



Shellegraph

Houston Refinery

No. 4

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Hope for Modest Improvement this Year

SHELL OIL COMPANY EARNINGS DOWN 19 PERCENT FROM '69, PRODUCTION UP



Hard at work, W. H. McGuire, starts on another job at the new Sats Gas Plant. His supervisor says he is one of the most dedicated workers in the area. He is known as Battler by fellow employees.

Conscientious 24 Hours a Day

W. H. MCGUIRE, VOLUNTEER FIREMAN, CITED AS SHELL'S GOOD CITIZEN

The positions of Pipefitter #1 and volunteer fireman have one thing in common, they are held by Shell's latest Good Citizen, W. H. McGuire.

William Hill McGuire has had long years of service with Shell and five years of service as a member of the Highlands Volunteer Fire Department. Department Chief Miller says, "He is very conscientious. He is going on his fourth term as Secretary Treasurer and is past secretary of the Tri-Rivers Association of Volunteer Firemen and of the Gulf Coast Association."

He spends quite a few hours a week on his secretary-treasurer duties and doing work around the station as well as being prepared for emergencies.

"He likes to tease about the low pay scale," says Chief Miller.

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Shell Oil Company's earnings declined 19 percent, Denis B. Kemball-Cook, President said Tuesday in announcing the preliminary results for 1970 to the New York Society of Security Analysts. Consolidated, unaudited net income was \$237.2 million, or \$3.52 a share, compared with the \$291.1 million or \$4.32 a share, earned in 1969. Net income in the fourth quarter of 1970 was \$63.3 million, or 94 cents a share, down 11 percent from the \$71 million or \$1.05 a share, earned in the same period of 1969.

Kemball-Cook said he was hopeful Shell would have a modest improvement in earnings this year.

For the twelfth consecutive year, Shell produced more liquid hydrocarbons and natural gas than in the previous year. The volumes of petroleum liquids manufactured, moved and sold were at or near record levels. For the second successive year, however, these high levels of operating activity were not accompanied by a gain in earnings.

Funds provided from operations (net income plus write-offs and related tax deferment) declined 7 percent, to \$628.4 million.

Capital expenditures amounted to \$635 million, compared with \$629 million in 1969. Kemball-Cook said they should be below \$600 million this year, reflecting completion of major refinery and chemical plant construction programs and a large part of the non-leaded gasoline program.

He said principal reasons for the decline in 1970 earnings were the heavier tax burden imposed by the economic slowdown, and non-recurring costs and expenses associated with construction delays and start-up of a large olefins chemical plant in Houston, Texas. Results were also adversely affected, mainly in the fourth quarter, by the costs of controlling two major well blowouts.

The added tax burden amounted to about \$21 million, or 38 percent of the earnings decline. The wellblowouts, through retirement of production properties so far known to be lost and abnormal expenses sustained through December, reduced net income by approximately \$13 million.

Kemball-Cook said that on the oil side of Shell's business, the achievement of sizable operating economies more than offset the higher operating costs and the slightly lower refined product realizations, so that before-

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EARNINGS DOWN-- (Continued from Page 1.)

tax earnings of the petroleum segment of the business were just about level with those of 1969.

The chemical side of the business was hit much harder on two counts, he said. Total chemical operating revenues declined 4 percent due to economic slowdown. To this situation were added the high costs and expenses associated with bringing the new olefins plant into operation.

As for Shell's prospects in 1971, Kemball-Cook said it appears the key elements of the profit picture are mixed.

"Increased hydrocarbon production, lower pre-operating costs, increased chemical revenues and benefits from cost reduction programs point to profit growth," he said. "However, non-operating factors, such as increased interest expense, and decreased investment tax credits, are expected to erode some of these operational gains. Also, substantial additional expense will be incurred in the first half of 1971 to complete the control and restoration program in connection with the Bay Marchand well fire. All in all, we are hopeful of a modest improvement in 1971 earnings."

GOOD CITIZEN NAMED-- (Continued from Page 1.)

Even his wife, Erletha Faye, and children Richard Edward and Steven Craig, are interested in the Fire Department. They have about 16 conventions a year to attend and a monitor installed in their home keeps them ever conscious of possible emergencies.

"We get messages for several fire districts over the monitor and we often have to help other departments. I've trained myself to listen for the voice of one of our men. I sleep very lightly, too," said McGuire. "This department goes anywhere at any time when we are called on," he said.

"Sometimes we may not have a fire for two or three weeks, or sometimes the calls may come often. This winter, we've been lucky, we have only had three or four house fires," he said.

The Highlands department is quite active. Most of the 30 members have more than three years service. Their pumper team recently retired a trophy that had been circulating among different departments in the area for 10 years.

"We've improved our department in the past few years. Our membership has gone from 14 to 30. Now we are trying to make our Women's Auxiliary active again," he said.

A native of Houston, McGuire graduated from Stephen F. Austin High School. He served in the U.S. Army from 1950 to 1952 and reached the rank of Corporal.

He and his wife are in the PTA, but he says she is more active than he is.

There are more than 130 crude oil refining companies in the country--and the largest of these accounts for less than 10 percent of nationwide refinery capacity.

BAD RUSSIAN WINTERS DISABLE CARS, AUTOS ARE CANNED FOR THE SEASON

The winter snows sweeping down over Moscow and Leningrad don't faze Soviet car owners. After all, most of them have "canned" their jalopies for the winter.

Intourist guides explain casually to foreign visitors that Russian winters are so harsh and there are so few indoor garages that car owners put the autos in the Russian version of cold storage. Parking lots are crowded with cars up on blocks, their radiators drained, a tarpaulin tied over them to keep out the snow. "They are canned for the winter," say the guides.

Despite the inhospitable Soviet winters, the Russian leaders boast they are rapidly putting their countrymen on wheels. But they still have a long way to go, by U.S. standards. The Russians say that by 1972, they will be producing a million cars a year, but for the moment production is only 280,000. By contrast, the United States produces nearly nine million cars annually, which is about one car for every 22 Americans.

The Russians have more than production problems to solve. In Moscow, a city of 6.7 million people, there are only about 10 service stations. Locating a decent mechanic can be harder than locating a Capitalist. "It takes three days to find a station that will change your sparkplugs," complained one Moscow driver.

Once the Soviet driver motors outside the big cities, he must plan his station stops carefully and take along a spare can of fuel for long stretches between gas pumps. When he does get to a station, he may wait in line for hours. If the pumps run dry, he may have to camp overnight waiting for the next fuel delivery.

The Soviet leaders have promised to introduce their citizenry to such "decadent" Western hallmarks as motels, car wash establishments, driving schools, and chains of gasoline stations. But for the moment, it seems that Soviet drivers must head West across the Iron Curtain to sample some of the pleasures of European and American-style car touring.

Approximately one-half of the oil industry profit dollar goes for dividend payments to investors, and the other half is retained for reinvestment in the industry for modernization and growth requirements.

SHELLEGRAPH

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Mrs. Josie Ochoa--Editor

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Deadline for Ads--Wednesday Noon

AUTOMOTIVE SECTION HOLDS ANNUAL SAFETY DINNER PARTY



Mr. and Mrs. J. M. Downey and Mrs. and Mr. J. M. Frye were among the guests who attended the Automotive safety dinner at Kings Inn last week.



R. L. Evans, E. H. Donnelly, Mrs. Donnelly, and Mrs. Evans conversed over coffee.



Left are Mrs. S. Woods, A. Haggerty and Mrs. Haggerty (with back to camera). Center are E. O. Byrd, and Mr. and Mrs. J. L.



Futrell. Dining together were Mr. and Mrs. J. H. Coker and Mrs. Vic Karney, wife of retiree.



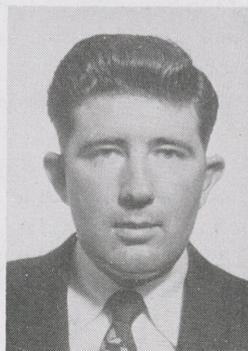
Mrs. and Mr. D. C. Marbley were among the guests honored for a safe year.

T. M. HAMMON NAMED SUPERVISOR OF GENERAL SERVICES, RESEARCH

T. M. Hammond has assumed the duties of Supervisor, General Services, a new section responsible for purchasing support, library and files, accounting and budgeting support, stenographic, receptionist, and mail handling functions in the Research Laboratory.

The move, which was effective January 16, was announced by J. G. Pratt, Refinery Manager.

Tom, who is a graduate of The University of Texas, joined Shell in 1956. He was formerly Office Supervisor in Shell Oil's Head Office Exploration-Geophysical group located in Houston.



Hammond

LaPORTE HIGH SCHOOL SENIOR GIRL IS RECOGNIZED BY CofC AT DINNER

Glenda Clowdis, daughter of Mr. and Mrs. Robert F. Clowdis, he is an Operator No. 1 in Lube B, was recognized as outstanding girl senior at LaPorte High School recently.

She was a special guest at the annual LaPorte-Bayshore Chamber of Commerce banquet held two weeks ago.

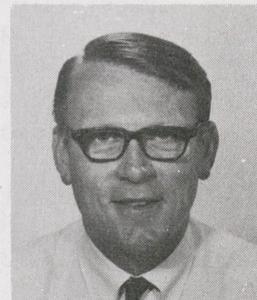
BAGLEY ACCEPTS TURNKEY POSITION WITH SHELL CURACAO REFINERY

J. K. Bagley, Manager Construction On-site, has accepted an assignment with Shell Curacao N.V. as Head of Turnkey Projects and Deputy to Head of New Construction at the Curacao Refinery. He will be reporting to Curacao in mid-February.

The announcement was made by J. G. Pratt, Refinery Manager.

James Bagley began working for Shell as an Engineer at the Norco Refinery in 1955. After a two-year military leave, he returned to Norco.

He became a Technologist in Dispatching in 1961, moving to the Engineering Construction Department in 1963. He became a Senior Engineer in 1967, transferring to the Houston Refinery later that year. He holds a B. S. degree in mechanical engineering from Louisiana State University.



Bagley

CLASSIFIEDS

FOR SALE

'68 Volkswagen, in really good condition, take up \$50 a month payments, balance \$1500. Telephone: 477-5254

New Sears guitar, new cost \$19.95 will sell for \$12.50. Telephone: 477-4104

1965 Ford Galaxie, air, power, \$350. Telephone: 946-1981

4-600x16 tires, 6 ply rating, 300 miles. mounted on 6-hole Chevy rims, \$85. Chambers gas range. \$40.00. Telephone: GR 9-3533

1958 short wheel base Chevy ½ ton pickup. \$125. Telephone: 473-4854

5 pc. modern bedroom suite, full length mirror on dresser, bookcase headboard, solid ash. \$75. Telephone: GR 3-3249

9x9 camping tent, 2 new cots, used once, \$30. Telephone: 477-4104

Shetland pony mare, \$25. Telephone: 477-5488

Hand-crocheted Barbie doll clothes, bathtub, doors, hardwood floors, 2 wooden columns, cast iron pipes, 5 ft. fans, dining room tables, kitchen sink, bathroom sink. Telephone: 472-8445

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

1962 Ford ½ ton pickup, good shape. Telephone: 473-1274

26" Sears Spaceliner girls bicycle, very clean, \$30. Telephone: 479-3373

Round dinette set, 4 chairs, table has wooden top, practically new. Telephone: 427-2650 after 5:30 p.m.

RCA color TV console, 23", \$195. Telephone: 667-3468

2-bedroom house for sale ½ block off Highway 146 in Baytown, \$5,000. Telephone: 473-3743

5x7 utility trailer, excellent condition, \$65. Large heavy duty go-cart frame, \$10. Telephone: GR 2-5906

1967 Ford LTD, 4 dr., fully equipped, color clearwater aqua, excellent condition, \$1650. Telephone: 645-1462

FOR RENT

2-bedroom house, 2 car detached garage, central air and heat, Pasadena area, 8 miles from Refinery, close to schools. Stove and refrigerator furnished. \$140. Available February 1.

Telephone: 1-966-2097 after 5:30 & weekends

PLAZA del ORO PROMISES TO BE SPACIOUS PARK-LIKE DEVELOPMENT

Restrictive covenants that will support Shell Oil Company's promise of an open-space, park-like development of its Plaza del Oro project in Houston were announced recently by Howard Gullickson, President of Plaza del Oro, and C. R. Royal, Director of Development.

"At least 20 percent of each tract," Royal said, "is restricted to development of public walkways and landscaped areas. In addition, all streets throughout Plaza del Oro will be planted with trees, shrubs and flowers to create the park-like atmosphere that we want to achieve in this development."

Plaza del Oro is a 525-acre project that will include apartments, office buildings, commercial and medical facilities. It is bounded, in part, by Old Spanish Trail, the Astrodome, the South Loop 610 Freeway and the new South Freeway that is under construction. When Shell Oil Company purchased the property last summer from the Hermann Estate, it was announced that acreage in Plaza del Oro would be sold to responsible investors and firms for construction of buildings that would be designed to fit into the master land plan.

IF YOU GAVE YOUR YOUNGSTER A GUN, GIVE HIM SAFETY INSTRUCTION, TOO

Youngsters sporting new guns after Christmastime need more instruction than just how to load and fire them.

Texas Parks and Wildlife Department officials remind Texans that even the smallest single-shot .22 can be a deadly weapon, so parents who give firearms to youngsters should be sure they are familiar with safe gun handling.

A formal firearms handling course would be appropriate; where this is not possible some individual instruction from an experienced shooter might fill the bill.

Also, the younger fry shouldn't be allowed to use guns except when accompanied by a responsible adult. Guns and ammunition should be locked up when not in use.

Another reminder to weekend plinkers of all ages: only four species of birds remain on the "unprotected" list. They are the English sparrow, raven, starling and crow.

A new gun can be a source of pride and continuing pleasure for the young sportsman if he tempers its use with an awareness of gun safety.