

Senator Kevin T. Van Tassell proposes the following substitute bill:

1 **CONCURRENT RESOLUTION SUPPORTING NEW**
2 **TECHNOLOGIES AND FACILITIES THAT ENHANCE THE**
3 **PRODUCTION AND VALUE OF UINTAH BLACK WAX**

4 2012 GENERAL SESSION

5 STATE OF UTAH

6 **Chief Sponsor: Kevin T. Van Tassell**

7 House Sponsor: John G. Mathis

9 **LONG TITLE**

10 **General Description:**

11 This concurrent resolution of the Legislature and the Governor expresses support for
12 new technologies and facilities that allow for and enhance the production and value of
13 Uintah Black Wax in the Uintah Basin.

14 **Highlighted Provisions:**

15 This resolution:

- 16 ▶ expresses support for new technologies and facilities that allow for and enhance the
17 production and value of Uintah Black Wax in the Uintah Basin; and
18 ▶ encourages the cooperation and consideration of local, state, and federal officials in
19 efforts to develop an oil and upgrading facility in the Uintah Basin in a manner that
20 is prudent, ethical, and lawful.

21 **Special Clauses:**

22 None

24 *Be it resolved by the Legislature of the state of Utah, the Governor concurring therein:*

25 WHEREAS, the United States is seeking energy development opportunities;



26 WHEREAS, using natural resources from all possible energy producing sources is
27 integral to economic growth;

28 WHEREAS, within the Uintah Basin of the state of Utah, there is an abundance of
29 crude oil commonly referred to as Black and Yellow Wax crude;

30 WHEREAS, geological estimates put the potential of this resource on equal footing
31 with the largest oil developments in the United States;

32 WHEREAS, on average, the United States imports from foreign sources more than half
33 of all oil sold in America;

34 WHEREAS, a significant amount of imported oil comes from countries and regions
35 hostile to the interests of the United States;

36 WHEREAS, conservative estimates indicate that there is more recoverable oil on
37 federal lands in the United States than in Saudi Arabia, a major source of imported oil;

38 WHEREAS, a significant amount of the oil in the Uintah Basin is found beneath tribal
39 lands;

40 WHEREAS, the Ute Indian Tribes receive significant compensation from oil
41 production on tribal lands;

42 WHEREAS, the United States Treasury receives significant revenues from severance
43 taxes paid from oil extraction on federal and tribal lands;

44 WHEREAS, the state of Utah receives significant revenues from the severance taxes
45 paid from oil extraction on lands within the state;

46 WHEREAS, the Utah School and Institutional Trust Lands (SITLA) receives
47 significant revenues from oil extracted on SITLA lands in the Uintah Basin;

48 WHEREAS, the economies of the counties in the Uintah Basin depend upon the oil and
49 gas industry;

50 WHEREAS, the major producers of oil in the Uintah Basin are actively pursuing
51 opportunities to increase production;

52 WHEREAS, because of the molecular nature of the wax crude in the Uintah Basin, the
53 refineries in North Salt Lake are currently the only viable market for producers of the wax
54 crude;

55 WHEREAS, delivery of the wax crude to the North Salt Lake refineries requires
56 significant volumes of truck traffic on local roads and Utah's Highway 40;

57 WHEREAS, heavy truck traffic on these roads requires expensive maintenance and
58 adds to air quality issues in the Uintah Basin and along the Wasatch Front;

59 WHEREAS, the North Salt Lake refineries are at or near their capacity to take more
60 wax crude, thereby artificially capping the market for increased oil production in the Uintah
61 Basin;

62 WHEREAS, expansion potential of the North Salt Lake refineries could be impacted by
63 current air quality challenges along the Wasatch Front and by a hostile federal Environmental
64 Protection Agency;

65 WHEREAS, an oil upgrading facility could change the molecular structure of the wax
66 crude to liquefy it and allow the wax to be delivered via pipeline to other markets;

67 WHEREAS, an oil upgrading facility in the Uintah Basin would allow for increased
68 production of the wax crude in the Uintah Basin, to the benefit of all Utahns; and

69 WHEREAS, private companies are willing and anxious to build an oil upgrading
70 facility on private land in the Uintah Basin:

71 NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of Utah, the
72 Governor concurring therein, supports and encourages new technologies and facilities that
73 allow for and enhance the production and value of Uintah Black Wax.

74 BE IT FURTHER RESOLVED that the Legislature and the Governor urge that the
75 development of an oil upgrading facility in the Uintah Basin, through the cooperation and
76 consideration of local, state, and federal officials, be conducted in a manner that is prudent,
77 ethical and lawful.

78 BE IT FURTHER RESOLVED that a copy of this resolution be sent to the United
79 States Secretary of the Interior, the Utah Petroleum Association, the Utah Department of
80 Natural Resources, and the Public Service Commission, and the members of Utah
81 congressional delegation.