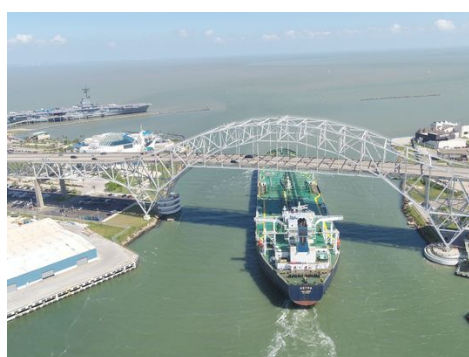


Trafigura proposes offshore oil export facility that could circumvent Port of Corpus Christi

Tim Acosta, Corpus Christi Caller Times Published 11:27 a.m. CT Aug. 6, 2018 | Updated 1:45 p.m. CT Aug. 6, 2018



(Photo: Contributed photo)

The Port of Corpus Christi has a lot of activity going on in its ship channel as the nation's largest exporter of crude oil.

So one company is looking to take its ability to export crude oil offshore.

Trafigura U.S. Inc., a privately held physical trading and logistics company with offices in Houston, announced on Monday its intention to build a new offshore deepwater port facility in the Gulf of Mexico, which will be called the Texas Gulf Terminals Project. The proposed facility would allow Very Large Crude Carriers — capable of carrying 2 million barrels of crude oil — to be fully loaded through a single-point mooring buoy system.

“The Texas Gulf Terminals Project will give U.S. crude oil producers, particularly Texas operators, safer, cleaner and more efficient access to very large crude carriers, ensuring that the economic and employment benefits of increasing domestic crude production can be fully realized right here at home,” said Corey Prologo, director of Texas Gulf Terminals Inc. and director of Trafigura, North America.

A permit application for the project was submitted to the Marine Division of the U.S. Department of Transportation on July 9. Trafigura representatives said in its statement that the single-point mooring buoy system reduces the opportunity for spills and emissions each time crude oil is transferred by eliminating "unnecessary ship traffic" in ports and "double handling" of the same crude.



The Port of Corpus Christi is looking at the possibility of developing a terminal facility that would be capable of loading very large crude carriers at the entrance to the ship channel. The goal is to make the port more competitive on the global crude oil market by accommodating the massive ships. (Photo: File photo)

The Texas Gulf Terminals Project is the latest long-term investment from Trafigura, who most recently made a nearly \$1 billion investment in the marine export terminal and condensate splitter in Corpus Christi for Buckeye Partners L.P. The upgrades allowed Buckeye to make its first shipment of crude oil by a Suezmax tanker — which can carry 1 million barrels of crude — from its Texas Hub terminal in the Port of Corpus Christi in April.

The port is in the midst of widening and deepening the Corpus Christi Ship Channel, which will deepen it to 54 feet and allow for two-way traffic. The \$327 million project is a joint venture between the U.S. Army Corps of Engineers and the port, with the federal government expected to pick up the lion's share of the cost.

While the expansion of its ship channel will allow for a greater volume and variety of goods going through the port, it will not be deep enough to fully accommodate VLCCs. The vessels could be partially loaded in the channel, then the rest of the crude would be ferried out to the carrier in the Gulf of Mexico, which results in added expenses.

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Sean Strawbridge, CEO for the Port of Corpus Christi, addresses members of the Port Aransas City Council on July 19, 2018. (Photo: Tim Acosta/Caller-Times)

The port has instead sought to deepen a portion of the ship channel further, from the entrance to the La Quinta Junction, to 75 feet in order to fully load VLCCs. Sean Strawbridge, CEO of the Port of Corpus Christi, has previously said that the port was opposed to an offshore buoy system like what Trafigura is proposing for environmental and security reasons.

"We're not supportive of an offshore buoy platform due to the environmental and security risks associated with it," Strawbridge said.

"It's a known environmental hazard to do it offshore," he added.

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