

New Texas Crude Export Terminal Planned



Credit: Enterprise Products Partners

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Enterprise Products Partners is planning to develop an offshore crude oil export terminal off the Texas Gulf Coast. The terminal would be capable of fully loading VLCCs, which have capacities of approximately two million barrels. This would provide the most efficient and cost-effective solution to export crude oil to the largest international markets in Asia and Europe, said the company in a statement.

Enterprise has started front-end engineering and design (FEED) and preparing applications for regulatory permitting. Based on initial designs, the project could include approximately 80 miles of 42-inch diameter pipeline to an offshore terminal capable of loading and exporting crude oil at approximately 85,000 barrels per hour.

This week, Enterprise completed the second partial loading of a VLCC tanker at its jointly owned Seaway marine terminal in Texas City. The *Eagle Victoria* loaded approximately 1.1 million barrels of crude oil at the Texas City facility.

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“On the heels of our second successful loading of a VLCC at the Texas City terminal, we are now planning to expand our capabilities to load crude oil faster and more cost efficiently without the need for lightering vessels,” said A.J. “Jim” Teague, chief executive officer of Enterprise’s general partner. “Given the long-term outlook for growing supplies of U.S. crude oil production, increasing global demand requiring super tankers, and the future limitations of Gulf Coast port and lightering capacities, we are confident this project will be embraced and supported by both domestic and international customers.”

Enterprise’s crude oil supply aggregation capabilities of over four million barrels per day, including from the Permian, Cushing, Eagle Ford and numerous third party connections, provide unmatched diversification, supply and quality options for international markets, says Teague.

Output from Permian resources are expected to grow with new pipelines to port planned. The combined output of the Permian and Eagle Ford is expected to rise from just 2.5 million barrels per day in 2014 to 5.6 million barrels per day in 2019, according to HSBC. This is more than the 4.8 million barrels output from Iraq and three million barrels output from Iran. If it were a country, Texas would be the world's third highest oil producer, behind Russia and Saudi Arabia.

Capital and infrastructure to support the new terminal project is to be provided by private capital. A final investment decision is yet to be taken.