WHITING PETROLEUM CORP
Form DEFA14A
July 17, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x

Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

¨ Definitive Proxy Statement

¨ Definitive Additional Materials

x Soliciting Material Pursuant to Section 240.14a-12

Whiting Petroleum Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required

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(1) Title of each class of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

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(3) Filing Party:

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ENERGY + TECHNOLOGY = GROWTH
YPE Shale Symposium Presentation
July 2014
Whiting Petroleum Corporation

Forward-Looking Statements, Non-GAAP Measures, Reserve and Resource Information

Forward-Looking Statements, Non-GAAP Measures, Reserve and Resource Information

2

Energy

+

Technology
=
Growth

Whiting uses in this presentation the terms proved, probable and possible reserves. Proved reserves are reserves which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward from known reservoirs under existing economic conditions, operating methods and government regulations prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain. Probable reserves are reserves that are less certain to be recovered than proved reserves, but which, together with proved reserves, are as likely as not to be recovered. Possible reserves are reserves that are less certain to be recovered than probable reserves. Estimates of probable and possible reserves which may potentially be recoverable through additional drilling or recovery techniques are by nature more uncertain than estimates of proved reserves and accordingly are subject to substantially greater risk of not actually being realized by the Company.

Whiting uses in this presentation the term total resources, which consists of contingent and prospective resources, which SEC rules prohibit in filings of U.S. registrants. Contingent resources are resources that are potentially recoverable but not yet considered mature enough for commercial development due to technological or business hurdles. For contingent resources to move into the reserves category, the key conditions or contingencies that prevented commercial development must be clarified and removed. Prospective resources are estimated volumes associated with undiscovered accumulations. These represent quantities of petroleum which are estimated to be potentially recoverable from oil and gas deposits identified on the basis of indirect evidence but which have not yet been drilled. This class represents a higher risk than contingent resources since the risk of discovery is also added. For prospective resources to become classified as contingent resources, hydrocarbons must be discovered, the accumulations must be further evaluated and an estimate of quantities that would be recoverable under appropriate development projects prepared. Estimates of resources are by nature more uncertain than reserves and accordingly are subject to substantially greater risk of not actually being realized by the Company.

This presentation contains statements that Whiting Petroleum Corporation (Whiting) believes to be forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934. All statements other than historical facts, including statements regarding the expected benefits of the proposed transaction to Whiting and Kodiak Oil & Gas Corp. (Kodiak) and their shareholders, the anticipated completion of the proposed transaction or the timing thereof, the expected future reserves, production, financial position, business strategy, revenues, earnings, costs, capital expenditures and debt levels of the combined company, and plans and objectives of management for future operations, are forward-looking statements. Such forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, such statements. These risks and uncertainties include, but are not limited to: the ability to obtain shareholder, court and regulatory approvals of the proposed acquisition of Kodiak; the ability to complete the proposed acquisition of Kodiak on anticipated terms and timetable; Whiting s and Kodiak s ability to integrate successfully after the transaction and

achieve anticipated benefits from the proposed transaction; the possibility that various closing conditions for the transaction may not be satisfied or waived; risks relating to any unforeseen liabilities of Whiting or Kodiak; oil and natural gas prices; level of success in exploration, development and production activities; the impacts of federal and state laws; the impacts of hedging on results of operations; uncertainty regarding future operating results and plans, objectives and expectations; and other risks described under the caption Risk Factors in Whiting s and Kodiak s Annual Reports on Form 10-K for the period ended December 31, 2013. Whiting assumes no obligation, and disclaim any duty, to update the forward-looking statements in this communication. Whiting s production forecasts and expectations for future periods are dependent upon many assumptions, including estimates of production decline rates from existing wells and the undertaking and outcome of future drilling activity, which may be affected by significant commodity price declines or drilling cost increases.
In this presentation, we refer to Adjusted Net Income, Discretionary Cash Flow, Cash Flow per Share, EBITDAX and Net Debt, which are non-GAAP measures that the Company believes are helpful in evaluating the performance of its business. A reconciliation of such non-GAAP measures to the relevant GAAP measures can be found at the end of the presentation.

Whiting Overview
Whiting Petroleum Corporation s Solberg 34-11 Tripad wells with Nabors drilling rig B15 on the Zalesky 34-8 Tripad, in background.
Whiting Overview
Whiting Petroleum Corporation, a Delaware corporation, is an independent oil and gas company that explores for, develops, acquires and produces crude oil, natural

gas and natural gas liquids primarily in the Rocky Mountain and Permian Basin regions of the United States. The Company s largest projects are in the Bakken and Three Forks plays in North Dakota, the Redtail Niobrara play in northeast Colorado and its enhanced oil recovery field in Texas. The Company trades publicly under the symbol WLL on the New York Stock Exchange.

Q1 2014 Production
100.1 MBOE/d
Proved Reserves
(1)
438.5 MMBOE
% Oil Reserves
(1)
79% (89% Liquids)
R/P Ratio
(2)
13 years

(1) Whiting reserves at December 31, 2013 based on independent engineering.
(2) R/P ratio based on year-end 2013 proved reserves and 2013 production.

Energy
+
Technology
=
Growth

3

A Focused Company
Major Asset Areas
Q1 2014 Net Production
100.1 MBOE/d
4
Energy + Technology = Growth
(1) At December 31, 2013 based on independent engineering.

Williston Basin
Bakken / Three Forks
3,738 Gross Potential Future
Drilling Locations
73,325 BOE/d (Q1 2014)
Redtail
Niobrara A and B
3,310 Gross Potential Future
Drilling Locations
4,550 BOE/d (Q1 2014)
HEADQUARTERS
Denver, Colorado
North Ward Estes
110 MMBOE Proved Reserves
(1)
104 MMBOE 92 + P3 Reserves
(1)

Capital Budget for Key Property Areas in 2014
2014 Production Growth Guidance of +17% to +19%
(1)
(2)
(3)
5
Energy

+
Technology
=
Growth
Northern Rockies
$1,101 MM
Central Rockies
$575 MM
EOR Project
(3)
$203 MM
Libby Ranch CO2
Development
$56 MM
(1)
Other
Exploration
Drilling
$44 MM
Non-Operated
$232 MM
Land
$116 MM
Facilities
$151 MM
Exploration
Expense
(2)
$72 MM
Well Work, Misc.
Costs, Other
$150 MM
For development of CO
2
prospect at Bravo Dome in northeastern New Mexico.
Comprised primarily of exploration salaries, lease delay
rentals
and
seismic
activities.
This multi-year CO
2
project involves many re-entries, workovers and conversions. Therefore, it is budgeted on a project basis not a well basis.
Property Area
2014 CAPEX
(MM)
Gross
Wells
Net
Wells

% of
Total
Northern Rockies
1,101
199
137.2
41%
Central Rockies
575
120
104.9
21%
EOR Project
203
NA
(3)
NA
(3)
7%
Libby Ranch CO_2
Develop.
(1)
56
2%
Other Exploration Drilling
44
9
7.3
2%
Non-Operated
232
8%
Land
116
4%
Facilities
151
6%
Exploration Expense
(2)
72
3%
Well Work, Misc. Costs, Other
150
6%
Total Budget
$2,700
328
249.4
100%

Field
Target
Gross Acres
Net Acres
Sanish / Parshall
Middle Bakken
Three Forks

174,666
82,445
Pronghorn
Pronghorn Sand
193,625
125,630
Lewis & Clark
Three Forks
174,020
117,590
Hidden Bench
Middle Bakken
Three Forks
65,882
37,314
Tarpon
Middle Bakken
Three Forks
8,805
6,265
Starbuck
Middle Bakken
Three Forks
Red River
53,012
42,932
Missouri Breaks
Middle Bakken
Three Forks
99,930
65,869
Cassandra
Middle Bakken
Three Forks
29,827
13,949
Big Island
Red River
175,740
137,559
Other ND & Montana
122,651
54,251
Total
1,098,158
683,804
Whiting Lease Areas in Williston Basin
March 31, 2014
6
Energy

+
Technology
=
Growth

Rigs drilling in the Williston Basin
(as of 7/13/14)
2,3
Announced Strategic Combination with Kodiak Oil & Gas Corp.
Creates Leading Williston Basin Operator
7
Energy

+
Technology
=
Growth
Acreage Overview (855,000 net acres)
Q1'14 Bakken / Three Forks Net Production
(Mboepd)
107.3
97.5
86.0
73.3
63.0
~60.0
54.0
49.4
42.9
42.7
34.0
31.1
18
18
18
14
14
12
10
8
7
6
6
5
Source: Company presentations, filings and press releases
1
As of December 31, 2013
2
Rigs currently drilling on July 13, 2014 per NDIC
3
As of July 13, 2014, Whiting had two additional rigs moving and Kodiak had one additional rig moving, for a combined operated 21 rigs in the Williston Basin

Expected benefits to Whiting

Increases weighting of production from Bakken/TFS

80% of pro forma Q1 2014 production from Bakken/TFS

855,000 combined net acres, with an inventory of 3,460 net Williston Basin drilling locations

Addition
of
complementary
acreage
position
in
area
Whiting
knows
very
well

Significantly enhanced growth potential from accelerated development of Kodiak resource base

Expect to increase Kodiak s rig fleet from 7 to 12 operated rigs by Q4 15

Substantial present value benefit from acceleration

Materially increased scale enhances relative positioning of company vs. peers and strengthens Whiting s credit profile and financial flexibility

All-stock transaction structure is credit enhancing

Expected to be accretive in 2015 and increasingly accretive thereafter across all metrics

Discretionary cash flow per share

Earnings per share

Production per share
8
Energy
+
Technology
=
Growth

Annulus
Stages
Frac Ports
per Stage
Potential
Entry
Points

Free fluid
between
packers
30
1
30
Annulus
Stages
Perforation
Clusters
per Stage
Potential
Entry
Points
Cemented
40
3
120
Older Style
Sliding Sleeve Completion
New Style
Cemented Liner Completion
Maximizing Recovery Efficiency
Improving Frac Distribution
9
Energy
+
Technology
=
Growth

10
Evolution of Completion Design
Skov 31-28 Unit
(1)
at Missouri Breaks
Well
Annulus

Completion Method	Stages	Entry Points	Cost ($MM)	Incr. IP (BOEPD)	Incr.
Skov 31-28-1H	Open Sliding Sleeve	30	30	7.90	-	927	-
Skov 31-28-2H	Cemented P&P - 3 clusters/stage	30	90	8.10	3%	1,072	16%
Skov 31-28-4H	Cemented P&P - 5 clusters/stage	30	150	8.10	3%	1,219	31%
Skov 31-28-3H	Cemented CT - Multistage+(P&P - 5)	60+5X5	85	8.80	11%	1,607	73%

(1) Skov 31-28-1H was completed on 5/31/2013. Skov 31-28-2H and Skov 31-28-4H were completed on 4/2/2014. Skov 31-2

Energy + Technology = Growth

CT (Coiled Tubing) Conveyed Frac

Exploiting the Bakken and Three Forks in the Williston
Primary and Prospective Drilling Locations
11
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MISSOURI BREAKS
8 WELLS
CASSANDRA

12 WELLS
SANISH
15 WELLS
PRONGHORN
6 WELLS
TARPON
12 WELLS
HIDDEN BENCH
16 WELLS

Redtail Discovery
Defining the Sweet Spot of the Niobrara
12

Redtail Development Program
Economic Sweet Spot
(Weld County, Colorado)
OBJECTIVE
Niobrara B
Shale
Niobrara A

Shale
DEVELOPMENT PLAN
Mix of 960 and 640-acre spacing units
8 Wells per spacing unit Niobrara B
8 Wells per spacing unit Niobrara A
3,300+ potential drilling locations
ACREAGE
Whiting has assembled 174,892 gross (122,656 net) acres in our Redtail prospect in the northeastern portion of the DJ Basin.

Average WI of 70%

Average NRI of 59%
COMPLETED WELL COST
Horizontal: $5.5 MM
DRILLING HIGHLIGHTS
Results from our high density pilots support a 16-well per 960-acre drilling pattern in the B and A zones. We spud our 30F super pad located in the Horsetail township in June 2014. This high density pilot will test a 32-well drilling spacing pattern in the A , B and C zones. If successful, our potential drilling locations at Redtail would increase to more than 6,600 gross wells.
13
Source: IHS and internal Whiting production database
Energy
+
Technology
=
Growth
Niobrara Initial 30-Day Average Rate
(Gas converted to oil price equivalent ratio 17:1)
Pre 2013
2013
-
14
BOEPD
1
350
350
450
450

550
550
650
650
750
> 750

14
Middle Bakken / Niobrara Reservoir Comparison
High-resolution pore structure image from Scanning Electron Microscope
7% Porosity
13% Porosity

15
Niobrara Reservoir Geometry
3-Dimensional image of the Niobrara B Reservoir from Whiting s Dual-Beam Scanning Electron Microscope

Niobrara Reservoir
Whiting RAZOR 25-2514H

GR	Zone	PHI	Minerals	BVFluid	RES
0	200				
30	-10	0		100 0.2	2000
A					
A					

B
B
C
C
Niobrara Resource Potential
(1)
*
**
GOR=500 cf/bo
Stimulated Rock Volume
Recoverable
Oil
16
Well
/
DSU
Density
(Total OOIP A Zone + B Zone = 59 MMBOE/DSU)**
16 wells
10% Recovery
16 wells
15% Recovery
16
wells
20% Recovery
370 MBOE
560 MBOE
740 MBOE
(1) Please refer to the beginning of this presentation for
disclosures regarding Reserve and Resource Information.
Estimates updated as of December 31, 2013
Recoverable
Oil
32
Well
/
DSU
Density
(Total OOIP A Zone + B Zone + C Zone = 70 MMBOE/DSU)**
32 wells
15% Recovery
32 wells
20% Recovery
32
wells
25% Recovery
330 MBOE
440 MBOE
550 MBOE
Redtail Development Program

Niobrara Reservoirs
16
Energy
+
Technology
=
Growth
Reservoir
Porosity
(%)
Thickness
(ft)
OOIP
(MMBOE/
960ac)*
% WLL
Wells
#
Gross
Wells
NIO A
13%
35
19
81
1,344
NIO B
13%
65
40
81
1,343
NIO C
11%
25
11
80
1,316
70
OOIP by Zone

27L Pad
Drilling Density
-
16 Wells/DSU
-
330 ft.
Target: B-B-B-B

Status: Flowing
27K Pad
Drilling Density
-
16 Wells/DSU
-
330 ft.
Target: A-B-A-B
Status: Flowing
Razor Pilot
16 Wells / 960ac DSU
30F Pad
Drilling Density
-
32 Wells/DSU
-
165 ft.
Target: C-B-A-B-
A-B-C-B
Status: Drilling
Horsetail Pilot
32 Wells / 960ac DSU
Planned Wells
Producing Wells
Future Infill Wells
Redtail Development Planning
Defining Optimal Well Density
17
Energy
+
Technology
=
Growth

Legend
Redtail 16 Well Planning
Well Status
Existing Wells
Future Locations
Permitted
Township

Operated
Non-Operated
Redtail Development Plan
3,310 Gross (1,654 Net) Wells
16
Wells
Per
DSU
in
Upper
Niobrara
(A
&
B
Zones)
as
of
March
31,
2014
18
2014
2018 Development Plan Includes
Approximately 1,024 Gross Wells with an
84% Average Working Interest
NBL Operated
Energy
+
Technology
=
Growth

Redtail Niobrara A & B Type Curve: 420 MBOE
Per Well Results: 85%-100% IRRs
(1)(2)(3)
19
Energy + Technology =
Growth
(1)

Please refer to the beginning of this presentation for disclosures regarding "Reserve and Resource Information." All volumes present the fair value of our oil and natural gas reserves.

(2)
EURs, ROIs, IRRs and PV10% values will vary well to well. Estimates updated as of December 31, 2013.

(3)
Based on a mix of 17 640-
and 960-acre spaced wells drilled since March 21, 2013.

10
100
1000
0
20
40
60
80
100
120
140
160
180
Months on Production
EUR -
420 MBOE, Development Phase CAPEX $5.5 MM
NYMEX Oil Price/Bbl
$90
$100
ROI
3.2
3.7
IRR (%)
85%
100%
Payout (Yrs.)
1.2
1.0
PV10 ($MM)
6.28
7.87

Redtail Infrastructure Plan: A Great Place to Find an Oil Field!
April 2014
Redtail Facilities Plan
Planned
Gathering
System

Gas Gathering Lines
141 Miles
Oil Gathering Lines
111 Miles
SW Gathering Lines
54 Miles
Frac Water Supply Lines
16 Miles
Redtail Gas Plant
Train 1 Capacity (Online)
20 MMcf/d
Train 2 Capacity (Q1 2015)
50 MMcf/d
Train 3 Capacity (2016)
70 MMcf/d
Takeaway Capacity (2016)
140 MMcf/d
Capital Investment
Gas Plant
$100 MM
Gas Gathering / Field Compression
$95 MM
Oil Gathering / LACTs
$80 MM
Electricity
$40 MM
Total
$315 MM
20
8
Residue Pipeline
Constructed By TallGrass
Redtail Plant
Terrace Plant
Pony
Express
Kinder Morgan
Interstate
Trailblazer
TallGrass
Pawnee
Terminal
TallGrass
Buckingham
Terminal
Northeast Colorado Lateral
to Pony Express
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Important Additional Information and Where to Find It
This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of a vote or proxy. The proposed transaction anticipates that the Whiting shares will be exempt from registration under the United States Securities Act of 1933, as amended (the "Securities Act"), pursuant to Section 3(a)(10)
of

the Securities Act. Consequently, the Whiting shares will not be registered under the Securities Act or any state securities laws. In connection with the proposed transaction, Whiting and Kodiak intend to file relevant materials with the SEC and other governmental or regulatory authorities, including a joint proxy statement and circular. **INVESTORS ARE URGED TO READ THE JOINT PROXY STATEMENT AND CIRCULAR AND ANY OTH** RELEVANT MATERIALS WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INF ABOUT Whiting, Kodiak AND THE PROPOSED TRANSACTION. The joint proxy statement and circular and certain other relevant materials (when they become available) and other documents filed by Whiting or Kodiak with the SEC may be obtained free of charge at the SEC s website at http://www.sec.gov. In addition, investors may obtain copies of these documents (when they become available) free of charge by written

request to Whiting Investor Relations, 1700 Broadway, Suite 2300, Denver, CO 80290-2300 or calling (303) 390-4051 or by written request to Kodiak Investor Relations, 1625 Broadway, Suite 250, Denver, CO 80202-2300 or calling (303) 592-8030.

Participants in the Solicitation

Whiting, Kodiak and their respective executive officers and directors may be deemed to be participants in the solicitation of proxies in connection with the proposed transaction. Information about the executive officers and directors of Whiting and the number of shares of Whiting s common stock beneficially owned by such persons is set forth in the proxy statement for Whitings s 2014 Annual Meeting of Stockholders which was filed with the SEC on March 23, 2014, and Whiting s Annual Report on Form 10-K for the period ended December 31, 2013. Information about the executive officers and directors of Kodiak and the number of Kodiak s ordinary shares beneficially owned by such persons is set forth in the proxy statement for Kodiak s 2014 Annual Meeting of Shareholders which was filed with the SEC on May 9, 2014, and Kodiak s Annual Report on Form 10-K for the period ended December 31, 2013. Investors may obtain additional information regarding the direct and indirect interests of Whiting, Kodiak and their respective executive officers and directors in the transaction by reading the joint proxy statement and circular regarding the transaction when it becomes available.

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Questions?

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