

Offshore port to store foreign oil

United Press International HARVEY, La. — At first glance, there are a lot of similarities between the \$513 million Louisiana Offshore Oil Port and the \$9 billion Alaskan Pipeline:

—Both have a capacity of about 1.2 million barrels of oil daily.

—Both use 48-inch pipeline to transport the oil.

—Both were long-delayed by environmental objections and studies.

—Both are owned by a consortium of oil companies.

Despite the similarities, there's a key difference: While the Alaskan Pipeline was built to reduce the United States' dependence on imported crude oil, LOOP is planned to facilitate it.

Some preliminary work has been done and construction of LOOP is to begin shortly. A drilling rig will be moved into position over a salt dome in south Louisiana marshland to start work on a huge hole in the ground. From there, the imported oil will be stored and transferred.

When it begins operations — scheduled for the summer of 1980 — LOOP will be the only port in the United States large enough to handle supertankers longer than four football fields, or 10 times the size of the 50,000-deadweight ton tankers that ply most U.S. waters with oil supplies.

"Our superport will be environmentally safer than having dozens of antiquated small tankers unloading in the middle of busy ports," said Gov. Edwin Edwards, an ardent LOOP supporter.

Safety seems to be the biggest question in many people's minds about the giant project, which includes a platform 19 miles offshore in the Gulf of Mexico with unloading facilities for supertankers; an offshore pipeline; a buried onshore pipeline; an onshore pumping station and underground storage

facilities for 32 million barrels of imported oil — about a five-day supply for the entire country.

Planning for LOOP began six years ago.

Since that time, blueprints have been drawn up, computer models arranged, federal permits obtained, extensive wildlife studies undertaken and a 30-volume environmental impact statement prepared.

If it is successful, it will save millions of dollars a year for the shippers transporting oil into the United States and reduce the number of accidents involving tankers.

Essentially, the port consists of two parts — mooring facilities and pipeline facilities.

Offshore, supertankers will moor to buoys as large as two-story houses and pump off the oil. The tankers, which float in up to 90 feet of water, are too long and too heavy to move into existing U.S. ports.

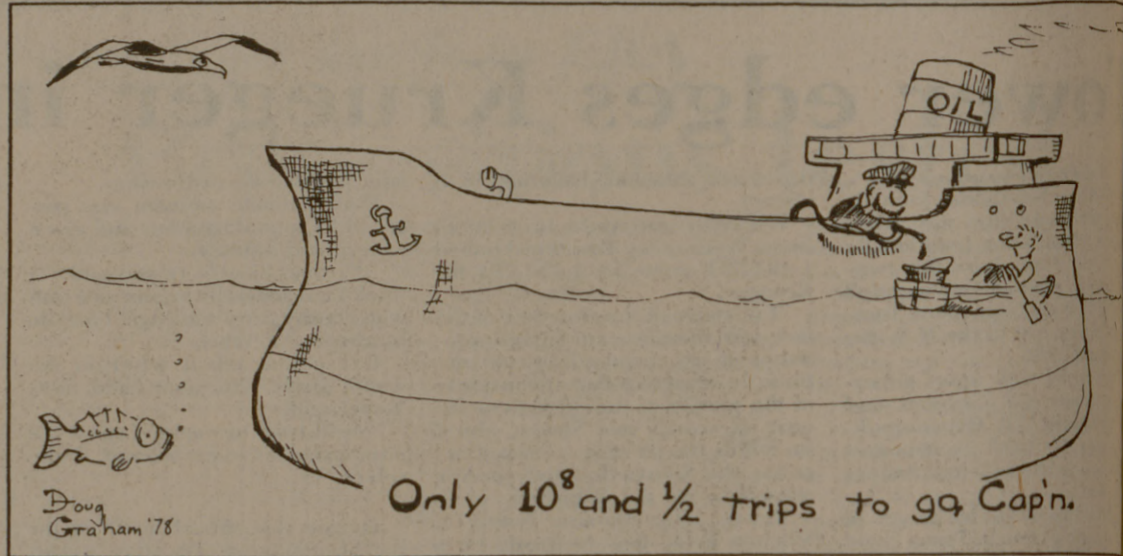
"Since in this country, we can't bring the ship to the port, we plan to take the port to the ship," said LOOP president Bill Read.

The other part of LOOP is the combination of pumping stations, pipelines and storage facilities which will transfer the oil from offshore at a rate of 100,000 barrels an hour — 4,200,000 gallons — and transfer it to existing pipelines for shipment to refineries as far away as Buffalo, N.Y.

The oil will be stored briefly in a massive underground complex in the Clovelly Salt Dome, a geographical formation that can serve as a giant bottle for crude oil similar to above-ground tank farms.

LOOP officials say underground pipelines and storage are one of many features of the port that are safer than present methods of handling crude oil.

Bill Binger, LOOP construction vice president, said computers have already projected the "worst possible accident," a break in the under-



ground pipeline in Louisiana's wildlife-rich wetlands southwest of New Orleans. He said sensors would detect the leak almost immediately and halt the three 6,000-horsepower pumps pushing oil from offshore into the system.

Another threat, that of a hurricane in the Gulf, is discounted by Binger. The supertankers will have to move away from the port to ride out the storm, but the platform itself is designed to withstand a so-called "100-year storm" — the worst possible storm which might happen every 100 years — and could not be heavily damaged, he said.

A LOOP safety officer will be on duty 24 hours a day. Special "mooring masters" will guide supertankers to the floating buoys to which they tie up. Two full-time Coast Guard inspectors will oversee the entire operation.

Nicholls State University has studied offshore marine life in the area where the platform will be built and LOOP will fund continuing studies to determine the impact of the port's operations.

And while the concept of an offshore oil port for supertankers is new to the United States, LOOP officials point out about 150 similar offshore ports are already in operation. The design for LOOP, in fact, was based on the offshore port at Ju'aymah, Saudi Arabia.

Some problems are inevitable, however.

When he granted the federal license in 1976, Transportation Secretary William Coleman said a loss of more than 200,000 gallons of oil is expected annually from the facilities, "exclusive of a major oil spill."

"If a significant amount of oil should enter the Louisiana coastal wetlands as a result of a major spill, extensive damage could result," he said.

Coleman said construction would disturb seabottoms at the platform and wetlands along the onshore pipeline route, but predicted LOOP

still would reduce the risk of accidents and spills from present shipping methods.

Much as the Alaskan pipeline changed the face of that state forever, LOOP and related developments like new refineries and petrochemical industries will have a major impact on Louisiana.

The New York Times, in fact, said that while the nation's oil industry was born in Pennsylvania and grew up in Texas, "Louisiana may be where it settles down" because of LOOP.

One of every 10 jobs in Louisiana is oil-related. Nearly half the state's revenues come from fees, taxes and royalties on oil and gas production and processing.

The petrochemical industry corridor that now exists along the Mississippi River from New Orleans to Baton Rouge is expected to grow and prosper when LOOP opens and provides a ready-made supply of raw materials. One 1976 study foresaw more than 30,000 new jobs in the area by 1990 and \$5.6 billion in new oil-related industrial investment.

"If any more refineries are built in this country, they will be built in Louisiana," LOOP president Read predicted.

The offshore port is owned by five oil companies — Ashland Oil, Inc., which owns 18.6 percent; Marathon Pipe Line Co. (32.1 percent); Murphy Oil Corp. (3.2 percent); Shell Oil Co. (19.5 percent), and Texaco Inc., 26.6 percent. It started out as a consortium of seven companies and at one point included 16, but many dropped out due to delays and changing financial arrangements.

LOOP's federal charter makes it a "common carrier" open to all companies.

The saving in shipping costs alone could be almost \$50 million in the first year of operation.

LOOP says the cost of using its facility — to be fixed by the federal government — will be about 10

cents per barrel less than conventional methods. That would mean \$150,000 saving per voyage for a 250,000-ton supertanker. With tankers expected in port the first year, the total saved based on LOOP estimates would be \$2 million.

The port is being financed \$450 million in tax-exempt bonds sold Aug. 23. The bonds will be paid with revenue from the port. LOOP is the only deepwater port scheduled for construction in the United States, but several others have been considered and one is waiting approval from the federal government.

Greek tycoon Aristotle Onassis made feelers in the early 1970s to build a deepwater port and gas refinery near Portsmouth, N.H. They were rejected due to environmental considerations.

Galveston is planning to dredge a channel 54 feet deep and 72 feet wide. While they will be able to handle larger tankers than the ports do now, Binger and other LOOP officials say they pose a threat to the success of Louisiana's project because fully loaded supertankers require up to 90 feet of water.

The Texas Deepwater Port Authority is seeking a Department of Transportation license for a 25-mile-long port similar to LOOP 25 miles south of Freeport. That was originally privately planned and owned property like LOOP, but private sponsors pulled out and the Texas Legislature created the authority to rescue the project if possible without counting taxpayer funds or state credit.

Even if that port is built, LOOP officials of both LOOP and TDPA say it will serve a different market than the middle American and northeast market LOOP reaches through interconnected pipelines.

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