



Against the Badlands



VERN WHITTEN PHOTOGRAPHY

In early August, Patterson's 265 rig drills a Sinclair Oil and Gas well in the Lone Butte field near the Dunn County line in southeast McKenzie County, North Dakota.

Fed and state leaders look for ND energy transport consensus

North Dakota officials were seeking answers and assistance from Obama administration cabinet members at a public meeting on energy transportation in Bismarck on Aug. 8.

The meeting was one of a dozen scheduled across the U.S. as part of the president's inaugural Quadrennial Energy Review meant to review critical issues in developing a national policy for energy infrastructure.



ANTHONY FOXX

MAXINE HERR

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Daniels County tracts pulled from DNRC's September lease auction

All of the 9,994.38 Daniels County acres that had been nominated for the Sept. 3 Montana Department of Natural Resources and Conservation, DNRC, oil and gas lease auction have been pulled from the auction list by the nominator. The Minerals Management Division of the DNRC does not disclose the identity of nominators until after the auctions are held. Daniels County lies on the fringe of the Bakken petroleum system in the Williston Basin in northeast Montana.

Those Daniels County acres accounted for more than half of the nominated acreage; their removal lowers the acreage in the action to 7,638.26 acres in 25 tracts in three counties, all outside of the traditional Bakken region of northeast Montana (see map).

see MONTANA AUCTION page 16

New XL study gets a rough ride

The project climate impact of Keystone XL pipeline has generated another feud between researchers and promoters in industry and government.

The independent Swedish-based Stockholm Environment Institute, SEI, which has seven offices on four continents, said greenhouse gas, GHG, emissions tied to the proposed TransCanada pipeline would be four times greater than previously estimated by the U.S. State Department.

In the study, published by Nature Climate Change, the authors said the department failed to take into account that XL would cut oil prices by about \$3 a barrel, resulting in greater consumption that would in turn create more GHGs.

The researchers estimated that the pipeline from the Alberta oil sands and the North Dakota Bakken to the Texas Gulf Coast

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GOVERNMENT

Their own plan

Authority is debated as the Three Affiliated Tribes propose flaring rules

By MAXINE HERR

For Petroleum News Bakken

Tribal leadership on the Fort Berthold Indian Reservation is hoping to motivate operators to stop flaring by imposing fees on flared gas, but it may be overstepping its bounds.

The Three Affiliated Tribes recently sent a six-page letter to operators outlining a proposed gas capture plan to manage flared gas. The document's foundation is a Bureau of Land Management, BLM, notice (NTL-4A) regarding royalty payments on oil and gas dated Jan. 1, 1980. In the letter, the tribe said that although the BLM notice has existed for decades, it questions

"This approach allows the operators to work out their best method of preventing flaring on their acreage."
—Three Affiliated Tribes

if the plan has been managed effectively.

"We do not believe that the NTL-4A mandate for gas conservation on well and lease flaring basis is complete and recommend additional documentation and oversight," the letter states.

To supplement the BLM notice, the tribe intends to require that operators submit gas cap-

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COMPANY UPDATE

QEP's gain on liquids

Increase of crude in company's product mix driven by Williston Basin production

By MIKE ELLERD

Petroleum News Bakken

"Over the past several years, we've been successful in executing on our strategy to transition QEP into a more balanced and focused portfolio of E&P assets, with an emphasis on growing higher margin crude oil and liquids-rich gas production while divesting of non-core assets to better focus our human and financial capital. In the second quarter of 2014, we made great progress on our strategy." Those were among Chairman and Chief



CHUCK STANLEY

Executive Officer Chuck Stanley's opening remarks in a second quarter results and earnings conference call on Aug. 7, and he had the data to back them up.

QEP Resources subsidiary QEP Energy's total second quarter record production of 83.9 billion cubic feet of gas equivalent was up 8 percent over the same quarter of 2013. However, that increase was eclipsed by the company's crude oil production increase of 67 percent in the second quarter which averaged 43,700 barrels per

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MOVING HYDROCARBONS

Railroads playing fair?

ND PSC confronts BNSF, CP on rail shipment equality between commodities

By MAXINE HERR

For Petroleum News Bakken

North Dakota's Public Service Commission has been trying for months to determine if rail companies servicing the state are treating all commodities equally, but rail officials are not making it easy.

Commissioners Brian Kalk and Randy Christmann met with representatives from BNSF Railway and Canadian Pacific, CP, on Aug. 7 in Bismarck to get answers to questions about rail backlogs and concerns from their constituents.



RANDY CHRISTMANN



BRIAN KALK

Meanwhile, Commissioner Julie Fedorchak was in Fargo representing the commission at a meeting with BNSF's Executive Chairman Matt Rose about the delays in grain car shipments in advance of the harvest.

The commission had submitted letters to BNSF and CP in May asking for details about shipments and past-due rail data to get a sense of whether the companies were giving priority to any particular commodity. Those letters did not generate any

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