

acquire private land and erect new buildings that would be leased to Indian entrepreneurs. Hale, vice president of the group, is involved in plans to rebuild a full block of Main Street. "What we want to do is put in a lot of unique retail stores here—hopefully, get some of our enrolled members to start their own businesses," he said.

At the same time, the MHA Nation has launched multimillion-dollar initiatives to stake a larger claim in oil and gas production through tribally owned energy enterprises (see "Sovereignty by the barrel").

These investments in community assets and economic development make it more likely that economic growth on the reservation will continue even after oil and gas production eventually declines. (A more explicit use of oil dollars to provide for the future is the People's Fund, a \$200 million trust created by the Tribal Council in 2010. In August, the fund paid out its first annual distribution—\$500 to each adult tribal member.)

But some tribal leaders say that even greater investments—in human capital, quality of life and tribal institutions—are necessary to complete the economic transformation that the oil rush has begun. Ed Hall, a tribal elder who is Tex Hall's uncle, worries that the tribes lack a strategic plan for sustaining prosperity and controlling their destiny: "What's our vision? What are we going to do to preserve our reservation and exercise our sovereignty and live the way we want to?"

Hall directs MHA Nation Tomorrow, an attempt to create such a vision—a blueprint for the tribes' economic, social and cultural development. The program has received grants from the Bush Foundation and the Northwest Area Foundation to help the tribes improve governance, seen as crucial to further reducing oversight by the federal government and effectively managing economic growth.

Recommendations that may emerge from the visioning process include enacting zoning regulations and a comprehensive tribal tax code; forming a "Human Wellness One-Stop Board" to combat alcohol and drug abuse; and establishing a tribally owned bank to facilitate business creation and expansion.

Baker, the tribes' environmental director, would like to see more support for higher education, perhaps in the form of grants to tribal members pursuing college degrees. An ongoing need for environmental monitoring and regulation on the reservation has created career opportunities for hydrologists, geologists, petroleum engineers and other professionals.

He adds that protecting the environment is just one aspect of the monumental task the MHA Nation faces in managing the oil boom. "We've never seen activity like this before, as a people," he said. "We're going to have to think ahead." **f**

*Research Analyst Dulguun Batbold contributed data research to this article.*



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## Sovereignty by the barrel

By 2009, oil companies had leased most of the land on the Fort Berthold Indian Reservation for exploration and drilling. Since then, the tribal government has received tax revenue and royalties from energy production, but over 80 percent of the proceeds from that production goes to off-reservation firms and their investors.

That has begun to change with the advent of two tribal enterprises involved in the production, transport and processing of oil and gas. The aim is to capture a larger share of the reservation's mineral wealth, seen by tribal leaders as key to not only growing the economy but also achieving greater political autonomy. "We are of the firm belief we will become more sovereign by the barrel," said Tribal Chairman Tex Hall in a 2011 speech to the North Dakota Legislature.

Both fledgling businesses have large ambitions backed by tribal oil dollars.

The Tribal Business Council created Missouri River Resources (MRR) as an independent business in 2011. The New Town firm has spent over \$50 million in tribal funds to acquire working interests in wells drilled by Marathon Oil, Enerplus and other companies on the reservation. Oil and gas sales from those wells will generate about \$3 million in revenue this year. "We realize that the greatest value of the oil is at the wellhead," said CEO Dave Williams.

MRR is planning a major step forward early next year—drilling its own oil wells on tribal land near Mandaree. And the firm has a joint agreement with a Texas firm to lay oil and gas pipelines on the reservation. New gas pipelines would reduce the amount of natural gas flared on the reservation and eventually supply a gas-processing plant in the early planning stage.

Thunder Butte Petroleum Services, also created by tribal fiat three years ago, is focused on the end of the production chain—refining crude oil into diesel fuel, gasoline and other products. The firm has started building a \$450 million refinery near the eastern edge of the reservation capable of processing 20,000 barrels of oil per day. The facility is slated to open in 2016.

Williams said that MRR may supply oil to the refinery once it's operating. Such an arrangement would give the tribes control of the petroleum value chain from wellhead to finished product.

—Phil Davies



PHOTO BY PHIL DAVIES

**"What's our vision? What are we going to do to preserve our reservation and exercise our sovereignty and live the way we want to?"**

—Ed Hall, tribal elder and director of MHA Nation Tomorrow