

SUPERIOR REFINERY

Community Advisory Panel

sponsored by Murphy Oil USA, Inc

**Murphy Oil USA, Inc.
Superior Refinery Community Advisory Panel
Thursday, September 8, 2005**

Members: Doug Finn, Greg Guenard, Jim Kehoe, Keith Kesler, Carol Lindberg, MariBeth Olsen, Fariba Pendleton, Tom Strewler, Diane Vertin

Company Representatives: Dave Podratz, Liz Lundmark

Guests: Neal Baudhuin - WDNR

Facilitator: John McPherson, Ann Green Communications, Inc.

The September meeting of the Murphy Oil Superior Refinery CAP was called to order at 5:30 p.m. CDT by Facilitator John McPherson. Minutes of the prior two meetings were reviewed and approved.

Refinery/Company Report

Dave Podratz presented the report for the Superior Refinery, including operational highlights, environmental and safety performance reports, and community odor complaints. A copy of this complete report is included with these minutes.

Environmental highlights: Dave noted that despite the environmental releases over the summer months, the refinery is still on track to put in a record performance. He also noted that the releases reviewed in his report were the result of singular incidents, and not recurring problems, as was more typical in past years.

More than two years have passed with no discharge exceedances from the wastewater plant. Refinery operators did recycle wastewater during the FCC fire so that fire suppression foam did not foul the wastewater system or discharge.

Safety highlights: The leak and fire resulted from a failure in the heavy oil line. This piping is checked and tested on a regular basis and carbon steel pipe has been replaced with corrosion-resistant pipe. However, the portion of pipe that failed was a very small section of carbon steel pipe that had escaped detection. The fire was extinguished quickly.

because operators saw the leak as soon as it occurred and were already in the process of closing valves.

Dave discussed a contractor injury that resulted from the use of a grinder that did not have a safety trigger. From now on safety triggers will be required on equipment. There have been no recordable or lost-time injuries among refinery employees this year.

Dave reported on the visit of Wisconsin State Senator Schultz to the refinery. The senator expressed interest in expanding the capacity of the refinery, currently operating at full capacity of 35,000 barrels a day. Murphy would be interested in expanding the refinery; however, currently there are no existing plans to do so. Potential expansion is limited by ready access to markets and the market is currently limited. If a pipeline to Chicago were developed, this would open up a large new market. Another limit to expansion is existing wetlands on the refinery property. Developing on wetlands requires the wetlands be replaced and expanded. The recent warehouse construction required five acres of wetlands be replaced with the creation of 25 acres.

The president of Murphy Oil -Claiborne Deming- visited the refinery, the first presidential visit in 30 years.

Discussion - Effects of Hurricane Katrina

Dave read a letter from Claiborne Deming describing the impact of Hurricane Katrina on Murphy Oil. (A copy of this letter is included with these minutes.)

Members looked at pictures of the Mereaux refinery and the surrounding area, which showed the extent of flooding in the area. All but three of the 492 employees in the region were accounted for at the time of the meeting. The refinery suffered no significant damage, but was flooded and will likely be out of regular operation for months. Murphy continues to pay employees. Displaced workers have been given an extra month's salary. Offshore oil platforms are slowly being restored, but 1.4 million barrels of production are still shut down. Eight large refineries were shut down, representing about 15% of U.S. refining capacity. The Loop offshore oil unloading rig, however, was not damaged by the storm and is operating.

The hurricane has directly affected the Superior refinery; the refinery has cut back asphalt production to concentrate on gasoline production. In response to questions about the process of changing over to gasoline production, Dave said it took about a week to get the asphalt crude out, as well as the batches in the pipelines.

There was discussion about the lack of new refining capacity in the U.S., as well as the crude and refined-product pipeline delivery systems. Members asked if there was anything they can do for the company or for those affected in St. Bernard Parish where

Murphy's Mereaux refinery is located. Dave said the best thing CAP members can do is to make sure the average citizens know the facts about how the industry produces and distributes gasoline and petroleum products.

Dave presented information about the Murphy Oil relief fund. Information on donating to this fund, money in which will be delivered directly to the Red Cross in St. Bernard Parish, is included with these minutes. Dave noted that Ann Green Communications -- facilitator of the Murphy-Superior CAP- had pledged \$1000 toward this fund.

New Business

Odor Identification

Liz Lundmark gave an introduction to the Odor Identification Course. She provided background safety information, advising CAP members of the potentially harmful effects of components of some of the materials they would be sampling, as well as the proper, safe laboratory procedure for smelling the samples. Following this, Liz detailed the samples involved, which included:

- Sour Crude Oil
- Sweet Crude Oil
- Clarified Slurry Oil (#6 oil or Bunker Fuel)
- Asphalt
- Wastewater Treatment Effluent
- DGF (dissolved gas floatation) effluent -- pretreated waste prior to wastewater treatment
- Gasoline
- Kerosene (#1 Fuel Oil)
- Home Heating Oil (#2 Fuel Oil)
- Hydrogen Sulfide gas
- Sulfur Dioxide gas

CAP members then proceeded to the laboratory, where members were able to smell the sample.

Following the testing, the September meeting of the Murphy Oil Superior Refinery CAP adjourned.

Future Meeting Topics:

- October -- Lake Superior Environmental Issues -- Chuck Ledine
- November -- Hog Island Project Review -- John Robinson
- December -- No meeting

Superior Oil CAP
September 8, 2005
Page 4

Next Meeting: **Thursday, October 13, 2005**
 WITC Conference Center
 5:00 Dinner
 5:30 Meeting