

Petroleum news

BAKKEN



page 3 Alberta's new premier goes on the road to sell pipelines

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Laying Oneok pipe



MAXINE HERR

Construction crews lay pipe in the Tobacco Garden area of north-central McKenzie County in late November expanding Oneok's Williston Basin natural gas infrastructure. With three new gas processing plants, additional compression and de-ethanization facilities, Oneok plans to invest \$1.4 to \$1.9 billion for natural gas gathering and processing-related projects in the basin in 2015 and 2016.

Whiting and Kodiak: a done deal

Whiting Petroleum Corp. said Dec. 8 that its acquisition of Kodiak Oil & Gas Corp. is now complete. Stockholders and securityholders of both companies approved the transaction in separate meetings on Dec. 3. Because Kodiak was incorporated in Canada's Yukon Territory, the transaction required approval by the Supreme Court of British Columbia, which came on Dec. 5.



MIKE ELLERD

JAMES VOLKER

With the transaction complete, Kodiak's common stock is no longer listed and 0.177 share of Whiting common stock will be exchanged for each share

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ND drilling apps up in December

The number of existing drill spacing units, DSUs, where North Dakota operators are seeking to drill increased nearly five-fold from November to December. In November, the North Dakota Industrial Commission received applications to infill drill on 20 existing DSUs. The commission will consider applications to infill on 90 DSUs in hearings scheduled for Dec. 17 and 18.

While it isn't always possible to quantify the number of wells requested in drilling applications because operators sometimes request "multiple" wells, that was not the case in December when all applications specified the number of new wells sought (see table). Combined, 13 operators filed 33

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ConocoPhillips trims 2015 capex

In the midst of the current crude oil price environment, ConocoPhillips, the parent company of Bakken operator Burlington Resources, is cutting its capital expenditure, capex, budget by approximately 20 percent compared to 2014 with an announced 2015 capex of \$13.5 billion. However, the company still expects to grow production by 3 percent in 2015, and included in what it sees as "key sources of growth" is development drilling in the Bakken and Eagle Ford.



RYAN LANCE

The 2015 capex reduction is due primarily to less spend-

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GOVERNMENT

Standard is set

Bakken crude oil now officially subject to conditioning before transport

By MAXINE HERR

For Petroleum News Bakken

North Dakota oil and gas regulators have ordered operators to condition Bakken and Three Forks crude oil in an effort to improve the safety of transporting it by rail.

On Dec. 9, the state's Industrial Commission voted to require Bakken petroleum system wells to use equipment that will separate the gas and liquid hydrocarbons and condition it to a vapor pressure of no more than 13.7 pounds per square inch, psi. The order will take



MAXINE HERR

LYNN HELMS

effect on April 1, 2015, to allow producers time to install equipment or consider alternative methods.

North Dakota Department of Mineral Resources Director Lynn Helms brought the order before the commission saying that national standards set crude oil stability at a vapor pressure of 14.7 psi but the order takes into account that sampling and measuring equipment carries about a 1 psi margin of error.

"We want people to know that we've gone 1 psi below the standard so crude oil in North Dakota will

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GOVERNMENT

Let the system work

Regulation-weary industry urges legislators to focus on enforcement staffing

By MAXINE HERR

For Petroleum News Bakken

The upcoming 64th North Dakota Legislative Assembly which kicks off in January will consider a variety of issues and needs that are plaguing western North Dakota's oil impacted counties, but with the new regulations put in place over the past few years, North Dakota Petroleum Council President, NDPC, Ron Ness hopes it alleviates the need to pile on more rules aimed at the industry.

"We've been deluged with new regulations and laws, adopting over 70 new rules and laws over



RON NESS

the past three years and I'd like to let us see some of those systems work," Ness told Petroleum News Bakken.

From gas capture plans and mandated flaring targets to waste disposal and pipeline construction, Ness sees the state with no shortage of regulations, so he will encourage legislators to consider more staffing for key regulatory agencies such as the state health department and the Department of Mineral Resources, DMR.

"Since 2009, DMR has probably had a 110 percent increase (in staffing) and I think they need

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POLITICS & GOVERNMENT

Mending border fences

New Jersey governor, presidential prospect takes goodwill mission to Canada

By GARY PARK

For Petroleum News Bakken

New Jersey Gov. Chris Christie tested his U.S. presidential campaign machine in foreign territory Dec. 4 in Calgary where he was likely to have a few actual American voters sprinkled among an audience of 300 at a Calgary Chamber of Commerce luncheon.

While emphatic that he has yet to decide on making a run for the White House in 2016, the 52-year-old Republican sounded like a man on the stump.

Too bad for him the voting potential was so thin, especially given the standing ovation that



CHRIS CHRISTIE

greeted his 40-minute speech and answers to questions from the floor.

The next day he met with Prime Minister Stephen Harper, Industry Minister James Moore and Employment Minister Jason Kenney during a private session in Ottawa, a day after Christie gave Harper the most glowing assessment the Canadian leader has likely heard in many years.

"I have been so impressed with the prime minister's sound, skillful, principled, conservative leadership," Christie said.

Following the meeting, Christie said he had conveyed a message to Harper that the U.S. has "a

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