GAS FLARING

October 25, 2017

		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	1	0	1	0	1
Kraken	1	1	0	1	1
Petro-Hunt	3	3	0	3	0
Totals	5	4	1	4	2

Flaring Requests

Summary

There are 5 wells flaring over 100 MCFG per day based on current production numbers.

1 of the 5 wells have approved exceptions due to distance, pipeline capacity issues, or time to connection.

There are 4 exceptions requested at this time.

Kraken - Approved for 6 months

Lysemose 33-34 #1H - API #25-083-23303, 26N-59E-32

- 1. Flaring 141 MCF/D. Fourth exception request.
- 2. Completed: 1/2015.
- 3. Estimated gas reserves: 400-500 MMCF.
- 4. Proximity to market: Connected to pipeline.
- 5. Flaring alternatives: None.
- 6. Amount of gas used in lease operations: 1 MCF/D.
- 7. Justification to flare: The well was tied into the ONEOK gas sales line on 10/27/15, however, Kraken has had very limited success selling gas into the line due to sales line pressure.

Petro-Hunt – Approved for 12 months

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

- 1. Flaring 193 MCF/D. Fourth 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 #25-021-21184, 19N-54E-17

- 1. Flaring 115 MCF/D. Fourth 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

- 1. Flaring 116 MCF/D. Fourth 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.