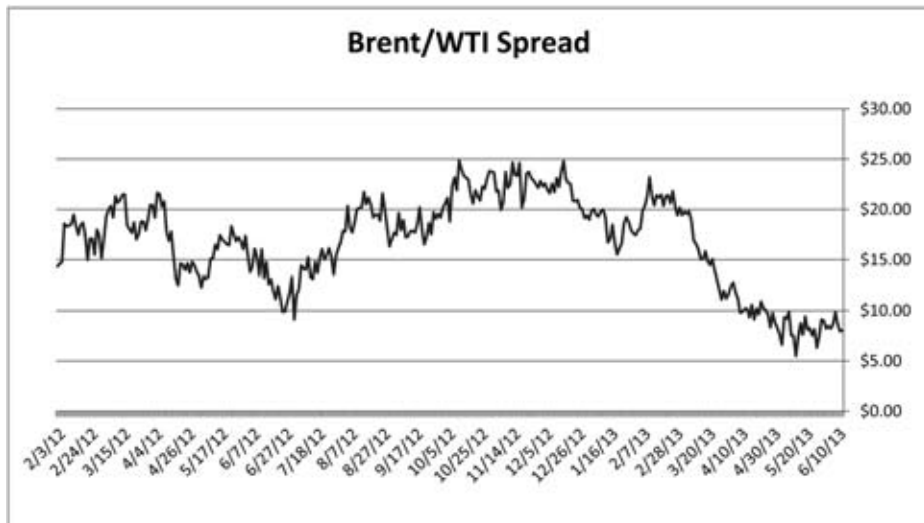
CAPP warns that even if every proposed new pipeline is built, producers will run out of shipping options by 2026, with Stringham suggesting that Canada needs more pipeline capacity than "the announced projects we have on the plate today."

But he said that rejection of Keystone XL would not spell doom, given the other transportation alternatives, although XL could probably come on stream fastest. CAPP acknowledged that rail can act as a short-term relief valve.

On the LNG export front, Stringham said drilling and fracking has open access to trillions of cubic feet of shale gas in Western Canada, but LNG proponents have only a three- to five-year period starting in 2017 to "get their proposed facilities off the ground."

He also noted that shale gas will be in high demand in Western Canada for power generation and oil sand operations, with every 1 million bpd of incremental oil sands production needing 1 billion cubic feet of gas. ●

Contact Gary Park through publisher@petroleumnews.com



SOURCE: YCHARTS

MOVING HYDROCARBONS

North Dakota rail exports hit 75 percent

Justin Kringstad: Despite a narrowing Brent-WTI oil price spread, the trend is still to ship via rail to coastal markets

By MIKE ELLERD

For Petroleum News Bakken

Crude oil exports via rail out of North Dakota increased to a record 75 percent in April, accounting for an estimated 660,733 to 690,773 barrels of oil per day transported out of the Williston Basin on railroad, according to data released by the North Dakota Pipeline Authority on June 14.

The 75 percent railroad market share in April was a four percentage point increase over rail exports in March, and most of that market share increase came at the expense of pipeline transport,



JUSTIN KRINGSTAD

which fell to 17 percent from the 20 percent share pipelines held in March and February. The share of North Dakota crude going to the Tesoro refinery in Mandan in April fell from 8 percent to 7 percent in April. The share of crude oil trucked over the border to Canadian pipelines remained constant at 1 percent.

According to Justin Kringstad, North Dakota Pipeline Authority director, the increase in rail exports over pipelines is completely market driven. Currently the primary market factor affecting crude oil export transportation is the difference or "spread" between the generally higher price that Brent crude oil brings on the coastal markets and the price that West Texas

Intermediate brings on the Mid-Continent markets.

In order to benefit from the higher Brent pricing on the coastal markets, producers have been preferentially shipping their crude out of the basin on railroads which have direct access to many of the coastal markets. Pipelines, on the other hand, run predominantly to Mid-Continent refinery markets and generally have limited access to the coastal markets.

While the Brent-WTI spread is currently the main driver behind the high rail exports, those exports out of the Williston Basin are directly dependent on the availability of rail loading infrastructure. The Williston Basin has seen a number of new rail loading facilities constructed in the last few years as well as the expansion of existing facilities. Currently there are 20 rail loading terminals in North Dakota, 15 served by Burlington Northern Santa Fe and five served by Canadian Pacific. All 20 rail terminals are in western North Dakota.

Brent-WTI spread

As of June 14, Brent crude was selling at \$103.32 per barrel on the coastal markets, compared to the \$95.60 that WTI was bringing at Cushing, Okla. Consequently, the Brent-WTI spread on June 14 was \$7.72. The Brent-WTI spread has been fluctuating over the last few years and hit a three-year high of nearly \$28 in September 2011. Since February 2012, the highest the spread reached was \$24.87 in October

see RAIL EXPORTS page 6

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COMPANY UPDATE

Pushing innovative technology

Triangle tests remote and hybrid fracking, stronger and lighter proppants, and downspacing; sees 8 to 12 wells per 1,280 acres

By MIKE ELLERD

For Petroleum News Bakken

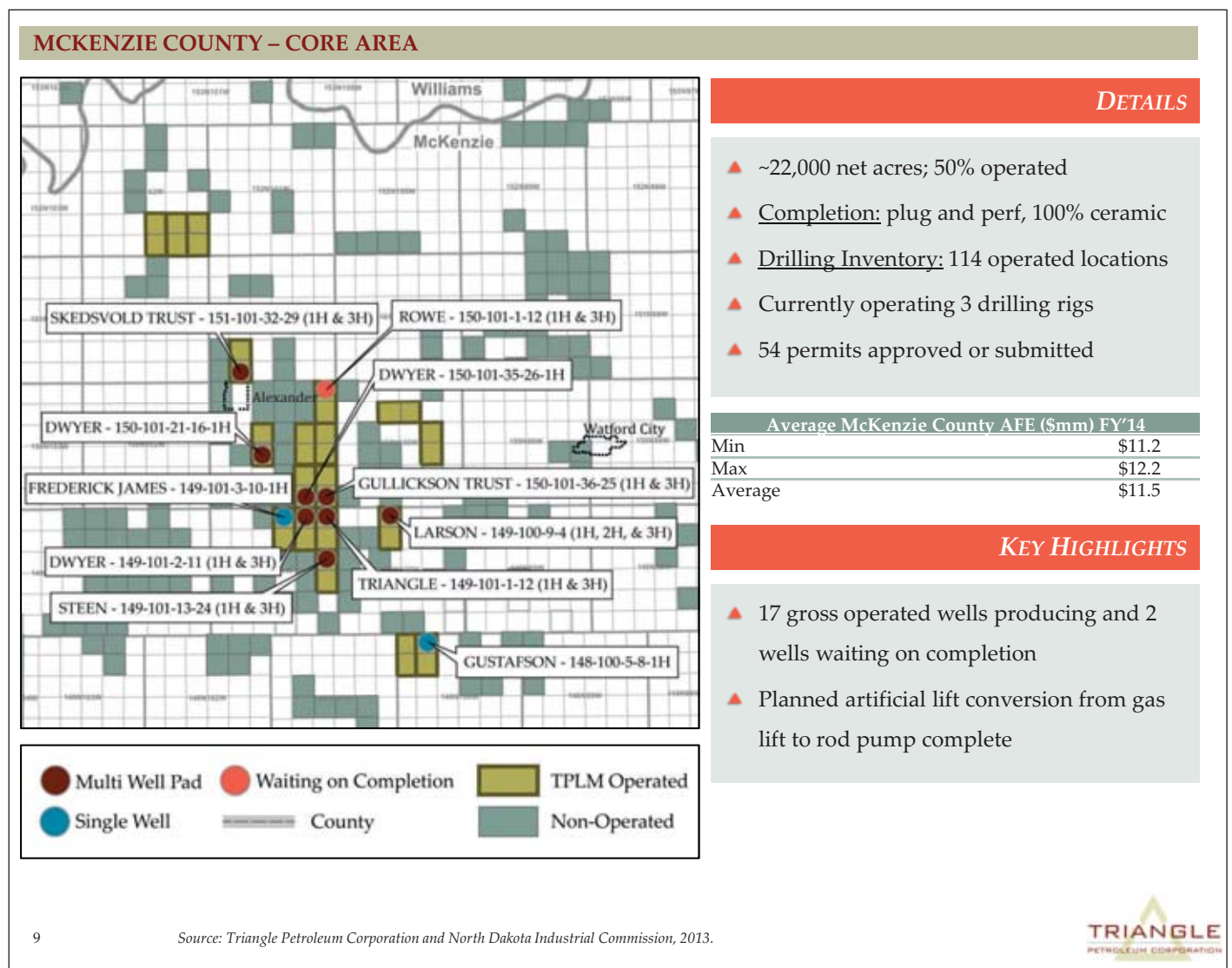
Downspacing tests conducted by Denver-based Triangle Petroleum in the first quarter of 2013 indicate the potential for densities of up to six to eight Middle Bakken and two to four upper Three Forks wells per 1,280-acre spacing unit in the company's McKenzie County core area. That core area is in one of the deepest areas of the Williston Basin.

In a June 10 conference call, Jonathan Samuels, Triangle's president and chief executive officer, said the company ran two separate chemical tracer tests in horizontal Bakken well bores with separations of 450 and 600 feet. The company saw no communication between the laterals. Samuels said he believes production rates in the Williston Basin are going to increase over time, and the possible downspacing to eight to 12 wells per 1,280 acres is one element of that increase.

When the lower benches of the Three Forks are considered, the well density could increase even more. In addition to Samuel's comments, Triangle issued a press release, on June 10, saying the eight to 12 wells per 1,280-acre unit does not include the potential for development of the second and third benches of the Three Forks "as a distinct reservoir." Samuels said the company is planning two incremental Three Forks tests this year.

Remote and hybrid fracking

Triangle is also exploring new ground with its hydraulic fracturing subsidiary Rock Pile Energy Services, which recently completed what the company calls the first-ever remote frack in which Rock Pile fracked a well by setting up the frack equipment on an adjacent pad and running a high-pressure line to the well being fracked. This method avoided the crowding issue of having both drilling and fracking equipment on the same pad and allowed the company to frack one well while the drill rig was drilling the next well on the pad. Triangle said this allowed its



Dwyer 150-101-35-26-1H well in McKenzie County's Rawson field to go on production 70 days sooner than would have otherwise been possible.

In addition, Rock Pile fracked 27 of 46 stages of the Rowe 150-101-1-12-3H well, also in the Rawson field, using sleeve-based methods, with the remaining stages fracked using standard plug-and-perf methods. Samuels said using this hybrid of two fracking methods enhances efficiency and production. And in the deep portion of the basin where the company is drilling in McKenzie County, when a well is down approximately 10,500 feet and out laterally some 10,000 additional feet, "the end of

that wellbore is really, really, really far away." He said that in those situations, using the plug-and-perf method is a long, difficult and expensive process, and if the plugs are not drilled out, restricted flow rigs have to be brought in. "So the hybrid is basically putting sleeves in the toe because there's not a large number of sleeves relative to 100 percent sliding sleeve job. You avoid all the problems of the declining side, all of which can accidentally open up an early stage, and you could lose pieces of well, and there's other issues."

Samuels said there are trade-offs associated with using the hybrid fracking

method, but he added that Rock Pile has become very efficient at employing the method and it's paying off. "I mean, there's trade-offs — you can spend money, more money and get more oil. The question is: are you getting enough to justify the return on capital. And so I think this is a step in that direction. It saves some time, saved some costs and you're also going to save us time on the backside in terms of the drill outflow. I mean, the well is online for more days in its first 90 days and that means better production profiles that you see on the NDIC report."

see INNOVATIVE TECH page 6

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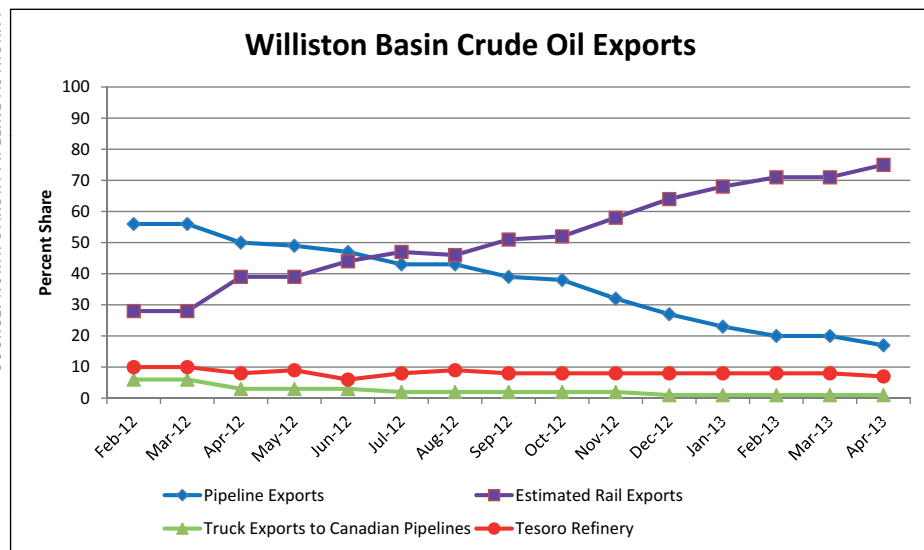
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RAIL EXPORTS

2012. However, the Brent-WTI spread has been steadily narrowing after hitting a 2013 high of \$23.19 on Feb. 8 (see chart).

Kringstad said that with the narrowing in the Brent-WTI spread, there could be a shift back to more pipeline transport going forward. How quickly that shift might occur depends on such issues as contracts. He said that in some instances there are contractual agreements in place where folks will continue to use either pipeline or rail, "So there's contracts on both sides of the equation both for the pipeline side as well as rail." He adds that there are barrels that have optionality and flexibility to move based on market prices.

Whether the increase in rail share is a short-term situation or a long-term trend is anyone's guess said Kringstad. "But I think it's something that's definitely noteworthy, and in putting together new projects it's something that a lot of folks are always conscience of ... what destinations do we need to build these projects to so we can offer those shippers the best possible price."

15-month export history

Williston Basin crude export data are available from the North Dakota Pipeline Authority through February 2012. In February 2012, pipelines held a 56 percent

market share over railroad's market share of 28 percent (see chart). However, the railroad market share has been progressively increasing ever since, and rail surpassed pipelines in July 2012 when rail accounted for 47 percent of exports over pipeline's 43 percent. That spread held essentially steady into August 2012 at 46/43. However, the spread increased in September 2012 to 51/39 and has been steadily increasing since. Now the railroad market share is more than three times that of pipelines.

Not only has the pipeline market share been decreasing over the last 15 months, so too have truck exports to Canadian pipelines. In February 2012 truck exports to Canadian pipelines accounted for 6 percent of Williston Basin crude exports, but that share steadily fell to 2 percent by July 2012 where it held steady through October 2012, when it fell again and has been steady at 1 percent since.

The share of Williston Basin crude oil going to the Tesoro refinery in Mandan has fluctuated between 6 and 10 percent over the last 15 months, and from July 2012 through March 2013 the Tesoro refinery's share held steady at 8 percent. However, that share fell to 7 percent in April, with railroads picking up that 1 percent along with the 3 percent from pipelines. ●

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MOVING HYDROCARBONS

Koch considering Bakken pipeline

Wichita-based Koch Pipeline Co. said June 18 that it will conduct the first phase of an open season for its Dakota Express pipeline, a proposed pipeline intended to move Bakken crude oil from western North Dakota to crude oil terminal hubs in Illinois. Koch said it also plans to explore connecting the Dakota Express to Energy Transfer's proposed Eastern Gulf Crude Access Pipeline, a project proposed to transport crude oil from the Patoka, Ill., hub south to eastern Gulf Coast refineries.

The Dakota Express would involve both construction of new pipeline as well as reversal of an existing line between St. Paul, Minn., and Hartford, Ill. It would have the capacity to ship approximately 250,000 barrels of oil per day, and if the project proceeds, service will begin in 2016.

In the June 18 press release, the company said the Dakota Express project "presents an opportunity for Koch Pipeline to meet the growing transportation needs required to support increased crude oil production in the Williston Basin."

The first phase of the open season is scheduled to begin on July 1 and will remain open for 45 days. That initial phase is intended to solicit interest from potential shippers and will be non-binding. If the company sees sufficient interest, Koch Pipeline will proceed with a second phase seeking binding shipper commitments. The project is subject to management approval and permitting.

—MIKE ELLERD

continued from page 5

INNOVATIVE TECH

Light-weight, ceramic proppant

In addition to its innovative fracking methods, Triangle is also planning to experiment with higher-strength, lighter-weight proppants. Samuels said that, simply put, the pressures at the depths of its wells are higher than the crushing strength of white sand, so Triangle has been using what he described as the "Cadillac" of proppants, a lighter weight ceramic proppant with a higher cross strength than the pressures the company is experiencing. He said that in an ideal world, "you want your proppant just strong enough to last as long as you need it to, but you don't pay for any more than you need, and so it's testing to find that line."

Samuels said the company will continue looking at proppants to find the one that is best suited for its fracking needs in a continuing effort to enhance efficiency, and added that using light weight proppant is just one tool available to access reserves at as low a cost as possible. "Every dollar you can shave off your development cost is a dollar more profit when oil comes out of the ground."

Caliber Midstream

In 2012, Triangle entered into a joint venture with the energy-focused private equity firm First Reserve and formed Caliber Midstream, a company created to provide transportation and processing services for crude oil, gas and water in the Williston Basin. Triangle said Caliber's

salt water disposal infrastructure and facilities are now fully operational. Caliber delivered fresh water for five frack operations during the first quarter. "Over the next couple of months, you're going to see the rest of the pipeline systems come in, which will almost completely remove fluid handling via truck in our McKenzie County core area," Samuels said.

Triangle also said construction crews are being mobilized to begin construction on natural gas pipelines that are expected to be in service in the third quarter of 2014, and added that Caliber's crude gathering lines and processing facilities are expected to go into service in the second quarter of 2014.

Production and cost savings

Triangle's current average daily production is 4,300 barrels of oil equivalent per day based on a 21-day average, a 23 percent increase over the 3,300 boepd the company was producing at the end of the fourth quarter of 2012. Triangle drilled and completed five gross operated wells in the first quarter using two drill rigs, and is currently operating three full-time drill rigs. A fourth rig is operating on a part-time basis.

The company has set a well cost target of between \$10 million and \$10.5 million for its McKenzie County wells, and that doesn't account for cost saving associated with Rock Pile and Caliber. Triangle reduced the average number of days from spud to total depth to 27 days in the first quarter of 2013. ●

Contact Mike Ellerd
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APACHE MOVES

a horizontal well with a PMD of 11,544 feet and a PVD of 7,084 feet, targeting the Bakken.

• Wescoe 34-7H-B, spud Dec. 15, permitted as a horizontal well with a PMD of 11,420 feet and a PVD of 7,088 feet, targeting the Bakken.

A second Wescoe permit was issued for well 35-8H-T, targeting the Three Forks. It was never drilled.

No completion reports have yet been made public by the Montana Board of Oil and Gas Conservation for Apache's wells, but the agency can take up to six months after receipt of a completion report to release the information.

The Jan. 31 edition of the Daniels County Leader had this to say about the five wells: "The Lindley pad north of Four

Buttes was drilled late last summer, one vertical well and one horizontal well. Same on the Haworth pad north of Scobey. Three of those four wells were fracked. The Wescoe pad is apparently one vertical well without plans to frack. This week the rig was being torn down and ready for transport to Texas. The water reserve tanks (used by the oil company) have been removed from the new bulk water depot in Scobey, although water will still be available there, just not in the huge quantities needed."

Per the same article, "Apache employees have said that it will be six months or so before they return. We were told, 'This is a science project and remember there have been other successful oil fields developed over a period of years, not months.'"

According to a Jan. 10 Leader article, Apache started building a fourth pad, the

see **APACHE MOVES** page 7

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● COMPANY UPDATE

Bakken gets new player

Natural Resources Partners to acquire \$35.3 million in Abraxas Petroleum's non-operated properties in North Dakota and Montana

By RAY TYSON

Petroleum News Bakken

E&P independent Abraxas Petroleum Corp., in what it called a "transformational" event, has agreed to sell the majority of its non-operated Williston Basin oil properties in North Dakota and Montana to Natural Resources Partners, a Houston, Texas-based master limited partnership that collects a significant amount of its income from royalties on coal production.

The \$35.3 million deal gives NRP exposure to the Bakken-Three Forks oil play while further decreasing its reliance on coal. It also allows San Antonio, Texas-based Abraxas to reduce debt and concentrate on its core operations.

"This is obviously a transformational day for Abraxas, as we significantly reduce our leverage while simultaneously shifting our focus to a core-operated portfolio," said Bob Watson, president and chief executive officer of Abraxas.

Deal includes 13,500 net acres

The acquisition consists of about 13,500 net Abraxas acres held by production with an estimated average 11 percent working interest in the Bakken petroleum system. It includes about 120 producing wells, in addition to interests in 22 wells that are in various stages of development.

NRP said it anticipates financing \$8.1 million in additional capital expenditures associated with these new wells in 2013, a portion of which would be paid at the expected third-quarter closing.

"This acquisition marks NRP's strategic entry into the Bakken play and into owning non-operated working interests in oil and gas assets," said Nick Carter, NRP's president and chief operating officer.

For the first quarter of 2013, NRP saw its overall revenue increase 3 percent to \$94.3 million versus the previous year's first quarter. But while coal production

increased 14 percent, revenue actually decreased 9 percent to \$54.4 million, due to a 20 percent decrease in average coal royalty revenue per ton.

NRP's diversified portfolio

Fortunately, NRP also owns aggregate and oil and gas reserves across the United States that also generate royalty income for the partnership.

"This adds further diversity to NRP's revenue going forward," Carter said of the Bakken deal.

NRP is headquartered in Houston and operates out of Huntington, W.Va. The partnership does not operate its properties.

Inclusive of its non-operated Bakken sale, Abraxas this year has divested about 502 barrels of oil equivalent per day in production for total proceeds of roughly \$47.3 million.

Earlier this year the company sold several non-core Permian Basin leases in Martin County, Texas, for \$590,000, and its remaining Oklahoma properties at the May Oil and Gas Clearinghouse Auction for \$470,700. The c ds a legacy position of 100,366 shares from a merger with a former Abraxas subsidiary, received a non-binding proposal from its largest shareholder to be taken private at an all cash offer of \$1.35 per share.

Abraxas' capex reduced

The various sales also will remove about \$10 million of budgeted capital expenditure commitments for the company.

Abraxas said it intends to use proceeds from the property sales to pay down the company's bank line before being "ultimately redeployed" to accelerated growth in the company's core areas primarily in the Bakken and Texas Eagle Ford play. The company now projects production of 4,550-4,700 boe per day for 2013.

At March 31, 2013, Abraxas reported long-term debt of \$129.5 million, up from

\$124.1 million at Dec. 31, 2012.

The company also reported total assets of \$258.2 million at the end of this year's first quarter, along with \$595,000 in net income on \$21.2 million in revenue, down from net income of \$817,000 on \$16.2 million in revenue for the previous year's first quarter.

"Heading forward we will continue to rationalize our asset base to focus on our core operated properties," Watson said.

"Moreover, the removal of the non-operated Bakken assets from our portfolio will provide the company with a much more predictable production growth profile and capex schedule."

The acquisition, subject to customary closing conditions and purchase price adjustments, would have an effective date of March 1, 2013. ●

Contact Ray Tyson
at rytson@petroleumnews.com

continued from page 1

EXPLORERS MAGAZINE

Crescent Point Energy; Enerplus Resources; EOG Resources; Fidelity Exploration & Production (MDU); G3 Operating LLC (Halcon Resources); GMX Resources; Hess Corp.; Kodiak Oil & Gas; Marathon Oil; Newfield Exploration; Oasis Petroleum; PetroBakken Energy Ltd.; QEP Energy; Slawson Exploration; Statoil; Triangle Petroleum; Whiting Petroleum; WPX Energy; and XTO Energy (ExxonMobil).

Explorers are E&P operators working to extend the Bakken petroleum system's recoverable oil reserves in one or more of three ways:

1. Exploring laterally by testing the fringes of the known Bakken petroleum system;

2. Exploring vertically by evaluating relatively unproduced formations or formation members in the Bakken petroleum system, such as the upper Bakken shale member and the second, third and fourth benches of the Three Forks, and;

3. Looking to increase producible reserves by developing and utilizing new technology — technology often used in combination with 1 and 2 above.

Nominations for E&P companies that qualify as explorers should be sent to Kay Cashman, publisher and executive editor of Petroleum News Bakken, via email at publisher@petroleumnewsbakken.com or by fax at 907-522-9583. A simple explanation of why an E&P company should be included in The Bakken Explorers should be included in the email or fax.

—PETROLEUM NEWS BAKKEN

continued from page 6

APACHE MOVES

Strong, and per state records received a permit for a sixth horizontal well, the Strong 4-1. It is unknown if the well was drilled.

According to a Jan. 8 Montana Board of Oil and Gas Conservation Environmental Assessment form filled out by Apache

about Strong 4-1, the company's plans were to "drill a vertical pilot hole to the Duperow formation to 7,450 feet true vertical depth. Plug back to 5,400 feet and drill a horizontal Ratcliffe formation well test."

Stay tuned... ●

Contact Kay Cashman
at publisher@petroleumnews.com

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PEOPLE TALK

Marathon nabs well-traveled exec as CEO

Whiting Petroleum land professional praises Bakken career opportunities for women; two more directors exit GMX Resources board

By ROSE RAGSDALE

For Petroleum News Bakken

Marathon Oil Co. has chosen former BP executive Lee M. Tillman to replace longtime leader Clarence P. Cazalot Jr., who is stepping down as president and chief executive officer Aug. 1. Cazalot has led Marathon for 14 years and worked 41 years in the oil and gas industry. He will serve as executive chairman until Dec. 31 when he will retire.

Marathon Oil's directors also elected Tillman to a seat on the company's board and indicated plans to nominate Dennis H. Reilley, currently Marathon Oil's lead director, as the company's non-executive chairman upon Cazalot's retirement.

Tillman, 51, has served since 2010 as vice president of engineering for ExxonMobil Development Co. where he was responsible for all global engineer-

People Talk



LEE M. TILLMAN



CLARENCE P. CAZALOT

ing staff engaged in major project concept selection, front-end design and engineering. He holds a bachelor's degree in chemical engineering with honors from Texas A&M University and a Ph.D. in chemical engineering from Auburn University.

Tillman began his career in the oil and gas industry at Exxon in 1989 as a research engineer. He progressed

through positions of increasing responsibility in Houston; New Orleans; Malabo, Equatorial Guinea; Irving, Texas; Jakarta, Indonesia; and Aberdeen, Scotland. From 2007 to 2010, Tillman served as North Sea production manager and lead country manager in Stavanger, Norway.

In welcoming Tillman, Cazalot cited his strong leadership skills and extensive experience in global operations, project execution and leading edge technology, calling them invaluable assets for confronting challenges facing Marathon Oil and industry.

In response, Tillman praised Marathon Oil's progress moving from an integrated company to an independent exploration and production company during the past two years, calling it "nothing short of exceptional."

Reilley, 59, served as non-executive chairman of Covidien Ltd. from 2007-08

and as a Marathon director since 2002. A graduate of Oklahoma State University with a bachelor's degree in finance in 1975, he began working at Conoco Inc. in 1975 as a pipeline engineer and in 1979 was promoted to executive assistant to the chairman. Reilley held many key positions at E.I. Du Pont de Nemours & Co., which purchased Conoco in 1981.

He became chairman, president and chief executive officer of Praxair Inc. in 2000. From March 1, 2006, through December 2006, he held the positions of chairman and chief executive officer and through April 2007 served as chairman. Reilley currently serves on the boards of directors of Dow Chemical Co. and Covidien, and is a former chairman of the American Chemistry Council.



DENNIS H. REILLEY

Whiting's Wanner touts Bakken careers

ERIN WANNER, A LAND PROFESSIONAL for Denver-based Whiting Petroleum Corp. in North Dakota, is gaining recognition as a hometown girl who made good in the Bakken. Wanner, a graduate of Dickinson's Trinity High School and Dickinson State University, earned a master's degree out-of-state before returning home to work in the family business, MBI Energy Services of Dickinson, in 2005.

Wanner encourages women to consider the oil industry as a career option, noting that all types of jobs are available in the oilfield.

That led her to opportunities with other oil companies in North Dakota. She began as a landman, pulling deeds at the courthouse and doing title research. After gaining experience with mineral rights, Wanner began working with landowners to negotiate surface use agreements to drill for oil on their land.

Today, she oversees surface operations for Whiting in North Dakota and eastern Montana. That includes working with landowners and helping implement a program to control dust on gravel roads near the oil activity.

Wanner encourages women to consider the oil industry as a career option, noting that all types of jobs are available in the oilfield.

Two directors exit GMX Resources board

T.J. BOISMIER AND MICHAEL G. COOK have resigned as directors of GMX Resources Inc., which filed for Chapter 11 reorganization in March. Boismier and Cook each submitted separate resignation letters, effective June 13. The departures from the oil and gas independent's nine-member board follow that of GMX Resources President, CEO and Director Ken Kenworthy Jr., who notified the company May 28 of his resignation, effective May 29. ●

Contact Rose Ragsdale at roserragsdale@gmail.com

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Bakken **BAKKEN Stats**

MT oil permit activity

June 7-13

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 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

COMPILED BY DARRYL L. FLOWERS

For Petroleum News Bakken

New locations — horizontal wells

In Fallon County's East Lookout Butte field, a permit was issued to Denbury Onshore LLC for the Unit 760 31C-10SHR. The well has a SHL at NW NE 10-7N-60E (700 FNL/2135 FEL) and a PBHL of 15,229 feet at NW SE 9-7N-60E (2097 FSL/2434 FEL). The target is the Red River formation.

In Richland County, Slawson Exploration Co. Inc. was approved to drill the Ruffian 1-18MLH, with an SHL at SE SE 18-24N-52E (280 FSL/550 FEL) and two laterals with PBHLs of 13,333 feet at SW SW 18-24N-52E (750 FSL/250 FWL) and 13,411 feet at NE NE 18-24N-52E (250 FNL/750 FEL). The well will tap the Bakken formation.

In Roosevelt County, three Bakken Formation wells operated by Continental Resources Inc. were green lighted. The Williams 1-12H has an SHL at NE SE 12-27N-57E (1980 FSL/300 FEL) and a PBHL of 19,629 feet at NW SW 11-27N-57E (1980 FSL/200 FWL). The Gehring 1-13H has an SHL at NE NW 13-28N-58E (245 FNL/2180 FWL) and a PBHL of 20,216 feet at SE SW 24-28N-58E (200 FSL/1980 FWL). The Appling 1-25H has an SHL at NE NW 25-30N-58E (300 FNL/2050 FWL) and a PBHL of 19,989 feet at SE SW 36-30N-58E (200 FSL/1980 FWL).

Re-issued locations

Three permits were issued to XTO Energy Inc. for Bakken formation wells in Richland County. The Donna 31X-15 has 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). The Elaine 34X-21 has an SHL at SW SE 21-24N-56E (775 FSL/2000 FEL) and a PBHL of 18,708 feet at N2 N2 16-24N-56E (700 FNL/2640 FEL). The Wilbur 34X-29 has 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).

Permit modifications/corrections

In Richland County, a modification or correction was approved for the Audrey HSL, a Bakken formation well operated by Continental Resources Inc. The well has an SHL at SW SW 6-23N-56E (265 FSL/285 FWL) and a PBHL of 20,287 feet at WL NW 31-24N-56E (200 FNL/0 FWL).

In Wibaux County, two modifications or corrections were issued to Petro-Hunt LLC: the Miske 11-60 3C-3-1, with an

SHL at SW SW 3-11N-60E (210 FSL/1114 FWL) and a PD of 10,900 feet, will target the Red River D formation; the McCann 11-60 26B-1-1, with an SHL at NE NW 26-11N-60E (684 FNL/1995 FWL), will target the Red River formation.

Completions

There were three Bakken formation wells completed in Richland County during the reporting period.

XTO Energy Inc. reported the completion of the Marker 34X-20, with an SHL at SE 20-22N-59E (250 FSL/1440 FEL) and a BHL of 19,684 feet at NE 17-22N-59E (118 FNL/889 FEL). The reported IP was 620 BOPD, 64 MCFPD and 422 BWPD.

Oasis Petroleum North America LLC filed a completion report for the Loki 2658 12-25H, with an SHL at NE NW 25-26N-58E (190 FNL/1625 FWL) and two laterals, with BHLs of 15,238 feet at SE SW 25-26N-58E (38 FSL/1815 FWL) and 20,294 feet at SE SW 36-26N-58E (276 FSL/1857 FWL). The Loki posted an IP report of 1,984 BOPD, 1,471 MCFPD and 6,350 BWPD.

XTO Energy Inc. reported the completion of the Dige 41X-29DXA, with an SHL at NE NE 29-23N-59E (230 FNL/1170 FEL) and a BHL of 20,596 feet at SE SE 32-23N-59E (243 FSL/134 FEL). The reported IP for the Dige was 2,201 BOPD, 1,684 MCFPD and 2,455 BWPD.

In Sheridan County, two Bakken formation wells were reported as completed.

Southwestern Energy Production Co. turned in a completion report for the Bedwell 33-52 1-1H, with an SHL at NW NE 1-33N-52E (864 FNL/1722 FEL) and a BHL of 11,683 feet at SW SE 1-33N-52E (641 FSL/1783 FEL). The well had a reported IP of 171 BOPD, 152 MCFPD and 635 BWPD.

TAQA North USA Inc. reported the completion of the Hellegaard 10-9H-2, with an SHL at NE SE 10-37N-57E (1930 FSL/250 FEL) and a BHL of 12,260 feet at NE SE 11-37N-57E (1641 FSL/715 FEL). The IP was reported as 64 BOPD, 7 MCFPD and 636 BWPD.

Expired permits

Four Glacier County drilling permits expired for Anschutz Exploration Corp. wells: the Two Medicine 2-2H, at SE SE 2-31N-12W (1265 FSL/1265 FEL); the Pine Ridge 2-14H-37-13, at NE SE 14-37N-13W (2141 FSL/1224 FEL); the Whitecalf 2-4-30-10, at SW NW 4-30N-10W (1415 FNL/646 FWL) and the Mallard 1-14-33-13, at SW NW 14-33N-13W (2106 FNL/1110 FWL). ●

Highlights: Sequel sells gas field in Bowman County to Remuda

This week's Bakken Stats carry both North Dakota's Bakken oil numbers for the latest month reported, April, as well as updated April production from Montana.

The average daily North Dakota Bakken oil production in April was 662,788.8 barrels of oil per day, accounting for nearly 84 percent of the state's total oil output that month of 793,249 barrels of oil per day.

By comparison, Montana produced an average of 37,009.4 barrels of oil per day from the Bakken petroleum system in April.

The top Bakken oil producer in both states was Continental Resources.

In this week's North Dakota well operator transfers chart Sequel Energy LLC signed over 101 natural gas vertical wells in Bowman County's Little Missouri-Pierre unit to Remuda Energy Development LLC. Bowman is North Dakota's southernmost western county.

Some of the Sequel wells were producing gas in April; others were not. In April the wells produced 17.3 mcf of gas.

Unfortunately the well operator transfer chart only includes an oil number. None of these wells, which were between 1,000 and 1,800 in depth, produced any oil.

Presumably the cash from the sale will go toward Sequel's largely horizontal well drilling program into, among other formations, the middle Bakken, in McKenzie, Burke, Divide, Mountrail and Williams counties. The company produced an average of 3,126.2 barrels of oil per day in April from fields in those counties.

Here is a link to a map on Sequel's website that shows its North Dakota acreage prior to the transfer to Remuda: <http://sequelenergy.com/operations.php>

TOP three IPs in McKenzie County

Kudos to QEP Energy. In the North Dakota Bakken IP chart for wells completed or released from confidential status June 10-14, QEP took the top position with the Hazel 13-34/27H well in the Grail field in McKenzie County. The well had an initial production rate of 3,668 barrels of oil.

Statoil took second place with the Cora 20-17 5H in the Poe field, also in McKenzie County. It had an IP of 3,426 barrels.

Burlington Resources, a subsidiary of ConocoPhillips, placed third with its Waterton 34-32MBH well in the Keene field at 2,823 barrels of oil. It, too, was in McKenzie County.

—KAY CASHMAN

Bakken Looking for a rig report?

Montana

Drilling Ahead at www.drillingahead.com/USARigReport offers a U.S. Drilling Rig Report that includes Montana.

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



PHOTO COURTESY CONTINENTAL RESOURCES



Montana Bakken oil production by company

April 2013

The information below is derived from State of Montana production reports and separated out by company. Note this is oil produced by wells operated by these companies; it does not identify the percentage of Bakken petroleum system oil, including the Three Forks formation, that is actually owned by the company, so it might differ from what each company reports. It also does not include oil production from wells operated by others, in which these companies might hold an interest. The daily average was derived from dividing the total production by the number of days in April. Note: Taqa had not yet filed its April production information, March is shown, as noted. And Whiting had not filed all of its April production, so March numbers were used and noted. The operator names used in this report are as they appear in State of Montana records, even though some of the companies or their Bakken assets might have been purchased by other companies. When that is the case, the current owner's name is in parenthesis behind the owner of record. If any current owners are missing, please contact Kay Cashman at publisher@petroleumnewsbakken.com

LEGEND

Company
Field — pool — county — barrels of oil per month
Daily average in barrels of oil

Top 5 Montana Bakken oil producers April 2013

Continental Resources	13,358
Enerplus Resources	6,265.1
XTO Energy (ExxonMobil)	5,739.1
Slawson Exploration	2,701.4
Whiting Oil and Gas	2,434.6

Average daily Montana Bakken petroleum system production in April: approximately 37,009.4 barrels of oil per day, up from 34,370.9 in March.

Burlington Resources Oil & Gas Company LP (ConocoPhillips)

Elm Coulee — Bakken — Richland 36,977

Daily average: 1,232.6

Charger Resources, LLC

Elm Coulee — Bakken — Richland 1,971

Daily average: 65.7

Continental Resources Inc

Elm Coulee — Bakken — Richland 387,390
Elm Coulee, Northeast — Bakken — Richland 12,925
Elm Coulee — Three Forks — Richland 420
Elm Coulee, Northeast — Three Forks — Richland 0
Wildcat Richland — Bakken — Richland 0

Daily average: 13,358

Earthstone Energy

Spring Lake, West — Bakken — Richland 87
Vaux — Madison/Bakken — Richland 381

Daily average: 15.6

Enerplus Resources USA Corporation

Charlie Creek — Bakken — Richland 173
Elm Coulee — Bakken — Richland 186,836
Epworth — Bakken — Richland 170
Girard — Bakken — Richland 0
Mustang — Bakken — Richland 288
Putnam — Bakken — Richland 13
Spring Lake — Bakken — Richland 329
Three Buttes — Bakken — Richland 143

Daily average: 6,265.1

EOG Resources, Inc.

Elm Coulee — Bakken — Richland 25,356
Wildcat Richland — Bakken — Richland 0

Daily average: 845.2

Fidelity Exploration & Production Co. (MDU)

Elm Coulee — Bakken — Richland 4,921
Elm Coulee — Three Forks — Richland 396

Daily average: 177.2

Newfield Production Company

Elm Coulee — Bakken — Richland 20,961

Daily average: 698.7

Oasis Petroleum North America LLC

Elm Coulee — Bakken — Richland 10,371
Elm Coulee, Northeast — Bakken — Richland 29,438

Daily average: 1,327

Sinclair Oil & Gas Company

Elm Coulee — Bakken — Richland 1,890
Elm Coulee, Northeast — Bakken — Sheridan 507

Daily average: 79.9

Slawson Exploration Company Inc

Elm Coulee — Bakken — Richland 81,041

Daily average: 2,701.4

SM Energy Company

Brorson — Mission Canyon, Bakken — Richland 375
Brorson, South — Bakken — Richland 0
Brorson, South — Mission Canyon, Bakken — Richland 323
Elm Coulee — Bakken — Richland 20,727
Mustang — Bakken — Richland 107
Putnam — Mission Canyon, Bakken — Richland 133
Vaux — Mission Canyon, Bakken — Richland 421

Daily average: 736.2

Taqa North USA, Inc.

Flat Lake - Bakken - Sheridan 41,102 (March)
Wildcat Sheridan - Bakken - Sheridan 223 (March)
Johnson Lake - Bakken - Sheridan 0 (March)

Daily average: 1,333.1

Whiting Oil and Gas Corp.

Elm Coulee — Bakken — Richland 152 (March)
Elm Coulee, Northeast — Bakken — Richland 67,689 (March)
Elm Coulee, Northeast — Three Forks — Richland 4,082 (March)
Elm Coulee, Northeast — Three Forks — Sheridan 1,116 (April)

Daily average: 2,434.6

XTO Energy Inc. (ExxonMobil)

Elm Coulee — Bakken — Richland 172,174

Daily average: 5,739.1

—Compiled by Joshua Borough

Contact Joshua Borough at
jborough@petroleumnews.com



North Dakota well operator transfers

June 10 — June 14, 2013

LEGEND

Date of well operator transfer
Well(s) transferred from
Well(s) transferred to
NDIC well file number — well name — well type — pool — field — IP (initial production) test date — IP oil rate in barrels — location — county

June 11, 2013

From: Atlantic Richfield Company
To: North Plains Energy, LLC

#10842 - Smoky Butte 2 SWD; on confidential status; Wildcat; N/A; N/A; NWNW 4-160N-100W; Divide Co.

June 12, 2013

From: Sequel Energy, LLC (All are natural gas wells; some producing, some not.)
To: Remuda Energy Development, LLC

#03302 - Federal 4-15; vertical; Pierre; Little Missouri; 9/7/1979; 0 bbl; SWSE 15-129N-106W; Bowman Co.
#06274 - Federal 2-23; vertical; Pierre; Little Missouri; 9/6/1979; 0 bbl; NENW 23-129N-106W; Bowman Co.
#06275 - Federal 3-10; vertical; Pierre; Little Missouri; 10/28/1980; 0 bbl; C SW 10-129N-106W; Bowman Co.
#06276 - Federal 2-10; vertical; Pierre; Little Missouri; 9/27/1979; 0 bbl; SWNW 10-129N-106W; Bowman Co.
#06407 - Federal 2-4; vertical; Pierre; Little Missouri; 9/9/1979; 0 bbl; C NW 4-129N-106W; Bowman Co.
#06809 - Ringstad 1; vertical; Pierre; Little Missouri; 12/10/1978; 0 bbl; NESE 4-129N-106W; Bowman Co.
#06810 - Chapman 1; vertical; Pierre; Little Missouri; 7/23/1979; 0 bbl; NWSE 32-130N-106W; Bowman Co.
#06815 - Aasen 1; vertical; Pierre; Little Missouri; 12/8/1978; 0 bbl; NWSE 9-129N-106W; Bowman Co.
#07024 - Federal 3-23; vertical; Pierre; Little Missouri; 9/6/1979; 0 bbl; NESW 23-129N-106W; Bowman Co.
#07027 - Federal 1-22; vertical; Pierre; Little Missouri; 9/3/1980; 0 bbl; NWNE 22-129N-106W; Bowman Co.
#07028 - Federal 3-15; vertical; Pierre; Little Missouri; 8/29/1980; 0 bbl; NESW 15-129N-106W; Bowman Co.
#07029 - Federal 2-15; vertical; Pierre; Little Missouri; 9/7/1979; 0 bbl; NENW 15-129N-106W; Bowman Co.
#07030 - Federal 1-15; vertical; Pierre; Little Missouri; 9/8/1979; 0 bbl; NWNE 15-129N-106W; Bowman Co.
#07059 - Federal 1-29; vertical; Pierre; Little Missouri; 8/26/1980; 0 bbl; SWNE 29-130N-106W; Bowman Co.
#07060 - Federal 4-29; vertical; Pierre; Little Missouri; 9/9/1979; 0 bbl; SESE 29-130N-106W; Bowman Co.
#07105 - Chapman 2-33; vertical; Pierre; Little Missouri; 8/28/1980; 0 bbl; SWNW 33-130N-106W; Bowman Co.
#07106 - Woll 1-33; vertical; Pierre; Little Missouri; 7/23/1979; 0 bbl; C NE 33-130N-106W; Bowman Co.
#07107 - Carpenter 3-33; vertical; Pierre; Little Missouri; 7/22/1979; 0 bbl; N2SW 33-130N-106W; Bowman Co.
#07108 - Ostrow 4-33; vertical; Pierre; Little Missouri; 9/18/1980; 0 bbl; SWSE 33-130N-106W; Bowman Co.
#07109 - Ringstad 2; vertical; Pierre; Little Missouri; 7/22/1979; 0 bbl; SENE 4-129N-106W; Bowman Co.
#07110 - Federal 3-28; vertical; Pierre; Little Missouri; 7/21/1979; 0 bbl; C SW 28-130N-106W; Bowman Co.
#07169 - Chapman 1-32; vertical; Pierre; Little Missouri; 9/27/1979; 0 bbl; SWNE 32-130N-106W; Bowman Co.

#07170 - Aasen 1-9; vertical; Pierre; Little Missouri; 9/8/1979; 0 bbl; SWNE 9-129N-106W; Bowman Co.
#07171 - Johnson 3-9; vertical; Pierre; Little Missouri; 9/29/1979; 0 bbl; NESW 9-129N-106W; Bowman Co.
#07198 - State 1-16; vertical; Pierre; Little Missouri; 11/5/1979; 0 bbl; NENE 16-129N-106W; Bowman Co.
#07898 - State 4-16; vertical; Pierre; Little Missouri; 9/16/1980; 0 bbl; NESE 16-129N-106W; Bowman Co.
#08046 - Federal 1-20; vertical; Pierre; Little Missouri; 4/24/1981; 0 bbl; SWSW 20-130N-106W; Bowman Co.
#08607 - State 2-16A; vertical; Pierre; Little Missouri; 7/9/1981; 0 bbl; NENW 16-129N-106W; Bowman Co.
#08728 - W. C. Pickard USA 1-19; vertical; Pierre; Little Missouri; 12/11/1984; 0 bbl; SESE 19-130N-106W; Bowman Co.
#10041 - Federal 356; vertical; Pierre; Little Missouri; N/A; N/A; C SW 32-130N-106W; Bowman Co.
#15459 - LMPU 1; vertical; Pierre; Little Missouri; 8/28/2003; N/A; NWSW 32-130N-106W; Bowman Co.
#15495 - LMPU 2; vertical; Pierre; Little Missouri; 11/16/2003; N/A; NWNE 6-129N-106W; Bowman Co.
#15496 - LMPU 3; vertical; Pierre; Little Missouri; 12/18/2003; N/A; NWNW 5-129N-106W; Bowman Co.
#15497 - LMPU 4; vertical; Pierre; Little Missouri; 12/2/2003; N/A; NENW 5-129N-106W; Bowman Co.
#15498 - LMPU 5; vertical; Pierre; Little Missouri; 12/17/2003; N/A; SWNW 5-129N-106W; Bowman Co.
#15499 - LMPU 6; vertical; Pierre; Little Missouri; 12/4/2003; N/A; SWNE 5-129N-106W; Bowman Co.
#15500 - LMPU 7; vertical; Pierre; Little Missouri; 12/5/2003; N/A; NENE 5-129N-106W; Bowman Co.
#15501 - LMPU 8; vertical; Pierre; Little Missouri; 12/20/2004; N/A; NWSE 5-129N-106W; Bowman Co.
#15502 - LMPU 9; vertical; Pierre; Little Missouri; 12/16/2003; N/A; NWSW 4-129N-106W; Bowman Co.
#15503 - LMPU 10; vertical; Pierre; Little Missouri; 12/9/2003; N/A; NWNW 9-129N-106W; Bowman Co.
#15504 - LMPU 11; vertical; Pierre; Little Missouri; 12/10/2003; N/A; SENW 9-129N-106W; Bowman Co.
#15565 - LMPU 12; vertical; Pierre; Little Missouri; 8/31/2004; N/A; SESE 9-129N-106W; Bowman Co.
#15566 - LMPU 13; vertical; Pierre; Little Missouri; 9/2/2004; N/A; NESW 32-130N-106W; Bowman Co.
#15567 - LMPU 14; vertical; Pierre; Little Missouri; 9/3/2004; N/A; NESE 32-130N-106W; Bowman Co.
#15568 - LMPU 15; vertical; Pierre; Little Missouri; 9/4/2004; N/A; NWNE 32-130N-106W; Bowman Co.
#15571 - LMPU 17; vertical; Pierre; Little Missouri; 9/2/2004; N/A; SWSE 19-130N-106W; Bowman Co.
#15572 - LMPU 18; vertical; Pierre; Little Missouri; 9/11/2004; N/A; NWSE 19-130N-106W; Bowman Co.
#15573 - LMPU 19; vertical; Pierre; Little Missouri; 9/12/2004; N/A; SENE 19-130N-106W; Bowman Co.
#15574 - LMPU 20; vertical; Pierre; Little Missouri; 9/15/2004; N/A; NWNE 19-130N-106W; Bowman Co.
#15575 - LMPU 21; vertical; Pierre; Little Missouri; 9/17/2004; N/A; NENE 19-130N-106W; Bowman Co.
#15576 - LMPU 22; vertical; Pierre; Little Missouri; 9/16/2004; N/A; SWSE 18-130N-106W; Bowman Co.
#15577 - LMPU 23; vertical; Pierre; Little Missouri; 6/18/2004; N/A; NESE 18-130N-106W; Bowman Co.
#15578 - LMPU 16; vertical; Pierre; Little Missouri; 9/10/2004; N/A; NWSE 29-130N-106W; Bowman Co.
#15790 - LMPU 24; vertical; Pierre; Little Missouri; 9/6/2005; N/A; NWSE 32-130N-106W; Bowman Co.
#15791 - LMPU 25; vertical; Pierre; Little Missouri; 8/31/2005; N/A; SESE 32-130N-106W; Bowman Co.
#15792 - LMPU 26; vertical; Pierre; Little Missouri; 9/30/2005; N/A; Little Missouri; 9/30/2005; N/A; SESE 32-130N-106W; Bowman Co.
#15793 - LMPU 31; vertical; Pierre; Little Missouri; 9/28/2005; N/A; SESE 5-129N-106W; Bowman Co.
#15794 - LMPU 32; vertical; Pierre; Little Missouri; 8/31/2005; N/A; SESW 4-129N-106W; Bowman Co.
#15795 - LMPU 33; vertical; Pierre; Little Missouri; 9/7/2005; N/A; NENE 8-129N-106W; Bowman Co.
#15796 - LMPU 35; vertical; Pierre; Little Missouri; 9/28/2005; N/A; NENW 9-129N-106W; Bowman Co.
#15797 - LMPU 36; vertical; Pierre; Little Missouri; 9/29/2005; N/A; SENW 9-129N-106W; Bowman Co.
#15798 - LMPU 41; vertical; Pierre; Little Missouri; 11/20/2005; N/A; SWSW 33-130N-106W; Bowman Co.
#15799 - LMPU 43; vertical; Pierre; Little Missouri; 8/22/2005; N/A; SWNE 5-129N-106W; Bowman Co.

see ND TRANSFERS page 11



IPs for ND Bakken wells

June 11 — June 17, 2013

This chart contains initial production rates, or IPs, for active wells that were filed as completed with the state of North Dakota from June 11 to June 17, 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) either 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, June 11 to June 17. 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 owners' names, please contact Ashley Lindly at alindly@petroleumnewsbakken.com.

LEGEND

The well operator's name is on the upper line, followed by individual wells with data in this order: NDIC file number; well name; field; location; spacing; county; wellbore type; total depth; IP test date; IP oil flow rate. (IP stands for initial production; in this chart it's the first 24 hours of oil production.)

IPs for completed North Dakota wells

Continental Resources

23728; Caroline 1-2H; Rosebud; NENW 2-153N-102W; SEC; Williams; horizontal; 15,265; 5/14/2013; 362 bbl
23221; Rennerfeldt 2-30H; Brooklyn; SWSW 19-155N-98W; 4SEC; Williams; horizontal; 21,552; 5/10/2013; 475 bbl

Crescent Point Energy

23586; Cpeusc Farthing 31-30-158N-100W; Church; SWSE 31-158N-100W; 2SEC; Williams; horizontal; 19,535; 5/15/2013; 539 bbl

G3 Operating (Halcon Resources)

23706; Miller 1-35-26H; Climax; LOT3 2-157N-102W; 2SEC; Williams; horizontal; 20,395; 2/11/2013; 560 bbl

Gadeco

22597; Alexander 26-35H; Epping; NENW 26-155N-99W; 2SEC; Williams; horizontal; 20,500; 6/2/2013; 459 bbl

Hess

23954; EN-D Cvancara S-154-93-0904H-2; Robinson Lake; SESW 9-154N-93W; 2SEC; Mountrail; horizontal; 20,515; 5/17/2013; 501 bbl
23955; EN-D Cvancara S-154-93-0904H-3; Robinson Lake; SESW 9-154N-93W; 2SEC; Mountrail; horizontal; 20,509; 5/17/2013; 560 bbl
23821; HA-State 152-95-1621H-3; Hawkeye; NENE 16-152N-95W; 2SEC; McKenzie; horizontal; 20,738; 5/20/2013; 1,034 bbl

Marathon Oil

24083; Kevin Schmidt 44-32H; Murphy Creek; LOT2 5-143N-95W; 2SEC; Dunn; horizontal; 21,024; 5/13/2013; 1,344 bbl

Oxy USA (Occidental Petroleum Corp.)

23027; Dennis Kadrmas 3-9-4H-143-96W; Fayette; SWSW 9-143N-96W; 2SEC; Dunn; horizontal; 20,191; 4/20/2013; 1,388 bbl
23028; State 3-16-21H-143-96; Fayette; SWSW 9-143N-96W; 2SEC; Dunn; horizontal; 21,460; 4/24/2013; 803 bbl

QEP Energy

22371; Hazel 13-34/27H; Grail; SWSW 34-150N-95W; 2SEC; McKenzie; horizontal; 20,948; 5/26/2013; 3,668 bbl

Statoil Oil and Gas

23119; Cora 20-17 5H; Poe; SWSE 20-151N-100W; 2SEC; McKenzie; horizontal; 20,698; 5/13/2013; 3,426 bbl
22605; Scha 33-34 3H; Alger; NWSW 33-156N-92W; 2SEC; Mountrail; horizontal; 19,760; 5/5/2013; 2,628 bbl
22902; Topaz 20-17 4TFH; Banks; SESW 20-153N-97W; 2SEC; McKenzie; horizontal; 20,701; 5/2/2013; 2,404 bbl

Top 10 Bakken wells by IP rate

QEP Energy

22371; Hazel 13-34/27H; McKenzie; 3,668 bbl

Statoil Oil and Gas

23119; Cora 20-17 5H; McKenzie; 3,426 bbl

Burlington Resources (ConocoPhillips)

24342; Waterton 34-32MBH; McKenzie; 2,823 bbl

Statoil Oil and Gas

22605; Scha 33-34 3H; Mountrail; 2,628 bbl
22902; Topaz 20-17 4TFH; McKenzie; 2,404 bbl

Whiting Oil and Gas

21257; Cherry State 21-16H; McKenzie; 2,078 bbl

WPX Energy

23453; Dancing Bull 16-21HD; Mountrail; 1,479 bbl

Marathon Oil

23564; Steve 34-31H; Mountrail; 1,396 bbl

Oxy USA

23027; Dennis Kadrmas 3-9-4H-143-96W; Dunn; 1,388 bbl

Marathon Oil

24083; Kevin Schmidt 44-32H; Dunn; 1,344 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 June 11 to June 17, 2013 in the Bakken petroleum system, as well as active wells that were released from tight-hole 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; county and IP oil flow rate in barrels of oil.

see ND IPS page 10

continued from page 10

ND TRANSFERS

#15809 - LMPU 29; vertical; Pierre; Little Missouri; 2/14/2006; N/A; SWNW 4-129N-106W; Bowman Co.
#15810 - LMPU 30; vertical; Pierre; Little Missouri; 5/29/2005; N/A; NESW 4-129N-106W; Bowman Co.
#15811 - LMPU 34; vertical; Pierre; Little Missouri; 9/1/2005; N/A; SWNW 9-129N-106W; Bowman Co.
#15812 - LMPU 37; vertical; Pierre; Little Missouri; 9/29/2005; N/A; NESE 9-129N-106W; Bowman Co.
#15813 - LMPU 38; vertical; Pierre; Little Missouri; 9/1/2005; N/A; NESW 9-129N-106W; Bowman Co.
#15814 - LMPU 39; vertical; Pierre; Little Missouri; 2/13/2006; N/A; SWSE 9-129N-106W; Bowman Co.
#15815 - LMPU 40; vertical; Pierre; Little Missouri; 2/13/2006; N/A; SESW 9-129N-106W; Bowman Co.
#15816 - LMPU 42; vertical; Pierre; Little Missouri; 3/20/2006; N/A; SESE 32-130N-106W; Bowman Co.
#15817 - LMPU 44; vertical; Pierre; Little Missouri; 10/28/2005; N/A; NESE 5-129N-106W; Bowman Co.
#15819 - LMPU 46; vertical; Pierre; Little Missouri; 11/21/2005; N/A; SESW 4-129N-106W; Bowman Co.
#15820 - LMPU 47; vertical; Pierre; Little Missouri; 11/3/2005; N/A; NWNE 9-129N-106W; Bowman Co.
#15830 - LMPU 27; vertical; Pierre; Little Missouri; 9/28/2005; N/A; SWSW 32-130N-106W; Bowman Co.
#15831 - LMPU 28; vertical; Pierre; Little Missouri; 9/28/2005; N/A; SENE 6-129N-106W; Bowman Co.
#15858 - LMPU 50; vertical; Pierre; Little Missouri; 2/16/2006; N/A; SWSE 29-130N-106W; Bowman Co.
#15859 - LMPU 51; vertical; Pierre; Little Missouri; 2/6/2006; N/A; NENW 8-129N-106W; Bowman Co.
#15860 - LMPU 52; vertical; Pierre; Little Missouri; 2/16/2006; N/A; NESE 8-129N-106W; Bowman Co.
#15864 - LMPU 61; vertical; Pierre; Little Missouri; 11/19/2005; N/A; SWSE 4-129N-106W; Bowman Co.
#15866 - LMPU 62; vertical; Pierre; Little Missouri; 11/5/2005; N/A; NENE 9-129N-106W; Bowman Co.
#15867 - LMPU 63; vertical; Pierre; Little Missouri; 3/16/2006; N/A; SWNW 15-129N-106W; Bowman Co.

#15868 - LMPU 64; vertical; Pierre; Little Missouri; 3/19/2006; N/A; SENW 15-129N-106W; Bowman Co.
#15869 - LMPU 65; vertical; Pierre; Little Missouri; 3/23/2006; N/A; N2NE 22-129N-106W; Bowman Co.
#15893 - LMPU 48; vertical; Pierre; Little Missouri; 2/15/2006; N/A; NESE 19-130N-106W; Bowman Co.
#15894 - LMPU 49; vertical; Pierre; Little Missouri; 2/15/2006; N/A; SWSW 20-130N-106W; Bowman Co.
#15895 - LMPU 53; vertical; Pierre; Little Missouri; 2/4/2006; N/A; NWSW 9-129N-106W; Bowman Co.
#15897 - LMPU 60; vertical; Pierre; Little Missouri; 11/3/2005; N/A; SESW 33-130N-106W; Bowman Co.
#15898 - LMPU 66; vertical; Pierre; Little Missouri; 3/22/2006; N/A; NENE 22-129N-106W; Bowman Co.
#15900 - LMPU 54; vertical; Pierre; Little Missouri; 2/5/2006; N/A; NWNE 16-129N-106W; Bowman Co.
#15901 - LMPU 55; vertical; Pierre; Little Missouri; 2/14/2006; N/A; NENE 16-129N-106W; Bowman Co.
#15906 - LMPU 59; vertical; Pierre; Little Missouri; 3/17/2006; N/A; E2NE 32-130N-106W; Bowman Co.
#15912 - LMPU 58; vertical; Pierre; Little Missouri; 3/16/2006; N/A; NENE 32-130N-106W; Bowman Co.
#16013 - LMPU 69; vertical; Pierre; Little Missouri; 3/14/2006; N/A; NWSW 20-130N-106W; Bowman Co.
#16014 - LMPU 70; vertical; Pierre; Little Missouri; 3/4/2006; N/A; SESW 20-130N-106W; Bowman Co.
#16016 - LMPU 72; vertical; Pierre; Little Missouri; 3/20/2006; N/A; SWNE 29-130N-106W; Bowman Co.
#16020 - LMPU 76; vertical; Pierre; Little Missouri; 3/6/2006; N/A; SESW 5-129N-106W; Bowman Co.
#16021 - LMPU 77; vertical; Pierre; Little Missouri; 2/28/2006; N/A; SENE 9-129N-106W; Bowman Co.
#16022 - LMPU 78; vertical; Pierre; Little Missouri; 2/28/2006; N/A; NWSW 10-129N-106W; Bowman Co.
#16023 - LMPU 79; vertical; Pierre; Little Missouri; 3/16/2006; N/A; SWNW 33-130N-106W; Bowman Co.
#16025 - LMPU 81; vertical; Pierre; Little Missouri; 3/22/2006; N/A; NWSW 15-129N-106W; Bowman Co.

Note: The information in this chart was compiled by Petroleum News Bakken from the online daily activity reports of the North Dakota Industrial Commission, or NDIC. The operator names in this report are as they appear in State of North Dakota records. In almost all cases a lease is transferred with a well.

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North Dakota oil permit activity

June 11 — June 17, 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; 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

Oxy USA (Occidental Petroleum Corp.)

John Hartranft 1-22-15H-143-98; SESW 22-143N-98W; 350'FSL and 1,980'FWL; Little Knife; horizontal; 2,671' ground; 25779; 33-007-01797; 6/12/2013

Bottineau Co.

Permits issued

Corinthian Exploration

Corinthian 2-Skarphol 8-33 1-M; SENE 33-164N-77W; 1,888'FNL and

276'FEL; North Souris; on confidential status; 1,613' ground; 25813; 33-009-02325; 6/17/2013

Legacy Oil and Gas

Legacy Etal Berge 5-7 2H; SWNE 7-163N-76W; 2,026'FNL and 217'FWL; Red Rock; on confidential status; 1,730' ground; 25816; 33-009-02326; 6/17/2013

Burke Co.

Permits issued

Continental Resources

Lannister 1-23H1; SWSE 23-161N-94W; 300'FSL and 1,875'FEL; Leaf Mountain; on confidential status; 2,401' ground; 25798; 33-013-01722; 6/14/2013

Vibe 1-26H1; SWSE 23-161N-94W; 300'FSL and 2,075'FEL; Leaf Mountain; on confidential status; 2,405' ground; 25799; 33-013-01723; 6/14/2013

Divide Co.

Permits issued

American Eagle Energy

Lauren 2-3N-163-101; LOT2 3-163N-101W; 350'FNL and 2,450'FEL; Colgan; on confidential status; 2,344' ground; 25810; 33-023-01059; 6/14/2013

Hunt Oil

Sioux Trail 160-101-17-20H-1; SESW 8-160N-101W; 446'FSL and

2,178'FWL; Sioux Trail; on confidential status; 2,249' ground; 25778; 33-023-01058; 6/11/2013

Dunn Co.

Permits issued

Burlington Resources Oil and Gas (ConocoPhillips)

CCU William 14-20MBH; SWSW 20-147N-95W; 225'FSL and 230'FWL; Corral Creek; on confidential status; 2,455' ground; 25783; 33-025-02183; 6/12/2013

CCU William 14-20TFH; SWSW 20-147N-95W; 225'FSL and 275'FWL; Corral Creek; on confidential status; 2,458' ground; 25784; 33-025-02184; 6/12/2013

G3 Operating (Halcon Resources Corp.)

Fort Berthold 147-94-3B-10-8TFH; NENW 3-147N-94W; 285'FNL and 1,570'FWL; Gregory Buttes; on confidential status; 2,308' ground; 25800; 33-025-02185; 6/14/2013

Fort Berthold 147-94-3B-10-7TFH; NENW 3-147N-94W; 285'FNL and 1,630'FWL; Gregory Buttes; on confidential status; 2,308' ground; 25801; 33-025-02186; 6/14/2013

Golden Valley Co.

Permits issued

Whiting Oil and Gas

Wirtzfeld 21-24H; NENW 24-141N-104W; 350'FNL and 2,200'FWL; Camel

see **ND ACTIVITY** page 13

continued from page 11

ND IPS

Whiting Oil and Gas

23869; G Bergstrom 31-13H; Dollar Joe; NWNE 13-156N-97W; 2SEC; Williams; horizontal; 19,502; 4/23/2013; 1,063 bbl

23870; Kaldahl 34-12H; Ray; NWNE 13-156N-97W; 2SEC; Williams; horizontal; 21,341; 4/23/2013; 793 bbl

IPs for ND wells released from confidential status

Burlington Resources Oil and Gas (ConocoPhillips)

24342; Waterton 34-32MBH; Keene; SWSE 32-153N-95W; 2SEC; McKenzie; horizontal; 20,306; 5/4/2013; 2,823 bbl

Continental Resources

23855; Hamlet 5-2H; Hamlet; NENW 2-159N-96W; 4SEC; Williams; horizontal; 19,208; 5/18/2013; 700 bbl

24493; Stedman 3-24H3; Hebron; SWSW 13-155N-104W; 2SEC; Williams; horizontal; 21,025; 3/18/2013; 240 bbl

Emerald Oil

23909; Arsenal (Federal) 1-17-20H; Charbonneau; SESW 8-149N-102W; N/A; McKenzie; horizontal; 21,190; N/A; N/A

Enerplus Resources

24163; Cirrus 149-94-33D-28H; Eagle Nest; SESE 33-149N-94W; 2SEC; McKenzie; horizontal; 20,845; 4/19/2013; 759 bbl

24164; Numbus 149-94-33D-28H; Eagle Nest; SESE 33-149N-94W; 2SEC; McKenzie; horizontal; 21,170; 4/22/2013; 898 bbl

Fidelity Exploration and Production (MDU)

23616; Bauer 25-36H; Green River; NENE 25-140N-98W; 2SEC; Stark; horizontal; 20,064; 12/23/2012; 964 bbl

G3 Operating (Halcon Resources Corp.)

23223; Fort Berthold 148-94-22A-27-2H; Gregory Buttes; NENE 22-148N-94W; 2SEC; Dunn; horizontal; 20,500; 3/3/2013; 1,210 bbl

22826; Helstad 157-99-2A-11-1H; Lone Tree Lake; LOT1 2-157N-99W; N/A; Williams; horizontal; N/A; N/A; N/A

Hess

23457; BB-Budahn A-150-95-0403H-2; Blue Buttes; SENE 5-150N-95W; N/A; McKenzie; horizontal; N/A; N/A; N/A

24368; EN-Weyrauch A-154-93-1720H-3; Robinson Lake; NENE 17-154N-93W; N/A; Mountrail; horizontal; N/A; N/A; N/A

24370; EN-Weyrauch A-154-93-1720H-5; Robinson Lake; NENE 17-154N-93W; N/A; Mountrail; horizontal; N/A; N/A; N/A

23771; RC-Svihl 140-95-0706H-1; Davis Buttes; SESW 7-140N-95W; 2SEC; Stark; horizontal; 20,868; 3/1/2013; 193 bbl

24193; RS-Red Crown 156-91-2536H-2; Ross; NWNW 25-156N-91W; 2SEC; Mountrail; horizontal; 18,200; 3/3/2013; 250 bbl

Hunt Oil

22570; Antelope 1-36-25H; Antelope Creek; LOT2 4-148N-101W; N/A; McKenzie; horizontal; N/A; N/A; N/A

Marathon Oil

23564; Steve 34-31H; Big Bend; SWSE 31-151N-92W; 2SEC; Mountrail; horizontal; 20,082; 2/25/2013; 1,396 bbl

Mountain Divide

24185; Leininger 3-10-1H; Wildcat; LOT3 3-162N-101W; N/A; Divide; horizontal; N/A; N/A; N/A

Newfield Production

22582; Berg Federal 149-97-30-31-2H; Haystack Butte; NENW 30-149N-97W; 2SEC; McKenzie; horizontal; 21,023; 4/8/2013; 571 bbl

Oxy USA (Occidental Petroleum Corp.)

22576; Federal Steffan 1-7-6H-142-96; Manning; SESW 7-142N-96W; 2SEC; Dunn; horizontal; 20,215; 12/14/2012; 524 bbl

22590; Lamey 2-30-31H-143-96; Fayette; NENE 30-143N-96W; 2SEC; Dunn; horizontal; 20,318; 11/23/2012; 621 bbl

Petro-Hunt

23080; USA 153-95-18B-2H; Charlson; LOT1 18-153N-95W; SEC; McKenzie; horizontal; 15,388; 3/21/2013; 1,022 bbl

QEP Energy

24400; MHA 2-04-33H-150-92; Heart Butte; SWNE 9-149N-92W; N/A; Dunn; horizontal; N/A; N/A; N/A

24399; MHA 3-04-33H-150-92; SWNE 9-142N-92W; N/A; Dunn; horizontal; N/A; N/A; N/A

Samson Resources (KKR & Co.)

23915; Almos Farms 0112-1TFH; Ambrose; LOT4 1-162N-99W; 2SEC; Divide; horizontal; 18,001; 4/7/2013; 499 bbl

23916; Almos Farms 0112-2TFH; Ambrose; LOT4 1-162N-99W; 2SEC; Divide; horizontal; 17,848; 4/1/2013; 605 bbl

Statoil Oil and Gas

23434; Roger Sorenson 8-5H; Alger; SESE 8-155N-92W; N/A; Mountrail; horizontal; N/A; N/A; N/A

23944; Sanders 37-27 #1H; Ragged Butte; SWSE 34-151N-101W; N/A; McKenzie; horizontal; N/A; N/A; N/A
 23945; Sanders 34-27 #3TFH; Ragged Butte; SWSE 34-151N-101W; N/A; McKenzie; horizontal; N/A; N/A; N/A
 23943; Sanders 34-27 #4TFH; Ragged Butte; SWSE 34-151N-101W; N/A; McKenzie; horizontal; N/A; N/A; N/A

Whiting Oil and Gas

21257; Cherry State 21-16H; Pleasant Hill; NENW 16-149N-99W; 2SEC; McKenzie; horizontal; 20,620; 12/19/2012; 2,078 bbl

22723; Cherry State 21-16TFH; Pleasant Hill; NENW 16-149N-99W; 2SEC; McKenzie; horizontal; 21,071; 12/21/2012; 489 bbl

23936; Faiman 32-14; Hoot Owl; SWNE 14-141N-105W; E2; Golden Valley; vertical (Red River pool); 12,270; N/A; N/A

23743; Kuntz 34-31PH; Ukraina; SWSE 31-141N-97W; 2SEC; Dunn; horizontal; 20,275; 12/16/2012; 311 bbl

21320; Teddy 44-32TFH; Big Stick; SESE 32-142N-100W; 2SEC; Billings; horizontal; 20,350; 1/2/2013; 561 bbl

WPX Energy

23304; Blackhawk 1-12HW; Moccasin Creek; SWSE 36-148N-93W; N/A; Dunn; horizontal; N/A; N/A; N/A

23453; Dancing Bull 16-21HD; Van Hook; SWSE 9-150N-92W; 2SEC; Mountrail; horizontal; 19,850; 4/14/2013; 1,479 bbl

XTO Energy (ExxonMobil)

24131; Fbir Walterpackswold 34X-12H; Heart Butte; NWNE 12-149N-92W; N/A; Dunn; horizontal; N/A; N/A; N/A

Zavanna

22759; Martinez 36-25 1TFH; Foreman Butte; SWSW 36-150N-102W; 2SEC; McKenzie; horizontal; 20,770; 2/28/2013; 294 bbl

Zenergy

21841; Knels 17-8H; Dore; SWSE 17-151N-104W; 2SEC; McKenzie; horizontal; 20,119; 3/16/2013; 1,216 bbl

—Compiled by Ashley Lindly

Contact Ashley Lindly at
 alindly@petroleumnewsbakken.com



Bakken producers' stock prices

Closing prices as of June 19, along with those from previous Wednesday

Company	Exchange	Symbol	Closing price	Previous Wed.
Abraxas Petroleum Corp.	NASDAQ	AXAS	\$2.28	\$2.14
American Eagle Energy Corp.	AMZG	OTC	\$1.89	\$1.70
Arsenal Energy USA, Inc.	TSE	AEI	\$0.42	\$0.44
Baytex Energy Corp.	NYSE	BTE	\$37.50	\$36.44
Burlington Resources Co. (ConocoPhillips)	NYSE	COP	\$61.71	\$60.88
Continental Resources, Inc.	NYSE	CLR	\$87.62	\$85.58
Crescent Point Energy Corp.	TSE	CPG	\$36.44	\$35.65
Enerplus Resources USA Corp.	NYSE	ERF	\$15.30	\$14.81
EOG Resources, Inc.	NYSE	EOG	\$135.59	\$129.63
Fidelity Exploration and Production (MDU)	NYSE	MDU	\$25.11	\$25.02
G3 Operating, LLC (Halcon Resources Corp.)	NYSE	HK	\$5.92	\$5.13
GMX Resources, Inc.	PINK	GMXRQ	\$0.20	\$0.21
Hess Corp.	NYSE	HES	\$66.38	\$66.82
Kodiak Oil and Gas (USA), Inc.	NYSE	KOG	\$9.04	\$8.80
Legacy Reserves Operating LP	NASDAQ	LGCY	\$26.76	\$26.45
Marathon Oil Co.	NYSE	MRO	\$35.67	\$33.40
Newfield Production Co.	NYSE	NFX	\$24.43	\$22.37
Oasis Petroleum, Inc.	NYSE	OAS	\$41.50	\$40.65
OXY USA (Occidental Petroleum Corp.)	NYSE	OXY	\$91.76	\$90.95
QEP Energy Co.	NYSE	QEP	\$28.97	\$29.02
Resolute (Resolute Energy Corp.)	NYSE	REN	\$8.22	\$7.88
Samson Resources Co. (KKR & Co.)	NYSE	KKR	\$19.45	\$19.35
SM Energy Co.	NYSE	SM	\$62.17	\$61.61
Statoil Oil and Gas LP	NYSE	STO	\$21.85	\$21.91
Sundance Energy, Inc.	SEA	ASX	\$0.86	\$0.87
Triangle USA Petroleum Corp.	NYSE	TPLM	\$7.42	\$6.61
Whiting Oil and Gas Corp.	NYSE	WLL	\$48.55	\$47.58
WPX Energy, Inc.	NYSE	WPX	\$19.92	\$18.91
XTO Energy, Inc. (ExxonMobil)	NYSE	XOM	\$91.00	\$89.74

continued from page 12

ND ACTIVITY

Hump; horizontal; 2,803' ground; 25792; 33-033-00336; 6/13/2013

McKenzie Co.

Permits issued

Burlington Resources Oil and Gas (ConocoPhillips)

Aiden 31-13MBH; NWNE 13-148N-98W; 199'FNL and 1,770'FEL; Haystack Butte; on confidential status; 2,478' ground; 25774; 33-05-05041; 6/11/2013

Continental Resources

Salers 1-27H; NWNE 27-152N-94W; 170'FNL and 1,750'FEL; Antelope; on confidential status; 2,149' ground; 25814; 33-053-05058; 6/17/2013

Salers 2-27H; NWNE 27-152N-94W; 170'FSL and 1,550'FEL; Antelope; on confidential status; 2,144' ground; 25815; 33-053-05059; 6/17/2013

Kodiak Oil and Gas

Koala Wold 153-97-1-5-8-15H3; LOT1 5-153N-97W; 550'FNL and 1,255'FEL; Banks; on confidential status; 1,970' ground; 25803; 33-053-05051; 6/14/2013

Koala Wold 153-97-1-5-9-15H; LOT1 5-153N-97W; 579'FNL and 1,248'FEL; Banks; on confidential status; 1,971' ground; 25802; 33-053-05050; 6/14/2013

Koala Wold 153-97-1-5-29-1H3; LOT1 5-153N-97W; 521'FNL and 1,263'FEL; Banks; on confidential status; 1,970' ground; 25804; 33-053-05052; 6/14/2013

Koala Wold 153-97-1-5-29-2H; LOT1 5-153N-97W; 492'FNL and 1,270'FEL; Banks; on confidential status; 1,969' ground; 25805; 33-053-05053; 6/14/2013

Statoil Oil and Gas

Bugs 27-22 #2TFH; NWNW 34-151N-100W; 365'FNL and 1,180'FWL; Poe; on confidential status; 2,350' ground; 25775; 33-053-05042; 6/11/2013

Bugs 27-22 #7H; NWNW 34-151N-100W; 395'FNL and 1,176'FWL; Poe; on confidential status; 2,350' ground; 25776; 33-053-05043; 6/11/2013

Lloyd 34-3 #3TFH; NWNW 34-151N-100W; 425'FNL and 1,172'FWL; Sandrocks; on confidential status; 2,350' ground; 25777; 33-053-05044; 6/11/2013

Whiting Oil and Gas

Evelyn Moen 44-34H; SESE 34-150N-100W; 260'FSL and 210'FEL; Arnegard; horizontal; 2,336' ground; 25790; 33-053-05046; 6/12/2013

Lucky Lady 44-35H; SESE 34-150N-100W; 290'FSL and 210'FEL; Timber Creek; horizontal; 2,332' ground; 25789; 33-053-05045; 6/12/2013

Roy Moen 44-34-2H; SESE 34-150N-100W; 230'FSL and 210'FEL; Arnegard; horizontal; 2,339' ground; 25791; 33-053-05047; 6/12/2013

Schilke 14-33-2H; SWSW 33-149N-99W; 370'FSL and 1,060'FWL; Pleasant Hill; horizontal; 2,208' ground; N/A; 25794; 33-053-05048; 6/13/2013

Schilke 14-33H; SWSW 33-149N-99W; 370'FSL and 1,015'FWL; Pleasant Hill; horizontal; 2,205' ground; N/A; 25795; 33-053-05049; 6/13/2013

XTO Energy (ExxonMobil)

Twin State Federal 34X-36C; SWSE 36-153N-97W; 404'FSL and 2,393'FEL; Sand Creek; on confidential status; 2,146' ground; 25808; 33-053-05056; 6/14/2013

Twin State Federal 34X-36D; SWSE 36-153N-97W; 345'FSL and 2,388'FEL; Sand Creek; on confidential status; 2,150' ground; 25806; 33-053-05054; 6/14/2013

Twin State Federal 34X-36G; SWSE 36-153N-97W; 434'FSL and 2,396'FEL; Sand Creek; on confidential status; 2,141' ground; 25809; 33-053-05057; 6/14/2013

Twin State Federal 34X-36H; SWSE 36-153N-97W; 374'FSL and 2,391'FEL; Sand Creek; on confidential status; 2,150' ground; 25807; 33-053-05055; 6/14/2013

McLean Co.

Permits renewed

SHD Oil and Gas

Golden 22-31H; SENW 31-150N-90W; 1,977'FNL and 1,946'FWL; Deep Water Creek Bay; on confidential status; 2,038' ground; 19296; 33-055-00136; 6/17/2013

Mountrail co.

Permits issued

Fidelity Exploration and Production (MDU)

CGB 30-31H; NENW 30-155N-91W; 311'FNL and 1,795'FWL; Stanley; horizontal; 2,222' ground; 25780; 33-061-02602; 6/12/2013

Garfield 30-31H; NENW 30-155N-91W; 311'FNL and 1,745'FWL; Stanley; horizontal; 2,227' ground; 25781; 33-061-02603; 6/12/2013

EOG Resources

Wayzetta 36-1920H; NENW 19-513N-90W; 185'FNL and 1,630'FWL; Parshall; horizontal; 2,171' ground; 25785; 33-061-02604; 6/12/2013

Hess

EN-Cvancara A-155-93-3231H-4; SENE 32-155N-93W; 2,540'FNL and 802'FEL; Robinson Lake; on confidential status; 2,346' ground; 25786; 33-061-02605; 6/12/2013

EN-Cvancara A-155-93-3231H-5; SENE 32-155N-93W; 2,490'FNL and 802'FEL; Robinson Lake; on confidential status; 2,346' ground; 25787; 33-061-02606; 6/12/2013

EN-Cvancara A-155-93-3231H-6; SENE 32-155N-93W; 2,440'FNL and 802'FEL; Robinson Lake; on confidential status; 2,346' ground; 25788; 33-061-02607; 6/12/2013

Slawson Exploration

Jugard {Federal} 2-26-35H; SESE 23-152N-93W; 250'FSL and 800'FEL; Big Bend; on confidential status; 2,045' ground; 25811; 33-061-02610; 6/14/2013

Jugard {Federal} 6-26-35TFH; SESE 23-152N-93W; 250'FSL and 775'FEL; Big Bend; on confidential status; 2,045' ground; 25812; 33-061-02611; 6/14/2013

Whiting Oil and Gas

Uran 43-17-2H; NESE 17-153N-92W; 2,362'FSL and 643'FEL; Sanish; horizontal; 2,085' ground; 25797; 33-061-02609; 6/13/2013

Uran 43-17H; NESE 17-153N-92W; 2,415'FSL and 570'FEL; Sanish; horizontal; 2,105' ground; 25796; 33-061-02608; 6/13/2013

Stark Co.

Permits issued

Fidelity Exploration and Production (MDU)

Justine 25-36H; NWNE 25-140N-98W; 415'FNL and 1,766'FEL; Green River; horizontal; 2,646' ground; 25782; 33-089-00795; 6/12/2013

Permits cancelled

Whiting Oil and Gas

Prairie Rose 34-11PH; SWSE 11-138N-97W; 325'FSL and 1,950'FEL; Heart River; horizontal; 2,646' ground; 23239; 33-089-00713; 6/13/2013

Williams Co.

Permits issued

G3 Operating (Halcon Resources Corp.)

Njos 157-100-28B-33-2H; NWNW 28-157N-100W; 250'FNL and 1,215'FWL; Marmon; on confidential status; 1,938' ground; 25793; 33-105-03107; 6/13/2013

—Compiled by Ashley Lindly



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continued from page 14

ND PRODUCTION

Ice Caves – Bakken – Billings	162
North Tioga – Bakken – Burke	73
Tree Top – Bakken – Billings	82

Daily average: 10.6

Endeavor Energy Resources, LP	
Bicentennial – Bakken – McKenzie	50

Daily average: 1.7

Enerplus Resources USA Corporation	
Beicegel Creek – Bakken – McKenzie	0
Eagle Nest – Bakken – Dunn	32,222
Four Bears – Bakken – McKenzie	884
Heart Butte – Bakken – Dunn	30,157
Mandaree – Bakken – Dunn	107,955
McGregory Buttes – Bakken – Dunn	110,802
Moccasin Creek – Bakken – Dunn	25,108
Mondak – Bakken – McKenzie	114
South Fork – Bakken – Dunn	11,216
Spotted Horn – Bakken – McKenzie	16,111
Squaw Creek – Bakken – Dunn	6,807
Wildcat – Bakken – Dunn	4,799

Daily average: 11,539.2

EOG Resources, Inc.	
Alger – Bakken – Mountrail	42,925
Clarks Creek – Bakken – McKenzie	167,053
Clear Water – Bakken – Burke/Mountrail	120,067
Cottonwood – Bakken – Mountrail	13,385
Eightmile – Bakken – Williams	2,448
Hebron – Bakken – Williams	5,148
Kittleson Slough – Bakken – Mountrail	62,293
Lake Trenton – Bakken – Williams	1,219
Little Butte – Bakken – Burke	1,144
Mandaree – Bakken – Dunn	12,163
Painted Woods – Bakken – Williams	38,621
Parshall – Bakken – Mountrail	581,425
Rosebud – Bakken – Williams	3,867
Ross – Bakken – Mountrail	69,789
Round Prairie – Bakken – Williams	31,851
Sixmile – Bakken – Williams	7,773
Spotted Horn – Bakken – McKenzie	25,615
Squaw Creek – Bakken – McKenzie	22,480

Squires – Bakken – Williams	3,099
Stanley – Bakken – Mountrail	21,746
Thompson Lake – Bakken – Burke	23,814
Van Hook – Bakken – Mountrail	107,315
Vanville – Bakken – Burke	738
Wildcat – Bakken – Williams	1,351

Daily average: 45,577.6

Evertson Operating Company, Inc	
Ray – Bakken – Williams	205

Daily average: 6.8

Fidelity Exploration & Production (MDU)	
Alger – Bakken – Mountrail	6,190
Dutch Henry Butte – Bakken – Stark	11,283
Green River – Bakken – Stark	5,198
Heart River – Bakken – Stark	16,144
New Hradec – Bakken – Stark	3,712
Sanish – Bakken – Mountrail	103,646
Stanley – Bakken – Mountrail	76,627
Wildcat – Bakken – Stark	130

Daily average: 7,431

Filco Incorporated	
Charlson – Bakken – McKenzie	33
Rough Rider – Bakken – McKenzie	15

Daily average: 1.6

G3 Operating, LLC (Halcon Resources Corp.)	
Climax – Bakken – Williams	10,902
Dublin – Bakken – Williams	10,467
Eagle Nest – Bakken – Dunn	113,989
Ellisville – Bakken – Williams	2,830
Flat Top Butte – Bakken – McKenzie	0
Four Bears – Bakken – McKenzie	79,819
Good Luck – Bakken – Williams	6,026
Little Muddy – Bakken – Williams	9,758
Lone Tree Lake – Bakken – Williams	7,044
Marmon – Bakken – Williams	19,546
McGregory Buttes – Bakken – Dunn	52,001
Otter – Bakken – Williams	20,405
Spotted Horn – Bakken – McKenzie	8,500
Strandahl – Bakken – Williams	50,403
Tyrone – Bakken – Williams	3,248
Wildcat – Bakken – Williams	16,267

Daily average: 13,706.8

Gadeco, LLC	
Epping – Bakken – Williams	111

Daily average: 3.7

Galaxy Oil	
Hamlet – Bakken – Divide	0
Sauk – Bakken – Williams	0

Daily average: 0

GMX Resources, Inc.	
Beicegel Creek – Bakken – McKenzie	4,145
Bennett Creek – Bakken – McKenzie	4,131
Butte – Bakken – McKenzie	2,627
Magpie – Bakken – McKenzie	2,432
New Hradec – Bakken – Stark	1,562
Ranch Creek – Bakken – McKenzie	2,928
Tree Top – Bakken – Billings	214

Daily average: 601.3

Hess Corporation	
Alger – Bakken – Mountrail	95,177
Alkali Creek – Bakken – Mountrail	108,953
Antelope Creek – Bakken – McKenzie	6,370
Bailey – Bakken – Dunn	206
Banks – Bakken – McKenzie	9,955
Baskin – Bakken – Mountrail	17,452
Baukol Noonan – Bakken – Divide	1,246
Bear Creek – Bakken – Dunn	2,686
Beaver Lodge – Bakken – Williams	88,608
Big Butte – Bakken – Mountrail	112,540
Big Gulch – Bakken – Dunn	12,395
Blue Buttes – Bakken – McKenzie	205,635
Capa – Bakken – Williams	23,435
Cedar Coulee – Bakken – Dunn	17,311
Cherry Creek – Bakken – McKenzie	25,279
Clear Water – Bakken – Mountrail	19,497
Cottonwood – Bakken – Mountrail	868
Crazy Man Creek – Bakken – Williams	7,350
Dollar Joe – Bakken – Williams	28,356
East Fork – Bakken – Williams	1,931
East Tioga – Bakken – Mountrail	662
Elk – Bakken – McKenzie	3,311
Ellsworth – Bakken – McKenzie	27,364

see ND PRODUCTION page 17



Top 50 North Dakota Bakken oil producers April 2013

Company	BODP*
1 Continental Resources, Inc.	76,227.1
2 Whiting Oil and Gas Corporation	68,815.4
3 Hess Corporation	60,904.9
4 EOG Resources, Inc.	45,577.6
5 Statoil Oil & Gas LP	45,485.4
6 Marathon Oil Company	38,892.3
7 XTO Energy Inc. (ExxonMobil)	36,836.1
8 Oasis Petroleum North America LLC	25,845.1
9 Kodiak Oil & Gas (USA), Inc.	25,548.9
10 Burlington Resources Oil & Gas Company, LP (ConocoPhillips)	23,782.9
11 QEP Energy Company	20,188.9
12 WPX Energy Williston, LLC	18,342.1
13 Slawson Exploration Company, Inc.	17,596.7
14 SM Energy Company	15,213.7
15 Oxy USA, Inc.	14,484.4
16 Newfield Production Company	13,837.6
17 G3 Operating, LLC (Halcon Resources Corp.)	13,706.8
18 Enerplus Resources USA Corporation	11,539.2
19 Petro-Hunt, LLC	11,410.6
20 Hunt Oil Company	9,723.5
21 Murex Petroleum Corporation	8,908.2
22 Zenergy, Inc.	8,466.2
23 Zavanna, LLC	8,194.1
24 Samson Resources Company (KKR & Co.)	7,859.8
25 Fidelity Exploration & Production (MDU)	7,431.0
26 Baytex Energy USA Ltd	4,154.2
27 Liberty Resources, LLC (Kodiak)	3,986.8
28 Crescent Point Energy US Corp.	3,743.4
29 Triangle USA Petroleum Corporation	3,630.3
30 Sequel Energy, LLC	3,126.2
31 American Eagle Energy Corporation	2,397.5
32 Sinclair Oil and Gas Company	1,862.9
33 Cornerstone Natural Resources, LLC	1,030.7
34 Abraxas Petroleum Corp	806.2
35 Arsenal Energy USA, Inc.	696.0
36 GMX Resources, Inc.	601.3
37 True Oil, LLC	556.7
38 Wesco Operating, Inc.	556.7
39 Bakken Hunter, LLC	263.6
40 Windsor Energy Group, LLC	215.1
41 Prima Exploration, Inc.	161.0
42 Resolute Natural Resources Company, LLC	139.4
43 Resource Drilling, LLC	138.2
44 Legacy Reserves Operating LP	126.7
45 SHD Oil & Gas, LLC	100.8
46 Petro Havester Operating Company, LLC	35.3
47 Texakota, Inc.	28.2
48 Pride Energy, An Oklahoma General Partnership	24.4
49 Sundance Energy, Inc.	19.0
50 Peregrine Petroleum Partners, LTD	17.0

*Barrels of oil per day

Bakken petroleum system production was derived from the preliminary April 2013 Oil & Gas Production Report published by the North Dakota State Industrial Commission's Department of Minerals. Note this is the oil produced from wells operated by these companies; it does not identify the percentage of Bakken petroleum system oil (including the Three Forks and other formations) that is owned by the company or its partners, so it may differ from what the company reports.

—Compiled by Joshua Borough

Contact Joshua Borough at
jborough@petroleumnews.com



North Dakota Pipeline Authority

Monthly update June 15, 2013

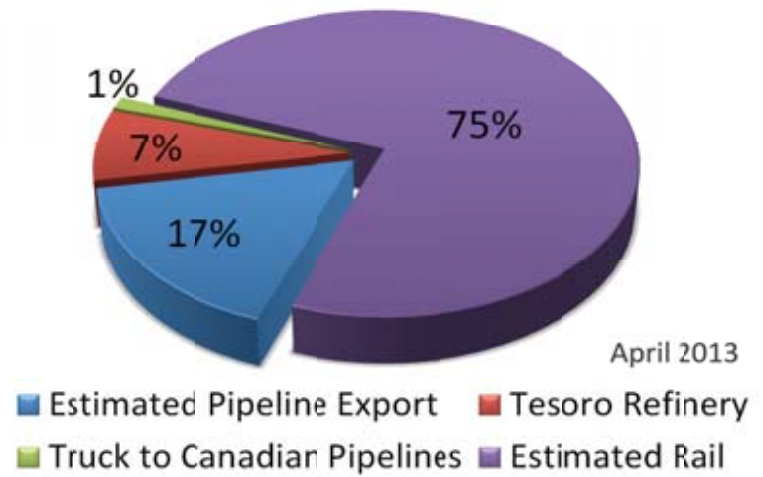
US Williston Basin Oil Production

MONTH	ND	Eastern MT ¹	SD	TOTAL
January	737,963	70,317	4,617	812,897
February	779,069	71,576	4,891	855,536
March	782,999	73,101	5,111	861,211
April	793,249			--
May				--
June				--
July				--
August				--
September				--
October				--
November				--
December				--

JJ Kringstad - North Dakota Pipeline Authority

2

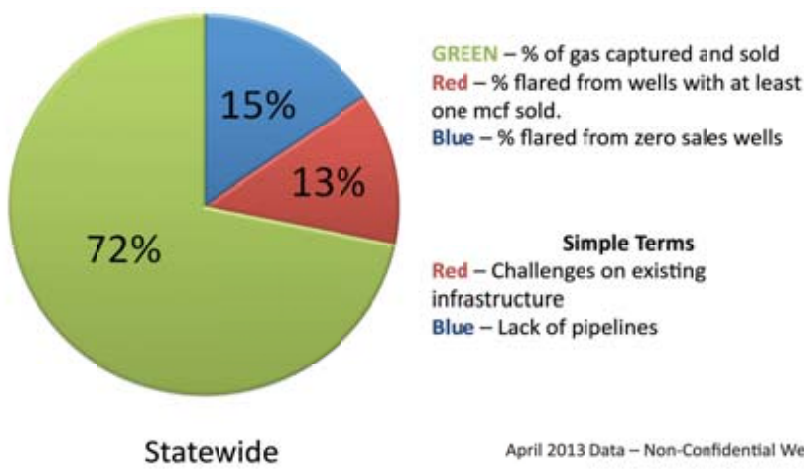
Estimated Williston Basin Oil Transportation



JJ Kringstad - North Dakota Pipeline Authority

3

Solving the Flaring Challenge



JJ Kringstad - North Dakota Pipeline Authority

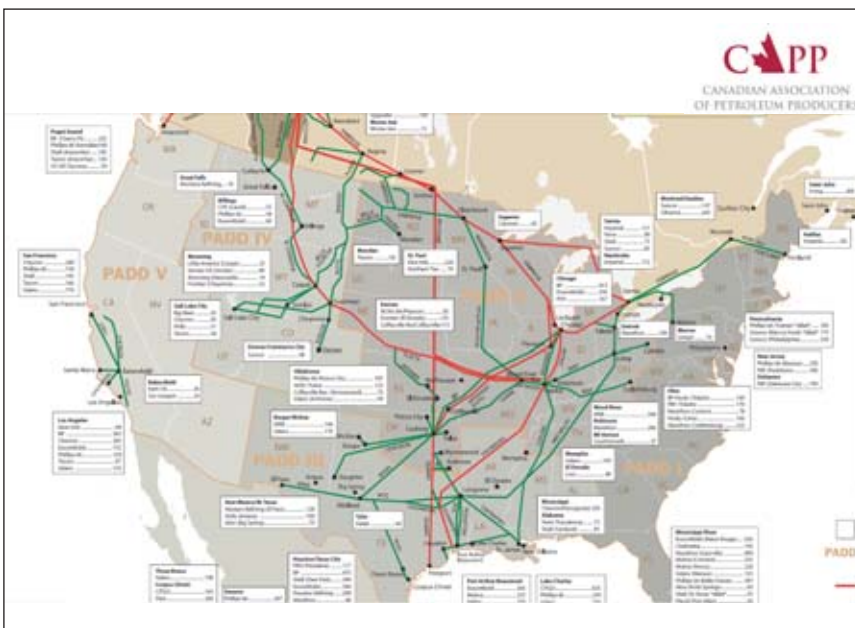
1

Capturing the 15% Faster Well Connections

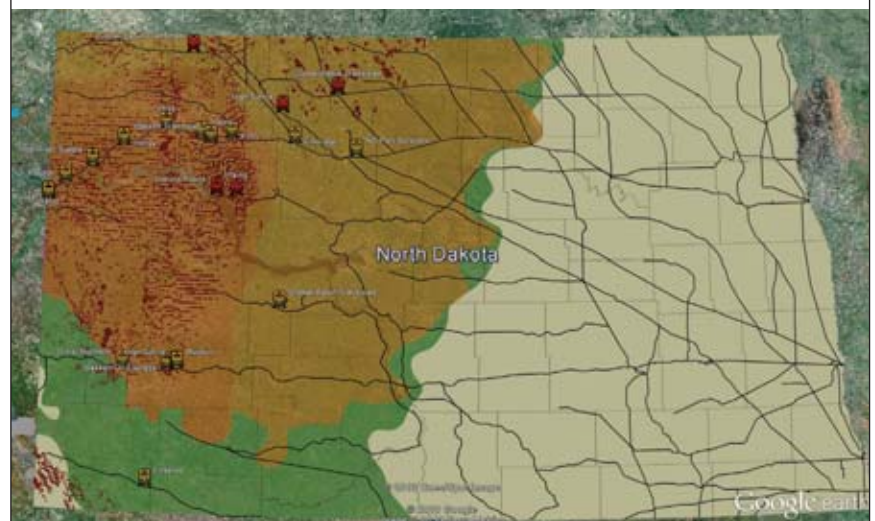


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8



Oil Loading Rail Facilities



To see the rest of NDPA's updated charts, please visit <http://bit.ly/1aww53C>

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continued from page 15

ND PRODUCTION

Elm Tree – Bakken – McKenzie	15,192
Enget Lake – Bakken – Mountrail	986
Forthun – Bakken – Burke	4,220
Glass Bluff – Bakken – McKenzie	7,270
Hans Creek – Bakken – Dunn	0
Hawkeye – Bakken – McKenzie	120,370
Hofflund – Bakken – Williams	17,372
Jim Creek – Bakken – Dunn	1,796
Juniper – Bakken – McKenzie	2,334
Kittleson Slough – Bakken – Mountrail	721
Lake Ilo – Bakken – Dunn	0
Larson – Bakken – Burke	3,512
Little Knife – Bakken – DUN/MCK	106,592
Lone Butte – Bakken – Dunn	3,216
Lone Tree Lake – Bakken – Williams	20,781
Long Creek – Bakken – Williams	4,879
Manitou – Bakken – Mountrail	105,062
Manning – Bakken – Dunn	147
Marmon – Bakken – Williams	12,097
Midway – Bakken – Williams	920
Murphy Creek – Bakken – Dunn	43,753
New Home – Bakken – Williams	2,479
Oliver – Bakken – Williams	9,394
Parshall – Bakken – Mountrail	2,968
Pleasant Valley – Bakken – Mountrail	11,853
Rainbow – Bakken – Williams	9,869
Ray – Bakken – Williams	54,041
Robinson Lake – Bakken – Mountrail	140,247
Ross – Bakken – Mountrail	61,157
Sandrock – Bakken – McKenzie	3,125
Sather Lake – Bakken – McKenzie	15,578
Saxon – Bakken – Dunn	0
Short Creek – Bakken – Burke	1,252
Siverston – Bakken – McKenzie	4,789
Sorkness – Bakken – Mountrail	6,522
South Meadow – Bakken – Williams	2,044
South Tobacco Garden – Bakken – McKenzie	6,115
Spencer – Bakken – Ward	1,127
Stanley – Bakken – Mountrail	3,606
Timber Creek – Bakken – McKenzie	4,742
Tioga – Bakken – WIL/MTL	14,449
Truax – Bakken – Williams	115,171
Westberg – Bakken – McKenzie	5,814
Wheelock – Bakken – Williams	56,077
White Earth – Bakken – Mountrail	2,762
Wildcat – Bakken – McKenzie	4,159

Daily average: 60,904.9

Hunt Oil Company

Alexandria – Bakken – Divide	4,922
Antelope Creek – Bakken – McKenzie	6,971
Bailey – Bakken – Dunn	6,802
Bear Butte – Bakken – McKenzie	11,070
Bluffton – Bakken – Divide	5,482
Buffalo Wallow – Bakken – McKenzie	1,241
Bully – Bakken – McKenzie	1,498
Clear Water – Bakken – Mountrail	12,764
Ellsworth – Bakken – McKenzie	1,735
Frazier – Bakken – Divide	5,986
Lake Ilo – Bakken – Dunn	11,978
Parshall – Bakken – Mountrail	103,732
Ross – Bakken – Mountrail	54,941
Sioux Trail – Bakken – Divide	5,988
Werner – Bakken – Dunn	22,519
Wolf Bay – Bakken – Dunn	34,076

Daily average: 9,723.5

Jettison, Inc.

Little Knife – Bakken – Billings	25
Stoneview – Bakken – Burke	475

Daily average: 16.7

Kodiak Oil & Gas (USA), Inc.

Banks – Bakken – McKenzie	36,727
Big Stone – Bakken – Williams	4,587
Bully – Bakken – McKenzie	2,357
Corinth – Bakken – Williams	8,845
East Fork – Bakken – Williams	12,057
Epping – Bakken – Williams	54,960
Grinnell – Bakken – McKenzie	15,540
Heart Butte – Bakken – Dunn	68,680
Mandaree – Bakken – Dunn	34,538
Moccasin Creek – Bakken – Dunn	113,199
Mondak – Bakken – McKenzie	15,097
Pembroke – Bakken – McKenzie	72,346
Pierre Creek – Bakken – McKenzie	377
Poe – Bakken – McKenzie	95,316
Ranch Creek – Bakken – McKenzie	5,768
Sand Creek – Bakken – McKenzie	1,695
South Fork – Bakken – Dunn	36,362
Stockyard Creek – Bakken – Williams	44,592
Truax – Bakken – Williams	114,056
Twin Buttes – Bakken – Dunn	25,113
Wildcat – Bakken – WIL/MCK	1,055
Wildrose – Bakken – Divide	3,200

Daily average: 25,548.9

Legacy Reserves Operating LP

Ash Coulee – Bakken – Billings	576
Elkhorn Ranch – Bakken – Billings	720
Roosevelt – Bakken – Billings	1,811
South Boxcar – Bakken – McKenzie	214
Squaw Gap – Bakken – McKenzie	480

Daily average: 126.7

Liberty Resources, LLC (Kodiak)

Cow Creek – Bakken – Williams	6,220
East Fork – Bakken – Williams	34,943
Glass Bluff – Bakken – McKenzie	25,054
Pronghorn – Bakken – McKenzie	11,623
Springbrook – Bakken – Williams	13,961
Tyrone – Bakken – Williams	27,803

Daily average: 3,986.8

Marathon Oil Company

Bailey – Bakken – Dunn	254,482
Big Bend – Bakken – Mountrail	38,988
Chimney Butte – Bakken – Dunn	8,836
Deep Water Creek Bay – Bakken/McLean	40,499
Four Bears – Bakken – McKenzie	13,248
Jim Creek – Bakken – Dunn	715
Killdeer – Bakken – Dunn	59,649
Lake Ilo – Bakken – Dunn	20,459
Lost Bridge – Bakken – Dunn	50,227
McGregory Buttes – Bakken – Dunn	37,256
Moccasin Creek – Bakken – Dunn	13,132
Murphy Creek – Bakken – Dunn	103,909
Reunion Bay – Bakken – MTL/MCK	431,739
Strandahl – Bakken – Williams	22,420
Van Hook – Bakken – Mountrail	55,107
Werner – Bakken – Dunn	7,104
Wildcat – Bakken – Williams	0
Wolf Bay – Bakken – Dunn	8,124
Zahl – Bakken – Williams	876

Daily average: 38,892.3

MBI Oil & Gas, LLC

Rough Rider – Bakken – McKenzie	0
Tree Top – Bakken – Billings	2

Daily average: 0.1

Missouri River Royalty Corporation

Juniper – Bakken – McKenzie	68
Manitou – Bakken – Mountrail	204

Daily average: 9.1

Murex Petroleum Corporation

Alexander – Bakken – McKenzie	7,907
Beaver Lodge – Bakken – Williams	16,843
Glass Bluff – Bakken – McKenzie	9,627
Lonesome – Bakken – McKenzie	6,937
McGregor – Bakken – Williams	18,995
Midway – Bakken – Williams	15,378
Rawson – Bakken – McKenzie	15,950
Sandrock – Bakken – McKenzie	3,101
Sanish – Bakken – Mountrail	68,305
Stanley – Bakken – Mountrail	80,364
Temple – Bakken – Williams	287
Tioga – Bakken – Williams	1,940
West Bank – Bakken – Williams	18,234
West Capa – Bakken – Williams	1,651
West Tioga – Bakken – Williams	1,726

Daily average: 8,908.2

Newfield Production Company

Banks – Bakken – McKenzie	5,053
Bear Den – Bakken – McKenzie	26,952
Fertile Valley – Bakken – Divide	4,799
Hanks – Bakken – Williams	4,816
Haystack Butte – Bakken – Dunn	45,040
Keene – Bakken/Three Forks – McKenzie	58,230
Lost Bridge – Bakken – Dunn	6,161
Pembroke – Bakken – McKenzie	7,267
Sand Creek – Bakken – McKenzie	14,593
Sandrock – Bakken – McKenzie	4,589
Siverston – Bakken – McKenzie	31,436
South Tobacco Garden – Bakken – McKenzie	106,590
Tobacco Garden – Bakken – McKenzie	34,638
Westberg – Bakken – McKenzie	64,963

Daily average: 13,837.6

Oasis Petroleum North America LLC

Alger – Bakken – Mountrail	55,981
Alkali Creek – Bakken – Mountrail	13,196
Baker – Bakken – McKenzie	31,038
Black Slough – Bakken – Burke	0
Bonetrail – Bakken – Williams	22,122
Bull Butte – Bakken – Williams	48,386
Camp – Bakken – McKenzie	149,596
Cottonwood – Bakken – BRK/MTL	97,981
Cow Creek – Bakken – Williams	6,429
Crazy Man Creek – Bakken – Williams	43,556
Eightmile – Bakken – McKenzie	3,808
Ft. Buford – Bakken – Williams	3,113
Gros Ventre – Bakken – Burke	59,252
Indian Hill – Bakken – McKenzie	1,557
Leaf Mountain – Bakken – Burke	617
Lucy – Bakken – Burke	4,179
Missouri Ridge – Bakken – Williams	14,495
Mondak – Bakken – McKenzie	4,361
Painted Woods – Bakken – Williams	11,332
Robinson Lake – Bakken – Mountrail	7,246
Sanish – Bakken – Mountrail	24,053
Sorkness – Bakken – Mountrail	14,294
Squires – Bakken – Williams	36,389
Strandahl – Bakken – Williams	1,976
Todd – Bakken – Williams	5,741
Tyrone – Bakken – Williams	50,848
Wildcat – Bakken – MCK/MTL	19,700
Willow Creek – Bakken – Williams	44,106

Daily average: 25,845.1

Oxy USA, Inc.

Cabernet – Bakken – Dunn	36,120
Crooked Creek – Bakken – Dunn	4,402
Dimond – Bakken – Burke	37,806
Fayette – Bakken – Dunn	130,432
Hungry Man Butte – Bakken – Billings	8,437
Little Knife – Bakken – BIL/DUN	5,242
Manning – Bakken – Dunn	42,184
Murphy Creek – Bakken – Dunn	85,988
Russian Creek – Bakken – Dunn	12,896
Saddle Butte – Bakken – Billings	1,297
Simon Butte – Bakken – Dunn	10,801
St. Anthony – Bakken – Dunn	13,267
Vanville – Bakken – Burke	5,560
Wildcat – Bakken – Dunn	0
Willmen – Bakken – Dunn	40,099

Daily average: 14,484.4

Peregrine Petroleum Partners, LTD

Buckhorn – Bakken – Billings	135
Covered Bridge – Bakken – McKenzie	102
Flat Top Butte – Bakken – McKenzie	274

Daily average: 17

Petro Havester Operating Company, LLC

Little Butte – Bakken – Burke	89
Thompson Lake – Bakken – Burke	771

Daily average: 35.3

Petro-Hunt, LLC

Arnegard – Bakken – McKenzie	3,472
Charlson – Bakken – McKenzie	111,554
Clear Creek – Bakken – McKenzie	82,059
East Fork – Bakken – Williams	10,435
East Tioga – Bakken – Mountrail	24,478
Elk – Bakken – McKenzie	5,226
Glass Bluff – Bakken – McKenzie	10,171
Keene – Bakken/Three Forks – McKenzie	2,656
Little Knife – Bakken – BIL/DUN	6,621
Lone Tree Lake – Bakken – Williams	3,753
Nameless – Bakken – McKenzie	3,070
North Tioga – Bakken – Burke	44,296
Powers Lake – Bakken – Mountrail	1,414
Pronghorn – Bakken – McKenzie	2,383
Rawson – Bakken – McKenzie	4,135
Stockyard Creek – Bakken – Williams	6,104
Stoneview – Bakken – Divide	1,001
Union Center – Bakken – McKenzie	17,065
Wildcat – Bakken – DUN/WIL/MCK	2,424

Daily average: 11,410.6

Phillip D. Armstrong

Charlson – Bakken – McKenzie	79
Elm Tree – Bakken – McKenzie	114

Daily average: 6.4

Pride Energy, An Oklahoma General Partnership

Cartwright – Bakken – McKenzie	487
Elkhorn Ranch – Bakken – Billings	244
Squaw Gap – Bakken – McKenzie	0

Daily average: 24.4

Prima Exploration, Inc.

Little Butte – Bakken – Burke	1,495
South Coteau – Bakken – Burke	1,067
Wildcat – Bakken – Burke	2,267

Daily average: 161

QEP Energy Company

Blue Buttes – Bakken – McKenzie	50,526
Croff – Bakken – McKenzie	26,319
Deep Water Creek Bay – Bakken – McLean	60,184
Grail – Bakken – McKenzie	131,368
Heart Butte – Bakken – Dunn	294,879
Spotted Horn – Bakken – McKenzie	21,075
Squires – Bakken – Williams	9,479
Van Hook – Bakken – Mountrail	6,035
Wildcat – Bakken – Dunn	5,802

Daily average: 20,188.9

Ranch Oil Company

Westberg – Bakken – McKenzie	33
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Daily average: 1.1

Resolute Natural Resources Company, LLC

Lone Butte – Bakken – McKenzie	3,673
Ranch Creek – Bakken – McKenzie	510

Daily average: 139.4

Resource Drilling, LLC

Clear Water – Bakken – Mountrail	4,145
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Daily average: 138.2

Rolling Hills Oil & Gas, LLC

Big Gulch – Bakken – Dunn	10
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Daily average: 0.3

Samson Resources Company (KKR & Co.)

Ambrose – Bakken – Divide	141,345
Black Slough – Bakken – Burke	6,692

To view this chart in its entirety, please visit:
<http://bit.ly/13TJAee>

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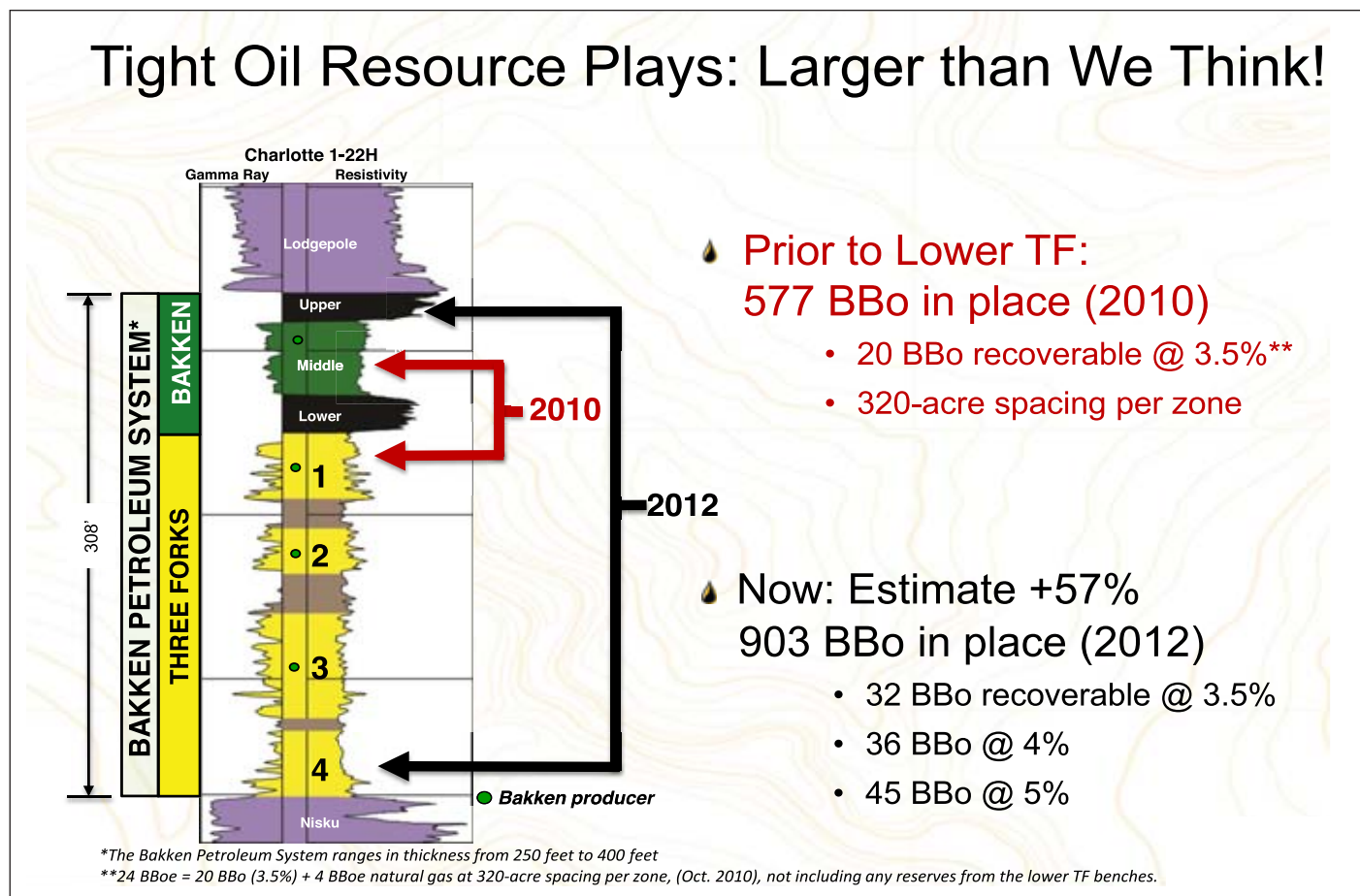
RECOVERIES

for the lower benches of the Three Forks formation, which is part of the Bakken petroleum system, will extend out farther than originally estimated.

“So in other words, we don’t think that the natural production is going to go a lot higher than what the current models say,” Helms said. “But we think that the lower benches of the Three Forks are going to result in that peak being really extended. So that instead of hitting a peak and it dropping off, starting to decline in a year or two, we could see a decade of those kind of production numbers.”

Helms said industry is picking up the additional \$107 million needed to fund the project.

As Petroleum News Bakken reported earlier in June, the North Dakota Industrial Commission approved a grant of \$8 million to the North Dakota Oil and Gas Research Council to help fund a \$115 million, three-year project to evaluate exploration and production in the various benches of the Three Forks formation in the Williston Basin. The project, which will focus on exploring Three Forks reserves, determining optimal Bakken pool well densities and optimizing Bakken



production, will be conducted in McKenzie County.

Helms said industry is picking up the additional \$107 million needed to fund the project.

And while it is very early in terms of

how many wells and what the overall potential is going to be, the preliminary results are exciting.

“I just met with a couple of operators last week and they’re both looking at deeper Three Forks benches, and industry

has got a lot of plans ongoing with regards to infill drilling and development.”

—MIKE ELLERD

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Petroleum News Bakken

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Larson unveils LED designed for high bay lighting

Longtime leader in industrial lighting Larson Electronics said June 14 that it has released a 150 watt LED light designed for high bay lighting installations that provides output comparable to a standard 400 watt metal halide light in a smaller fixture that uses half the power. The GAU-HB-30X5W-1227 LED High Bay Light is light-weight and compact in size yet produces 14,790 lumens of light output, making it an ideal alternative to bulkier, hot running and less reliable metal halide high bay fixtures.

The high bay light is a powerful and rugged industrial grade lighting solution that gives operators the ability to replace their bulky and aging HID lighting systems with a light weight, efficient, and longer lived alternative. This LED high bay light pulls only 150 watts at 1.25 amps from standard 120 VAC, yet produces light output comparable to that of 400 watt metal halide light fixtures. Like metal halide fixtures, the light from this LED light is bright white and very evenly distributed, but unlike metal halide, these LED fixtures run much cooler and do not experience color shifting and erratic operation as the lamp ages. These fixtures also do not require any ballast or large reflector assembly, making them smaller, lighter and more reliable than standard HID systems which require ballasts to power the bulb and large reflectors to effectively distribute light output. For more information visit www.larsonelectronics.com.



Bakken Players

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MAGNUM REPORTS

“I have lots of excuses but the excuses are totally unacceptable; and for that, we apologize to our shareholders and our lenders and our investors,” Evans said in a March conference call.

CEO accepted responsibility

Evans personally accepted responsibility, suggesting that his eagerness as head of the company to grow Magnum Hunter contributed to accounting problems, noting troubles with assimilating two acquisitions into the company last year. In effect, he said, Magnum Hunter did not have sufficient accounting personnel to keep pace with company growth.

“And so is this a black eye? Absolutely,” Evans said in March. “Is this being fixed? Most definitely.”

Evans told analysts June 14 that Magnum Hunter was finally able to file its federally mandated 10-K report after the board fired its accounting firm, PricewaterhouseCoopers, on April 10, and hired BDO on April 16 to complete the audit.

It’s “quite unusual” for a company to dismiss its accounting firm,” Evans said, noting that the board and senior management team “stand firm that we had very valid reasons” for firing the generally respected accounting firm.

“And I think the proof is in the pudding,” he added, “that we hired a completely new accounting firm, the fifth largest in the country who didn’t know us from Adam, and they accomplished the goal in less than 60 days with an unqualified audit opinion. Need I say more?”

MHR strengthens oversight

Magnum Hunter also strengthened its accounting department with a new chief accounting officer and head of financial reporting, as well as adding controllers.

“We have a remediation plan that is in place,” said Ronald Ormand, chief financial officer and executive vice president of Magnum Hunter. “The primary aspect of that, obviously, are new and more qualified people (and) new processes that will create efficiencies and more timely reporting for the company and a new integrated accounting system. This will be occurring throughout 2013 and into early 2014.”

Evans said Magnum Hunter was “rubbed” and “scrubbed” by the auditors, “and I think it’s a testimony to the entire team that there was really nothing found. We have a clean opinion. ...”

“This has been a trying time for me and our management team and our employees,” he added. “There was a lot of scrutiny on us. There were a lot of questions about our credibility and our accountability.”

The 10-K report depicts an E&P company with growth on its mind, one of the

factors that contributed to its accounting woes.

Revenue, production soars

Total revenues for full-year 2012 rocketed 139 percent to \$271 million compared to \$114 million for 2011, while revenues for the final quarter of the year jumped 101 percent to \$83.7 million compared to \$41.6 million for the same quarter a year earlier.

Management attributed the huge increase in revenue to a boom in oil and gas production, resulting from a combination of acquisitions and increased drilling efforts throughout 2012 in Magnum Hunter’s unconventional resource plays, notably the Bakken petroleum system.

Production for full-year 2012 soared 139 percent to an average 14,587 barrels of oil equivalent per day versus 5,510 boe per day in 2011. Output for the fourth quarter alone rose 60 percent to 14,587 boe per day compared to 9,124 boe per day for the prior year’s final quarter.

Magnum Hunter reaffirmed its year-end 2013 production exit rate guidance at 23,000-25,000 boe per day, representing upward of a 71 percent increase over 2012.

Income loss reported

On the downside, Magnum Hunter reported a net income loss of \$167.4 million for full-year 2012 compared to a net

loss of \$90.7 million for full-year 2011, and a net loss of \$85.4 million for the fourth quarter of 2012 versus a loss of \$94.3 million for the final quarter of 2011.

However, a significant portion (\$74.7 million) of Magnum Hunter’s reported losses in 2012 were due to non-cash impairments on the value of a large acreage position the company initially acquired, “which led us to focus on other areas, thereby impairing certain acreage that will expire in the future.”

Evans pointed out that for a company of Magnum Hunter’s size, a total acreage position of 725,000 net acres “is absolutely phenomenal.”

“So it’s okay to write off some acreage, which we did (in) areas that we don’t plan to drill,” he said.

Magnum Hunter said its net income for the 2012 fourth quarter was actually \$8.9 million when adjusted for non-cash and non-recurring expenses, while the company’s net loss for full-year 2012 was \$16.5 million when adjusted.

Magnum Hunter’s proved reserves as of Dec. 31, 2012, which were disclosed in the company’s previously released reserve update on Jan. 23, 2013, remained unchanged at 73.1 million boe. About 63 percent were oil and natural gas liquids, with 52 percent classified as proved developed producing reserves. ●

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PRODUCTION PACE

and he said in a monthly press conference held jointly with the North Dakota Pipeline Authority on June 14 that he is anticipating a surge in production this summer. July and August are typically very warm months with long days, Helms said, during which a “tremendous” amount of work can get done. “We expect a big surge in production coming up in the summer months,” he said, but added that “it may be a very short summer. I’ve started counting the months until Halloween, and there aren’t very many left, and that’s usually when winter arrives.”

April production in the state hit a daily average of 793,249 barrels of oil per day, up 1.3 percent from the average production of 782,999 bopd in March, itself a record high. Helms said April’s production is approaching a milestone level of 800,000 bopd, which he said will be “new territory,” and will “likely come in the next month or so.” (Bakken petroleum system oil production in April was 662,788.8 barrels of oil per day as compared to 658,835.7 barrels in March. See breakdown by company and a list of Top 50 North Dakota Bakken Oil Producers in this issue’s Bakken Stats section that starts on page 9.)

Natural gas production also hit a new high in April at an average of approximately 860 million cubic feet per day, up 3.2 percent from March gas production. Another 119 wells went on production in April, bringing the total number of producing wells in North Dakota to 8,758, another record high. “It’s difficult when you set all kinds of new records, and you just call it more of the same, but that’s North Dakota these days,” Helms said.

Drilling outpacing completions

While the state set new production records in April, the number of wells waiting on completion also increased, and Helms estimates that there are currently some 490 wells that have been drilled but

Activity softer, new tech from Divide

Although North Dakota is anticipating a surge in oil production this summer, the full effect may not be felt in Divide County. When asked about oil production in Divide during a June 14 press conference, North Dakota Oil and Gas Division Director Lynn Helms said there are two factors affecting oil and gas activity in the county.

First are road restrictions. Helms said not only are there still county road restrictions in effect, but there are also state highway load restrictions, with Divide County “the worst of the worst in terms of road restrictions.”

Overall, Helms said, this spring has been one of the most difficult: “I was visiting with some of the folks that work in road construction out there and they figure they’re six weeks behind.”

Even though North Dakota’s legislature tried to move money early into road construction to get projects under way, nature did not cooperate, Helms said: “We may struggle through this year and not really see the impact of the improved roads ... until next year because it’s severely delayed.”

The other issue impacting activity, and hence production, in Divide is the much higher water content found in wells in the southern part of the county relative to typical Bakken/Three Forks wells elsewhere in the Williston Basin.

As a result, Helms said, some companies have “kind of retracted a bit and they’re looking at their well drilling and completion techniques and trying to come up with some new well design to work around that.” The well log and core data, he said, shows the oil is there, “but the wells are producing much, much more water and there has to be a reason.”

Helms recently visited with several operators that are planning to experiment with new well bore and fracture designs in the area.

Ultimately, he said, “industry has pulled back and has its geologists and engineers working that equation. So we may see another evolution in terms of well design.”

—MIKE ELLERD

are yet to be fracked, 50 more than in March. The reason for the backlog, he said, is “because industry just has not been able to catch a break with regards to weather.”

April, Helms said, was the coldest April on record. In addition, there was a big snow storm in the state in April, which, he said, put about 80 percent of state highways under a no-travel advisory. “And we went right from that to the wettest May in western North Dakota.”

Road restrictions have also hampered fracking operations. Helms said there are still road restrictions in some areas, including the northern tier in Divide, Burke and Renville counties. “I can’t remember any time when I was working in the oil industry or in this job in North Dakota when we still had road restrictions until Father’s Day.

Almost always those are gone by Mother’s Day.”

But with the coming of summer, Helms expects industry to make significant progress on the fracking backlog, and he believes the number of wells waiting on completion will fall to 200 or even 150 in short order. That alone will significantly add to the state’s production.

The key to growing production, Helms said, is to complete and bring on production between 90 and 100 wells per month, and with the 119 added in April, the state is on track to meet projections. The North Dakota legislature used an estimate of 850,000 bopd for the state’s 2013-15 revenue projections. “I actually think, based on the number of wells waiting for fracking and the continued drilling activity, we’ll

probably beat the forecast,” Helms said. “If anything, it’s going to be on the conservative side.”

Rig count

Weather and road restrictions have also impacted the state’s rig count. As of June 14, there were 184 rigs operating in North Dakota, a decline of seven rigs from the 191 rigs that were operating on May 15, although that number fell to 187 by the end of May. The rig count in March and April was steady at 186.

Helms said the industry had hoped the rig count would be in the upper 190 range by mid-June. However, he said there is optimism that the rig count will get back into the upper 190-range or even to 200, but he said that will be after the Fourth of July at the earliest.

Helms said some of the rigs that would otherwise be operating in North Dakota are working in Montana because of the road restrictions. In addition, he said some older mechanical rigs have been retired early, and he added that he recently spoke with an operator that retired a couple of those older rigs, which will be replaced later in the summer with new “space-age” rigs.

Drilling permits and crude oil prices

A total of 211 drilling permits were issued in May, up from the 202 issued in April but down from the 218 issued in March. Currently, more than 95 percent of drilling activity in North Dakota is targeting the Bakken and Three Forks Formations.

Helms also noted that the price of Bakken crude oil has been holding steady, fluctuating less than \$2 per barrel over the last six to nine months. As of June 13, North Dakota sweet crude was priced at \$86.75 on the Flint Hills Resources crude oil postings.

“Amazingly steady in terms of rig count, oil price and the activity, with the exception of the weather interruptions,” Helms concluded.

—MIKE ELLERD

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GAS GATHERING

Department of Mineral Resources.

Kringstad also noted that infill drilling drives up the economic incentives to build gathering pipelines into areas where it was not previously economic. That, he said, not only provides for the capture of gas from the new infill wells, but also from the existing wells that have historically been flared. "So I think there's going to be a second chance for a lot of wells to get connected."

Concurrent with the record number of wells connected to gas gathering infrastructure was an overall downtick in the total number of wells in the state that are not connected to gathering systems. However, while Kringstad views that downtick as positive, he said he is not going to get too optimistic until that trend continues for several months in a row.

North Dakota Pipeline Authority charts showing the current flaring/gathering conditions and trends are displayed in the Bakken Stats section beginning on page 9.

But flaring remains at 29 percent

Even with a record number of new con-

Another key to reducing ND flaring

While a record number of new wells were connected to gathering infrastructure in April as a result of new gas gathering pipeline construction, North Dakota Pipeline Authority Director Justin Kringstad says another key to reducing flaring in the state is having an adequate gas takeaway capacity out of the Bakken region. He said WBI Energy's proposed pipeline from the Charbonneau compressor station near Williston, all the way across the state and into Minnesota connecting to the Viking pipeline at Moorhead, will provide a completely new market for Bakken gas, which traditionally, he said, has been produced locally and shipped to higher demand areas.

In the past, Kringstad said, Bakken gas has been put into major pipeline systems that take it to Mid-Continent gas markets. The new WBI Energy pipeline, he said, offers a new market opportunity with potential price advantages for operators to move their gas toward eastern North Dakota and western Minnesota, providing both regions with a new supply of natural gas for both consumer and industrial needs.

As Petroleum News Bakken reported in early June, the pipeline is estimated to cost between \$650 million and \$700 million. As proposed, the 24-inch pipeline would move 400 million cubic feet of natural gas per day toward the new market area, with expansion capacity to 500 million cubic feet per day. Kringstad said the pipeline would be WBI Energy's largest single pipeline project.

The combination of the increased gathering capacity and the proposed WBI Energy pipeline "was very exciting news for us here in April," Kringstad said. "We're very excited to see things moving forward in this trend throughout the summer."

—MIKE ELLERD

nections, Kringstad said the amount of gas flared in the state remained nearly constant at 28 to 29 percent. The Pipeline Authority puts flaring at 28 percent but doesn't

include confidential wells that are included in the Oil and Gas Division's estimate of 29 percent. However, the noticeable shift was in the amount of gas flared from stranded

"So I think there's going to be a second chance for a lot of wells to get connected." —North Dakota Pipeline Authority Director Justin Kringstad

wells versus those being flared on wells that are currently connected to gathering systems. Specifically, there was a decline in flaring from wells not previously connected to gathering systems, but there was actually a rise in flaring from wells that have historically been connected.

Oil and Gas Division Director Lynn Helms said the reason that new wells have historically been flared is because construction of gas gathering pipelines has not kept pace with drilling, but the record number of new connections in April, he said, indicates that more work is being done to get gas gathering pipe in the ground.


But just getting more pipelines in the ground and connecting wells to those pipelines is only part of the equation according to Helms. "The other part of the equation is that the Bakken and Three Forks just continue to surprise people in terms of productivity and in terms of gas production." The gathering systems that were built a few years ago, he continued, are proving to be too small, so compression is going to have to be added and pipes are going to have to be expanded. "And so a lot of the work that went into the ground over the last few years, some of it has to be repeated. And that's why we're still flaring at 29 percent."

Ultimate flaring target?









When asked about North Dakota's ultimate gas capture goal, Kringstad said 100 percent gas capture in North Dakota is potentially not attainable, but that capture above 90 percent is not only attainable but is also very realistic going forward. He did note, however, that it will take time to get the additional infrastructure in place. Historically, Kringstad said, gas capture was in the 95 to 97 percent range in the pre-Bakken production era.

Helms agreed that 90 percent capture, i.e., a reduction of flaring to 10 percent, is definitely the target. Ultimately, however, Helms would like to see flaring get down to historic levels in the 2 to 5 percent range. ●

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