

GAS FLARING

October 28, 2015

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	2	1	1	3	2
EOG Resources	2	1	1	1	0
Kraken	2	0	2	1	0
Oasis Petroleum	1	1	0	0	0
Petro-Hunt	3	0	3	0	0
Whiting	11	0	11	0	0
XTO	2	2	0	6	0
Totals	23	5	18	11	2

Flaring Requests – All approved for 6 months

Summary

There are 23 wells flaring over 100 MCF/D based on current production numbers. This number is down from 38 at the last business meeting.

18 of the 23 wells have approved exceptions due to distance, pipeline access issues, or time to connection.

There are 11 exceptions requested at this time. Of the 11, four are flaring due to pipeline/gas plant capacity issues, one has been unable to acquire a ROW, and one is currently in the process of connecting.

Continental Resources

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

1. Flaring 100-112 MCF/D. First exception request expired 2/13/15.
2. Completed: 9/2013.
3. Estimated gas reserves: 172 MMCF.
4. Proximity to market: 4.5-7 miles to market.
5. Estimated cost of marketing the gas: Over \$3.1 million.
6. Flaring alternatives: None.
7. Amount of gas used in lease operations: 25 MCF/D.
8. Justification to flare: Oneok has determined well is currently uneconomic to connect.

Tower 1-4H – API #25-083-22954, 26N-53E-9

1. Flaring 160 MCF/D. First exception request.
2. Completed: 2/2013.
3. Estimated gas reserves: 234 MMCF.
4. Proximity to market: Connected.
5. Flaring alternatives: None.
6. Amount of gas used in lease operations: 7.5 MCF/D.
7. Justification to flare: Currently unable to sell due to quality of gas. Hoping to have agreement worked out to resume selling gas in next few weeks.

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

1. Flaring 190 MCF/D. Second exception request expires 10/29/15.
2. Completed: 2/2013.
3. Estimated gas reserves: 293 MMCF.
4. Proximity to market: Connected.
5. Flaring alternatives: None.
6. Amount of gas used in lease operations: 8 MCF/D.
7. Justification to flare: Currently unable to sell due to H2S content. Uneconomic to treat H2S with current capacity issues.

EOG Resources

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

8. Flaring 148 MCF/D. Third exception request.
9. Completed: 1/2013.
10. Estimated gas reserves: 700 MMCF.
11. Estimated gas price at market: ~\$1.93/MCF.
12. Proximity to market: 0.50 miles to pipeline.
13. Estimated cost of marketing the gas: \$0.41/MCF.
14. Flaring alternatives: None.
15. Amount of gas used in lease operations: 5 MCF/D.
16. Justification to flare: Oneok has been unable to obtain ROW.

Kraken

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

1. Flaring 333 MCF/D. Second exception request.
2. Completed: 1/2015.
3. Estimated gas reserves: 400-500 MMCF.
4. Proximity to market: <1 mile to pipeline.
5. Flaring alternatives: None.
6. Amount of gas used in lease operations: 10 MCF/D.
7. Justification to flare: Kraken has contracted gas to Oneok. Took longer than expected to obtain ROW, however, ROW has been obtained and the hope is pipeline construction will begin in coming weeks.

XTO Energy

Sonny 24X-16BXC – API #25-083-22828, 22N-59E-16

1. Flaring 125 MCF/D. First exception request.
2. Completed: 7/2015.
3. Justification to flare: Oneok has been delaying connection due to anticipated sales restrictions. Once connected will still likely need to flare due capacity constraints. Hoping there will be relief in January 2016 and 3Q2016 with addition of Oneok's Lonesome Creek and Bear Creek projects.

Vaira 31X-17BXC – API #25-083-22848, 24N-55E-17

1. Flaring 0 MCF/D. First exception request.
2. Completed: 4/2015.
3. Justification to flare: Connected to gathering system. Flaring due to being pressured out of sales line due to capacity constraints. Hoping there will be relief in January 2016 and 3Q2016 with addition of Oneok's Lonesome Creek and Bear Creek projects.

Elaine 34X-21BXC – API #25-083-22877, 24N-56E-21

1. Flaring 64 MCF/D. First exception request.
2. Completed: 5/2015.
3. Justification to flare: Connected to gathering system. Flaring due to being pressured out of sales line due to capacity constraints. Hoping there will be relief in January 2016 and 3Q2016 with addition of Oneok's Lonesome Creek and Bear Creek projects.

Shaw 44X-13D – API #25-083-22840, 22N-59E-13

1. Flaring 150 MCF/D. First exception request.
2. Completed: 8/2015.
3. Justification to flare: Connected to gathering system. Flaring due to being pressured out of sales line due to capacity constraints. Hoping there will be relief in January 2016 and 3Q2016 with addition of Oneok's Lonesome Creek and Bear Creek projects.

Donna 31X-15BXC – API #25-083-22876, 24N-56E-15

1. Flaring 83 MCF/D. First exception request.
2. Completed: 5/2015.
3. Justification to flare: Connected to gathering system. Flaring due to being pressured out of sales line due to capacity constraints. Hoping there will be relief in January 2016 and 3Q2016 with addition of Oneok's Lonesome Creek and Bear Creek projects.

Wilbur 34X-29BXC – API #25-083-22878, 24N-56E-29

1. Flaring 89 MCF/D. First exception request.
2. Completed: 5/2015.
3. Justification to flare: Connected to gathering system. Flaring due to being pressured out of sales line due to capacity constraints. Hoping there will be relief in January 2016 and 3Q2016 with addition of Oneok's Lonesome Creek and Bear Creek projects.