BEFORE THE INDUSTRIAL COMMISSION

OF THE STATE OF NORTH DAKOTA

CASE NO. 25066
ORDER NO. 27469

IN THE MATTER OF A HEARING CALLED ON A MOTION OF THE COMMISSION TO CONSIDER THE APPLICATION OF CONTINENTAL RESOURCES, INC. AN ORDER PURSUANT TO NDAC § 43-02-03-88.1 AUTHORIZING THE FLARING OF GAS FROM THE FORAKER 1-25H WELL (FILE NO. 30014) LOCATED IN THE NENW OF SECTION 25, T.159N., R.99W., WILLIAMS COUNTY, ND, BURG-BAKKEN POOL, PURSUANT TO THE PROVISIONS OF NDCC § 38-08-06.4 AND SUCH OTHER RELIEF AS IS APPROPRIATE.

ORDER OF THE COMMISSION

THE COMMISSION FINDS:

(1) This cause came on for hearing at 9:00 a.m. on the 20th day of May, 2016.

(2) Continental Resources, Inc. (Continental) provided exhibits and testimony in this matter by sworn affidavits.

(3) The Commission received an application from Continental on April 15, 2016 for an order pursuant to North Dakota Administrative Code (NDAC) Section 43-02-03-88.1 authorizing the flaring of gas from the Foraker 1-25H well (File No. 30014) located in the NE/4 NW/4 of Section 25, Township 159 North, Range 99 West, Williams County, North Dakota, Burg-Bakken Pool, pursuant to the provisions of North Dakota Century Code (NDCC) Section 38-08-06.4 and such other relief as is appropriate.

(4) Pursuant to NDAC Section 43-02-03-88.1, the Director is authorized, on behalf of the Commission, to grant or deny applications relating to, inter alia, flaring exemptions under NDCC Section 38-08-06.4 and under NDAC Section 43-02-03-60.2.

(5) NDCC Section 38-08-06.4 states:

FLARING OF GAS RESTRICTED - IMPOSITION OF TAX -
PAYMENT OF ROYALTIES - INDUSTRIAL COMMISSION AUTHORITY.

1. As permitted under rules of the industrial commission, gas produced with crude oil from an oil well may be flared during a one-year period from the date of first production from the well.
2. After the time period in subsection 1, flaring of gas from the well must cease and the well must be:
   a. Capped;
   b. Connected to a gas gathering line;
   c. Equipped with an electrical generator that consumes at least seventy-five percent of the gas from the well;
   d. Equipped with a system that intakes at least seventy-five percent of the gas and natural gas liquids volume from the well for beneficial consumption by means of compression to liquid for use as fuel, transport to a processing facility, production of petrochemicals or fertilizer, conversion to liquid fuels, separating and collecting over fifty percent of the propane and heavier hydrocarbons; or
   e. Equipped with other value-added processes as approved by the industrial commission which reduce the volume or intensity of the flare by more than sixty percent.
3. An electrical generator and its attachment units to produce electricity from gas and a collection system described in subdivision d of subsection 2 must be considered to be personal property for all purposes.
4. For a well operated in violation of this section, the producer shall pay royalties to royalty owners upon the value of the flared gas and shall also pay gross production tax on the flared gas at the rate imposed under section 57-51-02.2.
5. The industrial commission may enforce this section and, for each well operator found to be in violation of this section, may determine the value of flared gas for purposes of payment of royalties under this section and its determination is final.
6. A producer may obtain an exemption from this section from the industrial commission upon application that shows to the satisfaction of the industrial commission that connection of the well to a natural gas gathering line is economically infeasible at the time of the application or in the foreseeable future or that a market for the gas is not available and that equipping the well with an electrical generator to produce electricity from gas or employing a collection system described in subdivision d of subsection 2 is economically infeasible.

(6) Continental is the owner or operator of the following well in the Burg-Bakken Pool, Williams County, North Dakota:

File #	Well Name & Number	Location
30014	Foraker 1-25H	NENW Section 25-T159N-R99W

The Commission approved the transfer of the Foraker 1-25H well from Continental to Kraken Operating, LLC on October 27, 2016.

(7) The Foraker 1-25H well was completed in the Burg-Bakken Pool on or around February 18, 2015. Pursuant to NDCC Section 38-08-06.4, gas produced with crude oil from an oil well may be flared during a one-year period from the date of first production from the well.

(8) The Burg-Bakken Pool is an oil reservoir, but gas is produced in association with the oil at the wellhead as a by-product of oil production.

(9) By previous order of the Commission, said well is currently authorized to flare so that all owners of interests in the well herein described may receive the maximum benefits of the oil production in such a manner that will prevent waste and protect correlative rights.

(10) The well is currently not connected to a gas gathering facility and evidence presented to the Commission indicates that the well currently produces approximately 85 MCF per day, which is flared.

(11) The well is located approximately 3.4 miles from the nearest gas gathering system.

(12) The applicant has submitted evidence that under current market conditions the surplus casinghead gas presently being produced by the well and the estimated recoverable reserves of surplus gas from the well is insufficient to recoup the costs of installing and operating a gas gathering facility.

(13) Continental has provided documentation that connection of the well to a natural gas gathering line is economically infeasible at the time of the application or in the foreseeable future.

(14) Continental has provided documentation that it is economically infeasible to equip the well with a collection system that intakes at least seventy-five percent of the gas and natural gas liquids volume from the well for beneficial consumption.

(15) If applicant's request is not granted, taxes and royalties must be paid on flared gas which will increase operating costs, raise the economic limit and cause premature abandonment of the well; or the well must be connected to a gas pipeline at an economic loss which would also cause premature abandonment, or flaring must cease and the well must be "capped," resulting in the loss of oil production and the loss of the benefits of that production by all owners of interest in the well and the State of North Dakota.

(16) In order to prevent waste, and protect correlative rights this application should be granted, although limited in duration.

IT IS THEREFORE ORDERED:

(1) Continental Resources, Inc., its assigns and successors, is hereby allowed to flare surplus casinghead gas produced with crude oil from the Burg-Bakken Pool through the well listed below under the exemption provided for under NDCC Section 38-08-06.4:

File #	Well Name & Number	Location
30014	Foraker 1-25H	NENW Section 25-T159N-R99W

(2) This order is effective as of April 15, 2016 and shall remain in full force and effect through December 31, 2018.

Dated this 7th day of April, 2017.

INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA

By the Director, on behalf of the Commission

/s/ Lynn D. Helms, Director

SFN 5729

STATE OF NORTH DAKOTA

AFFIDAVIT OF MAILING

COUNTY OF BURLEIGH

I, Belinda Dickson, being duly sworn upon oath, depose and say: That on the 10th day of April, 2017 enclosed in separate envelopes true and correct copies of the attached Order No. 27469 of the North Dakota Industrial Commission, and deposited the same with the United States Postal Service in Bismarck, North Dakota, with postage thereon fully paid, directed to the following persons by the Industrial Commission in Case No. 25066:

LAWRENCE BENDER
FREDRIKSON & BYRON
PO BOX 1855
BISMARCK ND 58502

Belinda Dickson
Oil & Gas Division

On this 10th day of April, 2017 before me personally appeared Belinda Dickson to me known as the person described in and who executed the foregoing instrument and acknowledged that she executed the same as her free act and deed.

TRUDY HOGUE
Notary Public
State of North Dakota
My Commission Expires June 19, 2020

Notary Public
State of North Dakota, County of Burleigh

Fredrikson & BYRON, P.A.

May 19, 2016

HAND DELIVERED

Mr. Bruce Hicks
Assistant Director
North Dakota Industrial Commission
Oil and Gas Division
600 East Boulevard
Bismarck, North Dakota 58505-0310

RE: NDIC CASE NO. 25066
Continental Resources, Inc.

Dear Mr. Hicks:

Please find enclosed herewith for filing the AFFIDAVIT OF DAVE WEISHOFF with exhibits regarding the captioned matter.

Should you have any questions, please advise.

Sincerely,

LAWRENCE BENDER

LB/leo

Enclosure

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Attorneys & Advisors
main 701.221.8700
fax 701.221.8750
www.fredlaw.com

Fredrikson & Byron, P.A.
1133 College Drive, Suite 1000
Bismarck, North Dakota
58501-1215

BEFORE THE INDUSTRIAL COMMISSION

OF THE STATE OF NORTH DAKOTA

CASE NO. 25066

Application of Continental Resources, Inc. an order pursuant to N.D.A.C. § 43-02-03-88.1 authorizing the flaring of gas from the Foraker 1-25H well (File No. 30014) located in the NE/4NW/4 of Section 25, Township 159 North, Range 99 West, Williams County, North Dakota, Burg-Bakken Pool, pursuant to the provisions of N.D.C.C. § 38-08-06.4 or such further and additional relief.

AFFIDAVIT OF DAVE WEISHOFF

STATE OF OKLAHOMA)
) ss
COUNTY OF OKLAHOMA)

Dave Weishoff, being first duly sworn, deposes and states as follows:

1.

That I am an engineer for Continental Resources, Inc. ("Continental"), whose address is Continental Resources, Inc., 20 North Broadway, P. O. Box 269091, Oklahoma City, Oklahoma 73126, the applicant in the above-entitled matter.

2.

That I have prepared, or had prepared under my control and supervision, the attached Exhibit No. 1, which is a plat showing the area around the Foraker 1-25H well. Shown on the plat is a line depicting the field limits of the Burg-Bakken Pool, as defined by the North Dakota Industrial Commission. Also displayed on the plat is the location of the Foraker 1-25H well located in Section 25, Township 159 North, Range 99 West, Williams County, North Dakota.

3.

That to the best of my knowledge and belief, the information contained on the attached exhibit is true and correct.

4.

That Continental is currently the operator of the Foraker 1-25H well, said well having been completed and producing in the Burg-Bakken Pool.

5.

That to the best of my information, knowledge, and belief, the Foraker 1-25H well was completed as a producer on or about February 18, 2015.

6.

That to the best of my knowledge and belief, the current average daily rate of gas being produced from the Foraker 1-25H well is approximately 85 MCF per day.

7.

That to the best of my knowledge and belief, the total amount of gas from the Foraker 1-25H well not being used for lease purposes and available for sale is approximately 85 MCF per day.

8.

That the Foraker 1-25H well is currently not connected to a gas gathering facility.

9.

That gas produced in association with oil produced from the Foraker 1-25H well and not utilized for lease use is currently being flared.

10.

That to the best of my knowledge and belief, the costs associated with the purchase and

installation of an electric generator fueled by gas produced from the Foraker 1-25H well would total approximately $774,829. *See* Exhibit No. 2, attached hereto. Electric Generation has been found and deemed to be uneconomic due to a rental rate of $0.04/KWH, *See* Exhibit No. 3, and the current $0.0305/KWH set price for the purchase of power from the local electric cooperatives, *See* Exhibit No. 4.

11.

That to the best of my knowledge and belief, the projected non-discounted revenue received from sale of electricity produced from an electric generator fueled by gas produced from the Foraker 1-25H well over a twenty-four (24) year period would total approximately $679,791. This revenue estimate does not include costs of equipment and studies to allow the local utility to accept any power generated, but any such costs would only add to the expenses and make the use of electric generation equipment even more economically infeasible.

That requiring the installation and operation of an electric generator fueled by gas produced from the Foraker 1-25H well would result in, at a minimum, a loss of approximately $758,371. Consequently, installation of the electric operation equipment would be economically not feasible.

12.

That to the best of my knowledge and belief, it is economically infeasible at this time to equip the Foraker 1-25H well with a system that intakes at least seventy-five percent of the gas and natural gas liquids volume from the well for beneficial consumption by means of compression to liquid for use as fuel, transport to a processing facility, production of petrochemicals or fertilizer, conversion to liquid fuels, separating and collecting over fifty percent of the propane and heavier hydrocarbons; or equipped with other value-added processes as approved by the Industrial Commission which reduce

the volume or intensity of the flare by more than sixty percent. This determination is based upon the up-to-date rental costs from GTUIT of $27,500/month and expected revenue for the liquids stripped $7,879/month, *See* Exhibit 5, attached hereto. In the event Continental's evaluation of liquid stripping units were to demonstrate the economic feasibility of such a process on wells with small amounts of flared gas, Continental will revisit this issue.

13.

That Continental estimates the ultimate recoverable gas reserves from the Foraker 1-25H well to be 183,021 MCF of gas, produced over a twenty-four (24) year well life; of which 183,021 MCF would be attributable to Continental and any other working interest owners. *See* Exhibit 6, attached hereto.

14.

That based upon the sale of gas from other wells connected to the nearest gathering system to the Foraker 1-25H well, if said well were connected to a gas gathering facility, it is anticipated that said gas would have a value of $0.54/MCF.

15.

That based upon a price of $0.54/MCF, the gross value of the recoverable gas reserves available for sale over a twenty-four (24) year period from the Foraker 1-25H well is estimated to be $98,118.

16.

That to the best of my knowledge and belief, the Foraker 1-25H well is located approximately 3.4 miles from the nearest connection point to a gas gathering facility.

17.

That based upon the operations of other operators in and near the area of the Foraker 1-25H well, the cost associated with the purchase and installation of a 6-inch pipeline from the well to the nearest connection point to a gas gathering facility is approximately $258,111 per mile. In this case, the total cost would be approximately $877,578, inclusive of a gas meter.

18.

That based upon the differential between the value of the gas and the cost to install and operate the pipeline required for delivery of gas to a gas gathering system, requiring Continental to connect the Foraker 1-25H well to gas gathering system would result in a loss of approximately $779,460.

19.

That based upon my knowledge and belief, the low volumes of gas produced from the Foraker 1-25H well make it economically infeasible at the present time, or in the foreseeable future, to connect the Foraker 1-25H well to a gas gathering facility.

DATED this 18 day of May, 2016.

Dave Weishoff

STATE OF OKLAHOMA)
) ss
COUNTY OF OKLAHOMA)

The foregoing instrument was acknowledged before me this 18th day of May, 2016 by Dave Weishoff, Senior Engineer, Northern Region Production – Bakken Production, with Continental Resources, Inc.

Notary Public: Christi Wood
County of Oklahoma, State of Oklahoma
My Commission Expires: 6/11/2018

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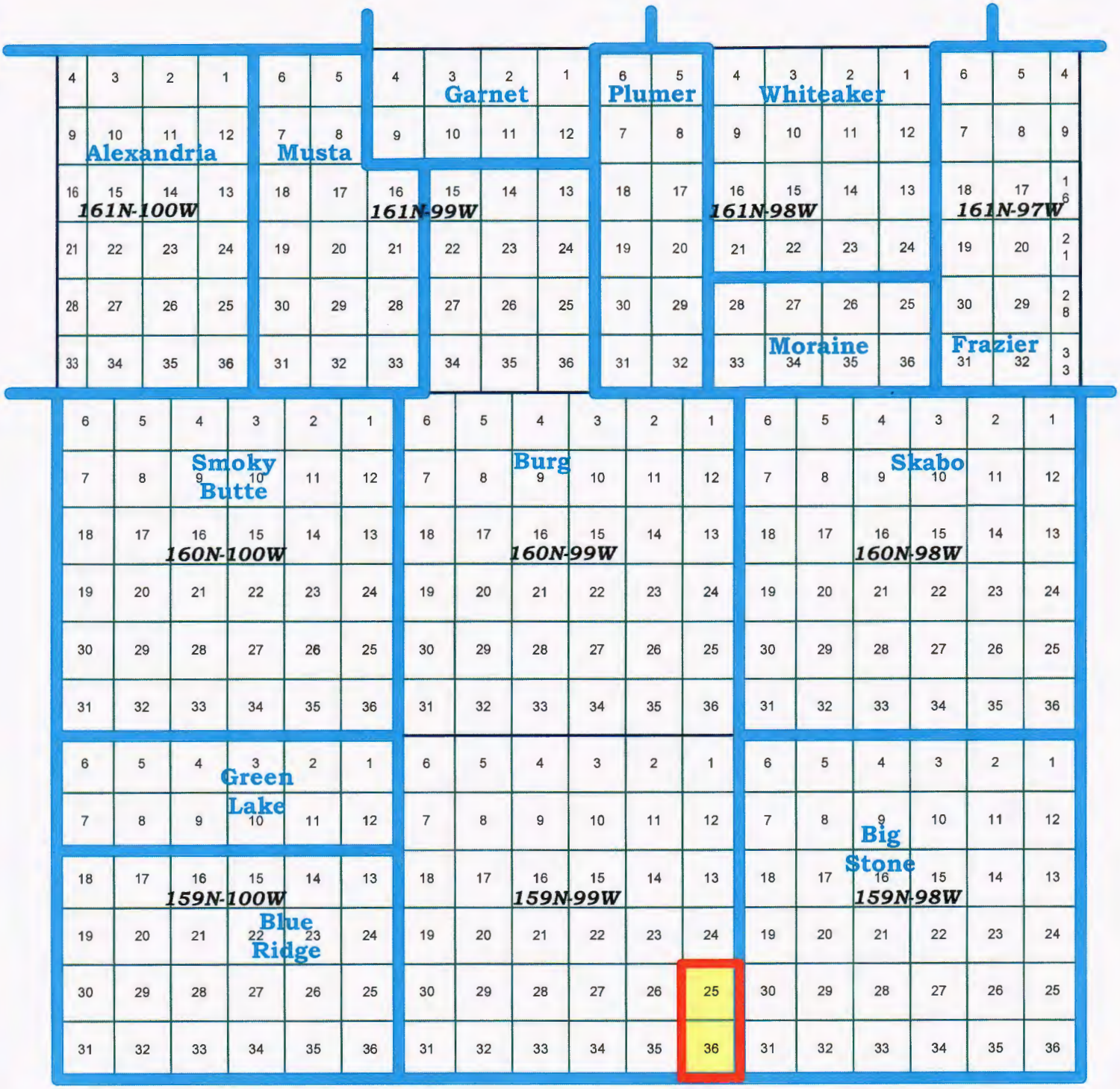


Field Outlines

Foraker 1-25H Spacing Unit

General Locator Map

Continental RESOURCES

Case #25066
Exhibit 1

	A	B
1	**Supplemental Electric Generator Economics**	
2	**Foraker 1-25H Case #25066 Exhibit 2**	
3	(Accounts for residual value and the more realistic assumptions requested by NDIC)	
4		
5	**Electric Generator Capital Cost**	(774,829)
6	**Generator Revenue (Remaining Reserves)**	670,701
7	**Assumed Generator Residual Value @ EOY 14 (%/YR)**	127,500
8	**Operating and Maintenance Cost (Economic Life)**	(713,351)
9	**Generator Economics**	(758,371)
10		
11	**Supporting Calculations and Assumptions:**	
12	**Manufacturer Turbine Rating Data**	
13	btu/scf (Fuel Gas Heating Value)	1200
14	mcfd (Daily Fuel Consumption (FC) @ Max Load)	17
15	kW (power produced per C65 generator @ Max Load)	52
16	Load Factor (LF) for standard operation	100%
17		
18	**Generator Capital Calculation**	
19	mcfd (Adjusted Daily FC @ 100% Load)	17.0
20	Round Above FC to 12	17.0
21	kw (Power Produced per C65 Generator @ 100% Load)	52
22	btu/kWh (LF Applied to FC & Power De-rate)	11800
23	kWh (Power Generation Purchase Rate per Basin Electric)	$0.03050
24	Operating Cost ($5987/Yr/Unit)	$29,935.00
25	mcfd (Daily Gas Rate from Well)	85
26	Qty of C65 Generators Required for Above Gas Rate	5.00
27	Round Up Above Qty of C65 Generators	5
28	btu/scf (Estimated Well Gas Heating Value)	1,437
29	mbtu/day	122,145
30	Total Capital Cost for Daily Gas Rate	**$774,829**
31		
32	**Capital Cost per mcfd**	
33	Cost of 7 C65 Turbine Generators (Horizon Power Systems Quote)	$980,000
34	Residual Value of one (1) C65 Turbine Generator (per appraisal)	$25,500
35	Site Commission ($155/hr; 8 hrs/day; 7 days)	$17,360
36	Freight to ND Location	$22,000
37	Lodging, Meals & Transportation for Commissioning	$3,500
38	Optional Equipment (Draeger LEL, ASCO Service Entrance, etc.)	$46,400
39	Additional Permitting, Regulatory, etc. Expenses	$500
40	Estimated Site Prep (mechanical & electrical)	$15,000
41	Total Capital Cost per C65 Unit	$154,965.71
42	No Rounding Applied	
43		
44	**Operational Data**	
45	Remaining Economic Life of well (Yrs)	23.83
46	mcf Captured (Remaining Reserves)	183,021
47	mbtu Captured (Remaining)	263,001,177
48	kWh Produced per Remaining Reserves	22,288,235.34

	A	B
1	**Supplemental Electric Generator Economics**	
2	**Foraker 1-25H Case #25066 Exhibit 2**	
3	(Accounts for residual value and the more realistic assumptions requested by NDIC)	
4		
5	**Electric Generator Capital Cost**	**=-(B30)**
6	**Generator Revenue (Remaining Reserves)**	**=B48*B23**
7	**Assumed Generator Residual Value @ EOY 14 (%/YR)**	**=B27*B34**
8	**Operating and Maintenance Cost (Economic Life)**	**=-(B24*B45)**
9	**Generator Economics**	**=B5*1.1+B6+B7+B8**
10		
11	**Supporting Calculations and Assumptions:**	
12	**Manufacturer Turbine Rating Data**	
13	btu/scf (Fuel Gas Heating Value)	1200
14	mcfd (Daily Fuel Consumption (FC) @ Max Load)	17
15	kW (power produced per C65 generator @ Max Load)	52
16	Load Factor (LF) for standard operation	0.7
17		
18	**Generator Capital Calculation**	
19	mcfd (Adjusted Daily FC @ 100% Load)	=B14*B16
20	Round Above FC to 12	=12
21	kw (Power Produced per C65 Generator @ 70% Load)	=B15*B16
22	btu/kWh (LF Applied to FC & Power De-rate)	=ROUND(B13*1000*B19/24/B21,-3)
23	kWh (Power Generation Purchase Rate per Basin Electric)	0.0305
24	Operating Cost ($5987/Yr/Unit)	=5987*B26
25	Net $/KWH Revenue (Per Rate from Basin Electric)	=B23-B24
26	mcfd (Daily Gas Rate from Well)	85
27	Qty of C65 Generators Required for Above Gas Rate	=B26/B20
28	Round Up Above Qty of C65 Generators	=ROUNDUP(B27,0)
29	btu/scf (Estimated Well Gas Heating Value)	1500
30	mbtu/day	=B26*B29
31	Total Capital Cost for Daily Gas Rate	**=B27*B42**
32		
33	**Capital Cost per mcfd**	
34	Cost of 7 C65 Turbine Generators (Horizon Power Systems Quote)	=980000
35	Residual Value of one (1) C65 Turbine Generator (per appraisal)	25500
36	Site Commission ($155/hr; 8 hrs/day; 7 days)	=2*155*8*7
37	Freight to ND Location	22000
38	Lodging, Meals & Transportation for Commissioning	=2*7*250
39	Optional Equipment (Draeger LEL, ASCO Service Entrance, etc.)	=4100+36900+5400
40	Additional Permitting, Regulatory, etc. Expenses	500
41	Estimated Site Prep (mechanical & electrical)	15000
42	Total Capital Cost per C65 Unit	=SUM(B34, B36:B41)/7
43	No Rounding Applied	
44		
45	**Operational Data**	
46	Remaining Economic Life of well (Yrs)	23.83
47	mcf Captured (Remaining Reserves)	=B26*365
48	mbtu Captured (Remaining)	=B47*B29
49	kWh Produced per Remaining Reserves	=B48*1000/B22

ALCOR ENERGY ANNOUNCES RATCHET PRICING!

Alcor Energy Solutions Newsletter March 2016

New Ratchet Pricing!

Alcor Energy Solutions announces new pricing policy for Oil and Gas Companies. The new ratchet pricing is available for Oil and Gas companies willing to sign lease agreements for one year or longer. Ratchet pricing is in addition to Alcor Energy's industry leading usage based pricing for 2016 which noes not require a long term agreement, but does not provide the benefit of lower ratchet pricing.

The ratchet pricing is based on monthly usage per unit. Alcor Energy's per kilowatt price is reduced based on single unit installation. For companies that install an Alcor Energy turbine generator onto a mini-grid the ratchet price applies to *all* generating units installed.

Alcor Energy *will* reduce operating costs!!

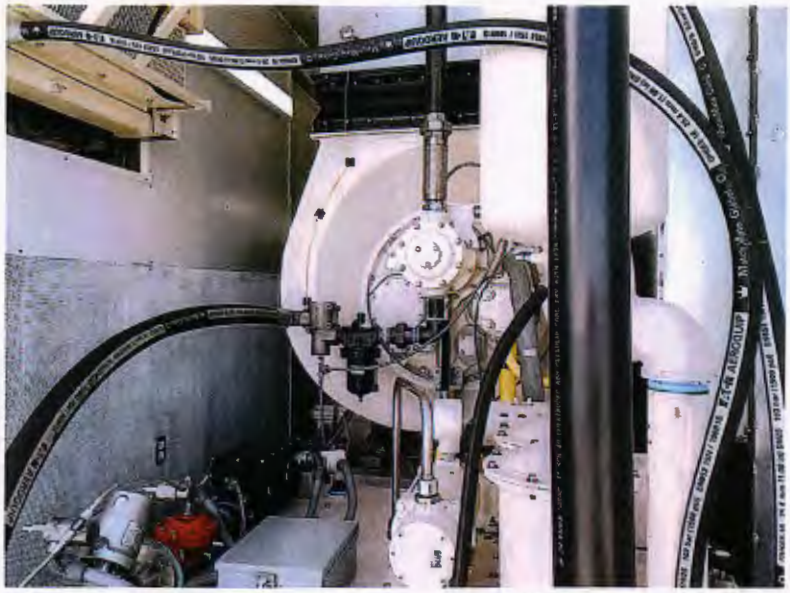
Ratchet Pricing Outline:

- Must have a minimum of one year agreement
- Price per kW starts at $0.09 and ratchet down to $0.04 per kW/hr
- Encourages customers to connect more loads to installed units
- All maintenance is included in the ratchet pricing structure.
- **NO** DAILY MINIMUMS!
- **NO** DAILY LEASE RATE!
- **NO** MONTHLY SERVICE CHARGE!
- **NO** connection costs or connection delays!!

USE MORE...PAY LESS!!!

PLEASE EMAIL:
SALES@ALCORENERGYSOLITIONS.COM
OR CALL:
480-917-7300
FOR RATCHET PRICING QUOTES OR DETAILS!

@AlcorEnergy



Case #25066
Exhibit 3

RATE SCHEDULE A
DISTRIBUTED GENERATION PURCHASE RATE

This power purchase rate is available to Class A Member(s) that meet the following Eligibility Criteria. The objective of the rate is to specify the qualification criteria and define the rate Basin Electric will pay the Members for the commitment of energy output from distributed generation projects located on their member transmission/distribution systems.

Eligibility Criteria

1. The requesting Member must have an all requirements contract with Basin Electric or must, during the entire billing year, purchase all-supplemental requirements from Basin Electric. For those Members with multiple power supply arrangements, this rate applies only to that portion of their system receiving all-supplemental power supply from Basin Electric.
2. The distributed generation must be located on a Member's distribution system and have a committed output level of not less than 150 kW and not more than 5 MW.
3. The distributed generation must be located on the Member's transmission/ distribution system and be within the SPP Upper Missouri Zone and within the SPP control area and directly connected to a member distribution system which is directly served from the SPP Transmission System to receive the payment rates listed in this Rate Schedule, Basin Electric will also consider distributed generation purchase applications for generators located on the Member's transmission or distribution systems outside the SPP Upper Missouri Zone, at rates to be determined, on a case by case basis.
4. The Member must not utilize distributed generation qualified under this rate for load management purposes to minimize the Member's power purchases from Basin Electric under Rate Schedule A and the Members load management operations must be operated such that the Member amount of load control is not reduced when distributed generation being purchased under this rate is operated.
5. The distributed generation purchased under this rate shall be added to Basin Electric's monthly demand and energy deliveries prior to determining Basin Electric billing under Rate Schedule A. The Member shall be responsible for any and all costs of accepting and distributing the generation output for reselling to their member load.
6. All energy purchased under this rate shall include any environmental attributes (renewable energy credits) associated with environmental character of generation. Basin Electric shall receive ownership of those environmental energy credits and shall have the right to remarket the environmental energy credits. For the purpose of this rate, environmental attributes and/or environmental energy credits shall not include federal income tax credits for wind energy that are accruable to the owner of

the energy facility. The Member shall annually provide a completed, signed copy of Exhibit II, Renewable Energy Certificate, if applicable, to Basin Electric prior to receiving any payments.

The Member shall be allowed a one-time election at the time of rate application to retain all environmental attributes (renewable energy credits) associated with environmental character of generation. If the Member chooses to retain these environmental attributes Basin Electric's Energy Payment rate shall be reduced by $0.001 per kilowatt-hour.

7. Not less than 60 days prior to the first Season, the distributed generation output must be committed to Basin Electric for the entire Commitment Term as stated on the Distributed Generation Output Application. The Commitment Term shall be not less than two consecutive Seasons nor more than ten (10) consecutive seasons. The distributed generation output must be constant for all months of the Commitment Term.

8. The Payment Rate for each qualifying distributed generation project shall be the rate in effect at the time of qualification and shall remain fixed for the Qualification Term listed on the completed Distributed Generation Purchase Application not withstanding subsequent amendments to Basin Electric's Distributed Generation Rate.

9. The committed output level shall be determined as follows:

   a) Interconnected Operation: For distributed generation operated interconnected to the electrical grid, the committed output level shall be the smaller of the distributed generation's sustainable output level or the committed output identified in the Distributed Generation Purchase Application.
   To qualify as "*Interconnected Operation*", the distributed generation must meet the following requirements: (Note: The application, study and approval process to obtain approval for interconnection and transmission service, entails considerable time, effort and cost. The Member is encouraged to consult with Basin Electric Cooperative Planning Staff prior to committing to this process):

      i) The distributed generation must have Power Pool and control area approval for transmission service and be recognized as a network resource for Basin Electric.

      ii) The Member shall be responsible for all interconnection costs required for operation of the generator interconnected with the electrical grid.

      iii) Operation of the distributed generation must comply with any applicable "Behind the Meter" transmission system policy.

      iv) Basin Electric must be able to receive and maintain power pool accreditation for the capacity provided by the distributed generation.

      v) The Member shall be responsible for all equipment and fuel costs required to obtain and maintain Power Pool accreditation.

b) Isolated Operation: For distributed generation not interconnected with the electrical grid, the committed output level shall be the minimum annual historical level required to meet the connected load.

10. The consumer may operate the distributed generation for emergency purposes when power deliveries from the electrical grid are unavailable.
11. The Member shall ensure the distributed generation is maintained in a condition capable of generating at the full committed output level and with adequate fuel supplies to ensure 12 hours of operation in any consecutive 24-hour period.
12. The Member shall hold Basin Electric harmless from any liability to itself or third parties arising out of the operation of the distributed generation and the Member shall be responsible for all costs in ensuring the distributed generation can be connected to, or isolated from the electrical grid.
13. The attached Distributed Generation Purchase Application (Exhibit I) must be completed and executed by the Member requesting Basin Electric purchase of distributed generation pursuant to this rate.
14. Basin Electric shall review and approve or disapprove the use of this rate and qualification term for each distributed generation purchase.
15. This rate will be made available only to the extent the cumulative capacity rating of all existing distributed generation purchased by Basin Electric under this rate classification does not exceed 10,000 kW in total.

Definitions:

1. **Season.** Season shall be defined as the periods between May 1 through October 31, inclusive, (Summer Season); or November 1 through April 30, inclusive (Winter Season).
2. **On Peak.** "On Peak" time periods shall mean HE 8:00 through HE 23:00 CST or CDT, Monday through Friday, exclusive of the NERC defined holidays.
3. **Off Peak.** "Off Peak" is any time period not defined herein as "On Peak".

Base Load Resource Payment Rate:

1. **Capacity Payment.** There shall be no capacity payment under this Rate.
2. **Energy Payment.** $0.0305 per kilowatt-hour for output delivered to Basin Electric, subject to the reduction per Eligibility Criteria, Section 6. For qualified facilities that do not have environmental attributes meeting the requirements of regulator portfolio and objectives for renewable energy credits, the Basin Electric energy payment shall be reduced by $0.001 per kilowatt-hour. This rate shall apply to purchases committed to through 2016. For periods committed to beyond 2016, the Base Load Resource payment rates shall be escalated at 1.5% per year.

   A qualifying facility has a one-time option per Exhibit I to either a) receive the Base

Load Resource Payment Rate as it may change over the time of the commitment term, or b) lock in the Base Load Resource Payment Rate in effect at the time of the application.

3. **Billing.** Payment for Capacity Payment and Energy Payments shall be in the form of a credit on the Member's monthly power bill.
4. **Patronage.** The credit to the Member associated with Capacity Payments and Energy Payments under this rate shall not be considered in determining the Member patronage allocation from Basin Electric at the end of each year.

Metering and Remote Control Requirements:

1. The Member shall be responsible for all metering costs and shall meter the distributed generation output. The meter shall be electronically read by the Member and Basin Electric.
2. The meter readings for the qualifying distributed generation units shall be adjusted to the load side of the distributed generation transformers.
3. Thirty-minute time registration demand metering must be installed. All meters shall be tested and calibrated as required by the Wholesale Power Contract between Basin Electric and the Member.
4. Failure to provide the foregoing metering requirements will result in the Member forfeiting payment under this rate.
5. In the event of a metering equipment malfunction, Basin Electric shall be the sole determinant of billing meter quantities.

EXHIBIT I

DISTRIBUTED GENERATION PURCHASE APPLICATION

_____ (name of Member) hereby requests qualification of the following purchase for the Distributed Generation Purchase Rate in effect on the date of qualification and agrees to each of the conditions in the Distributed Generation Rate Schedule A:

Name of Distribution Cooperative and Owner of the Distributed Generation Project:

_____

_____

Committed Output Level, or Accreditable Interconnected Capacity: _____kW

Qualification Term (Commitment Term): _____, 20____ through _____, 20____

Environmental Attributes: ☐ Retain ☐ Convey to Basin Electric

Operates interconnected to grid ☐ YES ☐ NO

Meets applicable Power Pool requirements ☐ YES ☐ NO

Please select one of the following:

1. Does the Member wish to lock in the Renewable Energy Payment Rate for the entire Commitment Term?: ☐ Yes

2. Does the Member wish to accept the Renewable Energy Payment Rate as it may change over the Commitment Term ☐ Yes

Location: _____

Interconnection Substation: _____

Type of Facility (describe in detail): _____

_____

_____

_____

_____

Case #25066
Exhibit 4

EXHIBIT II

DISTRIBUTED GENERATION CERTIFICATE

_____ *(Seller) hereby sells and conveys title, possession and all rights, including all environmental attributes (Green Tags) related to electrical power and energy; and sold and delivered to Basin Electric by the Seller. Any energy delivered under this certification shall have been produced by the Seller's energy facility located at* _____.

The Seller warrants that the Green Tags or any related environmental attributes, transferred hereunder, have not otherwise been, nor will be, sold, retired, claimed or represented as part of electricity output or sales, or used to satisfy obligations in any other jurisdiction.

Seller further warrants that all energy produced by the above energy facility was accurately metered and delivered to Basin Electric and that none of the energy produced by the facility was sold to others or used to support sellers other facilities or electrical needs.

Signed: Facility Owner

_____ Date: _____

May 10, 2016

Dave Weishoff
Continental Resources
Via email dave.weishoff@clr.com

Dave,

It was great to talk with you last week and thank you for sending the gas analysis from your Gladys 1-20H well in northern Williams County, ND. We appreciate the opportunity to provide you a proposal to capture flare gas and recover natural gas liquids at your well sites in Williams County.

Based on our modelling of the gas sample that you provided, the proposed systems will provide the following results:

Approximate MN55-300 Results:		
Pollution Prevented		
Tons of VOC Captured prior to flare	328	tons per year
% of VOC's Captured prior to flaring	51.3%	
CO2 Equivalent Reduction using GTUIT System	1,072	tons per year
NGL recovery (C3+)	**407**	**US Gallons of natural gas liquids recovered per day**
NGL recovery (C3+)	**1,541**	**liters of natural gas liquids recovered per day**
GPM (C3+)	2.50	US Gallons of NGLs produced per thousand standard cubic feet processed
	9.45	liters of NGLs produced per thousand standard cubic feet processed
Other Benefits		
Gas Volume shrinkage %	9.90%	
BTU/scf after Processing (LHV)	1,195	Btu/scf
% of Btu Recovered	18.54%	
% of Btu Used as Fuel	3.60%	
% of Btu Removed and Used for Fuel	22.15%	
Recovered Liquid True Vapor Pressure (psi)*	170	psi
*estimated @ T =	100	F

Based on your flow rate range of 80 MCFD to 150 MCFD, we would expect production of about 160 – 375 gallons per day of NGLs per location. We have done some research for selling NGLs north of the river and have found the following prices including trucking for components:

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April 16 Estimated Pricing			
Gladys 1-20H			
Component	Volume %	$	$/gallon
C2	12%	$ (0.12)	$ (0.01)
C3	37%	$ 0.14	$ 0.05
C4	29%	$ 0.36	$ 0.10
C5	11%	$ 0.25	$ 0.03
C6+	11%	$ 0.74	$ 0.08
			$ 0.25
	Trucking	$ (0.10)	$ (0.10)
	Marketing	$ (0.03)	$ (0.03)
	Net NGL Price/gallon		$ 0.12

As I indicated to you on the phone, the current netback price of NGLs are low, especially when compared to the original proposal that we submitted to Continental in April 2014 when netback NGL prices exceeded $1/gallon. The expected gross revenue from NGL sales based on April pricing would average between $1200 and $2800 per month total from both locations.

We have immediate access to 2 of our small 300 MCFD processing skids (not trailer mounted) and could mobilize those systems very quickly. While these skids are designed for specific gas conditioning and do not get as cold as our largest systems, they provide a more reasonable alternative to capturing gas on your lower rate wells. We are prepared to deploy two skid mounted 300 MCFD units to your location(s) under the following terms and conditions:

GTUIT Provides:

- Up to 300 MCFD* treatment capacity per unit for your locations including:
  - Natural gas power generation to operate GTUIT equipment
  - NGL storage tanks
  - Integrated slug catcher/safety valve trailer

  *Please note that the 2 systems can be combined for up to 600 MCFD of processing capacity.
- Routine service and system checks by qualified GTUIT field personnel
- All consumables, spare parts, maintenance, and repairs of GTUIT equipment
- Remote monitoring including remote safety shutdown capabilities
- NGL offload supervision including scheduling of trucks
- NGL marketing services using a third party marketer

Continental Resources Provides:

- A tee-valve-tee assembly on the main flare line
- All piping both to and from the tee-valve-tee to the GTUIT safety valve trailer. The system layout plus the piping size, configuration, and design will be mutually agreed by GTUIT and Continental

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Resources prior to installation. If requested, GTUIT can provide the piping material and labor at an additional cost to Continental Resources.

- If GTUIT determines that heat trace and insulation are required for the tee-valve-tee and/or the piping both to and from the GTUIT valve trailer, Continental Resources will be responsible for the purchase and installation of the heat trace and insulation. In addition, Continental Resources will be required to provide power for the heat trace on the tee-valve-tee and connecting pipes.
- Continental Resources will be responsible for providing an on-site method/location to dispose of produced water, water/methanol mixture, and crude oil captured as a byproduct of the process provided by GTUIT. If GTUIT determines the amount of liquids being delivered to its systems to be excessive based on our field experience, Continental Resources will be required to take remedial action which may require the installation of liquid knockouts, etc.

Commercial Terms

- Minimum deployment is 2 systems due to the remote location of your wells.
- NO initial deposit required
- NO initial mobilization fees to the Gladys location as long as the initial 2 locations are within 10 road miles of each other.
- Monthly cost**:
    - Month-to-month contract: $27,500/month minimum per each 300 MCFD of deployed capacity ($55,000/month for both systems)
    - 12 month contract: $25,000/month minimum per each 300 MCFD of deployed capacity ($50,000/month for both systems)

  **Please note that our current system pricing is approximately 50% lower than the price list provided to Continental in May 2014.
- For the month-to-month contract, a 30 day cancellation notice is required for each individual unit deployed. The 12 month contract will continue month-to-month after the first 12 month term unless the 30 day cancellation notice is given by either party.
- 80% guaranteed run times on a cumulative monthly basis as measured in 12 hour increments
- Monthly Percent-of-Proceeds (POP) bonus to Continental Resources of 15% of the net NGL sales prior to royalties and taxes (85% of proceeds go to GTUIT). GTUIT's 85% share of NGL sales is credited towards Continental's monthly charges on a month-to-month basis. If and when Continental's monthly charge is fully credited, GTUIT and Continental will split the remaining proceeds on the same 85/15 POP basis.
- GTUIT is granted the right, but not the obligation, to market the residual treated gas at the tailgate of the GTUIT system to an approved third party on the same 85/15 POP basis with GTUIT's 85% share of the gas sales also being credited towards Continental's monthly fee (as above).

Other Considerations

- GTUIT will provide the NGL sales information on a timely basis to Continental Resources; however, Continental Resources will be responsible for filing forms 12/12A and any other forms required by the State of ND, the BLM, or any other State or Federal agency.
- This proposal includes initial deployments to the Gladys location. Any system moves to other Continental Resources locations will be subject to a flat mob/de-mob fee of $4,500 per unit moved and will be subject to GTUIT equipment availability.

Please review and let me know if you have any questions or would like to discuss any of the proposed terms. We have systems available for immediate deployment and we are prepared to move quickly to execute a MSA with Continental Resources and to get these proposed terms written into an appropriate Scope of Work.

As we discussed on the phone, the current state of the NGL markets makes the overall economics of flare capture very challenging except when it is necessary to meet overall flare capture % targets or to prevent locations from exceeding Title V VOC emissions limits. As you work on the plans for your multi-well development package, please keep in mind that we currently have larger trailer-mounted systems available in 500 MCFD and 1000 MCFD systems to can be combined for up to 5000 MCFD (or more if space allows) and will reduce VOC emissions by 70-80%. Just like the 300 MCFD systems quoted above, our updated pricing for the equipment plus comprehensive service is very competitive.

Thank you again for the opportunity to submit this proposal.

Sincerely,

Brian R. Cebull
President & CEO

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Suite A
Billings, MT 59102

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Main: 406.867.6700
Fax: 406.867.6710

[redacted]

[redacted]

Additional Information for Mobile Treatment Systems

[redacted]

GTUIT is pleased to present you with this additional information regarding our service and innovative technology to recover NGL's from flare gas on your well sites in the Williston Basin to create value, reduce emissions, and to generate conditioned residue gas for use in onsite generation, compressed natural gas, and for other value-added purposes. GTUIT provides a complete turn-key solution that includes all the equipment, manpower, and expertise necessary to operate and maintain our mobile treatment systems.

GTUIT delivers:

- **Proven systems and reliability**- since startup, GTUIT has been producing NGL's in the Williston for nearly 2 years. We currently have 20 systems under contract for delivery with major operators in the Williston.
- **No hassle service model**- all equipment and manpower is provided including all compression, power generation, consumables, and storage tanks. All the operator needs to do is provide us a tie-in point to the flare line.
- **Proprietary built-for-purpose gas processing equipment**- systems are designed and built exclusively by GTUIT to handle the very high BTU gas that is typical in the Bakken/TF production.
- **Scalable and mobile technology**- GTUIT's system components are trailer mounted for mobility and can be combined for increased treatment capacity and removed as production declines. Standard system sizes of 300 MCFD, 500 MCFD and 1000 MCFD can be combined for up to 3000 MCFD of treatment capacity, depending on the size of your locations. GTUIT's smallest system has great turn-down capacity and can run on gas rates as low as 50 MCFD.
- **Patent-pending flow control**- Our patent pending system allows us to operate continuously through both the surges and ebbs in gas production typical in Bakken/TF production. Our flow control and fuel management system will even allow continuous operation during short periods with no gas production from the well.
- **Integrated and redundant safety systems**- GTUIT's systems are designed to run continuously and have innovative and reliable safety systems and remote monitoring.

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NGL Recovery Model Results

The following table shows the model results of the 3 gas samples you supplied:

	Continental Resources		
Results for a single 500 MCFD system	**Dragseth**	**Lindseth**	**Lindsay**
Inlet BTU (HHV)	1,870	1,533	1,510
Outlet BTU (HHV)	1,338	1,254	12,448
GPM, C2+	14.5	5.8	5.7
GPM, C3+	11.9	4.7	4.6
Gas Volume Shrinkage	55.0%	22.3%	21.6%
% VOC's captured prior to flare	94.6%	81.5%	81.6%
VOC's captured prior to flare, tons/yr	5,030	2,034	2,003
VOC reduction at the flare tip*, tons/yr	101	41	40
CO2 Equivalent Reduction, tons/yr	18,157	7,455	7,267
Effective DRE for VOC	99.9%	99.6%	99.6%

*Effective incremental VOC reductions at the flare tip
when compared to utilizing only an engineered flare.

The high nitrogen levels on the Dragseth sample coupled with the very high expected NGL yield has us speculating that this sample could be nitrogen bathed VRU gas, so I would appreciate any additional insight you can give us on this sample. I did not use this sample for my economic examples but it looks very good!

Pricing & Economic Example

I have included our current price list as an attachment to this letter that includes prices for both our equipment AND our complete service as well as the standard terms and conditions of our deployments.

500 MCFD example economics:

NGL C3+ yield per gallon (Lindsay location)	5.7 gallons per MCF
Total Monthly NGLs produced (500 MCFD)	77,980 gallons
Y-grade NGL price, based on 4/22/14 Conway price less differential	$1.01 per gallon
Estimated NGL trucking cost	$.15 per gallon
Gross Monthly Revenue to Continental	$67,060
Estimated Royalty @ 1/6th (includes 15% allowance for processing)	($9,500)
Net Monthly Revenue to Continental	$57,560
GTUIT monthly payment (Assume 6+ systems & 36 month term)	[redacted]
Total estimated monthly net revenue to Continental after fees & royalties	[redacted]

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Since you also asked specifically about our smallest systems, I have prepared the following table that shows the potential economics on wells with flow rates between 50 to 300 MCFD. I have utilized the same NGL pricing and royalty assumptions as the previous example.

Gas Flow Rate MCFD	NGL production gals/month	Net revenue $/month
50	7,934	$ 5,857
100	15,869	$ 11,714
150	23,803	$ 17,571
200	31,738	$ 23,428
250	39,672	$ 29,285
300	47,606	$ 35,141

Utilizing these assumptions and comparing the monthly net revenue numbers to the GTUIT price list on the next page, you will see that the smallest system can yield a slightly positive cashflows at higher rates and negative monthly cashflows at lower rates, but these costs will be offset by significant emissions reductions, positive PR, and by potentially avoiding oil production curtailment orders from the NDIC. Of course, NGL pricing is a big variable that will greatly impact the overall economics.

NGL Marketing

While we do not have a formal relationship [redacted] has arranged to take most of our liquid production from our current customers. His direct number is [redacted] if you would like to discuss NGL marketing options with him. As I noted, most of our current liquids are being trucked to [redacted] plant so this is well positioned for your liquids north of the river.

Please review this information and let me know if you have any questions. Although the price list indicates fairly long lead times for our equipment, we are working hard to speed up our delivery times and, quite frankly, the more orders we have on the books, the faster we will be able to build them.

Thank you again for considering GTUIT's proven service and technology as part of your future Gas Capture Plans.

Sincerely,

Brian R. Cebull
President & CEO

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Suite A
Billings, MT 59102

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Fax: 406.867.6710

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MASTER PRICE LIST

[redacted]

****CONFIDENTIAL- PLEASE DO NOT SHARE THIS OUTSIDE OF YOUR COMPANY****

SERVICE + LEASE monthly rates

300 MCFD	TERM IN MONTHS		
TOTAL SYSTEMS*	12	24	36+
1-5	[redacted]		
6-10			
11-15			
16-20			
21+			

500 MCFD	TERM IN MONTHS		
TOTAL SYSTEMS*	12	24	36+
1-5	[redacted]		
6-10			
11-15			
16-20			
21+			

1000 MCFD	TERM IN MONTHS		
TOTAL SYSTEMS*	12	24	36+
1-5	[redacted]		
6-10			
11-15			
16-20			
21+			

*Multiple system discount is applied based on the TOTAL number of systems under contract including 300 MCFD, 500 MCFD & 1000 MCFD systems

- Prices shown are monthly rates per system to provide both equipment AND service.
- GTUIT requires a maximum inlet gas H_2S concentration of 100 PPM. Higher H_2S concentrations may require pre-treatment to be provided by the operator.
- Monthly equipment lease and service rate INCLUDES:
  - All required equipment including:
    - Integrated safety valve system. 2 valve systems are provided with every 3 systems ordered to allow operations on multiple locations.
    - Gas processing & onboard compression

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        - Natural gas power generation
        - NGL storage tanks. 2 NGL storage tank are included with every 3 systems ordered (4 tanks with 6 systems ordered, for example).
        - All service and consumables necessary to operate the systems including:
        - Remote monitoring, routine maintenance, & service
        - Methanol
        - NGL load-out supervision
    - GTUIT guarantees system availability based on the table below, not including routine maintenance and other scheduled down-time. Lower availability will result in a partial refund of the monthly lease.
- Monthly lease and service rate DOES NOT INCLUDE:
    - Operator is required to install the "t-valve tee" assembly to allow connection of the GTUIT safety valve system to the flare line.
    - Operator is responsible for the costs to install, heat trace, and insulate the connecting pipes between the GTUIT system and the flare gas line. GTUIT can provide this service on a T&M OR flat fee basis or through an approved 3rd party.
    - There is a $2500 per-system charge for each system move within a 75 mile radius. Additional mileage charges may apply outside of the 75 mile radius at a rate of $3.50/mile.
    - Operator maintains ownership of the produced NGL stream and is responsible for setting up a marketing arrangement with a 3rd party.
    - Operator is responsible for providing a method to dispose of the water and water/methanol mixture captured as a byproduct of the GTUIT process.
- Payment Terms
    - A 6 month pre-payment per system is required to confirm the system order. This pre-payment will be credited back on a pro-rata monthly basis over the entire term of the system contract.
- Expected delivery times for new systems are 20-24 weeks from the time the pre-payment is received.
- GTUIT System Performance Guarantee:

GTUIT System Availability	Monthly Rate Multiplier	Example Monthly Rate for 500 MCFD system*
>=95%	1.00	[redacted]
80-94.9%	0.95	
60-79.9%	0.80	
40-59.9%	0.60	
20-39.9%	0.40	
0-19.9%	0.20	
		*Assumes single 500 MCFD with a 12 month contract

1. Availability measured in 12 hour increments and reported by GTUIT

2. Calculated on a per-system basis
3. Items that do NOT count towards availability:
   a. Routine and scheduled maintenance
   b. Shutdowns due to NGL offloads or load conditioning
   c. Lack of gas production from the well for any reason
   d. Shutdowns due to lack of NGL truck transport availability
   e. Shutdowns due to power failures or power generation issues when connected to grid power
   f. Downtime due to weather, vandalism, or acts of God
   g. Shutdowns due to any issues beyond GTUIT's immediate control that are not related to GTUIT's provided equipment including liquid buildup or slugs in the flare lines, etc.

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	A	B
1	**Supplemental Liquids Stripping Economics**	
2	**Foraker 1-25H Case #25066 Exhibit 5**	
3	(Accounts for the more realistic assumptions and cost estimates requested by NDIC)	
4		
5	**Gross Revenue per year (Flat gas rate)**	**$105,113**
6	**Monthly Net Revenue**	**($23,512)**
7	**Annual Net Cash Flow**	**($282,149.31)**
8		
9	**Supporting Calculations and Assumptions:**	
10	**GTUIT Asssumptions from Proposal**	
11	Y-grad NGL price, based on 5/03/2016 Conway price less differential	$0.44
12	Runtime	90%
13	Estimated NGL trucking cost	$0.15
14	Estimated Royalty	18%
15	Processing allowance	15%
16	Monthly equipment rental cost of 50-300 mcfd unit (low estimate)	$27,500
17		
18		
19	**Liquids Stripping Calculation**	
20	mcfd (Daily Gas Rate from Well)	85
21	mcf Captured per Year (Flat Rate)	31,025
22	NGL C3+ yield per MCF calculated from original gas analysis GPM	7.7
23	Total Monthly NGLs produced	17,907
24	Gross Monthly Revenue to CLR	$7,879
25	Estimated Royalty	$1,206
26	Monthly Net Revenue (after fees and royalties)	($23,512.44)
27	Net Revenue to CLR per year (after fees and royalties)	($282,149.31)

	A	B
1	**Supplemental Liquids Stripping Economics**	
2	**Foraker 1-25H Case #25066 Exhibit 5**	
3	(Accounts for the more realistic assumptions and cost estimates requested by NDIC)	
4		
5	**Gross Revenue (Economic Life)**	**=B20*B22*B11*365.25*23.83**
6	**Monthly Net Revenue**	**=B26**
7	**Annual Net Cash Flow**	**=B27**
8		
9	**Supporting Calculations and Assumptions:**	
10	**GTUIT Asssumptions from Proposal**	
11	Y-grad NGL price, based on 5/03/2016 Conway price less differential	0.44
12	Runtime	0.9
13	Estimated NGL trucking cost	0.3
14	Estimated Royalty	=1/6
15	Processing allowance	0.15
16	Monthly equipment rental cost of 50-300 mcfd unit (low estimate)	27500
17		
18		
19	**Liquids Stripping Calculation**	
20	mcfd (Daily Gas Rate from Well)	85
21	mcf Captured per Year (Flat Rate)	=B20*365
22	NGL C3+ yield per MCF calculated from original gas analysis GPM	7.7
23	Total Monthly NGLs produced	=B20*30.4*B22*B12
24	Gross Monthly Revenue to CLR	=B23*B11
25	Estimated Royalty	=B24*B14*(1-B15)
26	Monthly Net Revenue (after fees and royalties)	=B24-B25-B13*B23-B16
27	Net Revenue to CLR to end of economic life (after fees and royalties)	=(B26)*(23.83*12)

Continental Resources, Inc.
Sections 25 - Township 159N - Range 99W
Williams County, ND

RESERVES BASIS:

Proposed wells

Reservoir	MB	
Initial Rate	80	
Final rate	30	BOPD
Decline Rate	44	%
Exponent	1.5	
GOR	1,347	SCF/BBL
EUR Oil	136	MBO
EUR Gas	183	MMCF
EUR	166	MBOE

GROSS ECONOMICS

Oil Price	$0.00	$/bbl Wellhead
Gas Price	$0.54	$/mcf Wellhead
Cost to Connect Gas Sales	878	M$
Operating Cost	0	$/month
Working Interest	100	%
Revenue Interest	82	%
NPV@0%	(779)	M$
IRR	0	%
Payout	N/A	Years

Continental RESOURCES

Case #25066
Exhibit 6

BEFORE THE INDUSTRIAL COMMISSION

OF THE STATE OF NORTH DAKOTA

CASE NO. 25066

Application of Continental Resources, Inc. an order pursuant to N.D.A.C. § 43-02-03-88.1 authorizing the flaring of gas from the Foraker 1-25H well (File No. 30014) located in the NE/4NW/4 of Section 25, Township 159 North, Range 99 West, Williams County, North Dakota, Burg-Bakken Pool, pursuant to the provisions of N.D.C.C. § 38-08-06.4 or such further and additional relief.

APPLICATION OF CONTINENTAL RESOURCES, INC.

Continental Resources, Inc. ("Continental"), for its application to the North Dakota Industrial Commission ("Commission"), respectfully states as follows:

1.

That Continental is the owner of an interest in the oil and gas leasehold estate in portions of Section 25, Township 159 North, Range 99 West, Williams County, North Dakota.

2.

That such lands are currently within an area defined by the Commission as the field boundaries for the Burg-Bakken Pool.

3.

That Continental is currently the operator of the Foraker 1-25H well (File No. 30014) located in the Northeast Quarter Northwest Quarter (NE/4NW/4) of Section 25, completed as a producing well in the Burg-Bakken Pool.

4.

That the Foraker 1-25H well (File No. 30014) is currently not connected to a gas gathering facility.

5.

That because of the location of the well and low volumes of gas produced from the Foraker 1-25H well (File No. 30014), it is economically infeasible to connect said well to a gas gathering facility at the present time, or in the foreseeable future, or in the alternative a market for the gas is not available and equipping the well with an electrical generator to produce electricity from the gas or a liquid stripping unit is economically infeasible.

6.

That gas produced in association with oil produced from the Foraker 1-25H well (File No. 30014) is currently being flared.

7.

That Section 38-08-06.4 of the North Dakota Century Code prohibits the flaring of gas produced in association with crude oil under certain circumstances but authorizes the Commission, upon application, to grant an exception to the flaring prohibition upon a showing that connection of the well to a gas gathering facility is economically infeasible at the time of the application or in the foreseeable future or that a market for the gas is not available.

8.

That in the opinion of the applicant, it is economically infeasible at the present time or in the foreseeable future to connect the Foraker 1-25H well (File No. 30014) to a gas gathering facility and/or there is no market for the gas. As such, applicant should be allowed to continue to flare such

gas, and an exception to Section 38-08-06.4 of the North Dakota Century Code should be granted for said well.

WHEREFORE, Continental requests the following:

(a) That this matter be set for the regularly scheduled May 2016 hearings of the Commission;

(b) That pursuant to Section 43-02-03-88.2 of the North Dakota Administrative Code, Continental's witnesses in this matter be allowed to participate by telephonic means; and

(c) That thereafter the Commission issue its order granting the relief requested and such other and further relief as the Commission may deem appropriate.

DATED this 15 day of April, 2016.

FREDRIKSON & BYRON, P.A.

By _____
LAWRENCE BENDER, ND Bar #03908
Attorneys for Applicant,
Continental Resources, Inc.
1133 College Drive, Suite 1000
P. O. Box 1855
Bismarck, ND 58502-1000
(701) 221-8700

STATE OF NORTH DAKOTA)
) **ss.**
COUNTY OF BURLEIGH)

LAWRENCE BENDER being first duly sworn on oath, deposes and says that he is the attorney for the applicant herein named, that he has read the above and foregoing application, knows the contents thereof, and that the same is true to the best of this affiant's knowledge, and belief.

Lawrence Bender

Subscribed and sworn to before me this 15 day of April, 2016.

LYNETTE ENTZI-ODDEN NOTARY My Commission Expires June 26, 2017 PUBLIC STATE OF NORTH DAKOTA

Notary Public
Burleigh County, North Dakota
My Commission Expires: _____
58550101_1.DOC

Fredrikson & BYRON, P.A.

April 15, 2016

Received
APR 15 2016
ND Oil & Gas Div...

Mr. Bruce Hicks
Assistant Director
North Dakota Industrial Commission
Oil and Gas Division
600 East Boulevard
Bismarck, North Dakota 58505-0310

RE: APPLICATION OF CONTINENTAL RESOURCES, INC. FOR MAY 2016 HEARINGS

Dear Mr. Hicks:

Please find enclosed herewith for filing an APPLICATION OF CONTINENTAL RESOURCES, INC.

As you will note, pursuant to N.D. Admin. Code § 43-02-03-88.2, Continental requests that its witnesses be allowed to participate at the hearing by telephonic means.

Should you have any questions, please advise.

Sincerely,

LAWRENCE BENDER

LB/leo

Enclosure

cc: Ms. Christi Wood – (w/enc.)

Attorneys & Advisors
main 701.221.8700
fax 701.221.8750
www.fredlaw.com

Fredrikson & Byron, P.A.
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Affidavit of Publication
State of North Dakota [illegible] Burleigh
Before me, a Notary Public for the State of North Dakota
personally appeared CK [illegible] duly sworn, deposes
and says [illegible] Bismarck Tribune Co.
and that [illegible] through the
Bismarck Tribune [illegible] following dates:
4/27 Carmen Kuntz
Sworn and subscribed to before me this 5th
day of May 20 16
Morgan Doll
Notary Public in and for the State of North Dakota

MORGAN DOLL
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NOTICE OF HEARING
N.D. INDUSTRIAL COMMISSION
OIL AND GAS DIVISION

The North Dakota Industrial Commission will hold a public hearing at 9:00 a.m. Friday, May 20, 2016, at the N.D. Oil & Gas Division, 1000 East Calgary Ave., Bismarck, N. D. At the hearing the Commission will receive testimony and exhibits. Persons with any interest in the cases listed below, take notice.

PERSONS WITH DISABILITIES: If at the hearing you need special facilities or assistance, contact the Oil and Gas Division at 701-328-8038 by Saturday, May 07, 2016.

STATE OF NORTH DAKOTA TO:

Case No. 25053: Proper spacing for the development of the Writing Rock-Bakken Pool, Divide County, ND, redefine the field limits, and enact such special field rules as may be necessary. Hunt Oil Co.; Murex Petroleum Corp.

Case No. 24929: (Continued) Proper spacing for the development of the Moline-Bakken Pool, McKenzie County, ND, redefine the field limits, and enact such special field rules as may be necessary. Emerald Oil, Inc.

Case No. 24930: (Continued) Proper spacing for the development of the Charbonneau-Bakken Pool, McKenzie County, ND, redefine the field limits, and enact such special field rules as may be necessary. Emerald Oil, Inc.; Slawson Exploration Co., Inc.

Case No. 25054: Application of EOG Resources, Inc. for an order suspending and after hearing, revoking the permit issued to PetroShale (US) Inc. to drill the PetroShale 6 well (File No. 32625), with a surface location in the SWSW of Section 8, T.149N., R.94W., McKenzie County, ND, and such other relief as is appropriate.

Case No. 25055: Application of PetroShale (US), Inc. for an order amending Order No. 27168 of the Commission for the Antelope-Sanish Pool, McKenzie County, ND, to allow for the option of drilling horizontal wells on a 1280-acre spacing unit comprised of Sections 17 and 20, T.152N., R.94W., in lieu of drilling a horizontal well on each 640 comprised of Section 17, and Section 20, T.152N., R.94W., and such other relief as is appropriate.

Case No. 24982: (Continued) Application of EOG Resources, Inc. for an order for the Squaw Creek-Bakken Pool, McKenzie County, ND, as follows: (i) amend Order No. 24853 so as to terminate an overlapping 1280-acre spacing unit comprised of Sections 6 and 7, T.149N., R.94W.; (ii) create a 640-acre spacing unit comprised of Section 6, T.149N., R.94W.; and (iii) authorize the drilling, completing and producing of multiple wells on an existing 640-acre spacing unit comprised of Section 7, T.149N., R.94W., eliminating any tool error requirements, and such other relief as is appropriate.

Case No. 25056: A motion of the Commission to review the temporarily abandoned status of the Denbury Onshore, LLC #7-19 SFTU well (File No. 12001) located in the SWNE of Section 19, T.139N., R.100W., Fryburg Field, Billings County, ND, pursuant to NDCC § 38-08-04.

Case No. 24881: (Continued) Application of Continental Resources, Inc. for an order authorizing the drilling, completing and producing of a total not to exceed twenty-two wells on an existing overlapping 2560-acre spacing unit described as Sections 4, 9, 16 and 21, T.153N., R.94W., and a total not to exceed twenty-one wells on an existing overlapping 2560-acre spacing unit described as Sections 14, 23, 26 and 35, T.153N., R.94W., Elm Tree-Bakken Pool, McKenzie County, ND, eliminating any tool error requirements and such other relief as is appropriate.

Case No. 25057: Application of Great Plains Energy, Inc., requesting an exception to the bond amount as required pursuant to NDAC § 43-02-12-03 conducting shot-hole geophysical exploration while utilizing new receiver technology in Section 22, T.139N., R.95W., Stark County, ND as provided for in NDAC § 43-02-12-01.1.

Case No. 23376: (Continued) Application of Renewable Resources LLC for an order pursuant to NDAC § 43-02-03-51 authorizing the construction of a treating plant to be located in the NENW of Section 32, T.146N., R.95W., Dunn County, ND and such other relief as is appropriate.

Case No. 25058: Application of XTO Energy Inc. for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests in a spacing unit described as the W/2 of Section 4, T.149N., R.94W., Squaw Creek-Bakken Pool, McKenzie County, ND as provided by NDCC § 38-08-08 and such other relief as is appropriate.

Case No. 25059: Application of XTO Energy Inc. for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests in a spacing unit described as Sections 1 and 12, T.147N., R.95W., Corral Creek-Bakken Pool, Dunn County, ND as provided by NDCC § 38-08-08 and such other relief as is appropriate.

Case No. 25060: Application of WPX Energy Williston, LLC for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests for wells drilled on the overlapping spacing unit described as Sections 33 and 34, T.150N., R.93W. and Sections 3 and 4, T.149N., R.93W., Mandaree-Bakken Pool, Dunn County, ND as provided by NDCC § 38-08-08 but not reallocating production for wells producing on other spacing units and such other relief as is appropriate.

Case No. 25061: Application of Zavanna, LLC for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests for wells drilled on the overlapping spacing unit described as Sections 22, 23 and 26, T.154N., R.99W., Stockyard Creek-Bakken Pool, Williams County, ND, as provided by NDCC § 38-08-08 but not reallocating production for wells producing on other spacing units and such other relief as is appropriate.

Case No. 25062: Application of Zavanna, LLC for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests for wells drilled on the overlapping spacing unit described as Sections 21 and 22, T.154N., R.99W., Stockyard Creek-Bakken Pool, Williams County, ND, as provided by NDCC § 38-08-08 but not reallocating production for wells producing on other spacing units and such other relief as is appropriate.

Case No. 24956: (Continued) Application of Zavanna, LLC pursuant to NDAC § 43-02-03-88.1 for an order authorizing the drilling of a saltwater disposal well to be located in the NWNW of Section 2, T.153N., R.99W., Long Creek Field, Williams County, ND, in the Dakota Group pursuant to NDAC Chapter 43-02-05, and such other relief as is appropriate.

Case No. 25063: Application of Continental Resources, Inc. an order pursuant to NDAC § 43 02-03-88.1 authorizing the flaring of gas from the Mary 1-16XH well (File No. 29627) located in the SESW of Section 16, T.146N., R.98W., McKenzie County, ND, Ranch Creek-Bakken Pool, pursuant to the provisions of NDCC § 38-08-06.4 and such other relief as is appropriate.

Case No. 25064: Application of Continental Resources, Inc. an order pursuant to NDAC § 43 02-03-88.1 authorizing the flaring of gas from the Gladys 1-20H well (File No. 28457) located in the SESW of Section 20, T.158N., R.98W., Williams County, ND, Rainbow-Bakken Pool, pursuant to the provisions of NDCC § 38-08-06.4 and such other relief as is appropriate.

Case No. 25065: Application of Continental Resources, Inc. an order pursuant to NDAC § 43 02-03-88.1 authorizing the flaring of gas from the Elias 1-21H well (File No. 30275) located in the SESW of Section 21, T.159N., R.99W., Williams County, ND, Burg-Bakken Pool, pursuant to the provisions of NDCC § 38-08-06.4 and such other relief as is appropriate.

Case No. 25066: Application of Continental Resources, Inc. an order pursuant to NDAC § 43 02-03-88.1 authorizing the flaring of gas from the Foraker 1-25H well (File No. 30014) located in the NENW of Section 25, T.159N., R.99W., Williams County, ND, Burg-Bakken Pool, pursuant to the provisions of NDCC § 38-08-06.4 and such other relief as is appropriate.

Signed by,
Jack Dalrymple, Governor
Chairman, ND Industrial Commission

4/27 - 20841810

Affidavit of Publication

State of North Dakota)
:ss.
County of Williams)

NOTICE OF HEARING
N.D. INDUSTRIAL COMMISSION
OIL AND GAS DIVISION

The North Dakota Industrial Commission will hold a public hearing at 9:00 a.m. Friday, May 20, 2016, at the N.D. Oil & Gas Division, 1000 East Calgary Ave., Bismarck, N.D. At the hearing the Commission will receive testimony and exhibits. Persons with any interest in the cases listed below, take notice.

PERSONS WITH DISABILITIES: If at the hearing you need special facilities or assistance, contact the Oil and Gas Division at 701-328-8038 by Saturday, May 07, 2016.

STATE OF NORTH DAKOTA TO:

Case No. 25061: Application of Zavanna, LLC for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests for wells drilled on the overlapping spacing unit described as Sections 22, 23 and 26, T.154N., R.99W., Stockyard Creek-Bakken Pool, Williams County, ND, as provided by NDCC § 38-08-08 but not reallocating production for wells producing on other spacing units andsuch other relief as is appropriate.

Case No. 25062: Application of Zavanna, LLC for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests for wells drilled on the overlapping spacing unit described as Sections 21 and 22, T.154N., R.99W., Stockyard Creek-Bakken Pool, Williams County, ND, as provided by NDCC § 38-08-08 but not reallocating production for wells producing on other spacing units and such other relief as is appropriate.

Case No. 24956: (Continued) Application of Zavanna, LLC pursuant to NDAC § 43-02-03-88.1 for an order authorizing the drilling of a saltwater disposal well to be located in the NWNW of Section 2, T.153N., R.99W., Long Creek Field, Williams County, ND, in the Dakota Group pursuant to NDAC Chapter 43-02-05, and such other relief as is appropriate.

Case No. 25064: Application of Continental Resources, Inc. an order pursuant to NDAC § 43 02-03-88.1 authorizing the flaring of gas from the Gladys 1-20H well (File No. 28457) located in the SESW of Section 20, T.158N., R.98W., Williams County, ND, Rainbow-Bakken Pool, pursuant to the provisions of NDCC § 38-08-06.4 and such other relief as is appropriate.

Case No. 25065: Application of Continental Resources, Inc. an order pursuant to NDAC § 43 02-03-88.1 authorizing the flaring of gas from the Elias 1-21H well (File No. 30275) located in the SESW of Section 21, T.159N., R.99W., Williams County, ND, Burg-Bakken Pool, pursuant to the provisions of NDCC § 38-08-06.4 and such other relief as is appropriate.

Aaron Hanson being first duly sworn, deposes and says: That (he) (she) is the Agent to the Publisher of the WILLISTON HERALD a newspaper printed and published six days a week in the county of Williams, State of North Dakota, and of general circulation in the City of Williston, County of Williams, State of North Dakota and elsewhere, and the hereto attached.

Notice of Hearing
N.D. Industrial Commission Oil & Gas Division
Friday, May 20, 2016

was printed and published correctly in the regular and entire issue of said WILLISTON HERALD FOR **1** issues, that the first was made on the **26th** day of **April** 20 **16** that said publication was made on each of the following dates to wit:

4/26/16

Request of

ND Industrial Commission (Oil & Gas)

Received
APR 28 2016
ND Oil & Gas Division

Williston Herald

By

Subscribed sworn to before me this **26th** day of **April** 20 **16**

AMANDA LARSON
Notary Public
State of North Dakota
My Commission Expires Jan 29, 2021

Notary Public in and for the County of Williams, State of North Dakota

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Case No. 25066: Application of Continental Resources, Inc. an order pursuant to NDAC § 43 02-03-88.1 authorizing the flaring of gas from the Foraker 1-25H well (File No. 30014) located in the NENW of Section 25, T.159N., R.99W., Williams County, ND, Burg-Bakken Pool, pursuant to the provisions of NDCC § 38-08-06.4 and such other relief as is appropriate.

Signed by,
Jack Dalrymple, Governor
Chairman, ND Industrial Commission
(April 26, 2016)