ERRATA FOR UP IN FLAMES, Aug 22, 2014

Shortly before release, Earthworks submitted this report to North Dakota and Texas regulators for accuracy. Although Texas did not reply, North Dakota regulators did. Through no fault of their own, these changes and corrections were submitted too late to be included in the designed report at the time of release. These changes will be incorporated into the text of full document in the near future.

Page 6, fourth bullet should now read:

> North Dakota generally requires drillers to reduce flaring or else begin paying taxes and royalties on flared gas after the first year. Drillers can continue flaring tax- and royalty-free by taking various steps including requesting a continued exemption from taxes and royalties due to "economic infeasibility" of connecting to a pipeline or otherwise reducing flaring. Between 2009 and 2013, there were more than 4,600 wells flaring natural gas in North Dakota, yet drillers were granted just 112 exemptions out of only 178 requests to continue flaring beyond the first year tax- and royalty-free. It is all but certain that most flaring comes from wells without the exemption for economic infeasibility. Two-thirds of flared gas in the state comes from wells that have an exemption to flare tax- and royalty-free beyond the first year by virtue of being connected to pipelines.

Page 6, fifth bullet should be deleted:

> New rules issued by North Dakota to reduce flaring leave in place the state's exemptions for tax- and royalty-free flaring and create new loopholes that may prevent significant progress in reducing flaring. The rules include a provision that does not count gas flared during the first 90 days of production when assessing an operator's flaring rate. Wells drilled between 2009 and 2012 flared significantly in their first 90 days of production.

Page 22, 2nd paragraph, replace the from the 3rd sentence to end of paragraph with:

> Unless the operator applies for an exemption to continue flaring tax- and royalty-free after a year of production, the spokesperson Alison Ritter wrote, "it is presumed they have connected or are in some way utilizing the gas" in compliance with the tax- and royalty-free exemptions, though a field inspector could find a violation. According to a recent report by the North Dakota Pipeline Authority, almost two-thirds of the gas flared in North Dakota comes from wells connected to pipelines,(70) all of which is being flared tax- and royalty-free according to the statute. Operators that are not connected to a pipeline could be flaring tax- and royalty-free within the bounds of the law or they could choose to pay taxes and royalties if they exceeded the law's standards, or they could be flaring without paying taxes and royalties in violation of the law, but the state does not track such data.

Page 23, 2nd paragraph, delete last sentence:

While submitting a gas capture plan is mandatory, following through on the plan and enforcement of the plan is discretionary.

Page 23, 3rd paragraph, add as last sentence:
Drillers can meet these standards by well, field, county, or statewide

Page 23, 4th paragraph, delete last 3 sentences:

"In other words, flaring during the first 90 days is exempt from the requirement that drillers meet flaring reduction goals. This provision could slow flaring reductions because the 4,277 wells we examined drilled between 2009 and 2012 flared close to 62 billion cubic feet of gas during their first 90 days of production. That is more than the total volume of gas flared from all wells in North Dakota in 2011 (see Table 2)."

Page 29, Heading to Table 6 2nd column should read:
"2013 Profits Top Ten Companies Flaring in Bakken Shale"

Page 30, under blue header, delete 1st sentence:
"North Dakota does not publish enforcement data, so we were unable to find statistics on how many North Dakota companies have violated flaring rules."

Page 31, 2nd complete sentence, change to read:
But no penalties were issued to Hess or Baytex for their violations because section 38-08-06.4 provides that violations result in payment of taxes and royalties owed and this is the type of specific and exclusive penalty referred to in section 38-08-16.

Page 34, Table 9, 2nd column heading should read:
2013 Profits Top Ten Companies Flaring in Eagle Ford Shale

Page 35, 3rd paragraph, modify 5th sentence to say now say:
The state also exempts gas flared from wells that have received an exemption to flare due to “economic infeasibility.”