

Petroleum news

BAKKEN



page 3 Scotiabank's Mohr assesses a rebounding global oil market

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VERN WHITTEN PHOTOGRAPHY

The newly-constructed Dakota Prairie refinery at Dickinson, North Dakota went fully operational refining Bakken crude in early May. The project is a joint venture between MDU Resources and Calumet Specialty Products Partners and is the first new refinery built in the U.S. in nearly 40 years.

NDTL considering Internet move

The North Dakota Department of Trust Lands is considering transitioning its lease auctions from quarterly live events to online auctions.

The department has used EnergyNet's auction marketplace for the past few years at times when tracts of land needed to be leased between quarterly auctions, but it will now conduct a pilot project beginning in August to determine the viability of moving exclusively to the online service.

"We want to at least do a compare and contrast, so for the next few sales we'll do some tracts with both formats so we

see **NDTL ONLINE** page 16



LANCE GAEBE

Pipelines continue gaining WB crude oil export market share

The latest Williston Basin crude export data released by the North Dakota Pipeline Authority on May 13 show pipelines gaining two more market share points in March bringing that share to 40 percent — the first time pipelines have broken the 40 percent market share threshold since August 2012.

On the rail side, the percent of crude oil leaving the basin in tank cars fell a point to 54 percent, the lowest rail market share since November 2012.

The export market share between pipelines and rail held

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JUSTIN KRINGSTAD

API sues DOT over new rail rules

The recently announced oil train rules issued by the federal Department of Transportation have met some resistance from the oil industry.

The American Petroleum Institute filed a lawsuit on May 11 in federal court to overturn requirements that would not improve the safety of crude oil transport, such as operational restrictions if a mandate for enhanced braking systems is ignored.

"Improving on a 99.997 percent safety record requires data-driven efforts to prevent derailments with enhanced inspections and maintenance, upgrade the tank car fleet and educate first responders," API spokesman Brian Straessle said in a statement. "Our safety goal is zero incidents, so retrofit timelines, braking

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PRODUCTION & RECOVERY

Surprise growth

North Dakota's oil production unexpectedly increased in March

By **MIKE ELLERD**

Petroleum News Bakken

To the surprise of state officials who were anticipating another month of declining oil production, North Dakota's production actually increased in March inching up by 13,489 barrels per day — just over 1 percent — to a monthly average of 1,190,583 bpd according to preliminary data released by the state's Department of Mineral Resources on May 13. Also increasing in the month was natural gas production, which was up 3 percent averaging 1,521,478 thousand cubic feet per day.

"We did not anticipate that," DMR Director



LYNN HELMS

MAXINE HERR
Lynn Helms said in a monthly press conference on May 13. "We were expecting February, March and April — maybe even May — to be down months."

But perhaps more surprising was the sharp increase in well completions in March when 189 wells were completed, up from only 42 wells completed in February. According to Helms, that four-fold increase was attributable to just four producers: Continental Resources, Hess Corp., ConocoPhillips subsidiary Burlington Resources and ExxonMobil subsidiary XTO Energy. "They appear to be more in tuned with hav-

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GOVERNMENT

MPA's 'best session'

Dave Galt discusses key industry bills passed in Montana's 64th Legislature

By **MIKE ELLERD**

Petroleum News Bakken

"As far as the oil and gas industry's concerned, I think we came out of this thing in good shape." That's how Montana Petroleum Association Executive Director Dave Galt summed up Montana's 64th Legislature which adjourned on April 28. "We didn't lose anything and we made some positive strides."

The session was one of the most positive Galt has seen over six sessions in which he has represented and lobbied on behalf of MPA. "If I look



DAVE GALT

back over my tenure at MPA, we've managed to stop adverse legislation pretty successfully," he said. "What's been harder is passing legislation and getting legislation signed that helps the industry, and I thought this session was the most positive in that regard of passing proactive legislation for the industry. This session was the best."

Galt took a look back over the session with Petroleum News Bakken and discussed six key bills that MPA backed, all of which passed with bipartisan support in a Republican-dominated legislature, and all of

see **MPA RECAP** page 14

GOVERNMENT

A new day in Alberta

Newly elected premier's industry views break with those of her predecessors

By **GARY PARK**

For Petroleum News Bakken

Amid uncertainty over the future of royalties in Alberta, which incoming Premier Rachel Notley has promised will be fully debated, the new leader seems to have slammed the door on anyone who hopes to sway her government on Keystone XL.

On one hand she has declared her hope to "build bridges and open markets for Alberta oil without getting a black eye (in the process)." She has also said the election of the left-center New Democratic Party on May 5 has given her the "clear



RACHEL NOTLEY

authority to make tough choices."

But, consistent with her campaign positions, Notley has left no doubt that opening routes to new markets for land-locked oil sands bitumen and even some light crude from the Bakken will not include lobbying for Keystone XL.

Years of aggressive arm twisting in Washington, D.C., by a succession of Alberta premiers are over.

Notley said there has been "no realistic objective" to the frequent visits since the pipeline is bogged down in U.S. domestic politics.

In any event, she wants to see a greater focus on

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