

History of BASF FINA Petrochemicals, LP

Historical Background Of Southeast Texas

- Beaumont, Texas incorporated in 1837.
- Beaumont seceded from the union in 1861. By the summer of 1865, Union troops occupied the town. Beaumont's economy had slowed almost to a standstill.
- In the late 1800s, the economy was based on lumber, cattle & farming.
- Pattillo Higgens, a self proclaimed geologist, believed there was a giant field on Spindletop Hill near Beaumont.
- Higgens and three men formed the Gladys City Oil, Gas and Manufacturing Company in 1892, with grand plans to build a model industrial city.



Patillo Higgins

Historical Background Of Southeast Texas

- Drilling was attempted four times, yet unsuccessful in 1893, 1895, 1896, and 1899.
- Then on Jan. 10, 1901, at 10:30 a.m. drilling to 1,160 feet, a geyser of greenish black oil erupted from the hole over 100 feet over the derrick for 9 days before being capped. It was the Lucas Gusher.
- The well at Spindletop Hill produced oil 16 times greater than any other well in the world.
- By April, 6 wells on the hill out-produced the rest of the world combined.
- Population of Beaumont grew over night from 9,000 to 30,000



Historical Background Of Southeast Texas

- In 1902, 285 active wells and 600 chartered oil and gas companies had been formed as a result.
- The most prominent companies to form or rise from Spindletop:
 - Texaco (The Texas Co.)
 - Gulf Oil Co. (J. M. Guffy Petroleum)
 - Sunoco (J. Edgar Pew and J. Howard Pew)
 - Mobil Oil Co. (Magnolia Oil Company)
- The Spindletop field produced nearly 30 million barrels of oil before the field was depleted in 1924.



Historical Background Of Southeast Texas

- Refineries and chemical plants expanded during the 1940s and 1950s. The population of Beaumont expanded to 122,800 as a result.
- In 1960s and 1970s, the Golden Triangle (Beaumont, Port Arthur, and Orange) had become the Petrochemical complex of Southeast Texas.
- In 1978, Beaumont was named by Money Magazine as the town with the most potential for future growth in the entire nation.
- Yet in 1982, due to the recession and oil embargo, cutbacks, downsizing and 10s of thousands of layoffs negatively impacted the economy of the area.

History of ATOFINA's Port Arthur Refinery

- **Located at the mouth of the Neches River in Texas.**
- **Site operated by Atlantic Refining Co. as a major crude oil terminal in the 1920s.**
- **In 1936 operated as a visbreaker.**
- **Expanded ability to produce motor fuels by adding:**
 - **Fluid catalytic cracking unit in 1944 during World War II**
 - **Alkylation unit in 1956**
 - **Reformer unit in 1957**
 - **Natural gas processing plant in 1959**
 - **Crude unit in 1962**

History of ATOFINA's Port Arthur Refinery

- Atlantic merged with Richfield Oil Corporation in 1968 to form Atlantic Richfield Company (ARCO)
- **Site sold to British Petroleum Corporation (BP) in 1969.**
- **FINA acquired the facility in 1973 as a 54,000 barrel per day refinery ranked in the bottom quartile among its peers for efficiency and cost-per barrel.** FINA reactivated and revamped a crude unit in 1973 and increased throughput capacity to 85,000 barrels per day.
- A two-phase expansion took place in 1982 which included:
 - Resid Solvent Extraction Unit and a continuous Catalytic Reformer
 - Isomerization unit, a Benzene/Toluene/Xylene unit
 - Sulfur recovery/SCOT unit and Hydrodesulfurization unit.

History of ATOFINA's Port Arthur Refinery

- **FINA began another modernization and expansion effort in 1988 to lower operating costs and increase product yield and throughput which included:**
 - **A new atmospheric crude unit,**
 - **Amine treating unit**
 - **Saturate gas liquids recovery unit**
 - **Fluid catalytic cracking unit.**
- **Now FINA is designed to run a high percentage of low cost, heavy, sour crude. The majority of its processing units were built since 1984, incorporating excellent technology and providing a good balance between crude capacity and major downstream units.**

History of ATOFINA's Port Arthur Refinery

- **FINA currently produces transportation fuels (gasoline, diesel, jet fuel, and to a lesser extent, propane, butane, and heavy fuel oil), chemicals feedstocks, and asphalt.**
- **Today, it's in the top quartile, its capacity has grown to 175,000 barrels per day, and it is considered one of the most modern and efficient refineries in the United States.**
- **In a partnership with BASF, FINA is building the world's largest single train naphtha cracker at the facility, which will transform the refinery into a world scale petrochemical feedstock complex.**