



### Happy holidays & best wishes!



VERN WHITTEN PHOTOGRAPHY

### Whiting shifts focus from Sanish field, open to joint venture for Big Is, Missouri Breaks, Niobrara

Whiting Petroleum is shifting its focus in the Williston Basin to development projects southwest of its flagship Sanish field, a major core area that provides the Denver-based E&P independent with nearly 40 percent of its total U.S. production.

Whiting has given no hint of abandoning its long-standing position in the Sanish. It's a prolific Bakken-Three Forks play that supplies the company with more than 30,000 barrels of oil equivalent per day.

"Sanish is a great, great asset, a great, great find, perhaps one of the best fields, (with) over 5 billion barrels in place right there

see **WHITING FOCUS** page 11

### Enbridge makes big Bakken bid; plans additional 400,000 bpd oil

Enbridge and its U.S. affiliate Enbridge Energy Partners have made the boldest move yet to become the dominant shipper of crude from the Bakken formation in North Dakota to refineries in Eastern Canada, the eastern U.S. and the U.S. Midwest.

The Light Oil Market Access Program they have cobbled together involves spending of about C\$6.2 billion over the next four years to move an additional 400,000 barrels per day of Bakken and Western Canadian crude to market.

To gain the necessary shipper support, the partnership has bowed to pressure from the Bakken producers and opted for a common-carrier approach rather than imposing long-term shipping contracts.

Enbridge Chief Executive Officer Al Monaco said the ini-

see **ENBRIDGE BID** page 18

### Montana lease auctions soften

The Minerals Management division of the Montana Department of Natural Resources and Conservation, DNRC, held its quarterly oil and gas lease auction Dec. 4, selling 6,482 acres in 29 parcels statewide, for a total of \$160,147 with an average price per acre of \$24.71.

The acreages sold were in the following Montana counties: Carbon (1,346), Carter (640), Golden Valley (640), Lewis and Clark (640), Pondera (640), Richland (1,935) and Teton (640). The highest bid was \$230 per acre by H. Kermit Anderson for a 13.5 acre parcel in Richland County. Willis

see **MONTANA AUCTIONS** page 11

### PRODUCTION & RECOVERY

# Production slows

Fewer rigs, frac backlog contribute to smaller increase in October output

By **RAY TYSON**

Petroleum News Bakken

North Dakota's oil production continued to increase in October but at a slower pace than previous months, due to less drilling and a substantial backlog in hydraulic fracturing jobs.

Much of the slowdown can be attributed to temporary setbacks. But it also may be signaling the end of the chaotic Bakken oil boom and the beginning of more stable growth.

"We think that this next year is going to be that transition year when the rig count stabilizes in the 200 range and the truck traffic stabilizes," Lynn Helms, director of the state Department of



LYNN HELMS

Minerals Resources, said in a conference call with reporters.

But the Williston Basin rig count averaged just 190 in September, 188 in October and 186 in November, slipping again to 182 by Dec. 17, when the department released its latest oil patch statistics by way of Helms' "Director's Cut" report. The record high of 218 rigs was reached on May 29 of this year.

### All-time high production

Oil production averaged 747,239 barrels per day in October, a new all-time high for North Dakota, but just 2.5 percent above September's

see **PRODUCTION SLOWS** page 15

### COMPANY UPDATE

# Seeking full production

Kodiak launching 2 pilot projects to test Bakken-Three Forks on tight well spacing

By **RAY TYSON**

Petroleum News Bakken

Kodiak Oil and Gas Corp. is embarking on two pilot projects to test the full potential of the Bakken and underlying Three Forks reservoirs using much tighter well spacing than usual at its Polar and Smokey prospects in North Dakota. The effort will consume about a third of the company's entire 2013 drilling budget.

Kodiak chief executive Lynn A. Peterson also told analysts at a recent conference that because of drilling efficiencies the company will be able to



LYNN A. PETERSON

complete as many wells in 2013 as it will this year, using just six rigs, two fewer than earlier this year.

Peterson also said that while merger and acquisition activity continues in the Bakken, fewer large parcels are available these days, confirming what other regional players are saying.

### Moving three rigs to Polar

Kodiak plans to move three rigs onto its Polar block in Williams County in January, where a dozen wells are to be drilled and complet-

see **KODIAK PROJECTS** page 17

### MOVING HYDROCARBONS

# Judge questions authority

Texas Keystone dispute continues; landowner argues oil sands bitumen isn't crude oil

By **MIKE ELLERD**

For Petroleum News Bakken

A dispute over access for the Gulf Coast portion of TransCanada's Keystone pipeline across a small piece of private property in east Texas continues after a county court judge in a Dec. 19 hearing questioned whether the issue is within his jurisdiction.

In that hearing, Nacogdoches County Court-at-Law Judge Jack Sinz asked both sides in the dispute, TransCanada and the property owner who is contesting the access, to submit arguments as to whether the dispute should be settled in county



see **KEYSTONE DISPUTE** page 15