

New Refining Project

The Chilean government is performing economic feasibility studies aimed at determining the possibility of constructing a third refinery that would commence operations by 2002. The studies under way will end in 1998. By then, the timeframe for the project and a precise determination of investment amounts and the type of financing to be utilized will have been defined. In any case, construction should begin in 1999.

The decision to build this third refinery is based upon figures on projected demand. While demand for fuel this year is about 10 million m³ (9 million of which came from Enap's two existing refineries), by the years 2000 demand is expected to grow approximately 14-15 million m³ per year. Estimated investment is on the order of US\$ 400 million.

Drilling

Drilling is undertaken both within Chile and abroad. In the latter case, drilling is undertaken by SIPETROL (*Sociedad Internacional Petrolera S.A.*), an ENAP affiliate. Domestic drilling in 1994: 10 wells drilled, all inland, using two rigs. 8 drilling sites in the XII Region, and 2 in the III Region.

Drilling abroad was undertaken at 33 sites: 19 in Argentina, 2 in Colombia and 12 in Ecuador. These include dry, gas, and oil wells.

4.4 DISTRIBUTION TO CUSTOMERS: INFRASTRUCTURE AND COMPANIES

Transport

The building of the Concon refinery meant the development and bringing to fruition of a number of related projects such as the Quintero loading dock, strategic storage areas, and oil pipelines connecting the different storage areas for the transport of various products. As a result, the Quintero sea terminal was effectively connected by a 20 kilometer pipeline to the Concon refinery.

All liquid products manufactured by the refinery began being delivered to distributors through the Concon-Salinas and Concon-Maipu oil pipelines. The latter is owned by *Sociedad Nacional de Oleoductos*, SONACOL, founded in 1957, with capital from *Compania de Petroleos de Chile*, COPEC, ESSO, *Standard Oil CO. de Chile*, and ENAP. In December, 1965, the Concon-Maipu pipeline was extended to San Fernando, increasing its length by 135 km. This pipeline is owned by SONACOL as well.