

GAS FLARING

April 6, 2016

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	3	0	3	0	1
EOG Resources	2	0	2	1	0
Oasis	1	0	1	0	0
Petro-Hunt	3	3	0	3	0
Whiting	4	1	3	6	0
XTO	1	0	1	0	0
Totals	14	4	10	10	1

Flaring Requests

Summary

There are 14 wells flaring over 100 MCFG per day based on current production numbers.

10 of the 14 wells have approved exceptions due to distance, pipeline capacity issues, or time to connection.

There are 10 exceptions requested at this time.

EOG Resources

Highline 2-0904H – API #25-085-21866, 29N-59E-9 – APPROVED 6 MONTHS

1. Flaring 110 MCF/D. Fifth exception request.
2. Completed: 1/2013.
3. Estimated gas reserves: 450 MMCF.
4. Proximity to market: 2640 ft to pipeline.
5. Estimated gas price at nearest market: \$1.51/MCF
6. Estimated cost of marketing the gas: \$0.41/MCF.
7. Flaring alternatives: None.
8. Amount of gas used in lease operations: 5 MCF/D.
9. Justification to flare: Oneok has been unable to obtain ROW.

Petro-Hunt

Borntrager 2C-2-1 – API #25-021-21193, 19N-54E-2 – APPROVED 12 MONTHS

1. Flaring 185 MCF/D. Third exception request.
2. Completed: 9/2012.
3. Proximity to market: >25 miles pipeline.
4. Estimated gas price at market: ~\$2/MCF.
5. Estimated cost of marketing the gas: ~\$3.2 million.
6. Flaring alternatives: None.
7. Amount of gas used in lease operations: 25-30 MCF/D.
8. Justification to flare: Uneconomic to connect due to lack of infrastructure in the area.

Boje Farms 19-54 – API #25-021-21193, 19N-54E-17 – APPROVED 12 MONTHS

1. Flaring 150 MCF/D. Third exception request.
2. Completed: 2/2011.
3. Proximity to market: >25 miles pipeline.
4. Estimated gas price at market: ~\$2/MCF.
5. Estimated cost of marketing the gas: ~\$3.2 million.
6. Flaring alternatives: None.
7. Amount of gas used in lease operations: 25-30 MCF/D.
8. Justification to flare: Uneconomic to connect due to lack of infrastructure in the area.

Walter Senner 19-54 – API #25-021-21192, 19N-54E-18 – APPROVED 12 MONTHS

1. Flaring 120 MCF/D. Third exception request.
2. Completed: 8/2012.
3. Proximity to market: >25 miles pipeline.
4. Estimated gas price at market: ~\$2/MCF.
5. Estimated cost of marketing the gas: ~\$3.2 million.
6. Flaring alternatives: None.
7. Amount of gas used in lease operations: 25-30 MCF/D.
8. Justification to flare: Uneconomic to connect due to lack of infrastructure in the area.

Whiting Oil & Gas

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

1. Flaring 103 MCF/D. First exception request expired 6/3/15.
2. Completed: 8/2014.
3. Estimated gas reserves: 309 MMCF.
4. Proximity to market: 5280 ft to pipeline.
5. Estimated gas price at market: ~\$2.41/MCF.
6. Flaring alternatives: None.
7. Amount of gas used in lease operations: 2 MCF/D.
8. Justification to flare: Insufficient compression capacity on Oneok's system in this area.

Hunter 21-26-1H – API #25-083-23258, 25N-58E-26 – APPROVED 6 MONTHS

1. Flaring 72 MCF/D. First exception request expired 8/25/15.
2. Completed: 11/2014.
3. Estimated gas reserves: 379 MMCF.
4. Proximity to market: 500 ft to pipeline.
5. Estimated gas price at market: ~\$2.41/MCF.
6. Flaring alternatives: None.
7. Amount of gas used in lease operations: 2 MCF/D.
8. Justification to flare: Insufficient compression capacity on Oneok's system in this area.

Hunter 21-26-2H – API #25-083-23274, 25N-58E-26 – APPROVED 6 MONTHS

1. Flaring 103 MCF/D. First exception request expired 8/25/15.
2. Completed: 11/2014.
3. Estimated gas reserves: 404 MMCF.
4. Proximity to market: 500 ft to pipeline.
5. Estimated gas price at market: ~\$2.41/MCF.
6. Flaring alternatives: None.
7. Amount of gas used in lease operations: 2 MCF/D.
8. Justification to flare: Insufficient compression capacity on Oneok's system in this area.

Hunter 21-26-3H – API #25-083-23275, 25N-58E-26 – APPROVED 6 MONTHS

1. Flaring 92 MCF/D. First exception request expired 8/25/15.
2. Completed: 12/2014.
3. Estimated gas reserves: 455 MMCF.
4. Proximity to market: 500 ft to pipeline.
5. Estimated gas price at market: ~\$2.41/MCF.
6. Flaring alternatives: None.
7. Amount of gas used in lease operations: 2 MCF/D.
8. Justification to flare: Insufficient compression capacity on Oneok's system in this area.

Hunter 21-26-4H – API #25-083-23276, 25N-58E-26 – APPROVED 6 MONTHS

1. Flaring 84 MCF/D. First exception request expired 8/25/15.
2. Completed: 12/2014.
3. Estimated gas reserves: 368 MMCF.
4. Proximity to market: 500 ft to pipeline.
5. Estimated gas price at market: ~\$2.41/MCF.
6. Flaring alternatives: None.
7. Amount of gas used in lease operations: 2 MCF/D.
8. Justification to flare: Insufficient compression capacity on Oneok's system in this area.

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

1. Flaring 102 MCF/D. Third exception request expired 6/3/15.
2. Completed: 7/2014.
3. Estimated gas reserves: 315 MMCF.
4. Proximity to market: 5280 ft to pipeline.
5. Estimated gas price at market: ~\$2.41/MCF.
6. Flaring alternatives: None.
7. Amount of gas used in lease operations: 2 MCF/D.
8. Justification to flare: Insufficient compression capacity on Oneok's system in this area.

