

of industrial, a rail spur in Williams County, a water-gas collection processing facility and consultation work on the Dakota Oil processing facility in Trenton, N.D.

“The weather has slowed things down,” McGarry said. “Most of the oil companies won’t drill if it reaches a certain temperature. Vehicles freeze up, fluids flow different, remote heaters, they all play into the total oil and gas picture.”

McGarry’s quick summary of the oil and gas machine is on point. Steve Hareland, president of Agassiz Chemical, has been working throughout the state since his teenage years and has never experienced anything like this past year.

“I was hauling water down I-94 to a job site this past January and it was so windy and cold my diesel was gelling up,” Hareland said. “I had been driving for over an hour on the Interstate and it

was so cold my engine stalled. That’s just insanely cold conditions.”

Hareland’s company specializes in understanding temperatures and working with heating and cooling and he knows how difficult it is to frac in frigid conditions. However, for Hareland, it’s not the temperature of fracking fluids that becomes an issue in the winter, because many rigs have remote heating units, rather it’s the supply chain to the well sites.

“It’s more about getting the supplies to the sites in a timely manner,” Hareland said. “There are thousands of trucks moving fluids on slippery roads, in subzero temps with high winds throughout the Bakken every day. One accident can impact a large chain of business and ripple to others.”

McGarry agrees with Hareland’s views on the bigger Bakken picture in oil and gas extraction during the winter months. In fact, McGarry believes this

slow down happened months ago and wasn’t a slow down at all.

“The weather slowed the construction down, but the oil companies have been dropping what they will pay for work,” McGarry said. “Two years ago they were paying whatever to secure their interests, now they are streamlining their costs.”

Oil companies across the board have been reporting reduced costs in well pad costs and increases in extraction numbers. On average a well pad in 2012 cost roughly \$13-14 million. At the end of 2013, many oil companies were reporting costs of \$8 million — a significant reduction in costs. McGarry said these savings were coming in a couple forms — increased technology and ironing out some previous frenzied spending.

“The well pads have seen significant savings, and the play has shifted a bit,” McGarry said. “I’ve been asked to work

for a few dollars less here and there and housing allowances are starting to be decreased. These are just companies streamlining their expenses from earlier frenzy-like spending.”

McGarry said the thing to keep an eye on is the decreased housing assistance from companies and the fact that many city and county officials are resisting crew camp and RV park expansions. McGarry continued saying a flurry of activity has begun in the housing market due to a temporary home regulation scheduled to be enforced this fall in Williston.

“This fall the camps and crew camp style housing are out, and by June, July the construction market will be booming,” McGarry said. “In the past few weeks I have had more permit requests and people seeking us out for work.”

Ron Ness, president, North Dakota Petroleum Council, spent at good part



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LAUREN DONOVAN/Tribune

Construction is seen underway in November 2013 at the McKenzie County courthouse in Watford City. Nearly all county employees had been relocated to modular trailers out at the fairgrounds. Remaining in the building would have added months to the construction and presented a problem with parking in the area.