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HOUSTON REFINERY

Wednesday, September 5, 1962

No. 9

TO ALL STAFF EMPLOYEES

(Following is the text of a management letter signed by Monroe E. Spaght, President of Shell Oil Company, and released today)

A STATUS REPORT ON THE STRIKES

" This is the seventeenth day of the simultaneous strikes at the Norco, Houston and Wood River Refineries, and the Norco and Houston Chemical Plants. In the Management Letter of August 23, I said, "We have no choice but to take any and all steps which may be appropriate and necessary to preserve our right to manage our business."

" It is the purpose of this letter to point out some of the steps that have already been taken, and to give you a brief description of the current status, as we see it.

" 1. While all of the Refineries and Chemical Plants involved were shut down when the strikes were called, partial processing and shipping operations were resumed by staff employed at each location as soon as appropriate. As of today, these operations are quite substantial in order of magnitude at all locations. This is possible only because of the loyalty and hard work of the staff employees concerned.

" 2. We are maintaining and expect to maintain normal crude oil and gas production in all fields and have been able to arrange to store or dispose of all production not needed at the current level of our processing operations.

" 3. The requirements of our customers are being met promptly, and appropriate arrangements have been and are being made to see that this will continue.

" 4. Recognizing the heavy cash demands that may be involved in maintaining our business at normal levels during this period, all Shell Companies and Departments have been requested to defer, if not eliminate, any activities which, in the light of the current emergency, have less than the highest order of priority. The results, even in this short time, have been most gratifying. To mention just a few items -- a substantial amount of budgeted exploration drilling has been deferred, expenditures for advertising have been cut severely -- the purchase of automobiles, trucks, office equipment and similar capital items has been suspended, and all Departments and payroll centers are continuing their studies of assigional expense reductions.

" 5. At the request of Federal Mediators, we have held separate negotiating sessions with the Unions at Wood River, at the Norco Refinery, and at the Norco Chemical Plant, and are scheduled to meet Tues. at the Houston Refinery and Chemical Plant. Some limited progress has been made, but most of it on peripheral items, leaving the primary issues essentially unchanged. There is no ground for optimism as to an early settlement.

" Through the vigorous and untiring effort of many, many Shell people, we have made a good beginning in our efforts to preserve our right to manage our business. The road yet to be traveled may well be long, but we have reason to be cautiously hopeful about the ultimate outcome. "

Signed: Monroe E. Spaght

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LABOR RELATIONS

At the request of the Federal Mediation and Conciliation Service, representatives of the Company and Union met with the Conciliator yesterday. A letter to all supervisors, explaining in more detail the events of Tuesday's meeting, will be sent to you shortly. Another meeting has been called by the Conciliator for Friday morning, (Sept. 7).

SAFETY

With the placing of the STOP sign at the Refinery entrance, the question has been raised: What do you do if you approach the sign and the light is green. The answer in a word -- you STOP -- just like the sign says. In fact you ALWAYS STOP, regardless of the light. So BE CAREFUL, CAUTIOUS, and drive SLOWLY.

Today Louie has a few thoughts about safe practices when drawing product samples ... Make sure container is clean ... Use ground wires on sample containers when drawing LPG products ... Wear eye protection or a hood for face protection ... Wear rubber gloves when taking samples of chemicals or hot oils ... Stand to windward side if possible ... Open valves slowly ... After a valve is partially opened and no product samples are released from a drain or sample line - EXERCISE CAUTION - the line may be plugged ... Draw sample slowly and be sure the sample line is small enough to allow air to escape from sample container ... Be sure to properly tag samples.

OPERATIONS

Boilerhouse No. 2 started up yesterday ... and for those with an eye upward and an ear tuned to the finer things, you know now that the Cat. Cracker maintenance is over and the "big 'un" is beginning to snort, cough, and warm up for things to come.

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TO ALL STAFF EMPLOYEES

No. 9

September 2, 1963

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