



RAC

Interoffice Communication

To J. G. Dopper - Houston Chemicals
From J. G. Cole
Date June 4, 1984
Subject VCM IMPORT

A capital investment of \$5.5MM would be required at the VCM Plant to import 100MM lbs. of VCM per year if the imported VCM did not meet plant specifications (in particular, hydroquinone). A capital investment of \$1.6MM would be required if the imported VCM met plant specifications.

The capital investment of \$5.5MM includes the costs of an expanded VCM railroad car loading system (two new loading stations will be added for a total of ten loading stations), revisions to the existing VCM pipeline from the plant to the dock, and a new VCM Storage Tank (approximate capacity is 9.5MM lbs.). The new VCM Storage Tank is required if the imported VCM does not meet plant specifications and product segregation is required. The \$1.6MM investment includes all of the above equipment except the VCM Storage Tank. These investment costs are based on a preliminary estimate completed by L. E. Hensley, Ponca City Central Engineering Department in mid-1982 for a mid-1986 startup and are of a preliminary quality.

Negotiations with the Conoco Refinery would be required to revise the Vista dock agreement in order to secure dock space, operating time, and the right to import VCM through the dock.

Equipment installed for a "VCM Import Project" could not be used for an "Occidental EDC Tolling Project". If the imported VCM did not meet plant specifications for VCM, the VCM Storage Tank and VCM Railroad Car loading facilities could not be used in the "Occidental EDC Tolling Project". If the imported VCM did meet plant specifications for VCM, the VCM Railroad Car loading facilities would still require expansion for the "Occidental EDC Tolling Project". If both projects were to be installed, a new dock would probably be required to handle the traffic.

If you require further information, please let me know.

J. G. Cole
Process Engineer

br
cc: RAC-JWW-MLA-RB-DLD

CCR 000019399