

Tesoro to Expand Operations Here

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Business and Resources Editor

In a major expansion move here, Tesoro Petroleum Corp. is establishing a central corporate office for Alaska at 570 W. 53rd Ave., headed by Robert W. Armstrong, group vice president for refining, marketing and crude oil gathering.

Armstrong, who arrived in town Thursday, said the new office will handle all marketing, accounting, legal, tax, and general administrative services for both Tesoro Alaskan Petroleum Corp. and Pedco Alaska, the wholesale distributor for Tesoro's products, including those from the North Kenai refinery.

THE SAN Antonio based firm has another active subsidiary in Alaska, Land & Marine Rental Co., but it will continue to be operated out of its Kenai base.

He hopes to have the new office in

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ditions. During those periods, the barge is taken to Whittier and the oil moves through the military pipeline to Anchorage.

The Joyce Western proposed pipeline would use a six-inch line and a pumping station of about 500 horsepower to move the products to Anchorage, according to Ronald Hinn, vice president of the company.

Although the proposed pipeline would largely follow existing rights of way, there apparently is some question whether the BLM has authority under the land freeze to grant Joyce Western the requested right of way.

COST OF the pipeline was estimated at approximately \$4 million.

It would be capable of handling a variety of fuel products through a procedure called "batching."

Hinn said there is also a possibility the line would be connected to one of the tanker terminals at North Kenai so that other supplies of fuel could be moved to Anchorage when ice blocks the upper inlet.

TANKERS customarily drop Anchorage as a port of call for six weeks to two months during the period of most severe icing in the inlet.

Tesoro became interested in Alaska in 1968 and made a marketing study in the fall of that year, according to Armstrong. They began making plans for a refinery to process state royalty oil and, in January 1969, began construction of a refinery, after purchasing all stock of Alaskan Oil & Refining Co.

Following test runs in November and December, the refinery began regular production in January, 1970. The

full operation within two weeks, Armstrong said. The company has leased 3,000 square feet of floor space from AHL International Inc. and will occupy the entire second floor of the new office building on 53rd Ave.

Armstrong said five local members of the accounting staff will move into the new office next week and another 14 are scheduled to be added in the next two weeks.

TESORO ALASKAN has a total of 47 employees in Alaska and Pedco employs another eight persons. Armstrong said all but six of that total were hired in Alaska and the policy of local hire will continue in the future.

The company is also enlarging its transportation system. Five jumbo rail tank cars are enroute to Anchorage as are three 5,000 gallon aircraft refueling rigs.

Pedco will operate the latter units and "we are looking forward to enter-

plant is processing about 17,500 barrels a day with a large share of the fuel being produced going to the military market here. The company is reportedly considering further increases in the refinery output.

WITH THE growth of operations here, Armstrong explained, it has become necessary to establish a general office in Anchorage.

In other areas of expansion, Armstrong said, the company plans to add several more retail outlets this year, including other geographical areas of the state, and will begin blending gasoline at the North Kenai plant on March 1. At present gasoline is shipped from outside refineries.

The blending operation will produce both standard and premium grade fuel, incorporating locally refined products.

TESORO NOW operates 13 retail outlets from Kenai to Fairbanks and also distributes heating oil through dealerships. The company is now taking applications for its own credit cards (forms are available at all Tesoro stations) and hopes to begin operation of the system on April 1, Armstrong said.

An Anchorage computer firm will handle the processing and the cards will be good for all products handled by the retail dealers, he added.

The North Kenai refinery is currently producing a mixture of liquefied petroleum gases, military jet fuel, commercial type jet fuel, arctic diesel, heating oil, two grades of turbine fuel, marine and diesel and bunker fuel. The residual heavy fuel, amounting to about 40 per cent of each barrel, is being shipped to Japan for industrial use on a Tesoro-chartered tanker.

ing the commercial aircraft refueling field," Armstrong said.

THE RAILCAR tankers will operate between Anchorage and Fairbanks where Tesoro has an operational terminal still under construction to serve that area. Pedco also has fuel customers on the North Slope, Armstrong said.

In addition, Tesoro is giving some consideration to a plan to move refined fuel from North Kenai to Anchorage by pipeline but no commitments to such a project have been made, Armstrong said.

Last Friday, Joyce Western Corp., which occupies the lower half of the building at 570 W. 53rd Ave., filed application with the Bureau of Land Management for a right of way to build such a pipeline.

ROUTE DESCRIPTION maps, submitted with the application, show the line would originate in the vicinity of

the Tesoro refinery at North Kenai, follow the North Kenai Road right of way and then parallel the Alaska Pipeline Corp. gas line to Potter on this side of Turnagain Arm. One loop would follow the railroad tracks to International Airport. Another would cross the city in the Arctic Boulevard/C Street area and extend to the tank farms in the port area.

Armstrong said Thursday that his firm has made no commitments to such a project, although they have been approached about the alternate method of moving fuel here.

He added, however, that Tesoro officials will probably hold further discussions with Joyce Western in the future.

TESORO, WHICH moves the bulk of its refinery output by tug and barge, has been unable to operate in the upper inlet during periods of severe ice con-

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38 Anchorage Times
Tuesday, March 9, 1971

Meeting Planned On New Building For City's Port

A prebid conference on the proposed stevedore building for the Port of Anchorage will be held in the City Council chambers at 2 p.m. Wednesday.

Building specifications and information concerning the use of the pier and building materials will be discussed by a representative of the city.

Bids will be accepted until March 18 by the Purchasing Agent, 524 Fourth Ave.

2 Anchorage Daily Times Tuesday, March 9, 1971



IN AGAIN, OUT AGAIN

The Glacier, the nation's largest icebreaker, will leave Anchorage about 5 p.m. today, approximately 24 hours after it moored at the Port of Anchorage. The early departure — it was originally scheduled to leave Thursday — meant cancellation of a public open house this afternoon. The Glacier came to Cook Inlet to study ice conditions (note ice-encrusted sides of vessel in photo at left,) and also to aid in scientific studies in

the Bering Sea. The Glacier is en route to Nome where it will pick up scientists from the University of Alaska and the State Fish and Game Department. The Glacier, based in Long Beach, Calif., is the nation's most powerful ice breaker. The Coast Guard vessel is 310-feet long and carries 234 men and two helicopters. The early departure, a spokesman said, was due to receipt of "official orders."



(The Daily News, Anchorage, Alaska, Tuesday, March 9, 1971—

Glacier Arrives



The U.S. Coast Guard icebreaker Glacier slipped into its berth at the Port of Anchorage Monday for a three day stay to check out ice conditions in Cook Inlet. Capt. Theodore L. Roberge has scheduled an open house today from 1 till 4 p.m. for the public to view the 310-foot ship, largest icebreaker in the nation. The vessel will also visit Nome, Kodiak and Seward and is scheduled to gather data in the Beaufort Sea off Prudhoe Bay during August.

10 Anchorage Daily Times Thursday, March 4, 1971

Nighttime Images In Anchorage

