



Oil Refinery Faces Numerous Hurdles

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By Doug Murphy-Staff Writer

Public hearings on a proposed oil refinery in Mobile could begin soon, or never, according to a spokesman for the Arizona Department of Environmental Quality.

"It could be very close, it could be close, it could never happen at all. It depends on what the company does," said Patrick Gibbons, ADEQ spokesman.

Arizona Clean Fuels has submitted a complete application seeking a permit to build the first oil refinery in Arizona. With its location proposed for Mobile, the site is about 18 miles southwest of Ahwatukee Foothills as the crow flies.

The permit is for a \$2 billion state-of-the-art refinery that would produce 170,000 barrels a day, about half of what is consumed on a daily basis in the Valley.

Currently, two underground pipelines and fuel trucks fill all of metropolitan Phoenix's fuel needs.

Refinery supporters are optimistic that a permit will be issued for construction after public hearings are completed. "We think we have a good proposal that meets all the requirements (of ADEQ)," refinery spokesman Ian Calkins said.

A Copper State Consulting Group employee, Calkins said that while there are some neighbors who oppose a refinery in the rural community, others are looking forward to the jobs and economic development the plant would bring.

"For many people, this is their lottery ticket," Calkins said.

But Tempe attorney Howard Shanker, who represents the Mobile Community Council, said he will go to court if the refinery is given the green light.

"Mobile is a historic African-American community that has already been flooded with landfills and other industrial facilities that no other community wanted in their back yard. Any permit will be countered with claims of environmental and civil rights violations," he said, in a prepared statement released last week.

Mobile, named after Mobile, Ala., has several large landfills and a Lufthansa Airlines training airstrip. In 1990, it was the proposed site for a hazardous waste incinerator project that was eventually defeated.

Gibbons said ADEQ has concerns about pollution, buffer zones and the neighborhood school that is located next to where the refinery would be built. Those concerns must be addressed before public hearings could begin, he said. In addition to receiving permits from the state and federal governments and opposition by some neighbors, the project faces other hurdles.

One is that the site has no ready access to crude oil.

Calkins said Arizona Clean Fuels plans to spend an additional \$500 million, above the cost of the refinery itself, to remedy the situation by building a receiving facility on the Gulf of Mexico and a pipeline to the plant.

"No doubt about it, it's a challenge, but it's not a deal breaker," said Calkins, who added that there are untapped oil reserves known to be in the Gulf of Mexico that the Mexican national oil company, PEMEX, has yet to tap.

What is a deal breaker is if the federal ozone non-attainment area expands to include Mobile, as is currently proposed by ADEQ. If the EPA approves the larger area before the refinery has begun construction, Calkins said there probably is no way the refinery could meet the more stringent standards.

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