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Louisiana Energy Topics

Department of Natural Resources

Technology Assessment Division

A Supplement to LOUISIANA ENERGY FACTS on Subjects of Special Interest

JANUARY 1998 LOUISIANA CRUDE OIL REFINERY REPORT STILL AVAILABLE

by Sam Stuckey, P.E.

Louisiana refinery operating rates remained fairly constant over the past five years. Some changes in the product mix of individual refineries show a trend to less mid-grade gasoline production. During the period ending June 30, 1997, Louisiana refineries continued to focus primarily on projects to improve profitability. Since June 1996, these projects have resulted in a total crude capacity increase of almost 70,000 barrels per calendar day (bcd).

The total operating capacity of 2,543,653 bcd reported as of June 30, 1997, is essentially unchanged from our October 1996 survey. The overall operating rate improved slightly to 91.4% from 91.2%. This compares with the national rate of 95.0% for calendar year 1996. See a graphical comparison of these rates on the back of this page.

Of the twenty refineries that operated during the year, seven produced reformulated gasoline (RFG) for sale in those markets where the U.S. Environmental Protection Agency (EPA) had mandated its use. None of these areas are in Louisiana. RFG accounted for 12.5% of all gasoline production by Louisiana refineries. However, total gasoline production remained virtually the same as the previous twelve month period.

Louisiana refineries continue to obtain most of their crude supply from outside the state as oil production within the state continued to decline. Only about 16% comes from Louisiana. Of the outside sources supplying crude to Louisiana refineries, foreign countries provide the most at 58%, the Offshore Continental Shelf (OCS) is next at 21%, and other states provide 5%.

Since the beginning of 1997, the monthly Gulf Coast Refinery Margin has remained positive except for January 1997. The cash operating margin varied from -\$0.33/barrel in January to a maximum of +\$1.51 per barrel during the first half of the year.

Recent Changes

The Krotz Springs facility most recently operated under Basis Petroleum is now operated by Valero Refining Company.

Canal Refining Company's facility at Church Point was shut down in May 1997.

TransAmerican Refining Company (Good Hope) did not produce during the reporting period, but was scheduled to restart in 1998. The product slate will depend upon the crude supplied, and has not yet been specified.

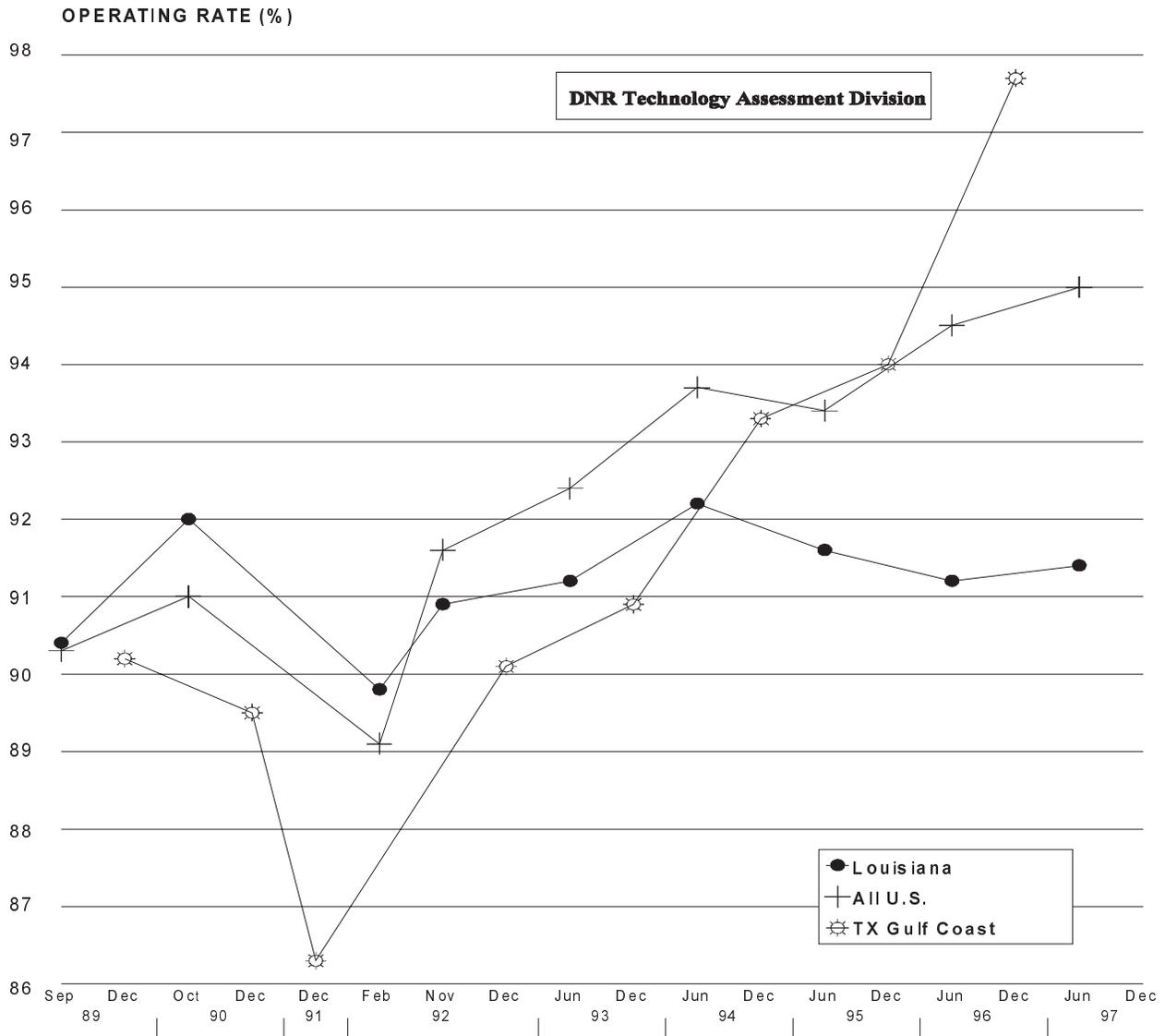
The Gold Line Company shut down and vacated its Lake Charles facility in March 1997. American International Refinery, Inc., took over the Lake Charles facility, completed an expansion project, and resumed production in January 1998. Gold Line transferred operations to its Jennings refinery and initiated startup in April or May 1997 but reportedly had no measurable production during the reporting period. Gold Line subsequently shut down the Jennings refinery in February 1998.

Arcadia Refining and Marketing Co. had two plants, one at Lisbon and the other at Dubach. El Paso Field Services now owns the Dubach facility, which consists of a crude oil refinery and a gas liquids fractionating plant. The refinery remains shut down, but the gas plant is operating although the liquids fractionating unit was shut down in January 1998. The Lisbon refinery is now operated by Padre Refining Company. This facility has been idle since July 1997.

Other information in the **Louisiana Crude Oil Refinery Survey Report** includes new projects, key personnel, mailing addresses, and geographical location descriptions. Tabulated statistical data, charts, and graphs relating to oil production, refinery crude oil sources, refinery margins, capacities, operating rates, and product slates are also contained in the report. The next survey report will be issued in the first calendar quarter of 1999. For a copy of the complete report, contact:

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OPERATING RATES (%) OF LOUISIANA, TEXAS GULF COAST*, AND ALL U.S. REFINERIES



Source: LA Refineries-DNR Refinery Survey
 TX Refineries-EIA Petroleum Supply Annuals,
 1989-1996, Table 16
 U.S. Refineries-EIA Petroleum Supply Monthly,
 Vol. 1, 12/89 12/91, 1/93, 9/93, 94, 95, 96, 2/98;
 Table H2

*Texas Gulf Coast: The following counties of the State of
 Texas: Newton, Orange, Jefferson, Jasper, Tyler, Hardin,
 Liberty, Chambers, Polk, San Jacinto, Montgomery, Harris,
 Galveston, Waller, Fort Bend, Brazoria, Wharton, Matagorda,
 Jackson, Victoria, Calhoun, Refugio, Arkansas, San Patricio,
 Nueces, Kleberg, Kenedy, Wilacy, and Cameron