



ENERGY ASSURANCE DAILY

Thursday Evening, October 03, 2013

Major Developments

Gulf of Mexico Oil & Gas Companies Preparing for Tropical Storm Karen October 3

Oil and gas companies operating in the Gulf of Mexico report that they are closely monitoring Tropical Storm Karen, which was located about 430 miles south of the mouth of the Mississippi River with maximum sustained winds of 65 mph, as of 2 PM EDT. The storm, which is moving north-northwest at 12 mph is on track to approach the northern Gulf Coast on Saturday, and could develop into a category 1 hurricane before then. Company-specific activities are noted below:

- **Anadarko** is removing non-essential workers from its operated facilities in the central and eastern Gulf of Mexico, including the Independence Hub, Neptune, Constitution, and Marco Polo platforms. The company has shut-in production at the Neptune facility, which has the capacity to produce up to 14,000 b/d of oil and 23 MMcf/d of natural gas.
- **BP** began Wednesday securing offshore facilities and drilling rigs and evacuating non-essential personnel from all four company-operated production platforms—Thunder Horse, Na Kika, Atlantis, and Mad Dog—that are in the storm's projected path. That process will continue today. Oil and natural gas production at all BP-operated platforms remains online at this time.
- **Chevron** has initiated the movement of non-essential personnel from some offshore facilities in the Gulf of Mexico, and no production has been affected.
- **ConocoPhillips** reported that its Magnolia Platform is located west of the forecasted track, and does not expect to encounter significant weather conditions or impact at this time.
- **Destin Pipeline** reports it will be unable to provide natural gas transportation services from its offshore receipt points and claims Force Majeure until further notice. The company will be contacting offshore production platforms to coordinate shut down with facilities. Destin's onshore receipt and delivery points will remain in operation. The pipeline, which comes ashore in Pascagoula, Mississippi, has the capacity to transport up to 1.2 Bcf/d of natural gas from offshore platforms.
- **ExxonMobil** said it was shutting about 1,000 b/d of gross liquids production and evacuating workers not essential to oil and gas output from facilities in the storm's path.
- **Louisiana Offshore Oil Port** is monitoring the development and track of the storm. At this time, all operations remain normal.
- **Marathon Oil** said it was taking the precautionary step of evacuating non-essential personnel from its operated Ewing Bank facility in the Gulf of Mexico.
- **Murphy Oil** said the company was evacuating some workers from its oil and natural gas platforms in the Gulf of Mexico on Thursday as the storm approached, but no production was shut.
- **Shell** is making plans to secure its drilling operations in the eastern Gulf of Mexico, while also evacuating some non-essential personnel. There are no production impacts at this time.

<http://www.nhc.noaa.gov/#KAREN>

<http://www.anadarko.com/media/Pages/FlashRelease.aspx?apcflash-id=4>

<http://www.bp.com/en/global/corporate/about-bp/bp-worldwide/bp-in-america/our-us-operations/storm-update.html>

<http://www.conocophillips.com/newsroom/Pages/storm-center.aspx>

<http://www.chevron.com/news/mediaresources/updates.news>

<http://www.shell.us/aboutshell/us-media-center/storm-center/storm-updates.html>

<http://www.destin-pipeline.com/>

<http://www.loopllc.com/Announcements/Announcements/Tropical-Storm-Karen>

Reuters, 13:42 October 3, 2013

Reuters, 12:28 October 3, 2013

Reuters, 12:20 October 3, 2013

Guadalupe Power Partners Obtains Permit for 470 MW San Antonio, Texas Peaking Power Plant as Developers Await PUC Action

The Texas Commission on Environmental Quality issued an air permit on Wednesday to Guadalupe Power Partners LP for a 470 MW peaking power plant to be built near San Antonio, Texas. The simple-cycle gas units, due to be online by mid-2015, are planned at an existing 1,070 MW, combined-cycle gas plant. The peaking plant is one of about 10 similar generation projects totaling 4,200 MW under development in Texas' primary grid, overseen by the Electric Reliability Council of Texas (ERCOT). For the past two years, the Texas Public Utility Commission (PUC) and ERCOT have taken steps to improve wholesale price signals, but developers and others say more changes are needed. The PUC is looking at several options to increase wholesale prices to attract new generation
Reuters, 10:48 October 3, 2013

Exelon's 619 MW Oyster Creek Nuclear Unit in New Jersey Restarts, Ramps Up to 1 percent by October 3

The unit was temporarily shut by September 30 for planned maintenance on a turbine speed controller.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2013/20131003ps.html>

<http://finance.yahoo.com/news/exelon-jersey-oyster-creek-reactor-125338123.html>

Calpine's 593 MW Metcalf Energy Center Gas-fired Unit in California Returns to Service by October 2

The unit returned from an unplanned curtailment of 143 MW that began September 9.

<http://content.caiso.com/unitstatus/data/unitstatus201310021515.html>

Inland Empire Energy Center, LLC's 366 MW Gas-fired Unit 2 in California Returns to Service by October 2

The unit returned from an unplanned outage that began by September 25.

<http://content.caiso.com/unitstatus/data/unitstatus201310021515.html>

CDWR's 933 MW Hyatt-Thermalito Hydro Unit in California Reduced by October 2

The unit entered a planned curtailment of 735 MW.

<http://content.caiso.com/unitstatus/data/unitstatus201310021515.html>

Petroleum

Update: 15 Notable Oil Spills in Flood-Impacted Colorado Have Released 1,027 Barrels as of October 2 – COGCC

The Colorado Oil & Gas Conservation Commission (COGCC) reports that through October 2, they are tracking 15 notable releases in flood-impacted areas of Colorado. Since Monday's update, one new release of 28 barrels has been confirmed at a PDC Energy location about one-half mile east of Greeley. This brings the cumulative total of notable releases to 1,027 barrels, or 43,134 gallons. The COGCC has identified 16 locations with evidence of a minor release, such as a sheen, and 57 locations with some evidence of impact by floodwaters but no evidence of a release at this time. Through Monday, COGCC field teams have evaluated 991 wells or production facilities and covered approximately 80 percent of the flood-impacted area.

http://cogcc.state.co.us/Announcements/Hot_Topics/Flood2013/COGCC2013FloodResponse.pdf

Update: Commissioning Underway on TransCanada's 700,000 b/d Keystone Pipeline, Completion Expected by Early November

TransCanada Corp. reported commissioning of its Keystone XL pipeline is underway and is expected to be completed in early November. Line fill can begin shortly thereafter and the project is due to become operational near the end of 2013, a spokesman said.

http://www.rigzone.com/news/oil_gas/a/129391/Testing_On_Keystone_Southern_Leg_Expected_In_Nov_TransCanada

PES Reports a Fifth of Bakken Oil Bound for Its 335,000 b/d Philadelphia, Pennsylvania Refinery

Philadelphia Energy Solutions (PES) reported its Philadelphia, Pennsylvania, refinery is now processing a fifth of all oil produced in North Dakota's Bakken shale oil formation and the plant could take more from there or other sources. The plant is processing 190,000 b/d of Bakken crude, of which 160,000 b/d is arriving directly to the refinery on two unit trains a day while the other 30,000 b/d is coming by rail then barge.

Reuters, 10:32 October 3, 2013

Motiva's 600,000 b/d Port Arthur, Texas Refinery Reports Compressor Trip, Emissions October 2

Motiva Enterprises reported a compressor trip, which led to the release of benzene at its Port Arthur, Texas, refinery, according to a filing with the U.S. National Response Center. The company had earlier reported emissions from a vacuum pipe, according to a filing with the Texas Commission on Environmental Quality.

Reuters, 00:24 October 3, 2013

Reuters, 19:09 October 2, 2013

Shell Reports Flaring, Sulfur Dioxide Release at Its 329,800 b/d Deer Park, Texas Refinery October 1

Royal Dutch Shell Plc reported flaring and a release of sulfur dioxide at its refinery in Deer Park, Texas, according to a filing with the U.S. National Response Center.

Reuters, 00:21 October 3, 2013

Update: BP-Husky Restarts SRUs at Its 125,600 b/d Toledo, Ohio Refinery October 2

BP Plc reported it restarted the sulfur recovery units (SRUs) at its refinery in Toledo, Ohio, on Wednesday. The units had been shut since September 24 due to a malfunction and production at the plant was cut to reduce sulfur pollution from the refinery during the shutdown.

Reuters, 16:50 October 2, 2013

Citgo Reports Small Pipeline Leak at Its 167,000 b/d Lemont, Illinois Refinery October 2

Citgo Petroleum Corp. reported a small leak that led to the release of 142 barrels of heavy blend naphtha just outside the compound of its Lemont, Illinois, refinery, according to a report filed with the U.S. National Response Center. The pipeline was damaged while Archon Construction was drilling to install new phone lines.

Reuters, 9:48 October 3, 2013

Phillips 66 Reports Startup of Unit at Its 198,400 b/d Ponca City, Oklahoma Refinery September 27

Phillips 66 reported the startup of an unspecified unit on September 27 at its refinery in Ponca City, Oklahoma, according to a filing with the Oklahoma Department of Environmental Quality. The company had earlier reported shutdown of an unspecified unit on September 14 at the refinery.

Reuters, 16:05 October 2, 2013

Tesoro Reports Operations Running Normally After Flaring, Breakdown at Its 96,000 b/d Wilmington, California Refinery

Tesoro Corp. said operations were running normally at its Los Angeles-area refinery in Wilmington, California, after an earlier report of unplanned flaring and a breakdown, according to a notice with the South Coast Air Quality Management District.

Reuters, 9:44 October 3, 2013

Chevron Reports Flaring at Its 245,000 b/d Richmond, California Refinery September 28

Chevron Corp. reported flaring at its Richmond, California, refinery, according to a filing with state regulators on Saturday. The flaring was stopped but the cause and the units affected were not disclosed.

Reuters, 13:49 October 2, 2013

Suncor Running Short of Diesel in Western Canada

Suncor Energy Inc. said on Wednesday that it is running short of diesel fuel in parts of Western Canada. Several of its commercial "Petro Pass" locations have run short of the fuel, but retail stations are unlikely to be affected and Suncor is acquiring alternative supplies, according to a spokesperson.

Reuters, 17:19 October 2, 2013

Canexus Reports 50,000 b/d Oil Sands Unit Train to Run from Alberta, Canada to U.S in November

Canexus said western Canada's first crude-by-rail unit train terminal is set to start transporting 50,000 b/d of oil sands crude to the U.S. market in November. The terminal in Bruderheim, Alberta, which will be expanded to 100,000 b/d by the second half of next year as a second supply pipeline is connected, initially will load only heavy bitumen crude from Canada's oil sands region mixed with 30 percent light condensate.

Reuters, 11:25 October 3, 2013

Natural Gas

Enbridge Reports AGIs Down at Its Tilden Gas Plant in Texas October 2

Enbridge Inc. reported acid gas injector (AGI) no. 2 tripped on high third stage suction temperature and AGI no. 1 tripped due to a compressor motor fault Wednesday night. The electrical breaker for AGI no. 1 was restarted and a loose, chaffed connection wire was replaced on AGI no. 2 which was also then restarted. Earlier Wednesday, AGI no. 1 had shut down on low suction pressure due to a malfunction in the suction control valve. The air supply was increased to the controller and the valve restoring gas flow to the compressor was opened. AGI no. 1 was then restarted.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=189043>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=189035>

Other News

Three Rivers Energy to Reopen 45 MMgal/year Coshocton, Ohio Ethanol Plant on October 15

Three Rivers Energy announced it will reopen the Coshocton, Ohio, ethanol plant on October 15. The plant, which had been shut since 2008, is expected to use about 36 million bushels of corn a year and produce 45 MMgal/year of ethanol. It will also produce 160,000–170,000 tons of distillers grain, in addition to corn oil and other byproducts.

<http://www.farmanddairy.com/news/ethanol/157832.html>

International News

Yemen's Maarib Pipeline Shut After Attack by Tribesmen October 3

Tribesmen blew up part of Yemen's Maarib pipeline causing crude flow to halt just days after finishing repairs from a September 14 attack, the government said. The pipeline carries oil from the Maarib fields in central Yemen to the Ras Isa oil terminal on the Red Sea, but flows have been repeatedly halted over the last two years due to attacks.

Reuters, 10:36 October 3, 2013

Energy Prices

U.S. Oil and Gas Prices			
October 3, 2013			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	103.46	103.03	88.46
NATURAL GAS Henry Hub \$/Million Btu	3.63	3.59	3.21

Source: Reuters

Links

This Week in Petroleum from the U.S. Energy Information Administration (EIA)

<http://www.eia.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM ET every Wednesday.

Natural Gas Weekly Update from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM ET every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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