



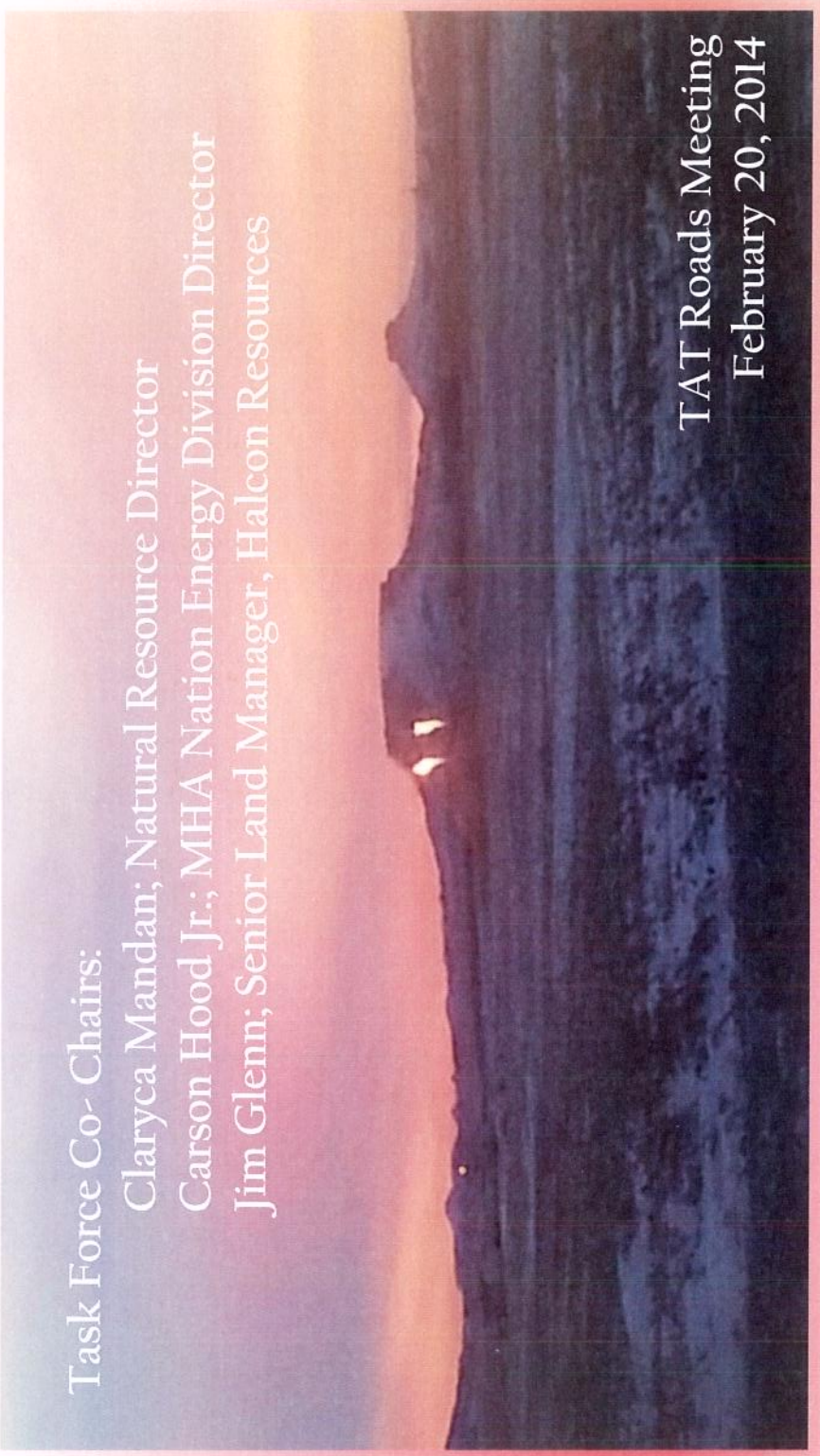
# THREE AFFILIATED TRIBES FLARING TASK FORCE REPORT AND RECOMMENDATIONS

## Task Force Co- Chairs:

Claryca Mandan; Natural Resource Director

Carson Hood Jr.; MHA Nation Energy Division Director

Jim Glenn; Senior Land Manager, Halcon Resources



TAT Roads Meeting  
February 20, 2014



FBIR Flaring level is currently at 48%, of this percentage, 44% is due to limited take away capacity

There are several unique factors regarding the drilling process and capture of gas on the FBIR that contribute to the significant difference in flaring percentages:

- \* Additional federal requirements in obtaining ROWs,
- \* The characteristics and topography of the land
- \* The significant geographic impediment of Lake Sakakawea in transporting gas to primary transportation corridors





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The Three Affiliated Tribes Flaring Task Force gathered information from participating operators to determine flaring levels by Segment and Operator:

- ❖ Parshall/Lucky Mount - 13%  
(Slawson, EOG and Whiting)
- ❖ Four Bears - 67%  
(Enerplus, Halcon, Marathon)
- ❖ Little Shell/Shell Creek - 16%  
(Whiting, Marathon, EOG)
- ❖ Mandaree Segment - 58% with 743 wells drilled to date. (Kodiak, WPX and Marathon)

*Companies with small holdings on FBIR are not included*



The following table presents the flaring percentage for all segments for 2010 – 2012 and the first 11 months of 2013.

Gas Disposition - All Segments				
	2010	2011	2012	1/2013-11/2013
Flared	45.9%	45.0%	45.5%	47.8%
Sold	48.9%	50.3%	50.5%	48.0%
Unaccounted	5.2%	4.7%	3.9%	4.1%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: <https://www.dmr.nd.gov/oilgas/>







## Data Request & Methodology

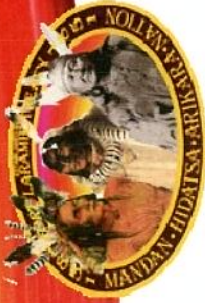
- ✓ First, the Flaring Task Force looked at Flaring by operator. This info will be complete in several weeks; awaiting data from WPX, ONEOK and EOG
- ✓ Second, the Task Force outlined the major operators and the gathering pipelines dedicated to those operators
- ✓ Third, the Task Force identified the midstream companies operating on FBIR and will review their plans/capacity for transporting gas to markets
- ✓ Fourth, the Task Force will seek to identify common corridors for gas leaving FBIR
- ✓ Finally, we supported and reviewed the EERC on pad solutions to reduce flaring



## Three Affiliated Tribes Flaring Task Force Make The Following Recommendations

1. Require Gas Capture Plans as recommended to NDIC with penalties for failure or delay in meeting goals.
2. ROW Procurement and Approvals continue to hold up gas transport completion.
  - a) ROW approval time frames need to be significantly shortened to a recommended 60 day time frame. This could be achieved, for example, through the “one-stop shop” and allowing tribal procurements of industry personnel to assist; by allowing all ROWs on FBIR to be approved at the Denver Office of Indian Energy; or through periodic organized strike teams from the BIA or federal personnel detailed to Ft Berthold Agency on a regular basis.





- b) Tribal assistance with Mediation and Negotiation with undecided land owners.
  - c) Tribal procurement of major ROW Utility Corridors.
3. The Task Force recommends reduction in the offset resolution to 700 ft. gather lines and 1000 ft. for compressor stations and/or variance approvals in those situations. The Tribe's current Off Set Requirements of 2640 ft. do not match the previous smaller offset and in some cases strand existing wells.





4. The mistaken treatment of Reservation lands as “public lands” creates an onerous burden on development of Reservation lands, and long delays in permitting and ROW approval which reflects a much higher flaring percentage. Removal of these legally unfounded restrictions would facilitate the capture of gas in a more efficiently on the Reservation.
5. Create a Tribal Pipeline Authority.
6. The Tribe needs to analyze industry plans and designate utility corridors to be utilized for the gas product to reach markets for shipment by common carrier pipelines.



7. Tribal incentives could be created for gas by product and value added processing technologies.
8. The Tribe could partner with industry in educating the public about the natural gas pipeline industry. The Tribe could facilitate a Liaison position for these activities.
9. Support development of legislation for federal tax credit for new gas processing technologies.
10. Support Oil and Gas Research Councils research into value added technologies.





11. Promote close communication between operators, midstream pipeline and TAT regulatory agencies to move pipeline connections to the forefront to capture IP gas.
12. Clearly define the Tribal approval & review authority for Tribal Right of Ways.
13. Streamline the ROW Forms.
14. Expedite Electrical Infrastructure.
15. Research large scale gas powered generation for well pads, compressor stations as an alternative to electrical infrastructure.

*The Three Affiliated Tribes thanks our Industry Partners who participated in the Flaring Task Force Meetings and the Development of these recommendations.*





## Company Name

## Participant Name & Title

Arrow Midstream Holdings, LLC

Dean Burkett, Petroleum Engineer  
Kelley Bryan, Land Manager

Blaise Energy

Mark Wald  
Paul Andrus

Boomer Permit Services, Inc.

Josh Mallory, VP of Business Development  
Ryan Mallory, Owner

ENERPLUS

Josh Ruffo, West Region Coordinator  
Blake Brown, Land Agent  
Beau Fritz, Senior Landman Western US

EOG Resources

Lisa Dee, Regulatory Specialist  
CB Lackey, Division Project Engineering Manager  
LB Myers, Environmental Advisor  
Clayton VanVleet, Sr Field Production Superintendent  
David Pederson  
Paul Pendleton

HALCON Resources Corporation

Jim Glenn, Senior Land Manager

Kempton Oil & Gas Land Services

Sharon Kempton, Owner  
Darrick Bell, KOGLS

KODIAK Oil & Gas Corp

Mike Nash, Permit & Regulatory Manager  
Billie McNeil, Senior Landman

Marathon Oil Company

Susan Casale, Land Professional  
Terry Kovacevich, Regional Vice President

McKenzie Electric Cooperative

Rick Engstrom, Engineering Manager

ONEOK Rockies Midstream, LLC

Alyssa Ruffie, Contract Project Coordinator  
Dick Vande Bossche, Director of Project Development



Danette Welsh, Manager, Government Relations - ND, MT & WY

### QEP Energy Company

Tracy Opp, Division Manager - Permitting

### TARGA Resources

Joe Bob Perkins, Targa Resources CEO  
Jacy Rabbithead, Sr. Manager Tribal Relations  
Hilary Schneider, Environmental Specialist  
Travis Tucker, Land and ROW  
Gary Ford, Land and ROW

### Tesoro Pipeline

James Sanford, Senior Manager Right-of-way & Real Estate  
Melissa Cowan, Contract Manager  
Carroll Howling Wolf, Land

### WPX Energy

Zac Weis, Government Affairs Representative  
Brandon Harris, Landman  
Courtney Lafferty, Regulatory Specialist  
Jennifer Head, Regulatory Manager Williston  
Eric Larsen, Landman  
Jason Rauen, Environmental Supervisor, Williston Basin EH&S  
Robert King, Air Quality Specialist

### XTO Energy, Inc.

Mitch Burley, Production Foreman  
Jim Brandenburg, Electrician  
Ewell Z. Schirmer, Jr., Division Landman  
Raymond Kordonowy, Superintendent Asst.  
Karen Pratt, Advisor Env Health & Safety/Regulatory  
Jimmy Costalez, Production Superintendent  
Kaylan Dirx, EH&S Coordinator

### Tribal Participants

Mark Fox, Tax Department Director  
Rick Marsh, Tax Office  
Edmund Baker, Environmental Office  
Pete Coffey, THPO  
Elgin Crows Breast, THPO  
Antoine Fettig, Acting Director  
Russell Thomas, Lieutenant  
Frankie Lee, Natural Resources  
Steve Gundersen, Tallsalt  
Shenan Atcitty, Holland & Knight  
Texx Lone Bear, TAT Easement Program  
Martina Turner, Regulatory Affairs Officer  
Stephanie Matthews, Executive Assistant



## THREE AFFILIATED TRIBES FLARING TASK FORCE MEETING



[Save the date ☺](#) [Save the date ☺](#) [Save the date ☺](#)

Date: November 13, 2013

Please be informed of the following Flaring Task Force Meetings:

November 19, 2013

December 3<sup>rd</sup> & 17<sup>th</sup>, 2013

January 7 & 21, 2014

Meeting Time: 10:00am – 12:30pm

Place: 4 Bears Casino & Lodge

RSVP: 11.15.2013 – Please reply with the names of 2 Company Representatives that will be attending the meeting. Provide (Name, Title, Email Address, Phone) to receive the agenda.

Any questions contact: [Martina Turner: Regulatory Affairs Officer at \(Office\) 701.627.5154 or \(Cell\) 701.421.8254](#)

TAT Flaring Task Force Committee Chairs:

Claryca Mandan: Acting Natural Resources Director

Carson Hood Jr.: Acting MHA Nation Energy Division

Jim Glenn: Senior Land Manager, Halcon Resources



# THREE AFFILIATED TRIBES

*Mandan, Hidatsa & Arikara · Fort Berthold Reservation*

227 West Main St. · New Town, North Dakota 58763-9402

Phone: (701) 627-5154

Fax: (701) 627-5154

## TAT Flaring Task Force Meeting

### 4 Bears Casino & Lodge

November 19, 2013

10:00am to 12:30pm

- |                     |  |
|---------------------|--|
| 10:00 AM – 10:10 AM | Opening Prayer   |
| 10:10AM – 10:20 AM  | Welcome and Introductions<br>Claryca Mandan, Acting Natural Resources Director<br>Carson Hood Jr., Acting Director MHA Energy<br>Jim Glenn, Senior Land Manager Halcon Resources |
| 10:20 AM – 10:40 AM | Roles and Responsibilities (Tribal Programs)   |
| 10:40 AM – 11:00 AM | Flaring Resolution   |
| 11:00 AM – 11:20 AM | Preliminary Review of Draft ROW Format   |
| 11:20 AM – 11:30 AM | Setback Resolution – Issues  |
| 11:30 AM – 11:50 AM | Discussion – What information do we need?  |
| 11:50 AM – 12:20 PM | Energy Corridor Development Discussion (ID major trunk lines, electrical, etc)   |
| 12:20 PM – 12:30 PM | Landowner Negotiations Discussion  |

Note: Companies please bring – pipeline maps, drilling plans, infrastructure planning maps and setback impact information as appropriate.





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## TAT Flaring Task Force Meeting

### 4 Bears Casino & Lodge

December 3, 2013

10:00am to 12:30pm

- |                     |  |
|---------------------|--|
| 10:00 AM – 10:10 AM | Opening Prayer   |
| 10:10AM – 10:20 AM  | Welcome and Introductions<br>Claryca Mandan, Acting Natural Resources Director<br>Carson Hood Jr., Acting Director MHA Energy<br>Jim Glenn, Senior Land Manager Halcon Resources |
| 10:20 AM – 10:40 AM | Roles and Responsibilities (Tribal Easement)   |
| 10:40 AM – 11:00 AM | Flaring Resolution Revisions   |
| 11:00 AM – 11:20 AM | Preliminary Review of Draft ROW Format   |
| 11:20 AM – 11:30 AM | Setback Resolution – Steps   |
| 11:30 AM – 12:30 PM | Open Discussion – Energy Corridor Development<br>Review McKenzie Electric Maps   |

#### 11/19 Meeting – Agreed Upon Deliverables:

Roles & Responsibilities –

- Group to be provided with TAT Organization chart for clarity in accountabilities;

Resolutions –

- Complete listing with copies of resolutions provided to group

#### ROW –

- Claryca to obtain approval to use existing ROW form until consensus is reached on new ROW form;
- Claryca/Shenan to provide group with ROW Draft and status of Council approval
- Operators to provide lists/specifics of outstanding ROWs awaiting approval
- Modify Resolution –
  - to provide for 700' for pipelines
  - exemptions to the rule

#### Data Collection –

- Gas volumes (produced, sold, flared) by segment, operator, pipeline
- Unit dedication map by pipeline
- Field outlines and NDIC approved well density by field
- Surface/Mineral ownership map – Tribe, allotted, fee

#### Energy Corridors –

- Obtain shape files of corridors
- 

#### McKenzie Electric –

- Provide shape files of current and planned lines
- Provide specifics on ROWs awaiting approval

#### Pipelines –

- Provide shape files of current and planned lines
- Provide shape files of dedicated units

#### Other Issues –

- Setbacks –
  - Provide specifics setback issues
  - Modify Setback Resolution to provide allowances
  -
- Fresh water access
- Disposal well development
- TERO
- Taxes – Employment Rights fee

Note: Companies please bring – pipeline maps, drilling plans, infrastructure planning maps and setback impact information as appropriate.



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## TAT Flaring Task Force Meeting TAT Easements Conference Room

December 17, 2013

10:00am to 1:30pm

- 10:00AM – 10:20 AM Welcome and Introductions  
Claryca Mandan, Acting Natural Resources Director  
Carson Hood Jr., Acting Director MHA Energy  
Jim Glenn, Senior Land Manager Halcon Resources
- 10:20 AM – 11:00 AM Review (See Attached Notes)
- 10:40 AM – 11:00 AM THPO Roles and Responsibilities
- 11:00 AM – 12:30 PM Achieving Flaring Reduction
- Goals:
    - NDIC/NDPC objectives:
      - Reduce percent of gas flared
      - Reduce number of wells flaring
      - Reduce flaring duration from IP
    - TAT goals:
      - IP gas capture
      - Currently 50% flared with goal to move to \_\_\_% by \_\_\_ date
  - Achieving Goals:
    - Faster well hookup (gathering lines)
    - Providing drilling plans to pipelines
    - On pad use of flared gas
    - Reducing pipeline pressures
    - Increase use of pad compressors
    - More trunk line capacity within FBIR
    - More off reservation capacity for interconnects



- Streamline ROW approval process
- Faster NEPA reviews
- Allowance for temporary surface disturbance
- Rapid identification and approval of energy corridors
- Rapid deployment of electric availability
- Impediments to achieving goals
  - Land owner holdouts
  - Setback distances
  - Bottle necks in ROW approvals
  - Slow BIA review and approvals
  - Restrictions in marketing contracts
  - Limitations of on mobile pad technologies
  - EPA restrictions
  - Tight gas processing capacity and long lead times for building new capacity
  - Limited local market for gas liquids
  - Limited truck & train availability for gas liquids
  - Taxes and fees

12:30 PM – 1:00 PM

Other Issues

- Fresh water access – Section 17 updates
- Disposal well development – Edmond will provide an update to group
- TERO
- Taxes – Employment Rights fee; pipeline property tax enforcement

1:00 PM – 1:30 PM

Wrap-Up

Note: Companies please bring – pipeline maps, drilling plans, infrastructure planning maps and setback impact information as appropriate.

## 12/17 Meeting Review:

### Roles & Responsibilities –

- Group to be provided with TAT Organization chart for clarity in accountabilities;
- Potential for delegation of approval authority to the Natural Res and Energy Director?

### Resolutions –

- Flaring Resolution Amendments –
  - to reflect NDIC form and compliance with TAT Tax Agreement
- Setback Resolution Amendments –
  - To reflect 700' pipeline setback change and 1000' compressor setback modification

### ROW form –

- Status on approval by Business Council
- Form available for industry review and comment?
- Resolution to grandfather in submitted ROW's and use exiting form until consensus is reached on new ROW form?
- Obtain inventory of submitted ROWs and Permits to Survey from Natural Res, Energy and BIA
- Operators to provide lists/specifics of outstanding ROWs awaiting approval

### Data Collection –

- Gas volumes (produced, sold, flared) by segment, operator, pipeline for setting our baseline flaring volumes
- Unit dedication map by pipeline
- Forecasted growth – field outlines and NDIC approved well density by field
- EERC Study – provide feedback to group on EERC technical equipment review; what is impact on pipeline capacity by stripping heavies from gas
- Surface/Mineral ownership map – Tribe, allotted, fee
- Collection and dissemination of the TAT Guidebook

### Energy Corridors –

- Obtain shape files of corridors – Texx Lone Bear to provide updates

### McKenzie Electric –

- Provide shape files of current and planned lines
- Provide specifics on ROWs awaiting approval

- Presentation to the Chairman
- Request for load projections for next five years

Pipelines –

- Provide shape files of current and planned lines
- Provide shape files of dedicated units





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### TAT Flaring Task Force

### Meeting 4 Bears Casino & Lodge

January 7, 2014

10:00am to 1:30pm

- 10:00AM – 10:20 AM Welcome and Introductions  
Claryca Mandan, Acting Natural Resources Director  
Carson Hood Jr., Acting Director MHA Energy  
Jim Glenn, Senior Land Manager Halcon Resources
- 10:20 AM – 10:40 AM Review (See Attached Notes)
- 10:40 AM – 11:00 AM Fish & Wildlife Roles and Responsibilities
- 11:00 AM – 11:45 AM Gas Volumes Power Point – Steve Gundersen
- 11:45 AM – 12:00 PM Wrap -up

Phone: 719-325-2704  
Participant code: 8232149#

Note: Companies please bring – pipeline maps, drilling plans, infrastructure planning maps and setback impact information as appropriate.

Resolutions – (Shenan will send a bullet email to Claryca for distribution)

- Flaring Resolution Amendments –
  - To reflect NDIC form and compliance with TAT Tax Agreement
- Setback Resolution Amendments –
  - To reflect 700' pipeline setback change and 1000' compressor setback modification

ROW form –

- Status on approval by Business Council
- Form available for industry review and comment?
- Resolution to grandfather in submitted ROW's and use exiting form until consensus is reached on new ROW form?
- Obtain inventory of submitted ROWs and Permits to Survey from Natural Res, Energy and BIA (Carey Doyle will handle)
- Operators to provide lists/specifics of outstanding ROWs awaiting approval (send Martina your list (ROW names, priorities, etc.)

Data Collection – (Spreadsheet w/detail issues in approval process)

- Gas volumes (produced, sold, flared) by segment, operator, pipeline for setting our baseline flaring volumes
- Unit dedication map by pipeline
- Forecasted growth – field outlines and NDIC approved well density by field
- EERC Study – provide feedback to group on EERC technical equipment review; what is impact on pipeline capacity by stripping heavies from gas
- Surface/Mineral ownership map – Tribe, allotted, fee
- Collection and dissemination of the TAT Guidebook

ACTION ITEMS:

Internal scoping process Energy, Natural Resources, Fish & Wildlife, THPO, etc.

ONSITE Process

ROW/APD Process

Written communication to companies by next meeting.



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### TAT Flaring Task Force Meeting 4 Bears Casino & Lodge

January 21, 2014

10:00am to 1:30pm

- |                     |  |
|---------------------|--|
| 10:00AM – 10:20 AM  | Welcome and Introductions<br>Claryca Mandan, Acting Natural Resources Director<br>Carson Hood Jr., Acting Director MHA Energy<br>Jim Glenn, Senior Land Manager Halcon Resources |
| 10:20 AM – 10:40 AM | Review Pending Items from January 7 Meeting  |
| 10:40 AM – 11:00 AM | Update and Status on Data Collection Requested   |
| 11:00 AM – 11:15 AM | Review of Governor's Task Force/EERC update  |
| 11:15 AM – 11:45 AM | BIA Environmental and MHA Nation Energy Division<br>Roles and Responsibilities (Desjarlais and Lyson)  |
| 11:45 AM – 12:15 PM | 638 Contract Overview – (Carson Hood Jr.)  |
| 12:15 PM – 12:45 PM | Wrap-Up/Other (Schedule Meeting Dates)   |

Conference Number: 719-325-2704

Participant code: 8232149#

Notice: Please email your shape files, drill plans, infrastructure planning maps and setback impact requests to [mturner@mhanation.com](mailto:mturner@mhanation.com).





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### TAT Flaring Task Force

### Meeting 4 Bears Casino & Lodge

February 4, 2014

10:30am to 12:45pm

- |                     |   |
|---------------------|---|
| 10:30AM – 10:40 AM  | Welcome and Introductions<br>Claryca Mandan, Natural Resources Director<br>Carson Hood Jr., Acting Director MHA Energy<br>Jim Glenn, Senior Land Manager Halcon Resources |
| 10:40 AM – 11:00 AM | Review Pending Items from January 21 Meeting  |
| 11:00 AM – 11:20 AM | Update and Status on Data Collection Requested  |
| 11:20 AM – 12:30 PM | Discussion on Recommendations to TBC  |
| 12:30 PM – 12:45 PM | Wrap-Up/Other   |

Conference Number: 719-325-2704

Participant code: 8232149#

**Notice: Please email your shape files, drill plans, infrastructure planning maps and setback impact requests to [mturner@mhanation.com](mailto:mturner@mhanation.com).**