Conoco Inc. and Pennzoil Products Co. plan to jointly build a $500 million lube oil plant near Conoco's refinery in Calcasieu Parish near Lake Charles.

The new facility, to be located just adjacent to the Conoco refinery at Westlake, will produce more than 15,000 barrels a day of high quality base oils. Base oils are the primary ingredients in finished lubricants.

Separately, Conoco will contribute another $250 million to pump up its refinery's processing capacity and gasoline production.

"We see the timing and economics for this particular investment to be excellent," said James L. Pate, Pennzoil's chairman and chief executive officer. "It will supply us with the additional base oils we need to keep up with market demand for our premium quality motor oils and other lubricants."

"This joint venture will provide a source of high quality base oils capable of meeting our customers' more demanding finished lubricant requirements," said Constantine S. "Dino" Nicandros, Conoco's president and chief executive officer.

The two projects are expected to create about 2,500 jobs during construction and about 200 permanent jobs when completed in 1997.

The two projects are expected to create about 2,500 jobs during construction and about 200 permanent jobs when completed in 1997. The total permanent payroll will be about $12.7 million a year.

The firms say that wages will total about $100 million during construction. The venture will also use about $225 million in construction materials, at least $45 million of which will be purchased from vendors in southwest Louisiana.

Site preparation is expected to begin late this year and construction should take nearly three years, with April 1997 as the target finishing date. Conoco will act as construction manager and operator of the lubricating base oil plant.

Conoco, a wholly-owned subsidiary of DuPont, produces crude oil and natural gas and also manufactures and markets a variety of petroleum-based products.

Pennzoil Products Co., a subsidiary of Houston-based Pennzoil Co., manufactures and markets motor oil, lubricants and car-care products.