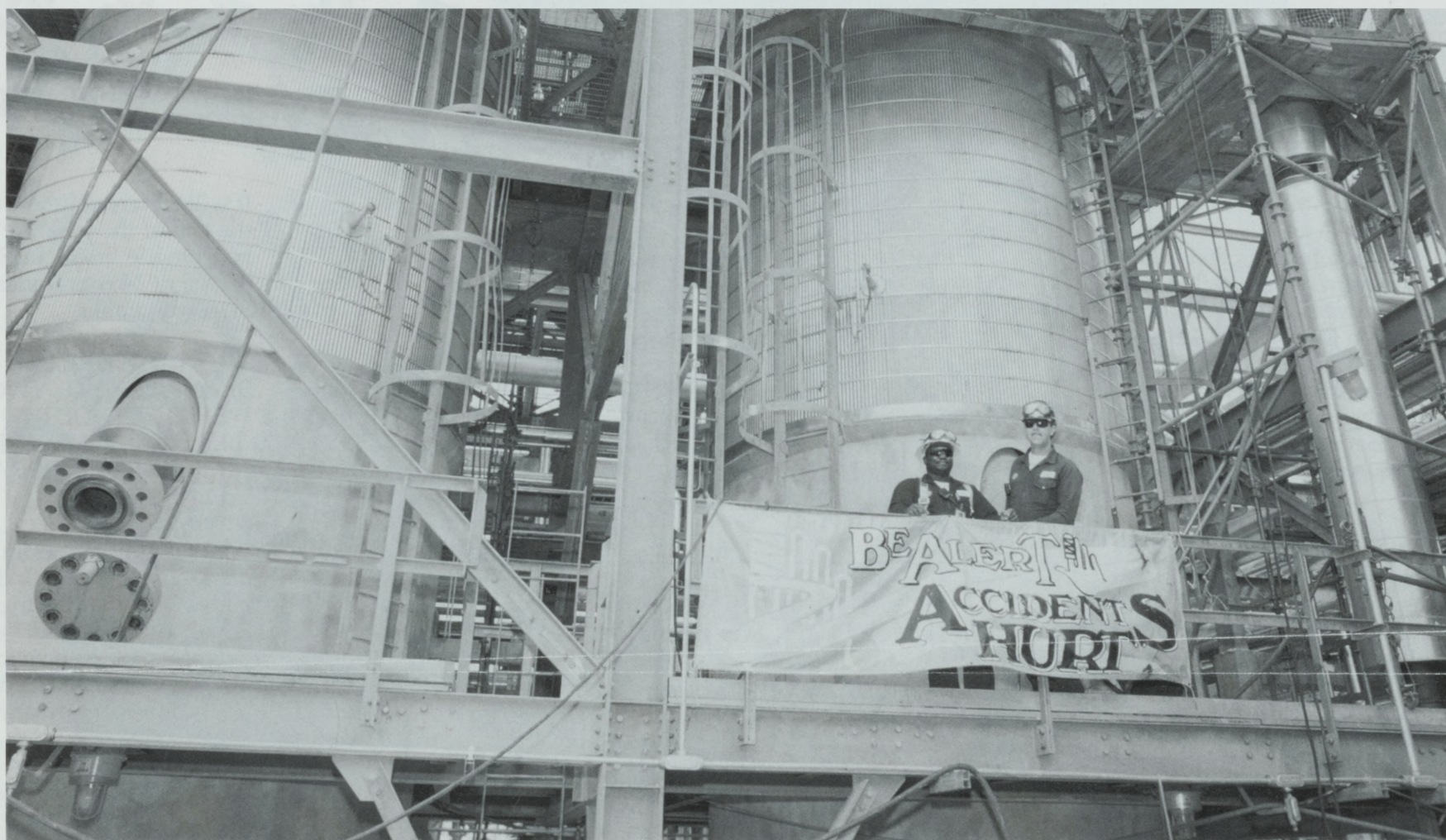


SHELL TELEGRAM

SHELL DEER PARK



Coker operators Barry Davis (left) and Dave Gammill pose by the reactors of the Gas Oil Hydrotreater one month before the Coker startup.

What they're saying about COKER STARTUP

See Page 3 for
this and other
Maya Project
updates on East
Sites distilling &
new electrical
power.



Safety

GOING FOR THE



New rewards for continuous improvement in safety

Hold on to your hats. PAT Safe Team members are introduced a new safety recognition June 1 with lots of incentives for continuous improvement.

Here's some commonly asked questions and answers so you'll know what to expect.

Q. HOW IS THIS PROGRAM DIFFERENT FROM OTHER SHELL DEER PARK RECOGNITION PROGRAMS?

A. The difference is that this program rewards all Shell employees at the Refinery and Chemical on CONTINUOUS IMPROVEMENT in safety instead of for a FIXED period such as one calendar month. For example, the two week period that constitutes a bronze medal can run over from one month to the next.

Q. HOW DOES THE PROGRAM WORK?

A. It's simple. We have three milestones we're trying to achieve. The first is the bronze medal—two weeks without a recordable. If we are able to obtain that performance as a Refinery and Chemical company, we'll give away 1,250 lotto scratch-off cards. The silver medal is three weeks without an OSHA recordable. We'll be giving out 2,490 lotto scratch-off cards for that. A gold medal will be achieved with 35 continuous days without an OSHA recordable—a new Shell Deer Park record. If we reach the gold medal level, we will be giving out several gift checks at various values, and scratch-off lottery tickets and soft drinks for everyone.

In addition, throughout the program, PAT Team members will be traveling the facility (to control rooms, office buildings, and stopping cars). Anyone observed working safely will be given a scratch-off lottery ticket.

Q. WHO IS ELIGIBLE?

A. All Shell employees at Shell Deer Park will be entered into a pool. Names will be drawn randomly.

Q. HOW LONG WILL THE PROGRAM LAST?

A. It will run from June 1 to the end of the year. We'll be trying to break the Shell Deer Park record of 34 continuous days without a recordable.

Q. WHAT IF WE REACH THE BRONZE METAL, TWO WEEKS WITHOUT A RECORDABLE, AND WE DON'T MAKE IT TO THE SILVER MEDAL? WHAT HAPPENS NEXT?

A. We start counting from zero days again and the first target we'll be working for is the silver medal. There will not be another drawing for the bronze medal awards again. The intent here is to keep increasing the number of safe days worked.

Q. HOW IS THIS PROGRAM BETTER THAN ONES IN THE PAST?

A. Programs in the past were tied to calendar months. If an injury occurred early in the month, the problem ended early, leaving no incentive for the remaining weeks. This program takes that into account. Our safety performance as a Refinery and Chemical plant has been outstanding. We want to recognize that accomplishment and build on it. Also, this program does more than recognize that we're doing well. It recognizes that everyone is doing well now and that everyone can do better to achieve World Class Safety Performance.

Members of the PAT Safe Team sub group who designed the new recognition program are: Rob Elston, Project Engineering; Benjy Morgan, Employee Development; Royce Mayfield, BPA-4; and Mike Bracewell, Olefins; and Hicham Shaban, Control Systems (sub-team leader).

Going for the Gold Shell Deer Park Recognition Program



Program Kick Off 6/1/95

- Managers & supervisors will distribute lotto scratch-off cards to all employees
- PAT Team members will be randomly handing out prizes to employees who are observed working safely



Bronze Medal

2 weeks w/o an OSHA Recordable

- Managers greet employees at four gates and hand out soda (Refinery, Chemical, Resins, Olefins)
- 625 names will be drawn to receive 2 lotto scratch-off cards



Silver Medal

3 weeks w/o an OSHA Recordable

- Managers greet employees at four gates and hand out soda (Refinery, Chemical, Resins, Olefins)
- 830 names will be drawn to receive 3 lotto scratch-off cards



Gold Medal

New Shell Deer Park Record for 35 Continuous Days w/o an OSHA Recordable

- One \$1,000 gift check
- One \$500 gift check
- Five \$100 gift checks
- Fifty \$75 gift checks
- Managers greet employees at gates and hand out soda
- Managers and supervisors hand out lotto scratch-off cards to all employees

This program will run throughout 1995. If a recordable occurs, the count returns to zero. A medal round can only be achieved once. As a bonus, if one calendar month is achieved without an OSHA Recordable, there will be a bonus drawing for a \$1000 gift check.

What Coker Unit operators are saying about the startup

Editor's Note: The Shellegram asked operators their thoughts about the startup of the Delayed Coker Unit and the integration between Shell operators and contractors. Their comments were made early in April just a few weeks before actual startup.

TOMMY MECHE

"I've been working with the contractors in conjunction with the punch of the unit. It's been working real well. I've been with the punch since we first started punching. We have a good integration team. The rapport between the contractors and the operators is good. We get along real well."

ELOY RESENDEZ

"There's a lot of communication going on throughout the day and night by the contractors asking us to check with them and make sure whatever we laid out happened. There is very good rapport between the two, even when we find mistakes. Instead of finger pointing and name-taking, they ask what they can do to make sure that they cover this problem correctly so it won't happen again, to avoid any accidents. Safety is on everybody's mind."

JO ANDERSON

"Next year I will have 20 years at Shell. I hope the unit comes up real well and safely. The plant is really large. I worked at OP-III in 1977 for their startup. I was at OP-III for 18 years. Everybody has been so nice. I wish my 90 year old parents could be here for the Open House They were here for the OP-III Open House. They just went back to England."

JEFF COLLINS

"Everything has been going real well. Right now we're punching lines, which is making sure that the contractors who constructed the plant have everything in place. I guess it will be an interesting operation. We went through a lot of training—classroom plus on the unit training. Shortly it'll be time to put that into practice—after commissioning and startup."

DAVE GAMMILL

"It's been going real smooth. It looks like it's going to be a state-of-the-art plant. We're punching it out. It looks like it will be a nice place to work. I really enjoy the new concept."

BARRY DAVIS

"Something of this magnitude is special for someone like me starting it. I've worked for other operations but nothing this big. The training is state-of-the-art. The people are good to get along with. I worked for another company outside this field before this. I've been through training before and seen the process you have to go through but I've never seen anything like this before, where you know your job, you know what's going on. I'm familiar with everything."

FRANK DELCAMPO

"It's going to be a lot of work getting this thing up and running."

BRETT HENDERSON

"I started at Shell in October. This is a real treat to be able to be on this startup right off the bat. I've learned a lot of things. It's exciting. It's a pretty majestic project. I'm new to this industry so everything is interesting and draws my attention." ■

MPO EAST SITES

commissioning, startups successfully completed

Commissioning and startups of the new facilities in East Sites which directly support the Delayed Coker Unit (DCU) and Gas Oil Hydro-treater (GOHT) were completed in April. The Shell Deer Park now has two new sulfur recovery units (SR6 & 7), two amine regeneration units, a new sour water stripper, a pressure swing absorber and supporting utilities.

The units were built, commissioned and started up by the MPO organization in partnership with Hydro-processing and Aromatics departments. Twelve East Sites operators (10 from Hydroprocessing) were a key part of the East Sites team, chartered with writing, conducting training and planning and implementing the start-up effort, according to PAUL GABBARD, MPO East Sites operations manager.

According to KARL HOOD, process engineer, Control Systems West, the PSA supplies the large volume of high purity hydrogen required by the GOHT which removes large quantities of undesirable sulfur compounds in their feed from the DCU. This sulfur

is converted into hydrogen sulfide gas which is then absorbed by an amine solution. The solution is pumped to the amine regeneration units where the hydrogen sulfide is extracted and concentrated. The concentrated hydrogen sulfide is then sent to the sulfur recovery units via a complex acid gas system.

Also says Hood, because the DCU and GOHT also produce a large volume of sour water which contains hydrogen sulfide and ammonia, the water is sent to the sour water stripper where the hydrogen sulfide and ammonia are extracted and concentrated. This concentrated gas stream is also sent to the sulfur recovery units which convert the sulfur into molten sulfur. This product is exported to Shell customers.

"The commissioning and startup of these units included a few unplanned adversities," says BYRON WILLIAMS, operations representative, East Sites Team, "but, overall, were completed safely and effectively. Our operators, foremen, engineers and startup support personnel all did an excellent job."

DU 2 RUNS HEAVY CRUDE

Another piece of the Major Upgrade, modifications to DU-2, is in place after a turnaround earlier this year. Modifications were made which enabled DU-2 to process heavy Maya crude to support the new Delayed Coker Unit (DCU), the centerpiece of the Maya Project.

DU-2, which completed a turnaround in February, is now capable of processing 156,000 barrels a day of Maya, setting the amount of pitch going to the new Delayed Coker. The unit installed equipment to be able to accomplish that while conducting routine maintenance during the short 32-day turnaround.

Distilling and MPO personnel report excellent coordination between the two Shell organizations, superb job performance, and a no-injury, no-environmental-incident record.

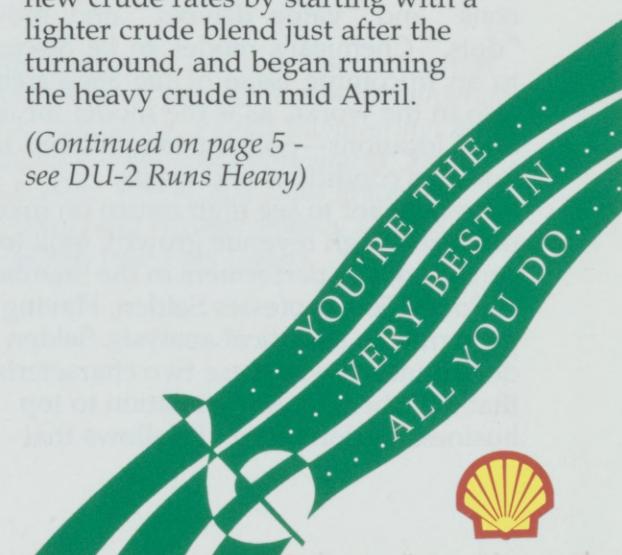
CLYDE STEWART, operations supervisor, Distilling, reports that operators and maintenance crews worked extremely well together

during the turnaround, a challenging project due to the extensive decontamination procedures and numerous tie-ins.

Turnaround work began with the demolition of DU-3 in 1993, and continued with the building of new Coker support facilities—desalters and a Marine Fuel Oil blending facility located east of DU-2.

DU-2 made the transition to the new crude rates by starting with a lighter crude blend just after the turnaround, and began running the heavy crude in mid April.

(Continued on page 5 - see DU-2 Runs Heavy)



To be in the elite club of financially excellent firms, you must pay the entry fee of high ROI and revenue growth.

MOVING THE DOT NORTHEAST

Shell's new business model to roll out soon

His name is Larry Selden, he is a professor at Columbia University, and he is helping Shell develop a business model designed to improve net income and cash flow.

By the end of the year, Oil Products at Shell Deer Park will be rolling out the new business model based on Selden's strategy, a unique approach which involves determining a "case for action," developing "beacons" and "value drivers," and moving "dots." Chemical's model, to be discussed in an upcoming issue of the *Shellegram*, is also in the works, as is the model for other Shell locations—each custom-tailored to fit business conditions and needs.

If you want to see high return on investment and high revenue growth, look to the consistent top performers in the Standard & Poor's 500, professes Selden. Having performed a statistical analysis, Selden determined it was these two characteristics that had the highest correlation to top business performance. It follows that

these two qualities are what the professor insists is needed for companies who want to be in the top quartile in business performance, says DAVID ERFERT, Economics and Scheduling, Refining. "The whole strategy is, what do you do to get there?" explains Erfert.

To that end, Erfert and other Refining Business Model Team members (including JIM NICHOLS, superintendent, Refining, as sponsor; BOB WERNER, manager, Economics & Scheduling; JIM BUTLER, engineer, Economics & Scheduling; and KATHY TIXIER, manager, Business Services, Refining) are first trying to determine what's currently giving Deer Park "the most bang for the buck" by looking at financial data. From there the group will identify what the value drivers are—in other words, what can be influenced. Value drivers are such things as reliability, capacity utilization and fixed and variable cost structure. Then they'll link the financial beacons with the value drivers. Graphically it works by plotting return on investment versus revenue growth.

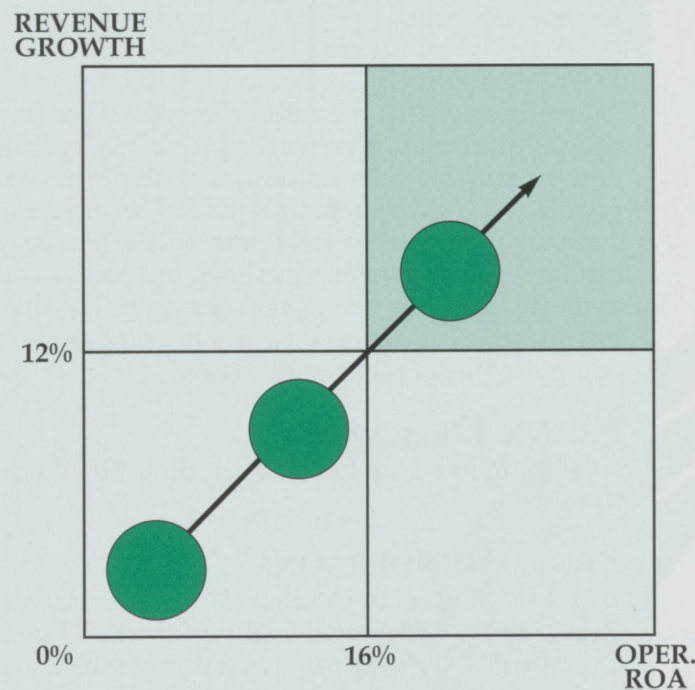
"The idea is to move the dot northeast," says Erfert. "We're looking for things that will improve our return on investment and grow our income to help us move our dot northeast."

What does the model mean to the employees of Shell-Deer Park?

"It'll help each person at Deer Park understand what he or she must do to improve profitability," says Erfert. "It's the process by which we will get more ownership in improving our bottom line."

There's still much to be determined about how to introduce the model to everyone, but the team believes the rest of the Refinery will be just as excited about the model as they are. ■

TOP QUARTILE PERFORMANCE



DU-2 Runs Heavy -

(Continued from page 3)

Operators attended training classes to learn how to operate the new equipment and run at the higher rates.

"The only thing we changed was the type of crude we're running," explains KEITH REINHARDT, MPO process support engineer. "We haven't changed its function as far as what it does for the Refinery. It's still the first unit that takes the crude and makes various products for the other units, which modify them further." ■

MORE POWER

The Shell Deer Park Refinery reaches a new level of electrical power with the addition of new electrical substations built to interface with the Cogeneration and the Delayed Coker units, the newly modified DU-2 and OP-II Units, and the primary Shell Deer Park power system.

The new power system consists of two 35,000 volt substations that can carry sufficient energy to power a city of 30,000. This power system features a fiber optic



system to protect electrical equipment, a fiber optic system to monitor such items as steam and power flow from the new Cogeneration Unit, a digital transient recorder to monitor power system disturbances, and numerous 12,000 volt systems to meet additional power needs of the new units.

To allow installation of these systems, a fast track project was initiated to remove 8,000 feet of pole lines on the West side of the Shell Deer Park Refinery. This had to be done to allow pipe racks to be installed and power to the Coker to be available by August 1, 1994. Existing operations unit loads from these pole lines had to be repowered without operation unit shutdowns.

A team consisting of contract engineering and construction subcontractors and Shell personnel was formed to plan and execute the work. Job safety analyses were written for special hot electrical work. The results were that these tie-ins were conducted safely without unit shutdowns.



SHELL & OCAW STANDING TOGETHER



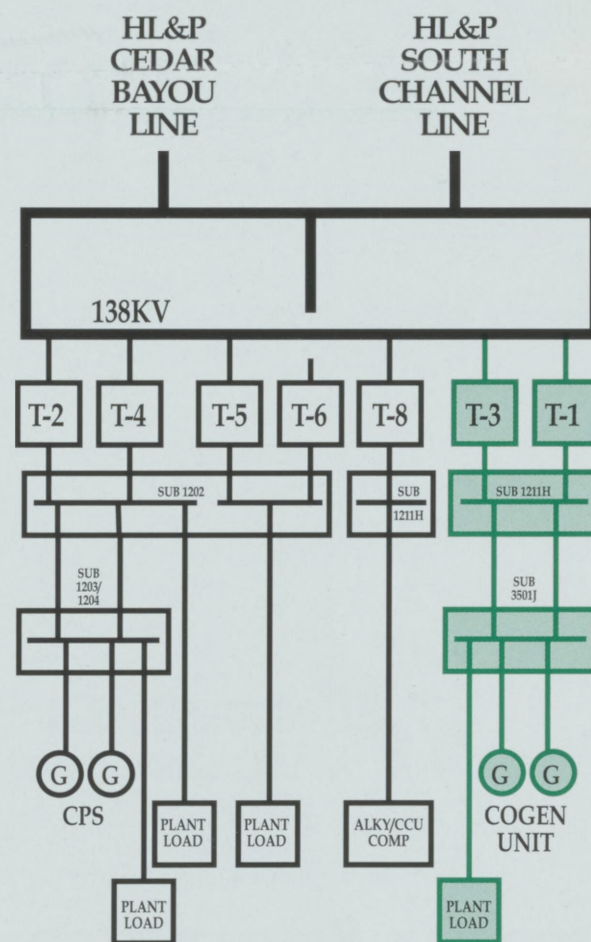
We have a common goal to keep people from getting hurt. **We** want to change our words and actions to demonstrate our joint commitment to create a work place/experience where we work together to achieve zero Injuries!



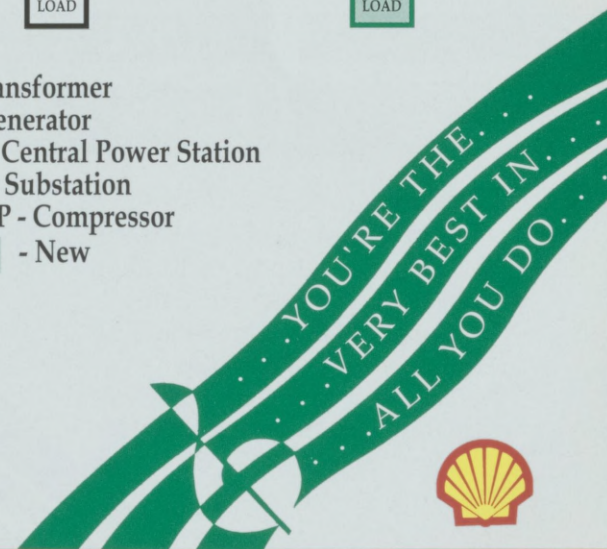
On Workers' Memorial Day Shell Deer Park management, employees and Union leaders stand together in memory of those workers injured in the workplace, pledging a commitment to an injury-free workplace.

This ad appeared in local newspapers to spotlight the joint Shell/OCAW remembrance of the injured and renewed commitment to safety.

Shell Deer Park Electrical Power System



T - Transformer
G - Generator
CPS - Central Power Station
SUB - Substation
COMP - Compressor
■ - New



MILESTONES

SERVICE ANNIVERSARIES

25 YEARS

G.G. BALDAUF
Pressure Equipment

M. BATTLES
Eng. Mntc./Resin

G.L. BUCHANNAN
HS&E

J.W. CRATE
Control Systems

R.E. DE RICK
HS&E

J.F. FOX
Central Mntc.

W. HARNAMJI
Pressure Equipment

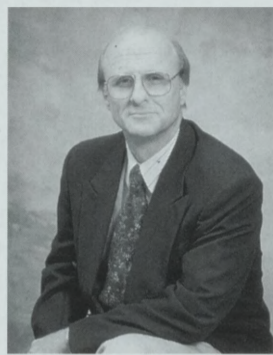
V.L. HILL
Olefins Mntc.

C.W. JONES
Mechanical Equipment

A. LAVINE JR.
Central Mntc.

R.B. LEE
Log./Util./Env.

R.J. MATTHEWS
Pressure Equipment



D.F. NETEK
Alky/thermal Cracking
(above, March)

T.R. PETTIT, SR.
Bus. Srvc./Purchasing

W.F. POLING
Econ./Sched.

R.C. RAMON
Control Systems

G.W. SCHAEFER
Chem/Solvents/Dist.

C.W. WHITTON
Control Systems

20 YEARS

D.K. BRAND
Central Mntc.

W.H. DAVIS
Bus. Svcs./Security

M.G. EBERHARDT
East Mntc.

R.J. FALKS
Control Systems

D.W. LIGHTFOOT
OP-II Revamp

A.W. LINZY
Cat Crack/Gas

M.W. LIVANEC
BPA

C.J. LLOYD
Olefins III

G.E. McCOWN
Log./Util./Env.

W.J. MULLEN
Central Mntc.

C. OGILVIE
Log./Util./Env.

L.D. SAVAGE
Log./Util./Env.

W.C. SIMMONS
Chem/Solvents/Dist.

D.L. SUPAK
BPA

15 YEARS

G.W. BAGGETT
Chem/Solvents/Dist.

M.A. BERENS
MPO/Construc. Assr.

R.W. BENEDICT
Hydroprocessing

D.A. BENSON
Distilling

R.H. BROWN
Resins

B.M. BURGESS
Lube Manufacturing

W.C. CUNNINGHAM
Heavy Olefins

G.F. FLEMING
Bus. Srvc./Warehouse

H.C. GARZA
Chem/Solvents/Dist.

M.T. HAMMERS
Turnaround Planning

D.K. KELLEY
Econ./Sched.

J.P. RHOADS
Chem/Solvents/Dist.

I. TORRENCE
Security

10 YEARS

S.A. DISCH
Human Res./Medical

K.D. OWENS
Hydroprocessing

R.F. STEWARD
Bus. Srvc./Info. Srvc.

W.D. THOMAS
Heavy Olefins

G. YOUNG
Cat Crack/Gas

MEMORIUM

KENNETH GREENE,
retiree, died April 4 in
Deer Park.

C.F. TUTTLE
retiree, died in
Pearland, Texas.

TRENT IVY
retiree, died May 22 in
Pasadena, Texas.

KAREN M. COLLIER
Business Services
died May 5 in Deer
Park, Texas.

SERVE

SERVE volunteers are an active force in the communities surrounding Shell Deer Park. Here is a sampling of how employees and retirees helped their neighbors and their environment last year and the first part of 1995

1994

April - Cleaned up at San Jacinto Monument Battleground as an Earth Day celebration, participated at Shell Houston Open;

May - Held a softball tournament and hot dog cookout at Boys and Girls Harbor;

June - Bashed trash during a Bay Day celebration, played bingo with San Jacinto Manor residents;

July - Organized Shareable Wearables, a clothing drive at Shell Deer Park;

October - Cleaned up beaches, held a B-B-Q at the Wheelhouse, participated in the Deer Park Fall Festival and Parade;

November - Organized Toys for Tots with the Shell Emergency Response Team;

December - Delivered Holiday Meals on Wheels to homebound seniors, held a senior citizens dinner, rang bells for Salvation Army contributions.

1995

February - Cleaned up the Armand Bayou Nature Center, picked up trash and helped organized cleanup crews at the Bays N' Bayous Trash Bash at San Jacinto Monument and Battleground

SCORANOTES

SHRIMP BOIL

Come to the shrimp and crawfish boil June 17 at the Rotary Pavilion in Wallisville. The band will be the same one playing for this year's Christmas Dance.

FLAG FOOTBALL RESULTS

The Warriors, who also won the regular season title, defeated the Cowboys in the SCORA flag football tournament finals. Team members are: MIKE CHISHOLM, JOHN CORNELISEN, DAVE COUGHLIN, TOM EIDSON, TOD GRANTHAM, RHOMAN HARDY, GARY HARRISON-DUCROS, JOHNNIE JACKSON, JEFF KLUMP, TODD MONETTE, KELON MORLEY and TODD WHITEMORE.

If you're interested in playing on or forming a flag football team contact HICHAM SHABAN via PROFS N/N HBS.



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.

WE HAVE A COMMON GOAL TO KEEP PEOPLE FROM GETTING HURT.

SHELLEGRAM

Shell Deer Park

Published monthly by Shell Chemical Company and Shell Oil Products Company for employees and pensioners. All inquiries should be addressed to SHELLEGRAM, Shell Deer Park, P.O. Box 100, Deer Park, Texas 77536.

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BULK RATE
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