PetroChina Says Refinery Fire Out

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SHANGHAI (AP) — Firefighters fought three hours to put out a blaze Monday at a major petrochemical refinery in the northeastern Chinese city of Dalian, the second fire in two months at the facility, police and the company said.

State-owned PetroChina, China's biggest oil and gas producer, said the fire occurred in a diesel tank containing 800 tons of fuel at its subsidiary Dalian Petrochemical, but any that escaped had been channeled into an emergency storage pool.

Nearly 300 firefighters and 65 fire engines were summoned to battle the blaze, caused by an explosion in a pipeline linking two fuel tanks, police said in a statement. Some firefighters remained to guard against any further trouble, given the risk of explosion due to nearby tanks of aviation fuel, liquefied petroleum gas and other materials, it said.

A fire in mid-July at the same refinery forced the company to suspend operations of some of its units.

Dalian was the site of China's biggest known oil spill, when a pipeline explosion put at least 1,500 tons (461,790 gallons) of oil into the sea in July 2010.

The city recently saw protests by some 12,000 people demanding the removal of a chemical factory making paraxylene. In the face of such a rare but bold show of public dissatisfaction, the authorities agreed to move the plant out of the downtown

area.

The protest was mounted after waves from Tropical Storm Muifa last week broke a dike guarding the plant and raised fears that floodwaters could release toxic chemicals.

Recent oil spills in Bohai Bay, offshore from Dalian, have further raised concern over environmental risks from the region's energy and chemicals industries, with government officials threatening legal action against ConocoPhillips China, which operates wells in the affected oil field with another big state energy company, CNOOC.

CNOOC's refinery at Daya Bay, in Huizhou, halted operations in several of its production lines after a fire broke out in its aromatics unit on July 11.

PetroChina's statements, posted on its website, emphasized that Monday's fire did not cause any pollution. Local government officials refused comment and calls to the refinery went unanswered.

Dalian, a relatively well-planned, modern port city of over 6 million, has seen growing friction between economic planners counting on big industries like petrochemicals to help power growth, and residents desiring a healthy environment.

Downtown factories are a hot-button issue for educated Chinese and many cities, including Beijing and Shanghai, have closed down steel mills, shipyards and refineries and shifted them into the suburbs.

Petrochemicals already account for half of Dalian's tax revenue, according to the city government, and city plans call for further expanding refineries into a regional oil products base.

The fires at the Dalian refinery have also raised concern over safety standards in the industry, as petrochemical companies struggle to preserve profit margins despite surging costs for crude oil and other raw materials.

AP researcher Fu Ting contributed.

Source URL (retrieved on *07/26/2014 - 3:35pm*):
http://www.chem.info/news/2011/08/petrochina-says-refinery-fire-out