GAS FLARING

June 15, 2016

		Wells			Wells over
	Wells	Flaring over	Current		100
	Flaring over	100 w/o	Exceptions	Exception	Hooked to
Company	100	Exception	(over 100)	Requests	Pipeline
Continental	2	2	0	2	1
EOG Resources	0	0	0	0	0
Oasis	0	0	0	0	0
Petro-Hunt	3	0	3	0	0
Whiting	3	0	3	0	0
XTO	0	0	0	0	0
Totals	8	2	6	2	1

Flaring Requests

Summary

There are 8 wells flaring over 100 MCFG per day based on current production numbers.

6 of the 8 wells have approved exceptions due to distance, pipeline capacity issues, or time to connection.

There are 2 exceptions requested at this time.

Continental Resources - Both approved 6 months

Mulholland Federal 1-32 - API #25-083-23158, 27N-56E-32

- 1. Flaring 120 MCF/D. Third exception request.
- 2. Completed: 9/2013.
- 3. Estimated gas reserves: 172 MMCF.
- 4. Proximity to market: 4.5 7 miles to pipeline.
- 5. Estimated cost of marketing the gas: \$3.1 million.
- 6. Flaring alternatives: None.
- 7. Amount of gas used in lease operations: 25 MCF/D.
- 8. Justification to flare: Not economic to connect.

Revere 1-31H - API #25-083-22953, 27N-53E-31

- 1. Flaring 232 MCF/D. Fourth exception request.
- 2. Completed: 2/2013.
- 3. Estimated gas reserves: 293 MMCF.
- 4. Proximity to market: Connected to pipeline
- 5. Flaring alternatives: None.
- 6. Amount of gas used in lease operations: 8 MCF/D.
- 7. Justification to flare: Unable to sell due to H2S. Currently uneconomic to treat H2S and insufficient capacity issues at Grasslands Plant.