



Streamlining stimulations



VERN WHITTEN PHOTOGRAPHY

RockPile Energy hydraulically fractures a Continental Resources well with sand supplied by SandBox Logistics about 10 miles southeast of Williston, North Dakota. A water stream for numerous completions along this energy corridor originates from the tank in the center of the photo. A recent study of water use in six western states commissioned by the Western Energy Alliance found that the amount of water used by the oil and gas industry is relatively small.

NDIC sees no need for EPA's proposed frack disclosure rule

A three-year-old petition for federal hydraulic fracturing rules is arguably outdated and unnecessary.

In August 2011, Earthjustice and more than 100 other parties submitted a petition to the Environmental Protection Agency, EPA, to implement rules that would require chemical disclosure of hydraulic fracturing operations under the Toxic Substances Control Act. A week later, FracFocus, a voluntary registry of the chemicals used in fracking, went live. The system essentially does what the petition requested.

"There was a legitimate concern four years ago," North Dakota's Department of Mineral Resources Director Lynn

see **FRACK RULE** page 15

ND's top paleontologist retires after 33 years of fossil hunting

Because a young boy enjoyed smashing rocks, North Dakota's earliest oil operators were able to drill with greater success.

State Paleontologist Dr. John Hoganson retired from the North Dakota Geological Survey, NDGS, on July 31 after 33 years, but his love for earth science started early.

When drilling for oil began in the state in the 1950s, paleontology helped operators determine if the various fossils in the rocks would indicate where they may strike oil. "Without that baseline information,

see **HOGANSON RETIRES** page 14

Oneok announces plans for a seventh Bakken natural gas plant

North Dakota's fight against flaring got another boost.

Oneok Partners, the largest independent operator of natural gas gathering and processing facilities in the Williston Basin, announced on July 30 that it will construct another plant about 15 miles northeast of Watford City, not far from its Garden Creek processing complex.

The new Demicks Lake plant will be

see **ONEOK PLANT** page 13



JOHN HOGANSON



TERRY SPENCER

MOVING HYDROCARBONS

Standardization?

NDIC considers oil conditioning rules to create a 'true' Bakken barrel of oil

By **MAXINE HERR**

For Petroleum News Bakken

Standardizing a barrel of Bakken oil could be part of the solution to safer transportation of the light, sweet crude.

The North Dakota Industrial Commission discussed what may be needed to regulate oil conditioning at their monthly meeting on July 29, and decided to quickly set up an additional meeting to gain greater insight on the subject. Oil conditioning can be done one of three ways: through processing at a refinery where various components are removed through the boiling process; by stabilization at a plant by removing



JACK DALRYMPLE

anything lighter than butane; or separating oil from the water and gas at the wellhead. While the conditioning options downstream are often utilized, the state's Department of Mineral Resources Director Lynn Helms told the commission that properly handling the oil as it comes out of the wellhead before it goes to pipe, on a truck or rail car allows for the safest transport.

"We do want to be sure that we understand the conditioning that's required and is meant to be taking place in North Dakota," said Gov. Jack Dalrymple. "What steps do we have to take to begin to monitor and basically regulate

see **OIL CONDITIONING** page 16

MERGERS & ACQUISITIONS

Better, stronger, faster

SM Energy acquires additional acreage in Williams and Divide counties

By **MAXINE HERR**

For Petroleum News Bakken

SM Energy has its eye on surrounding acreage in the Williston Basin.

On July 29, the company announced that it had acquired 61,000 net acres from Calgary-based Baytex Energy adjacent to its Gooseneck project area in Williams and Divide counties. But it isn't planning to stop there. SM Energy Chief Executive Officer Tony Best told analysts during a quarterly update that the company sees its highest potential for growing invento-



TONY BEST



JAY OTTOSON

ry within its current core development areas.

"A key part of our growth strategy is to see where we can add acreage in and around these core areas," Best said. "You are going to see more emphasis on key acquisitions like we announced (with Baytex). We've got a very compelling

set of assets right now and our focus is on continuing to exploit what we've captured already."

The company acquired interest in 126 drilling spacing units under the Baytex acquisition, 81 of

see **SM ACREAGE** page 16

COMPANY UPDATE

Back on production track

With Tioga plant expansion complete, Hess Corp. again growing Bakken output

By **MIKE ELLERD**

Petroleum News Bakken

As Hess Corp. completes its transition to a pure-play exploration and production company, it saw a 17 percent pro forma increase in second quarter production over the same quarter of 2013. That growth, according to Chief Executive Officer John Hess "is underpinned in five key areas," those being the Bakken, the Utica in Ohio, its Tubular Bells play in the deepwater Gulf of Mexico, the Valhall field in Norway's North Sea and the North Mal-



JOHN HESS



GREG HILL

Basin in Malaysia.

Of those five key areas, the Bakken provided the highest production averaging 80,000 barrels of oil equivalent per day in the quarter, a 25 percent increase over the same quarter of 2013 following startup of the corporation's expanded Tioga gas in March.

Hess Corp. sees even more Bakken increases ahead with projected third quarter output estimate at between 85,000 and 90,000 boepd, which puts

see **HESS PRODUCTION** page 15