

# Petroleum n e w s

## BAKKEN



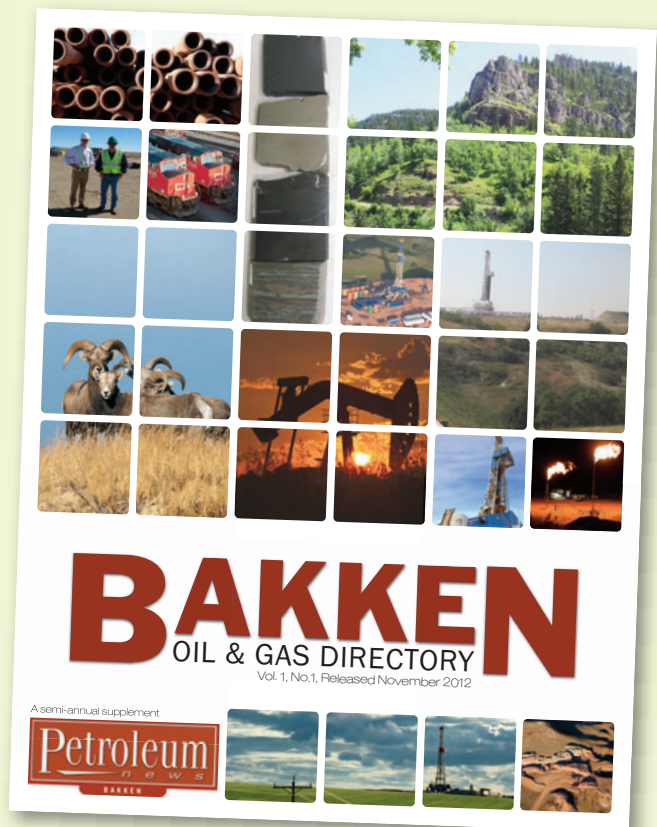
**page 12** Race heats up to match rail demand;  
Refiner PBF expands offloading

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### Soon: Bakken Oil & Gas Directory



The first edition early November

### PNB to release industry directory in early November

Petroleum News Bakken expects to release its first Bakken Oil & Gas Directory in early November. The print edition will be enclosed in the Nov. 4 edition of the newspaper; the online edition will be available at [www.petroleumnewsbakken.com](http://www.petroleumnewsbakken.com) on Nov. 2.

The full color directory, published as a marketing tool for the newspaper's regular, contracted advertisers, will include categories listing every type of business, government agency

see **PNB DIRECTORY** page 16

### Montana's DNRC to offer 'temporary water lease'

As in most Western states, the issue of water rights in Montana can be contentious.

The state already has several "closed basins" — areas where no more surface water can be allocated. For example, part of the Southern Alberta Bakken play is in the Teton basin, which is an administratively closed basin.

see **WATER LEASE** page 19



TIM DAVIS

DARRYL FLOWERS

### BNSF hikes Williston takeaway capacity

BNSF Railway said it has raised its Williston basin takeaway capacity to 1 million barrels per day in response to rising demands from oil producers in North Dakota and Montana.

Dave Garin, BNSF group vice president for industrial products, said in an early September statement that the company has seen its handling volumes increase over the past five

see **RAIL CAPACITY** page 16



DAVE GARIN

### FINANCE & ECONOMY

## More deals wanted

QEP discloses reasons behind \$1.38B Bakken buy; Oasis, Triangle next?

By **RAY TYSON**

For Petroleum News Bakken

The E&P independent that's shelling out a hefty \$1.38 billion for additional Bakken-Three Forks properties in North Dakota's Williston Basin is shopping for more "bolt-on" acquisitions in the region, as it continues to emphasize oil over a sagging natural gas market.

"A very wise man once said you look at every deal in the areas in which you operate. We're never done; we'll continue to look," Chuck Stanley, chief executive officer of Denver-based QEP

Resources, Inc., told analysts during an August 24 conference call.

QEP's new package, among the largest Bakken deals of the year, involves "multiple sellers," including Black Hills Corp. of Rapid City, S.D., Unit Petroleum Co. of Tulsa, Okla., and Australian-based Sundance Energy.

The acquired properties, primarily made up of a contiguous block of acreage located in Williams and McKenzie counties, are situated just 12 miles west of QEP's existing core acreage. The properties are largely held by production, fully delineated and

see **MORE DEALS** page 17



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—Chuck Stanley, CEO of QEP Resources

### LAND & LEASING

## ND front runner online

Combs sees advantages for state, bidders in using online process for all oil leasing

By **MIKE ELLERD**

For Petroleum News Bakken

In June the State of North Dakota's oil and gas leasing agency entered into a five year contract with online auction firm EnergyNet, in order to be able to offer tracts between the state's legislatively mandated quarterly auc-

Noting the decision is ultimately up to the North Dakota Department of Trust Lands Commissioner Lance Gaebe, Drew Combs, director of the department's Minerals Management Division, says even-



DREW COMBS



BILL BRITAIN

tually the division might conduct all its oil and gas lease auctions online because of the advantages to both the state and the bidders — advantages that include the state being able to reach many more prospective buyers; bidders being able to work from the comfort of their own offices versus having to travel to

North Dakota for the quarterly auction; and the option of buying and selling tracts between quarterly auctions.

While online auction firms such as EnergyNet

see **ONLINE LEASING** page 18

### FINANCE & ECONOMY

## Most plays 'insignificant'

Only 2 horizontal plays matter; EOG to move Permian capital to Bakken, EF

By **KAY CASHMAN**

Petroleum News Bakken

EOG Resource's top executive Mark Papa raised a few eyebrows Sept. 4 when he told attendees of Barclays energy conference that only two horizontal liquids plays in the U.S. matter — the Eagle Ford and the Bakken. The rest are "insignificant" in terms of future U.S. production, Papa says, including those his company is invested in, such as the Wolfcamp, Permian and Barnett plays.

In fact, in 2013, it is "likely" the Houston-based company will be "stealing some capital from the Permian and ... Barnett combos" for company operations in the Eagle Ford and Bakken, Papa said.



MARK PAPA

What has changed from Papa's comments in EOG's second quarter earnings conference a month ago when he said there were only three "consequential horizontal oil plays in North America — the Eagle Ford, Bakken and Permian"?

And what is different from earlier this year when he referred to the Wolfcamp shale play as the "fourth leg" in EOG's strategy, asked one attendee: "Has something changed to make you want to allocate more rigs to the Bakken and the Eagle Ford?"

### NGL prices the issue

"Yes," Papa replied, "the biggest change from

see **TWO PLAYS** page 10