

# The Salt Lake Tribune

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## Way cleared in Utah for 1st new U.S. refinery since 1976

**Energy • Tax credit in hand, 2 investment firms envision \$225 million plant in Emery County.**

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The Governor's Office of Economic Development on Wednesday cleared the way for the first oil refinery to be built in the U.S. in almost 40 years when its board gave a large tax credit to a joint venture of two investment firms for a project in Utah.

By a unanimous vote, GOED's board agreed to a \$12.7 million post-performance credit for Emery Refining LLC, funded by London-based finance firm Bridgehouse Capital Ltd. and Woodrock & Co., a Houston-based investment bank.

Emery Refinery plans to build a \$225 million plant 4 miles west of Green River in Emery County capable of processing 15,000 barrels of crude oil a day. Construction is expected to start this summer on land north of Interstate 70 and east of U.S. Highway 6, Jeff Horrocks, chairman of the Emery County Commission, said Wednesday.

It isn't clear how the crude will be transported from wells in the Paradox and Uinta basins in Colorado and Utah. Given that there are no pipelines in the area, trucks would be an option. Nor is it certain how the refinery will affect the five refineries that already operate in the state. If the refinery is built, it will be the first to be constructed in the U.S. since 1976. Refiners have preferred to expand existing plants rather than build new ones.

"Very rarely do you see a capital investment of [\$200 million-plus dollars] on a rural project. It will fundamentally change the nature of that community," board member Jerry Oldroyd said.

Bridgehouse's investment portfolio includes stakes in real estate, information technology, telecommunications, energy, natural resources and marine engineering companies, according to its website.

Woodrock executives did not return a telephone call seeking comment. The company claims expertise in investment banking, corporate development, venture capital and finance.

Rock River Resources LLC, a Houston-based division of Emery Refining, would build and operate the refinery. Jeff Beicker, Rock River's chief operating officer, wasn't immediately available for comment. But in a statement, he said the refinery "is an investment in the future of Utah — putting people and technology to work to meet the future energy needs of the state and the region."

Rock River has been working with state and Emery County officials for three years. On Friday, the Utah Division of Air Quality signed off on a permit for the refinery, said Brock LeBaron, deputy director of air quality.

"It's a very small refinery. It's very clean," LeBaron said.

Under its agreement with the state, Emery Refinery has pledged to pay more than \$99 million in new wages. The refinery's 125 employees would earn at least 100 percent of Emery County's annual average wage. That works out to \$42,744, according to the Bureau of Labor Statistics.

GOED also expects Emery Refining to pay more than \$60 million in new state taxes over the 12-year life of the agreement.

"This will assist with rural job creation in both the Paradox and Uinta basins," Cody Stewart, Gov Gary Herbert's energy advisor, said in a statement.

Dawn House and Judy Fahys contributed to this story.

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## Utah's crude oil

**Wells »** State has four of the nation's 100 largest oil fields, with 3,600 wells producing 1.2 percent of nation's output.

**Rank »** Utah is 11th in the nation in production; top states are Texas, Alaska, California, North Dakota and Oklahoma, respectively.

**Refinery row »** The state's five existing refineries are in the Salt Lake area, with a capacity of 175,500 barrels of oil per day.

**History »** Utah Oil Co, founded in 1909, was the state's first commercially successful petroleum company. Its refinery was on a quarter acre north of Salt Lake City and produced seven barrels per day of kerosene, greases and lubricating oils. The facility, now owned by Tesoro, is the state's largest refinery.

**Source:** Utah Division of Oil, Gas and Mining; UtahRails.net

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