

## Foreign Entities Own 28% Of U.S. Refining Capacity

News reports that the national oil company of Saudi Arabia, Saudi Aramco, is interested in purchasing more refining capacity in the U.S. drew the attention of oil industry leaders and some people in the nation's capital.

Already, 28 percent of the U.S. refining capacity is foreign-owned. Saudi Arabia currently owns 540,000 barrels per day of refining capacity. Venezuela has the largest capacity at 860,000 barrels per day. Some 570,000 barrels per day is Canadian-owned, and 160,000 barrels per day is Mexican-owned. That totals about 5 million barrels per day out of 20 million barrels per day (total U.S. refining capacity).

Speculation began spreading this summer that Saudi Aramco was going to acquire more refining capacity on the Gulf coast. In March, Saudi Aramco and Shell announced they were splitting their U.S. refining partnership, called Motiva Enterprises. Aramco was taking the largest refinery, which can produce about 603,000 barrels per day, and Shell was taking over two smaller refineries in Louisiana, which have a combined capacity of 473,000 barrels per day.

However, Saudi Aramco recently denied that it has offered to purchase LyondellBasell refinery in Houston in the U.S., according to Saudi Press Agency.

Aramco said that the news recently circulated by a number of media outlets about the company's offer to purchase the Houston-based refinery, one of the largest in the U.S., is incorrect, saying it has not made an offer to purchase the mentioned refinery.

"The company did not bid for the referred venture," the Aramco statement said.

There were a total of 141 operable petroleum refineries in the United States as of January 1, 2016.

Two new refineries began operating in 2015. Petromax Refining Co began operating a 25,000 b/cd refinery in Houston in the second quarter. Buckeye Partners LP began operating a 46,250 b/cd condensate processing facility in Corpus Christi in the fourth quarter.

However, the newest refinery with significant downstream unit capacity began operating in 1977 in Garyville, Louisiana. That facility came online with an initial atmospheric distillation unit capacity of 200,000 barrels per day and as of January 1, 2016 had capacity of 539,000 barrels per day.

The Motiva refinery was upgraded to 603,000 barrels per day in 2012. It has the largest capacity in the U.S.



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