



UPDATE

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UTAH PETROLEUM ASSOCIATION

PUB YEAR 2 | ISSUE 2

FUELING UTAH'S GROWTH AND PROSPERITY



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Shortly after taking office, President Biden and his Administration placed an open-ended moratorium on federal oil and natural gas leasing and initiated a review on a number of other natural resource activities including making the electric grid carbon-free, increasing royalty rates, and much more. We expect this to be but the first of many actions like this from Washington, DC.

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Big West Oil, LLC has owned and operated its North Salt Lake Refinery since 1985. For 35 years, Big West Oil has provided quality jobs and products to serve the community. The company is proud to be locally owned and committed to its neighbors.

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Who We Are

Mission Statement



The Utah Petroleum Association (UPA) is a Utah-based, statewide petroleum trade association representing companies involved in all aspects of Utah's oil and gas industry. We exist to serve our member companies and advance the responsible development of Utah's natural resources and manufacture of fuels that drive Utah's economy.



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President's Message

Rikki Hrenko-Browning

One thing I think about frequently that has come into sharp focus recently is the disconnect between living our daily lives and actually understanding what makes our daily lives possible. This isn't even necessarily a criticism but an unusual side effect of modern living. I authored an op-ed in the Deseret News recently that started thusly:

Last week the Biden Administration announced a series of Executive Orders aimed at tackling climate change. One of the more ambitious goals of the order is the elimination of greenhouse gas emissions from the power sector by 2035 and from across the economy by 2050. It's going to sound paradoxical to say this, but the United States cannot do this (or even come close) without the oil and natural gas sector.

I realize I have a credibility problem with that statement considering I'm President of the Utah Petroleum Association, but I'm also a mom and a Utahn who cares deeply about the health, happiness, and prosperity of our state and our country. I want to leave this world better for my kids, and I also recognize that renewable energy will play a key role in achieving that.

Much of the dialogue surrounding energy development, climate change, and the road map path to achieving the future that I suspect we all want is adversarial in tone, pitting factions of true believers on either side against one another. It doesn't have to be this way. Energy development, no matter if we're talking about oil and gas, coal, renewables, or nuclear, is extremely complex. There are paradoxes, contradictions, and what appears at first to be self-evident truths that, upon further investigation, give way to even deeper complexity and intractable problematic data that precludes simple answers.

I write this in part because of the credibility problem I, as the mouthpiece for a vital Utah industry, and you as the members of that industry, face when we attempt to engage in a sometimes hostile public marketplace of ideas. Everyone has an agenda in terms of public policy. Our self-interest is obvious and upfront. But just because our self-interest is perhaps more obvious than others who engage in this space doesn't mean what we say is any less true.

Later in the piece for the Deseret News, I quote Mr. Rhone Resch, who at the time was head of the Solar Energy Industries Association (SEIA). In 2013, he

said, "Natural gas and renewables complement each other very nicely ... I think it can happen: In the next 30 years, we're going to have 50% renewables and 50% natural gas." As head of the SEIA, Mr. Resch's self-interest was also obvious in that his job was to advocate for getting as much solar energy to market as possible. His aspirational goal was to achieve 50% renewables by 2040 or so. President Biden has espoused a goal of total elimination of greenhouse gases by 2050. The stated goals do not align with reality.

This feels like an important point, yet nuance of this type always seems to fall through the cracks for not being loud enough or splashy enough. The reduction of greenhouse gases are not a condemnation of a robust, successful oil and gas industry. See what we've done on Tier 3 fuels here in Salt Lake City for proof positive of innovation, cooperation, and creativity in addressing a complex issue.

Likewise, full speed ahead on wind and solar power will not provide us 100% of the power we need to continue to live the lives we're accustomed to. Oil and natural gas are not the enemies of wind and solar development. Natural gas is commonly bundled with large-scale wind and solar projects, which improves those projects' affordability and reliability. The net effect is an increase in wind and solar installation, but also an assurance that makes our daily lives possible.

As 2021 continues in earnest, I have made it a priority to attempt to bridge the gap of understanding between how we live and what we know about how we live. This means working with our elected leaders, economic development organizations, the media, and everyday citizens to fill in the picture more completely in terms of how our industry positively impacts Utahns all across the state and how those impacts contribute to a more prosperous and conscientious Union. Although overcoming the shrillness of the debate can sometimes feel daunting, I remain emboldened by the opportunity to persevere and cautiously optimistic that we can evolve and enhance our society's understanding of what we do, why it matters, and how it contributes positively to the future.

In the following pages, you will see not only a snapshot of the some of the work we've done but opportunities for you to contribute to these critical efforts, as well. Thank you for your continued support. 💧



We have a right to advocate for ourselves, and deserve to be a part of the solution — sharing our technological, environmental, and community relations breakthroughs and demanding a seat at the table as the future of our country is discussed. We are not ideological opponents with those who disagree with us; we are collaborators working toward a common solution using our savvy, our work ethic, and our community building. No matter the obstacle, we accomplish great things through collaboration, resourcefulness, and dialogue.



Chairman's Message

Kristen Lingley, Ovintiv

The first quarter of 2021 has brought challenges and opportunities to the oil and natural gas industry, both upstream and downstream. Many of these we were ready for, while some we could not have anticipated. I remain encouraged by our industry's resolve in the face of hardship and our tireless dedication to providing the resources we all depend on every single day. I doubt any of us were sad to see 2020 draw to a close, but that isn't to say when the calendar page turned, all of the problems of the previous year went with it.

On the contrary, many of the difficulties from the previous year not only persist, but new ones have emerged. As an example, the Biden Administration has made clear its goal of expediting a transition away from fossil fuels. No matter how premature and impractical we believe this transition to be, the actions taken by the Biden administration to achieve this goal will have tangible effects on us all. Each one of us, as individuals or as companies, can share our frustration with the perceived misdirection, but our disparate voices alone cannot achieve change in any meaningful way.

That's why I am proud to be Chairman of the Utah Petroleum Association and remain active in similar organizations across the country. It is only through collective action, a spirit of cooperation, and creative partnerships that we can amplify our separate voices into one that cannot be ignored. We have a right to advocate for ourselves, and deserve to be a part of the solution — sharing

our technological, environmental, and community relations breakthroughs and demanding a seat at the table as the future of our country is discussed. We are not ideological opponents with those who disagree with us; we are collaborators working toward a common solution using our savvy, our work ethic, and our community building. No matter the obstacle, we accomplish great things through collaboration, resourcefulness, and dialogue.

If you play an active role in the Utah Petroleum Association, I thank you. If you're a member but have not joined a committee or shared some of the meaningful work your company has been doing to enhance our communications activities, I encourage you to take a more active role. If you know a company that should be a member of the Utah Petroleum Association but isn't, pick up the phone or drop them a note and tell them to join an organization with a real purpose.

While 2020 is over, many of the challenges we faced are not and they promise to continue not only this year, but beyond. We can, and should, do good things as individuals in advocating for ourselves. But we also can, and should, contribute to lifting our voices higher and carrying our messages further using the megaphone provided by the Utah Petroleum Association and other industry organizations. I look forward to working with you all as the year unfolds. My thanks to you for helping to grow and develop this organization. 💡

Untangling the Impacts of the Biden Administration Actions on Oil and Gas



As you have doubtless heard, the Biden administration has been hurriedly progressing their policy agenda, starting on day one with the Department of Interior Order 3395 and swiftly following with an Executive Order from the president himself on tackling the climate crisis at home and abroad. While we share in the mission to set forth a sustainable vision for future generations, we clearly have a different definition of “sustainable.” Let’s unpack what these actions mean for Utah.

DOI Order 3395

- 60-day suspension of delegated authority for anyone other than nine individuals in D.C. to approve:
 - New oil, gas, mining approvals
 - Resource management plans
 - Right of ways
 - National Environmental Policy Act approvals
 - RS2477 road decisions

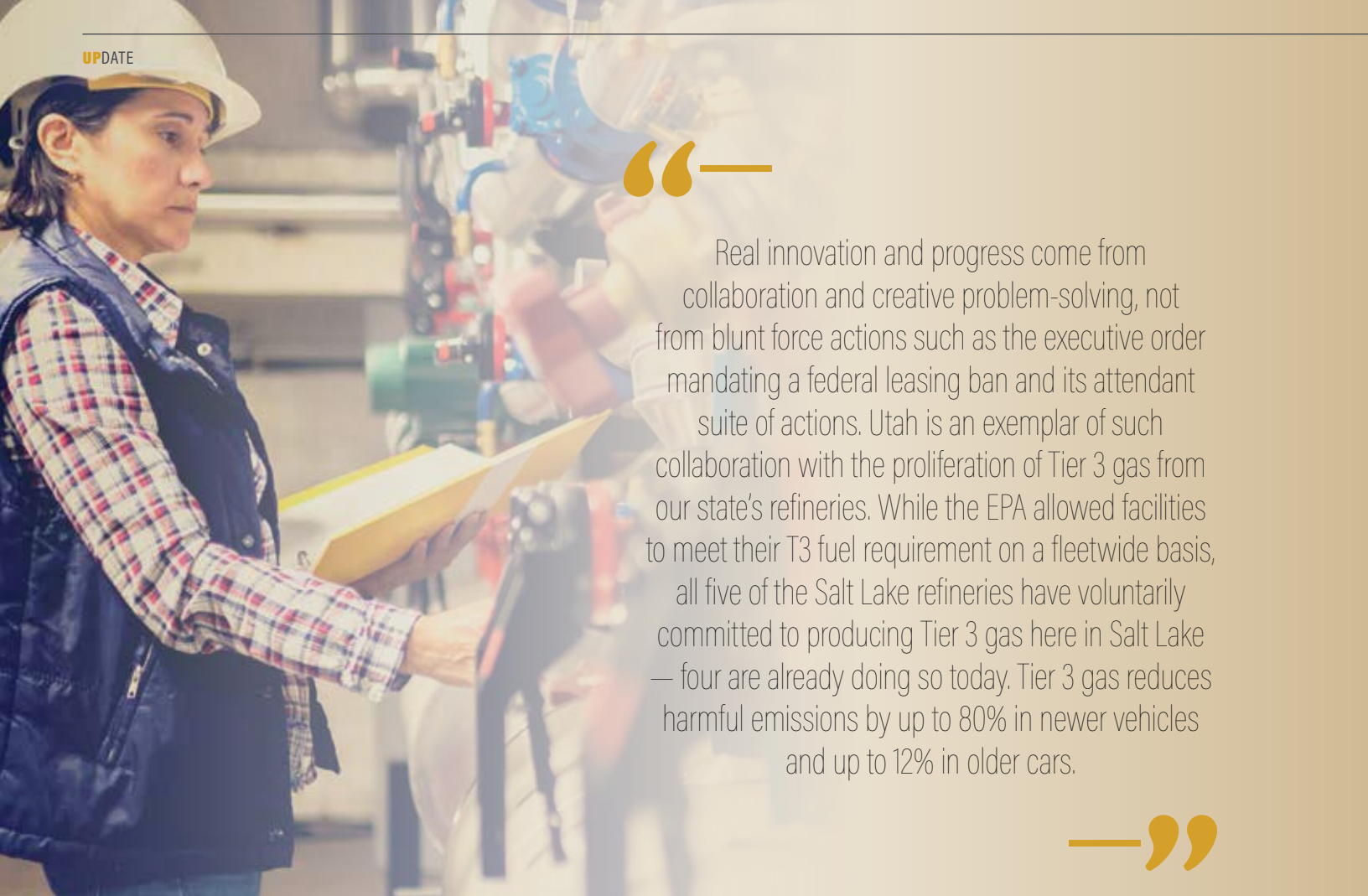
Executive Order “Tackling the Climate Crisis at Home and Abroad”

- Open-ended ban on new federal natural gas and oil leasing
- Comprehensive review and reconsideration of Federal fossil fuel permitting and leasing practices — consideration of greenhouse gas emissions and climate change
- Increasing royalties associated with coal, oil, and gas
- Accounting for climate costs
- Carbon pollution-free electricity sector no later than 2035
- Conserving at least 30% of our lands and waters by 2030

Let’s start with some basics — Utah is ninth in the nation in oil production, 13th in natural gas, seventh for non-fuel mineral production, and 11th in coal. This wealth of resources and local decision-making on our energy mix has allowed our natural resource industries to be the backbone powering our state’s economic development. Utah enjoys stable and low-cost energy, which lured the I.T. sector to establish Silicone Slopes and is driving our position as the fourth fastest-growing state in the U.S.. If the Biden policies stand, we risk losing that backbone and the resulting momentum to continue to successfully grow our state.

These policies impact every single Utahn, but they disproportionately impact rural Utah. Roughly two-thirds of the state of Utah is federal lands, most of that located in rural Utah. Locally produced oil and natural gas are critical drivers of our economy, with 56% of our wells located on federal lands. Coupled with the fact that the oil and gas industry provides some of the highest-paying jobs

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Real innovation and progress come from collaboration and creative problem-solving, not from blunt force actions such as the executive order mandating a federal leasing ban and its attendant suite of actions. Utah is an exemplar of such collaboration with the proliferation of Tier 3 gas from our state’s refineries. While the EPA allowed facilities to meet their T3 fuel requirement on a fleetwide basis, all five of the Salt Lake refineries have voluntarily committed to producing Tier 3 gas here in Salt Lake — four are already doing so today. Tier 3 gas reduces harmful emissions by up to 80% in newer vehicles and up to 12% in older cars.

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in the state, currently tied with I.T. for highest monthly wages, and the fact that the industry is a top employer in the basin, with oil and gas wages more than 65% above the country average, our rural communities and families will be hardest hit.

We also need to consider the supply chain impacts, not just in terms of jobs lost (and keep in mind that due to COVID-19, the oil and gas industry has already lost nearly 1,200 jobs in the basin alone) but in terms of our power and fuel supply. Nearly 89% of Utah’s power is supplied from fossil energy, with the bulk of that fuel coming from federal lands. This has allowed Utah to enjoy some of the lowest power prices in the country. Further, our state’s fuels industry is highly integrated, with much of the fuel you get from the pump being produced and refined in the state. Again, simple supply and demand tell us that if the demand stays the same and the supply goes down, prices will go up.

Let’s also consider the 30% conservation goal. Utah is blessed to have both a wealth of energy and mineral resources as well as natural resources that deserve protection. We are home to five national parks, seven national monuments, 43 state parks, and countless other protected areas. In fact, approximately 40% of the state’s public lands are already under some form of additional protection. The false narrative of energy development and conservation being mutually exclusive is proved wrong here in Utah. Based on our fast-growing in-migration, clearly, we are hitting the right balance of low-cost energy and conservation. We don’t need additional conservation requirements that will further reduce the productive areas of the state and their contribution to fueling our economy.

Considering our level of production in oil, gas, coal, and minerals, our state’s power generation, and where the production occurs, the Executive Orders

will essentially sentence Utah to higher utility and fuel prices, fewer jobs, and diminished opportunity for all. We hope this is not the intent of the Executive Orders, but it stands to be the harsh reality.

More broadly speaking, it is simply impractical to pivot something as large and complex as natural resource development, our power grid, our fuel supply, and our economy writ large on a dime. The most likely outcome of such an attempt is a swap from responsibly-developed, domestically-produced resources to those from countries that perhaps neither share our values nor have the robust environmental protections we enjoy in Utah and the United States as a whole. Such an outcome will be bad for our environment, bad for U.S. energy security, and bad for our local economy. Our rural families will bear the brunt of such drastic and one-sided decisions.

Real innovation and progress come from collaboration and creative problem-solving, not from blunt force actions such as the executive order mandating a federal leasing ban and its attendant suite of actions. Utah is an exemplar of such collaboration with the proliferation of Tier 3 gas from our state’s refineries. While the EPA allowed facilities to meet their T3 fuel requirement on a fleetwide basis, all five of the Salt Lake refineries have voluntarily committed to producing Tier 3 gas here in Salt Lake — four are already doing so today. Tier 3 gas reduces harmful emissions by up to 80% in newer vehicles and up to 12% in older cars. Thanks to Tier 3 gas, the Wasatch Front is on the path to attaining the PM 2.5 standard. Utah is committed to improving our air quality, and our oil and gas industry has delivered on its promise. Our natural resource industries should be afforded the opportunity to continue to innovate and help solve our communities’ greatest challenges, all while delivering the energy and the materials that power virtually every aspect of our daily lives. 🔥



Grab your lunch and join us to learn about a range of important issues facing Utah’s petroleum industries. Members and non-members are welcome to join our free Lunch and Learn series every last Tuesday of the month at noon.

The Lunch and Learn series will feature topics related to both the Upstream and Downstream issues and include regulatory, legislative, political, and industry guest speakers.

Previous Lunch and Learns have covered the challenge and path forward for the Wasatch Front ozone issue and the Western States and Tribal Nations Natural Gas Initiative. Future forums will include a UT legislative session wrap-up, Uintah Basin ozone panel, diversity and inclusion in the oil and gas industry, and more timely topics facing our industry.

Sign up on our website at:
<https://utahpetroleum.org/lunch-and-learn/>



The Utah Petroleum Association is ramping back up on social media to represent Utah energy workers, engage stakeholders, and demonstrate the value of responsible, affordable and local energy.

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At Last, A Vaccine!

What Does It Mean for Employers?



With the FDA's issuance of an Emergency Use Authorization (EUA) for multiple COVID-19 vaccines and vaccines becoming more widely available, many U.S. employers, eager to safely transition employees back to work or transition workplaces back to normal, are considering implementing vaccine recommendations or mandates in the workplace. The fluidity of the pandemic has yielded yet another decision point for employers — can employees be required to obtain a COVID-19 vaccine as a condition of employment?

At this point, the answer is generally yes — although there are a number of caveats, open questions, and policy decisions to keep in mind as vaccines become more widely available and federal, state, and local agencies and corresponding legal issues continue to morph and take shape. Here is a look at some of the employment-related considerations with mandating a COVID-19 vaccine in the workplace.

1. Equal Employment Opportunity Commission (EEOC)

On Dec. 16, 2020, the U.S. EEOC issued a revised version of its ongoing COVID-19 guidance publication, "What You Should Know About COVID-19 and the ADA, the Rehabilitation Act, and Other EEO Laws," addressing questions related to the administration of COVID-19 vaccinations in an employment context. The new information, outlined in Section K of the publication, clarifies that employers may require, as a condition of employment, that employees receive the COVID-19 vaccine. However, there are many open questions and significant legal issues for employers to consider under the EEOC's guidance. Some key takeaways for employers from the updated EEOC guidance include:

(a) The COVID-19 Vaccine is NOT a medical exam under the Americans with Disabilities Act (ADA)

First, the EEOC's guidance clarifies that the vaccine itself is NOT a medical exam. Under the ADA, "medical exams" which are a condition of employment must be job related and consistent with business necessity or be necessitated

by a direct threat in the workplace. The EEOC stated that by simply administering a COVID-19 vaccine, employers would not be seeking medical information from the employee, and thus this would not rise to the level of a "medical exam" under the ADA.

(b) Prescreening Vaccination Questions MAY Implicate the ADA

For employers who choose to implement a mandatory vaccine requirement, the EEOC guidance provides some additional cautions related to prescreening questions (which are recommended by the CDC prior to administering a COVID-19 vaccine).

In order to pass muster under the ADA, the prescreening questions must be "job-related and consistent with business necessity," and to meet this standard, employers will need to have a "reasonable belief, based on objective evidence, that an employee who does not answer the questions and, therefore, does not receive a vaccination, will pose a direct threat to the health or safety of her or himself or others."

In assessing whether there is a "direct threat," the EEOC advises employers to conduct an individualized assessment in taking into considerations the following four factors: (1) the duration of the risk; (2) the nature and severity of the potential harm; (3) the likelihood that the potential harm will occur; and (4) the imminence of the potential harm.

The EEOC makes clear that the concerns about the prescreening questions will not implicate the ADA where (1) an employer has offered a vaccine on a voluntary basis (i.e., employees choose whether to be vaccinated), which would mean that an employee's refusal to answer the questions would only mean the employer could refuse to administer the vaccine; or (2) an employee receives an employer-required vaccine from a third party that does not have a contract with the employer (i.e., a pharmacy, broker or other health care provider), the ADA would not apply to prescreening questions.



Employers may request and require employees to show proof of receipt of a COVID-19 vaccination. Such a question does not amount to a disability-related inquiry in and of itself.



(c) Confidentiality Issues

The EEOC also makes clear that the prescreening questions (whether voluntary or mandatory) and the responses to those questions should be maintained as confidential information, in a separate file (i.e., not the personnel file), in accordance with the provisions of the ADA. Those employers who administer vaccines themselves, or contract with a third-party provider to administer vaccines, should also be wary of their obligations under the Health Insurance Portability and Accountability Act (HIPAA) as to employee-provided information and vaccination records.

(d) Employee Proof of a COVID-19 Vaccine

Employers may request and require employees to show proof of receipt of a COVID-19 vaccination. Such a question does not amount to a disability-related inquiry in and of itself. The EEOC cautions employers who ask “why” an employee has not or cannot receive a vaccine. These follow-up questions may elicit information about a disability and would need to be “job-related and consistent with business necessity” in accordance with the ADA. Employers who do wish to require that employees furnish proof of vaccination should instruct employees not to provide any medical information in connection with the vaccination record in order to avoid implicating the ADA.

(e) Disability-Related Exemptions to a Mandatory Vaccine Requirement

The new EEOC guidance also provides some direction to employers for responding to employees who indicate they are unable to receive a vaccine due to a disability. The EEOC reiterates that employers can require that employees “not pose a direct threat to the health or safety of individuals in the workplace.” However, if a mandatory vaccine requirement has the effect of screening out individuals with disabilities, the “employer must show that an unvaccinated employee would pose a direct threat due to a ‘significant risk of substantial harm to the health or safety of the individual or others that cannot be eliminated or reduced by reasonable accommodation.’”

The EEOC instructs employers to conduct an individualized assessment of four different factors to determine whether a “direct threat” exists. These include considering: (1) the duration of the risk; (2) the nature and severity of the potential harm; (3) the likelihood that the potential harm will occur; and (4) the imminence of the potential harm.”

If an employer concludes there is a direct threat, the EEOC indicates that the employer may “exclude” the employee from the workplace, but cautions employers against terminating the worker without first considering whether there may be an accommodation available. The EEOC advises that employers should engage employees “in a flexible, interactive process to identify workplace accommodation options” and also notes that one factor that warrants consideration may be the prevalence of employees in the workplace who have already received the vaccine.

Practically speaking, it seems this analysis will still hinge on individual circumstances related to things like the nature of the employee’s disability, the work conditions, and the ability to mitigate potential hazards through job modifications such as increased social distancing, PPE, telework, etc.

Employees working in high-risk environments or with high-risk populations (i.e., food service and food processing, health care, nursing homes, and schools) may have fewer options for accommodating vaccine exemptions, especially given the risk surrounding the efficacy of PPE measures in industries requiring constant exposure and close face-to-face contact. But again, the EEOC guidance makes clear that the number of employees vaccinated will have a bearing on this analysis.

(f) Religious Exemptions to a Mandatory Vaccine Requirement

Similar to the disability-related exemptions, the EEOC guidance reiterates that employers who plan to require a vaccine also provide an exemption where the employee maintains a “sincerely held religious belief” or observance which prevents them from taking the vaccine. This standard is fairly broad and encompasses more than traditional organized religions, but the protection would not extend to employees who seek an exemption due to political beliefs, personal objections to vaccinations, or safety-related concerns with the vaccine. The EEOC notes that as in the case of the ADA, Title VII also allows employers to deny an employee’s request for an exemption to a mandatory vaccination if the employer can show an “undue hardship” by allowing the employee to forgo the vaccine. Again, the EEOC makes clear this would hinge on the individual circumstances applicable to each case but would largely depend on the employer’s ability to provide alternative protections for the employee, the rest of its workforce and, where necessary, members of the general public.

(g) Genetic Information Nondiscrimination Act (GINA) Implications

Lastly, the EEOC makes clear that simply administering the COVID-19 vaccine to employees or requiring employees to provide proof that they received the COVID-19 vaccine does not implicate Title II of GINA because it does not involve genetic information as defined by the law. Under Title II of GINA, employers may not use, acquire or disclose an employee’s genetic information in connection with their employment, subject to six narrow exceptions.

As with the ADA, prescreening questions, or where an employee provides more than just proof of vaccination, may still implicate GINA. Accordingly, the EEOC advises that employers should avoid prescreening questions which implicate genetic information (which should be fairly easy to do) or require employees to obtain the vaccine through their own means and simply provide proof of the same to their employer, without any extraneous medical information.

While the updated EEOC guidance provides certain clarification for employers contemplating workplace vaccination strategies, the exceptions and exemptions under the ADA and Title VII are fact-intensive and will vary widely. Employers who do intend to adopt mandatory vaccination programs are

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advised to review potential reasonable accommodations for disabilities and sincerely held religious beliefs and strategize how they will respond to such requests in order to minimize legal exposure under Title VII and the ADA.

2. Occupational Safety and Health Administration (OSHA)

While OSHA has also not yet provided specific COVID-19 vaccination guidance, its longstanding position regarding the flu and other vaccines indicates support for employer mandates so long as employees are “properly informed of the benefits of vaccinations.” The agency has caveated this by clarifying that an employee who refuses a vaccine due to a medical condition that the employee reasonably believes would cause serious illness or death may still be protected by Section 11(c) of the OSH Act, which governs whistleblower claims based on workplace health and safety.

Furthermore, it is worth noting that in its interim guidance issued in May of 2020, OSHA had encouraged its own investigators to obtain the COVID-19 vaccination as soon as it becomes available. There is likewise widespread speculation that OSHA may look to apply the General Duty Clause, OSHA’s general citation standard, to issue citations to employers who fail to offer the COVID-19 vaccination to its workforce as an enhanced safety measure. As with the EEOC, additional guidance is expected to shed light on the direction of OSHA’s enforcement position on this topic.

3. Workers’ Compensation

On a similar note, what happens if an employer recommends or requires a COVID-19 vaccine for its employees and the employee is injured due to the vaccine?

Most likely, state workers’ compensation coverage would come into play to cover any physical injury, whether due to a vaccine side effect or other physical injury to the employee caused by the vaccine. This would generally be true in the case where an employer recommends, requires, pays for, or administers the COVID-19 vaccine at its worksite. On the flipside, workers’ compensation coverage would likely not apply in a scenario where an employee obtains a COVID-19 vaccine without the recommendation, mandate or sponsorship from the employer.

Typically, subject to some state-specific exceptions, workers’ compensation serves as the exclusive remedy for employees who sustain physical injuries within the course and scope of employment. In other words, an employee would be limited to pursuing workers’ compensation benefits and cannot pursue tort claims against the employer absent a showing of willful or more serious conduct. While workers’ compensation laws may apply to shield employers from tort claims (i.e., personal-injury type claims) brought by employees who sustain physical injuries as a result of an employer-sponsored COVID-19 vaccine, these same laws may not preclude tort claims against third party entities, such as the vaccine manufacturer.

4. National Labor Relations Board (NLRB)

Finally, there are labor considerations for both union and nonunion employers in mandating a COVID-19 vaccine. For union employers, requiring a COVID-19 vaccine may be considered a mandatory subject of bargaining, triggering an employer’s duty to bargain prior to implementing such a requirement. Employers should review any existing labor agreements for language which precludes or permits such a mandatory vaccination scheme. Second, nonunion employers must also be mindful of how implementing a vaccine requirement could implicate Section 7 of the National Labor Relations Act (NLRA), which provides employees the right to engage in “concerted activities” for the purpose of “mutual aid and protection.” Practically speaking, employees who join together to speak out for or against a mandatory vaccine requirement, who collectively create outside social media postings or other organized interoffice

communications regarding the requirement, or simply discuss the employer-imposed requirement would be protected by federal labor law and, generally, cannot be subject to discipline or termination as a result of this conduct. Notwithstanding, even if employees band together in concerted activity under the NLRA and cannot be disciplined for that concerted activity, they could still be disciplined for refusing to take the vaccine or even permanently replaced if they choose to go out on a work stoppage.

While the current legal landscape suggests employers, especially those in certain high-essential industries, may be able to require employees to obtain a COVID-19 vaccine, the legal landscape changes almost daily, and there are many open questions, potential public relations pitfalls, and employee morale issues with doing so. Until there is more guidance from the federal, state, and local level on this topic, and more widespread use and availability of the vaccine beyond the healthcare industry, employers may want to consider promoting rather than requiring a vaccine as a condition of employment just as they would a flu vaccine. 🔥



Abbey Moland is an attorney at McGrath North and counsels Fortune 500, mid-size and start-up businesses, colleges and universities, and non-profits on a wide range of labor and employment matters. Her practice spans across the country in areas including wage and hour compliance, workforce reductions, employee leaves of absence, FMLA and disability accommodations, workplace investigations, hiring practices, disciplinary actions and employee terminations, immigration and workforce authorization, management and employee training on workplace issues, policy formation, union organization, non-compete issues, OSHA investigations, and employee class-action litigation. She is also experienced in defending employment-related litigation and providing day-to-day counseling to avoid unlawful employment practices. Moland can be reached at (402) 633-9566 or amoland@mcgrathnorth.com.

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Utah Energy United



Shortly after taking office, President Biden and his Administration placed an open-ended moratorium on federal oil and natural gas leasing and initiated a review on a number of other natural resource activities including making the electric grid carbon-free, increasing royalty rates, and much more. We expect this to be but the first of many actions like this from Washington, D.C. .

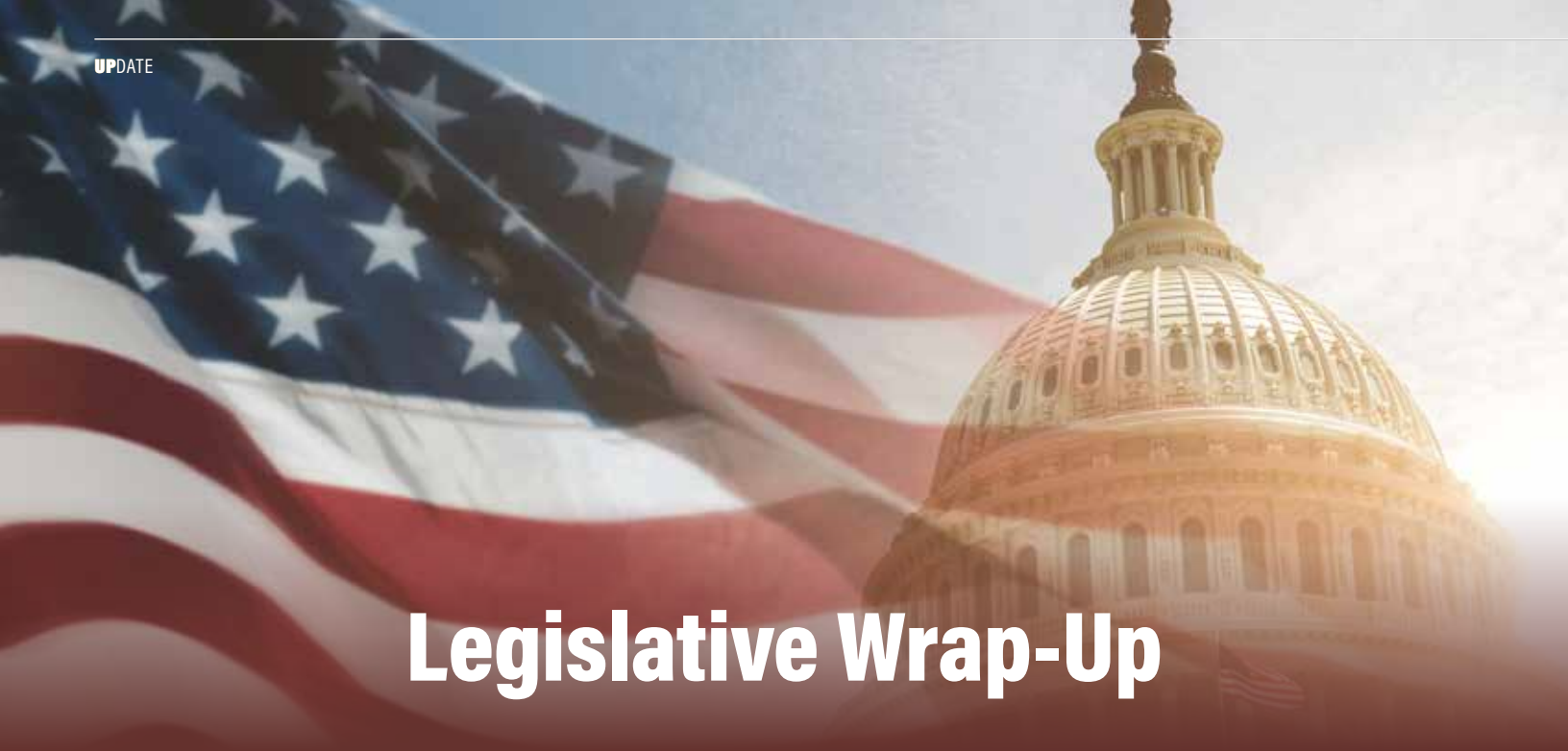
Oil and natural gas development are vital to the prosperity of Utah. Approximately 56% of Utah's oil and natural gas wells fall on federal land, which means these actions will likely have intensive negative consequences for our communities and our prosperity. It is, therefore, incumbent upon us to tell our side of the story and advocate on our own behalf. But advocating for ourselves only takes us so far.

That's why we're seeking to expand our network of advocates to members of the community who do not work directly inside the industry. Your companies are the ones on the ground and in the community. What are the businesses

you frequent? Who are the suppliers you use? Who are the members of the community you positively impact? Who would suffer if the industry is severely curtailed due to federal policy? We are looking to create a pool of local spokes-persons in Uintah County, Duchesne County, and across the state who are willing to sign their names to letters to federal leaders, collaborate on op-eds and letters to the editor for media (don't worry, they'll have plenty of assistance in drafting these from our team), post on social media, or even appear in videos that help tell our story.

Can you help us identify valuable members of the community, business owners willing to stand up and advocate for responsible oil and natural gas development, and anyone else that embodies the spirit of Utah Energy United? We need as many voices as we can find, and we cannot find them without your help.

We cannot wait to see what we can do when we all work together. The future in Utah is bright, and it's up to us to ensure that it remains that way. 📌



Legislative Wrap-Up

As this newsletter goes to press the Utah legislature is in the very final days of session, which will close at the stroke of midnight Friday, March fifth. Thanks to COVID-19 safety precautions, this has been the most open and also most opaque session with hybrid online and in person participation options, lots of masks and obsessive hand sanitizing. While there is still much that can happen to determine the fate of many bills yet to work their way through the process, we can confidently share a number of highlights.

Despite the COVID-induced global recession, the state of Utah will close the fiscal year with a \$1.5B surplus, even larger than the estimate at the close of 2020. The session started with Senate President Adams declaring this to be the year of the tax cut, and the legislature is set to deliver with nearly \$100M in tax relief to residents through three targeted areas — families (SB 153), veterans (SB 11) and elderly Utahns (HB 86). This surplus and tax cut again puts Utah at the front of the pack in terms of states' economic rankings.

In the natural resource and energy space, between the perfect storm of COVID impacts and aggressive federal policy changes, there has been much discussion around the value of our state's oil, natural gas, and minerals and the need to support and protect these industries that drive our low energy prices and undergird our continued economic growth. UPA was successful in passing SB 133, which shifts a portion of the severance tax that industry already pays to support the budgets of key oil and gas regulatory agencies. This not only reduces pressure to increase fees paid by industry, it helps align the regulatory budgets to the industry success and can provide for additional funding to keep the agencies equipped to efficiently address industry issues. Also look for several supportive bills (HB 415, SJR 15, SCR 8) around the value of Utah's oil, gas and mining sectors, the need for the federal government to recognize the state's right to energy and economic sovereignty, and efforts to limit the implementation of executive orders related to land use, natural resources, or the financial sector through the imposition of environmental, social, or governance standards.

Several other energy-related bills have passed or look likely to do so, including a pre-emptive ban on municipalities prohibiting the connection of utility services to customers on the basis of the type of energy (HB 17) so that we don't see communities banning natural gas hookups. There was also much discussion around the potential of hydrogen (HB 223, HB 388, HB 320), and UPA worked to ensure that all forms of hydrogen production will be treated equally,

paving the way for increased natural gas utilization. The building blocks continued to be laid to transition the state away from the declining gas tax to a road user charge (SB 82). Bills are also in the works to open up various financial incentives (SB 202, SB 239), including tax increment financing incentives to rural Utah and traditional energy and mineral industries (HB 356), to provide clarity on the types of expenditures CIB funds can be used for (SB 176) and to regulate above ground petroleum storage tanks (SB 40). Also, look for structural changes to DNR (HB 346), PLPCO (HB 368), and GOED (HB 348, HB 217) and an increased focus on cooperation and coordination in the executive branch. Suffice it to say; it has been another very busy but successful session for UPA! 🍷

2021 Session by the numbers

- 767 numbered bills
- 502 bills passed
- 97 bills UPA tracked
- Monitor +: 19
- Low Profile Support: 21
- Low Profile Oppose: 4
- High Profile Support: 8
- High Profile Oppose: 2

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Big West Oil: A Locally Owned Utah Petroleum Refinery Focused on Giving Back to the Community



Big West Oil, LLC has owned and operated its North Salt Lake Refinery since 1985. For 35 years, Big West Oil has provided quality jobs and products to serve the community. The company is proud to be locally owned and committed to its neighbors.

Along with its parent company, FJ Management Inc., Big West Oil recently contributed to worthwhile projects whose purpose is to help those dealing with the impact of the COVID-19 Pandemic:



Intermountain Healthcare

Big West Oil contributed \$600,000 in partnership with Intermountain Healthcare to the Utah Department of Health for 60 community health worker jobs. These employees work in association with their local health departments to help the most vulnerable populations.



UTAH FOOD BANK

Utah Food Bank

Big West Oil donated \$400,000 to help fight hunger in Utah.

Other Projects

In addition to the exciting opportunities listed above, Big West Oil employees have also contributed to the community by donating our time and resources to enhance the well-being of the communities it serves.

Donating Time

- Cleanup and removal of invasive weeds along the Jordan River
- Helping build homes for Habitat for Humanity

- Volunteering for The Road Home
- Participating in the Northern Utah STEM Fair

Donating Resources

- Davis Education Foundation
- Love Utah Give Utah
- Red Cross blood drives
- School supply drives
- Toys 4 Tots Christmas Drive

Big West Oil employees feel fortunate to conduct business in Utah and are proud to be a part of the community in North Salt Lake and Davis County. 🍷

About Big West Oil, LLC and FJ Management Inc.

Located in North Salt Lake City, Utah, Big West Oil LLC operates a complex high conversion petroleum refinery with a capacity of 33,000 barrels per day. The facility employs about 230 people and supplies fuel products to many valued customers in Utah, Idaho, Wyoming and Nevada. Its facility processes and refines crude oil delivered to the refinery by truck or pipeline from the Uintah Basin, Wyoming and Canada. Big West Oil is committed to being a top-tier refiner, marketer and employer in the Rocky Mountain Region. It focuses on building lasting value through operational excellence, continuous improvement, and pursuit of internal and external growth opportunities.

Big West Oil, LLC is a wholly owned subsidiary of FJ Management Inc. This Utah-based private holding company manages a diverse portfolio of petroleum, health care and hospitality-related assets by using its guiding principles: integrity, mutual respect and excellence. Founded in 1968 by O. Jay Call, the company continues to grow and prosper because of its leaders and employees' support. FJ Management's mission is steeped in a tradition of managing assets in a way that builds long-term value for its shareholders, employees and customers.



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Big West Oil is committed to be a top-tier refiner, marketer, and employer in the Rocky Mountain Region, focused on building lasting value through operational excellence, continuous improvement, and pursuit of internal and external growth opportunities.

We will accomplish this by embracing the following value statements: Integrity and Responsibility, People and Community, Relationships with Partners, Performance and Continuous Improvement.



CH4 Energy-Finley explores and produces oil and gas. The Company offers natural gas, crude oil, and other related products. CH4 Energy-Finley serves customers throughout the United States.



Chevron's success is driven by our people and their commitment to getting the results the right way — by operating responsibly, executing with excellence, applying innovative technologies and capturing new opportunities for profitable growth.

Our company's foundation is built on our values, which distinguish us and guide our actions to deliver results. We conduct our business in a socially responsible and ethical manner, protect people and the environment, support universal human rights, and benefit the communities where we work.



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Ovintiv is a leading North American resource play company focused on oil and natural gas production, growing its strong multi-basin portfolio and increasing shareholder value and profitability. By partnering with employees, community organizations and local businesses, Ovintiv contributes to the strength and sustainability of the communities where it operates. Our strategy is built on four Pillars — top tier assets; market fundamentals; capital allocation; and operational excellence — which are critical to our business success.



EOG Resources, Inc. is one of the largest crude oil and natural gas exploration and production companies in the United States with proven reserves in the United States, Trinidad and China. EOG's business strategy is to maximize the rate of return on investment of capital by controlling operating and capital costs and maximizing reserve recoveries. EOG strives to maintain the lowest possible operating cost structure that is consistent with prudent and safe operations.



HollyFrontier Corporation, headquartered in Dallas, TX, is an independent petroleum refiner and marketer that produces high value light products such as gasoline, diesel fuel, jet fuel and other specialty products.

HollyFrontier owns and operates refineries located in KS, OK, NM, WY and UT and markets its refined products principally in the southwest U.S., the Rocky Mountains extending into the pacific northwest and in neighboring plains states. HollyFrontier produces base oils and other specialized lubricants in the U.S., Canada and the Netherlands, and exports products to more than 80 countries.



Marathon Petroleum Company is in the business of creating value for our shareholders through the quality products and services we provide for our customers. We strongly believe how we conduct our business is just as integral to our performance. As a result, we strive to always act responsibly with those who work for us, with those business partners who work with us, and in every community where we operate.



We are focused on creating a stable and scalable operating platform that will have "staying power" in an industry that is volatile, unpredictable and subject to rapid changes.

Contact Kelley Lewis @ klh@klhadvisors.com or 303.829.6536



Silver Eagle endeavors to be a good corporate neighbor, by assisting in positive ways with the Woods Cross and South Davis communities. Silver Eagle endeavors to work collaboratively with municipality governments, agencies, and private groups to improve the quality of life within the immediate surroundings of our Woods Cross Refinery.

Platinum Member



Finley Resources, established in 1997, owns, manages and develops over 3,000 oil and gas properties in eight states. Our primary focus is on acquisition and development with a growing commitment to drilling programs. Our organizational structure is lean and efficient, empowering decision-making throughout all levels of the company. We employ a talented and dedicated staff that brings innovative ideas to our environment daily and we support employee decisions to further enhance their decision-making ability.

Platinum Member



Altamont Energy was established in late 2017 by an experienced team of oil and gas executives to acquire and operate oil and gas properties in the Uinta Basin, Utah. Our main development targets are the prolific Wasatch & Green River stacked formations. Altamont's team members are recognized as industry experts with a reputation for strong ethics, integrity & trust. Our competitive advantage is complemented by our long-established relationships with the basin services providers, the local community & strong relationships with the Ute Tribe, and our commercial partners in Utah.



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