

**Interview with John Green  
Carl Livingston**

Mr. G.: Related many time and written several times in the Bahamas Hand Book. The partnership between Chevron and New England Petroleum was a marriage of a Standard Oil of California crude supply and the New England Petroleum Co. with their large fuel markets in the northeast. The offshore deep water terminal or harbour which was possible at Freeport made it an ideal location, especially since it was so close to the Continental United States. There is no place as close as the Bahamas that has waters deep enough for the large 200,000 and 300,000 and up to 450,000 ton tankers within three-quarters of a mile of the shore. The BORCO Refinery has its jetties in 80 to 100 ft. of water which is required for these deep draft tankers and these are three-quarters of a mile offshore and are connected to the shore by submarine pipelines. It started out, as most everybody knows, as sixty-five per cent New England Petroleum Co. and thirty-five per cent Chevron. There were several additions to the refinery – two big ones and a marine terminal which was started out as 50-50, and the desulphurization plant which was also 50-50 instead of the basic 35-65.

When New England Petroleum started to have problems, Chevron bought out New England's interest in the Marine Terminal Co. and the desulphurization co. and therefore the ownership of those two facilities was 100% Standard Co. of California. When Charter Co. rescued the floundering New England Petroleum Co. in 1979, all of the facilities were thrown into a pot and split 50-50, so that the ownership now is 50 per cent Charter and 50 per cent Standard of California. The throughput capacity of the basic distillation equipment, the crude capacity, is 500,000 barrels which makes it one of the largest facilities of its kind in the world. From a practical standpoint the throughput is about 450,000 barrels a day and it will vary a little bit, depending upon what grade of crude – what the qualities of the various crudes are. The refinery was designed to take a crude slate that had only four or five different crudes – Nigerian crude, Libyan crude and Mideast crudes. The Nigerian crude and Libyan crudes are a little sulphur, and all of the Mideast crudes are high sulphur. There was no Venezuelan crude planned for the refinery; however, it wasn't long after we started up, crude started coming in from practically all over the world from Venezuela and as far as Sumatra, and then the Libyan crude supply was disrupted and slack was taken up by crudes from other places.

I am not sure what the percentage [of] government ownership is; I thought it was 51 per cent but I am not sure. That's the Burma terminal which is thirty miles from downtown Freeport east of Freeport. It's a fine deep water facility, and they handle crudes for trans-shipment to the United States. BORCO does some of that, but it is interesting to note that currently Standard of Calif. is terminaling some crude at Burma. It so happens that BORCO has several different segregations of crude that it has to handle and SO Calif. has some crude that they wanted to keep segregated to an extent that couldn't be done at BORCO and so they are doing it with Burma, and it's working out okay. It never will be practical in this day and age when any petroleum component is so high-priced, the transportation instrument move from

here to some place else such as Puerto Rico, where a lot of it goes now. It's small, compared to the base price of the product, and also the plant's in place there, and also there is the protective tariff that Puerto Rico enjoys. Now I don't know what the time is on the protective tariff, but petro-chemicals manufactured here cannot compete with petro-chemicals manufactured in Puerto Rico, as I understand it, because of the protective tariff. The only component that is made here that isn't finished is the naphtha. The naphtha goes to several different places and it is used for two things it's for the process to make gasoline and it's for the process for petro-chemicals, and the major outlet for the naphtha has been petro-chemical industries in Puerto Rico and also for gasolines in the United States. They bring it into the United States and reform it to increase the octane and blend it. That's about the only thing that is left that isn't finished. The propane is used on the island and is sold for Freeport consumption and also it's transported to Nassau. They make an awful lot of jet fuel here and after the small local requirement is met, the balance is shipped allover the world. A lot of it goes to the United States; a lot goes to Europe, some to Canada. Then there is the diesel oil, No. 2 heating oil and the residual fuel oil which goes to power plants and all those are blended to certain specifications, depending upon what is required.

There is a very simple portfolio with the Port. I am going to be consulting with them on all matters relating to petroleum. They are concerned with petroleum in their company which is called FOCOL – you are familiar with FOCOL – They are also concerned with aviation matters out at the airport. They also have a power contract with BORCO and of course they buy fuel from BORCO, so I am going to concern myself, as I said, with matters relating to petroleum. I will probably be active with the contract negotiations between BORCO and the power company. Way back I was with the Atlantic Refining Company when I got out of college – I went to the University of Colorado – I was with them for five years, and then I went into the Navy and was there for seven and a half years, and when I came out of the Navy, went with the Standard Oil Co. I joined them on the east coast as a new refinery in Perth Amboy, and concerned myself with supply and distribution and some marketing, and then in the late 50s and early 60s I concerned myself with selling and marketing crude oil in various sections of the world, mainly South America and the east coast of the United States, and I had my offices at 30 Rockefeller Plaza up until '65, and then we moved to the west coast and I was with the parent company in Operations in San Francisco. Then I came down here in the fall of '69 and have been here ever since. I retired in March – the 31st, 1980.

Carl: Tell us a little bit of how you live in the Bahamas – how you like it. Obviously you like it or you wouldn't be staying here.

Mr. G.: Yes, we think that the Bahamas is the place to live, Of course, we have not been to all the places in the world but the proof of the puddin', to me at least, is that most of the people you see or talk to that have been here and go away, would like to come back.

Carl: Including me.

Mr. G.: There are so many things about the Bahamas that are so much better than most of the other places – no traffic, no smog, ten minutes away from your work – those features are really worthwhile.

Percentage wise, crime in the Bahamas is practically nil. However, every incident is news because of such a small place and everybody knows about it. The things that are commonplace in the United States in almost every big city – their daily occurrences and nightly occurrences – they get no mention in the newspapers and are merely statistics – whereas here it is front page news.