

MMEX refinery has financing framework

Goal for Phase 1 completion is Dec. 2020

By **STEVE FOUNTAIN**
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MMEX is starting detailed engineering for its refinery project in Pecos County. The step follows the company's Sept. 17

announcement of its selection of debt and equity sources for financing the \$105 million first phase of the project.

"We will get the detail engineering started," Jack W. Hanks, President & CEO of MMEX Resources Corp. told The Pioneer. "That gets down to how many inches of pipe, a detailed analysis. Once you have detailed engineering drawings, you order the order equipment."

Hanks said that 40 to 50 percent of the financing is equity - including about \$5 million in MMEX funds - with the remainder coming through debt.

The company is working to finalize the finance agreements.

"Completion of the funding is dependent upon final agreements," Hanks said in a press release. "As previously announced, we have entered into off-take agree-

ments to market our refined products including diesel, naphtha and residual fuel oil meeting the International Maritime Organization 2020 marine fuel regulations. As we build out Phase 1 and Phase 2 and the related infrastructure, we expect to be processing about 20,000 barrels per day of crude oil in Pecos County in two separate crude distillation units."

He said the equity funds will be used first,

including those to pay for the detailed engineering.

Hanks said it will be a few months before steel structures start to rise up from the site 20 miles northeast of Fort Stockton off FM 1053 near the Sulfur Junction spur of the Texas Pacifico railroad. However, activity could be seen soon as the site is cleared and some

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field work is start in preparation for construction.

"We've been really, really happy the last day or two, - quite excited and pleased," Hanks said. "We're really anxious to get going."

Hanks said the goal

is to have the first phase operational by December 2020. Starting the detailed engineering now will save a few months in the construction process.

For Pecos County, the refinery has the potential for a new influx of tax

revenue.

According to Pecos County Chief Appraiser Sam Calderon, the county, Buena Vista Independent School District, Middle Pecos Groundwater Conservation District and the Midland Col-

lege-WRTTC District are taxing entities that stand to benefit from the new revenue stream.

MMEX has also rented additional office space, adding 109 S. Main St. to the original rental next door at 107 S. Main St.