

U.S. to Get More Russian Crude

By The Moscow Times

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Russian crude oil exports to the United States are expected to increase because of Alyeska Pipeline Service's plan to shut down the Trans Alaska pipeline to install a bypass around a leak on the conduit that carries 11 percent of U.S. crude oil production.

The operator planned to close the line Friday, assuming that all was in place and it was safe to proceed, Michelle Egan, a company spokeswoman, said in an e-mail. The pipe is scheduled to be down for 36 hours, she said.

The pipeline, which has been out of service since a Jan. 8 leak, was temporarily restarted Jan. 11 to help prevent the accumulation of wax and ice inside the pipe. Temperatures in Barrow, Alaska, dropped to a low of minus 24 degrees Celsius yesterday. The 1,287-kilometer line carries oil from Prudhoe Bay south to Valdez, where it is loaded on tankers bound for refineries in Alaska and the U.S. West Coast.

The shutdown forced BP, ConocoPhillips and Exxon Mobil to suspend 95 percent of production from the North Slope area, sending crude prices higher. The pipe transported an

average of 641,517 barrels a day in December, according to the Alaska Department of Revenue web site. The Trans Alaska Pipeline Service was carrying 390,000 barrels of oil in the last 24 hours, Egan said today.

"Crude in storage at Valdez is still being loaded for transport," Mickey Driver, a Chevron spokesman, said in an e-mail. The refiner uses Alaskan crude at its Richmond, California, plant, which isn't having issues with crude supply, he said.

BP chartered a vessel to carry Russian crude to the U.S. West Coast, according to data from Clarksons shipping broker.

BP, which owns almost 47 percent of the Trans Alaska system, booked the Helga Spirit to carry 100,000 tons of oil loading from the far eastern port of Kozmino on Jan. 20, according to Clarksons. The port is the delivery point for East Siberian pipeline oil.

BP operates two refineries on the U.S. West Coast, processing up to 234,000 barrels a day at Cherry Point, Washington, and 266,000 barrels a day in Carson, California.

Alaska North Slope crude is a medium-to-heavy oil with an American Petroleum Institute gravity of 31 degrees and sulfur content of 1.02 percent, according to data from the Energy Intelligence Group. Russia's East Siberian oil is considered superior quality with a sulfur content of 0.53 percent and gravity of 34.7 degrees.

The West Coast area, known as the Petroleum Administration Defense District, imported 105,000 barrels a day of Russian oil in October, according to data from the Energy Information Administration. The region includes California, Washington, Oregon, Alaska, Nevada, Arizona and Hawaii.

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