Plans for topping facility near Trenton move forward

By Louisa Barber

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Plans for a topping facility located near Trenton, N.D., continue moving forward. Participants of the MonDak Energy Alliance learned Thursday evening during a meeting in Sidney that Dakota Oil Processing, LLC, Fargo, N.D., which is heading the project, will begin the first round of fundraising shortly.

Mike Wavra, president of the company, said the goal of this first round is to acquire as many contributors as possible. So far the company has raised $2-6 million. The estimated cost is between $180-200 million.

The topping facility will produce 20,000 barrels of diesel per day, using the Bakken oil and create as many as 50 to 70 “very good paying jobs.” Plans to break ground seem to be coming along as well. “If everything goes right, we’re hoping for next summer,” Wavra said, though it could be postponed until the following spring. The company still needs to work on engineering details that will take about six to eight months.

The facility is just one part of the MonDak Energy Alliance, a consortium of people with common interests in developing energy within the region. Their goal is to diversify and enhance the oil and gas industry. The alliance plans to build an energy complex to include an oil refinery, ethanol plant, bio-diesel plant, wind farm and a coal to liquids conversion facility between Williston, N.D. and Sidney.

During the meeting, representatives from various energy industries addressed a full audience about their current state.

Bud Clinch, executive director of the Montana Coal Council, said the coal industry in Montana has a rather difficult time developing new projects because of a long history of environmentalists in the West. With 120 billion tons of coal (25 percent of the country’s resource), the state ranks fifth in production with just 44 million tons produced annually compared to Wyoming’s 400 million tons. “Quite frankly, Montana has a long history of being overly cautious with the development of our natural resources and has created quite a reputation for Montana to date, which makes many big companies cautious about moving to Montana,” Clinch said, adding Montana was the first state to create regulations for coal production.

Another problem Montana has, he said, are the numerous potential coal projects that have halted due to ongoing litigation with sophisticated environmental groups. A recent project was scheduled near Circle until the company involved, Great Northern Properties, headed to North Dakota. “It’s really kind of a said state of affairs,” Clinch said.

Clinch said there are a couple “bright spots” within Montana’s coal industry that include a new coal mine near Roundup, which could produce upwards of 10 million tons each year. He noted,

though, that it was permitted back in 1993 and was held up due to several failed proposed projects and litigation. In closing, Clinch said the future of coal could very well be in exporting to developing countries like India and China who grow so fast they can't meet their own demands. "That's kind of a shiny note," he said.

In regards to renewable resource projects, there are several under way in the region. Alan Welte, generation manager of the Montana-Dakota Utilities Wind and Energy Projects, said the company has some planned and in the works. Diamond Willow Wind Farm near Baker has 13 1.5 megawatt wind turbines for an installed capacity of 19.5 megawatts. They plan to add another 10 turbines. It's expected to be commercial by June 2010.

A wind project at Cedar Hills in North Dakota is also supposed to be ready by June after MDU installs 13 turbines for 19.5 megawatts.

The evening's final speaker came from the program manager of the Montana Department of Commerce Energy and Promotion Division, Tom Kaiserski, who discussed Montana's energy goals. "There's a lot to be encouraged about energy development," he said. "Energy is his (Gov. Brian Schweitzer) greatest interest – certainly one of them."

He spoke on the wind projects that produce 384 megawatts of power thanks to the new wind farm near Shelby. There are plans for 5,000 megawatts of wind power development, but that won't happen until transmission lines can be built. The governor is currently working on projects to establish those. Schweitzer is also working with Saskatewan officials on a project to develop carbon sequestration.

Kaiserski said although Montana wants to work "hand-in-hand" with North Dakota, the state wants to remain competitive – particularly the lack of sales tax and a lower property sales tax. He added Montana is one of the top 10 business-friendly states in the nation.

Kaiserski said the governor's office supports energy development and will do what it can to help the MonDak Energy Alliance.

"The governor is moving more aggressively in developing energy in the state of Montana," he said in closing. "What's happening here in Richland County is important, and we're here to support it fully."

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