



Mild North Dakota winter?



VERN WHITTEN PHOTOGRAPHY

Who knows what's ahead, but it was a pleasant day on Dec. 12 in southwest Dunn County when this photo was taken of Nabors X20 rig drilling on an Oxy USA pad in the Manning field.

Continental again cuts 2015 capex

Continental Resources took a gamble when it chose to monetize nearly all of its oil contracts from October through 2016, but Chairman and Chief Executive Officer Harold Hamm was betting on a short-lived oil price drop. As the decline in price continues, losing that protection, in which counterparties pay more than \$90 a barrel no matter the going price, has the company reevaluating its capital expenses once again. When it announced in November that it would take the profit on its hedges, Continental also said it was cutting its capital spending budget by 12 percent, slashing \$600 million from its \$5.2 billion estimate. On Dec. 22, the company said it had revised it again, dropping the budget to \$2.7 billion. At that level, production in growth drops from a projected 23 percent — down from initial projections of 29 percent — to only 16 to 20 percent for 2015.



HAROLD HAMM

"This revised budget prudently aligns our capital expenditures to lower commodity prices, targeting cash flow neu-

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Whiting's proved reserves jump 29% with Kodiak acquisition

Following the successful acquisition of Kodiak Oil & Gas Corp, Whiting Petroleum announced a 29 percent increase in its proved reserves effective Dec. 31. In a Dec. 22 statement, Whiting said the combined total of Whiting and Kodiak proved reserves at the end of 2013 would have been 606 million barrels of oil equivalent and now a year later it is estimated at 780 million boe.

Whiting's Chairman and Chief Executive Office Jim Volker said the boost in reserves reinforces the company's strong financial position and as a result, its bank syndicate has increased credit commitments to \$4.5 billion reflecting current reserves and market conditions.



JIM VOLKER

"At year-end 2014, we estimate we will have approximately \$1.4 billion drawn, leaving us \$3.1 billion of liquidity," Volker said.

He also noted the company's flexibility within its 2015 capital program and plans to tailor its plans to maintain strong liquidity and responsible debt while delivering moderate year over year production growth.

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GOVERNMENT

The center seat

Julie Fedorchak looks to long-term needs as she takes over ND PSC chair

By MAXINE HERR

For Petroleum News Bakken

The newly appointed chairwoman of the North Dakota Public Service Commission will lead during a period of great change. Commissioner Julie Fedorchak will take the center seat among the three commissioners in 2015, with her own style and a focus on strategically positioning the commission for the long term needs of North Dakota. She will take a managerial role as chair, acting as the primary contact on operations, budgets and personnel issues.



JULIE FEDORCHAK

Fedorchak is two years away from finishing out the last four years of the term Congressman Kevin Cramer left when he was elected to Congress in 2012. She plans to run for her own six-year term in 2016.

But first, 2015 lies ahead, and the fourth generation North Dakotan's plate is plenty full. She said the greatest challenge facing the PSC is staffing — both for new positions likely to be funded by the upcoming legislature as well as replacing the numerous employees currently eligible for retire-

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COMPANY UPDATE

EOG loses a legacy

After years of innovation, Mark Papa leaves the company he totally transformed

By KAY CASHMAN

Petroleum News Bakken

EOG Resources Inc. has come a long way in the 15 years since its split with its infamous parent company Enron, which imploded in late 2001.

"I like to think we're the only good thing that came out of Enron," EOG's former CEO and Chairman Mark Papa



MARK PAPA

told a journalist in 2011. Papa, president of Enron Oil & Gas Co. before the present company's birth in 1999, led EOG's growth from a \$2 billion market cap with 700 employees to a \$28 billion-plus market cap with

2,300 employees in late 2013 when he retired.

His well-planned retirement, announced in 2011, left William R. "Bill" Thomas in his position as CEO and chairman, a man Papa described as having "EOG DNA."

Thomas, he said, embodied EOG's corporate culture, was innovative, shared a sense of urgency and was committed to making EOG a more successful company.

Papa, 67, remained on EOG's board as a director until Dec. 15 of this year, just a day after an

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MOVING HYDROCARBONS

Pipelines' ups and downs

Hiland, Tallgrass extend open seasons as EPP scraps Bakken to Cushing plans

By MIKE ELLERD

Petroleum News Bakken

Hiland Partners and Tallgrass Energy independently announced Dec. 18 an extension of the joint open season on their connecting pipelines which provide crude oil transport service from the Williston and Power River basins to Cushing, Oklahoma. With the announcement, the open season is extended to Jan. 23, 2015.

Hiland's 50,000 barrel per day Double H extends from near Dore along the Montana border in far western McKenzie County, North Dakota, into eastern Montana and down through eastern Wyoming to a regional hub at Guernsey, Wyoming. Hiland is expanding the Double H capacity by an additional

"It (the extended open season) also allows shippers who may have committed to a recently cancelled competing pipeline project an opportunity to commit to the Pony Express expansion."

—Doug Johnson, Pony Express general manager

50,000 bpd and the open season is for commitments on that expansion. The Double H is expected to go into service with the initial 50,000 bpd capacity in the first quarter of 2015 with the full 100,000 bpd capacity expected to be available in 2016.

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