

# Shellegraph

Houston Refinery

Vol. 37, No. <sup>42</sup>43

Friday, November 3, 1972

## THIRD QUARTER EARNINGS UP, GAIN OF 8 PERCENT OVER 1971

Shell Oil Company net income in the third quarter of this year was \$68.2 million or \$1.01 a share, a gain of 8 percent from the \$63.3 million or 94 cents a share earned in the same period last year, Harry Bridges, President, reported last week.

Nine-month earnings were \$179.9 million or \$2.67 a share, an increase of 16 percent from the \$155.6 million or \$2.31 a share in the same period last year. Nine-month 1972 income is after a \$10 million special provision for chemical plant shutdowns made in the second quarter.

The improvement in third quarter earnings was less than the 21-percent rise in the first six months primarily because the first half benefited from the absence of costs associated with well blowouts which were incurred in the first half of 1971.

Bridges said that, as earlier shareholder reports mentioned, "Fourth quarter 1971 income benefited substantially from natural gas price adjustments and from the reinstatement of investment tax credit. Therefore, despite the fact that earnings for the nine months of this year have improved 16 percent, we expect that earnings for the full year 1972 should approximate last year's net income."

Total revenues were \$1,208.7 million in the third quarter and \$3,563.9 million in the nine months, compared with \$1,170.8 million and \$3,435.8 million in the same period of 1971. Chemical operating revenues were up 13 percent in the quarter and accounted for almost half of the total revenue increase because of volume gains and lower unit costs, Bridges said.

Refineries operated at essentially full capacity in the third quarter and average daily intakes were at record 1,054,000 barrels compared with 995,000 barrels in the same period of 1971. Net daily production averaged 637,000 barrels of liquid hydrocarbons and 2,407,000 thousand cubic feet of gas in the third quarter, compared with 627,000 barrels of liquid hydrocarbons and 2,531,000 thousand cubic feet of gas in the year earlier period.

The volume of refined products sold in the quarter rose to 1,050,000 barrels a day. Prices in the quarter were at about the same level as in the 1971 period. Natural gas revenue was higher than in the 1971 period as a result of moderately improved prices, but

volumes were slightly lower.

Bridges said third-quarter results were also affected by reduced exploratory effort offshore Louisiana where drilling has declined from last year. Exploration activities on offshore leases acquired in prior years are essentially complete and cancellation of federal lease sales in 1971 reduced drilling opportunities in the current year, he said. Consequently, exploratory drilling expenditures and amortization of lease acquisition costs were less than those incurred in the third quarter of last year. Offshore leasing was resumed in September 1972, but disappointingly we acquired only one tract at that sale.

The principal contribution to both third-quarter and nine-month income came from improved chemical operating performance, Bridges said. Nine-month earnings were also affected by the lower exploratory costs and by the absence of the nonrecurring costs incurred in 1971.

Bridges said investment tax credit was greater for the first nine months of 1972 but the total credit for the year was expected to be about the same as in 1971. Operating and organizational efficiencies continue to offset higher labor and material costs and overall unit costs compare favorably with last year's he said.

## CAFETERIA GHOSTS AND GOBLINS



Ghosts and goblins were turned loose in the cafeteria for Halloween. Employees of the Macke company who work in the cafeteria are Roberta Sanches, Linda DeFriese, Nell Kelly, Wilma Roquemore, Howard Smith, Hattie Mae Harrelson and Annie Barnett.

ER DEPARTMENT STAFF MEMBERS HONORED AT SAFETY DINNER



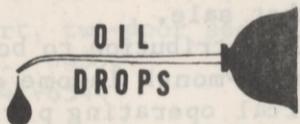
Among guests feted at dinner were, l-r, Wava and Larry Osborn, Joy McCarty, Alma

and Bill Mabry, Dudley McCarty, Nancy and Virg Lehmberg and Zena Bryan.



At social hour are Pat and Larry McDowell, Josie and Paul Ochoa, Veronica Cartwright,

Annie Elmore, Lois and Jimmy Hallmark, Judy MacIver, Frank and Maureen McGrath.



M. O. Havard, Larry Barrington, C. Alderman, and J. H. Babineaux recently became No. 1 Machinists as part of the Craft Development Program. They have completed extensive classroom and on-the-job training and demonstrated proficiency in their field.

\*\*\*\*

Karen Wege, daughter of Bob Wege, Process Manager, Distilling Units, received a sweater and a letter for academic excellence at Rayburn high school. Academic excellence awards are given to students who earn a straight "A" grade average.

A senior, Karen plans to enter either Texas Tech or Lamar Tech to study mathematics upon graduation. She is a member of the swim team and has been invited to join Mu Alpha Theta, the mathematics honor society.

LAKE TRANSFERS TO HEAD OFFICE

R. W. Lake, Accountant in the Treasury Department, is being transferred to Head Office Manufacturing Operations as an Analyst.

The move, which was effective November 1, was announced by J. G. Pratt, Refinery Manager.

Dick worked for Shell during several summers before joining permanently in 1966 as an Accountant in the Houston Data Service Center. He transferred to the Refinery in 1969. He holds a B.A. degree from The University of Texas.



MARINES COLLECT TOYS FOR TOTS TO SPREAD CHRISTMAS MERRIMENT

You have probably been working on your Christmas shopping list for sometime and it continues to grow whenever your youngsters say they like a particular toy or something they saw on TV.

Some children in this area are not as fortunate as others. They don't have anyone who can provide gifts at Christmas or any other time. Because there are homes where Christmas will be just another day, the 1st Battalion, 23rd Marine Regiment (reserve) will again hold their "Toys for Tots" campaign.

The Marines began the drive November 1 to provide toys for some 3000 needy children. If you have some extra toys that are in good condition, or if you want to obtain some just for this purpose, the Marines will be glad to pick them up from you. Call 474-2940 for pick up.

McDonald's Hamburgers and Thom McAn Shoe Stores are cooperating with the Marines by having collection stations at their stores in the area.

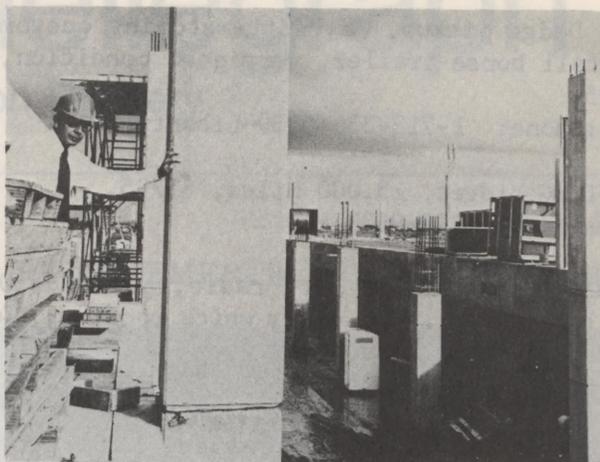
The Marines will pick up all the toys and conclude the drive with a Christmas party for the kids on December 17.

SHELLEGRAPH

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

Mrs. Josie Ochoa--Editor

### DEER PARK SCHOOL BOARD TOURS \$5.5 MILLION SCHOOL UNDER CONSTRUCTION



Herb Buchholz and Bill Antone, fourth and fifth from left, two Shell employees who are on the Deer Park School Board, rolled up their cuffs and waded in during a tour Monday of the new \$5.5 million high school building now under construction. On the tour are T. L. Dawsey, architect; Harold Shelton, Board member; Joe Cathey, Board vice president; Buchholz, Antone, president; Lynn Wilson, project architect, an OCCO com-

pany representative, and Lee Gaither, assistant superintendent of instruction. Right, Dr. Sebron Williams, school district superintendent, looks down the 720-foot mall in the middle of the building which will be enclosed and air conditioned. When finished next summer, the new building, complete with a large cafeteria, library and olympic-sized pool, will house some 1500-11th and 12th grade students.

### VOLUNTEER SOLICITORS HONORED AT REFINERY UNITED FUND VICTORY DINNER



Solicitors and committeemen were treated to dinner at Sonny Look's after working to meet the campaign goal. Top left, l-r, are Bryant Briscoe, George Edwards, Willie Tatman. Top right are Bobby Joe Barnes, OCAW Local 4-367 vice president, E. L. Reimers and Bailey Gunn. At head table were J. G. Pratt, Jack Douglass, Jack Cox, Hank Krebs, Barnes and Don Chrismer. Bottom are C. W. Sparks, J. B. Bouse, N. F. Rogers, Dorothy Curlee, Bob Bray, Mike Tiller and Wilbert Pegues.

CLASSIFIEDS

FOR SALE

'56 Dodge pickup, V8, with matching custom 2-stall horse trailer, very good condition, \$695.

Telephone: 1-713-336-5139-Liberty

1971 MG Midget, 13,000 miles, \$1795.

Telephone: 477-9633

1963 Ford Galaxie, air, radio, auto, \$350 or best offer. 12 rolls white roofing, \$4 a roll or best offer.

Telephone: 524-6684

Short wave, amateur receiver, Lafayette HE-30. Has all desirable features except good looks and transistors. Cost \$130 new, will sell for \$60.

Telephone: 649-1337

Two bedroom, 1 bath, 1 car garage home in Pasadena, for sale or rent.

Telephone: 487-2345 evenings

Table saw, \$65; Scout '68 four wheel drive. \$1595; pickup truck, '64 1/2 ton, \$375.

Telephone: 645-1155

'56 Buick Special, rusty but runs good, good work car. \$50 or best offer or will trade for motor bike.

Telephone: 473-0635

Chevy 2 dr. sedan, new engine, new interior, new paint, new shocks, MW air conditioner, excellent work car. \$450.

Telephone: 472-5988

1957 Chev. trailer hauler, 261 cu. in. engine, 4-speed trans. and 3 speed auxiliary transmission, approx. 150 gal. gas tank. Make offer.

Telephone: 471-6785

1971 Volvo 142 automatic, air cond., radio, 10,000 miles, \$2900.

Telephone: 478-4053

8" Craftsman table saw with stand, \$75.

Telephone: 643-3230

Pedigree Yorkshire terrier, female, 2 1/2 yrs. Beautiful golden brown and black, \$50.

Telephone: 649-1033 after 5 or weekends

1968 Chev. 6, standard, air, excellent condition, \$1300.

Telephone: 334-1742

Twin innerspring mattress w/box springs, \$25.

Boy's 24" bicycle, \$15. Ping pong table, \$20. Zenith modern console B/W, 21" TV-

radio, stereo, hi-fi record player, \$250. VM ebony cabinet with legs hi-fi record player, \$15. Jacobsen rotary 21" power

lawnmower, \$20.

Telephone: 649-1033 after 5 or weekends

Mediterranean sofa & chair, avocado floral print, 1 year old, \$100.

Telephone: 941-0504, 5-10 p.m.

21" table model, black-and-white, RCA TV, in working condition, stand included, best offer.

Telephone: 471-1988

Moving, must sell fast, 36" Tappan gas range, all extras, avocado green, 1 yr. old, \$175

Telephone: 941-0504, 5-10 p.m.

Suzuki 500, 1971, good condition, semi-chopped, \$550.

Telephone: 481-3237

15' Falcon tri-hull, walk through, windshield, top, 40 hp. Johnson, elect. galv. trailer, skis, ropes, life jackets, ladders and more, \$1300.

Telephone: 479-1168

Solid oak bookcase headboard & dresser, silver fox finish, excellent innerspring mattress & box spring, \$55, or will trade for Early American hideabed or sofa.

Telephone: 921-3887 or 479-1772

Starcraft Constellation fold down camp trailer, sleeps six, see to appreciate. \$795.

Telephone: 479-1427

15' Lone Star fiberglass, 65 hp Mercury, big wheel trailer, \$950.

Telephone: 479-1427

Girl's winter coat, size 8, like new, \$10.

Telephone: 473-3438

FOR RENT

House in Shoreacres, 3-2-2, carpets, drapes, living room, den, central heat and air, fenced yard, \$185/month.

Telephone: 471-1988

LOST

Diamond from solitaire ring. Call Shellegraph office as soon as possible.

PERSONAL

The recent farewell party that was given on my behalf was certainly a wonderful fellowship affair, and I would like to take this means of showing my appreciation. Thanks to all for the dinner, retirement cake, wonderful rifle and scroll. I've enjoyed the years with Shell and now, of course, am enjoying retirement very much.

Sam & Ruby Koenig

FOUND AND STILL UNCLAIMED

Buick car keys. Claim at Shellegraph office.

PROVIDENT FUND NEWS

The following are the Provident Fund valuations:

Equities Fund

October 5, 1972 - \$2.849

Shell Stock Fund

September 1972 - \$49.086