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BAKKEN



page 3 North Dakota leaders seek help from NTSB on rail service issues

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Fryburg's twin loops

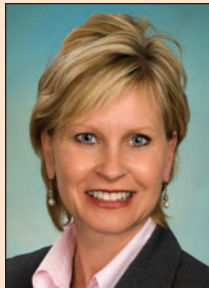


VERN WHITTEN PHOTOGRAPHY

BNSF unit trains load at Great Northern Midstream's Fryburg rail terminal west of Dickinson, North Dakota. The debate over the volatility of Bakken crude continued this week in a joint House subcommittee hearing in Washington, D.C. (see story below).

House joint subcommittee hears perspectives on Bakken crude oil

North Dakota Petroleum Council, NDPC, Vice President Kari Cutting was among those offering testimony before a Sept. 9 joint House subcommittee hearing in Washington, D.C., examining the characteristics and behavior of Bakken crude oil. The hearing came in the wake of the Pipeline and Hazardous Materials Safety Administration, PHMSA, report on the properties of Bakken crude oil which was released in July. That report said that while Bakken crude "does not demonstrate the characteristics for a flammable gas, corrosive liquid or toxic material, it is more volatile than most other types of crude — which correlates to increased ignitability and flammability."



KARI CUTTING

That finding was in contrast to that of the Turner, Mason and Co. study commissioned by NDPC. Cutting told the joint subcommittee that the Turner, Mason study "was designed to provide scientific answers to address the growing perception that light crude oil is more hazardous than other flammable liquids or hazardous materials being transported in the

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Montana grabs reins to manage protection of greater sage grouse

An executive order signed by Montana Gov. Steve Bullock on Sept. 9 seeks to maintain state management of the sage grouse and avoid federal protection.

The new order outlines guidelines and requirements of a comprehensive program to preserve vital sage grouse habitat. It has broad support from a diverse group of interests, including oil and gas industry leaders.

"Montanans recognize that it is in the best interest of our state, its economy, and our quality of life, to maintain state management of the Greater Sage-grouse," Bullock said of the executive order. "Through a public process, and the work of a diverse group of stakeholders, we've developed a dynamic, and science-based approach to ensure this bird remains under state management, and is not listed under the Endangered Species Act."



STEVE BULLOCK

The Sage Grouse Habitat Conservation Program will be administered through a newly created oversight team attached to the governor's office in order to maintain state leadership and

see **GROUSE PROTECTION** page 12

LAND & LEASING

Between the lines

ND Trust Lands struggles to deal with complexities of riverbed tracts

By MAXINE HERR

For Petroleum News Bakken

Before the advancement of horizontal drilling, determining who owned land along the Missouri River in North Dakota wasn't a big concern.

But once operators found the key to unlocking the plentiful crude beneath that waterway, it opened the door to great debate. So from courtrooms to board rooms, a complex line is causing quite a stir. That line is the ordinary high watermark, and it delineates the state's sovereign land.

Under the federal Equal Footing Doctrine, the



DREW COMBS

state of North Dakota owns all the mineral rights that lie between the high watermarks of all navigable waters at the time of statehood in 1889. Prior to Bakken development, the state's Department of Trust Lands would approach each river tract up for lease individually. The department would take an aerial photo and draw

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the lines to separate acreage, which was fairly simple dealing with so few leases. However, by 2007, it was becoming evident that the case-by-case method was not as efficient as the department

see **RIVERBED TRACTS** page 14

MERGERS & ACQUISITIONS

Expanding Torquay stake

Crescent Point picks up nearly 50,000 net acres from Lightstream Resources

By GARY PARK

For Petroleum News Bakken

Two of the biggest players in Canada's Williston Basin region are moving in opposite directions and both are satisfied with where they are heading.

In a deal between the two, Crescent Point Energy added muscle to its expanding sub-Bakken Torquay (Three Forks) stake in a C\$378 million purchase of assets in Saskatchewan and Manitoba, including 3,300 barrels of oil equivalent per day, from Lightstream Resources.

For Lightstream, the transaction enables the company to surpass its asset sales goal 15 months

Based on the results and refined geological mapping, Crescent Point said it has added about 40,000 net acres and 140 net drilling locations to its Torquay inventory.

ahead of schedule by notching C\$729 million in divestitures this year, trimming its corporate debt to C\$1.5 billion from C\$2.3 billion at the end of 2013.

For Crescent Point, Chief Executive Officer Scott Saxberg said the new properties build his

see **TORQUAY STAKE** page 15

PRODUCTION & RECOVERY

Horizontal revolution

EOG Resources CEO Thomas on the future of domestic, unconventional oil

By MIKE ELLERD

Petroleum News Bakken

Advances in the development of unconventional, horizontal oil exploration have had a significant effect on U.S. oil production in recent years, but exactly what does the future look like for the horizontal revolution? According to Bill Thomas, chairman and chief executive officer of EOG



BILL THOMAS

Resources, a company instrumental in advancements in the field, there probably aren't any more major domestic plays of the magnitude of the Bakken or Eagle Ford looming out there, but that doesn't mean there aren't ample opportunities for the horizontal oil revolution to continue.

In his keynote address at the Barclays CEO Energy Power conference in New York on Sept. 4, Thomas provided an overview of the U.S. horizontal oil revolution and the impact it has had on domestic crude oil supplies, the U.S. economy, U.S. foreign policy, as well as a reduction in carbon dioxide emissions to 1995 levels as more natural gas is being used in electric power generation.

However, Thomas pointed out that 95 percent of all horizontal oil produced in the U.S. comes from just six plays, which he said is "really a key understanding as you think about what's going on

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