

# Off-record with Dakota LNG's Patrick Hughes

As I fiddled with the microphone settings and levels, Dakota LNG's CEO Patrick Hughes and I chatted briefly off-the-record. Although the official interview hadn't started yet, the mic was recording.



**JASON SPIESS**  
For Bakken Breakout Weekly

This is a common practice in the media and subject matter can range from good fishing holes to upcoming interview content to the family, it all depends on the interviewee. With Hughes, our off-the-record, pre-interview banter was all business. Specifically, we discussed the art of execution in distribution and its importance to a project's success. Hughes had no issues agreeing to turn our off-the-record talk into on-record.

"A good example of that is we didn't talk about our (liquefied natural gas)

plant until a week before it showed up in North Dakota," Hughes said. "Spend more time talking, you get yourself in trouble. Spend more time doing, and things tend to work out your way."

Using the off-the-record content as a lead into the official interview with Hughes, I asked Hughes about Dakota LNG's mid-May press conference and an update on their latest endeavor in liquefying natural gas.

"As you know we announced the arrival of North Dakota's first liquefied natural gas plant," Hughes said. "The first plant arrived at a facility adjacent to the Hess plant in Tioga. That plant will be online near the end of July."

Hughes continued estimating and projecting that the new facility will create 10,000 gallons-per-day of liquefied natural gas with room for expansion.

"We'll be adding to that facility before the end of the year where we will bring in another liquefaction train in and that'll be at 60,000 gallons-per-day," Hughes

said. "So by the end of the year, we'll be producing and integrating in 75,000 to 80,000-gallons of LNG everyday."

According to many industry experts, the petrochemical industry currently is undergoing a paradigm shift due to valuable gases being produced in shale plays like the Bakken. A \$30 billion dol-

their "own employees, key partners and some customers." Their second business within the Prairie Companies portfolio is Prairie Field Services, a logistics and trucking company.

"We haul water, we haul oil and we are going to be hauling LNG across the basin everyday," Hughes said. "That business necessitates a lot infrastructure like shops, office, trucks and trailers. It's those types of business investments that makes our business tick everyday."

The third business operating under the Prairie Companies umbrella, Flatland Water Solutions, has two locations and a bright future, according to Hughes.

"We combine state-of-the-art salt water disposal wells with permitted fluid processing businesses," Hughes said. "So we

deal with waste streams from all parts of the drilling and fracking business. That's been a really nice business, I see potential in expanding that business."

And the fourth business is Dakota LNG.

"So you look at four service companies all within one portfolio called the Prairie Companies, it allows us to focus on end to end solutions for our customers," Hughes said.

Usually a quote like that is a great place to end an interview or story, but in almost an encore-like fashion, Hughes offered up one last piece of Bakken advice. He believes the real key to continuing the development of the Bakken resources is value-added natural gas products.

"I think we are pioneering that and trying to be a leader in that area," Hughes said, "When you have value-added natural gas products, you are going to have a use-base industry here, not just a production-based industry. And that inevitably leads to the end we are all looking for. What's happening in natural gas is exciting and there is wonderful opportunity for growth."

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- Dakota LNG CEO Parick Hughes

lar paradigm shift in infrastructure, distribution channels and in overall energy consciousness.

From the East Coast to the Gulf of Mexico to land-locked North Dakota, major investments from Fortune 500 petrochemical companies are taking place and Dakota LNG is an active player in this modern day energy revolution. Only this marketplace encourages competition as an industry solution to create more business and solve issues like flaring and transportation safety. Case-and-point, Dakota LNG's recent press conference fell in a series of announcements from other major natural gas providers like Hess and ONEOK.

"Those are big numbers being investing into this industry," Hughes said. "We are just very excited to be a part of it. Mentioning Dakota LNG in the same sentence as Hess and ONEOK is flattering. But listen, it's a big world up here and there's a lot of room for growth. There's so much we all can do together."

Headquartered in Watford City, Dakota LNG is an arm of Prairie Companies, which essentially is a portfolio of oil and gas service companies, according to Hughes. In addition to Dakota LNG, Prairie Companies oversees three other businesses. Dakota Housing Services was their first business in the Bakken.

"We recognized early that our employees were our biggest asset," Hughes said. "So we built ourselves an employee housing facility. It has 150 beds, we use 110 of those beds currently, although it's probably 120 or so today."

Hughes said they do not have any plans to expand the housing services side of their business, as it primarily services

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