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BAKKEN



page 3 Marathon Oil 'on track' with plans for its Bakken operations

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Different strokes



VERN WHITTEN PHOTOGRAPHY

Three Weatherford long-stroke pumping units operating on an SM Energy pad in the Siverston field about a mile north of Watford City in east-central McKenzie County, North Dakota.

Liberty ups Williams Co. acreage

Liberty Resources II has signed an agreement with Emerald Oil to exchange a portion of its non-core Williston Basin assets for more attractive acreage and cash.

On Aug. 4, Liberty announced it will acquire 4,175 net acres in Williams County which will add an estimated 30 operated drilling locations to the company's portfolio and collect cash from Emerald Oil totaling \$78.4 million. As part of the transaction, Liberty will divest approximately 31,500 acres in McKenzie County with current net production of about 300 barrels of oil equivalent per day. The two



CHRIS WRIGHT

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TransCanada keeps eye on rail

TransCanada is not giving up on its so-called "rail-bridge" option to start using trains to move crude from Alberta to the United States, regardless of whether Keystone XL gets clearance from courts and the Obama administration.

Paul Miller, the company's executive vice president of liquids pipelines, told analysts Aug. 1 that the opportunity to create receipt facilities in Alberta and delivery facilities in the marketplace (primarily the U.S.) are being explored since the use of rail was first disclosed in May.



RUSS GIRLING

see RAIL OPTIONS page 24

NDTL lease prices decline in Aug.

Although the number of acres were up in the Aug. 5 North Dakota Department of Trust Lands Minerals Management Division's quarterly oil and gas lease auction, the average price per acre fell to a four-year low. A total of 21,332.14 acres were leased in the August auction bringing in a total of \$6,703,923.22 in bonus bids for an average of \$314.26 per acre, far below the six-year average of \$1,034.44 per acre.

The high bid in the auction was \$9,500 per acre that Liberty Resources Bakken Operations paid for two Williams County tracts, one totaling 80 acres and the other 20 acres. Those were the only Williams County tracts in the auction. At the other extreme, nearly half of the 21,332 acres leased, just over 9,000 acres in 108 tracts, are in Towner County in north-central North Dakota, all of which brought the minimum of \$1 per acre.

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COMPANY UPDATE

On the move

Whiting gears up to optimize Kodiak's 'tier-1' Williston Basin acreage

By MAXINE HERR

For Petroleum News Bakken

After announcing its acquisition of Kodiak Oil & Gas on July 13, Whiting Petroleum is eager to reap the benefits of the two companies' offset acreage positions. With a joint 18 operated active rigs in the Williston Basin, the combined companies' leading oil-weighted platform is expected to drive greater production and operational synergies. On a pro forma basis, Whiting's drilling location count increases 158 percent with the acquisition.

"Kodiak has done a terrific job of establishing a tier-1 acreage footprint in the core of the



JAMES VOLKER

MIKE ELLERD

Williston Basin, which, like Whiting's acreage, sees some of the best economics anywhere in the play or, for that matter, anywhere in the U.S.," said Whiting President and Chief Executive Officer Jim Volker. "When looking at both of our positions together, you can see just how complementary the two really are."

Whiting becomes the top Bakken/Three Forks producer with the acquisition and in its 2014 second quarter conference call with analysts, Volker said the company has raised its production guidance for 2014 to a

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GOVERNMENT

Bullying the Bakken

Oil conditioning may be NDIC's answer to being 'picked on' by PHMSA

By MAXINE HERR

For Petroleum News Bakken

The North Dakota Industrial Commission wants to ship out the safest Bakken barrel of oil as possible, but needs more facts to effectively do so.

On Aug. 6, the commission held a special meeting to hear the final results of a Bakken crude oil study administered by Turner, Mason and Co. In addition to confirming the initial findings presented in May that Bakken crude is not more volatile or flammable than other light, sweet crude, the final report also



DENNIS SUTTON

MAXINE HERR

detailed recommendations that could be implemented in the field to ensure consistent operation of treating equipment, Bakken crude oil quality and testing procedures and shipping classification. The commission plans to use the recommendations as a basis for a public hearing to be scheduled by the Department of Mineral Resources, DMR, Oil and Gas Division. By gathering input, the commission hopes to

develop best practices in the form of an order or possibly an emergency rule to reduce the volatility

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COMPANY UPDATE

Full-field development

Oasis Petroleum has plenty of momentum to move beyond holding drill blocks

By MIKE ELLERD

Petroleum News Bakken

With a year-to-date production growth rate of 10 percent, uplifts from slickwater completions, a nearly complete shift to pad drilling, and noteworthy successes in lower Three Forks tests, Oasis Petroleum remains a front-runner in the Williston Basin as the Bakken-focused independent proceeds with its transition to full-field development.

"The basin has continued to grow and evolve on a number of fronts and Oasis continues to be a



THOMAS NUSZ



TAYLOR REID

leader in operational improvement as we transform our company from holding drill blocks to a manufacturing resource development business," Tommy Nusz, Oasis chairman and chief executive officer said in an Aug. 6 conference call with industry analysts.

Oasis averaged 43,668 barrels of oil equivalent per day in the quarter, up 6 percent over the first quarter and up 45 percent over second quarter

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