

Oasis Petroleum Inc.
Form 424B5
October 28, 2011

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**Filed Pursuant to Rule 424(b)(5)
Registration No. 333-175603**

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities Offered	Maximum Aggregate Offering Price	Amount of Registration Fee
6.50% Senior Notes due 2021	\$400,000,000	\$45,840

- (1) The filing fee of \$45,840 is calculated in accordance with Rule 457(r) of the Securities Act of 1933 has been transmitted to the SEC in connection with the securities offered from Registration Statement File No. 333-175603 by means of this prospectus supplement.

Prospectus supplement**(To prospectus dated July 15, 2011)****Oasis Petroleum Inc.*****\$400,000,000******6.50% Senior Notes due 2021***

The notes will mature on November 1, 2021. Interest will accrue on the notes from November 10, 2011, and the first interest payment date will be May 1, 2012. We intend to use the net proceeds from this offering to fund our exploration, development and acquisition program and for general corporate purposes.

We may redeem some or all of the notes at any time on or after November 1, 2016 at the redemption prices set forth in this prospectus supplement. We may also redeem up to 35% of the aggregate principal amount of the notes prior to November 1, 2014 at the redemption price set forth herein with cash proceeds we receive from certain equity offerings. In addition, we may redeem the notes, in whole or in part, at any time before November 1, 2016 at a redemption price plus an applicable make-whole premium set forth in this prospectus supplement. If we undergo a change of control on or prior to January 1, 2013, we may redeem all, but not less than all, of the notes at a redemption price equal to 110% of the principal amount of the notes redeemed plus accrued and unpaid interest. We must offer to purchase the notes if we experience specific kinds of changes of control or sell assets under certain circumstances.

The notes will be our senior unsecured obligations and will rank senior in right of payment to any of our future indebtedness that is expressly subordinated to the notes. The notes will rank equally in right of payment with all our existing and future senior indebtedness, including our revolving credit facility and our outstanding series of senior notes, and will rank effectively junior in right of payment to all of our secured indebtedness (to the extent of the value of the collateral securing such indebtedness), including borrowings we guarantee under our revolving credit facility which are secured by substantially all of our consolidated assets. In addition, the notes will rank effectively junior in right of payment to any of the indebtedness and liabilities of any of our subsidiaries that do not guarantee the notes.

The notes initially will be guaranteed on a senior basis by all our existing material subsidiaries and certain future material restricted subsidiaries. The guarantees will be senior unsecured obligations of the guarantors and will rank senior in right of payment to any of their future indebtedness that is expressly subordinated to the guarantees. The guarantees will rank equally in right of payment with all existing and future senior indebtedness of the guarantors, including our borrowings and guarantees under our revolving credit facility and their guarantees of our outstanding

series of senior notes, and will rank effectively junior in right of payment to all of the guarantors secured indebtedness (to the extent of the value of the collateral securing such indebtedness), including the guarantors borrowings and guarantees under our revolving credit facility.

Investing in the notes involves risk. See Risk Factors beginning on page S-19 of this prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Price to public(1)	Underwriting discounts and commissions	Proceeds, before expenses, to Oasis Petroleum Inc.(1)
Per note	100.0%	1.65%	98.35%
Total	\$400,000,000	\$6,600,000	\$393,400,000

(1) Plus accrued interest, if any, from November 10, 2011.

The notes will not be listed on a securities exchange. Currently, there is no public market for the notes.

We expect that delivery of the notes will be made on or about November 10, 2011 in book-entry form through The Depository Trust Company for the account of its participants, including Clearstream Banking *société anonyme* and Euroclear Bank S.A./N.V.

Joint Book-Running Managers

J.P. Morgan

Wells Fargo Securities

BNP PARIBAS

Co-Managers

**Johnson Rice & Company L.L.C.
Tudor, Pickering, Holt & Co.**

**RBS
UBS Investment Bank**

**Simmons & Company International
US Bancorp**

October 27, 2011

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About this prospectus supplement

This document is in two parts. The first part is the prospectus supplement and the documents incorporated by reference herein, which describes the specific terms of this offering of the notes. The second part is the accompanying prospectus, which gives more general information, some of which may not apply to the notes or this offering. If the information relating to the offering varies between the prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

You should rely only on the information contained in or incorporated by reference into this prospectus supplement, the accompanying prospectus and any related free writing prospectus. We have not authorized any dealer, salesman or other person to provide you with additional or different information. If anyone provides you with different or inconsistent information, you should not rely on it. This prospectus supplement and the accompanying prospectus are not an offer to sell or the solicitation of an offer to buy any securities other than the securities to which they relate and are not an offer to sell or the solicitation of an offer to buy securities in any jurisdiction to any person to whom it is unlawful to make an offer or solicitation in that jurisdiction. You should not assume that the information contained in this prospectus supplement is accurate as of any date other than the date on the front cover of this prospectus supplement, or that the information contained in any document incorporated by reference is accurate as of any date other than the date of the document incorporated by reference, regardless of the time of delivery of this prospectus supplement or any sale of a security.

Unless otherwise indicated or the context otherwise requires, all references in this prospectus supplement to we, us, our, Oasis Petroleum and the company refer to Oasis Petroleum LLC and its subsidiaries before the completion of our corporate reorganization in connection with our initial public offering (IPO) and Oasis Petroleum Inc. and its subsidiaries as of the completion of our corporate reorganization and thereafter, the term Oasis refers to Oasis Petroleum Inc., and the term Subsidiary Guarantor refers to a guarantor of the notes.

Where you can find more information

We file annual, quarterly and current reports and other information with the Securities and Exchange Commission (the SEC) (File No. 001-34776) pursuant to the Securities Exchange Act of 1934 (the Exchange Act). You may read and copy any documents that are filed at the SEC 's public reference room at 100 F Street, N.E., Washington, D.C. 20549. You may also obtain copies of these documents at prescribed rates from the public reference section of the SEC at its Washington address. Please call the SEC at 1-800-SEC-0330 for further information.

Our filings are also available to the public through the SEC 's website at <http://www.sec.gov>.

The SEC allows us to incorporate by reference information that we file with them, which means that we can disclose important information to you by referring you to documents previously filed with the SEC. The information incorporated by reference is an important part of this prospectus supplement, and the information that we later file with the SEC will automatically update and supersede this information. The following documents we filed with the SEC pursuant to the Exchange Act are incorporated herein by reference:

our Annual Report on Form 10-K for the year ended December 31, 2010;

our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2011 and June 30, 2011;

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our Current Reports on Form 8-K and Form 8-K/A filed on January 24, 2011, January 28, 2011, February 2, 2011, February 18, 2011, March 28, 2011, May 11, 2011, June 22, 2011, June 24, 2011, July 15, 2011, August 3, 2011 (two Current Reports on Form 8-K filed), September 2, 2011 and October 7, 2011 (excluding any information furnished pursuant to Item 2.02 or Item 7.01 of any such Current Report on Form 8-K); and

our Definitive Proxy Statement on Schedule 14A filed on March 16, 2011 (those parts incorporated by reference in Oasis's Annual Report on Form 10-K for the year ended December 31, 2010).

These reports contain important information about us, our financial condition and our results of operations.

All future documents filed pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act (excluding any information furnished pursuant to Item 2.02 or Item 7.01 on any Current Report on Form 8-K) before the termination of the offering of securities under this prospectus supplement shall be deemed to be incorporated in this prospectus supplement by reference and to be a part hereof from the date of filing of such documents. Any statement contained herein, or in a document incorporated or deemed to be incorporated by reference herein, shall be deemed to be modified or superseded for purposes of this prospectus supplement to the extent that a statement contained herein or in any subsequently filed document that also is or is deemed to be incorporated by reference herein, modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement.

You may request a copy of these filings at no cost by writing or telephoning us at the following address and telephone number:

Oasis Petroleum Inc.
1001 Fannin Street, Suite 1500
Houston, Texas 77002
Attention: General Counsel
(281) 404-9500

We also maintain a website at <http://www.oasispetroleum.com>. However, the information on our website is not part of this prospectus supplement or the accompanying prospectus.

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Cautionary statement regarding forward-looking statements

Various statements contained in or incorporated by reference into this prospectus supplement that express a belief, expectation, or intention, or that are not statements of historical fact, are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 (the Securities Act) and Section 21E of the Exchange Act. These forward-looking statements include statements, projections and estimates concerning our operations, performance, business strategy, oil and natural gas reserves, drilling program, capital expenditures, liquidity and capital resources, the timing and success of specific projects, outcomes and effects of litigation, claims and disputes, derivative activities and potential financing. Forward-looking statements are generally accompanied by words such as estimate, project, predict, believe, expect, anticipate, potential, could, may, foresee, plan, go, convey the uncertainty of future events or outcomes. Forward-looking statements are not guarantees of performance. We have based these forward-looking statements on our current expectations and assumptions about future events. These statements are based on certain assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions and expected future developments as well as other factors we believe are appropriate under the circumstances. Actual results may differ materially from those implied or expressed by the forward-looking statements. These forward-looking statements speak only as of the date of this prospectus supplement, or if earlier, as of the date they were made. We disclaim any obligation to update or revise these statements unless required by securities law, and we caution you not to rely on them unduly. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties relating to, among other matters, the risks discussed in Risk Factors, our Annual Report on Form 10-K for the year ended December 31, 2010, our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2011 and June 30, 2011 and our subsequent SEC filings, as well as those factors summarized below:

- business strategy;
- reserves;
- technology;
- cash flows and liquidity;
- financial strategy, budget, projections and operating results;
- oil and natural gas realized prices;
- timing and amount of future production of oil and natural gas;
- availability of drilling, completion and production equipment and materials;
- availability of qualified personnel;
- owning and operating a services company;
- the amount, nature and timing of capital expenditures, including future development costs;
- availability and terms of capital;
- drilling and completion of wells;
- infrastructure for salt water disposal;
- gathering, transportation and marketing of oil and natural gas;
- property acquisitions;
- costs of exploiting and developing our properties and conducting other operations;
- general economic conditions;
- inclement weather conditions;
- competition in the oil and natural gas industry;

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effectiveness of our risk management activities;
environmental liabilities;
counterparty credit risk;
governmental regulation and taxation of the oil and natural gas industry;
developments in oil-producing and natural gas-producing countries;
uncertainty regarding our future operating results;
estimated future net reserves and present value thereof; and
plans, objectives, expectations and intentions contained in this prospectus supplement that are not historical.

Reserve engineering is a process of estimating underground accumulations of oil and natural gas that cannot be measured in an exact way. The accuracy of any reserve estimate depends on the quality of available data, the interpretation of such data and price and cost assumptions made by our reserve engineers. In addition, the results of drilling, testing and production activities may justify revisions of estimates that were made previously. If significant, such revisions would change the schedule of any further production and development drilling. Accordingly, reserve estimates may differ from the quantities of oil and natural gas that are ultimately recovered.

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Summary

This summary provides a brief overview of information contained elsewhere in this prospectus supplement, the accompanying prospectus and the documents we incorporate by reference. Because it is abbreviated, this summary does not contain all of the information that you should consider before investing in the notes. You should read carefully the entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference before making an investment decision, including the information presented under the headings Risk factors, and Cautionary statement regarding forward-looking statements beginning on pages S-19 and S-iv, respectively, of this prospectus supplement. We have provided definitions for certain oil and natural gas terms used in this prospectus supplement in the Glossary of oil and natural gas terms beginning on page A-1 of this prospectus.

In this prospectus supplement, unless otherwise indicated or the context otherwise requires, the terms we, us, our, Oasis Petroleum and the company refer to Oasis Petroleum LLC and its subsidiaries before the completion of our corporate reorganization in connection with our initial public offering (IPO) and Oasis Petroleum Inc. and its subsidiaries as of the completion of our corporate reorganization and thereafter, the term Oasis refers to Oasis Petroleum Inc., and the term Subsidiary Guarantor refers to a guarantor of the notes.

Overview

We are an independent exploration and production company focused on the development and acquisition of unconventional oil and natural gas resources. As of December 31, 2010, we accumulated 303,231 net leasehold acres in the Williston Basin. DeGolyer and MacNaughton, our independent reserve engineers, estimated our net proved reserves to be 39.8 MMBoe (39.7 MMBoe in the Williston Basin) as of December 31, 2010, 43% of which were classified as proved developed and 92% of which were comprised of oil. We are currently focused on exploiting what we have identified as significant resource potential from the Bakken and Three Forks formations, which are present across a substantial majority of our acreage. A report issued by the United States Geological Survey (USGS) in April 2008 classified these formations as the largest continuous oil accumulation ever assessed by it in the contiguous United States of America. We believe the location, size and concentration of our acreage in our core project areas create an opportunity for us to achieve cost, recovery and production efficiencies through the large-scale development of our project inventory. Our management team has a proven track record in identifying, acquiring and executing large, repeatable development drilling programs, which we refer to as resource conversion opportunities, and has substantial experience in the Williston Basin. During the nine months ended September 30, 2011, we completed and began production on 46 gross operated wells in the Bakken and Three Forks formations and achieved 100% success in the finding of hydrocarbons (all of which are economic based on average prices during the three months ended September 30, 2011). This success has been achieved through the application of the latest drilling and completion techniques. We have built our leasehold acreage position in the Williston Basin primarily through acquisitions in our three primary project areas: West Williston, East Nesson and Sanish. The following table presents

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summary data for each of our primary project areas as of December 31, 2010, unless otherwise indicated:

	Identified Drilling locations		2011 Budget(1) Drilling		Estimated net proved reserves as of December 31, 2010		Average daily production(2)		
	Net Acreage	Gross	Net	Gross Wells	Net Wells	Capex (in millions)	Developed MMBoe	(%)	(Boe/d)
Williston Basin:									
West Williston(3)	191,716	859	393.1	63	45.9	\$ 429	22.9	39	7,567
East Nesson(3)	102,786	255	127.6	20	8.2	73	9.6	42	2,220
Sanish(4)	8,729	189	16.6	61	3.7	25	7.2	55	1,711
Total Williston Basin									
	303,231	1,303	537.3	144	57.7	527	39.7	43	11,498
Other	879						0.1	100	85
Total	304,110	1,303	537.3	144	57.7	\$ 527	39.8	43	11,583

- (1) 2011 Budget amounts give effect to previously announced adjustments approved by our Board of Directors on August 1, 2011.
- (2) Represents average daily production for the three months ended September 30, 2011.
- (3) Identified gross and net drilling locations in our West Williston and East Nesson project areas are based on mostly 1,280 acre spacing units with three wells targeting the Bakken formation in each identified spacing unit (excluding previously drilled wells). With the exception of one proved undeveloped drilling location, the drilling locations do not include wells targeting the Three Forks formation.
- (4) Identified gross and net drilling locations in our Sanish project area include up to three wells targeting the Bakken formation and two wells targeting the Three Forks formation per identified spacing unit (excluding previously drilled wells). In the Sanish project area, we have identified 57 gross (5.1 net) drilling locations remaining in the Bakken formation and 132 gross (11.5 net) drilling locations remaining in the Three Forks formation.

Based on the delineation of the Bakken formation throughout much of our acreage, we had 1,303 gross drilling locations as of December 31, 2010. This drilling inventory is based on 472 substantially delineated and economically

viable spacing units. In our West Williston and East Nesson project areas, our drilling inventory includes three wells per spacing unit (excluding previously drilled wells). In the more mature Sanish project area, our drilling inventory includes up to three Bakken wells and two Three Forks wells per spacing unit (excluding previously drilled wells). Assuming three Three Forks wells per spacing unit, this would add an additional 1,155 potential gross (544.1 net) Three Forks locations in our West Williston and East Nesson project areas. Throughout the Williston Basin, we believe we have an aggregate of 2,458 gross (1,081.4 net) potential drilling locations targeting the Bakken and Three Forks formations as of December 31, 2010.

Our total 2011 capital expenditure budget is \$627 million. Our exploration and production budget is \$587 million, and consists of:

\$527 million for drilling and completing operated and non-operated wells;

\$60 million for maintaining and expanding our leasehold position, constructing infrastructure to support production in our core project areas, micro-seismic work, purchasing seismic data and other test work.

Additionally, our 2011 budget includes expenditures related to our newly-formed oil well services subsidiary totaling \$24 million for equipment and materials related to start-up costs necessary to provide select well services to us. Our 2011 budget also includes \$16 million of other non-exploration and production capital expenditures for an operations building in Williston, North Dakota, and other equipment.

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While we have budgeted \$627 million for these purposes, the ultimate amount of capital we will expend may fluctuate materially based on market conditions and the success of our drilling and operations results as the year progresses. However, because the operated wells funded by our 2011 drilling plan represent only a small percentage of our gross identified drilling locations, we may be required to generate or raise multiples of this amount of capital to develop our entire inventory of identified drilling locations should we elect to do so.

Our capital budget may be adjusted as business conditions warrant. The amount, timing and allocation of capital expenditures is largely discretionary and within our control. If oil and natural gas prices decline or costs increase significantly, we could defer a significant portion of our budgeted capital expenditures until later periods to prioritize capital projects that we believe have the highest expected returns and potential to generate near-term cash flows. We routinely monitor and adjust our capital expenditures in response to changes in prices, availability of financing, drilling and acquisition costs, industry conditions, the timing of regulatory approvals, the availability of rigs, success or lack of success in drilling activities, contractual obligations, internally generated cash flows and other factors both within and outside our control.

Our business strategy

Our goal is to enhance value by building reserves, production and cash flows at attractive rates of return. We seek to achieve our goals through the following strategies:

Develop our Williston Basin leasehold position. We intend to drill and develop our acreage position to maximize the value of our resource potential. The aggregate 771 gross (485.6 net) operated drilling locations that we have specifically identified in the Bakken formation in our West Williston and East Nesson project areas will be our primary targets in the near term. Our 2011 drilling plan contemplates drilling approximately 73 gross (53.3 net) operated wells in these project areas by using seven operated drilling rigs during the first three quarters of 2011 and adding two operated drilling rigs during the fourth quarter of 2011, for a total of nine operated drilling rigs. In the nine months ended September 30, 2011, we completed and began production on 46 gross (35.5 net) operated wells in the Williston Basin, including 22 gross (17.4) net operated wells in the third quarter of 2011. As of September 30, 2011, we had 21 gross (15.6 net) operated wells waiting on completion and seven gross (5.4 net) operated wells drilling. Consistent with our drilling plan, we have contracted for two additional operated drilling rigs during the fourth quarter of 2011 and believe we have the ability to add additional drilling rigs in 2012 if market conditions and program results warrant.

Focus on operational and cost efficiencies. Our management team is focused on continuous improvement of our operating measures and has significant experience in successfully converting early-stage resource conversion opportunities into cost-efficient development projects. We believe the magnitude and concentration of our acreage within our project areas provides us with the opportunity to capture economies of scale, including the ability to drill multiple wells from a single drilling pad, utilizing centralized production and fluid handling facilities and reducing the time and cost of rig mobilization.

Adopt and employ leading drilling and completion techniques. Our team is focused on enhancing our drilling and completion techniques to maximize recovery. We believe these techniques have significantly evolved over the last several years, resulting in increased initial

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production rates and recoverable hydrocarbons per well through the implementation of techniques such as using longer laterals and more tightly spaced fracturing stimulation stages. We continuously evaluate our internal drilling results and monitor the results of other operators to improve our operating practices, and we expect our drilling and completion techniques will continue to evolve. This continued evolution may significantly enhance our initial production rates, ultimate recovery factors and rate of return on invested capital.

Pursue strategic acquisitions with significant resource potential. As opportunities arise, we intend to identify and acquire additional acreage and producing assets in the Williston Basin to supplement our existing operations. Going forward, we may selectively target additional basins that would allow us to employ our resource conversion strategy on large undeveloped acreage positions similar to what we have accumulated in the Williston Basin.

Maintain financial flexibility and conservative financial position. We are committed to maintaining a conservative financial strategy by managing our liquidity position and leverage levels. As of September 30, 2011, we had no outstanding borrowings under our revolving credit facility and no outstanding letters of credit issued under the revolving credit facility. As a result of this offering, we expect to have \$1,031.3 million of liquidity available, including approximately \$681.3 million in cash and short-term investments and \$350.0 million available under our revolving credit facility. This liquidity position, along with internally generated cash flows, will provide additional financial flexibility as we continue to develop our acreage position in the Williston Basin. Furthermore, we intend to maintain a conservative, balanced capital structure by prudently raising proceeds from future equity and debt offerings as additional capital needs arise.

Our competitive strengths

We have a number of competitive strengths that we believe will help us to successfully execute our business strategies:

Substantial leasehold position in one of North America's leading unconventional oil-resource plays. Our leasehold position as of December 31, 2010 of 303,231 net leasehold acres in the Williston Basin is highly prospective in the Bakken formation and 92% of our 39.7 MMBoe net proved reserves in this area were comprised of oil as of December 31, 2010. We believe our acreage is one of the largest concentrated leasehold positions that is prospective in the Bakken formation, and much of our acreage is in areas of significant drilling activity by other exploration and production companies. While we are initially targeting the Bakken formation, we are also drilling wells to evaluate what we believe to be significant prospectivity in the Three Forks formation that underlies a large portion of our acreage. We expect that the scale and concentration of our acreage will enable us to continue to improve our drilling and completion costs and operational efficiency.

Large, multi-year project inventory. As of December 31, 2010, we had an inventory of approximately 1,303 gross drilling locations, primarily targeting the Bakken formation. We plan to drill 73 gross (53.3 net) operated wells across our West Williston and East Nesson project areas during 2011, the completion of which represents 10% of our 771 gross operated drilling locations in the Bakken formation in these two project areas.

Management team with proven operating and acquisition skills. Our senior management team has extensive expertise in the oil and gas industry as previous members of management at Burlington Resources. The senior technical team has an average of more than 25 years of

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industry experience, including experience in multiple North American resource plays as well as experience in other North American and international basins. We believe our management and technical team is one of our principal competitive strengths relative to our industry peers due to our team's proven track record in identification, acquisition and execution of resource conversion opportunities. In addition, this team possesses substantial expertise in horizontal drilling techniques and managing and acquiring large development programs, and also has prior experience in the Williston Basin.

Incentivized management team. As of September 30, 2011, our executive officers owned approximately 10% of our common stock. We believe our executive officers' ownership interest in us provides them with significant incentives to grow the value of our business for the benefit of all stakeholders.

Operating control over the majority of our portfolio. In order to maintain better control over our asset portfolio, we have established a leasehold position comprised primarily of properties that we expect to operate. We expect to operate approximately 59% of our 1,303 identified gross drilling locations, or 90% of our 537.3 identified net drilling locations. As of December 31, 2010, approximately 79% of our total proved reserves were attributable to properties that we expect to operate. Approximately 95% of our estimated 2011 drilling and completion capital expenditures budget is related to operated wells, which we anticipate will result in an increase in 2011 of the percentage of our proved reserves attributable to properties we expect to operate. As of December 31, 2010, our average working interest in our operated and non-operated identified drilling locations was 63% and 10%, respectively. Controlling operations will allow us to dictate the pace of development as well as the costs, type and timing of exploration and development activities. We believe that maintaining operational control over the majority of our acreage will allow us to better pursue our strategies of enhancing returns through operational and cost efficiencies and maximizing hydrocarbon recovery through continuous improvement of drilling and completion techniques.

Recent developments

Third quarter operating results. During the third quarter of 2011, we completed and placed on production 22 gross operated wells (17.4 net) in the Bakken and Three Forks formations. Of the 22 gross operated wells completed during the third quarter, nine were completed in September. On September 30, 2011, we were in the process of drilling seven gross operated wells (5.4 net) and had 21 gross operated wells (15.6 net) waiting on completion in the Bakken and Three Forks formations. As of October 27, 2011, we were running nine operated rigs, an increase of two rigs above the seven rigs that were running on September 30, 2011.

Average daily production for the third quarter of 2011 was 11,583 Boe per day (Boe/d), an increase of 110% as compared to 5,507 Boe/d in the third quarter of 2010. Sequential quarter-over-quarter production increased by 3,690 Boe/d, or 47%. During the first three weeks of October 2011, volumes from operational reports have our production averaging approximately 14,300 Boe/d, including 4.4 MMcf per day (MMcf/d) of natural gas. The 80% increase in natural gas production over the 2.45 MMcf/d produced in the third quarter of 2011 is primarily attributable to the ongoing installation of

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natural gas gathering projects on our properties. Average daily production by project area is listed in the following table:

Project Area	Average daily production for the three months ended (Boepd):			
	Sept 30, 2011	Jun 30, 2011	Change	% Change
Williston Basin:				
West Williston	7,567	4,386	3,181	73%
East Nesson	2,220	1,975	245	12%
Sanish	1,711	1,433	278	19%
Total Williston Basin	11,498	7,794	3,704	48%
Other	85	99	(14)	14%
Total	11,583	7,893	3,690	47%

Preliminary third quarter financial results and updated fiscal year 2011 outlook. Our management has prepared the summary preliminary financial data below based on the most current information available to management. Our normal closing and financial reporting processes with respect to the summary preliminary financial data for the three months ended September 30, 2011 have not been fully completed. As a result, our actual financial results could be different from these summary preliminary financial data, and any differences could be material. Our independent registered public accounting firm has not performed review procedures with respect to the summary preliminary financial data provided below, nor have they expressed any opinion or provided any other form of assurance on the data. The summary preliminary financial data below has been prepared on a basis consistent with our unaudited condensed consolidated financial statements for the three months ended June 30, 2011. This summary is not intended to be a comprehensive statement of our unaudited financial results for this period. The results of operations for an interim period, including the summary preliminary financial data provided below, may not give a true indication of the results to be expected for a full year or any future period.