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From: Clegg, Patsy PM SCC
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Cc:
Bcc:
Received Date: 2000-10-26 12:26:07 GMT
Subject: RE: Benzene Shanghai Study - Cost Allocation and the
GO/NO GO meeting

Yes, basic response was that it would be time/resource consuming and probably get us to about the same place. Benzene molecules come out of the refinery, are not synthesized, and, therefore, the "product" that they go out the gate in is not relevant. Including a "share" for chemical companies that do not refine, i.e. the Dows and duPont's, would be a place to get additional support for pure benzene producers without adding additional burden to petrochemical companies. No adamant "NO WAY" responses, just general support for sticking with refining capacity.

patsy

-----Original Message-----

From: Handy, Debra DC SCC-PSID
Sent: Wednesday, October 25, 2000 2:53 PM
To: Clegg, Patsy PM SCC
Cc: Sullivan, Nancy NE SCC-CBAR; Reeves, Steve SA SHLOIL
Subject: RE: Benzene Shanghai Study - Cost Allocation and the GO/NO GO meeting

Patsy, OK by me to postpone until early Dec. Did you have a chance to bring up the alternative method of allocating cost that we discussed yesterday - if so, what was the reaction?

Thanks. Debra

-----Original Message-----

From: Clegg, Patsy PM SCC
Sent: Wednesday, October 25, 2000 12:54 PM
To: Sullivan, Nancy NE SCC-CBAR; Handy, Debra DC SCC-PSID; Reeves, Steve SA SHLOIL
Subject: Benzene Shanghai Study - Cost Allocation and the GO/NO GO meeting
Importance: High

Just got off the conference call discussing allocation of cost for the Benzene Shanghai study. The latest proposal is a shares arrangement based on US refining capacity and other criteria as listed below.

Based on info shown below and plan forward, I would suggest postponing our mid-Nov video-conference until mid-Dec. What do you think? Or do you still want to do it as a preliminary discussion?

US Refining:

Big	>1.5 million	3 shares (ExxonMobile, BP Amoco xxx)
Medium	.5-1.5	2 shares (that's Shell)
Small	<.5	1 share

Other criteria for shares

Non-US refining:	1 share	US refining companies do not have to add shares for non-
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production

Upstream only	1 share	
Chemical Co	2 shares	If chemical company inside r refinery, do not double count
Government Assoc	Free	
Non-Industry Assoc	Negotiated	

Notes

- \$15,000 already paid would be credited.
- No corporate Max
- Capacity based on 2000 Penwell Directory report for facilities owned on Oct 1, 2000.
- Best guessimate for Shell based on these criteria is about \$1M.

Plan forward:

- Get Penwell numbers; make adjustments
- Take to full consortium probably early Dec
- Ask for commitment in Jan 2001.

Patsy