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Planned Cushing refinery to have multibillion-dollar impact

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Cushing, known as the "pipeline crossroads of the world" and with a rich history as an oil refining center, has been selected as the site for construction of the first major oil refinery in the United States since 1977. Texas-based Southern Rock Energy Partners made the announcement this week. (Courtesy photo/Cushing Economic Development Foundation)

The first major oil refinery planned for construction in the United States since 1977 will be located in Cushing and have an economic impact on Oklahoma of more than \$18 billion in its first decade, officials announced this week.

The refinery, planned by Texas-based Southern Rock Energy Partners, will be built on about 625 acres yet to be determined in the Payne County community, known as the "pipeline crossroads of the world" in reference to its pipeline infrastructure and some 430 oil storage tanks located on its northern and southern sides.

“We have three different sites around the community we’re in negotiations on,” Cushing Economic Development Foundation Director Bruce Johnson said Thursday.

Without a doubt, however, the refinery will have a huge economic impact, beyond its initial \$5.5 billion capital investment and the more than 420 full-time jobs it’s expected to create. According to Southern Rock Managing Director Steven Ward, it will be a “next generation” facility with cutting-edge technology deployed to reduce its carbon footprint. Plans call for the refinery to be powered by 100% renewable electricity sourced by either the electrical grid or generated on-site from recycled waste heat or through geothermal or solar systems. Ward said the refinery will produce blue hydrogen with carbon capture to reduce water consumption by 90% and will recycle 80% of its wastewater. The technology should eliminate 95% of greenhouse gas emissions, he said, while allowing for the processing of 250,000 barrels of light crude daily sourced from the Permian, Anadarko, Denver and Bakken basins.

Some 1,250 temporary jobs are anticipated during construction, which is expected to launch in 2024 and be complete by 2027.

Johnson said locating the refinery in Cushing made sense, as Southern Rock will be able to tap into existing pipeline and storage infrastructure

The community also has a rich oil refining history. Since the discovery of the Cushing-Drumright Oil Field in the early 1900s, more than 50 refineries have been located in Cushing. Its strategic location and 100 million barrels’ worth of tank storage make it the delivery point for West Texas Intermediate crude traded on the New York Mercantile Exchange. It has been identified as the most significant oil trading hub in North America.

Based in El Campo, Texas, Southern Rock Energy has billed itself as a “next generation integrated energy company” established to decarbonize and advance the oil and gas industry while also advancing renewable energy. In

addition to oil and gas, it also has focused on hydrogen, solar, wind and geothermal electricity production as well as water production, recycling and carbon capture and sequestration.

“We would like to thank the Cushing Economic Development Foundation, the Cushing Industrial Authority, the City of Cushing and the Oklahoma Department of Commerce for their willingness to work side-by-side with us during this phase of the refinery project,” Ward said in a media statement. “The dedication of the professional economic development organizations of Oklahoma has made and will make our efforts to advance the energy independence of the United States, by processing domestically produced crudes into cleaner transportation fuels, a reality.”

According to the U.S. Energy Information Administration, there were 130 operable petroleum refineries in the United States as of January 2022.