



# Shellegraph

Houston Refinery

No. 43

Friday, October 30, 1970

## EARNINGS FOR 3rd QUARTER OF 1970 WERE \$59,740,000, DOWN 18 PERCENT

Earnings for the third quarter of 1970 were \$59,740,000, or \$.89 a share, down 18 percent from \$72,721,000, or \$1.08 a share for the corresponding 1969 period. The lower results were due to the continuance of most of the principal factors that adversely affected earnings for the previous quarters of this year.

The economic slowdown and competitive pressures resulted in an 8 percent decline in chemical sales revenue. Pre-operating and high initial manufacturing costs associated with the start-up of the Houston Olefins plant contributed to lower profits. The plant is now essentially complete and major portions not on stream are anticipated to be in operation prior to year-end. The added tax burden imposed by the Tax Reform Act of 1969 accounted for approximately one-third of the net decline from third quarter 1969 earnings. Although refined product sales volume was down 3 percent for the quarter, refined product sales revenue declined only

1 percent principally as a result of improvement in light and heavy fuel oil prices.

Consolidated net income for the first nine months of 1970 amounted to \$173,899,000, or \$2.55 a share. This was 21 percent less than the \$220,103,000, or \$3.27 a share, earned for the same period last year. These results were adversely affected by the above factors and also by the impairment in gasoline prices, particularly during the first half as compared with the prior period. Other income depressants were severance payments resulting from a reduction of staff, and the costs of relocating certain operating organizations to Houston which are being accumulated and written off over the estimated recovery period of four years.

Total sales and other operating revenues, excluding consumer Excise and Sales Taxes, in the first nine months of 1970 amounted to \$2,653,443,000 compared with \$2,634,276,000, in the same period last year. Funds provided from operations, that is, net income plus write-offs and related tax deferral, totaled \$458,079,000 in the 1970 period compared with \$515,398,000 in the 1969 period.

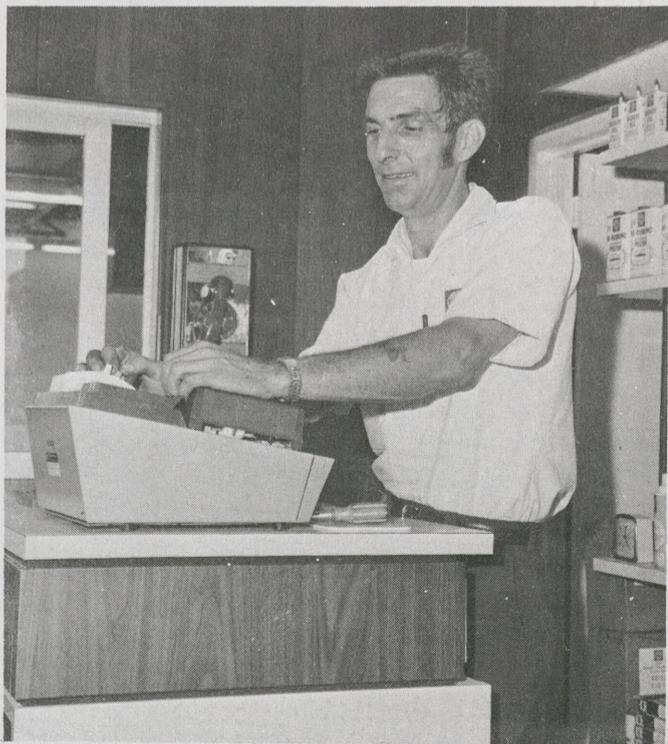
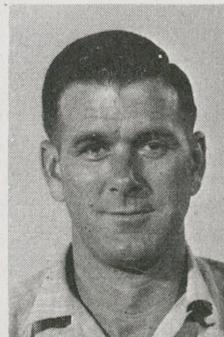
Nine-month operating volumes increased somewhat over those of the 1969 period. Net production of liquid hydrocarbons and natural gas increased by 6 percent and 3 percent respectively. Refinery crude intakes and the sale of refined products both showed modest gains.

## J. E. RIKARD BECOMES ENGINEERING FOREMAN IN ENGINEERING FIELD

J. E. Rikard has been appointed Engineering Foreman in Engineering Field, effective October 16.

John joined Shell in October 1948 as a General Helper in Engineering Field. He became a Machinist Helper No. 2 in May 1951 and progressed to Machinist No. 1 in February 1957.

Rikard is a graduate of Winfield, Louisiana, high school and attended LeTourneau Tech in Longview, Texas, before joining Shell.



Billy Cornwell, new manager of the Cornwell Refinery Shell service station, writes up a sales ticket in the modern station. Billy has been managing service stations for about 20 years and is ready to serve you. Call 479-9174 for service.

TEN AND OVER PARTY TO BE HELD TOMORROW AT EXECUTIVE CLUB



NANCY and JOEL MEIER, children of Louise Meier, Steno-Secretary, Technological Department, were both presented academic excellence awards at their schools during American Education week, Oct. 26-30.

Nancy, a seventh grade student at Jackson Intermediate School, received the award for having a 4 point average during her sixth year.

Joel who attends tenth grade classes at Pasadena High School received his second award this year. Because of his scholastic aptitude, Joel took some accelerated courses last year and still qualified for the award.

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The Industrial Chemicals Division Technical Center at the Houston Chemical Plant is a research organization which by the nature of its business does not publicize its work. Therefore, when a stranger was seen



sneaking around the front of the ICTC Building recently, suspicion was aroused.

The stranger, disguised as a black and gray opossum, was seen lurking in the bushes in a questionable manner. Researchers denied rumors that the stranger had something to do with their work, and suspected foul play.

A sergeant in the plant protection section said that he has seen the stranger creeping around the premises several times, but everytime the suspect was approached for questioning, he turned "tail" and ran. The Bulletin editor tried to interview the stranger, but the opossum proved too bashful and hid in the bushes.

Meanwhile, speculation among employees continues to grow. Could it be that Shell is developing a new gasoline additive that promises to put "a possum in your tank."

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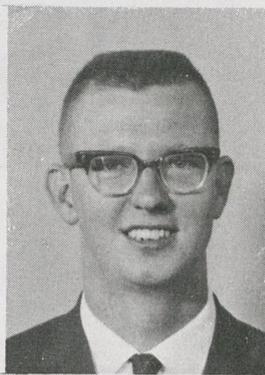
Mention Bambi to D. V. McKinney and he'll ask you if you were involved in the plot against him, too.

It seems that just because he went on a deer hunt in Colorado while on vacation last week, some unknown employees posted notices on bulletin boards announcing that a free barbecue would be held Monday and Tuesday. Anyone interested was to call McKinney for information and reservations.

The famous deer hunter has tracked down most of the notices, but many employees have still been disappointed when they showed up at the warehouse for free barbecued venison.

"I did bag a deer, but I gave it all away not knowing that I was supposed to bring lunches for our 1800 employees," said the befuddled McKinney.

## SMITH MOVES TO GENERAL OFFICES, OTT NAMED CC ASSISTANT MANAGER



Smith

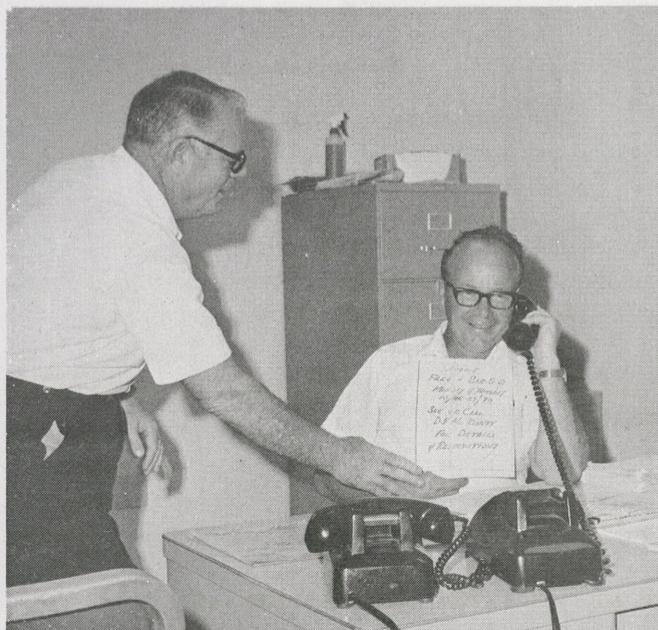


Ott

D. B. Smith, Assistant Manager, Catalytic Cracking, will be transferred to Manufacturing Operations, General Offices - Houston, as a Senior Engineer. A. F. Ott, presently Assistant Manager, Gas and Thermal Cracking Department, will replace Smith. The moves, which were effective October 16, were announced by J. G. Pratt, Refinery Manager.

Doug joined Shell in January 1964 as a Research Engineer in the Houston Research Laboratory. After an assignment in the Technological Department of the Houston Refinery, he was appointed Assistant Manager in the Lubricating Oils Department in October 1967. In May 1969, he was assigned to his present position of Assistant Manager Catalytic Cracking. He holds a Ph.D. degree in chemical engineering from the University of Florida.

Al joined Shell at the Anacortes Refinery as a Technologist in the Technological Department in February 1959. After assignments in this capacity, he was transferred to Head Office, Manufacturing Technological, in June 1965. In November 1967, he was transferred to the Houston Refinery as Assistant Manager, Gas and Thermal Cracking. He holds a B.S. degree in chemistry from Washington University.

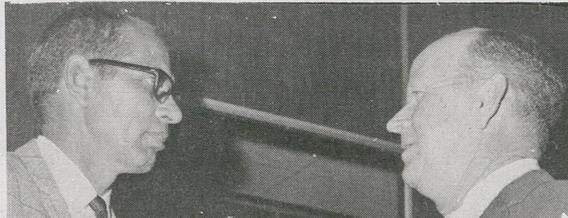


Tom Reed shows D. V. McKinney the notice which said in black and white that a free barbecue would be held.

**UNITED FUND SOLICITORS TREATED TO VICTORY DINNER**



Praising the United Fund solicitors at the Refinery for raising \$46,000 surpassing the \$42,500 goal were those seated at the head table at the victory dinner. L-r, are J. E. Nicholson, John Jackson, Director of Rehabilitation Harris County Center for



the Retarded, Ed Watson, President, Local 4-367, OCAW, AFL-CIO, Bill Loveless, next year's co-chairman, Geraldine Rougagnac, Executive Director, Lighthouse for the Blind, Jimmy Miller, and Mel Renquist. At right are solicitors F. F. Lewis, C. W. Sparks.

**TECHNICAL EXPERT SAYS MAN CAN LIVE IN HARMONY WITH THE EARTH**

A Shell Oil Company technical expert takes issue with those who prophecy that the world is headed toward environmental disaster.

"Man has the knowledge to live in harmony with earth's natural systems, and to help them maintain a useful yet pleasant and healthy environment," said R. E. Van Ingen, coordinator of environmental conservation activities for Shell's refineries.

The Shell man spoke his views recently at a Rotary Club meeting in Odessa, Texas.

"What we need now is a concerted effort on the part of the American people, industry, and government to improve the quality of the environment in a reasonable length of time," he said.

Emphasizing the oil industry's commitment to the fight against pollution, he said he is confident that environmental problems can and will be solved. The problems are now particularly acute in large urban centers where the earth's natural pollution disposal systems have been overloaded.

"The know-how exists to correct our major pollution problems," he said. "The big challenge now is for municipalities and industry to decide on the most effective ways to get the jobs done...we know that our society is willing to pay the bill if they get good value for their money."

Speaking of the petroleum industry, Van Ingen said: "The oil companies' efforts have resulted in the reduction of undesirable emissions. For example, the reduction of the sulfur content of fuel oil burned at refineries and in home furnaces has substantially lowered the level of sulfur dioxide in the air. Similarly, the industry has contributed in the development of devices that have cut hydrocarbon emissions from the average 1970 automobile to one-fifth of that for a comparable 1966 model.

Regarding Shell, Van Ingen noted that the company has intensified its corporation-wide environmental conservation program and organized a task force to deal with the problem of oil spills.

"Harmony with the environment is a prime criterion in locating, designing and operating a new refinery or chemical plant," he said.

"We believe that a proper balance must be achieved between the material requirements of man and his relationship with nature."



W. O. Miller and G. C. Conard enjoyed the dinner at the Tower Restaurant in Baytown.



Chatting before dinner were W. T. Mehrkam, R. C. Whitley, Ed Watson and S. C. Matney.



Seated together listening to the speakers were, l-r, Robert Post, R. R. Crawford, S. C. Matney, C. O'Toole, Marilyn Edwards and J. W. Henderson.

LABORERS HOLD ANOTHER DINNER AFTER SAFE YEAR OF WORK



Mrs. W. Conaly, Mr. Conaly, O. Champs, Mrs. R. L. Gibson, Mrs. Champs, H. H. Wagoner, Dan Davis, Paul George's daughter and Mrs. Wagoner were among the employees and wives who attended the recent Laborer's safety dinner party at the Executive Club.



Miss Thelma Paul and J. A. Talley enjoyed the chance to socialize with other employees at the party.



Mr. and Mrs. Luther Tolbert and Mr. and Mrs. R. Woodworth (retiree) enjoyed the party. Right, talking girl talk were Mrs. E. D.



Clark, Mrs. L. Tolbert, Mrs. R. R. Crawford, Mrs. J. D. Creeks, and Mrs. A. V. Jones.



CLASSIFIEDS

FOR SALE

Welch mare and gelding horse.  
Telephone: GR 9-2082

Electric Frigidaire stove, like new, rapid heat burners, large oven, \$150.  
Telephone: MI 3-9870

'66 Chevrolet 4 door, V8, automatic transmission, power brakes, power steering, factory air, priced to sell this week.  
Telephone: 479-2241

Lumber--1700 lineal feet of 1x4s unused, half price.  
Telephone: 472-6768

GTO, 1967, air conditioned, automatic transmission, power steering, instrument panel, tape deck, body and mechanical equipment in excellent condition.  
Telephone: 472-0800

Shallow well pump with 115 volt motor, boat trailer.  
Telephone: GL 3-7741

Registered rat terrier puppies, \$25.  
Telephone: 944-9463

1965 Lemans, 2 dr. hardtop, loaded, new tires & brakes, like new, original owner,

\$1,000.  
Telephone: 649-6424

Scuba diving equipment, complete set, \$65.  
Telephone: 944-9463

New 392 hemi engine, full race cam, 2-4 barrel intake, blueprinted and balanced, \$350.  
Telephone: MI 9-6896

1969 350 Honda motorcycle, like new, 1700 miles, \$625.  
Telephone: 473-7539

WANT TO BUY

Horse and saddle.  
Telephone: GL 3-7741

WANT TO RENT

2-bedroom house in Pasadena or Deer Park area, around \$100 a month.  
Telephone: 946-7991

FOR SALE OR TRADE

'66 Chevrolet Impala, 6 cylinder, standard shift, want to trade for car with automatic transmission.  
Telephone: 946-7991

FREE

Yellow very fluffy male kittens.  
Telephone: 472-0018

Heinz-type puppies, small variety.  
Telephone: 479-3153