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BLUE DOLPHIN ENERGY CO  
Form 8-K  
November 03, 2004

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF  
THE SECURITIES AND EXCHANGE ACT OF 1934

Date of Report: (Date of earliest event reported):  
November 3, 2004 (October 29, 2004)

Blue Dolphin Energy Company  
(Exact name of registrant as specified in its charter)

Delaware  
(State of Incorporation)

0-15905  
(Commission File Number)

73-1268729  
(IRS Employer  
Identification No.)

801 Travis, Suite 2100  
Houston, Texas 77002  
(Address of Registrant's principal executive offices)

(713) 227-7660  
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

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Blue Dolphin Energy Company ("Company") issued a press release announcing that the Company and WBI Pipeline & Storage Group, Inc. ("WBI") entered into a Purchase and Sale Agreement (the "Purchase and Sale Agreement") with SemGas, LP on October 29, 2004 for the sale of their interests in New Avoca Gas Storage, LLC ("New Avoca"). The Company, held a 25% equity interest in, and was the manager of, New Avoca, and WBI Pipeline & Storage Group, Inc., held a 75% equity interest in New Avoca. New Avoca was formed to complete the design and to develop a natural gas storage facility in Avoca, New York. The New Avoca assets included:

- o approximately 900 acres of land located south of Rochester near the town of Avoca, New York;
- o pumps and a pipeline for fresh water;
- o a pump house containing 12 pumps (6,400 HP) for the solution mining operation;
- o 7 cavern wells - 4,000 feet deep;
- o 6 brine disposal wells - 9,000 feet to 11,000 feet deep;
- o a storage building with valves, fittings, and miscellaneous parts;
- o electrical switch gear;
- o solution mining equipment; and
- o compressor foundations.

This transaction closed on October 29, 2004. Pursuant to the terms of the Purchase and Sale Agreement, the Company received \$.9 million for its interest in New Avoca, and may receive an additional payment of up to \$.4 million, subject to the commencement of commercial operations from a storage cavern at the New Avoca natural gas storage facility prior to October 29, 2011. The Company expects to use the proceeds from this sale for working capital and general corporate purposes.

The above description of the Purchase and Sale Agreement does not purport to be complete and is qualified in its entirety by reference to the Purchase and Sale Agreement, a copy of which is filed as exhibit 10.1 to this Current Report on Form 8-K, and is incorporated herein by reference.

### ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits - none.

- 10.1 Purchase And Sale Agreement by and between Blue Dolphin Energy Company WBI Pipeline & Storage Group, Inc. and SemGas LP, Dated October 29, 2004
- 99.1 Press Release dated November 1, 2004

### SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: November 3, 2004.

BLUE DOLPHIN ENERGY COMPANY

/s/ G. Brian Lloyd

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By: G. Brian Lloyd  
Vice President, Treasurer

INDEX TO EXHIBITS

Exhibit -----	Description of Exhibit -----
10.1	Purchase And Sale Agreement by and between Blue Dolphin Energy Company WBI Pipeline & Storage Group, Inc. and SemGas LP, Dated October 29, 2004
99.1	Press Release dated November 1, 2004