

# Shellegraph

Houston Refinery

No. 2

Friday, January 15, 1971

## Power Failure Halts Operations Over Weekend

### CATALYTIC REFORMER NO. 3 STARTED UP SUCCESSFULLY LAST WEEK



On the startup team were W. T. Riggs, B. Briscoe, C. G. Scott, Rich St. Pierre and Ron Hartman, Assistant Manager of the department, who headed the team.

## R. R. AGOSTO TRANSFERS TO G. O., LOUCKS, KIENLE INVOLVED IN MOVES



Agosto



Loucks

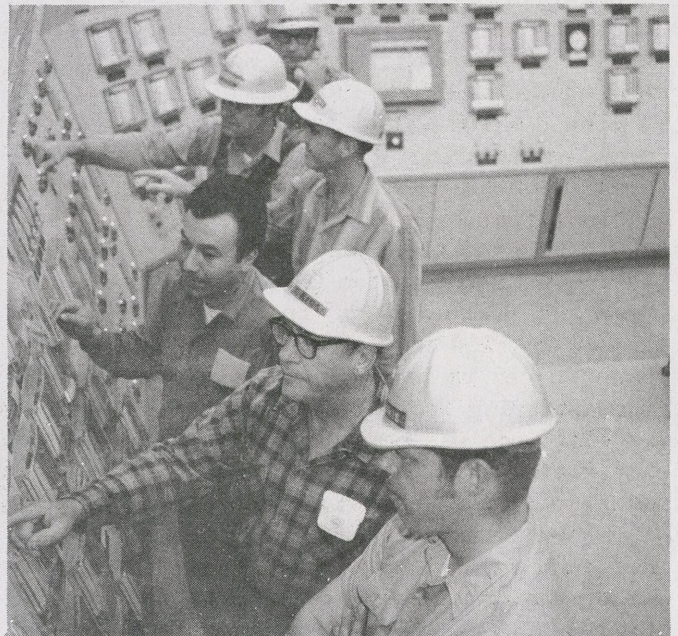
R. R. Agosto, Manager, Technological, will transfer to the Transportation and Supplies Organization, General Offices-Houston, as Assistant to the Manager Supply Forecasts.

R. A. Loucks, Manager Engineering Services, will replace Agosto. R. R. Kienle, Group Leader in that department will replace Loucks.

The transfers were announced by J. D. Ramsey, Refinery Superintendent, and are effective January 16.

Bob Agosto joined Shell at the Wood River Refinery in June 1953 as a Junior Technologist following his graduation from Notre Dame with a B.S. degree in chemical engineering. He held a variety of assignments at Wood River and Ciniza Refineries before transferring to Head Office Manufacturing Operations in August 1965. He assumed the duties of Manager Economics and Scheduling at Wilmington Refinery in 1968 and moved to the Houston Refinery in 1970.

(Continued on Page 2.)



At the controls as CR-3 startup operations headed toward a successful completion last week were (from back) W. A. Chamblee, J. B. Harrington, Operators #1, C. B. Brown, Operations Foreman, F. C. Saucedo, W. T. Riggs, Operators #1, and W. C. McKinnis, Operator #2.

Startup operations were completed Wednesday, January 6, and the Catalytic Reformer #3 went on stream as another phase of the Refinery's three-year expansion winds up.

Operators, fresh from a six-week training course, activated the 36,000-barrel-a-day capacity unit during startup procedures last week.

Unfortunately, a power failure originating outside of the Refinery caused a shutdown of CR-3 on January 7. The unit remained down over the weekend and then was re-streamed successfully on Monday, January 11.

The Catalytic Reformer #3 is designed to permit an increase in production of aromatic solvents and indirectly to increase production of high octane blending components for motor gasoline. The unit will be the primary supplier of feedstock for the aromatic solvents manufactured at the aromatics concentration unit and paraxylene plant. CR-3 will permit the switching of Platformer No. 1 at the Refinery from aromatics to motor gasoline operation.

Startup operations will begin shortly on the Saturates Gas Plant. Construction on this unit was completed in recent weeks. The SGP is designed to stabilize the very light gasoline fractions produced at the new hydrocracker and catalytic reformer as well as to recover propane and butane from crude distillation and platformate stabilization. Products include dry gas, LPG grade propane, isobutane, normal butane and light hydrocrackate.

**LOUCKS, KIENLE**

(Continued from Page 1.)

Bob Loucks, who holds a B.S. degree in metallurgical engineering from the Montana School of Mines, joined Shell at the Anacortes Refinery in 1958 as an Engineer in the Engineering Office. After technical experience in different departments, he moved to Head Office in 1964 as a Senior Engineer, Manufacturing Engineering. He came to the Houston Refinery as Manager Construction-Onsite in 1968 and became Manager of Engineering Services in 1969.

Ronald Kienle, who began working for Shell at the Wood River Refinery as a Technologist in 1960, holds a B.S. in chemical engineering from Washington University. He became an Engineer in 1964 and later was transferred to Head Office Manufacturing Technological in 1966. He was named Senior Engineer in that department in 1968. He accepted a foreign assignment in 1969, moving to the Houston Refinery as a Group Leader in Engineering Services in 1970.

**D. M. GEEHAN TRANSFERS TO G. O. AS SENIOR ENGINEER IN TECH DEPT.**

D. M. Geehan, Group Leader, Technological Department, will be transferred to the Manufacturing Technological Department, General Offices-Houston as a Senior Engineer.

The move, which is effective January 16, was announced by J. D. Ramsey, Refinery Superintendent.

David, who holds a B.A. degree from Ohio Wesleyan University and M.S. and Ph.D. degrees from Case Institute, started working for Shell in 1965 as a Research Engineer in Research. After serving as Group Leader in Hydroprocessing, he moved to Head Office Manufacturing on Special Assignment in 1968. Later that year he returned to the Refinery as Senior Engineer, Distilling. He became a Group Leader in Technological in 1969.



\*\*\*\*\*

In the period from 1968 to 1980, the petroleum industry's capital outlay here and abroad is expected to total over \$200 billion, and a good share of this will have to come from earnings.

**PUBLIC RESPONSE IS GOOD--SOMETIMES INTERESTING--TO SHELL OF FUTURE**

It has been a few months since Shell began marketing "Shell of the Future" in the bright blue pumps. The public's response has been as anticipated and many motorists have taken time to write about their experiences with the new gasoline.

In fact, college and high school students as well as members of the general public have requested pamphlets and other material on Shell's non-leaded gasoline.

Here's a portion of one of the letters Shell received.

"...I broke the habit of our regular gas station, and regular brands, and pulled in to our local Shell station...

"There I was first surprised, and then, delighted to see the new blue pumps with your new lead-free (non-leaded) gasoline. I filled up the car and a five gallon tank for the lawn mower and went on to church for a service about ecology.

"During that service, it occurred to me that environmental regeneration and protection is one of the few big problems of our time that each of us can do a lot of things about, every day, in many ways. One of those things (and a fairly big one for us with 3 cars, 2 lawn mowers, 4 outboards, a generator, a motorbicycle, and a snowmobile) is to use unleaded (non-leaded) fuel.

"So, after taking my family to the station to show them your new product, and discussing with them my feelings about it, we've put all our (competitor credit cards) cards in the inactive file, replacing them with only our card from Shell."

A brochure describing "Shell of the Future" was mailed to each Shell credit card holder. The information advised motorists about

the type of car that should use the new gasoline.

When Shell of the Future was introduced, Shell dealers had many interesting experiences. If a pre-1971 car requiring high octane gasoline (Super Shell) pulled onto the driveway and 'wanted' Shell of the Future the dealer told the motorist that his car needed a higher octane gasoline than Shell of the Future (about 91 octane).

However, some of these motorists insisted that the dealer sell them Shell of the Future. In some cases, the motorist would return, confirming that indeed, Shell of the Future, was not designed for his engine. This is the reason Shell chose the three-product system as being best for the consumer as well as for Shell at this time.

**JAMES M. LONG, PENSIONER, DIED JAN. 12, SERVICES WERE THURSDAY**

Services were held Thursday in Jackson, Mississippi, for James M. Long, Pensioner, who died January 12. He is survived by his widow, Mrs. Mary Margaret Long. They resided at Route #2, Florence, Mississippi.

Long was first employed in the Engineering Field Department as a General Helper in June 1935. He later worked in the Treating Department and was an Operator #1 in the Distilling Department when he retired in October 1964.



**Second Segment****SHELL PRESIDENT SAYS ENERGY DEMAND IS OVER STIMULATED BY PRICE RULES**

(Editor's Note: Denis B. Kemball-Cook, Shell's president, discusses the current energy picture in this shortened version of a recent talk. In the first installment he discussed the factors affecting supplies of nuclear power, coal, natural gas and oil.)

What caused the sudden increase (in demand for fuel or resid)? The National Petroleum Council in its report on the "Short-term Fuel Oil Outlook", submitted to Secretary of the Interior Hickel, said:

"The sharp increase in residual fuel consumption beginning in 1969 primarily stems from long-term trends in the energy market being accelerated by relatively recent developments. Today's recognized critical shortage of natural gas was created by over a decade of government-regulated gas prices at low levels. These unrealistic prices reduced incentives to explore for new reserves and at the same time artificially stimulated the growth of gas consumption."

Recent international situations have restricted supplies of crude oil from abroad as well as raised their delivered costs above those of domestic crudes. Increased production of domestic crude has so far filled the supply gap. However, domestic crude oil production is now believed to be approaching its peak rate. Looking at the long term, even taking Alaska into account, imports from Canada and other countries will have to increase substantially to meet the expected growth in U.S. demand even though vast producible reserves remain to be discovered in this country. The National Petroleum Council recently estimated these potential reserves at from 75 to 155 billion barrels or more. In my view, only a significantly higher domestic price for oil will bring forth the exploration research and development effort needed to bring these reserves into production and to unlock the full potential of coal and oil shale.

U.S. energy demand is forecast to rise 50 percent by 1980, double by 1985 and triple by 2000. This kind of growth is going to take enormous sums of money. The oil industry's investment in exploration expenses, production facilities, pipelines, tankers, refineries, distribution and marketing facilities, and so on, has totaled over \$60 billion in the past 10 years. Recent estimates of the size of these outlays in the next decade are in the range of \$150 billion.

Where will this money come from? Until a few years ago, the oil industry generated nearly all the money needed for expansion from retained earnings and provisions for capital recovery--that is, depreciation, depletion and so on. Within the last few years the industry has had to borrow a much larger portion. At present, just when the need for money is skyrocketing, the industry's ability to generate funds has been drastically restricted by changes in the federal tax laws affecting oil and gas operations. At the same time, government regulations coupled with intense competition are holding down

the industry's return on investment--right now it is somewhat lower than the average for all manufacturing in the U.S. Of course, in the long term the industry's return must be adequate if the industry is to grow so as to serve the energy needs of the nation.

We have seen in dramatic fashion the effects of unduly low regulated prices of natural gas. The oil industry is under constant attack from critics in the federal and some state governments and from certain commentators in the communications media who advocate similar restrictions on other petroleum products, notably gasoline and home heating oil.

We are also seeing at the present time how precarious some foreign oil supplies can be. (Early this year when the Trans-Arabian Pipeline was ruptured in Syria, the Syrian government refused to allow it to be repaired. With the Suez Canal closed, about 475,000 barrels a day of Persian Gulf crude formerly moved by tanker from the pipeline's Mediterranean terminal to Europe had instead to go around the Cape of Good Hope. In addition, Libya has greatly reduced production and this loss has had to be filled from the Persian Gulf. Tankers going around Africa have to travel six times as far as those plying the Mediterranean routes. The effect of all of this has been a large and abrupt increase in demand for tankers. "Spot" tanker charter rates have recently been as much as three times what they were earlier in 1970.)

I should think the wisdom of maximum reliance on domestic supplies and relatively stable nearby sources in the Western Hemisphere is obvious enough to anybody. We must not be deluded by arguments about how much money consumers could save by importing "cheap" foreign oil. This may be our last chance to learn that it is only cheap when we have substantial alternative sources and can get along without it if we have to.

Over the long range, the answer can never be entirely in the industry's hands. We must have proper government policies, and this requires the understanding and support of the public. The industry wants to accept the challenge of supplying the energy needs for the rest of this century and beyond. With the understanding of the American people, I believe we will succeed.

**SHELLEGRAPH**

Published by Shell Oil Company for its Houston Refinery and Houston Research employees at Deer Park, Texas.

Mrs. Josie Ochoa - Editor

Reprints allowed by request. To submit news and photographs, call extension 541 or send material to Room 103, Main Office Annex.

Deadline for ads--Wednesday noon.

**CLASSIFIEDS**FOR SALE

1966 Ford pickup, 352 motor, excellent condition, new tires, paint, upholstery, never used for work truck, \$1,000  
Telephone: 946-1867

Custom built couch by Suniland, coffee table, 2 end tables by Drexel, walnut dining table, 4 chairs, like new, formica top table with 6 chairs.  
Telephone: 487-0751 after 5:30 p.m.

4 bedroom home, 2 car garage, 2 baths, paneled den, fireplace, 6% loan, 25 minutes from Shell, 318 Pebblebrook, El Lago.  
Telephone: 1-877-1892

'69 Ford Galaxie, 4 door hardtop, power brakes and steering, factory air, radio, vinyl, \$1850.  
Telephone: 1-877-1892

Pointer pups, \$25. Purebred, good hunting stock.  
Telephone: 482-2251

Baldwin upright piano, pecan finish, 4 years old, \$675.  
Telephone: 1-877-1892

16 cu. ft. refrigerator with freezer, \$150.  
Telephone: 1-877-1892

Maytag washer, 6 months old, \$225.  
Telephone: 1-877-1892

Heavy duty riding mower, 27" cut, Wisconsin, 7 hp. engine, \$65.  
Telephone: 485-2706 after 5:30 p.m. weekdays and anytime on weekends

1962 Pontiac, 4 dr--Y4--good tires, economical, solid work car, \$350 cash.  
Telephone: 723-6098 after 6

1964 Cadillac, full power, gold color, excellent condition, runs good, under 60,000 miles. \$1,000  
Telephone: 1-966-2097 after 5:30 p.m.

FREE

3-unit rabbit hutch, good condition.  
Telephone: 946-1867

FOR RENT

2-1-1 house near Reveille in Houston. Living room, dining room, sun room, covered patio, nice yard, \$125 a month.  
Telephone: 729-5252

LOST

Set of Mercury keys on chain. Call Shellegraph office.

FOUND

Timex watch (electric).  
Claim at Shellegraph office.

**A COLD DAY IN JANUARY**

With icicles hanging all around columns at the Sats Gas Plant as the temperature dropped to the 20's last week, Welder #1 D. J. Hornburg and Pipefitter #1 D. O. Goodson repaired steam leaks under the warmth of a tarp.

**TEST OF SMALL SUBMARINE SHOWS POSSIBILITY OF USE BY PIPELINES**

Researchers at Shell Pipe Line set out to sea on a mission in a bright yellow submarine and returned to their Lab with a new purpose in mind.

Their original plans were to recover a corrosion test rack in about 300 feet of water. The location: West Delta Block 134, in the Gulf of Mexico.

The three-man crew consisted of a pilot, navigator, and a Shell researcher on three separate dives.

They located the corrosion rack despite large amounts of metallic debris on the bottom. Even though the actual recovery procedure was not successful, a study of the capability of a submarine for possible use in offshore pipelining was.

Shell Pipe Line's use of the sub, leased for the project, reflects its interest in developing new techniques for deep water pipeline work.

Such techniques involve right-of-way surveys, soil analyses, and pipeline and platform inspections, according to Shell Pipe Line Research Laboratory employees.