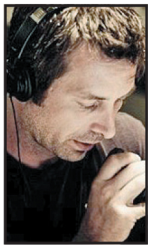


All is not quiet on the western front

It was easy to tell Vicky Steiner, executive director, North Dakota Oil and Gas Producing Counties, was all busi-



JASON SPIESS
For Bakken Breakout
Weekly

ness when I sat down with her at Dunn Brother's coffee in Dickinson, ND. She quickly recapped a road study from the Upper Great Plains Transportation Institute and was focused on information gathering and Bakken due diligence for the next legislative session.

"What we found out was once we had some data, we could start talking about state policy," Steiner, who is also a North Dakota state legislative member, said. "Getting the data is just one way to bring the issues to those who haven't been out here (in the Bakken)."

Looking at the upcoming session, western North Dakota could find them-

selves in place with bad timing. Low oil prices impacting the west and eastern North Dakota's flood issues could make the 2016 election one of the most important in the state's history. Throw in Doug Burgum's gubernatorial bid and the Unmanned Aviation/Technology push and the majority of the attention will be focused on the east.

These are only recent examples in an ongoing debate across the state.

Ask anyone in any café, bar or church and they will tell you a story about the east and west. Generally it has a light Hatfield versus McCoy feel to it. However, Steiner sees a change in the perception with the east west political and funding rivalry.

"I don't really agree that it is combative," Steiner said. "The Upper Great Plains study was the first time I think people from the east really started to understand what was happening and the rate of change."

Steiner continued with how the speed can impact the local communities short and long term.

"If the rate of change is really fast, rapid and high, your local subdivisions are underwater and swimming," Steiner

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— Vicky Steiner, executive director, N.D. Oil and Gas Producing Counties

said. "That was really our catalyst and the state doesn't their own study now and Upper Great Plains does all the county roads state wide. So that started that."

Steiner added the data allows the county to tell the story to the governor's office and justify budgetary considerations.

"It isn't so much a story as it is a research project where they can actually see the data," Steiner said.

Steiner said they just began a new project studying five "core" cities of the Bakken: Williston, Dickinson, Stanley, Killdeer and Watford City. This study will look at a six year window for overlooked issues.

"We have gaps between the infrastructure that is being built to accommodate the populations that Lynn Helms is saying," Steiner said.

"Given certain benchmark oil prices, the population will be this because that is what you need to work that amount of wells. And those people have to live somewhere."

Steiner said determining how much infrastructure to build, and where to build, is critical to the state's future. "How do we build enough infrastructure, but not too much? We want to be as efficient as we can and that's why we are

doing certain benchmarks at certain oil prices and a six-year window rather than a 2-year window."

Attempting to predict future populations and oil prices is extremely difficult and Steiner understands workers and families cannot bounce around. However, low oil prices do eventually turn into high or moderate oil prices.

"But we still are going to have to be ready for when the oil prices turn around," Steiner said. "They know the oil is in the ground and I believe they are going to be coming back for it."

Steiner points out there are still producers producing oil in the Bakken's "sweet spot", but those wells will not produce forever. "Those wells are their high producers so they can get their cash running through. The 400-a-day barrels are the ones that come into play when you have a high oil price."

Ultimately the people and the state have to plan for an industry that is predicted by price and politics. Something we have never experienced before. Sure on a minor level with agriculture. But the level of geopolitics and price volatility is off the chart. There are multiple crops to plant in case of low corn prices and our agrarian state has never had to worry about Iran planting soybeans.

"There are different patterns of development and we just have to accept the International Oil Price will determine where they go and when they go."

Steiner sees the bigger issue being how to make efficient use of our tax dollars. And who pays what taxes when.

"When you build a city, and you are ready for people to come and they are not there yet, you can't really put it on all the people that are there now or their taxes will get out of whack," Steiner said. "That's really where we are trying to get a gap analysis to show where we are trying to go and how we can accommodate that."

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