



Founded in 1907, Western States

Petroleum Association (WSPA) is the oldest petroleum trade association in the United States. WSPA represents companies that explore for, produce, refine, transport and market petroleum products and transportation fuels in the six western states of Arizona, California, Hawaii, Nevada, Oregon and Washington.

MARKETING AND DISTRIBUTION OF TRANSPORTATION FUELS

California consumers purchase 43 million gallons of gasoline and 8 million gallons of diesel fuel every day through a network of 9,500 retail service stations.

California Service Station Ownership	
Stations Owned by - Oil Companies	10%
Stations Leased - From Oil Companies	31%
Independent Dealers - Selling Major Fuel Brands	29%
Independent Dealers - Selling Unbranded Fuel	30%

Source: Center for the Study of Energy Markets, University of California; Authors Severin Borenstein, Jim Bushnell, Copyright 2005

Source: California Division of Oil, Gas and Geothermal Resources, California Energy Commission, U.S. Energy Information Administration

WHAT WE DO

CRUDE OIL PRODUCTION

- Produce 218 million barrels of crude oil per year from 50,000 wells – the 3rd largest producing state in the U.S.
- Import more than 60% of California's needed oil from Alaska and foreign sources per year

California crude oil production has declined 48 percent since 1985

California consumes 6.2 billion cubic feet of natural gas per day, half of it to generate electricity

REFINERIES

- Operate 14 refineries that make some of the cleanest burning gasoline and diesel fuel in the world
- Refine close to 2 million barrels of crude oil per day
- Produce 45 million gallons of gasoline and 14 million gallons of diesel per day for consumers and businesses in California and surrounding states
- Import gasoline and blend stocks made to California standards at refineries elsewhere in the U.S., Asia and Europe to augment California refinery production
- Blend more than 900 million gallons of ethanol per year into California gasoline supplies, making California the largest alternative fuel consuming state in the nation

Petroleum Industry's Contribution to California's Economy

Sales -	\$143 billion (direct, indirect and induced)
Employment -	364,032 jobs (direct and indirect)
Wages -	\$22 billion (direct, indirect and induced)

Source: LECG, based on 2004 data

NATURAL GAS PRODUCTION

- Produce 349 billion cubic feet per year of natural gas from more than 1,500 wells
- Import 2 trillion cubic feet of natural gas per year from other U.S. states

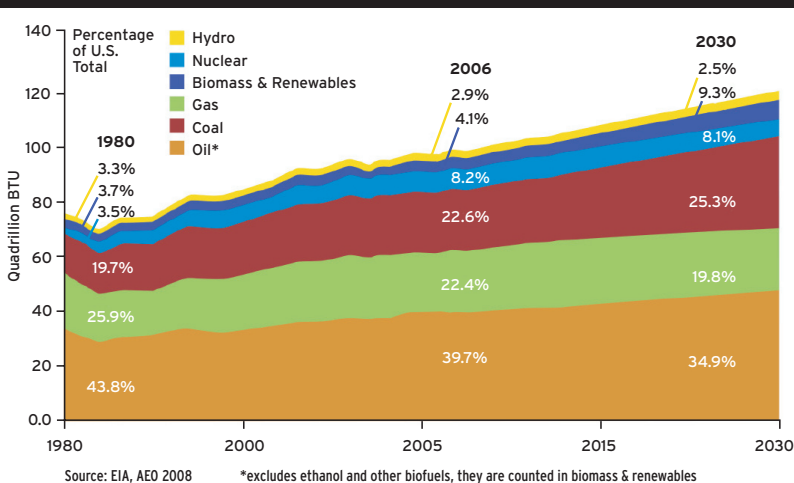
The number of refineries producing gasoline in California dropped from 32 in mid-1980s to 14 today

RENEWABLE & ALTERNATIVE FUELS

- U.S. petroleum companies are major investors in alternative and renewable fuels, emerging transportation technologies and frontier hydrocarbon development.
- According to API, between 2000 and 2007 U.S. petroleum companies invested \$121.4 billion in frontier hydrocarbons and renewable and alternative energy technologies - 65 percent of the total \$188 billion invested.
- Despite recent declines in gasoline and diesel consumption, the California Energy Commission forecasts the demand for gasoline, diesel fuel and jet fuel will grow steadily through 2030.
- The U.S. Energy Information Administration projects major increases in biofuels and other alternative energy sources by 2030. Despite this growth, the agency expects fossil fuels will still supply 80 percent of the nation's energy requirements.

Future U.S. Energy Demand

The U.S. will require 19% more energy in 2030, than in 2006



CALIFORNIA REFINERS (January 2008)

Major Petroleum Producing Fields

GASOLINE PRODUCING REFINERIES IN NORTHERN CALIFORNIA

(Operable crude oil capacity – 784,501 barrels per day)

- Chevron U.S.A. Inc., Richmond Refinery
- Tesoro Refining & Marketing Company, Golden Eagle Refinery
- Shell Oil Products US, Martinez Refinery
- Valero Benicia Refinery
- ConocoPhillips, Rodeo San Francisco Refinery

GASOLINE PRODUCING REFINERIES IN SOUTHERN CALIFORNIA

(Operable crude oil capacity – 1,061,387 barrels per day)

- BP West Coast Products LLC, Carson Refinery
- Chevron U.S.A. Inc., El Segundo Refinery
- ExxonMobil Refining & Supply Company, Torrance Refinery
- ConocoPhillips, Wilmington Refinery
- Tesoro Refining & Marketing Company, Wilmington Refinery
- Valero Wilmington Refinery
- Paramount Petroleum Corporation, Paramount Refinery

GASOLINE PRODUCING REFINERIES IN KERN COUNTY

(Operable crude oil capacity – 92,000 barrels per day)

- Kern Oil & Refining Company, Bakersfield Refinery
- Big West of California LLC, Bakersfield Refinery



California prices are more variable than others because there are relatively few supply sources of its unique blend of gasoline outside the State.

Source: Energy Information Administration, Primer on Gasoline Prices

Source: California Energy Commission, California Division of Oil, Gas and Geothermal Resources

WSPA MEMBERS

- Aera Energy LLC
- Alaska Tanker Co.
- Berry Petroleum
- BP
- Big West of California, LLC
- Chevron Pipelines
- Chevron Shipping
- Chevron Corporation
- ConocoPhillips
- ExxonMobil
- ExxonMobil Pipelines
- Lloyd Properties
- Navajo Refining Co.
- Noble Energy Inc.
- Occidental Oil and Gas Corp.
- Olympic Pipeline Company
- Pacific Operators Offshore
- Plains Exploration and Production Co.
- Plains All American Inc.
- SeaRiver Maritime, Inc.
- Seneca Resources Corp.
- Shell Oil Products US
- Shell Pipeline
- Tesoro Refining and Marketing Co.
- US Oil & Refining
- Valero
- Venoco, Inc.
- Western Refining

Where Oil Comes From (2007)

Only 39 percent of the crude oil refined in California is produced in the state. The remaining 61 percent comes from Alaska or foreign imports – all of it delivered by tanker through marine terminals.

