Spring Ground Breaking for N.D. Refinery

MAKOTI, N.D. (AP) — The Three Affiliated Tribes is planning to break ground this spring on a $400 million refinery near Makoti.

Rich Mayer, the project's chief executive, told the Minot Daily News [1]that the Thunder Butte Petroleum Services refinery will be capable of turning 20,000 barrels per day of Bakken crude oil into diesel fuel, propane and naphtha. Propane is used for heating and cooking. Naptha is a solvent.

Earlier the plans had been for 15,000 barrels per day.

The tribes are working on the initial phases of engineering and completing financing, Mayer said.

Makoti is near the northeastern corner of the Fort Berthold Indian Reservation, about 30 miles southwest of Minot.

The tribes began working on the refinery project about 10 years ago. The project has taken extensive time because of the various federal permits and other approvals the tribes are required for the project.

In October, then Secretary of the Interior Ken Salazar visited Fort Berthold to announce the transfer of 469 acres near Makoti into trust status. The refinery will use 190 acres, and the remaining acreage will be for feed production for the tribes' buffalo herd.

There is a heavy demand for diesel fuel in western North Dakota's oil-producing region. Tribal officials say their refinery will have a supply advantage because transportation costs of the refined diesel fuel will be lower, and the state's normal tax of 23 cents a gallon will not apply because the fuel is being produced on tribal land.

The Tesoro Mandan Refinery at Mandan is currently North Dakota's only refinery.

Ground was broken last week on the Dakota Prairie Refinery west of Dickinson, and another refinery is proposed in the Trenton area.

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