



Foreign deals and domestic refineries

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Well there are a number of interesting snippets of news that are worth noting, and which might, collectively provide more parts to fit into the puzzle. Consider today's news that [Russia](#) is investing in Nigerian oil.

State oil firm Zarubezhneft has recently struck Russia's first oil deal with OPEC-member Nigeria to explore two offshore blocks in the Gulf of Guinea, the Energy Ministry said on Tuesday.

Russian oil majors are expanding abroad from Iran and Saudi Arabia to Venezuela and Colombia as record revenues from high oil prices allow them to invest in reserves outside Russia

The Russian company also is in partnership in Vietnam, where it produces about 230,000 bd. I suspect that it is more credible than yesterday's [Guardian story](#) of a Chinese company bidding for Exxon Mobil. On the other hand, with the Chinese President in Vietnam, they also have signed an agreement for joint exploration.

In a related development, China National Offshore Oil Corp (CNOOC), the country's biggest offshore oil and gas producer, on Monday signed a framework agreement with a Vietnamese oil firm to jointly explore oil and gas in the Beibu Bay.

Incidentally as Russia plans to double [rail shipments](#) of oil to China next year, we need to remember that not all transport is by pipeline or tanker.

In looking to see how restoration was progressing around New Orleans (where I had hoped to meet the inside contact, that Prof G just mentioned, but she could not get to Venice that day) it is important to note that not all the wells that were damaged were in relatively deep water. As [Platts](#) noted

The Louisiana Dept of Natural Resources on Oct 31 said operators of onshore and shallow-water wells in a 38-parish region hit by Hurricanes Katrina and Rita had restored 88,769 b/d of oil production, or about 43.7% of the pre-storm output of 203,189 b/d. The agency put restored natural gas production at 929,300 Mcf/d, 41.6% of the region's pre-hurricane output of 2.235 Bcf/d.

More to the point, perhaps, it noted that Wilma caused significant damage to an oil transfer terminal in the Grand Bahama, that will take a couple of months to repair.

The report also swops around some of the refinery repair schedules from the dates for the different facilities that I had heard earlier.

The following refineries are still closed in the wake of Katrina; ConocoPhillips: Alliance plant in Belle Chasse, Louisiana, (247,000 b/d), partial restart in December, full rates in early 2006; ExxonMobil/PDVSA: Chalmette, Louisiana, (187,000 b/d), Murphy Oil: Meraux, Louisiana, (125,000 b/d), said repairs would keep refinery idled through first quarter of 2006.

The Alliance plant was not going to be ready until April, in earlier information, but this may have been moved up.

The report is worth a read since it also puts some light on the flow of oil in and out of the SPR. Apparently the loan part of the outlay has now been made (and was discussed in comments) but the sales part is still continuing through the end of this month.



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