

Shellegraph

Houston Refinery

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The Tele-Auction is running long into the night in an effort to raise \$200,000 for

Channel 8's educational broadcasts in the Houston area.

CHEMICAL ANNOUNCES SHUTDOWN OF PLANTS AT VENTURA, ST. HELENS

Shell Chemical Company plans to close its plants at Ventura, California, and St. Helens, Oregon, and withdraw from the manufacture of fertilizer products, J. B. St. Clair, President, announced Wednesday. Shell Chemical will continue marketing fertilizer products by acquiring supply from alternate sources to meet existing and future commitments.

Shutdown operations are expected to begin at the two plants in the near future. It is anticipated that the plants, which employ about 140 people, will be closed down entirely by late 1972. The Ventura Plant was built in 1953, the St. Helens Plant in 1965.

St. Clair said that the main factors which led to this action were:

Persistent over-supply of ammonia and related nitrogen products, rising operating costs, technological obsolescence and small production capacity of the plants, and limited supplies of natural gas, the major raw material for ammonia products.

The plants cannot be made profitable by further monetary investment. All other possibilities for supplying nitrogen products, including the use of alternative feedstocks and processes, have been reviewed but were found not to be attractive to Shell in relation to other investment opportunities. Consequently, the company is faced with no reasonable alternative.

Special retirement and severance programs will be made available to employees at the two facilities. Also, every effort will be made to help employees find jobs both inside and outside the company.



Jewell Moss, Sheri Duhon, and Sandy Bryant had a hectic evening on the phones at the Tele-Auction Monday.

TELEAUCTION GOES ON WITH HELP FROM VOLUNTEERS, BIDDING PUBLIC

During a hectic three-and-a-half-hour shift, Shell employees took telephone bids at the Channel 8 Tele-Auction Monday.

Pinch hitting for enthusiastic and anxious at-home bidders, Sandra Bryant, Jewell Moss and Sheri Duhon were among 20 Shell employees who took bids for such things as clothes,

(Continued on Page 2.)

SHELL OIL COMPANY NET INCOME UP 19 PERCENT FROM FIRST QUARTER OF 1971

Shell Oil Company net income in the first quarter of 1972 was \$53.8 million or 80 cents a share, 19 percent more than the \$45.1 million or 67 cents a share earned in the same period last year, Harry Bridges, president, told the annual meeting of shareholders last week. Consolidated revenue in the quarter totaled \$1,142 million, a rise of 4 percent.

Contributing to the improvement was the absence this year of non-recurring costs incurred in 1971 to control two well blow-outs, Bridges said. Excluding the effect of these non-recurring costs, three-month net income from current operations was at about the same level as a year ago, he said.

Bridges said the marked improvement in first quarter income cannot be taken as indicative of probable results for all of 1972, mainly because the largest impact of the non-recurring items occurred in the first quarter of 1971.

Gasoline Prices Unsatisfactory

"In the first quarter, gasoline prices continued to be very unsatisfactory and improvements are necessary if we are to offset rising labor and material costs," Bridges said. "Principally because of the uncertainty of prices, it is impossible at a point this early in the year to predict our results for 1972."

The chemical segment of the business, always sensitive to changes in the national economy, reacted to better conditions, with sales volume increases in olefins, aromatics and vinyl chloride monomer contributing to Shell's higher revenues and earnings, Bridges said.

He reported that total refined products sales volume increased 6 percent, mainly in heating oils, residuals, liquefied petroleum gas and jet fuel, but the benefit from the higher volume was partially offset by lower prices for most products other than automotive gasoline, the price of which remained virtually unchanged.

Refinery Intakes Up

Refinery intakes were 4 percent higher as a result of increased demand.

Production of crude oil and natural gas liquids continued at a high level but was slightly below that of 1971.

Although labor and material costs continued to rise, the increase in total costs and expenses was primarily associated with

greater sales volumes. "Overall unit costs compared favorably with those of last year, indicating that we are succeeding in our sustained effort to control expenses through operating and organizational efficiencies," Bridges said.

He said investment tax credit was greater in the current quarter than in the same 1971 period, but total credit for all of 1972 was expected to be about the same as in 1971.

Bridges disclosed that Shell has found commercial reserves off Louisiana in the Gulf of Mexico this year on another one of the tracts acquired in the December 1970 Federal lease sale. This means that commercial reserves have now been found on 4 of the 9 offshore Louisiana tracts purchased at that sale.

Bridges said he expected that most of the 22 wells involved last year in the Bay Marchand Block 2 Field blowout and fire, off the Louisiana coast, would be salvaged successfully and that production would be resumed about mid-year.

He announced that the Company is continuing to widen the search for new hydrocarbon reserves outside the U.S. including Canada, Colombia, Peru and offshore Honduras, which began in 1970.

Spending for Clean Environment

To help achieve a cleaner environment, Bridges said, Shell is projecting expenditures of some \$200 million over the next five years for environmental control facilities at its refineries. He added that expenditures for reducing lead compounds in gasoline, as required under the recently proposed Environmental Protection Agency schedule, "could well be of similar magnitude."

As a first step in meeting this schedule, he said, a catalytic reformer is under construction at Anacortes, Washington, refinery and will be completed this year.

He was encouraged that additional progress could be made in achieving cost reductions throughout the chemical activity. This, "coupled with our ability to increase major product outturn to meet the rise in demand, should further improve the overall performance of Shell Chemical."

In marketing, he said the program of giving older stations an economical "facelift," which was completed at more than 600 stations last year, is being expanded this year to an additional 1,200 outlets.

TELEAUCTION GOES ON AND ON WITH VOLUNTEERS' HELP

(Continued from Page 1.)

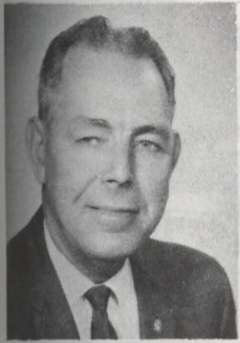
free trips, vacation homes, TV sets, small furniture, flowers, 30 quarts of ice cream, a ride in the Goodyear Blimp, wigs, hair styling, gadgets, odds and ends and many interesting and unusual donated items.

Sometimes the bid takers got as excited as the bidders as they vied for the highest bid on each item.

As the week wore on and lucky bidders got their long-sought-after items, other

companies sent volunteers to help during the nightly shows. Shell also purchased one-half sponsorship of the Monday night broadcast. With the \$200,000 the station is trying to raise by tomorrow night, Houston area children can continue to learn and grow with such programs as "Sesame Street" and "Hodgepodge Lodge." Adults will also benefit from the many educational programs broadcast by the station.

THREE EMPLOYEES RETIRE MAY 1



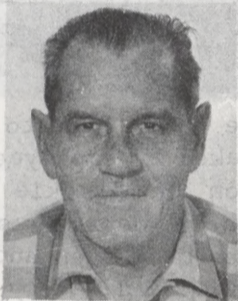
Fields



Gersteman

Three long-time employees retired May 1. They are A. W. Fields, L. E. Gersteman and Lee Simmons.

A. W. Fields, Insulator No. 1, Engineering Field, retired with 32 years of company service. He was first employed as a General Helper in 1938. He also served as a Pipefitter Helper No. 1, Asbestos Worker No. 1 before becoming an Insulator in 1949. He and his wife, Bessie, will make their retirement home at 2313 Pomona, Pasadena.



Simmons

Gersteman, Insulator No. 1, retired with 25 years of service. He began working at the Refinery as a General Helper in 1946. He also served as a Pipefitter Helper and asbestos worker, becoming an Insulator in 1949. He and his wife, Dorothy, will retire to 7049 Ilex, Houston.

Simmons, Automotive Dispatcher, Engineering Field, retired after 36 years of service. He was first employed as a Laborer in Engineering Field and later served as a Truck Driver No. 2, Craneman, and Heavy Equipment Operator. He and his wife, Ruby, reside at 322 W. Calvin, Pasadena.



Shirley Brasher was feted at a baby shower recently by fellow employees.

RESPONSIBLE COMPANIES FORMING OIL SPILL COOPS NEAR WATERWAYS

Oil Spill cleanup cooperatives continue to form across the country, reflecting the industry's continued interest in protecting the marine environment along the nation's coasts and inland waterways.

The American Petroleum Institute reports that 67 cooperatives are in operation with 22 more in the planning stages. Shell is represented in 26 of the current ones and is working closely with interested companies in forming others to serve areas near Shell marine terminals and loading docks.

As an indication of their continued rapid growth, the API pointed out that of the 67 cooperatives now active, 25 became operational last year.

Shell and other interested companies form and join oil spill cleanup cooperatives to provide equipment and maintenance necessary for containing and cleaning up any possible spills. Sometimes the containment and cleanup equipment is owned by the cooperative, sometimes by the individual oil companies concerned and sometimes by both.

Services of the cooperatives are usually offered to a member company encountering a spill that exceeds that company's own cleanup capabilities. In addition, the cooperatives' services are also offered to government agencies and non-member companies when the need arises.

The number of cooperatives in the United States, while constantly growing, does not necessarily reflect an increase in frequency of spills. Stephen P. Potter, API's vice president for public affairs, made this clear in a letter to the editor of Boating magazine.

"According to the Conservation Division of the U.S. Geological Survey, of the more than 2 billion barrels of oil produced on the U.S. Outer Continental Shelf since 1957, only 0.014 percent was spilled," Potter said in his letter, published in the magazine's January 1972 issue.



Nurse Elizabeth Hechler received a little girl's birthday cake from fellow employees upon her 62nd feast day last week. She says she will save the little decorations for her second childhood.

JUST TO KEEP YOUR INTEREST--HERE'S ANOTHER OLD, OLD PICTURE



Maybe we are overdoing a good thing, but we thought we would show you another old picture to see who the first three hourly, three staff employees and three pensioners would be who could correctly identify at least 15 of the 54 in this picture. Also,

we would like to know when the picture was taken by employee Tony Blanyer. Doc Harrison and Blackie Thornton informed us that there were no staff and hourly employees back then and that the boilermakers already had safety rules. Note the goggles.

CLASSIFIEDS

FOR SALE

Settling estate, 1972 Caprice, 6,000 miles, reasonable.
Telephone: 494-3101 or 498-6679 after 5

1969 Opel GT new tires, real clean, \$1995.
Telephone: 774-4348

24" 3 speed girl's bike, \$30. 20" girl's bike, \$10.
Telephone: 472-7256

Three acres in Colorado, 20 m south of W. entrance Estes Park, county road, ½ m from US 40. Heavily wooded, 3 ski areas, two more planned, near 1976 Winter Olympics site.
Telephone: 472-0800

Garage sale, bicycle, TV, fans, clothes, etc.
1014 S. Johnson, Pasadena.

1963 Falcon work car, \$100 cash, '72 license,
Telephone: 479-2357

1966 Impala, 2 dr., air, power brakes, steering, bucket seats, \$695.
Telephone: 481-2877

1969 new Moon 12x50 mobile home, like new, CU balance approx. \$3370.
Telephone: 941-0349

42" attic fan, grill and cover, \$25. Whirlpool air cond., 220, 9800 BTU, cleaned and reconditioned, \$100.
Telephone: 473-2170

1970 Kawasaki Mach III 500, excellent condition, low mileage, good buy, \$795. 1957 Pontiac, good running condition, great work

car, \$125. '64 Plymouth Sport Fury, 1970 383 Roadrunner engine & 4 speed trans. \$225
Telephone: 697-8094

Minibikes, 3½hp Bonanza, lights, shocks, \$65, 3½hp Sears, recently overhauled, runs good--\$50. Starcraft Camper-trailer, sleeps 4, lightweight, fiberglass, new tires, as new condition, \$450.
Telephone: 479-1023

WANT TO BUY

Attic fan motor.
Telephone: 472-8445

PERSONAL

Many thanks for the thoughtfulness to all who contributed for my retirement gifts. My wife and I really appreciate everything and I enjoyed seeing and visiting with everyone. A very special thanks to Mr. Mehrkam and Mr. Baker who worked so hard to make it a memorable success.
M. G. Clepper

FOUND

Photo album. Key. Claim at Shellegraph office.

SHELLEGRAPH

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Mrs. Josie Ochoa--Editor

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