

# Three Affiliated Tribes planning natural gas plant

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Tex Hall, chairman of the Three Affiliated Tribes, is very optimistic about oil development on the Mandan Hidatsa Arikara lands on the Fort Berthold Indian Reservation.

The Mandan, Hidatsa & Arikara Tribal Employment Rights Office Ordinance Seminar & Expo is aimed at contractors working on the reservation.

The Three Affiliated Tribes are planning for a natural gas plant on the Fort Berthold Indian Reservation.

Tribal Chairman Tex Hall said the tribal council is considering potential gas plant locations best for gathering the fuel and determining what size of plant would be needed to serve gas production on the reservation.

The gas plant is among several other changes related to the oil and gas industry on the reservation being discussed at the Mandan, Hidatsa & Arikara Tribal Employment Rights Office Ordinance Seminar & Expo held in Bismarck on Monday and today.

Hall said he expects the project to cost between \$200 million and \$300 million. He said the council is working on obtaining funding for the plant.

About 55 percent of natural gas produced on the Fort Berthold Indian Reservation is being flared, said Steven Gundersen, president of Tallsalt Advisors, a financial advisory firm contracted by the tribe to audit oil royalties on wells with tribal interests.

"We're entirely too high," Hall said.

Gundersen said flaring numbers in more remote areas are much higher. In the Mandaree area of the reservation, 60 percent of natural gas is flared, 67 percent is flared in the Four Bears area and almost all natural gas produced in the Twin Buttes area is flared. The amount of gas produced is rising with the amount of oil produced on the reservation.

"There is a lot of activity," Gundersen said. "The pace is moving so fast infrastructure just can't keep up."

In more accessible and developed areas of the reservation's oil field, flaring is as low as 17 percent, Gundersen said.

Oil produced on Fort Berthold accounts for 20 percent of oil production in the Bakken, Hall said. The Mandaree area leads the way as the highest producing zone.

There are 640 wellheads on the reservation. Gundersen said as the number of units per well site increases, wellhead numbers are projected to peak at about 3,000. About 150,000 barrels are produced on the reservation per day. That number is expected to reach 175,000 barrels per day, Hall said.

Hall said construction is underway on the \$450 million, 20,000-barrel Thunder Butte Petroleum Services Refinery located near Makoti. A rail transload facility will be operational this summer and the refinery, which is being built modularly by a company in Texas, should be ready by winter 2015, Hall said.