

Petroleum news

BAKKEN



page 3 Family honors the late Donald Slawson with \$19M gift to KU

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No, it's not North Dakota



DARRYL FLOWERS

A DeeThree Exploration well producing in the Ferguson field in the Southern Alberta Bakken Fairway between Lethbridge and the Montana border in June. See page 12 for an update on DeeThree's operations.

Findings from Lac-Megantic put Canadian government in spotlight

The Lac-Megantic benchmark rail disaster could have been averted by the simple expedient of placing wheel chocks under the lead locomotive to prevent the train from careening downhill to its fiery, fatal end in the Quebec town, said Jean Laporte, chief operating officer of the Transportation Safety Board, TSB, of Canada.

But that was just part of the TSB's final report on the accident that left the Canadian government to ponder what, if any action it will take on criticism of its own lax auditing procedures that



LISA RAITT

see **RAIL FINDINGS** page 16

ND PSC hires outside counsel to assist with railroad dealings

The North Dakota Public Service Commission is preparing itself in the event it needs to enter litigation to ensure better railroad service in the state.

On Aug. 25, the commission voted to appoint Peter Pfohl and Katherine Waring of Washington, D.C.-based Slover & Loftus law firm to provide legal services to assist with resolving rail service issues within the state.

The commission requested information from BNSF Railway and Canadian Pacific, CP, in May regarding shipments and past-due rail data to determine if the rail companies were giving priority to any particular commodity. The railroads did not provide

see **OUTSIDE COUNSEL** page 15

Samson Resources focused on optimizing its assets portfolio

Tulsa-based Samson Resources Corp. is looking to divest some of its assets, but whether its Bakken assets are on the block isn't known.

During an Aug. 19 quarterly conference call with industry analysts, Chief Executive Officer Randy Limbacher said the company is making "behind the scenes" progress in assessing its portfolio as it looks to enhance growth and improve margins.

"We have conducted a comprehensive review and analysis of our assets and we have concluded that we must focus our portfolio and concentrate capital in the assets that lever-

see **SAMSON ASSETS** page 14

GOVERNMENT

Inside the box

North Dakota oil regulators work to stabilize Bakken crude for transport

By **MAXINE HERR**

For Petroleum News Bakken

As robust oil and gas development continues in North Dakota, regulators have had to think "outside-the-box" many times to properly handle production growth. That unconventional thinking is being redefined as they strive to make Bakken crude stable and safer to transport.

The state's Department of Mineral Resources Director Lynn Helms explained to the North Dakota Industrial Commission at its monthly meeting on Aug. 26 that a recent Turner, Mason & Co. study of Bakken crude oil indicates that many



LYNN HELMS

of the samples evaluated in the survey fall into a proverbial box of stability, where pressures and temperatures are of no concern for transporting. However, he said the commission needs to consider using oil conditioning to stabilize the oil represented by the samples that extend beyond the box (see graph, page 16).

The commission will hold a public hearing on Sept. 23 to obtain information regarding potential oil conditioning regulations. The equipment to condition Bakken crude already exists at well sites, so it would be a mat-

see **OIL CONDITIONING** page 16

MOVING HYDROCARBONS

High cost of rerouting

Minnesota alternative could add \$455 million and 3 years to Sandpiper

By **GARY PARK**

For Petroleum News Bakken

Enbridge is giving a lukewarm response to pressure from a Minnesota agency that it reroute the proposed Sandpiper pipeline out of the Bakken to avoid sensitive northern lakes, wetlands and streams.

The state's Department of Natural Resources, in a regulatory filing Aug. 21, urged Minnesota's Public Utilities Commission to "strongly consider" one of eight alternative routes to reduce the environmental impact of the planned right of way.

But Enbridge, in arguing that its preferred

see **SANDPIPER REROUTE** page 15

Enbridge bridges its border pipeline gap

Enbridge may have figured out a way to bypass U.S. roadblocks to cross-border pipelines, infuriating environmentalists in the process.

The company has received clearance from the U.S. State Department's Office of Environmental Quality and Transborder Issues by using its existing Line 3 to carry oil sands crude from its Alberta Clipper system

see **BORDER GAP** page 15

MOVING HYDROCARBONS

Expertise here at home

ND university system may be part of the answer to better pipeline leak detection

By **MAXINE HERR**

For Petroleum News Bakken

North Dakota's best potential for pipeline leak detection may be technology that is being researched in its own backyard.

To keep up with the growing volumes of natural gas, crude oil and saltwater in North Dakota, pipeline operators have installed more than 2,000 miles of new pipeline each year since 2011, and leak detection in those pipelines is a major concern for the state. A pipeline technology working



JUSTIN KRINGSTAD



GORDON BIERWAGEN

group was tasked by Gov. Jack Dalrymple late last year to research current and future technology used to detect leaks from pipelines. North Dakota State University, NDSU, Center for Surface Protection Director Gordon Bierwagen told the group at an Aug. 21 meeting that the state needs

to develop its own expertise in this area and the university system has the capability to do so, but not the funding. He noted that the oil and gas regulatory agency in Texas, the leading oil producing

see **LEAK DETECTION** page 12