

MHA Nation extracting energy, benefits

The last couple of years have been a wild ride for David Williams, CEO, Missouri River Resources and the MHA Nation as they embark into new frontiers within the energy industry.

"In the last couple of years we went from a very basic startup company to



JASON SPIESS

For Bakken Breakout Weekly

now where we are working with industry on the reservation where we have about 50 wells with working interest that we participate in," Williams said. "The wells are pretty much in the boundaries of the riverbed and the shoreline, as it is all tribal trust land."

Williams added they are working with Marathon, Enerplus, Alcon, Conoco, to name a few. However, the main goal is for the people on the reservation to become an operator.

"We've spent a lot of time on this and we believe we can accomplish becoming an operator in the Bakken for the first time in our reservation," Williams said.

Although not common, other tribes like Southern Ute and Navajo have reached this level within the energy industry, according to Williams.

"Southern Ute kind of set the standard," Williams said. "And then there is the Navajo. There may be a couple in Oklahoma that I am not aware of, but it is unique. It takes a lot of tenacity."

Tenacity in the range of \$8-\$10 million per well. He continued by contextualizing the amount of resources and commitment involved within the tribe in order to reach the next level of energy extraction.

"We have over \$30 million dollars into four wells," Williams said. "With the risk involved it lends itself to issues of responsibility to the people."

When talking risk, the big picture and its impact is almost always examined, directing Williams to some current issues that need ironing out within the reservation.

"I don't take this lightheartedly," Wil-

liams said. "There are still portions of the reservation that doesn't get royalties or doesn't benefit from the oil boom. The company is designed for everyone. Not just the people who are in the tribal building or on the tribal council. This company is designed to help the 14,000 members that are there."

The Three Affiliated Tribes consists of the Mandan, Hidatsa and Arikara and are primarily located on the Fort Berthold Reservation in west-central North Dakota. Missouri River Resources is located in the "western part of the reservation near Mandaree." The names of MHA Nation tribes will be honored in February 2015 when they begin drilling their first four wells.

"Our first four wells are called the Mandan, Hidatsa, Arikara and Nation," Williams said. "So it's kind of symbolic that we have done that."

When the wells are drilled next year, many milestones will be recorded and reached. When mapping the timeline of the process of placing a well on the reservation, the word "time" certainly stands out.

"In the beginning, 2008 and 2009, to drill on Federal land there was a 49-step process. Sometimes it took nine months to get a drilling permit. Off the reservation it took a week," Williams said. "So we end up getting behind."

Williams then recalled going to Washington D.C., working with the Bureau of Indian Affairs, to receive permission to drill. He said this process has not changed much over the years, despite current and past attempts from North Dakota's Federal delegates.

"I know (former Sen. Byron) Dorgan in the past has made diligent attempts to create a one-stop shop to expedite all of our stuff, but they are still short handed," Williams said.

Currently U.S. Senators Heidi Heitkamp and John Hoeven have been active with The Bureau of Land Management Streamlining Act, which is designed to speed up the permitting process for drilling on Federal land. The measure



MIKE McCLEARY/Tribune
In this Tribune file photo, Three Affiliated Tribes Chairman Tex Hall, left, stands with U.S. Secretary of Interior Ken Salazar to announce on Oct. 10, 2012 in New Town the beginning stages of the MHA Nation Refinery under Thunder Butte Petroleum Services, Inc.

passed in the U.S. House and the Senate after multiple attempts this past December making it law.

Although this development is too new to have seen the impact, Williams said stretching the timeline over a decade the permitting process is getting better and more streamlined.

"There are still processes we have to go through, and I know industry is getting better at it," Williams said. "Obviously the more times you go to the well the better off you are going to be, people understand who you are and what you are doing. But there needs to be more money thrown at the Bureau of Indian Affairs."

Williams continued opining, citing additional staff needs beyond the Bureau of Indian Affairs and into the Bureau of Land Management.

"We couldn't create the one-stop shop in the past because of the Bureau of Land Management's lack of staff," Williams said. "Hopefully over the next two years we can set up some kind of system that expedites the whole processes that are involved."

Reaching new heights in community and economic empowerment isn't easy nor does it happen overnight. According to Williams the social and community impact on the reservation has been a mixed bag.

"We try to understand and look at the layman's point of view," Williams said.

"For some this is their first boom."

Every boom cycle is different, circumstantial with different levels of risk and reward.

"I was in the boom in the late '70s early '80s and have over 20 years experience in the business so I know the good side. The revenue and the overall value that comes from getting the oil," Williams said. "But at the same time, granted even the state of North Dakota wasn't as ready as it should have been, and now we have the issues of housing, roads, infrastructure, the influx of crime. It is something that has to be solved together."

Working together on current issues allows the tribe to plan for the future and conceptualize how the reservation will look and operate in 20 years.

"I think if we take the broad brush on what we want to see, then it is easier to solve," Williams said. "Otherwise if you are reacting to everyday life. It's tough if you do that."

□ □ □

Jason Spiess is a multi-media journalist and host of Building the Bakken Radio. Building the Bakken Radio can be heard in Bismarck on SuperTalk KLXX 1270AM on Sundays at 10am CT. To see if your listening area carries the radio program or see the entire Building the Bakken Media Network, visit www.buildingthebakken.com. Spiess can be contacted at jason@buildingthebakken.com.