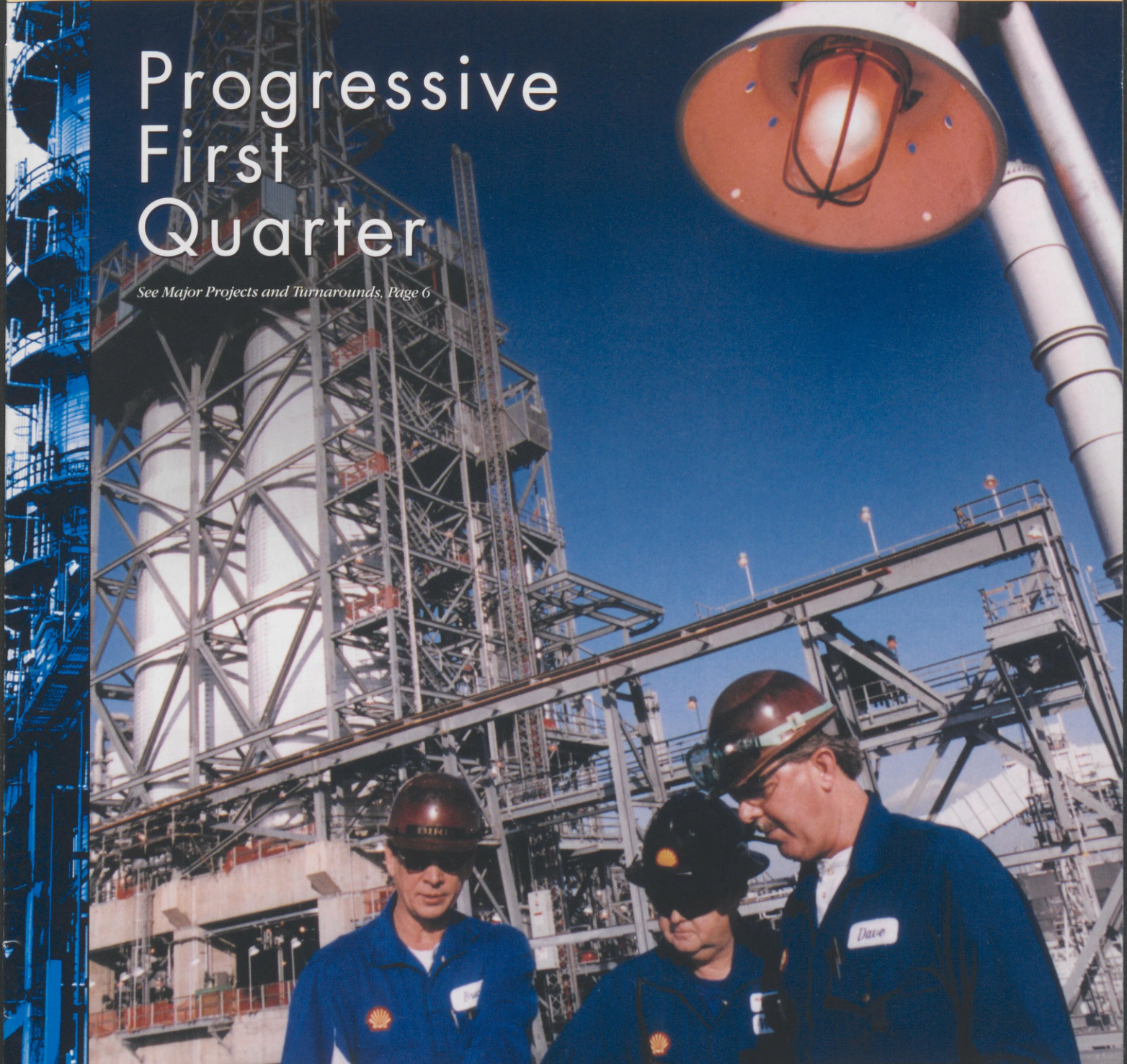


SHELL *e* g r a m

D E E R P A R K

Progressive First Quarter

See Major Projects and Turnarounds, Page 6

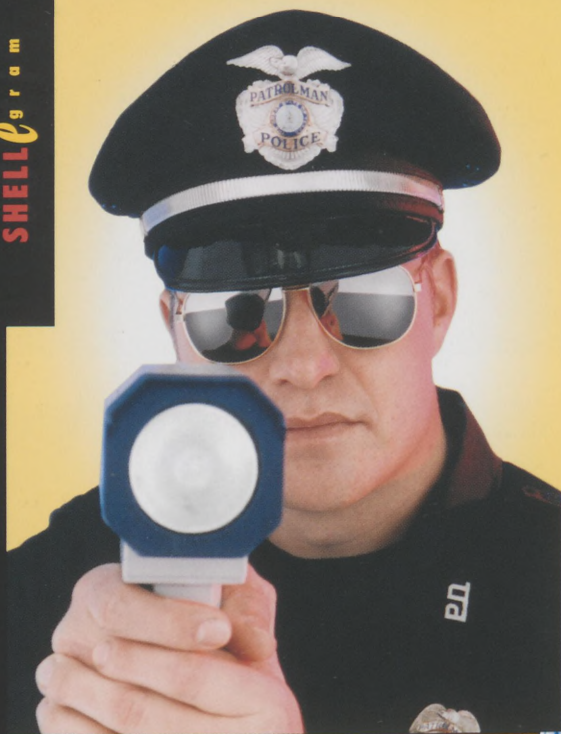


C O N T E N T S

BUCKLE UP AND DRIVE SAFELY	pg.2
'DEER PARK BROADCASTER'	pg.3
CHAMPIONS OF EXCELLENCE	pg.5
MAJOR PROJECTS AND TURNAROUNDS	pg.6



Count on Shell



Strategies for Today's Environmental Partnership

Editor's Note: Shell Deer Park supports these initiatives: Responsible Care, through the Chemical Manufacturer's Association, is a continuing effort to improve the industry's responsible management of chemicals; STEP, through the American Petroleum Institute, addresses public concerns by improving our industry's environmental health and safety performance.



Responsible Care A Public Commitment

If you have a story idea for an upcoming *Shellegram*, please contact us. We appreciate all the leads we get! All inquiries should be addressed to:

SHELLEGRAM, Shell Deer Park
P.O. Box 100, Deer Park, TX 77536
713-246-6372 or

Gina Manlove @
Manlove Advertising 281-487-6767
gina@manlove.com

For additional copies contact
Lois Guthrie at 713-246-6247.

Buckle up and drive safely

Projects and turnarounds during 2001 at Shell Deer Park will almost double both manpower and vehicles inside the facility. This increase means that all of us need to be aware of safe driving requirements.

Drivers inside the Deer Park facility encounter some conditions not generally seen on public highways, such as slow-moving heavy equipment and motorized cranes, railroad crossings specific to the site, and congested areas where pedestrians, bicyclists, golf carts and motor vehicles intersect. Due to the special conditions that exist inside Shell Deer Park, the rules of the road for safety and courtesy must be followed. They include:

- adhering to 20 mph or otherwise posted speed limit;
- wearing a seatbelt while driving;
- yielding right-of-way to pedestrians, bicyclists and heavy equipment;
- abiding by traffic control devices such as stop signs, pedestrian crossings and railroad crossings;
- being especially watchful when driving through congested areas;
- remembering to stop, look and listen before traversing a railroad crossing; and
- pulling vehicle to safety at the side of roadway, killing the ignition and proceeding to the nearest Safe Shelter if the site-wide alarm sounds.

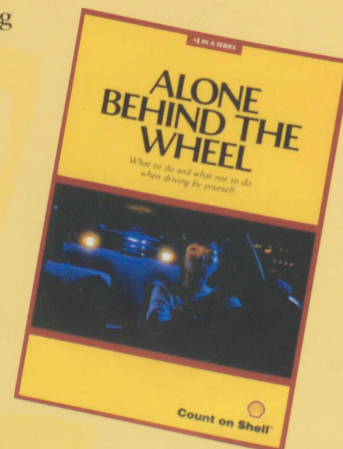
According to Dave Smith, senior security inspector, "The 105 motor vehicle accidents recorded in the facility during 2000 were slightly lower than the 109 accidents in 1999." Smith commented that the major causes of accidents were unsafe backing techniques and unsafe turns. He also provided the following breakdown of motor vehicle accidents for last year.

- Month when most accidents occurred: December
- Day of the week when most accidents occurred: Tuesday
- Hours when most accidents occurred: 3 - 5 p.m.

To increase your awareness of traffic safety, you are encouraged to clip the rules of the road listed above and refer to them occasionally. Working together, we can make 2001 the safest year ever at Shell Deer Park.

As part of the *Count on Shell* program, there are six existing booklets available on driving safety. If you would like one of these informative booklets, please contact Denise Wilkenson at 713-241-4532

- Driving Dangers
- Kids in the Car
- Crash Course
- Alone Behind the Wheel
- Breakdown
- Sharing the Road



'Deer Park Broadcaster' – Progress 2001 Edition

The following article is scheduled to run in the Deer Park community newspaper, the 'Deer Park Broadcaster'.

Shell Deer Park Refining Company

By Stacy Methvin, President



People, planet, profit... this is how we summarize the most important deliverables for Shell Deer Park Refining Company (SDPRC), the operator of assets for the Deer Park Refining Limited Partnership (DPRLP), Equilon Lubricants and shared facilities. In 2000, SDPRC recorded its best-ever year in safety, environmental and reliability performance.

SDPRC entered 2000 in a great position with excellent functional results in 1999, laying the foundational work for the future. The focus on the five elements of safety: leadership, employee involvement, accountability, communication and awareness helped achieve a world-class injury rate of 0.59 for the Shell and Equilon employees and 0.24 for contractors. Given the high level of activity associated with the Maya II project, this is truly commendable. The environmental performance for the refinery and lubes continued to reflect the improved awareness and recognition that we cannot be premier unless we treat our planet with respect. We ended the year with 13% fewer exceedances than in 1999—a best-ever performance.

Reliability of our units is also key to our success. At SDPRC, we measure success in this area by the percentage of unplanned shutdowns and slowdowns. In 2000 we had our best year ever, improving from our prior best in 1996. World class is around 3% unplanned shutdowns and slowdowns, and I have confidence that we are on track to meet that goal in the future.

Shell Deer Park Chemical Plant

By Dean Eselman, Site Manager



The year 2000 was one of mixed results when compared with 1999, which was our best-ever year in most performance areas. Nevertheless, we experienced a number of impressive successes in 2000, most notably:

- A new best in compliance of health, safety, environmental (HSE) and other internal requirements.
- Milestones in HSE performance were achieved in several departments.
- Production records were set in six process units.
- Start-up and integration of the phenol 3 unit.
- Smooth transition associated with the divestment of the resins business to Resolution Performance Products.
- Continued progress on diversity initiatives.

The vision of Shell Chemicals is "To be recognized as THE BEST in petrochemicals." This means being acknowledged as the best all-around long-term performer by a majority of customers, employees, competitors, analysts and other stakeholders.

The Equilon Lubricants business, after a strong 1999, had a more difficult year on the profitability side in 2000. The high crude prices squeezed margins and resulted in substantially lower earnings. SDPRC's improved operational results will ensure that we will deliver profit when the margins on this business return.

The profitability of the Partnership resulted in record net income. After dismal margins in 1999, the inventories of gasoline and distillates returned to low levels, which led to substantially improved margins. The strong functional performance of the refinery translated into strong earnings for our owners.

For DPRLP, we are on a journey to becoming the premier heavy sour crude refining company. The year 2000 set the stage for the world-class performance level that we expect to sustain and improve upon. With completion of construction of Maya II in the first quarter 2001, this refinery will become the fifth largest in the U.S. The new hardware will enable us to process more heavy sour crude, better utilize our existing assets and position us to be more profitable than in the past. Our job in 2001 is to start-up these units and run them as well as we have shown we can run our base assets while not compromising our safety and environmental performance.

We have a lot to be proud of at SDPRC; this performance does not come without the hard work and dedication of all of our employees, contractors, suppliers and customers.

For 2001, we have identified four focus areas that will help guide us in our vision:

- Health, Safety and Environment – Attain 2001 targets and make steady progress in achieving longer-term goals by improving our performance in the areas of injuries, illnesses, process safety incidents, environmental exceedances and compliance.
- People – Build winning attributes and behaviors in personal leadership; business orientation/results; "enterprise first" mindset balanced with local needs; openness, honesty, integrity and humility; learning practices and opportunities; and respecting people and their diversity of backgrounds, ideas and contributions.
- Run the Assets: Turnarounds and Production – Effectively manage process unit maintenance turnarounds, shutdowns and restarts, related capital projects and meet unit capacity utilization targets.
- Costs – An ongoing challenge is to manage total controllable fixed and variable costs.

2001 is shaping up to be a busy and challenging year for DPCP. I am confident that with our excellent track record and talented workforce we can attain world-class status in virtually all performance areas.

Community Involvement

By Dave McKinney, Manager Community Relations



Shell Deer Park (refinery, lubricants and chemical plant) is committed to being a good corporate citizen, responsive to our active and retired employees and neighbors. Each year we develop a strategic outreach plan that best leverages our available resources—people, monetary funds and surplus materials—to help meet local needs and address issues important to the community.

Major areas of support include: education, philanthropy, volunteerism (SERVE), an array of trade, business and civic organizations, external communications, media relations and emergency response planning, training and notification.

Shell Deer Park people hold leadership positions in several Local Emergency Planning Committees (LEPCs), Channel Industries Mutual Aid, volunteer fire departments, Deer Park Chamber of Commerce, East Harris County Manufacturers Association, Houston Regional Monitoring, Texas Chemical Council, Wheelhouse, Bridge Over Troubled Waters and the Deer Park Educational Foundation, to name a few.

We also are a founding member of the Deer Park Community Advisory Council and have been a partner-in-education with Deer Park High School for more than 10 years.

Highlights of our outreach activities for 2000 included home maintenance projects for residents of Deer Park

involving the help of the Deer Park High School's industrial trades class, Meals-on-Wheels distribution to the North Shore community, "Cool Career" presentations to Deer Park High School students, and support of area high schools for their project graduations.

Support was provided for environmental projects such as the trash bash held at the San Jacinto Monument, the Armand Bayou Nature Center and a children's fishing tournament at Sylvan Beach.

Shell Deer Park supports events that highlight the diverse cultures in the Houston area. For example, the Susan G. Komen Foundation's Race for the Cure and the United Negro College Fund's black-tie gala.

Health and social problems are addressed by Shell Deer Park's strong support of activities like the American Cancer Society's Relay for Life, and The Bridge Over Troubled Waters that shelters thousands of women and children each year. Shell also was a major sponsor of the Alamo Challenge Houston-to-San Antonio bicycle tour that benefited the American Lung Association, and we had a team in the MS 150 Houston-to-Austin charity bicycle tour.

Looking at 2001, Shell Deer Park will launch a web site that will put us in closer touch with the community. Information and photos about our operations, projects, programs and other topics will be just a click away for those with Internet access. In the meantime, Shell's community relations representatives can be reached at 713-246-6247.

Shell Serving Your Community



Meals-On-Wheels

Christmas Project

Christmas Project

Meals-On-Wheels

Shell Chemicals announces Champions of Excellence awards

Shell Chemicals Americas recently announced Champions of Excellence winners for 2000, which included recognition for two Deer Park teams. Receiving recognitions from the Chemical Plant were the Deer Park Railcar Storage Project and the Phenol 2 Reliability Improvement Team.

The global Champions of Excellence award recognizes outstanding individual and team achievement for performance in demonstration of winning attributes and behaviors. For 2000, there were a total of 47 nominations from across the globe and 13 were selected as winners for this very prestigious award. Here's a summary of the two projects recognized from Deer Park, and the team members.

"The individuals who participated in the Deer Park Railcar Storage Project and the Phenol 2 Reliability Improvement Team are to be congratulated for their outstanding commitment to resolving issues and finding the 'win/win'. I applaud them for their motivation and contributions!"

Dean Eselman

Railcar Storage Project

Team: Glenn J. Fillion, Paul M. Spicer, William Lowrey

This project resulted from Deer Park's search for reduced railcar storage costs. Although Shell Deer Park considered building its own storage facility on-site, it was determined that a better alternative would be to preserve the land for future development. As a result, Shell Chemical Company entered into a long-term agreement with U.S. Development Group. Pursuant to the concept initiated by Shell Chemicals Deer Park Distribution Organization, U.S. Development purchased adjacent property. A subsidiary company, Deer Park Rail Terminal Inc. (DPRT), was formed to develop the railcar storage yard.

Glenn Fillion, manager of distribution services, stated that Shell Deer Park's lease agreement with DPRT guarantees 300 of the 650 available spots. "This lease arrangement presents us with significant cost reductions in transportation and storage, and it will also save us turnaround time." According to Fillion, Shell Deer Park ships approximately 13,000 rail cars per year. Currently,

it takes four to six days to block outbound trains using other facilities. In the future, DPRT will block outbound trains and save two or more days in turnaround time.

Although the project is in its early stages, Fillion commented, "This is proving to be an endeavor that will provide significant financial benefits to Shell Chemical Company."

Phenol 2 Reliability Improvement Team

Team: Roger Dauer, Carlos Garcia, Randy Faske, Jack Dunn, Paul Larson, Jeff Polzer, David Klinedinst, Jesse Castanon, Roy Fletcher, Wayne Howard, Curtis Grays, Matt Duran, Daryl Barnett, Victor Carbajal, Ralph Faxel, Dave Daum, Carl Pittman, Randy Ingebretson

After disappointing reliability results in two previous years, a focused and intensive commitment was made to address the unique Phenol process and the chemical plant's performance in this area. Early in 1999, Phenol 2 reliability was identified as the single largest opportunity for Shell Chemical to make business enhancements through improved performance. Focused efforts led to a three-pronged strategy of effective instrumentation, unit monitoring and surveillance, and process and operational intervention. Each of the three elements of the strategy had concrete objectives and tactics identified with clear action items and accountability.

Due to the focus of this project, improved reliability was realized in both 1999 and 2000. The structured processes set in place served to improve the overall alignment of the workforce with business objectives, resulting in staggering net income improvements.

In addition to the two winning teams from Shell Deer Park that are mentioned above, operations manager Tommy Weatherly was part of the Global Olefins Reliability Best Practice Network that was also recognized as a Champions of Excellence winner.

In the first quarter of 1999, this network tested an approach recommended by Pilot Global Reliability Best Practice Design (RBP) Team that was sponsored by the Global Manufacturing Council (GMC, now OELT). The goal of the activities was to assist Shell Chemicals with the development of a structured process that will enable employees from different sites, but with similar plants, to share information and activities that can improve plant reliability.

Of his participation, Weatherly commented, "I was amazed how we're all trying to accomplish the same thing, but approaching activities in different ways. I have no doubt that this project will lead to positive results for the company, and I was very excited to have the opportunity to work with the network."

Major projects and turnarounds take center stage

The new year at SDP rings in major projects and turnarounds in both the refinery and chemical plant. Here's a general plan for the activities that will help to build the Shell brand.

REFINERY MAYA II

Work on various units to bring the Refinery up to the Maya II Project rates of 340MBbls/d and 220 MBbls/d of Maya crude capacity began in mid- to late January and will last five to seven weeks.

- Crude Unit DU2 - Tie-in modifications for the Maya II will be completed to increase heavy crude capacity.
- Coker - Tie-in of a major Coker expansion will add two new drums, a heater and increase capacity.
- New Vacuum Flasher - Tie-in and start-up of this new unit will enable efficient processing of additional Maya crude.
- Selective Hydrocracker - Metallurgy upgrades for Maya II will upgrade the unit for improved reliability.
- Off site Utilities and support systems - Tie-in upgrades will be completed to handle the additional needs following Maya II.



CHEMICAL PLANT

Work on various units will be ongoing throughout 2001 for Chemical major projects.

- Cumene Plant - Shutdown in mid-January for maintenance turnaround and completion of the Cumene Revamp and Cumene Reinstrumentation projects. The plant will undergo a catalyst technology change, debottlenecking and instrumentation conversion from pneumatic to TDC-300 TPS control that will prove reliability and increase production capability.
- Olefin Plants 2 & 3 - In April, to shutdown for a maintenance turnaround. During the turnaround, the OP-2 Debottleneck project will reactivate the currently idle OP-2 elevated flare and complete in excess of 250 tie-ins. The flare tip on the currently active OP-3 elevated flare will be replaced with a more efficient design.
- Phenol 2- Mid-year, the Phenol 2 Reinstrumentation project will begin instrumentation conversion from pneumatic to TDC-300 TPS control that will improve reliability and increase production capability.

ADDITIONAL TURNAROUNDS

Several other major units began maintenance turnarounds in late January 2001. The units involved include:

- Gas Oil Hydrotreater (GOHT)
- Sats Gas Plant (SGP)
- Hydrogen Plant 1 (HP1)
- Pressure Swing Absorber (PSA)
- Amine Regeneration Unit (ARU 6 & 7)
- Sour Water Strippers (SWS 1 & 2)

During work on these major projects and turnarounds, manpower and vehicles inside the facility have substantially increased. For this reason, it's important to pay added attention to safety and environmental regulations in an effort to avoid incidents (see related article: Buckle up and drive safely).

Chemical Entrances*For November*

Robert K. Anzick
PE/CS/QA-Make Change Base

Barry K. Baggett
Solvents

Chemical Exits*For November*

M Battles
BPA MTCE
Retired 11/30/2000

Carroll R. Brandt
Resins/Set MTCE
*Retired 11/30/2000

Rupert H. Brown
Resins-Liquid Resins-Distribution-Operator #1
*Retired 11/30/2000

William O. Crooms, Jr.
BPA MTCE
*Retired 11/30/2000

T E Edge
BPA MTCE
*Retired 11/30/2000

I S Garcia
Resins-BPA Flaking & Dist.-Operator #1
*Retired 11/30/2000

Linda M. Garren
Learning & Development-Coaches
*Retired 11/30/2000

F Y Gray
Major Resins-EPON6-Operator #1
*Retired 11/30/2000

Nathaniel Hood
Resins-BPA Manufacturing-Operator #1
*Retired 11/30/2000

John D. Johnson
Administration
*Retired 11/30/2000

Dawn Jones
Resins-Liquid Resins-Distribution-Operator #1
*Retired 11/30/2000

D M Kelly
Resins/Set MTCE
*Retired 11/30/2000

F D Laskie
Resins-BPA Manufacturing
*Retired 11/30/2000

C J Lendon, Jr.
Resins/Set MTCE
*Retired 11/30/2000

N C Loftis
Resins-BPA Flaking & Dist.-Operator #1
*Retired 11/30/2000

Jon M. McGuigan
Resins-BPA Manufacturing-Operator #1
*Retired 11/30/2000

G Nunez
Resins-BPA Flaking & Dist.-Operator #1
*Retired 11/30/2000

Robert M. Pena
PE/CS/QA-Qual Assur-Resins
*Retired 11/30/2000

D D Schulz
Resins-BPA4-Operator #1
*Retired 11/30/2000

Linda J. Scott
Major Resins-Epon6-Operator #1
*Retired 11/30/2000

Walter Siewert
Resins-Major Resins
*Retired 11/30/2000

J T Silva
Resins/Set MTCE
*Retired 11/30/2000

William R. Smith
BPA MTCE
*Retired 11/30/2000

T L Thomas
Resins-BPA Manufacturing
*Retired 11/30/2000

James C. Watson
BPA MTCE
*Retired 11/30/2000

Marilyn R. Williams
Resins-Major Resins
*Retired 11/30/2000

R E Wilson
Resins-BPA Manufacturing-Operator #1
*Retired 11/30/2000

Johnny D. Yancy
Resins-BPA Flaking & Dist.-Operator #1
*Retired 11/30/2000

Refinery Entrances*For November*

Allison McCurdy
Industrial Hygienist

Ted Queener, Jr.
Inspector

Pam Pepper
Manager Accounting

Bridgette Walton
HR Analyst

Refinery Exits*For November*

Ted Queener, Jr.
Operator 1st Rate

Jose Ramos
Operator 1st Rate

Chemical Entrances*For December*

Brenda Michelle Donnelly
Make Change Resins/Solvents

Edgar Hinojosa
Olefins-OP II-Operator #1

Monica Reddin Norman
Business Services-OPNS Business SUPT-Chemical

Chemical Exits*For December*

T P Helmcamp
Solvents-Cntrl Sys-Control Systems Tech #1
*Retired 12/31/2000

Dennis L. King
PE/CS/QA-Qual Assur-Resins
*Retired 12/31/2000

Refinery Entrances*For December*

Patsy Hernandez
Asst. III-Buyer/Expeditor

Rebecca Vickers
Asst. I-HR

Refinery Exits*For December*

Edgar Hinojosa
Operator 1st Rate

Angela Homan
Supv.-Warehouse

John Jacobs
Staff Engineer-Gen.

R. Saldivar
Electrician 1st Rate
*Retired 12/01/2000



SDP shares holiday tidings

Shell Deer Park employees and retirees were busy during December, helping to make the holiday a little brighter for those less fortunate.

On Sat., December 9, almost 200 Shell employees along with their families and retirees, distributed food during the SERVE Holiday Meals-on-Wheels. Arriving in Santa hats and reindeer antlers with jingle bells, volunteers gathered at Luby's for breakfast before the deliveries began. Several groups took tape recorders and most everyone sang Christmas carols to the families receiving the meals.

Chemical Administrative Support Team (CAST) members helped organize a holiday event for clients of The Bridge. Christmas stockings were assembled and stuffed for the children housed at The Bridge's shelter. Flower pots full of goodies for the moms were also prepared. Additionally, the Chemical business areas joined in the festivities by donating funds to purchase toys that could be selected by the moms for their children. On December 11, CAST delivered the stockings, flower pots and toys, and also helped serve hot dogs and chili while everyone waited for a visit from Santa Claus.

SERVE volunteers were at it again on December 14. Volunteers partnered with the Shell Credit Union to serve a holiday meal to Deer Park senior citizens associated with the city's Maxwell Center. The combined group numbered over 20 volunteers, all of which were eager to serve a delicious dinner to the honored senior guests.

SDP sponsored its annual holiday luncheon for senior citizens of South Houston on December 18. In conjunction with Eurest, a traditional turkey dinner was served to the appreciative senior citizens.

◀ *Maya II Coker Expansion Unit's Holiday Tree*



Count on Shell

Shell Deer Park
P.O. Box 100
Deer Park, TX 77536

PRSRT STD
U.S. POSTAGE
PAID
INT'L MAILING
SYSTEMS, INC.

815 LIVE OAK ST.
HOUSTON TX 77003