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BAKKEN



page 3 Kathy Neset honored by Williston API for outstanding achievements

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Exporting at Berthold



VERN WHITTEN PHOTOGRAPHY

BNSF trains load at Enbridge's Berthold Station in Ward County, North Dakota in late October. The 80,000 barrel per day rail facility was designed to stage three unit trains. Berthold Station also provides truck offloading, crude oil storage and access to Enbridge's North Dakota pipeline system.

Tallgrass and Hiland launch Bakken to Cushing open season

Tallgrass Pony Express Pipeline LLC and Hiland Crude LLC, have announced an open season for shipper commitments under a joint tariff of the two companies' connecting pipelines that will transport crude oil from the Williston Basin to the Cushing, Oklahoma, Midcontinent hub.

Hiland's Double H pipeline, which is currently under construction with initial startup service planned to begin in late December, will transport crude from receipt points in the Williston Basin and the Powder River Basin to a hub at Guernsey, Wyoming. The Tallgrass Pony Express pipeline, which went into commercial service in October, then transports crude from the Guernsey hub to Cushing. While both companies held open seasons for each pipeline individually, the new open season is for crude transport from the Williston and Powder River basins all the way to Cushing. The joint tariff open season is expected to close on Dec. 12.

Both Tallgrass and Hiland are planning to expand the current capacities of their two pipelines "based on commitments

see **OPEN SEASON** page 11

Enbridge US affiliate testing interest in Cushing rail terminal

Enbridge Energy Partners, EEP, the 34 percent-owned U.S. affiliate of Calgary-based Enbridge, is testing producer and shipper response to building a rail terminal at Cushing, Oklahoma, as it continues its measured advance in the use of rail to ease pipeline pressures.

EEP said that if it receives enough commitments it will establish a 120,000 barrel per day terminal at the Cushing storage hub to load two unit trains per day by the end of 2016. No price tag has been established.

Bryan Boaz, who helps oversee the EEP rail portfolio, told Reuters there is "tremendous interest" in the proposal, which Savage Services would operate and Watco Cos. would act as rail service provider.

He said the crude oil would likely originate in Western Canada, with the final destinations determined by consumer interest.

Boaz said EEP's philosophy is to "pipe all we can and rail the rest."

He said the project would see Watco return an old rail line from Cushing to Davenport, Oklahoma, to service.

Enbridge has 20 million barrels of storage in Oklahoma

see **RAIL TERMINAL** page 12

GOVERNMENT

Taking issue

Industry cites numerous issues with ND's proposed oil conditioning rules

By **MAXINE HERR**

For Petroleum News Bakken

Industry leaders are calling for changes to the North Dakota Industrial Commission's, NDIC, proposed field rules for conditioning Bakken crude.

The commission decided at its Nov. 13 meeting to open the document to public comment for one week to allow interested parties to offer any further insight or recommendations. The North Dakota Petroleum Council, along with individual operators and other industry groups were quick to criticize the commission's plans to set specific operating temper-

see **TAKING ISSUE** page 6

Proposed rules may not prevent rail explosions

The North Dakota Industrial Commission's efforts to regulate oil conditioning comes as part of a four-step process to help avoid additional train explosions like the one that killed 47 people in Lac-Megantic near Quebec, Canada, in July 2013 and the oil train crash near Casselton, North Dakota, in December 2013. The Federal Railroad Administration is

see **PROPOSED RULES** page 6

MOVING HYDROCARBONS

Fact-checking XL

President's claims that crude from pipeline is destined for world markets scoffed

By **GARY PARK**

For Petroleum News Bakken

Twice during his November Pacific Rim trip to two global summits, President Barack Obama indicated he will not easily be budged from his well-entrenched views on Keystone XL.

In answer to a question at a news conference in Australia he said: "I won't hide my opinion about this, which is that one major determinant of whether we should approve a pipeline shipping Canadian oil to world markets, not to the United States, is does it contribute to the greenhouse

see **XL FACT CHECKING** page 12

TransCanada sticking to rail business option

Whether or not Keystone XL is built, its proponent TransCanada is likely to enter the rail business, Chief Executive Officer Russ Girling said.

But the size of that role will hinge on the fate of XL and other pipeline applications, he said.

Girling told reporters after TransCanada's recent annual investor conference that his

see **RAIL OPTION** page 12

DRILLING & COMPLETION

Montana activity slows

Trend in declining DSU, drilling apps in North Dakota spills across state line

By **MIKE ELLERD**

Petroleum News Bakken

As Petroleum News Bakken reported in the Nov. 23 edition, drilling and spacing unit applications filed with the North Dakota Industrial Commission were down considerably in November, and that trend is being seen across the state line in Montana where the number of drilling and spacing unit applications on the Montana Board of Oil and Gas Conservation's December hearing docket declined noticeably from the previous docket in October.

In October, 13 Montana operators filed applications seeking creation of a total of 14 temporary spacing units, permanent status for nine existing temporary units and authorization to drill wells on

15 DSUs. In December, six operators are seeking creation of five new temporary DSUs, permanent status for six DSUs and authorization to drill on four units. Under Montana rules, a DSU is first established as temporary but if and when a well is drilled and goes on production, the status of the DSU must be changed to permanent.

Continental and Oasis

Among the Montana operators filing applications the board will consider during a Dec. 4 hearing is Continental Resources which is seeking authorization to drill an additional Bakken/Three Forks well on a permanent unit in the Elm Coulee field in Richland County. Continental is also seek-

see **MONTANA ACTIVITY** page 11