



UPDATE

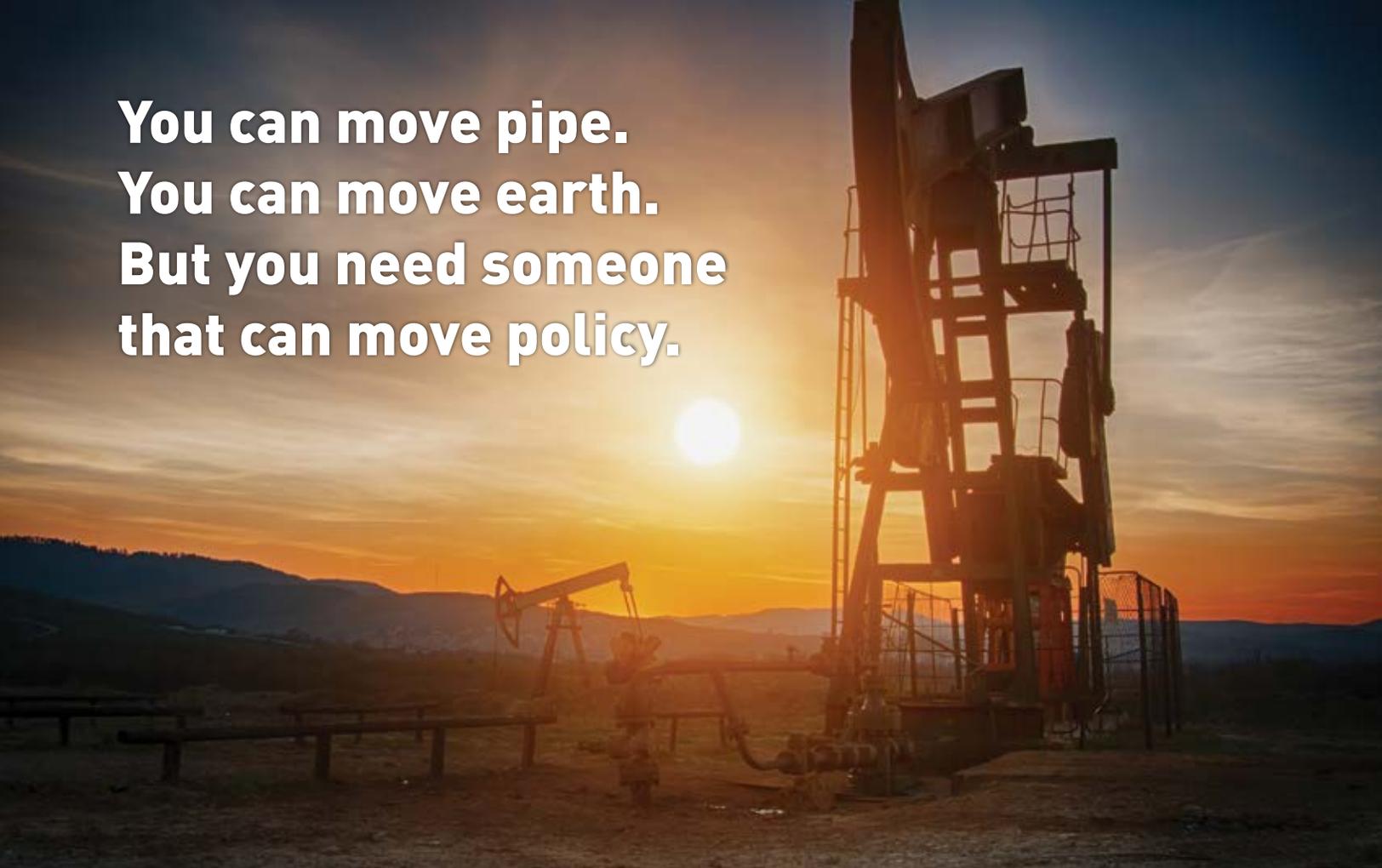
THE OFFICIAL PUBLICATION OF THE
UTAH PETROLEUM ASSOCIATION

PUB YEAR 2 | ISSUE 3

FUELING UTAH'S GROWTH AND PROSPERITY



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RIKKI HRENKO-BROWNING

Resilience is a wholly overused word at this point, but it is one I cannot seem to get out of my head when I think about the work our membership does every day, no matter what. The challenges of the global pandemic that lasted the entirety of 2020 and persisted into early 2021 are far-reaching and have been well-covered. So, let's put that aside and discuss other challenges.

06.
CHAIRMAN'S MESSAGE
JOSH JEMENTE, HOLLYFRONTIER

I am thrilled to take over as Chairman of the Utah Petroleum Association. As things continue to approach whatever we call "normal," it is important to remember that there will always be challenges associated with oil and natural gas development, no matter what happens. As we have seen firsthand, the world is unpredictable, political winds shift and change, and we can never fully know what awaits us down the road.

07.
LUNCH AND LEARN

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.

08.
AN INTERVIEW WITH A CYBER SECURITY EXPERT TERRY HORN

Cybersecurity is a vital area that requires all organizations to acknowledge, understand and implement it. Since we are all now living in an increasingly connected environment for everything from work to play, the scope of vulnerabilities significantly increases. As such, all fields of expertise are required to fully understand all the potential pivot points or areas that can be exploited.

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12.
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16. CHEVRON CELEBRATES COMPLETION OF WORLD'S FIRST ISOALKYL™ PROCESS UNIT AT ITS SALT LAKE REFINERY

Chevron's Salt Lake Refinery held a ribbon cutting ceremony on June 7, 2021, to celebrate the start-up of its new ISOALKYL™ process unit. Lieutenant Governor Deidre Henderson and other Utah leaders joined the event and helped recognize the refinery for its achievement: the new plant is the world's first commercial-scale ionic liquids alkylation unit and represents one of the major innovations in liquid alkylation technology in almost 80 years.

17. ENVIRONMENT SAFETY AWARDS

We're excited to announce the debut of our UPA safety and environmental awards – namely three awards – the "Risk Management Leadership Award," the "Step Change in Safety Award," and the "Environmental Leadership Award."

18. MEMBER HIGHLIGHTS

20. CHEVRON SALT LAKE REFINERY RECOGNIZES BRINDERSON AND MMR WITH CHEVRON SAFETY PERFORMANCE AWARD

The Chevron Safety Performance Award is an annual award given to contractors who work to support Chevron's Salt Lake Refinery. The award has been given out since 2014, and the criteria for the 2020 Gold Award was working more than 25,000 hours at the refinery during a calendar year with no OSHA recordable injuries.

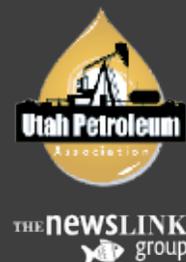
21. BUSINESS LISTINGS

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On May 19 2021, Farmers feeding Utah held Utah's 13th Miracle Project: Duchene County Food Project. The Utah Petroleum Association and it's members raised \$25,000 that will go to help feed Utah families that are in need.

24. THANK YOU CHAIRMAN'S CIRCLE MEMBERS

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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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Josh Demorrett, ConocoPhillips (Vice Chair)



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Rikki Hrenko-Browning, *President*



Jennette King, *Administrative Assistant*



President's Message

Rikki Hrenko-Browning

Resilience is a wholly overused word at this point, but it is one I cannot seem to get out of my head when I think about the work our membership does every day, no matter what. The challenges of the global pandemic that lasted the entirety of 2020 and persisted into early 2021 are far-reaching and have been well-covered. So, let's put that aside and discuss other challenges.

Our industry is recovering, even after the unprecedented commodity prices of April 2020 and in the face of a newly unpredictable policy and regulatory environment. Encouraged by a litany of special interest groups working tirelessly to end fossil fuel development entirely, federal policy makers disregard the realities of what would happen to our way of life and national security if they were to prevail. In January 2021, on the very first day of the Biden Administration, a moratorium on federal oil and gas lease sales and issuances of permits was declared, realizing the industry's fears about what awaits us with the change in national leadership. The permitting moratorium ended, but litigation around the lease sale ban persists with no end in sight and an ongoing review of permitting that is certain to drive up costs.

But these events, while in the forefront of our attention, exist in the background of our day-to-day work. And that's why I can't stop thinking about the word resilience. No matter what happens in Utah, in the United States, or abroad, our members are ensuring the safe extraction, transportation, and refinement of products we all need every single day, without interruption. None of us exists in a vacuum, but each of us contributes in our way to the rich tapestry of American oil and natural gas development and production.

And when we come together, pool our resources for the greater good, and elevate each other's efforts through collaboration, partnership, and the spirit of goodwill and community betterment, we achieve great things. That is why you are the focus of this edition of our quarterly newsletter. You, our member companies, have worked with us, with each other, and on your own to do great things, and it is our honor and our privilege to highlight those achievements.

I think about how only six months into 2021, the Basin has eight active drill rigs, more than in the entire state of Wyoming, and a significant gain over pre-pandemic production levels. Producers are working together to fill crude trains, which can only happen with collaboration and a shared focus on solidifying new export markets to sustainably grow production in the Basin.

I think about our downstream sector again voluntarily rising to the challenge. Chevron's homegrown technology innovation will be a boon to the industry well beyond Utah and will help keep our employees and communities even safer. After our downstream sector delivered on Tier 3, we are proud to demonstrate again that we are an industry of innovators, using technology to help solve our common challenges.

I think about how we raised \$25,000 for the Farmers Feeding Utah event that benefitted Duchesne County and how the men and women of our companies donated their time, effort, and sweat equity to pack and distribute food for those who need it most. I think about raising more than \$9,000 for the 7th Generation Fund, which provides scholarships and educational programs for the Ute Tribe.

I think about Utah Energy United, how people from inside and outside the oil and gas industry volunteered and contributed their voices, wanting to ensure our story is heard above the perpetual din of federal busybodies. These meddlers often find it easy to ignore those most impacted by policies made thousands of miles away. But quite frankly, your voices are the ones that should matter most when it comes to conversations about oil and natural gas, but paradoxically are the most readily discarded because distance and myopia are high hurdles to understanding. We cannot affect change without you, so if you have not signed up for Utah Energy United, visit utahpetroleum.org/Utah-energy-united/ and add your name to the list. We are grateful to you when you do.

These examples, and more, provide not only the backbone of this edition of our newsletter, but the foundation upon which I hope our industry is understood going forward. We appreciate the value of teamwork, the vital need to innovate, and are committed community partners. While I recognize that those values are not how much the broader community sees our industry, it is those values that will drive our resilience through this time of political turmoil and transition. And it is our job at the Utah Petroleum Association to be your megaphone, your champion, and your advocate.

And no matter what we encounter down the road from a policy, technical, public opinion or global health perspective, I can assure you we will be resilient in our efforts.

Thank you for all that you do and enjoy the newsletter. 💧



Chairman's Message

Josh Jemente, HollyFrontier

I am thrilled to take over as Chairman of the Utah Petroleum Association. As things continue to approach whatever we call "normal," it is important to remember that there will always be challenges associated with oil and natural gas development, no matter what happens. As we have seen firsthand, the world is unpredictable, political winds shift and change, and we can never fully know what awaits us down the road.

One constant in the oil and natural gas industry is adaptability and evolution, and our members of the Utah Petroleum Association demonstrate those values. Oil and natural gas are unlikely to be universally popular. Still, it is incumbent upon us to continue innovating, telling our story, and conveying the value that we bring every day in delivering the energy that powers our daily lives. Here's an example from the refining industry.

As consumers have begun to demand lower carbon fuels, many refineries have begun either converting or expanding refining facilities to produce renewable diesel. Chemically identical to regular petroleum diesel, renewable

diesel is a low-carbon fuel made from renewable sources. It produces less greenhouse gas emissions while performing the same as regular petroleum diesel. Renewable diesel can be used anywhere that regular diesel is used, without modification to engines or infrastructure.

This is but one example out of countless others from across our industry. Still, it stands as a testament to the adaptability and innovation of the fossil fuel industry, two words you do not often hear associated with us outside of our circles. In helping to shepherd stories like this, we evolve the larger cultural conversation around what we do, how we do it, and why I am excited about my role as Chairman for UPA.

I look forward to working with all of you, and if there is anything I can do personally to encourage your work or amplify your message, do not hesitate to contact me at joshua.jemente@hollyfrontier.com. Thank you for your continued good work and support of the Utah Petroleum Association. 🔥



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 topics ranging from ozone nonattainment challenges, both along the Wasatch Front and the Uintah Basin, to diversity and inclusion in the oil and gas industry, to getting to the bottom of higher gasoline prices. Join us to learn more about a range of timely topics impacting our industry

Sign up on our website at:
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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Website:
utahpetroleum.org/

An Interview with a Cyber Security Expert

Terry Horn



WOODSTAR | LABS

**Associated Universities Inc.
Director of Operational Technology**

“

As the technology and the population that leverages it both grow, we will experience additional cyber threats and new attack vectors. Areas that we see the most concerning are areas within the critical infrastructure space.

”

What is your background in cybersecurity? Also, how and when did you begin working at AUI?

Cybersecurity is a vital area that requires all organizations to acknowledge, understand and implement it. Since we are all now living in an increasingly connected environment for everything from work to play, the scope of vulnerabilities significantly increases. As such, all fields of expertise are required to fully understand all the potential pivot points or areas that can be exploited.

My first introduction to cybersecurity was while working as a chemical engineer at a large specialty chemical manufacturer. At that time, I focused on operational technology (OT) or industrial controls systems (ICS) and how they interacted with the physical process or the manufacturing environment. During that time, my focus was to ensure that the systems and processes were operating safely and efficiently. Cybersecurity was not the most important factor. Not until we started to move away from “air-gapped” or isolated systems to more connected environments did we consider the risks and implications of cyber events. Since our systems interact with the physical realm, our cyber risks in the OT environment needed to be recognized, evaluated and mitigated.

AUI is a key driver for cybersecurity education, consulting and working partnerships. It allows us to leverage our passion for cybersecurity across all marketplaces and clients in both OT and traditional information technology (IT). We strive to help our partners recognize and solve difficult challenges while ensuring solutions are implemented based on the risks and resources of each client. As an employee at AUI for over two years, I value our mission and vision to help our clients understand, mitigate and manage cybersecurity challenges.

According to the AUI website, it was chartered in 1946. What can you tell me about AUI’s history with respect to cybersecurity?

AUI makes scientific breakthroughs possible. We enable scientists by managing and operating large scientific facilities, allowing the scientists to focus on the science. Much has changed over the years and to be a good management organization means keeping up with ever-evolving challenges and responding to changing needs. Our operational support enabled nuclear medicine, the first images of DNA, and more recently, the first image of a black hole.

In 1946, cybersecurity meant locking the door to the computer room. Today, in order to prevent theft of intellectual property and maintain business

continuity, management organizations need to have robust cybersecurity capabilities and promote proper cyber hygiene at the facilities they manage. Our leadership has served in the military and worked in the highest offices of government. They understand this evolving need well. They established Woodstar Labs to improve AUI's cybersecurity operations, increase our capacity as a management organization, and make the highest and best use of our capabilities as a nonprofit, nonmember institution.

In addition to securing ourselves and our managed facilities, AUI and Woodstar Labs are focused on securing critical infrastructure. We convened the National Commission on Grid Resilience, led by General Wesley Clark (U.S. Army, retired), to provide nonpartisan, actionable recommendations to secure our electrical grid.

Leadership at the North Carolina State Board of Elections understands the need to secure critical infrastructure, too. They were our first clients in the election space, and we continue to work together as Woodstar Labs explores securing states across the country.

Cybersecurity has been important for a while now. The following website link (<https://www.arnnet.com.au/slideshow/341113/top-10-most-notorious-cyber-attacks-history/>) lists an attack as early as 1988. What do you think about the list ARN staff put together? Would you change it in any way?

I believe ARN, like most organizations, recognizes the evolution of cyberattacks as technology has matured and grown to be more embedded in our lives. They did a nice job of capturing some of the earliest attacks. As the technology and the population that leverages it both grow, we will experience additional cyber threats and new attack vectors. Areas that we see the most concerning are areas within the critical infrastructure space.

As mentioned in the ARN article, cyberattacks are nothing new, but the areas and ways they are targeting our environment are. One example that comes to mind within the critical infrastructure environment was Stuxnet. It really changed the landscape of cyberattacks. The malicious computer worm, uncovered in 2010, targeted ICS networks in the critical infrastructure environment.

Another ICS-related cyberattack worth mentioning is the malware known as TRISIS that affected Triconex/Triton engineering systems. This malware targeted the safety interlock systems at a large oil/gas facility in 2017. The malware could allow the attacker to either change process setpoints, causing physical damage, or shut down the system, resulting in process downtime.

It is important to follow these reports. They show the level of sophistication in cyberattacks and the importance of organizations to acknowledge these attacks in their own risk analysis. The book *Dark Territory: The Secret History of Cyber War* by Fred Kaplan does an outstanding job of tracing the roots of some of the most damaging cyberattacks since the 1980s – I highly recommend it.

What can you tell me about the Colonial Pipeline ransomware attack in May 2021?

As mentioned by our own federal government and others in the field, we need to consider that attackers target our critical infrastructure environments by leveraging either known or unknown attack vectors. I think we all need to assume that we are a target and include these scenarios as part of our own internal risk assessments. By doing so, organizations may see the need to change processes, policies, or procedures to mitigate, transfer, or avoid the risk.

Unfortunately, I think we will see an increase in these types of attacks. OT and common IT networks are converging to either increase efficiency and/or reduce process expenses. Operations managers need to continue to ask "what if" scenarios on their processes with a focus on cyber threats.

“

I believe ARN, like most organizations, recognizes the evolution of cyberattacks as technology has matured and grown to be more embedded in our lives.

”

According to an online news story, the Colonial Pipeline ransomware attack has prompted changes in federal pipeline security guidelines (<https://www.nbcnews.com/tech/security/colonial-hack-dhs-issues-first-cybersecurity-regulation-pipelines-rcna1050>). Had petroleum companies put any security measures in place before the attack?

From our experience with previous clients and companies we supported, we often find that they have a level of security in place. However, we often coach organizations to better understand that as technology and systems evolve to be more dependent on network connections and real-time data, we must consider that the attack vector changes drastically. We must assess risks regularly and ensure that we train our staff by developing critical cyber skills to address the ever-evolving attack landscape.

What changes have companies made since the attack?

We see organizations starting to talk about it more. Leaders are prioritizing and allocating more resources and attention to the issue. If organizations are still unsure of the first steps, we recommend leveraging a good partner in the industry to start the process. Doing so ensures that organizations will not be working in a silo and will allow for a depth of experience.

What security guideline changes do you expect to see in the future?

DoD will soon require organizations doing business with DoD to pass a new cybersecurity standardization, called the Cybersecurity Maturity Model Certification or CMMC (<https://cmmcab.org/cmmc-standard/>). This new model will require organizations to meet various cybersecurity maturity levels based on the type of business they are pursuing with DoD. Other federal organizations have also unofficially stated that they intend to have their contractors, supplies and supporting service providers meet these requirements.

AUI is a leader in CMMC and supports organizations as they prepare for these new guidelines and requirements. We focus on education, training, consulting, and assessing for these new cybersecurity requirements.

Do petroleum companies support the changes being mandated by the Department of Homeland Security?

Within our partnerships and networks, we see many organizations working together to understand the risks and how the government can influence the best practices, specifically within the critical infrastructure environment. We see many opportunities where both the government and private industry can solve these complex issues.

🔥 Continued on page 10

Continued from page 9



... there are many resources available to help organizations improve their cybersecurity posture that won't break the bank.



The DHS's Cybersecurity and Infrastructure Security Agency (CISA) regularly puts out threat alert information to relevant critical infrastructure sectors and supports the various sectors, including their Information Security and Analysis Centers. CISA is a good resource for best practices and other information; however, it is up to each individual organization to secure their networks and devices.

What are the best ways for companies to protect themselves from ransomware attacks?

Based on our experience in the field, we believe that organizations must first understand their own risks and how their environment interacts with technology (environmental vulnerabilities). For example, at Woodstar Labs, we have a dedicated process to identify, classify, and quantify risks. Once risks are identified, we can help prioritize these risks and understand ways to either mitigate, transfer, or avoid the risk. This process will build an in-depth defense perspective, ensuring that resources are allocated to the highest priorities. By establishing this process, we help organizations understand unknowns and how they may affect their business.

In the OT and the critical infrastructure environment specifically, key processes must function without digital dependence. That is, there should always be an analog fallback to ensure that critical functions can still operate if or when digital assets are compromised or unavailable. Although the analog functions will lack efficiency and might be more resource-intensive, they will allow for key initiatives and processes to continue until the primary systems are recovered.

What training is needed for someone to be a cybersecurity expert?

Becoming an expert in any field involves a dedicated journey that requires someone to commit time and personal development to master. However, cybersecurity is a great field to start at any point in one's career. There are several entry-level certifications that someone can take to gain an initial understanding and foundation. For example, AUI has several certifications (entry-level, intermediate and advanced) and training courses that someone can take to advance their current career or start a new career in cybersecurity. It is a growing field and one that requires all organizations to attract those with the skills and the talent.

The DoD maintains a list of certifications that they commonly require in their 8570 publication. If an organization is looking for a list of recommended certifications, that's our go-to reference.

Are there any other comments about cybersecurity you would like to make?

Leadership must prioritize cybersecurity to ensure that their organizations are successful at establishing good cyber hygiene. As organizations grow, they will be more visible, and they will need to ensure that their risks are identified and

mitigated. In addition, organizations must evolve with the technology and the changing threat landscape.

If organizations do not have the skills or talent in their own teams, they must reach out and find great partners to help them in the cybersecurity journey.

We also should note that there are many resources available to help organizations improve their cybersecurity posture that won't break the bank. For example, AUI is establishing an apprenticeship program focused on assisting manufacturers across the state of Utah. We're partnering with Davis Technical College, the University of Utah's Manufacturing Extension Program, and ImpactUtah to create and launch this program this fall. If any readers would like to get involved, please just reach out and let us know!

For more information, please contact Mr. Horn at (517) 378-6834 or tahorn@aui.edu.

Mr. Horn serves as the Director of Operational Technology (OT), leading the OT Cybersecurity Department for AUI & Woodstar Labs. Mr. Horn operates across AUI to set the strategic direction for the OT research portfolio in areas relating to industrial control systems (ICS), industrial internet of things (IIoT), building control systems (BCS), Smart Grids and Supervisory Control and Data Acquisition (SCADA). He is responsible for identifying new and evolving opportunities in basic and applied OT research; and leads AUI Labs business development resources on the most relevant and timely opportunities. He is also responsible for the organization's cybersecurity maturity model certification (CMMC) efforts related to business development, education initiatives, and program growth.

At Deloitte, he served as a SME for ICS cybersecurity. Project work included testing, analysis, cybersecurity, and DoD Risk Management Framework (RMF) accreditation support for the Navy's NAVFAC Smart Grid project. In addition, he provided cybersecurity services for critical asset discovery, governance, security control implantation, and cybersecurity audit analysis for process control networks for several major U.S. commercial refineries and NIH.

As a lead engineer at Booz Allen Hamilton, he served the federal client in ICS and as an overall SCADA/DCS SME. He provided guidance and recommendations for ICS topics related to cybersecurity and vulnerability analysis. In addition, he supported the concept of machine learning applications to OT cybersecurity architecture.

Previously he served as a chemical engineer at Eastman Chemical Co., led roles in process improvement, resource & energy efficiency, project management, safety analysis, manufacturing support & troubleshooting, industrial controls, research & development, environmental operations and personnel management.

As an Army Major, he served as a leader in the Army Engineer Corps and Army Aviation. Positions include Company Commander, Operations & Plans Officer, Aviation Maintenance Officer, Battalion S3, Battle Captain and Platoon Sergeant. Leadership experience includes Combat service in both Afghanistan and Iraq.

Education: University of Kentucky MBA, Gatton College of Business B.S., Chemical Engineering

Certifications & Security Clearances:

- Professional Engineer (P.E.)
- Project Management Professional (PMP)
- Certified SCADA Security Architect (CSSA)
- Security+, Network+
- FAA Certified Commercial Pilots License (CPL)
- Six Sigma Green Belt
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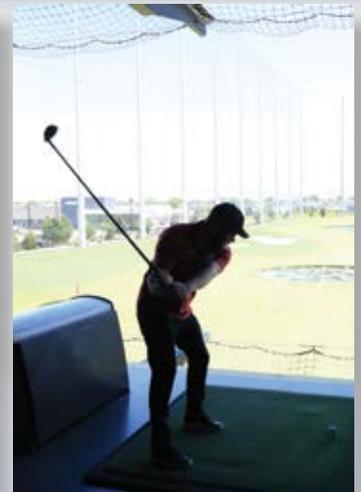
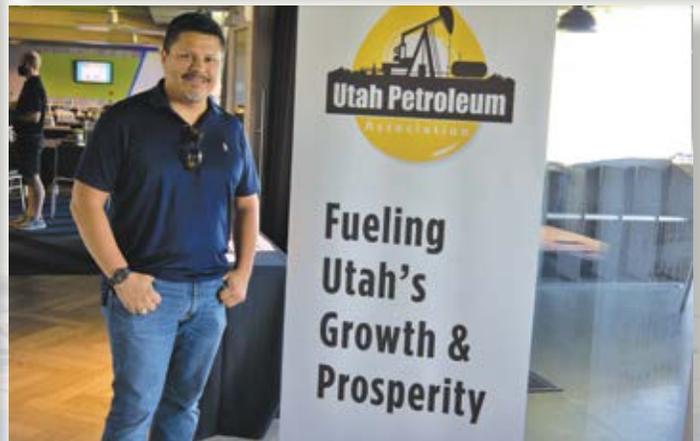
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Stroke of Luck Charity Golf Mixer at Top Golf

We had a great time kicking off a brand-new UPA event, our Stroke of Luck Charity Golf Mixer at Top Golf! We used this as an opportunity for some long overdue in-person networking with clients, colleagues and key partners. At the same time, we enjoyed an afternoon playing a little golf, having lunch and strengthening relationships. Most importantly, we were thrilled to have raised funds to support the Seventh Generation Fund, which provides for higher education needs, scholarships, and educational programs for members of the Ute Indian Tribe. We sincerely appreciate our relationship with the Ute Tribe and are honored to have the opportunity to support this critical education initiative. A big thanks to all those that joined us or donated! 🍷



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Industry Updates



Financing

The Biden administration's energy and fossil-related policies are broadening, as anticipated. An initiative led by special presidential climate envoy John Kerry to utilize the financial sector to bolster the administration's U.S. carbon emission reduction goals looks to block financing and services to fossil-related energy clients. In response, Republican lawmakers and state treasurers have vocally criticized efforts to "de-bank" conventional energy and fossil fuel companies. Fifteen Republican state treasurers – and possibly more to come – are threatening to pull assets from large financial institutions if they make moves to decarbonize their lending and investment portfolios. To date, those treasurers signed on collectively manage more than \$600 billion in assets in state treasuries, pension funds and other government accounts.

We can expect to see more of such moves from the administration: ratcheting up pressure to reduce emissions through direct regulation and broader indirect policies and pressures. To put the implications into context, at the time of this writing, the Baker Hughes rig count shows Utah has nine drill rigs, with eight of those rigs active in the Uintah Basin. (That is currently more than the entire state of Wyoming, weighing in with four rigs). To continue to grow the Basin sustainably and create new crude export markets, access to financing will be critical. This initiative threatens every segment of our industry - from exploration all the way down the value chain to finished fuels.

Upstream

On the upstream side, the regulatory environment has continued to evolve with the passing of a significant new rule, R649-11 Administrative Penalties'. Effective May 27, 2021, the Division of Oil Gas and Mining and the Board of Oil Gas and Mining now can directly levy and collect fines and penalties for various violations, a rule that resulted from SB148 passed during the

2020 legislative session. UPA was actively involved in developing both the legislation and this new rule. We support giving the Division the needed tools to promptly and appropriately address noncompliance while balancing the ability for responsible operators to promptly correct issues without further penalties. Highlights for the Board and Division include:

- The authority to impose administrative penalties, not to exceed \$5,000 per day for each day of violation when a person violates Utah Code Title 40, Chapter 6, or a permit, rule, or order made thereunder. The penalty cannot exceed \$10,000 for each day of violation when the Board determines the violation was willful.
- Establishing a standardized violation schedule with penalty adjustments increasing or decreasing based on aggravating and mitigating factors.
- Requiring notice that sets forth the actions necessary to cure violations before any penalty is levied and provides a transparent appeals process.

The upstream regulatory march will continue with informal stakeholder discussions with the Division beginning a new bonding rule in June or July. We expect the rule to include significant and broad changes, and UPA is already preparing and coordinating our position. If you have not engaged with us on this issue yet, please contact UPA President Rikki Hrenko-Browning at rhenko-browning@utahpetroleum.org so we can make sure to include your input.

Downstream

A significant development for our downstream sector and other businesses, both large and small, across the Wasatch Front is the Division of Air Quality's (DAQ) development of the 179B package as allowed by the Clean Air Act. A 179B(b) demonstration would prevent a bump-up in nonattainment status

(currently at marginal) if the state can prove that the area would have met the National Ambient Air Quality Standard and the influence of pollution emanating from international sources. It would also provide the DAQ with more flexibility to pursue targeted strategies more likely to improve air quality, rather than focusing on the limited, strict, and so far unsuccessful controls required by a State Implementation Plan (SIP). You can find the package that the DAQ submitted to the EPA at the end of May at <https://documents.deq.utah.gov/air-quality/planning/air-quality-policy/DAQ-2021-005764.pdf>

UPA submitted extensive technical comments on that draft package, including what additional data points would support a technically robust 179B demonstration. We are also appreciative of a joint letter of support for the demonstration from state leadership, including the Governor, Lieutenant Governor, Senate President, and Speaker of the House to EPA Region 8 Acting Regional Administrator Deb Thomas. This joint letter also addressed the issue of ozone levels, stating, in part:

"... average ozone levels have remained virtually unchanged. Therefore, we strongly encourage your support of a data-driven decision not to continue pursuing policy and regulatory decisions based on the very rigid and limited controls that would be required under a State Implementation Plan (SIP) under a Moderate classification, which have shown little indication of actually reducing ozone over the last decade and a half."

You may have also heard about skyrocketing ethanol costs and growing Renewable Fuel Standard (RFS) challenges. The RFS is a government mandate requiring biofuels, such as corn ethanol and biodiesel, be blended into the gasoline and diesel sold in the United States. Federal law requires refineries turn in renewable identification numbers (RINs) to the EPA. For ethanol, RINs are like a receipt proving the ethanol was purchased and blended into gasoline. Most refineries are not able to blend ethanol, so they buy RINs second-hand on the open market. RINs come with a price and there are only so many of them. As the federally set quotas go well beyond consumer demand, the RFS mandates have become more unrealistic, creating significant problems for American refineries paying for the RFS. Ethanol RIN prices have skyrocketed 1800% since January 2020. To put into today's perspective, this is comparable to a gallon of milk increasing in price to \$64. Many refiners are spending more on compliance costs for the RFS than most other expenses, including payroll and electricity, even resulting in some facilities having to shut down. Throw into the mix disputes and changing legal interpretations of the so-called small refinery exemption (which all five Salt Lake facilities are classified), and the situation gets even more challenging. Expect to hear more about the RFS, its impact on gasoline prices, and hopefully some structural changes ahead.

Legislative

Over this summer and fall, UPA will be closely engaging on several legislative issues addressed through the interim committee meetings. A complete list of watch and action items has been developed with our legislative committee. One highlight includes engaging with the Natural Resources, Agriculture and Environment Committee on the impact of the federal administration's executive orders and policies regarding the climate crisis and federal leasing review. We also anticipate the opportunity to brief the Public Utilities, Energy and Technology Committee on intentional emissions on the Wasatch Front and the importance of the 179B demonstration (see the Downstream section for details) to continued economic growth and achieving real air quality improvements. Another key issue will be working with stakeholders and briefing the Political Subdivisions Committee on SB129 Real Property Recording Amendments.

We are also thankful to Representative Watkins for her commitment to HB0444 Sales and Use Tax Refund Modifications. This bill was numbered



... at the time of this writing, the Baker Hughes rig count shows Utah has nine drill rigs, with eight of those rigs active in the Uintah Basin. (That is currently more than the entire state of Wyoming, weighing in with four rigs).



during the 2021 legislative session and will progress through the interim, preparing for a run in the upcoming 2022 session. This bill would provide the upstream sector with similar tax treatment as already enjoyed by the mining and manufacturing industries, including our downstream sector, and remove the double taxation currently in place. Rather than entirely exempting sales tax, the bill would refund only the state portion of sales tax, allowing local municipalities to continue to receive the much-needed sales tax revenue that supports local infrastructure, public safety and government services. This is a win-win for producers and the local community. 🍷

'Docket No. 2020-033, Cause No. R0&G-2020-02



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Chevron Celebrates Completion of World's First ISOALKY™ Process Unit at its Salt Lake Refinery



Chevron's Salt Lake Refinery held a ribbon cutting ceremony on June 7, 2021, to celebrate the start-up of its new ISOALKY™ process unit. Lieutenant Governor Deidre Henderson and other Utah leaders joined the event and helped recognize the refinery for its achievement: the new plant is the world's first commercial-scale ionic liquids alkylation unit and represents one of the major innovations in liquid alkylation technology in almost 80 years.

How was ISOALKY™ Technology developed?

The science behind ISOALKY™ Technology originated more than twenty years ago at Chevron's research facilities in California. Chevron first began exploring the viability of ionic liquids in 1999, and in 2004, company scientists identified a catalyst for alkylation. In 2009, Chevron selected its Salt Lake Refinery to pilot a 10 barrel-per-day (BPD) plant and prove out the technology. The pilot plant was in operation for five years, gathering the data needed to design a full-scale processing unit. After 1.9 million workhours and three years of construction, the full-scale ISOALKY™ plant was built by retrofitting the refinery's hydrofluoric acid (HF) alkylation unit. The full-scale ISOALKY™ Plant was commissioned in January 2021 with project start-up and testing taking place during Q1.

What are the benefits of ISOALKY™ Technology?

ISOALKY™ Technology offers process safety and performance advantages over conventional alkylation technologies. Ionic liquids (i.e. non-aqueous liquid salts) have properties that enable the production of alkylate without the volatility of conventional acids, allowing for simpler handling procedures and the use of standard personal protective equipment.

The retrofit of Chevron's alkylation unit to install ISOALKY™ Technology represents a major investment for the refinery and has allowed it to take hydrofluoric acid out of plant operations, proving this first-of-its-kind technology to the refining industry globally.

In addition to its process safety advantages, ISOALKY™ Technology has wider and improved feed flexibility relative to conventional alkylation technologies. Ionic liquids are regenerated on-site, eliminating the need for the road transportation associated with offsite regeneration and polymer byproduct handling.

ISOALKY™ Technology has been licensed to UOP Honeywell to supply the industry, meaning more facilities like this can be expected around the world in the future.

An example of what's possible in Utah

For Chevron's Salt Lake Refinery, this project is a demonstration of its continued dedication to the Beehive State.

"This is one more example of our commitment to safe and reliable operations, protecting the environment and investing in our local community," said Bryon Stock, Refinery Manager. "Chevron operates at the privilege of the community, and without its support this project would not have been possible."

"Utah is a great place to innovate and that's what's exciting about this project," said Lieutenant Governor Deidre Henderson during remarks at the event. "This is a state where big things and big dreams can be possible and this cutting-edge technology for the refining industry, which has been built right here in our state, is evidence of that." 💧

Environment Safety Awards

We're excited to announce the debut of our UPA safety and environmental awards – namely three awards – the "Risk Management Leadership Award," the "Step Change in Safety Award," and the "Environmental Leadership Award."

We are looking forward to elevating and highlighting leadership across safety and environmental performance and providing positive stories about our industry's accomplishments right here in Utah. Recognition will be given at UPA's annual meeting, on social media, highlighted in this newsletter and in a press release that we will promote with the media. Look for more information to come over the summer with nominations due in October.

Start thinking about what colleagues, teams, or projects you think deserve recognition for their leadership!



Step Change in Safety Award

- Recognizes an action that results in a significant process change or organizational culture change, with a focus on innovation or broader step changes
- Applicable to PSM and HSE related topics
- Awarded to a company
- Applicable to upstream and downstream



Risk Management Leadership Award

- Recognizes an action that results in an improved safety result or process such as improving the likelihood of preventing an accident or incident
- Applicable to PSM and HSE related topics (awardee does not have to be a PSM or HSE professional)
- Awarded to a person or project team
- Applicable to upstream and downstream



Environmental Leadership Award

- Applicants required to demonstrate that there is a positive material environmental impact and that the activity went above and beyond regulatory requirements
- Can be given to a person, project team or company
- Applicable to upstream and downstream 🟡



Member Highlights

Allied Universal®'s AI-Powered Workforce Management Tool Helps Mitigate Risk



HELIAUS® is Allied Universal's Artificial Intelligence (AI)-powered workforce management solution streamlining security operations at your site through advanced technology that generates intelligent recommendations to help mitigate risk. HELIAUS® was launched by Allied Universal in 2019 and is deployed at thousands of client sites across the country. HELIAUS® provides new efficiencies to our clients through innovative processes such as real-time communication, live post orders, and putting insight into the hands of your security leadership to better protect your people, brand, and assets.

Currently, HELIAUS® is being deployed at a CPC site on the East Coast at one of the world's leading companies focused on improving human health and well-being. This client came to Allied Universal seeking a solution to provide them with accountability, transparency, and full reporting functionality to ensure their security program was operating at its full capacity and efficiency. Accompanied by a CID1 intrinsically safe case, the HELIAUS® mobile device is used to track security professional's location, complete workflows and

tasks to ensure doors are being secured and accidents are being prevented. HELIAUS® is able to provide value to this site because it's more than just a tour-management system as it offers customizable and adaptable workforce management solutions. HELIAUS® can help increase safety and savings for your security program, no matter the type of business or facility you operate.

HELIAUS® offers a variety of benefits for you:

- User Friendly Dashboards
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- Zone-Based Smart Sensors
- Dynamic Tours

24 Years and Counting: Ovintiv's Annual Roadside Clean-up Event



Ovintiv's Uinta Basin field office employees pitched in for the company's 24th annual roadside clean-up day on May 19th. Approximately 125 staff donned their orange safety vests, grabbed a pair of gloves and stuffed their pockets with trash bags as they combed the roadsides of Myton, Utah.

"Engaging with the community is more than just writing a cheque," said John Knox, Ovintiv vice president – land, and event participant. "We take pride in rolling up our sleeves and making a difference in our operating communities," he shared.

While this year's haul of 4,340 lbs. is remarkable, it is less than previous years' totals, which is encouraging as we work to keep our community clean.

Ovintiv Supports Farmers Feeding Utah

Ovintiv supported the Farmers Feeding Utah's May 18th event in Duchesne through a donation of \$2500. Utah families are still working their way through the effects of the pandemic and Ovintiv is proud to give back through this much-needed financial support.



Ovintiv's Myton office staff pose roadside during their 24th annual clean-up event.

ConocoPhillips Awards \$11,000 in Grants to Utah Organizations



ConocoPhillips is dedicated to investing in local communities through charitable giving, employee volunteerism and sponsorships. This year, we have awarded approximately \$11,000 to five organizations in Utah that directly address vital needs in the communities where we live and operate. We were proud to present grants to the Boys and Girls Club of Greater Salt Lake, Southeast Utah Community Development Corporation, Carbon Caring for Kids, EPICenter and Needs Beyond Medicine. 💧

Chevron Salt Lake Refinery Recognizes Brinderson and MMR with Chevron Safety Performance Award



MMR employees receiving the Gold Award from Chevron.



The Brinderson site team united to implement a strong culture shift mid-year amid the pandemic and this achievement is a direct reflection of their commitment to deliver safe work.

The Chevron Safety Performance Award is an annual award given to contractors who work to support Chevron's Salt Lake Refinery. The award has been given out since 2014, and the criteria for the 2020 Gold Award was working more than 25,000 hours at the refinery during a calendar year with no OSHA recordable injuries.

In 2020, 13 Gold Awards and 10 Silver Awards were given out. Among the recipients of the Gold Award were Brinderson, whose craftsmen and women supported the refinery's Maintenance and Small Capital Project teams, and MMR Group Inc., an electrical and instrumentation company that assisted with the refinery's 2020 turnarounds and ISOALKY™ project.

Brinderson began providing maintenance and capital construction at the Salt Lake City refinery in January 2020. Brinderson Vice President Rhett Dixon stated, "The safety of each employee is our top priority, and Chevron's

recognition by way of this Gold Award reinforces the results of our safety culture and demonstrates our employee's beliefs in our core value that Zero Incidents are possible."

Upon receiving this award, MMR President/CEO James "Pepper" Rutland said "Being recognized by Chevron for our commitment to safety is an honor. Receiving this award demonstrates MMR's continued efforts to implement safe work practices throughout our organization."

Safety is Chevron's highest priority and why the refinery chooses to annually recognize those who uphold the highest standards of safety. Companies like Brinderson and MMR represent business partners who share Chevron's values about protecting the wellbeing of the workforce and the integrity of operations in the oil and gas industry. 💧

Utah Petroleum Association

Business Listings

We at the Utah Petroleum Association express our appreciation to our members. We encourage you to buy within the industry and do business with your fellow members. We are stronger when we work together!

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Farmers Feeding Utah



On May 19 2021, Farmers feeding Utah held Utah's 13th Miracle Project: Duchene County Food Project. The Utah Petroleum Association and it's members raised \$25,000 that will go to help feed Utah families that are in need. ♡



XCL participated in the Farmers Feeding Utah event on May 19th. XCL is committed to supporting and investing in the local community and we were thrilled to participate as a sponsor and also assist hands-on with distribution of the items to families on the day of the event.

For more information on Farmers Feeding Utah or to make a donation please visit farmersfeedingutah.org.



Thanks to all those who have made a **generous contribution!**



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Thank You

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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.



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 relations with the basin services providers, the local community & strong relationships with the Ute Tribe, and our commercial partners in Utah.

Platinum Member



XCL Resources is a private oil and gas company focused on maximizing risk-adjusted returns on assets that require efficient development.



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