

March 22, 2010

ATTORNEY GENERAL ISSUES CEASE AND DESIST ORDER AGAINST BAKKEN EXPLORATION, LLC OF BRIGHTON, COLORADO

BISMARCK – Attorney General Wayne Stenehjem announced today that he has issued a Cease & Desist Order against Bakken Exploration, LLC of Brighton, Colorado and its principals, Larry Gilmore and Heather Anne Rodewalt, for alleged violations of North Dakota consumer fraud law and failure to respond to a Civil Investigative Demand.

Bakken Exploration is engaged in the business of obtaining or leasing oil and gas rights from mineral owners in North Dakota, primarily in Burke, Divide, McKenzie, Mountrail, and Williams Counties. Stenehjem has received complaints indicating that Bakken Exploration entered into oil and gas leases in North Dakota, subject to 30-day sight drafts, but subsequently refused to make payment on those sight drafts. Bakken later claimed it had been unable to verify title, offered excuses for the delay that do not appear to be true, and then requested 90-day extensions from the mineral owners.

Stenehjem directed the Consumer Protection Division to conduct an investigation. “Our initial information suggests that Bakken has misled mineral owners in its business activities, including misrepresenting the reasons for delay and nonpayment. Bakken appears to be delaying title verification or simply withholding payment while it is engaged in speculation and looking for the opportunity to flip those leases before it has sufficient financial resources to honor its commitments to the mineral owners,” Stenehjem said. “I will take such legal action as necessary to protect these mineral owners from abusive, questionable, or misleading practices.”

According to Parrell Grossman, Director of the Consumer Protection Division, the division has issued a Civil Investigative Demand to Bakken Exploration, which failed to provide responses as required by law. “We are very concerned that North Dakota mineral owners are unwittingly agreeing to transactions in which Bakken clouds title to the mineral rights without any compensation to the owners. While these North Dakota mineral owners are tied up with Bakken, they may be losing other legitimate opportunities,” Grossman said.

According to Stenehjem, Bakken Exploration should not be confused with a different company, “Bakken Oil, LLC” in Sidney, Montana, which is not the subject of any complaints with the Attorney General’s Office.

Consumers or mineral owners with questions about Bakken Exploration may contact the Consumer Protection Division toll-free at 1-800-472-2600.

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