

## Cydsa Prepares Hydrocarbon Storage



Alejandro Von Rossum (left to right), Tomás González Sada, Humberto Lozano Vargas, y Jesús Sáenz, Cydsa directors.

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Cydsa is in talks with private hydrocarbon storage companies, in what would be the first such project of its kind in Latin America, according to executives of the company from Monterrey.

The Liquefied Petroleum Gas (LPG) Underground Storage project, which the company has been developing for 10 years, could start operations in the second half of 2017.

Cydsa already has a 20-year contract to provide LPG storage service to Pemex.

The contract with the oil company is for 1.8 million barrels, which is equivalent to a little less than 300 million liters, however, Pemex is not the only one interested in this type of service.

"Right now we are in talks with private companies that have interest in the storage of other petrochemicals, ... like natural gas and ethane," Alejandro Von Rossum, general director of Cydsa's chemical division, told a news conference.

The importance of this project lies in Mexico's limited capacity for hydrocarbon storage, since it currently has a capacity of 3 to 6 days, while in countries such as the United States storage capacity is between 30 and 60 days.

Given the above, they expect that the energy reform will require a minimum of storage days in all hydrocarbon products, as in other countries, so that there is no shortage.

Making the storage cavern costs \$25 million to \$30 million, but the rest of the equipment costs about \$100 million.

Currently the project is between 75 and 80 percent complete, but in addition to this, Cydsa already has three more caverns.

The capacity of the cavern is between two and two and a half million barrels, although the authorities affirm that this capacity would be modified, depending on the needs of the client.