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## Utah Energy Infrastructure Authority (UEIA) Board Meeting *Jan 23, 2026, 10:00 am – 11:00 am*

### Meeting Minutes

**Members in attendance:** Emy Lesofski, Lynn Jackson, Logan Wilde, Wade Williams, Cameron Cuch

**Members not in attendance:** Jordan Stephenson, Michelle McConkie, Clinton Painter, Lance Soffe

**Non-members in attendance:** Luke Voss, Alex Motro, Kristen Lingley, Brett Manifold, Jakob Knutsen, RJ Jenkins, Andrew Fisk, James Carlson, Scott Duncan, Harry Hansen

#### Meeting Notes:

A motion was made to approve the minutes from the prior meeting. It was seconded.

The board wanted to go over Utah code Chapter 6 Section 79-6-603 to clarify and re-train the board on how projects are to be approved. Luke pointed out and went over section 2(a)(i)-(ix) and internal counsel Ryan Richards was given the floor to discuss it further.

68-3-12 further talks about what the word “including” means in code, and specifies that the factors listed do need to be used, but they are not the only factors that could be used. With item (ix) in the list, the board is open to bring in other factors for evaluation that will be treated as valid. There is no requirement that every single one of the evaluation elements must be met. There’s an acknowledgment that “benefit” is not defined explicitly so benefits can be interpreted by the board within a broad array of considerations. The new style guide to come on legislation changes some things but keeps these interpretations.

The meeting then moved on to a presentation from SM Energy on their application for the HCITC.

SM Energy is an independent and publicly traded oil and gas exploration and production



company aiming to grow value and produce energy supplies. The company operates upstream oil and gas assets in the Lower 48 states. The assets are located in CO, NM, TX and UT. They are seeking the HCITC in order to allocate significant infrastructure and strengthen investment in Utah. Utah is a little isolated in infrastructure to move assets from the Uinta basin and prices are susceptible to fluctuations as a result and the new infrastructure is meant to help with that. Right now there are 350 operated wells producing 65,000 bbl oil/day and has set records in Utah for well sizes. Infrastructure that has been built out includes a locally sourced Sand Mine, conveyor belt for sand delivery, residue gas delivery to production facilities, centralized infrastructure for gas sales instead of flaring, and water disposal and recycling systems that allow them to minimize the use for fresh water. They gave an example of a centralized infrastructure example to demonstrate the pipelines installed and elements to the project.

SM Energy expects to invest approximately \$4.3 billion in infrastructure related capital expenditures into the development of the Uinta Basin oil and gas wells through 2033. The majority will be spent on drilling and completing wells, as well as construction, water and gas infrastructure, local sand mines, roads, and associated facilities to support the wells. Production from the Uinta basin assets is expected to generate taxable revenue over \$1 billion annually through 2043. Utah state tax revenues attributable to SM Energy's development plan are expected to average over \$50 million annually. The tax credit caps based on the code could allow up to \$2.15 billion, they anticipated that expected tax credit usage is approximately \$315 million through 2024 based on the functionality of how the tax credit code is written and given out based on the proven investments.

SM spoke to their safety and involvement and cited zero high potential safety incidents, zero employee recordable incidents with OSHA, almost 100% retention of Utah based staff, using 88% recycled water in 2025, a flare rate near 0%, a reduction in truck traffic, and \$315,000 donated to the community.

Emy pointed out that there is a lot of attention on water resources now and highlighted the need for strides to take care of the environment resources and thanked the attention on it.

There was a call for questions from the board.

Q: How far from the wells is there going to be fracking?

A: They leave the frack equipment in the location up to 9 months and using infrastructure and conveyors to move things between. They're fracking about 31 wells about 3 miles away from the equipment, with about 800 feet of conveyor belt to the sand needed.

Q: There was a question trying to ascertain how big the company is and what the capex is for the company

A: For 2025 it was \$625 million in Utah and about \$1.4 billion for the company as a whole before the merger. The stock prices are related to oil prices which also fluctuate.

Q: What's the total barrels coming out of the Uinta basin?

A: It's about 160,000-180,000 barrels of oil a day

Q: Is crude still being trucked out of the basin to where it needs to go, and where is it going?

A: It's split about 80/20, 80 goes to SLC and the rest goes through Price to OK and WY via rail car. This is also why they're trying to expand infrastructure to move things in and out of the basin as it is not as accessible as they'd like

Q: What does the environmental impact look like for one well?

A: They minimize the environmental impact by putting multiple wells in one location. There's a road coming in, a location with the wells, a production facility on the facility about 7-10 acres in size. Then there's pipelines, but the ones used from fracturing are reusable and go with them to the next site.

Q: To put a pipeline in, what does reclamation look like?

A: They try to avoid surface disruption as much as possible. Sometimes they do have to take out trees, but there's a pipeline right of way and they try to maintain the same look. When they plug a well they try to put back as much as they picked up, with the goal of making it look like there wasn't even anything there. They try to get vegetation growing as soon as possible. They try to have as minimal an impact as possible.

Q: Are the infrastructure developments from Slide 4-5 already done? And what will you be adding

A: The blue lines from Slide 5 are done, the red lines are the ones needing to still be built out. It'll be water lines, gas lines, residue lines, recycling infrastructure, new infrastructure where needed to get all the components where they need to go. The \$900 million is all the red lines shown

Q: \$4.3 billion was listed as the infrastructure costs, but can you speak to operating costs?

A: There are operating expenses not included for operating and maintaining the field around \$200 Million a year

There was a call for any public comment or question, there were none.

There was a discussion before the vote. Lynn wanted to bring up that there is already a lot of infrastructure in the Uinta basin. There's an acknowledgment of the taxes being paid but potentially a loss as well. There's a concern about the optics and the environmental community having concerns with "subsidizing an oil and gas company."

There was a motion to vote for the application to be approved. The vote passed 3-2.

Luke discussed future steps. There is going to be another application and another meeting planned for February 27<sup>th</sup>, but may need to be moved depending on how the legislative session is proceeding.

There was a motion to end the meeting.