

flare it and get it to market. Part of that is creating a market for that natural gas.”

Hoeven continued saying he has introduced legislation in the U.S. Senate that addresses jobs, national security and international trade that ties in North Dakota’s shale play, with natural gas playing a substantial role.

“This shows the global reach of North Dakota,” Hoeven said. “The things we are doing here don’t just have national ramifications, they have international ramifications in a very meaningful way.”

Looking at the nation’s distribution backbone as an indicator for trends, Tom Petrie, president and chairman, Petrie Partners, said companies like BNSF are extremely interested in natural gas technologies because of the significant cost savings.

“We are in the early stages of the railroads testing their LNG as a product for their engines,” Petrie said. “They are under a lot of pressure because they have to run ultra low sulfur diesel. One thing we learned about ultra low sulfur diesel is it is a lot easier for Congress to pass a law, or the EPA to pass rules mandating it than it is to do it.”

Petrie said the price of diesel used to “sell for about \$0.75 less” than regular gasoline, whereas now diesel sells for “about a dollar more.” Petrie claims this is because of ultra low diesel standards.

“Natural gas is selling for about \$24 dollars an equivalent barrel, versus a \$104 dollars a barrel,” Petrie said. “That’s a huge spread to work with. Now the question becomes will the performance be up to the standards of BNSF’s needs for their engines, they’re doing the tests on them right now.”

Like Petrie, Hoeven stays in contact with BNSF officials on the progress of their research into natural gas powered locomotives.

“We are working with BNSF as they try to use natural gas to run their locomotives instead of diesel,” Hoeven said. “Again, not only a win in terms of reducing costs in using natural gas, but also an environmental win.”



PAUL FLESSLAND/Tribune

Tom Petrie, president and chairman of Petrie Partners, speaks to members of the media at the 2014 Williston Basin Petroleum Conference.

While the country lays pipe, constructs refineries and gas plants, the Bakken is showing everyone why it is a world class play. Currently, capital investments from ONEOK, Hess, North Dakota LNG and CHS show investors from Wall Street to Main Street the value of the Bakken’s natural gas and how the public will use it.

This past May, Hess Corporation completed the expansion of the Tioga Gas Plant, which more than doubles the operational capacity of the facility, according to Hess Corporation. The project is part of a more than \$1.5 billion infrastructure investment made by Hess between 2012 and 2014 in North Dakota.

“The Tioga Gas Plant was built in 1954, just three years after we drilled the very first oil well in the state of North Dakota,” said John Hess, Chief Executive Officer of Hess Corporation in a media release. “Today, as one of the largest oil and gas producers in the Bakken, we are committed to responsible long-term growth in North Dakota and proud to contribute to the state’s infrastructure.”

According to the Department of Mineral Resources August Director’s Cut, the \$1.5 billion expansion project, began processing about 120-million standard cubic feet of gas per day (MMscf/d) in May. Hess Corporation expects the plant will process at least 250 MMscf/d with the potential to increase beyond 300 MMscf/d.

“North Dakota leads the oil and gas industry because it is an attractive place to invest, with strong public-private partnerships, responsible regulation and a firm commitment to work hand-in-hand with the business community,” Hess said. “Since 2010, we have invested more than \$10 billion in North Dakota, we currently have a 17 rig drilling program with 2014 net production expected to average 80,000 to 90,000 barrels of oil equivalent per day, and are proud to contribute to the state’s economic success.”

With 640,000 net acres, oil production and physical structures in the Bakken, Hess Corporation has made North Dakota part of the company’s growth strategy.

“As a leading operator in one of the best shale plays in the world, the Bakken will be the single biggest contributor to our production growth over the next five years,” said Greg Hill, President and chief operating officer of Exploration and Production for Hess.

Like Hess Corporation, North Dakota LNG is confident the Bakken is just beginning to gas up. North Dakota LNG is one of the companies who will be working with Hess Corporation’s Tioga operations and is invested heavily into the Bakken’s natural gas play as well. And on Aug. 30, 2014, North Dakota LNG made liquid natural gas.

“It’s up and running. We are delivering on what we said we would do, now making LNG and look forward to 10,000-a-day.” Hughes said. “In fact, the second plant in Tioga is close too. The major components are complete. I am heading to San Antonio this month to inspect the skids and skeleton.”

Hughes said construction couldn’t have gone better with little to no surprises along the way. When asked how