

GAS FLARING

December 3, 2014

Company	Wells Flaring over 100	Wells Flaring over 100 w/o Exception	Current Exceptions (over 100)	Exception Requests	Wells over 100 Hooked to Pipeline
Continental	4	0	4	1	1
EOG Resources	1	0	1	0	0
Kraken	1	0	1	0	0
Oasis Petroleum	2	0	2	0	0
Petro-Hunt	4	1	3	1	1
Statoil	1	1	0	1	0
Whiting	13	11	2	12	5
XTO Energy	0	0	0	0	0
Totals	26	13	13	15	7

Whiting Oil & Gas Increase in Gas Volume Flared

Richland Co, MT

To: Ben Jones, Board Members of the Montana Board of Oil & Gas

From: Brandon Rollins

Date: 12/2/2014

Whiting Oil & Gas Increase in Gas Volume Flared

Mr. Ben Jones and Board Members of the Montana Board of Oil & Gas,

Whiting has recently seen a large increase in produced gas flared in Richland County, MT. Of the 71 existing Bakken Pool wells currently on production, 35 producing wells are connected to gas sales. November month-to-date calculated approximately 15% gas sold and 85% gas flared. Whiting considers ourselves a prudent operator and recognizes the need to comply with regulatory concerns, especially gas capture.

Whiting has looked into various options for gas gathering including:
Whiting owned and operated Gas Plant in Richland Co, MT
Whiting owned and operated Compressor Station in Richland Co, MT
Third Party gathering to Whiting locations in Richland Co, MT

Of the options listed above, the most economical choice for Whiting was to contract a third party gatherer to gather the produced gas. Whiting has entered a verbal agreement with Oneok to gather all produced gas in Richland Co. MT. The recent increase in flared volume in Richland Co. MT, as Whiting understands, is due to a lack of gas compression/processing capacity at Oneok's Grassland Plant. Compression was curtailed, before October of 2014, to wells in North Dakota. Since October of 2014 compression has been curtailed to Montana wells also, directly affecting the gas sales of Whiting's wells in Richland Co. MT. The ultimate solution would be added compression/processing capacity at the Grasslands Plant. Whiting is trying to help the situation by taking excess Oneok gas, to the Whiting owned and operated Belfield Gas Plant, which would free up capacity at the Grasslands Plant.

Sincerely,
Brandon Rollins

Any questions/concerns please contact me. Brandon.Rollins@Whiting.com or 303-495-6712

Bob Sandbo

From: Debbie Lessert
Sent: Wednesday, November 19, 2014 4:51 PM
To: Bob Sandbo; Don Kennedy
Cc: Debbie Lessert
Subject: RE: Briske 1-20H

Bob,

I have confirmed with ONEOK and gas from Montana flows to the Grasslands Plant. The plant and associated compression is running close to capacity. ONEOK has this area on a 60 day "rolling blackout" schedule. Which basically means that they are rotating compression pressures to allow gas to flow on a rotated schedule. This has been in effect for approximately 30 days and ONEOK anticipates this to continue for another 30 days. Obviously weather and capacity constraints across Montana and North Dakota will have an impact on getting gas in the line.

We will be monitoring this area and will provide any updates as received.

Let me know if you need additional information.

Debbie Lessert
Senior Gas Marketing Representative
Northern Region

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Jones, Ben

From: Michelle Yalung <MYAL@statoil.com>
Sent: Wednesday, December 03, 2014 9:29 AM
To: Jones, Ben
Subject: Sundheim 26-35 #2H Flaring

Good morning Ben,

ONEOK and Statoil hold weekly meetings to review well connection economics. Based on conversations with ONEOK, due to current economics and the lack of drilling activity in eastern Montana, both parties agree that it is uneconomical to connect the Sundheim 26-35 #2H. If you need additional information, please let me know.

Thank you,

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Michelle Yalung

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Thank you

Flaring Request

26 wells flaring over 100 mcfpd based our current production.

13 of the 26 have approved exceptions due to distance, pipeline access issues, or time to connection.

15 Exceptions requested at this time (7 are connected to gathering system):

Continental

Briske 1-20H – API # 25-085-21920, 29N-58E-20 – APPROVED 6 MONTHS

- First production May 2014.
- Hooked up to gathering system with first sales 6/18/2014.
- ONEOK Gas plant is close to capacity and is on a rolling blackout schedule.
- Flaring with need to be done until compression capacity issues resolved.

Petro-Hunt

CP 33D-3-1 – API #25-083-22639, 24N-54E-33 – APPROVED 6 MONTHS

- First production in July 2007.
- Hooked up to gathering system with first sales in July 2007.
- Currently flaring due high line pressures.

Statoil

Sundheim 26-35 1H – API #25-083-23058, 25N-59E-26 – APPROVED 6 MONTHS

- First production in Sept. 2013.
- Under 100 - 5/8 months this year.
- Currently flaring due to agreement with Oneok that the well is uneconomic to connect.

Whiting

Berry 24-32-1H – API #25-083-23179, 25N-58E-32 – APPROVED 6 MONTHS

- First production in November 2013.
- Contracted to gather gas, waiting on gatherer to connect.

- High line pressure delaying connection.

Palmer 24-21-4H – API #25-083-23250, 26N-57E-21 – APPROVED 6 MONTHS

- First production in July 2014.
- Our records show 45 days of production.
- Contracted to gather gas, waiting on gatherer to connect.
- High line pressure delaying connection.

Christiansen 34-12-2H – API #25-083-23223, 25N-58E-12 – APPROVED 6 MONTHS

- First production in August 2014.
- Contracted to gather gas, waiting on gatherer to connect.
- High line pressure delaying connection.

Christiansen 34-12-4H – API #25-083-23225, 25N-58E-12 – APPROVED 6 MONTHS

- First production in August 2014.
- Contracted to gather gas, waiting on gatherer to connect.
- High line pressure delaying connection.

Sundheim 21-27-1H – API #25-083-23141, 25N-58E-27 – APPROVED 6 MONTHS

- First production in August 2013.
- Hooked up to gathering system with first sales 9/20/2013.
- Currently flaring due to lack of compression or capacity at processing facility.

Sundheim 21-27-3H – API #25-083-23215, 25N-58E-27 – APPROVED 6 MONTHS

- First production in July 2014.
- Hooked up to gathering system with first sales 7/18/2014.
- Currently flaring due to lack of compression or capacity at processing facility.

Sundheim 21-3-1H – API #25-083-23132, 24N-59E-3 – APPROVED 6 MONTHS

- First production in July 2013.
- Hooked up to gathering system with first sales 8/16/2013.
- Currently flaring due to lack of compression or capacity at processing facility.

Sundheim 21-3-2H – API #25-083-23211, 24N-59E-3 – APPROVED 6 MONTHS

- First production in May 2014.
- Hooked up to gathering system with first sales 6/9/2014.
- Currently flaring due to lack of compression or capacity at processing facility.

Sundheim 21-3-3H – API #25-083-23212, 24N-59E-3 – APPROVED 6 MONTHS

- First production in June 2014.
- Hooked up to gathering system with first sales 6/9/2014.
- Currently flaring due to lack of compression or capacity at processing facility.

Sundheim 31-2-1H – API #25-083-23115, 25N-57E-2 – APPROVED 6 MONTHS

- First production in July 2013.
- Contracted to gather gas, waiting on gatherer to connect.
- High line pressure delaying connection.

Prewitt 21-25-4H – API #25-083-23257, 25N-58E-25 – APPROVED 6 MONTHS

- First production in August 2014.
- Contracted to gather gas, waiting on gatherer to connect.
- High line pressure delaying connection.

Iversen 34-32-4H – API #25-083-23238, 26N-58E-32 – APPROVED 6 MONTHS

- First production in July 2014.
- Contracted to gather gas, waiting on gatherer to connect.
- High line pressure delaying connection.