Petroleum news
BAKKEN

page 3 Connie Triplett seeks fairness for all North Dakota stakeholders

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Return to Regina

MAXINE HERR

Attendees mingle through the exhibition hall at the 2015 Williston Basin Petroleum Conference in Regina, Saskatchewan in late April. The annual conference alternates between Regina and Bismarck, North Dakota, and this year it moved back to Canada. For more on the conference, see the story on this page and look for additional coverage in the May 17 edition of Petroleum News Bakken.

Tesoro back on guidance track after strikes and maintenance

Labor strikes at three of its West Coast refineries contributed to declines in Tesoro Corp.'s first quarter refining throughput and earnings, but with the labor disputes settled, the independent San Antonio-based refiner and marketer, which operates a 71,000 barrel per day refinery in Mandan, North Dakota, is back on track to meet its 2015 financial guidance.

Workers walked out at Tesoro refineries in Los Angeles and Martinez, California, and in Anacortes, Washington, on Feb. 1 as part of a larger strike by the United Steelworkers which impacted nine U.S. refineries. Tesoro subsequently reached agreements with local labor unions for the three refineries in late March.

see **TESORO TRACK** page 12

Kinder Morgan begins adding to ND's pipeline export capacity

Following its $3.1 billion acquisition of Hiland Partners and putting Hiland's Double H crude oil export pipeline from western North Dakota into service, Kinder Morgan Inc. has begun construction on an expansion of that pipeline.

The Double H went into service in February between Dore near the Montana border in northwest McKenzie County to a regional hub at Guernsey, Wyoming, with an initial capacity of 84,000 barrels per day. When the current expansion is complete, the pipeline's capacity will be 108,000 bpd. The company is also constructing a connection in Wyoming to bring in short-haul volumes in the Double H system.

In addition to the Double H pipeline, the Hiland acquisition included crude oil and natural gas gathering as well as

see **PIPELINE PLANS** page 12

COMPANY UPDATE

Core of the core

Hess further trims capex and focuses on key assets, including Bakken

By MIKE ELLERD
Petroleum News Bakken

Hess Corp. is again trimming its 2015 capital and exploration budget as it continues to benefit from cost efficiencies while maintaining production, and the corporation's spending strategy is to focus investments in its existing and high return assets, including what it calls its "core of the core" position in the Bakken.

JOHN HESS

The corporation reported first quarter production averaged 361,000 barrels of oil equivalent per day. While that production was essentially flat with fourth quarter 2014 output of 362,000 boepd, it was up 14 percent over third quarter 2014 output of 318,000 boepd and up 10 percent over 2014 average output of 329,000 boepd.

But strong first quarter production was not enough to offset lower commodity prices and higher depreciation, depletion and amortization which resulted in an adjusted net loss of $279 million for the quarter. "While low prices significantly impacted our first quarter financial results, we delivered strong operating performance and production growth," Chief Executive Officer John Hess told industry analysts in a first quarter results conference call on April 29.

Going forward, the corporation is looking at more than just strong operating performance. While

see **ASSET FOCUS** page 5

ASSOCIATIONS & EVENTS

International views

North Dakota, Saskatchewan and Manitoba representatives assess Bakken outlook

By MAXINE HERR
For Petroleum News Bakken

The 2015 Williston Basin Petroleum Conference kicked off with oil development outlooks from state and province leaders who regulate development in the Bakken resource. North Dakota Department of Mineral Resources Public Information Officer Alison Ritter said her department expects companies to complete their wells, particularly if the large tax exemption trigger takes effect on June 1 reducing taxes by 130 percent. She said there is a small percentage of the 900 wells waiting on completion that are up against that deadline.

MAXINE HERR

ALISON RITTER

"A company can ask to put that well on temporarily abandoned status but that does require additional monitoring and testing on the well," she said.

She added that it is up to a company whether it wants to make that investment on top of the typical $4 million it already has spent to drill the well. North Dakota Petroleum Council President Ron Ness also addressed the issue following Ritter's presentation and said a lot will depend on whether the large tax exemption trigger kicks in. If it does not, he said the industry won't rush to comple-

see **CONFERENCE OUTLOOK** page 4

MOVING HYDROCARBONS

Upland takes next step

TransCanada files U.S. applications for 300,000 bpd Bakken-to-Canada pipeline

By GARY PARK
For Petroleum News Bakken

TransCanada has taken the next step in its plan to move up to 300,000 barrels per day of Bakken crude by pipeline into Canada.

The company has confirmed the filing of an application with the U.S. State Department for the US$600 million Upland system covering 285 miles from Williston, offering initial capacity of 220,000 barrels per day in 2020 and adding 80,000 bpd over time.

The startup volumes are estimated at 70,000 bpd of contracted volumes to feed into

see **UPLAND SYSTEM** page 10

Screws tighten on Energy East project

TransCanada seems to lose more ground than it gains in efforts to gain Quebec government support for the Energy East pipeline that would carry crude oil from Western Canada as well as the Bakken to refining and export markets in Eastern Canada.

Just after the company abandoned plans for a marine oil terminal in the Quebec town of Cacouna on the St. Lawrence River and explore

see **ENERGY EAST** page 10

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Petroleum News Bakken

● GOVERNMENT

Triplett seeks fairness across the board

Seven-term ND legislator discusses efforts to transform 'horrifically bad bill' as she prides herself on keeping commitments

By MAXINE HERR
For Petroleum News Bakken

Sen. Connie Triplett has served in North Dakota's Legislature since 2003. True to her profession as an attorney, the Democrat can often be heard asking pressing questions and challenging hearing testimony to gather information. She's also been the lone female voice in committees dealing with oil and gas issues for years, and was not afraid to make some waves within her own party when it came to a monumental tax bill at the end of the 2015 session. Petroleum News Bakken spoke with Triplett about the bill and her experience within the whirlwind process of its introduction, amendments and final vote.

Petroleum News Bakken: When House Bill 1476, which would have eliminated the large tax exemption trigger and dropped the combined oil and gas taxes from 11.5 to 9.5 percent, was introduced by majority leaders, you wanted an amendment and crossed the aisle to draft one with Finance and Tax Chairman Dwight Cook. How did that process go?

Triplett: Dwight Cook and I have quite a history as he's been the chairman for some committee I've been on the whole time I've been here. We've worked together for many years and he is a respectful chairman who is always willing to listen to ideas from minority members.

Petroleum News Bakken: Despite your amendment that was passed, you are still not happy with the legislation?

Triplett: No, I am not happy with how the bill ended up, but I will say that it is a bill that is most unrecognizable compared to the bill that was first introduced by the sponsors of it. It is considerably more nuanced and is better for everybody. We looked out for the interests for every stakeholder we could think of who weren't at the table, who is of course the public of North Dakota who didn't have enough time to react.

Petroleum News Bakken: You, along with your fellow Democrats, were quite vocal about the timing of this bill as it was introduced and passed in only a week. What were your concerns?

Triplett: As Sen. (Mac) Schneider had said, (House Majority Leader) Al Carlson, who controls a lot of decisions here — including decisions that happen in the Senate it sometimes seems — had made a public statement that (oil and gas taxes) was going to be off the table this year; we were just going to take a break from it. Certainly there was a lot of hallway conversation — we were all watching the oil prices — but we were building our budgets as though the big trigger would take effect. We were building a very conservative budget and we were all on board for that. Then at the very last minute, he tosses this in. The original version of this was such a horrifically bad bill and it was very clear to me that the majority intended on passing out the bill so it was just a kind of a no-brainer for me that I needed to engage and do whatever I could to make it a better bill for everyone.

Criticism for crossing the aisle

Petroleum News Bakken: But your efforts to find a compromise with Republicans brought criticism from your own party and even a harsh suggestion to remove you from the Legislative Management Committee which you were privileged to be elected to this session. How did that affect you?

CONNIE TRIPLETT

Triplett: There are a couple of different levels there. I made a commitment to myself when I sought the position of a legislator that I would never compromise my principles with an eye toward the next election. The day that I ever make a decision on a vote because I think I might get un-elected next time around is the day that I would resign from the Legislature. At that level, the criticism didn't matter to me at all. But on a personal level it can be hurtful when people who you associate with and have a civil and respectful relationship with react in an angry way. I had one really bad day here on a personal level, but that doesn't affect my decision making process.

Petroleum News Bakken: What is the Legislative Management Committee and why it is so prestigious?

Triplett: It's something I've wanted to do for the last two years and I am very pleased to have the opportunity. The Legislative Management Committee is the group that selects which of the very many studies our bills request are going to happen. There are so many requests for interim studies that there really aren't enough resources to do them all so Legislative Management is tasked in May and early June with sifting through all of those requests. It's a brief spurt of activity that really drives the legislative process for the 20 months we're not in session, and I just want to be part of that.

Q AND A

Keeping commitments

Petroleum News Bakken: Back to the tax bill, as passed, if oil prices rebound to $90 per barrel for three consecutive months, another percentage point is added to the extraction tax, taking it from 5 to 6 percent. You wanted to bring the trigger price to $80, and cited it as a reason for not voting for the bill, but the industry wanted $100. How much did you consider the industry's request?

Triplett: I think we had dealt with the industry's concerns by pushing the effective date back. I was the one who said over and over again in my questioning, how is this fair to the industry to pull the

see TRIPLETT Q&A page 11

LEGAL COLUMN

US Supreme Court rules in gas case

Retail buyers sued pipeline companies for antitrust claims; federal authority pre-empts state regulation but not in all matters

By JANNELLE STEGER COMBS

For Petroleum News Bakken

The United States Supreme Court issued an opinion April 21 in Oneok Inc., et al., v. Learjet Inc., et al., a case affecting natural gas pipelines and helping to clarify when the federal government's authority pre-empts state authority.

Learjet Inc. with a group of manufacturers, hospitals and other entities (collectively "Learjet") sued Oneok Inc. and other interstate pipelines, alleging that the pipelines were violating state antitrust laws in state court. Specifically, the plaintiffs alleged that the pipelines reported false information to natural gas indices on which Learjet's gas contracts were based, affecting retail and wholesale natural gas prices.

The case was removed to federal court in Nevada where the pipelines argued that the Natural Gas Act pre-empts state law claims and that the Federal Energy Regulatory Commission is the only entity to determine whether rates charged for gas by the pipelines or their practices are unreasonable. The federal district court agreed with the pipelines that the state claims were pre-empted by federal law. The 9th Circuit Court of Appeals reversed that decision.

JANNELLE STEGER COMBS

Justice Stephen G. Breyer authored the opinion of the Supreme Court, agreeing with the Court of Appeals, while Chief Justice John G. Roberts and Justice Antonin Scalia dissented from the decision.

The Natural Gas Act was enacted during the early 20th century to regulate the interstate component of natural gas sales in pipelines that can stretch across many states. The act created a regulatory agency — eventually becoming FERC — but limited FERC's jurisdiction to transporting of natural gas in interstate commerce, the sale of interstate commerce of gas for resale and the companies engaged in those acts. The regulation of the rest of the industry, such as retail sales, is left to the authority of states.

The Supremacy Clause of the Constitution provides that if the federal government has a law governing a matter, then a state is pre-empted from regulating the same matter. FERC has authority to decide if "any rate, charge, or classification … collected by any natural-gas company in connection with any transportation or sale of natural gas, subject to the jurisdiction of [FERC] … is unjust, unreasonable, unduly discriminatory or preferential."

The pipelines argued that FERC has authority to keep wholesale rates at a reasonable price level. The Supreme Court interpreted the statute in a way that would not dilute or handicap state power in the area. The test is whether the antitrust cases were "aimed directly at interstate purchasers and wholesalers for resale."

see **LEGAL COLUMN** *page 10*

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CONFERENCE OUTLOOK

tions.

"You will see industry continue to TA (temporarily abandon) status the well beyond the one-year standpoint and only complete them as individual company decisions are needed, or as we see the ability for the price to continue to increase," Ness said.

Ritter said DMR thought only the Bakken was experiencing the mounting list of wells waiting on completion, but inquiries into other oil-producing states led to similar stories.

"We thought it was just the Bakken scenario, but the more we learned about this price decline and rigs laying down and frack crews being put on hold we learned that the Eagle Ford in Texas has something like 1,400 wells on hold waiting for completion and the Permian Basin — they have hundreds of wells waiting on completion," she said. "It really does show how those wells are waiting to be fracked and that has really, really been driven by price."

'Dramatic' rig drop

Ritter also discussed how the deep dip in oil prices has negatively affected rig counts.

"It's really dramatic," she said as she provided graphs that showed 165 out of 183 rigs had moved to the four core counties of the Bakken in November 2014 and in April that had dropped to 80 of 86 rigs. She said DMR expects rig counts to take nearly a year to return to higher levels once oil prices rebound.

In January, DMR Director Lynn Helms released his projections of rig counts based on prices and showed that a $40 oil price at the wellhead equates to 90 rigs which means he anticipates another 2,400 wells to be drilled in order to avoid heavy production decline. But the department does not foresee a significant drop in production and Ritter said "we think we can hover around 1.1 million per day."

Saskatchewan moving beyond Bakken

In Saskatchewan, the Bakken is beginning to be overshadowed by a new player. While the Bakken produced 24.6 million barrels of oil in 2013, by the end of 2014 that was reduced to just over 23 million barrels, according to Saskatchewan Ministry of the Economy's Melinda Yurkowski. She said about 200 of the 575 wells drilled so far in 2015 were in the Bakken, down from 368 wells during the same period a year prior. Some activity has shifted to the Viking play on the western border of the province where wells produced 19.4 million barrels in 2014 accounting for one-third of the drilling in the province. Operators in Saskatchewan drilled 3,665 wells in 2014 and set a record for the highest number of horizontally drilled wells in history at 2,840. About 900 wells were drilled in the southeast corner of the province where the Bakken is prevalent and the rest were on the western border. Yurkowski said the Petroleum Services Association of Canada forecasted in October 2014 that the province would drill 3,300 to 3,400 wells in 2015 but it has since downgraded that to 2,700 wells. A new release of numbers is expected in May.

To the east in Manitoba

Keith Lowdon of Manitoba Mineral Resources said oil development there has caused him to "run the gamut of being very optimistic and then curtailing that optimism to slight glee."

Though it doesn't have the high Bakken production of its neighbors, it does have other producing formations and ones with potential. In 2014, 464 wells were drilled in Manitoba with 21 rigs. Oil production hit 16.7 million barrels for the year and he said vertical wells actually doubled in 2014. Primary producers in the province include Tundra Oil and Gas with 166 wells; Corex Resources, which purchased some former Chevron assets, drilled 64 wells; and EOG Resources drilled 51 wells but sold its acreage to Tundra Oil and Gas. Manitoba has 5,077 total producing wells including the Bakken and its Spearfish-equivalent called Amaranth.

Lowdon said the province estimates drilling 280 wells in 2015 producing 47,000 barrels of oil per day. Drilling is currently down 25 percent over last year. He said Manitoba has issues similar to North Dakota's abandoned wells and pipelines that require reclamation. The province has an abandonment fund but it only contains $1.6 million which suffices for now, but if a spill were to occur in a water body, the fund would be depleted quickly, he said. He has hired staff to research what other provinces and states are doing to determine what type of system may work more effectively. ●

Editor's note: A representative from Montana was scheduled to speak on the oil outlook in that state, but due to an illness was unable to address the conference.

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● COMPANY UPDATE

TORC adds more SE Saskatchewan assets

C$430 million acquisition includes 4,750 boepd oil-rich production, 21.9 million boe 2P reserves and 170 net undrilled locations

By MIKE ELLERD
Petroleum News Bakken

Calgary-based TORC Oil & Gas is further expanding its southeast Saskatchewan footprint with the acquisition of assets producing more than 4,750 barrels of oil equivalent per day averaging approximately 98 percent oil and liquids in a deal valued at C$430 million. The transaction, which was announced April 27, has an effective date of May 1 and is expected to close in June. While TORC did not disclose the identity of the seller, on the same day, Calgary-based Surge Energy announced it was selling its 4,750 boepd assets in southeast Saskatchewan and Manitoba for C$430 million.

In the acquisition, TORC picks up freehold mineral title to more than 51,000 net acres along with more than 40,000 net undeveloped acres and 170 net undrilled locations (70 net unbooked). The assets have 9 million boe in proved developed producing reserves, 12.5 million boe of total proved reserves, 21.9 million boe of proved plus probable reserves and a proved plus probable life index of approximately 12.6 years. The assets have an average decline rate of approximately 20 percent.

"The Acquisition complements our light oil platform and will provide a strong and stable cash flow base further strengthening the sustainability of our business model while the high quality drilling inventory will enhance our capital program to create long term value for our shareholders," TORC President and Chief Executive Officer Brett Herman said in an April 27 press release.

As Petroleum News Bakken reported in an April 26 biweekly news summary, TORC recently received high marks from industry analysts with its approximately C$1 billion in capitalization and a reputation for picking up assets from peers looking to reduce debt. In its press release, Surge Energy said its proceeds from the transaction will be used to "reduce indebtedness" and will ultimately be "redeployed" in accordance with the company's capital allocation strategy. Surge Energy has three core areas in western and southern Alberta and in the Shaunavon play in southwest Saskatchewan.

Expanding footprint

The acquisition is just the latest in TORC's expansion in Canada's emerging light oil play. In late February, TORC announced the acquisition of more than 1,550 boepd producing assets (94 percent light oil and liquids) in southeast Saskatchewan. Those assets were reported to have 5.9 million boe of proved plus probable reserves and 50 net drilling locations.

With the acquisition, TORC now expects its production to average more than 15,400 boepd (87 percent light oil and liquids) in 2015, up from previous guidance of 13,000 boepd (86 percent light oil and liquids). The company expects to exit 2015 producing more than 18,200 boepd (89 percent light oil and liquids), up from previous exit rate guidance of 13,450 boepd (86 percent light oil and liquids).

Financing

TORC is partially financing the acquisition with an approximately C$250 million "bought deal" prospectus agreement with a syndicate of underwriters led by Macquarie Capital Markets Canada, along with an agreement from the Canadian Pension Plan Investment Board for up to approximately C$150 million. The remainder of the financing for the transaction will come from TORC's revolving credit facility.

CPPIB bought $300 million in Halcon Resources stock to help finance Halcon's $1.45 billion acquisition of approximately 81,000 net acres in Dunn, McKenzie, Mountrail and Williams counties, North Dakota from Petro-Hunt in 2012. At the time, that acquisition boosted Halcon's footprint in the Williston Basin to approximately 135,000 net acres. ●

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ASSET FOCUS

2015 guidance anticipates production between 350,000 and 360,000 boepd, Hess Corp. is also trimming its 2015 capital and exploratory budget by another $300 million, bringing that capex down to $4.4 billion, 21 percent less than its total 2014 spend.

However, that $300 million budget cut is only part of the savings the corporation is anticipating. "In early February, we met with approximately 100 of our top service providers and suppliers to seek meaningful and sustainable cost reductions," Hess told analysts. "To date, we have indentified cost reductions of approximately $550 million with approximately $300 million resulting from a reduction in capital and exploratory expenditures and approximately $250 million from a reduction in cash operating costs." That $250 million in cost savings, according to Hess, will reduce the corporation's 2015 cash costs by $2 per barrel.

And $1.7 billion or 39 percent of the $4.4 billion 2015 capex is earmarked for the Bakken, down $100 million from the previous capex which had $1.8 billion going to the Bakken.

In the Bakken

Of the 361,000 boepd production in the first quarter, slightly less than one-third of which — some 108,000 boepd — came from the Bakken. Furthermore, the Bakken was the largest crude oil and natural gas liquids producer among the corporation's plays in the first quarter, accounting for 34 percent of crude production and 54 percent of NGL output. While not the largest natural gas producing asset, the Bakken did account for 10 percent of the corporation's gas production in the quarter.

Between the first quarters of 2014 and 2015, Hess Corp.'s overall pro forma production grew by 67,000 boepd or 23 percent, an increase driven primarily by the Bakken where production grew by 45,000 boepd over that period.

The 108,000 first quarter Bakken output was a 6 percent increase over the 102,000 boepd output in the fourth quarter. However, that increase came as the number of wells brought on production in the first quarter fell to 70, down 26 from the 96 in the fourth quarter.

Hess Corp. averaged 17 rigs in the Bakken in 2014 and 12 rigs throughout the first quarter, but as of the end of April the rig count stood at eight and the corporation plans to maintain that count through the remainder of 2015. Despite the lower rig count, the corporation plans to drill 178 wells in 2015, complete 214 and bring 213 new wells on production due to increasing drilling efficiencies. In comparison, in 2014 the corporation drilled 261 wells, completed 230 and brought 238 on production.

For the second quarter, the corporation expects net Bakken production to average between 100,000 and 110,000 boepd, and for full-year 2015, net Bakken production is expected to average between 95,000 and 105,000 boepd.

"Because of our 'core of the core' position in the Bakken, we retain a substantial drilling inventory where economics remain attractive," Greg Hill, Hess Corp.'s chief operating officer and president of exploration and production said in the April 29 conference call. "By applying lean manufacturing practices through our operations, we continue to drive down our Bakken drilling and completion costs with the first quarter averaging $6.8 million per well, versus $7.1 million in the fourth quarter and $7.5 million in the year-ago quarter."

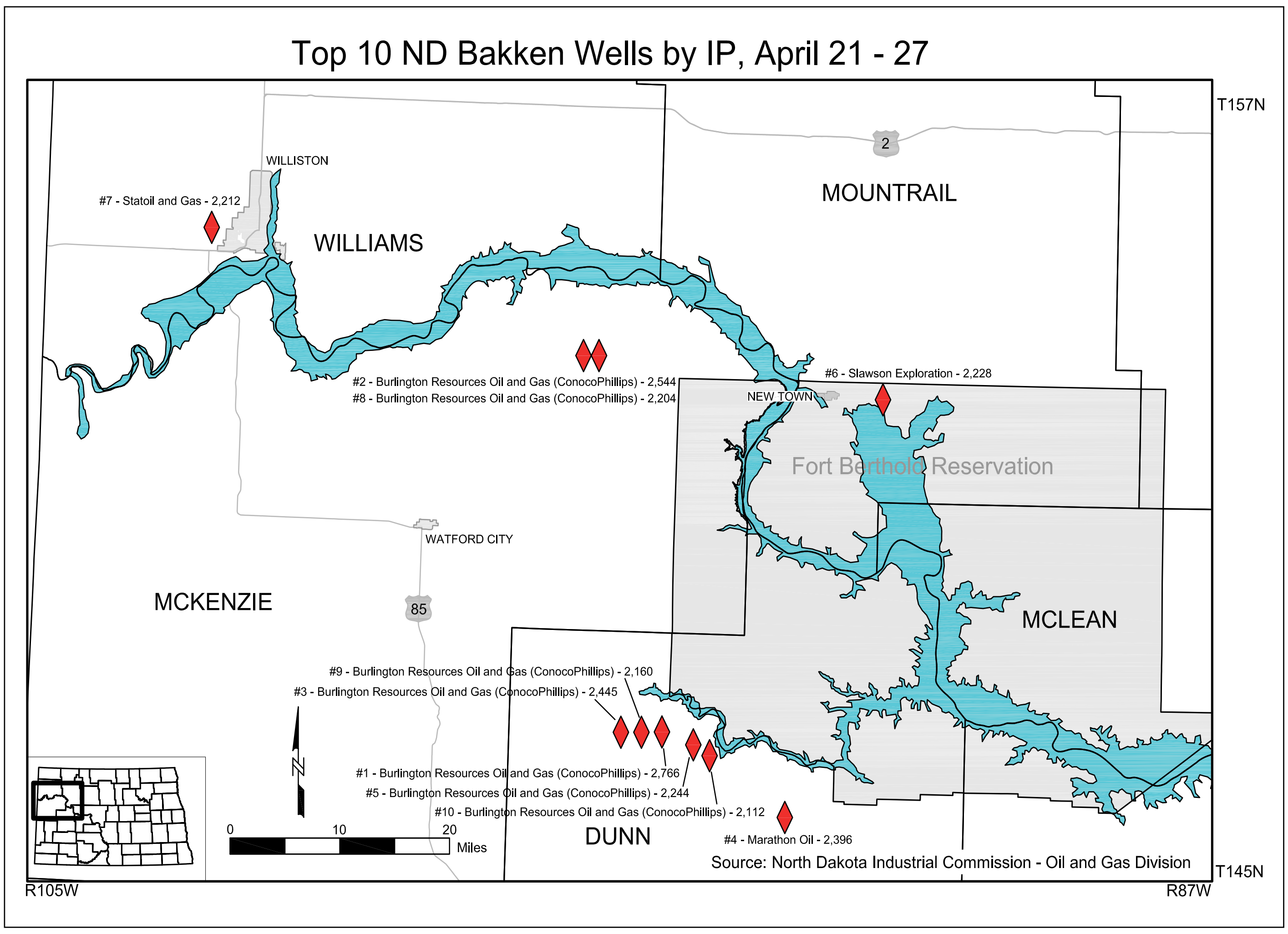
see **ASSET FOCUS** *page 11*

Petroleum news BAKKEN BAKKEN Stats

● BAKKEN COMMENTARY

Burlington brings in seven of week's top 10 IPs

BIGHORN ENGINEERING



MIKE ELLERD

Petroleum News Bakken

Five Burlington Resources wells clustered in the Corral Creek field in northwest Dunn County filled five of the top 10 initial production volumes reported for North Dakota wells between April 21 and 27, while two other Burlington wells in the Keene field in northeast McKenzie County filled another two top 10 IP spots (see map). While none of Burlington's five Corral Creek field wells on the list share a common pad, all are pad wells on separate pads in the southeast corner of the field near the Little Missouri River. Burlington's two Keene field wells making the top 10 IP list are on a common pad.

Topping the list for the week is one of Burlington's Corral Creek wells, a middle Bakken well that produced 2,766 barrels in the first 24 hours on production (see page 9). Of Burlington's other four Corral Creek field wells making the list, two are middle Bakken wells that filled the Nos. 5 and 10 IP spots at 2,244 and 2,112 barrels, and the other two are Three Forks wells filling the Nos. 3 and 9 spots at 2,445 and 2,160 barrels. Burlington's two common-pad wells in the Keene field, one completed in the Three Forks and the other in the middle Bakken, came in with the Nos. 2 and 8 IPs at 2,544 and 2,204 barrels.

Marathon Oil filled the No. 4 spot with a middle Bakken well in the Bailey field in north-central Dunn County at 2,369 barrels. Slawson Exploration filled the No. 6 spot at 2,228 barrels from a middle Bakken well in the Van Hook field in southern Mountrail County. And Statoil had the No. 7 IP of 2,212 barrels from a middle Bakken well in the Todd field in southwest Williams County.

The week's top 10 IPs averaged 2,331 barrels, above the 2,238-barrel top 10 average thus far in 2015. The week's top 10 IPs also had a narrow spread with the Nos. 1 and 10 IPs separated by only 654 barrels.

A total of 30 IPs were reported for non-confidential wells that were tested between Feb. 13 and April 7, and 21 IPs were reported for wells coming off confidential status which were tested between Nov. 9 and April 4 (see page 7).

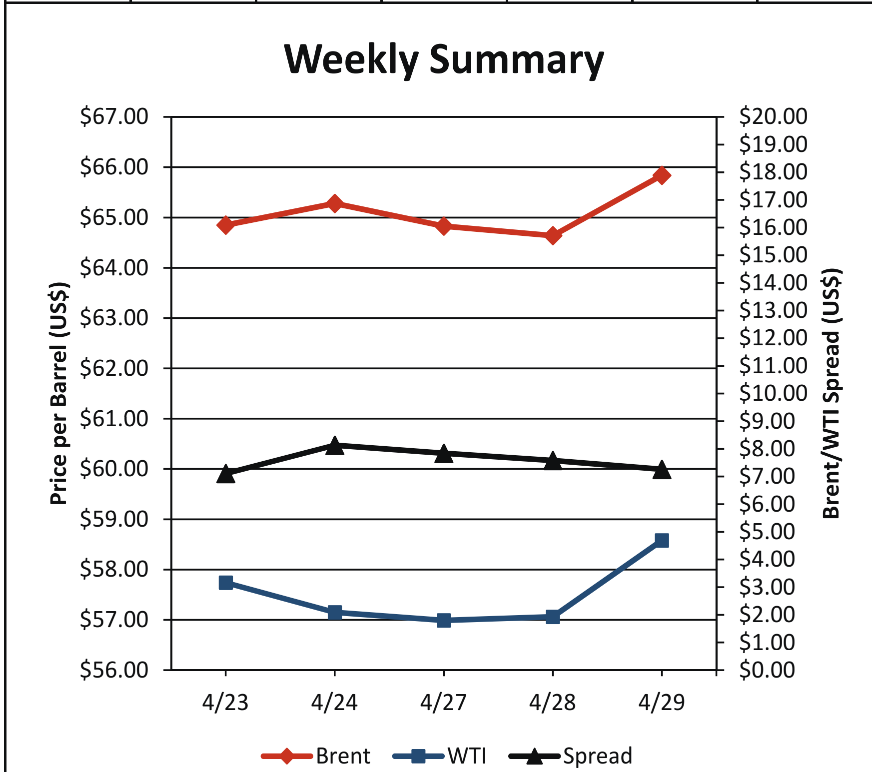
The IPs ranged from 94 to the high of 2,766 with an overall average of 1,269 barrels. During the previous week, a total of 33 IPs were reported ranging from 190 to 2,516 with an average of 1,071 barrels. ●

Petroleum news BAKKEN Brent and WTI prices & spread

April 23–29, 2015

Delivery Month: June

	4/23	4/24	4/27	4/28	4/29	Change
Brent	$64.85	$65.28	$64.83	$64.64	$65.84	$0.99
WTI	$57.74	$57.15	$56.99	$57.06	$58.58	$0.84
Spread	$7.11	$8.13	$7.84	$7.58	$7.26	$0.15



Source: CME Group

Petroleum news BAKKEN Bakken producers' stock prices

Closing prices as of April 29 along with those from previous Wednesday

Company	Exchange	Symbol	Closing price	Previous Wed.
Abraxas Petroleum Corporation	NASDAQ	AXAS	$3.72	$3.88
American Eagle Energy Corporation	NYSE	AMZG	$0.17	$0.18
Arsenal Energy USA, Inc.	TSE	AEI	$4.15	$5.40
Baytex Energy USA Ltd.	NYSE	BTE	$19.57	$19.05
Burlington Resources Co., LP (ConocoPhillips)	NYSE	COP	$68.06	$69.38
Condor Petroleum	TSE	CPI	$0.16	$0.15
Continental Resources, Inc.	NYSE	CLR	$52.51	$52.53
Crescent Point Energy US Corporation	TSE	CPG	$31.96	$32.53
Denbury Onshore, LLC	NYSE	DNR	$8.81	$9.44
Emerald Oil, Inc.	NYSEMKT	EOX	$0.58	$0.64
Enerplus Resources USA Corporation	NYSE	ERF	$12.53	$12.65
EOG Resources, Inc.	NYSE	EOG	$99.74	$97.94
Fidelity Exploration & Production (MDU)	NYSE	MDU	$22.67	$22.90
Halcon Resources	NYSE	HK	$1.52	$1.92
Hess Corporation	NYSE	HES	$77.97	$78.07
Legacy Reserves Operating LP	NASDAQ	LGCY	$13.09	$12.42
Marathon Oil Company	NYSE	MRO	$31.19	$30.69
Mountain Divide, LLC (Mountainview Energy)	CVE	MVW.V	$0.04	$0.04
Newfield Production Company	NYSE	NFX	$39.69	$38.79
Northern Oil and Gas	NYSE	NOG	$8.72	$9.25
Oasis Petroleum North America	NYSE	OAS	$17.45	$18.72
Oxy USA, Inc. (Occidental Petroleum)	NYSE	OXY	$80.11	$81.46
PetroShale Inc.	CVE	PSH	$1.25	$1.45
QEP Energy Company	YSE	QEP	$23.45	$23.74
Samson Resources Company (KKR & Co.)	NYSE	KKR	$23.24	$22.94
SM Energy Company	NYSE	SM	$57.22	$58.42
Statoil Oil and Gas LP	NYSE	STO	$20.47	$20.17
Triangle USA Petroleum Corporation	NYSE	TPLM	$5.95	$6.21
Whiting Oil and Gas Corporation	NYSE	WLL	$36.76	$37.15
WPX Energy Williston, LLC	NYSE	WPX	$13.58	$14.04
XTO Energy, Inc. (ExxonMobil)	NYSE	XOM	$87.87	$88.00

Petroleum news BAKKEN

IPs for ND Bakken wells

April 21-27, 2015

This chart contains initial production rates, or IPs, for active wells that were filed as completed with the state of North Dakota from April 21-27, 2015 in the Bakken petroleum system, which includes formations such as the Bakken and Three Forks. The completed wells that did not have an available IP rate (N/A) likely haven't been tested or were awarded confidential (tight-hole) status by the North Dakota Industrial Commission's Department of Minerals. This chart also contains a section with active wells that were released from confidential status during the same period, April 21-27. Again, some IP rates were not available (N/A). The information was assembled by Petroleum News Bakken from NDIC daily activity reports and other sources. The name of the well operator is as it appears in state records, with the loss of an occasional Inc., LLC or Corporation because of space limitations. Some of the companies, or their Bakken petroleum system assets, have been acquired by others. In some of those cases, the current owner's name is in parenthesis behind the owner of record, such as ExxonMobil in parenthesis behind XTO Energy. If the chart is missing current owner's names, please contact Ashley Lindly at alindly@petroleumnewsbakken.com.

County (Co.) abbreviations are as follows — BIL: Billings, BOT: Bottineau, BOW: Bowman, BRK: Burke, DIV: Divide, DUN: Dunn, GDV: Golden Valley, MCH: McHenry, MCK: McKenzie, MCL: McLean, MER: Mercer, MNT: Mountrail, REN: Renville, SLP: Slope, STK: Stark, WRD: Ward, WIL: Williams

IPs for completed North Dakota wells

NDIC No.	Well Name	Field	Location	Spacing	Co.	Geologic Target	Wellbore Type	Total Depth	IP Test Date	IP Rate (bbl)	IP Nat. Gas (mcf)	IP Water (bbl)
Burlington Resources Oil and Gas (ConocoPhillips)												
29217	CCU North Coast 4-8-23MBH	Corral Creek	SESE 23-147-95	U	DUN	Bakken	horz.	21,876'	3/9/15	2,244	3,486	2,363
26387	CCU North Coast 31-25MBH	Corral Creek	NENE 25-147-95	U	DUN	Bakken	horz.	20,565'	3/20/15	2,112	1,577	2,208
26389	CCU North Coast 41-25MBH	Corral Creek	NENE 25-147-95	U	DUN	Bakken	horz.	20,520'	3/16/15	1,920	1,052	1,728
28354	CCU Pullman 3-8-7TFH	Corral Creek	SESW 18-147-95	U	DUN	Bakken	horz.	22,907'	2/21/15	2,445	3,752	2,164
28363	CCU Pullman 5-8-7TFH	Corral Creek	SWSE 18-147-95	U	DUN	Bakken	horz.	22,796'	2/13/15	2,160	2,714	2,808
28369	CCU Pullman 6-8-7MBH	Corral Creek	SESE 18-147-95	U	DUN	Bakken	horz.	22,900'	3/19/15	2,766	3,656	2,004
28348	Copper Draw 41-27TFH	Johnson Corner	NENE 27-150-96	4SEC	MCK	Bakken	horz.	20,421'	3/10/15	1,920	2,491	432
28347	Lillibridge 41-27MBH	Johnson Corner	NENE 27-150-96	4SEC	MCK	Bakken	horz.	21,219'	3/13/15	1,656	1,616	432
28414	Shenandoah 44-36MBH ULW	Keene	SESE 36-153-96	4SEC	MCK	Bakken/T.F.	horz.	20,205'	3/19/15	2,204	3,839	521
28413	Shenandoah 44-36TFH	Keene	SESE 36-153-96	2SEC	MCK	Bakken/T.F.	horz.	20,353'	3/9/15	2,544	3,986	888
Continental Resources												
27869	Skar 3-28H	Stoneview	SESW 28-160-95	4SEC	DIV	Bakken	horz.	18,830'	3/13/15	476	540	908
Hess Bakken Investments II												
28537	BW-Norgard- 149-100-1102H-2	Ellsworth	SESW 11-149-100	2SEC	MCK	Bakken	horz.	20,540'	3/30/15	722	1,055	390
28721	EN-Neset- 156-94-0706H-3	Big Butte	SWSE 7-156-94	2SEC	MNT	Bakken	horz.	20,677'	4/2/15	432	449	537
28916	EN-VP and R- 154-94-2536H-4	Alkali Creek	SWSE 24-154-94	2SEC	MNT	Bakken	horz.	20,614'	3/29/15	1,230	1,873	364
27940	GN-Cambrian- 159-98-2536H-1	Big Stone	NENE 25-159-98	2SEC	WIL	Bakken	horz.	20,280'	3/30/15	330	308	597
27941	GN-Cambrian- 159-98-2536H-2	Big Stone	NENE 25-159-98	2SEC	WIL	Bakken	horz.	19,329'	4/7/15	513	563	790
28092	GN-Njos- 159-98-2635H-1	Big Stone	NWNW 26-159-98	2SEC	WIL	Bakken	horz.	19,800'	3/22/15	429	414	3,643
28181	HA-Rolfsrud 152-96-1720H-5	Westberg	NENE 17-152-96	2SEC	MCK	Bakken	horz.	20,082'	4/2/15	1,311	2,230	149
28182	HA-Rolfsrud 152-96-1720H-6	Westberg	NENE 17-152-96	2SEC	MCK	Bakken	horz.	19,210'	3/31/15	1,203	2,085	246
28585	LK-A QTR CIR- 147-96-1807H-6	Big Gulch	SWSE 18-147-96	2SEC	DUN	Bakken	horz.	20,926'	3/30/15	700	891	239
28584	LK-A QTR CIR- 147-96-1807H-7	Big Gulch	SWSE 18-147-96	2SEC	DUN	Bakken	horz.	20,758'	3/28/15	819	1,125	415
Marathon Oil												
28708	Brink 24-20TFH	Bailey	NWNE 29-146-93	2SEC	DUN	Bakken	horz.	21,075'	3/24/15	1,244	508	1,455
28705	Castner 34-20H	Bailey	NWNE 29-146-93	2SEC	DUN	Bakken	horz.	20,742'	2/24/15	2,396	1,218	1,968
28704	Greider 34-20TFH	Bailey	NWNE 29-146-93	2SEC	DUN	Bakken	horz.	21,017'	3/20/15	1,072	481	1,090
Slawson Exploration												
22228	Vixen Federal 2-19-30H	Van Hook	LOT4 18-152-91	2SEC	MNT	Bakken	horz.	20,290'	3/21/15	2,228	2,297	2,566
SM Energy												
29388	George 1B-17HN	Colgan	NENE 17-163-100	2SEC	DIV	Bakken	horz.	18,257'	3/4/15	756	468	714
Statoil Oil and Gas												
25082	Field Trust 7-6 6H	Todd	SWSE 7-154-101	2SEC	WIL	Bakken	horz.	20,283'	3/21/15	2,212	1,432	5,106
28623	Field Trust 7-6 #8TFH	Todd	SWSE 7-154-101	2SEC	WIL	Bakken	horz.	20,580'	3/18/15	1,857	1,334	4,398
Zavanna												
26685	Angus 3-10 5H	Long Creek	LOT4 3-153-99	2SEC	WIL	Bakken	horz.	20,925'	3/23/15	1,543	1,135	1,071
26687	Angus 3-10 7H	Long Creek	LOT4 3-153-99	2SEC	WIL	Bakken	horz.	20,840'	4/5/15	686	942	278

IPs for ND wells released from confidential status

NDIC No.	Well Name	Field	Location	Spacing	Co.	Geologic Target	Wellbore Type	Total Depth	IP Test Date	IP Rate (bbl)	IP Nat. Gas (mcf)	IP Water (bbl)
American Eagle Energy												
28338	Huffman 15-34S-164-102	Skjermo	SWSE 34-164-102	2SEC	DIV	Bakken	horz.	18,132'	12/28/14	228	119	860
Continental Resources												
29566	Odegard 1-20H1	Bluffton	SESW 20-162-97	2SEC	DIV	Bakken	horz.	18,240'	3/27/15	362	325	1,397
Hess Bakken Investments II												
29046	BB-Belquist- 150-95-1110H-11	Blue Buttes	NESE 11-150-95	2SEC	MCK	Bakken	horz.	21,493'	4/4/15	1,303	1,719	310
29047	BB-Belquist- 150-95-1110H-12	Blue Buttes	NESE 11-150-95	2SEC	MCK	Bakken	horz.	21,631'	3/19/15	1,800	307	604
Marathon Oil												
25094	Ward USA 24-7TFH	Wolf Bay	LOT1 18-146-92	2SEC	DUN	Bakken	horz.	21,078'	1/19/15	1,504	835	2,143
Newfield Production												
27527	Sand Creek State 153-96-16-4H	Sand Creek	SWSE 16-153-96	SEC	MCK	Bakken	horz.	14,986'	1/16/15	1,243	3,590	459
27528	Sand Creek State 153-96-16-11H	Sand Creek	SWSE 16-153-96	SEC	MCK	Bakken	horz.	15,028'	1/17/15	766	2,802	266
27526	Sand Creek State 153-96-16-12H	Sand Creek	SWSE 16-153-96	SEC	MCK	Bakken	horz.	15,063'	1/15/15	1,004	1,842	362
Oasis Petroleum North America												
28047	Andre 5501 14-5 3B	Missouri Ridge	LOT1 5-155-101	2SEC	WIL	Bakken	horz.	20,925'	12/12/14	854	251	3,470
28599	Chalmers 5301 44-24 3BR	Baker	SESE 24-153-101	2SEC	MCK	Bakken	horz.	20,833'	12/12/14	864	414	3,690
28969	Hazel 6192 43-23T	Foothills	SWSE 23-161-92	2SEC	BRK	Bakken	horz.	18,858'	11/20/14	495	484	1,115
28069	Helling Trust Federal 5494 44-22 6B	Alkali Creek	SESE 22-154-94	2SEC	MNT	Bakken	horz.	20,495'	2/4/15	1,848	1,859	914

see **ND IP** *page 9*

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North Dakota oil permit activity

April 21-27, 2015

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

Permits issued

Well Name	Location	Footages	Field	Geologic Target	Wellbore Type	Elev.	NDIC No.	API No.	NDIC date
Bottineau Co.									
Ballard Petroleum Holdings									
Fines 23-19	NESW 19-159-81	1,840'FSL and 1,980'FWL	Chatfield	N/A**	conf.	1,534'	31118	33-009-02448	4/23/15
Nelson 33-19	NESE 19-159-81	1,840'FSL and 1,810'FEL	Chatfield	N/A**	conf.	1,533'	31117	33-009-02447	4/22/15
Dunn Co.									
Continental Resources									
Hawkinson 15-22H	NWNE 22-147-96	200'FNL and 2,630'FEL	Oakdale	N/A*	conf.	2,511'	31104	33-025-02912	4/21/15
Burlington Resources Oil and Gas (ConocoPhillips)									
C.E. Stroh 4A MBH-ULW	SESE 7-143-96	242'FSL and 460'FEL	Fayette	N/A*	conf.	2,438'	31141	33-025-02922	4/27/15
Enerplus Resources USA									
Bengal 147-93-06A-07H	NENE 6-147-93	674'FNL and 1,208'FEL	Moccasin Creek	N/A*	conf.	2,185'	31126	33-025-02914	4/23/15
Calico 148-93-31D-30H	NENE 6-147-93	655'FNL and 1,161'FEL	McGregory Buttes	N/A*	conf.	2,176'	31125	33-025-02913	4/23/15
Manx 148-93-31D-30H TF	NENE 6-147-93	692'FNL and 1,254'FEL	McGregory Buttes	N/A*	conf.	2,185'	31127	33-025-02915	4/23/15
Persian 147-93-06A-07H	NWNE 6-147-93	748'FNL and 1,394'FEL	Moccasin Creek	N/A*	conf.	2,176'	31130	33-025-02918	4/23/15
Siamese 148-93-31D-30H	NWNE 6-147-93	729'FNL and 1,347'FEL	McGregory Buttes	N/A*	conf.	2,179'	31129	33-025-02917	4/23/15
Tabby 147-93-06A-07H TF	NWNE 6-147-93	711'FNL and 1,301'FEL	Moccasin Creek	N/A*	conf.	2,183'	31128	33-025-02916	4/23/15
Newfield Production									
Jorgenson Federal 148-96-10-15-1H	SWSW 3-148-96	167'FSL and 908'FWL	Lost Bridge	N/A*	conf.	2,005'	31137	33-025-02920	4/24/15
Jorgenson Federal 148-96-10-15-2H	SWSW 3-148-96	167'FSL and 998'FWL	Lost Bridge	N/A*	conf.	2,004'	31136	33-025-02919	4/24/15
Jorgenson Federal 148-96-10-15-4HLW	SWSW 3-148-96	167'FSL and 877'FWL	Lost Bridge	N/A*	conf.	2,005'	31138	33-025-02921	4/24/15
McKenzie Co.									
Oasis Petroleum North America									
Hysted 5200 11-30 6B	LOT1 30-152-100	160'FNL and 746'FWL	Camp	Bakken	horz.	2,006'	31134	33-053-06898	4/23/15
Hysted 5200 11-30 7T	LOT1 30-152-100	160'FNL and 779'FWL	Camp	Bakken	horz.	2,007'	31133	33-053-06897	4/23/15
Hysted 5200 11-30 8B	LOT1 30-152-100	160'FNL and 812'FWL	Camp	Bakken	horz.	2,007'	31132	33-053-06896	4/23/15
Hysted 5200 11-30 9T	LOT1 30-152-100	160'FNL and 845'FWL	Camp	Bakken	horz.	2,007'	31131	33-053-06895	4/23/15
Hysted 5200 12-30 10B	NENW 30-152-100	225'FNL and 2,139'FWL	Camp	Bakken	horz.	2,013'	31121	33-053-06891	4/23/15
Hysted 5200 12-30 11T	NENW 30-152-100	225'FNL and 2,172'FWL	Camp	Bakken	horz.	2,013'	31122	33-053-06892	4/23/15
Lefty 5200 12-30 7B	NENW 30-152-100	225'FNL and 2,073'FWL	Camp	Bakken	horz.	2,016'	31119	33-053-06889	4/23/15
Lefty 5200 12-30 8T	NENW 30-152-100	225'FNL and 2,106'FWL	Camp	Bakken	horz.	2,015'	31120	33-053-06890	4/23/15
Lefty 5200 12-30 9B	NENW 30-152-100	225'FNL and 2,205'FWL	Camp	Bakken	horz.	2,015'	31123	33-053-06893	4/23/15
Lefty 5200 12-30 10T	NENW 30-152-100	225'FNL and 2,238'FWL	Camp	Bakken	horz.	2,017'	31124	33-053-06894	4/23/15
Statoil Oil and Gas									
Cheryl 17-20 #6TFH	SESE 8-152-98	691'FSL and 167'FEL	Banks	N/A*	conf.	2,276'	31139	33-053-06899	4/27/15
Cheryl 17-20 XE #1H	SESE 8-152-98	691'FSL and 111'FEL	Banks	N/A*	conf.	2,276'	31140	33-053-06900	4/27/15
Whiting Oil and Gas									
Chameleon State 31-16-1H	NWNE 16-153-97	295'FNL and 2,521'FEL	Banks	Bakken	horz.	2,043'	31112	33-053-06884	4/22/15
Chameleon State 31-16-1TFH	NWNE 16-153-97	295'FNL and 2,476'FEL	Banks	Bakken	horz.	2,040'	31113	33-053-06885	4/22/15
Chameleon State 31-16-2H	NWNE 16-153-97	295'FNL and 2,386'FEL	Banks	Bakken	horz.	2,035'	31115	33-053-06887	4/22/15
Chameleon State 31-16-2TFH	NWNE 16-153-97	295'FNL and 2,431'FEL	Banks	Bakken	horz.	2,038'	31114	33-053-06886	4/22/15
Chameleon State 31-16-3TFH	NWNE 16-153-97	295'FNL and 2,341'FEL	Banks	Bakken	horz.	2,034'	31116	33-053-06888	4/22/15
Koala 44-5H	SESE 5-151-99	475'FSL and 300'FEL	Poe	Bakken	horz.	2,375'	31105	33-053-06880	4/21/15
Koala 44-5TFH	SESE 5-151-99	385'FSL and 300'FEL	Poe	Bakken	horz.	2,375'	31107	33-053-06882	4/21/15
Koala 44-5-2H	SESE 5-151-99	430'FSL and 300'FEL	Poe	Bakken	horz.	2,375'	31106	33-053-06881	4/21/15
Koala 44-5-3H	SESE 5-151-99	340'FSL and 300'FEL	Poe	Bakken	horz.	2376'	31108	33-053-06883	4/21/15
XTO Energy (ExxonMobil)									
Nordeng 34X-23E	SWSE 23-151-98	275'FSL and 2,430'FEL	Siverston	N/A*	conf.	2,057'	31142	33-053-06901	4/27/15
Ryan 14X-9A	SWSW 9-150-97	395'FSL and 715'FWL	Siverston	N/A*	conf.	2,228'	31144	33-053-06903	4/27/15
Ryan 14X-9B	SWSW 9-150-97	335'FSL and 715'FWL	Siverston	N/A*	conf.	2,227'	31146	33-053-06905	4/27/15
Ryan 14X-9E	SWSW 9-150-97	425'FSL and 715'FWL	Siverston	N/A*	conf.	2,228'	31143	33-053-06902	4/27/15
Ryan 14X-9EXF	SWSW 9-150-97	365'FSL and715'FWL	Siverston	N/A*	conf.	2,228'	31145	33-053-06904	4/27/15
Ryan 14X-9F2	SWSW 9-150-97	305'FSL and 715'FWL	Siverston	N/A*	conf.	2,225'	31147	33-053-06906	4/27/15
McLean Co.									
SHD Oil and Gas									
Charging Wildcat 22-31H	SENW 31-150-90	1,951'FNL and 1,961'FWL	Deep Water Creek Bay	N/A*	conf.	2,038'	31109	33-055-00182	4/22/15
Luke Neset 22-31H	SENW 31-150-90	1,899'FNL and 1,990'FWL	Deep Water Creek Bay	N/A*	conf.	2,038'	31111	33-055-00184	4/22/15
War Eagle 22-31H	SENW 31-150-90	1,925'FNL and 1,975'FWL	Deep Water Creek Bay	N/A*	conf.	2,038'	31110	33-055-00183	4/22/15
Mountrail Co.									
Marathon Oil									
Dora USA 11-5TFH	SWSW 32-151-92	368'FSL and 550'FWL	Van Hook	N/A*	conf.	2,114'	31135	33-061-03675	4/23/15

Permits renewed

Well Name	Location	Footages	Field	Geologic Target	Wellbore Type	Elev.	NDIC No.	API No.	NDIC date
Dunn Co.									
Petro-Hunt									
Dolezal 145-97-20C-17-5H	SWSW 20-145-97	270'FSL and 1,225'FWL	Little Knife	N/A*	conf.	2,553'	28239	33-025-02517	4/27/15

see ND PERMITS page 9

ND IP *continued from page 7*

28062	Helling Trust Federal 5494 43-22 10T	Alkali Creek	SWSE 22-154-94	2SEC	MNT	Bakken	horz.	20,500'	2/18/15	1,029	1,318	810
27737	Montague 5601 41-34 6T	Cow Creek	SWSW 34-156-101	2SEC	WIL	Bakken	horz.	20,859'	2/3/15	1,628	643	4,087
28685	Ruud 5493 43-23 8T2	Robinson Lake	SWSE 23-154-93	2SEC	MNT	Bakken	horz.	20,547'	11/14/14	418	335	3,481
Oxy USA (Occidental Petroleum)												
28163	Federal Bud 3-29-32H-143-96	Fayette	SESW 20-143-96	2SEC	DUN	Bakken	horz.	21,015'	11/9/14	94	39	700
Statoil Oil and Gas												
29547	Field Trust 7-6 #2TFH	Todd	LOT8 7-154-101	2SEC	WIL	Bakken	horz.	20,342'	3/6/15	127	92	6,485
29548	Field Trust 7-6 #7H	Todd	LOT8 7-154-101	2SEC	WIL	Bakken	horz.	20,560'	3/4/15	1,990	1,560	4,400
Triangle USA Petroleum												
28510	Britt 151-102-4-9-1H	Elk	LOT3 4-151-102	2SEC	MCK	Bakken	horz.	20,824'	11/30/14	412	1,059	44
28511	Britt 151-102-4-9-2H	Elk	LOT3 4-151-102	2SEC	MCK	Bakken	horz.	20,748'	11/19/14	600	300	617
Whiting Oil and Gas												
25583	Moccasin Creek 14-33-28-2H3	Moccasin Creek	SWSE 33-148-93	2SEC	DUN	Bakken	horz.	20,003'	1/17/15	2,029	1,650	2,917

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ND PERMITS *continued from page 8*

Whiting Oil and Gas									
Skunk Creek 4-18-17-1H	LOT1 18-148-92	1,060'FNL and 300'FWL	Heart Butte	N/A*	conf.	2,006'	24116	33-025-01927	4/27/15
Skunk Creek 4-18-17-1H3	LOT1 18-148-92	1,030'FNL and 300'FWL	Heart Butte	N/A*	conf.	2,007'	24115	33-025-01926	4/27/15
Skunk Creek 4-18-17-8H3	LOT1 18-148-92	1,090'FNL and 300'FWL	Heart Butte	N/A*	conf.	2,005'	24117	33-025-01928	4/27/15
McKenzie Co.									
Petro-Hunt									
CMNU C-205X	NESW 5-153-95	1,767'FSL and 2,157'FWL	Charlson	N/A*	conf.	2,025'	28227	33-053-05870	4/24/15
Renville Co.									
Fram Operating									
Danny Funke 6	NENE 25-160-86	510'FNL and 510'FEL	South Greene	N/A**	conf.	1,725'	25460	33-075-01439	4/24/15
Williams Co.									
HRC Operating (Halcon Resources)									
Ann H. Thome 3-25-36H	NWNW 25-157-102	311'FNL and 1,260'FWL	Strandahl	N/A*	conf.	2,392'	25443	33-105-03046	4/22/15
Ann H. Thome 4-25-36H	NWNW 25-157-102	310'FNL and 1,320'FWL	Strandahl	N/A*	conf.	2,393'	25444	33-105-03047	4/22/15
Ann H. Thome 5-25-36H	NENW 25-157-102	310'FNL and 1,350'FWL	Strandahl	N/A*	conf.	2,393'	25445	33-105-03048	4/22/15

Permits cancelled

Well Name	Location	Footages	Field	Geologic Target	Wellbore Type	Elev.	NDIC No.	API No.	NDIC date
Dunn Co.									
HRC Operating (Halcon Resources)									
Fort Berthold 148-95-25A-36-3H	SENE 25-148-95	1,990'FNL and 1,047'FEL	Eagle Nest	Bakken	horz.	2,410'	25506	33-025-02149	4/23/15
Fort Berthold 148-95-25A-36-4H	SENE 25-148-95	1,999'FNL and 1,096'FEL	Eagle Nest	Bakken	horz.	2,411'	25505	33-025-02148	4/23/15
Fort Berthold 148-95-25A-36-5H	SENE 25-148-95	2,009'FNL and 1,145'FEL	Eagle Nest	Bakken	horz.	2,412'	25504	33-025-02147	4/23/15
McKenzie Co.									
Newfield Production									
Johnsrud 151-98-30-31-10H	NENE 30-151-98	350'FNL and 1,145'FEL	Siverston	Bakken	horz.	2,136'	28948	33-053-06168	4/23/15
Statoil Oil and Gas									
Jay 24-13 #2H	NENE 25-153-98	200'FNL and 610'FEL	Banks	Bakken	horz.	2,112'	24093	33-053-04483	4/23/15
Jay 24-13 #3TFH	NENE 25-153-98	200'FNL and 640'FEL	Banks	Bakken	horz.	2,213'	24094	33-053-04484	4/23/15
Jay 24-13 #4H	NENE 25-153-98	200'FNL and 670'FEL	Banks	Bakken	horz.	2,213'	24095	33-053-04485	4/23/15
Mountrail Co.									
EOG Resources									
Parshall 143-1820H	LOT3 18-152-90	2,000'FSL and 500'FWL	Parshall	Bakken	horz.	1,880'	28403	33-061-03111	4/23/15

To view this chart in its entirety, please visit: **http://bit.ly/1P9OI2R**

Petroleum news BAKKEN

ND weekly county permit totals

April 21-27, 2015

County	Permits issued	Permits issued for confidential wells	Permits renewed	Location resurveys authorized
Bottineau	2	2	0	0
Bowman	0	0	0	1
Dunn	11	11	4	0
McKenzie	27	8	1	4
McLean	3	3	0	0
Mountrail	1	1	0	0
Renville	0	0	1	0
Williams	0	0	3	4
Totals	**44**	**25**	**9**	**9**

Petroleum news BAKKEN

Top 10 Bakken wells by IP rate

April 21-27, 2015

Burlington Resources Oil and Gas (ConocoPhillips)				
28369	CCU Pullman 6-8-7MBH	Corral Creek	DUN	2,766
28413	Shenandoah 44-36TFH	Keene	MCK	2,544
28354	CCU Pullman 3-8-7TFH	Corral Creek	DUN	2,445
Marathon Oil				
28705	Castner 34-20H	Bailey	DUN	2,396
Burlington Resources Oil and Gas (ConocoPhillips)				
29217	CCU North Coast 4-8-23MBH	Corral Creek	DUN	2,244
Slawson Exploration				
22228	Vixen Federal 2-19-30H	Van Hook	MNT	2,228
Statoil Oil and Gas				
25082	Field Trust 7-6 6H	Todd	WIL	2,212
Burlington Resources Oil and Gas (ConocoPhillips)				
28414	Shenandoah 44-36MBH ULW	Keene	MCK	2,204
28363	CCU Pullman 5-8-7TFH	Corral Creek	DUN	2,160
26387	CCU North Coast 31-25MBH	Corral Creek	DUN	2,112

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 April 21-27, 2015 in the Bakken petroleum system, as well as active wells that were released from tight- hole (confidential) status during the same period. The well operator's name is on the upper line, followed by individual wells; the NDIC file number; well name; field; county; IP oil flow rate in barrels of oil.

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ENERGY EAST

an alternative site as Petroleum News Bakken reported April 19, Quebec Environment Minister Pierre Arcand was demanding proof of greater economic benefits from the C$12 billion project for his province.

Arcand has told reporters in New York and Quebec that TransCanada has yet to answer questions on whether it will open an office in Montreal or provide greater detail on the economic spinoffs from the proposed 1.1 million barrel per day crude oil pipeline.

PIERRE ARCAND

"The problem with Energy East as we speak is that we don't have a final project," Arcand told Bloomberg. "We're not sure if there's going to be a port or not."

At the same time, he conceded that fossil fuels will be needed for the next 30 to 40 years, "if not more," and the prospect of more crude being moved by rail if pipeline applications are turned down will force Quebecers to debate "which one is the lesser evil."

A TransCanada spokesman said the company was committed to ensuring Energy East would yield "significant economic benefits" for Quebec industry, labor and governments at all levels.

That includes C$5 billion of capital spending in Quebec and C$2 billion in property taxes to Quebec municipalities over 20 years.

A Conference Board of Canada report commissioned by TransCanada estimated the construction and operation of Energy East would add C$5.83 billion to the province's gross domestic product over 25 years.

Currently, Quebec imports all of the oil it needs for the province's Suncor Energy and Valero refineries, with those imports from the Middle East and Africa costing C$15 billion a year.

TransCanada Chief Executive Officer Russ Girling said in early April that the "pipeline itself" was a far more important piece for Energy East than the loss of the Cacouna site.

He said the company was engaged in a series of tradeoffs covering economic benefits and environmental protection.

Arcand said the decision to scuttle the Cacouna terminal will probably delay the start of regulatory hearings until the second half of 2016, making a recommendation from the National Energy Board unlikely before 2017.

If final approvals are granted, most observers believe a startup for Energy East is not possible before 2020.

The Quebec and Ontario governments are developing a joint position on the pipeline to strengthen their case to the NEB, Arcand said, adding that the two provinces share common concerns and if they can arrive at the same conclusion, that will represent a "powerful" intervention at the hearings.

The climate change factor

Ontario has opened the door to such a pact by announcing April 16 it will team up with Quebec (and California) in a cap-and-trade emissions reduction program, which environmental and energy lobbyists are eager to turn into a new energy strategy for Canada.

"It makes sense (for Canada's 10 provinces) to move together on this issue for a whole slew of reasons, including competition and the economic health of Canada," said Sidney Ribaux, executive director of Equiterre, an environmental group that wields growing influence in Quebec.

Because there has been little progress in trying to move the Canadian government of Prime Minister Stephen Harper on climate change action, a number of the most powerful industry associations — including the Canadian Association of Petroleum Producers, the Canadian Energy Pipeline Association, the Canadian Electricity Association and Canadian Manufacturers & Exporters — have decided they must play a role or risk arbitrary measures.

Energy East has quickly become a major sticking point in the debate over a Canadian energy strategy, with most environmental groups opposing the pipeline, saying it will encourage growth of the Alberta oil sands at a time when they are calling for a halt to development of the resource.

The buildup to the United Nations climate change summit in Paris this December is increasingly focused on across-the-board reduction targets for greenhouse gas emissions rather than intensity targets, which are tied to energy outputs or inputs, undercutting a position the oil sands sector has long advocated.

CAPP, which emphasizes the use of technology to reduce emissions, has urged the Alberta government to continue supporting intensity targets, whereas absolute reductions would pose the greatest threat of all to pipelines such as Energy East, Keystone XL, the Northern Gateway from Bruderheim near Edmonton to coastal access at Kitimat in western British Columbia and the Trans Mountain expansion from Edmonton to Vancouver.

What the energy lobbyists are seeking is a strategy that includes broad statements or principles and actions that Canada's 10 provinces could support voluntarily.

A spokesman for CAPP said the provinces, as owners of natural resources, have a vital role to play in how goals and objectives are "manifest in their particular resource development scenarios."

Canada's Finance Minister Joe Oliver said his government does not endorse the cap-and-trade system being touted by Ontario, Quebec or California, viewing that as "negative for consumers and taxpayers."

Harper has promised his government will release its GHG emission targets in advance of Group of 7 meetings in June.

—GARY PARK

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UPLAND SYSTEM

TransCanada's Energy East pipeline from the Alberta oil sands and Bakken formation in Saskatchewan to refineries in Quebec and New Brunswick and terminals for export beyond North America.

A spokesman said Upland is about "ensuring maximum North American benefits for the energy we produce and making sure it gets to market in the safest, most efficient and environmentally sound way possible."

But the project faces two formidable obstacles along with the unknown prospects of opposition from an array of pipeline and crude expansion opponents.

The C$12 billion Energy East plan to carry 1.1 million bpd faces mounting resistance in Canada (see sidebar on page 1), while Upland needs a Presidential Permit to cross the Canada-U.S. border, raising echoes of the major stumbling block that has halted progress on Keystone XL. The project also requires permission to export U.S. crude.

TransCanada said in February that it has sufficient shipper backing to proceed with the Upland application, noting that much of the crude committed to the pipeline is already being carried by rail. ●

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LEGAL COLUMN

Antitrust laws are not aimed at a particular natural gas company, but rather all the businesses in a marketplace. Antitrust laws can be claimed against railroads or mobile phone providers or a myriad of other industries.

This doesn't complete the conflict though. Because of how the case was presented, it did not involve whether or when there will be conflicts between the state antitrust laws and the federal rate-setting process.

One advantageous effect of this case is that it gives credence to those who argue that federal law cannot always pre-empt state law. If continuing federal environmental constraints are sought on producers, the urging of more limited language in the federal statutes may help states, like North Dakota, which has a robust environmental regulatory framework, in keeping federal oversight out of those areas. ●

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TRIPLETT Q&A

rug out from under them in the precise second that they would have the opportunity to take advantage of the big trigger? I think as a state we have to project to the entire world a vision of fairness and integrity, and it's not just about the oil industry. It's about any other industry that we might want to attract to our state as a means of diversifying our economy. If we start changing up tax policy for anybody at the last minute, after they have made enormous investments and good faith reliance on long-standing tax policy, when it turns to their advantage, that sends such a bad message to anybody from any industry that might think about investing. The bill as it was proposed was incredibly unfair to the industry and incredibly unfair to the people of North Dakota because it's not reflective of who we are as a people. I think North Dakotans pride themselves on their integrity and keeping commitments and this was a bill that did not keep our commitments. We obviously, as a Legislature, have a right to change tax policy but it needs to be done with some consultation with parties involved and then it needs to be done in advance — that was the idea of the delayed effective date. My first offering when we were talking was to delay it for a full year — give them from June '15 to June '16 to take advantage of that trigger — and then we would not be subject to someone saying that we don't keep our commitments. For me it wasn't about the short-term gain of avoiding the trigger, it was about preserving the integrity of state government of North Dakota.

Petroleum News Bakken: The law now eliminates the trigger on Dec. 1, 2015, but the 10 percent tax rate doesn't apply until Jan. 1, 2016. Why was that one month left alone?

Triplett: It was just a last minute manipulation to make sure we had a positive fiscal note. I wasn't part of that. That's also a reason I want to be on Legislative Management because we have got to reform our fiscal impact analysis in the legislative process. There's far too much game playing that goes on to manipulate the fiscal note for the immediate, upcoming biennium and far too little emphasis on what the real long term impact of our decisions is and there's a lot of game playing that goes on. I can call it a game here but it has real-life consequences because the general public understandably has a very hard time understanding the minutia of what we're doing here. So it gives legislators who want to misuse the data the opportunity to tell the truth, but not the whole truth, and that offends me.

A family interest in oil

Petroleum News Bakken: You have been the only female legislator to regularly weigh in on oil and gas legislation. How did you develop an interest in it?

Triplett: Part of it is the committees I've requested to be on because between Finance and Tax and Natural Resources, every single oil bill goes through one of those committees. Until recently I was the only woman on either of those committees. Now (Sen.) Jessica Unruh (R-Beulah) is with me on both of them, so I expect her to weigh in as time passes. I do have some real interest in it.

My family history is in Renville County — a very minor player in the current oil boom. But there is oil development there from back in the early days when I grew up on a farm. I have four brothers and three of them spent time working as roughnecks in the '80s, so the whole notion of the oil industry is something I've been very familiar with and I know the lingo, as it were. My youngest brother is a geological engineer and spent 17 years working in the Oil and Gas Division. He started as a field inspector and ended up in the office supervising all the horizontal drilling in North Dakota when it was all so new, so in family conversations I was able to keep up with the changes in technology as they happened. Some years back, he went to work with Marathon Oil. From the other side, my husband was the director of the Energy and Environmental Research Center at the University of North Dakota for 27 years and so I always knew what was going on at the research end to encourage efficiencies in the oil industry.

Petroleum News Bakken: Switching gears to the formula bill (HB 1176), oil counties received a 5 percent increase in the tax distribution. The Democrats were disappointed with that, but some lawmakers were also upset with the additional hub cities that will receive funding from the bill such as Mandan, West Fargo and Grand Forks. What do you think?

Triplett: I'm sort of a purist for the most part on the notion of what the gross production tax is used for because it was intended to be in lieu of property tax, so it's hard to justify spending money outside the oil patch or at least the communities indirectly impacted by oil development. And so the further away you get, and the more indirect the impact, the harder it is to justify from a legal standpoint. It fuels my passion for the oil extraction tax, because in my mind that's the only tax that can be used legitimately for the benefit for all the people of North Dakota inside and outside the oil patch. ●

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DRILLING & COMPLETION

Statoil grants Ferus CO2 contract

Statoil Oil and Gas has awarded a contract to Denver-based Ferus LP to provide carbon dioxide for a Statoil pilot program evaluating the potential of liquid CO_2 to both partially replace slickwater in hydraulic fracturing and to provide production uplift in the Bakken.

According to Ferus, while CO_2 is commonly used as an "energized fluid" in the Western Canadian Sedimentary Basin, the Statoil pilot is the first "major application of liquid CO_2 to replace slickwater during the hydraulic fracturing process in the Bakken."

The pilot is part of a larger collaboration between Statoil and General Electric to develop sustainable energy alternatives, and is the second pilot in which Ferus has been involved, the first being "CNG In A Box" where natural gas is compressed at the wellhead and subsequently used to fuel well site equipment, a process that reduces flaring at well sites stranded from gas capture infrastructure.

Ferus is a privately held oil and gas service company providing inert gases and logistical services for well stimulations and enhanced recovery in the U.S. and Canada.

—PETROLEUM NEWS BAKKEN

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ASSET FOCUS

The corporation is looking even further for cost savings. "Going forward, including the effect of further lean efficiency gains and service cost reductions, we are now targeting drilling and completion costs to average between $6 million and $6.5 million per well for full-year 2015," Hill said. "Our top quartile costs — in combination with the high productivity of our wells — allows us to continue to deliver some of the highest return wells in the play."

In the Bakken, Hess Corp. is also continuing with downspacing testing. Its standard Bakken development has been 13 wells per drill spacing unit, but Hill said the corporation has been pilot testing 17 wells on four DSUs, and the majority of those wells are performing in line with type curves, indicating minimal interference. He said plans are to increase the 17-well pilots from four to nine in 2015.

Ramping down, ramping up

While discussing the prospects of activity ramping back up in the Bakken in the context of sustaining cost savings, Hill said it will take a longer period of time for activity to get back to previous levels than the time it took to slow down. "The ramp up will not be as fast as the ramp down," he said. "Why? Because there is a significant amount of the workforce that has left the oil and gas industry, and so to restart those rigs and get crews and get all the people you need, that's going to be a much slower ramp. So I think, as an industry, our ability to ramp up will not be as fast as maybe some people might anticipate."

But that is only part of the equation; the other part is knowing when to start ramping up activity, and that is something Hess Corp. is going to carefully evaluate. "I think the other thing that we're thinking about … is we'll have to see a fairly strong price signal for an extended period of time before we're just going to ramp activity back up," Hill said. ●

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TESORO TRACK

In addition to the labor issue, the company's refining throughput was also impacted by planned maintenance at the Martinez and Anacortes refineries as well as its refinery in Salt Lake City. The Martinez refinery actually sat idle throughout February and March. The company said the throughput decline in the California refineries increased operating costs by more than $1 per barrel.

"We managed through a very difficult first quarter which resulted from the labor disruption at our three West Coast refineries," Tesoro Chairman and Chief Executive Officer Greg Goff said in an April 22 press release. "Also during the quarter, planned maintenance was performed at three refineries, including extended downtime at the Martinez refinery. As of the beginning of April, the labor disputes have been resolved and we are back on track to deliver on our stated 2015 business improvement objectives."

1Q throughput

During the first quarter, Tesoro's total refining segment throughput averaged 696,000 bpd, down 112,000 bpd or 14 percent from fourth quarter 2014 throughput and down 121,000 bpd or 15 percent relative to first quarter 2014.

In California, combined throughput at the two refineries averaged 422,000 bpd in the quarter, down 15 percent from 494,000 bpd in the fourth quarter and down 19 percent from the 521,000 bpd first quarter 2014 throughput.

In the company's Pacific Northwest refining region, which includes the Anacortes refinery as well as its Kenai refinery in Alaska, throughput averaged 158,000 bpd, down 6 percent from the 168,000 bpd throughput those refineries averaged in both the fourth and first quarters of 2014.

While the labor strike did not target the company's Midcontinent refining region where it operates the Mandan and Salt Lake City refineries, throughput in that region was also down due to maintenance. Those two refineries had a combined throughput of 116,000 bpd in the quarter, down from 132,000 and 128,000 bpd in the fourth and first quarters 2014, decreases of 12 and 9 percent, respectively.

Financial guidance

Tesoro's adjusted earnings in the first quarter, i.e., earnings before interests, taxes, depreciation and amortization, totaled $489 million excluding special items, down 5 percent from the $515 million in adjusted EBITDA in the fourth quarter but up 35 percent from the $362 million posted in the first quarter 2014.

Even though first quarter adjusted earnings were down, Tesoro still expects to achieve its second quarter consensus EBITDA of $800 million and reach its full-year 2015 EBITDA of $2.6 billion for an average of $650 million per quarter. "We expect to realize a positive impact to system capture rates in the second quarter as we are in the final steps of completing the planned maintenance," the company said.

—MIKE ELLERD

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PIPELINE PLANS

natural gas processing assets in North Dakota and Montana along with some additional gathering and processing assets in Oklahoma.

In a press release announcing an increase in its first quarter stock dividend, Chairman and Chief Executive Officer Richard Kinder said the Hiland acquisition "establishes a premier midstream platform for us in the Bakken, with a significant amount of acreage dedicated under long-term gathering agreements with some of the Bakken's largest and most successful producers." Kinder Morgan has contracts on 80,000 bpd of the initial 84,000 bpd capacity.

WB export, refining capacity

According to the latest figures available from the North Dakota Pipeline Authority, the Double H pipeline brings the Williston Basin's crude oil pipeline export capacity to 739,000 bpd. Adding in Tesoro's 71,000 bpd capacity at its Mandan refinery brings the pipeline and refining capacity 810,000 bpd. And the 20,000 bpd Dakota Prairie diesel topping refinery near Dickinson will bring the combined pipeline and refining capacity in the basin to 830,000 bpd. That refinery is a joint venture between MDU Resources and Calumet Specialty Products and is expected to be in full service in May.

On the crude-by-rail side, the state's 20 rail terminals have a capacity to load approximately 1.26 million bpd, which brings the Williston Basin's total export and refining capacity to approximately 2.09 million bpd. There is an additional approximately 230,000 bpd of rail export capacity expected to come online in 2015, which will bring the export and refining capacity in the basin to approximately 2.32 million bpd. By comparison, North Dakota produced an average of approximately 1.18 million bpd in February according to the latest data available from the state's Department of Mineral Resources.

More on Kinder Morgan

Kinder Morgan's business segments generated $1.912 billion in earnings before depreciation, depletion and amortization along with amortization of excess investments in the first quarter. While that income is down slightly from fourth quarter earnings of $1.972 billion and the $1.919 billion earnings in the same quarter of 2014, it is enough for the company to increase its quarterly cash dividend to 48 cents per share, up 7 percent over the fourth quarter and up 14 percent over the dividend paid in the first quarter 2014.

Kinder Morgan is the largest midstream company in North America operating or owning an interest in more than 84,000 miles of pipelines and 180 terminals. Its business units focus on natural gas pipelines, refined products pipelines, terminals and carbon dioxide in addition to a number pipelines and terminals in Canada, including the 300,000 bpd Trans Mountain pipeline that transports crude oil and refined products from Alberta to British Columbia (see related story on page 1).

—MIKE ELLERD

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