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Holly Corporation Q1 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question is from Jacques Rousseau with Back Bay Research.

Jacques Rousseau - Back Bay Research

Good morning, gentlemen. I just wanted to see if you could give some color on what expenses we should expect from the Woods Cross fire this past month.

Matthew P. Clifton

Jacques, it really shouldn't be significant at all. We just had to replace a section of flare line and some small instrumentation there, so that work has been completed. They are ramping back up on Friday afternoon as we left the office, so I think it's going to be pretty insignificant and we did have in the scope of our turnaround project some upgrades to our flare system, so we were lucky in that we had the pipe available on site and were able to quickly repair that situation.

Jacques Rousseau - Back Bay Research

Great. One more -- could you let us know the current level of black wax crude being used at Woods Cross?

Bruce R. Shaw

Sure, Jacques. In the quarter, we used about 4,400 barrels a day and that number would have been higher if it hadn't been for the weather up there. We had a lot of snow that kept trucks from getting to some of the black wax in the quarter. I think as we look into April, we are running over 5,000 barrels a day, bringing in more than 5,000 barrels a day of black wax.

Jacques Rousseau - Back Bay Research

Great. That's all I have. Thanks.

Operator

(Operator Instructions) Your next question comes from Eitan Bernstein with FBR.

Eitan Bernstein - Friedman, Billings, Ramsey

Good morning, gentlemen. Congratulations on putting together a really good quarter in a difficult market environment. Two questions, number one -- any volume guidance on second quarter?

Matthew P. Clifton

I think we'll be running pretty much all out. Currently we are taking this opportunity with the high diesel cracks. We have a catalyst change out in our diesel to self-riser that we are conducting right now but in order to maintain diesel at the normal rates, we've switched the diesel over to our cat feed to self-riser and then doing some work on the cat over the next couple days. The diesel production will be at the current -- at the regular level, and then we'll come back on up with the cat. So I would expect that the quarter volume wise should average about what we did in the first quarter. We had a little bit of maintenance work that we did in January when margins were so depressed. We did some exchanger cleaning and some activities that we usually do in the February/March timeframe to get ready for the summer gasoline season. We got that out of the way in January so I think the second quarter should be fairly close to the first.

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