



PAUL FLESSLAND/For the Tribune

Ron Ness, president, North Dakota Petroleum Council, holds up a commemorative million barrel coin at the Million Barrels Million Thanks event this past June in Tioga.

Asking Ness to speculate on industry trends starting with the Statoil and Brigham Exploration deal in 2011, he offered up his opinion on understanding the trend of Bakken extractors.

“Now you see companies trying to build up a block in lease holdings to operate more efficiently,” Ness said. “By doing this is allows the companies to position themselves to streamline their costs.”

Looking at the industry as a whole, in the first six months of 2014 there was a total of 299 merger and acquisition transactions in the oil and gas industry globally, according to Deloitte’s latest report entitled “Mergers and Acquisitions Report — Midyear 2014: The deal market may be poised for a rebound.” Extremely close to the previous year during same period a year earlier — 298.

The biggest change from last year was seen in the total value of the deals, an increase of nearly \$40 billion. The value rose from \$102 billion to \$141 billion, according to Deloitte’s report.

Understanding some raw financial facts and the current market conditions, Ness paints a picture of how experts can have a tough time predicting any financial futures and how quickly things can change due to market conditions.

“I actually thought there would have been more,” Ness said. “If I had to speculate, I would think there will be more, especially if the price continues to drop.”

Ken DeCubellis, CEO, BlackRidge Oil and Gas, has similar thoughts as Ness in the world of mergers and acquisitions.

“The amount of M&A activity that occurs will depend on how long oil prices stay low. The longer we see low prices, the more M&A activity we will see,” DeCubellis said.

He then circled back to the number of deals in the energy industry and speculated on where the Bakken’s shareholders are heading.

“I think the M&A activity that has occurred



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Ron Ness, president of the North Dakota Petroleum Council, speaks on proposed rules for oil pit waste at a meeting of the state oil and gas commission on in November 2011. On mergers and acquisitions, Ness said, “Now you see companies trying to build up a block in lease holdings to operate more efficiently. By doing this is allows the companies to position themselves to streamline their costs.”