

A conversation with the Ag Commissioner

When talking about agriculture in the state of North Dakota, you are discussing the state's roots and tradition. This is one of the reasons the recent surge of energy has many talking and elevated the North Dakota Agriculture's position to a new



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level. Overseeing the state's number one industry can be daunting enough, now add a seat on the Industrial Commission and all the recent rail issues, and it is easily one of the most prominent and busy positions in state government.

Currently, Doug Goehring is the sitting North Dakota Agricultural Commissioner, and I had an opportunity to chew the fat with him at the North Dakota Petroleum Council's Annual Meeting at the Astoria Hotel and Convention Center in Dickinson.

We began with one of the most important topics in agriculture and energy today — reclamation. Goehring believes overall the act of restoring the land is above par, however, there are still improvements that need to be made to the land and landowner relationships.

"We do a pretty good job with respect to putting the land back to how its supposed to be when we've had oil and energy out there. Part of our issues is that we have some pipelines going into the ground and we have some situations where they are not getting back to actually cover up those trenches and check everything one more time," Goehring said. "Those are some things we need to do a better job following up on."

Goehring reset the conversation back to the overall picture citing North Dakota's overall track record with reclamation.

"If you look at our record across North

Dakota though, we have almost as many plugged wells as we do active wells in this state," Goehring said. "We have 26 just on the Maah Daah Hey Trail alone. I would challenge anyone to go out and find any of those spots. I think that really shows what our record is for reclamation and to make sure everything is put back to the way it was before it was developed."

Goehring said the fine line is allowing adequate time for all parties involved to return to the land until the entire process of reclamation is finished.

Transitioning to natural gas, Goehring's perception is twofold. One point of view is from the agriculture commissioner's position, while the other is from his seat on the Industrial Commission. However, there is one point of view that Goehring sees a consensus on.

"Yeah, we have a lot of natural gas in North Dakota," Goehring said. "The dis-

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— N.D. Agricultural Commissioner
Doug Goehring

cussions with CNG, the investment that is being made in North Dakota, we are pushing numbers and looking at \$6 billion dollars."

Five years ago virtually no one was discussing natural gas or the impact it could have on North Dakota. Now, the state's wet rich natural resource has the country's interests perked and major manufacturing companies and energy players feelin' Dakota.

"If you look at production on a Bak-

ken well it looks like a bell shaped curve. It goes up very dramatic, a lot of production, then it tapers off over the next 30 years," Goehring said. "In fact within the first five years you see that production taper off quite a bit. What we have noticed and what we think is happening with Bakken gas, is we see it come up and plateau. And we believe it is going to be there for the next 30 years or beyond."

Goehring continued saying natural gas was once thought of as just a byproduct of oil extraction, but now technologies have reinvented its uses and applications, creating an even more sense of urgency to reduce the amount of flaring the state.

"It's a resource that is not going away and the reality is we are going to continue to use it," Goehring said. "The Industrial Commission stepped up and put some very reasonable regulatory approaches in and some goals into capturing that flared gas so we can get it into a pipeline. By January 1, 2016, we are looking at capturing 85 percent. That's quite monumental when we are talking 14-15 months out."

When asked if the state realistically will ever eliminate flaring completely, Goehring responded very candidly.

"Well I think we are always going to have some based on the fact that when you have new wells come on line right away you have some flaring," Goehring said. "We have some remote locations that are so far away from any infrastructure or even the ability to put lines into some places that might have environmental impacts and can be real challenging to deal with. So I think we are always going to have a little bit because we do notice other oil and gas producing states do have flaring."

Goehring reiterated that the flaring issue is hitting the reduction targets and will be reduced to single digits, possibly under five percent in the future.



Goehring

"That's going to be pretty dramatic given the number of wells we have coming on line," Goehring said.

The conversation then transitioned into the future as we pontificated about 2015's potential leading trends. With all the activity involving natural gas companies, pipes and pipelines in the Bakken, I asked him if next year will be the Year of the Pipe.

"I'd love to see 2015 be the Year of the Pipeline," Goehring said. "I really would, because we need it. We have four major pipelines out there that could get built and it would take away 750,000 barrels-a-day out of North Dakota. That's on top of the infrastructure we already have in place. And if we are thinking about ramping up production to a couple million barrels a day, we need this."

Goehring added the addition of pipelines would alleviate some issues with the rail, creating more distribution for the agriculture, ethanol, coal and other rail-dependent industries.

"Rail is always going to be here. We are always going to be moving something by rail with oil," Goehring said. "But we really need to be looking at pipelines. That's really going to elevate a lot of our problems and become the solution."

In fact, the topic of pipelines are so critical in Goehring's mind, branching into energy and food security, he believes the time for action is near, if not now.

"We need to start having situations where we have the administration and where we have Congress and others pounding their fists saying 'No, get the pipelines built and get that oil out of the state of North Dakota.'"

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