Crude Oil Quality Association (COQA)

Dennis L. Sutton

February 22, 2018
COQA’s Mission

- Ensure quality and consistency of crude oil are maintained from production to refinery
- Expand definition of quality beyond API gravity and sulfur
- Oppose indiscriminate alteration in quality, e.g. blending
- Promote communication between all sectors of industry
Welcome to the Crude Oil Quality Association!

The Crude Oil Quality Association (COQA) is dedicated to the belief that maintaining the integrity and consistency of the refining characteristics of crude oil streams is of importance to all parties involved in crude oil activity, from production locations to the refinery.

To this end, we hold three meetings annually. These meetings are open to the public and we welcome your attendance and involvement.

Upcoming Events

**COQA San Antonio, February 21-22, 2018**

Dates: 21 – 22 Feb, 2018

Dates for our first COQA meeting of 2018 have been set, so mark your calendars and join us in San Antonio on **Wednesday February 21st** and **Thursday February 22nd**. The format will be the same as we usually follow with subcommittee discussion, Advisory and Executive Board meetings on Wednesday (Feb 21), followed by the general meetings and speakers on Thursday (Feb 22), beginning with breakfast at 7:00 am.

Our event will take place at the Menger Hotel, the most historic hotel in San Antonio, situated on the same block as the Alamo.
Meetings Policy

- Open forum for discussion of technical issues related to production, handling, transportation, and refining
- No restrictions on attendance or participation
- Consideration given to views of all
- Adhere to a strict anti-trust policy, and not discuss:
  - Price, pricing policy, cost, or discounts
  - Sales & production quotas, territories, allocations, shares
  - Endorsement or disparagement of products or services
  - Liabilities, warranties, guarantees, conditions of sale
  - Coercive practices or control of competition
Financial Support

- As a not-for-profit organization, we rely on the generous support of our corporate members.
- Our support is through
  - Annual memberships
    - Two levels of corporate membership
  - Event sponsors at our meetings
  - Individual meeting attendance fees
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We Thank Our Event Sponsors at this Meeting!

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COQA
Our Next Meeting

- May 22-24, 2018 - Grand Hyatt - Denver, CO
  - Joint Meeting with the Canadian Crude Quality Technical Association (CCQTA)

- Registration will be available on the web page in about 2 weeks.
Our Next Meeting

- May 22-24, 2018- Grand Hyatt- Denver, CO
  - Tuesday- Subcommittee and Board meetings
  - Wednesday & Thursday- General sessions
  - Agenda will be outstanding, including:
    - Dan Brusstar- Senior Director at CME Group
    - Adam Bedard- CEO, ARB Midstream
    - Ashok Anand- Pipeline Quality Systems
    - Kari Cutting- VP of North Dakota Petroleum Council
    - Dr. David Lord- Sandia Labs, DOE
    - Jeff Gaulin- VP of Communications for CAPP
    - Shawn McGregor- Kinder Morgan
    - And more to come…
Fall Meeting- 2018

- October 24 & 25- Sugar Land Marriott Town Square- suburban Houston
  - Coordinating with the Opportunity Crudes Conference October 22-24
Opportunity Crudes Conference- 2018

- Five Topical Sessions- including “Crude contaminants, incompatibility, blending strategies amid changing feedstocks”
- Presentation confirmations from:
  - Axens N.A.
  - Baker Hughes GE
  - BASF
  - Bechtel
  - CB&I
  - CSIS
  - Dorf Ketal
  - Energy Analysts Int'l.
  - Emerson Automation Solutions
  - GREENALYZE
  - HTRI
  - Modcon Systems
  - Morningstar
  - Nalco Champion
  - Petrobras
  - PetroStor Tech
  - ProCorr Consulting
  - Schneider Electric
  - Sensor Networks
  - Suez
  - Well Resources
  - Upgrading Solutions
What’s Trending?

Forecast 2018 change in crude supply vs. 2017, millions of barrels per day

- U.S.: 1.30 million barrels per day
- Canada: 0.25 million barrels per day
- Brazil: 0.2 million barrels per day
- U.K.: 0.11 million barrels per day
- Kazakhstan: 0.09 million barrels per day
- Columbia: -0.04 million barrels per day
- Norway: -0.08 million barrels per day
- China: -0.12 million barrels per day
- Mexico: -0.12 million barrels per day
- Russia: -0.19 million barrels per day

Source: OPEC
What’s Trending?

US oil production to hit record earlier than expected

The Energy Information Administration expects US oil output to cross the 10-million-barrel mark in February and average 10.04 million barrels per day in the first quarter -- a level previously forecast to be reached no earlier than the fourth quarter. The EIA also lifted its 2018 production growth forecast from 780,000 barrels per day to 970,000 barrels per day and predicted that 2019 output will climb by 580,000 barrels per day to 10.85 million barrels per day.

Reuters (1/9)

N.M. becomes No. 3 oil producer in US
New Mexico saw its monthly oil production volumes climb to more than 16.3 million barrels in late 2017, overtaking Oklahoma and California in September and October to become the third-largest US oil producer after Texas and North Dakota. The state is also on track to set a new annual production record for 2017, helped by massive investments in the Permian Basin.

The Associated Press (1/3)
What’s Trending?

- US crude production up 78% in the last 6 years. Crude oil production over 10 million barrels per day. Natural gas and NGLs already well above their respective record production levels. And for all three commodities, the U.S. market has only one way to balance: **Exports**. One-third of all NGL production is getting exported, 15% of crude production now regularly moves overseas.
What’s Trending?

- WTI Quality
  - COQA project
  - Announcements by CME/NYMEX and Enterprise in December 2017

- DOE/DOT Crude Oil Characterization Research Study Report released in November 2017
By Way of Announcement

- First time attendees?

- For lunch today, you are free to choose from the many nearby choices.

- Other?