

**Advertise  
in the  
Beaumont  
Business  
Journal  
contact one  
of our Sales  
Executives at  
409.832.4178**

## Endicott Biofuels taps KMTEX site for new production facility

Endicott Biofuels, a Houston-based energy company, has entered into an agreement with KMTEX Ltd. to construct and operate a multifeedstock biodiesel production plant in Port Arthur.

Construction began in late January 2011 on the proposed facility with the capacity to produce 30 million gallons of fuel a year using Endicott's proprietary technology to convert a variety of waste fats, oils and greases into its trademarked G2 Clear biodiesel.

"We are extremely pleased to establish this new business relationship with KMTEX and with the opportunity to locate our bio-refinery here in Port Arthur," said Endicott CEO David Robinson.

The agreement means Endicott will have a significant operation in Port Arthur without the company actually having to build its own facility.

"We're providing the site, and we'll be operating the process," said Will Baker, business development manager for KMTEX.

Baker explained KMTEX operations in a guarded tone, emphasizing confidentiality agreements with clients other than Endicott.

"We process and make chemicals for chemical companies," he told the Business Journal. "Even though our customers make products at our site, we don't promote that. (The Endicott deal) is a significant investment and we're definitely excited about it — but we're not used to publicity."

Despite an Endicott Biofuels announcement that referred to a groundbreaking, don't expect to see any golden shovels or company brass shaking hands with local dignitaries.

"There won't be a ceremony," said Baker. "There's always some kind of construction going on in our facility, whether we're building a tank or adding more pipes — but we're going to be building this equipment and adding on to our facility over the next year with expected start-up (in) 2012." ■

-James Shannon

## Emissions event reports surge

### Was the recent cold snap cause of multiple releases?

Driving past local oil refineries and petrochemical plants during the frigid weather in the first week of February, the flares shooting from atop various towers could be seen with what appeared to be bigger



## Oil & Gas WRAP

and brighter flames than normal.

It turns out they almost certainly were bigger and brighter flames. In the seven day period from Feb. 1-7, there were 14 Air Emission Event Reports filed with the TCEQ. That compares to only two such reports filed in each of two recent weeks (Dec. 15-22, 2010, and Jan. 1-7, 2011).

Kathryn Saucedo, Air Section manager for TCEQ Region 10 based in Beaumont, cautioned against making any assumptions about what happened at each facility. The list reads like a Who's Who of Refinery Row including Motiva, Chevron Phillips, Valero, Arkema, Huntsman and ExxonMobil.

"I don't know whether they had a line freeze or whether they were doing a start-up or maybe they shut down so they wouldn't have problems during the freeze. We will look at all 14 on an individual basis. Of the 14, there may have been a few that were not weather-related — and it may not be directly related to weather, but there may be some indirect cause," said Saucedo.

As for published reports that cited quantities of emissions days after the incidents, Saucedo reminded those were initial event reports.

"The rules require that each entity report to (TCEQ) within 24 hours of something happening an estimate of their emissions if they think they are going to go over the reportable quantity," she said, and noted such estimates were frequently revised downward.

Barbara Phillips, public affairs manager for the Valero Port Arthur Refinery, sought to dispel the idea that frigid temperatures were the sole aggravating factor.

"The majority of the air emission events do not appear to be related to the cold weather," she wrote in response to questions from the Business Journal.

"In general, the refineries along the Gulf Coast are designed and constructed to operate in moderately cold weather. When severe cold weather hits the area, the refineries do extensive pre-planning and preparedness, focusing on safe, stable and reliable operations. Instrumentation can be affected by cold weather, and minor operational upsets can occur causing minor emissions," said Phillips.

There was even a published report that Motiva had been forced to shut down completely.

Theodore Rolfvondenbaumen, Shell media relations manager, issued a statement to correct that story.

"On Sunday, Feb. 6, 2011, the Motiva Port Arthur Refinery experienced a third party curtailment in its supply of nitrogen, resulting in a precautionary filing with the TCEQ in case further action had to be taken. However, the refinery did not experience a shutdown, as nitrogen supply was restored and the facility remained operational," he said.

Rolfvondenbaumen added, "As always, the safety of our employees, the surrounding communities where we work and the environment remain our top priorities." ■

-J.S

## Report: More rigs in Gulf than before BP spill

The fallout from the Deepwater Horizon disaster and the subsequent oil spill continues to color perception — and reality — in the Gulf of Mexico, but a recent report in the New Orleans Times-Picayune newspaper suggests change is in the air — or at least, in the water.

In a story published Feb. 3, reporter David Hammer wrote, "While a backlog of drilling permits in Washington continues to feed oil industry angst, new data shows that more rigs are in the Gulf of Mexico than before the BP oil spill, indicating that operators might have more confidence in the future than they are letting on."

Hammer offered stats to back up his contention.

"While only 34 of the 125 rigs in the Gulf are actually working — half the total that were active before the Macondo well blowout — the vast majority of the idle rigs, particularly those slated for big-ticket jobs in deepwater, will remain under contract for the rest of 2011," he wrote.

The latest tracking information from ODS-Petrodata, a Houston-based compiler of oil and gas data, shows there are 10 more rigs in the Gulf now than there were last April.

In the shallow-water Gulf oil fields, where the government has never officially banned drilling but has issued few work

**SEE OIL & GAS, PAGE 8**