Energy & Local Economies

ESCAPING THE RESOURCE CURSE
Leveraging the Benefits of Energy Development for Rural Prosperity

2017

Addressing Energy Impacts: A Case Study of Northwest Landowners Association in North Dakota

EXECUTIVE SUMMARY

Escaping the Resource Curse Project:
This report is one in a series of case studies documenting innovative approaches to mitigating impacts of oil and gas development in agricultural communities and regions. The goal of the overall research effort and this case study is to document how rural communities have experienced and responded to impacts, both positive and negative, of the recent boom in onshore, unconventional fossil fuel (UFF) development. To read the other case studies, visit www.montana.edu/energycommunities.

Figure 1. North Dakota's most recent oil boom prompted the construction of energy infrastructure throughout the countryside.

The Bakken infrastructure boom is arguably a more apt name for the Bakken shale boom. In addition to the municipal infrastructure demands associated with rapid population growth, development in the Bakken has been characterized by frenzied construction of thousands of wells and well pads, new roads and/or road upgrades, storage fields, processing facilities, transportation hubs, and miles upon miles of gathering lines and transmission pipelines.

This report examines the role of North Dakota's Northwest Landowners Association in managing impacts from unconventional fossil fuel development through their efforts to address concerns about pipeline development and operation.

Using a combination of background and archival research and in-depth interviews, the case study considered the following questions:

(1) Why did key members join NWLA?

(2) How do key members leverage NWLA to address pipeline issues within their communities?

(3) What advice would key NWLA members provide to other landowner associations in energy development communities?

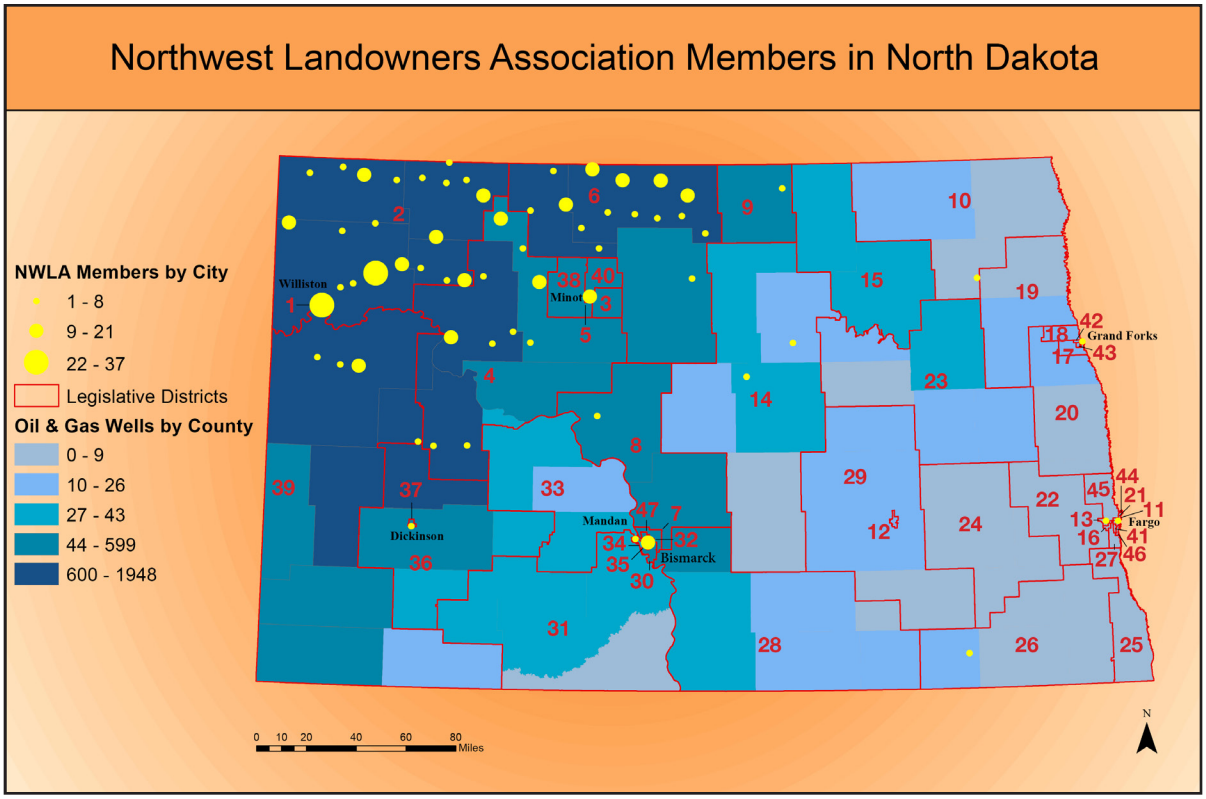

Figure 2. The majority of NWLA members live in counties that have extensive oil and gas development in North Dakota. *Map by Kristin Smith and Ian Dodds.*

KEY FINDINGS

Members cited power imbalances and unequal access to information as primary reasons for becoming involved with NWLA. Members looked to NWLA to bring more transparency to negotiating, regulating, and monitoring processes involving landowners and industry.

Notably, NWLA has operated from a framework of willingness to work with industry, instead of taking a more aggressive or anti-industry approach, an approach credited with increasing their traction in the state legislature. While this strategy is not without its critics, interviewees felt that it was critical in the Bakken and North Dakota contexts.

During the 2013 and 2015 legislative sessions, NWLA successfully lobbied for several major improvements to pipeline siting and reclamation regulations. These successes, however, took an extensive amount of time and effort to achieve.

Overall, the impacts to landowners from energy development were still larger than the organization's capacity to address them.

During the interviews members recognized the importance of the association, but some were experiencing burnout and questioning the long-term sustainability of NWLA.

Figure 3. Newly constructed facilities outside of Watford City help support oil production in the Bakken.

NORTHWEST LANDOWNERS ASSOCIATION MISSION

(1) To create a network of information on issues as they pertain to mineral owners, landowners, operators, or occupants;

(2) To share and discuss the development of our resources, including wind; and

(3) To become educated, that we may help maintain a balance in resource development and property rights of individuals in a responsible manner.

RECOMMENDATIONS

(1) Understand the scope of the opportunity for landowner action.

Landowner associations should be able to match their desired changes with strategies that identify the correct regulatory body and scale of government (local, state, national) to target. Unrealistic expectations about what landowner associations are able or unable to achieve could create frustration among members.

(2) Be clear about the landowner association's mission and strategy.

Through a collaborative approach to working with government and industry, NWLA members now have increased access to top industry representatives, the Secretary of Agriculture, and other important political figures. While this strategy enables parts of the NWLA mission, it also exposes NWLA to the risk of being criticized as being too close to industry. New members should clearly understand what type of strategy the association is pursuing and whether or not this strategy aligns with their personal goals.

(3) Be prepared to invest a large amount of time to create policy changes.

NWLA members spent years developing their relationships with industry stakeholders and policy makers. The key members profiled in this report believe that the association's increasing success is largely due to the passion of their current leader and the huge amount of time invested by several key volunteers. However, the time investment has taken a personal toll on members, suggesting that the long-term sustainability of this model is questionable.

CONCLUSION

The rapid pace and scale of unconventional fossil fuel development in North Dakota made it challenging for landowners to keep up with associated costs and opportunities. Members joined NWLA to stay informed about development and help equalize power imbalances between their community and the oil industry. While the association has helped create regulatory changes in North Dakota, the long-term sustainability of the association needs to be addressed.

Figure 4. A landowner's sign near Watford City reflects efforts to mitigate traffic from the oil fields.

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Unconventional oil and gas development is expanding in the United States, transforming rural landscapes at a rapid pace. Our goal is to develop research-informed solutions to maximize socio-economic benefits from oil and gas development to rural communities and agricultural stakeholders. This project is a collaboration between Montana State University, University of Wyoming, Pennsylvania State University, and Cornell University.

The objectives of this research project are (1) to evaluate how rural communities and local stakeholders in agriculture assess the costs and benefits of shale and coalbed natural gas development and (2) to identify the local share of the economic costs and benefits of oil and gas.

To receive **e-newsletter project updates**, email kristin.smith6@msu.montana.edu.

For this case study's full report and to read other case studies, visit

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