

Shellegraph

Houston Refinery

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IN ANNUAL REPORT BRIDGES SAYS LONG-RANGE PROFITABLE GROWTH RESUMED

That Shell Oil Company has resumed long-range profitable growth was the hope expressed by Harry Bridges, President, in the 19-71 annual report issued last week.

He warned, however, that the rate of earnings growth "may be slow because of rising labor and material costs, higher taxes and problems related to environmental conservation."

Bridges reported that the financial gains came partly because of better overall economic conditions, favorable Federal Power Commission decisions affecting natural gas prices and resumption of the investment tax credit.

"Of great significance for the long-term future of the company was the fact that the improvement was also the result of our sustained and continued efforts to reduce costs and improve efficiency," he said.

As a consequence of this long-range program, Bridges said that while operations and revenues have grown by about 10-percent since 1968, the number of employees has declined by about the same percentage. "We will continue to examine further steps to simplify our organization and cut costs," he said.

Profit Improvement

Bridges told shareholders that much of the profit improvement in the second half was the result of higher prices for automotive gasoline.

He also reported on the improvement in the chemical segment of Shell's business. Factors he cited were the end of unusually high costs associated with a new olefins plant at Houston and the pickup in the economy. Noting that Shell Chemical also plans to withdraw from the styrene-butadiene rubber business, "which has become unattractive," Bridges said, "These factors and the prospect of further general economic recovery give grounds for optimism regarding Shell Chemical's future."

Two adverse developments were mentioned--the enactment of legislation in Delaware which prevented construction of a refinery there and the federal court injunction which blocked the scheduled sale of leases off Louisiana last December.

Capital Expenditures Down

Capital expenditures in 1971 of \$450 million were substantially below the levels of the past several years. Bridges said this was mainly because of completion of major refinery and chemical construction programs, but also in part because of the cancellation of the offshore lease sales. "We hope that lease sales will take place on a more frequent schedule in the future,"

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Ethel Hodges, the widow of Shell pensioner, Charlie Hodges, is 74 years old, has a 22-year-old horse and has been riding on the 201-mile Old Spanish Trail Ride for 16 years. Twelve trail rides came into Houston last week to kickoff the Livestock Show and Rodeo.

EMPLOYEES, FAMILIES PARTICIPATE IN ACTIVITIES SURROUNDING RODEO

The Rodeo came to town this week and many of our employees are busy making the show a success. Some have taken a week's vacation to work on the show and its functions and others put in several hours each night after work.

Stock Show committeemen from Shell were active in judging of horses, dairy and beef calves and in the calf scramble events each night. See pictures on page 2.

FM 1960-WESTHEIMER IS LOCATION FOR CONSOLIDATED RESEARCH HUB

Shell Oil Company has exercised its option to purchase a 445-acre tract at the intersection of Route 6 (FM 1960) and Westheimer Road in southwest Houston. The company has earmarked approximately 150 acres for its new consolidated Research facility. Consolidation of seven Shell Research and Development Laboratories and Technical Computing Research in Houston was announced last October and is scheduled for completion in 1975.

This tract was chosen after numerous sites were evaluated by Land Investments and

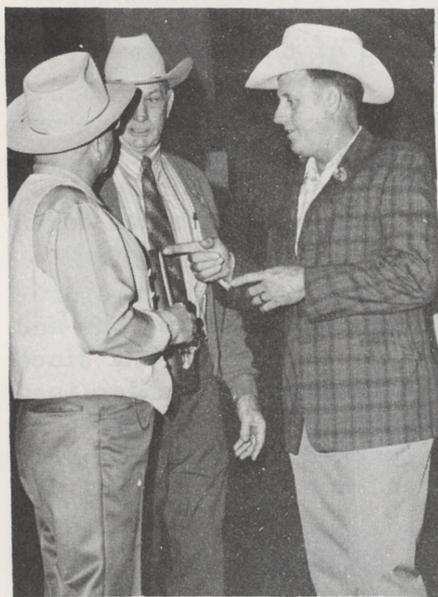
(Continued on Page 3.)

PEOPLE OF EVERY DESCRIPTION INVOLVED IN LIVESTOCK SHOW AND RODEO



J.R. Cox and W.L. McCarley, 1, were among Calf Scramble committeemen who gave the scramblers

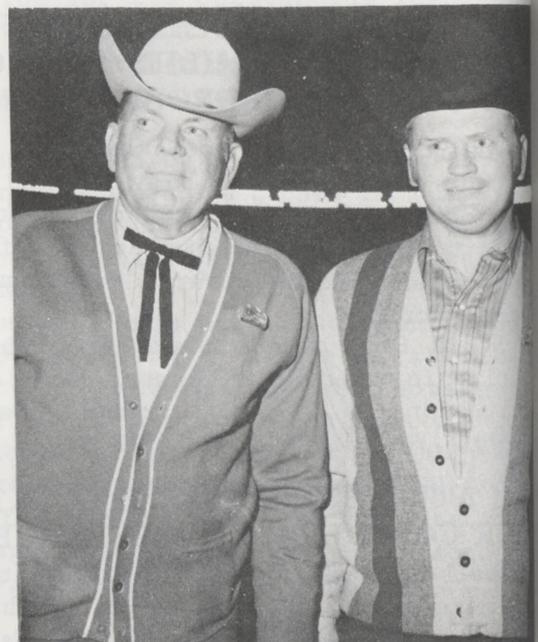
last minute instruction and encouragement before the big competition to catch a calf.



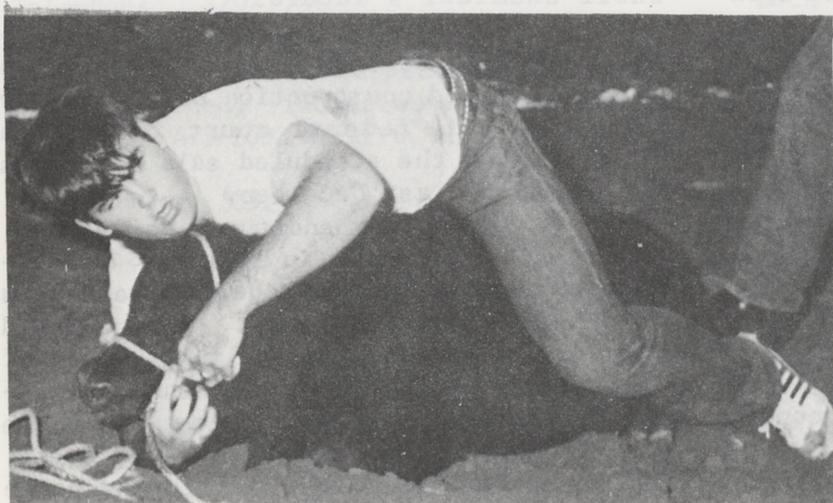
Left, G. H. Garver, McCarley and Dalton White, Shell employees, went over details of the scramble. Waiting anxiously for their chance in the arena, the scramblers watched the first part of the rodeo.



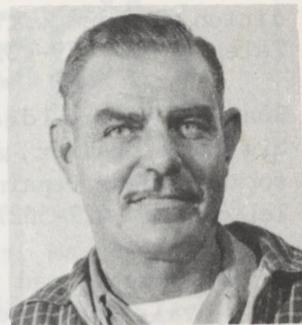
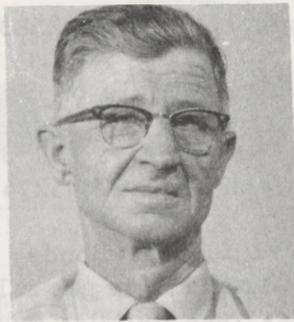
Garver introduced a winner to his sponsor.



Left, the object of the game is to get the halter on the calf and drag him across the finish line if only he will cooperate. Above, Claude Burgess and his son, Glenn, are a father-son team on the Calf Scramble committee.



BUTTERFRAS, MOSER, PENA, THOMPSON RETIRE WITH MANY YEARS OF SERVICE



Butterfras

Moser

Pena

Thompson

Four employees, Johnny A. Butterfras, Ray W. Moser, Jose Pena and John J. Thompson, retired March 1.

Butterfras, Boilermaker No. 1, Engineering Field, retired with 27-2/3 years of service. He began working at the Refinery as a General Helper and later served as a Pipefitter Helper, Pipefitter and became a Boilermaker No. 1 in 1958. He and his wife, Clara, will make their retirement home at 2657 Whispering Oaks, Conroe.

Moser, Operations Foreman, Lube Oils, had 29 years of service. He began working for Shell as a General Helper and later worked as a Gauger at Dubbs. He moved to Lube in 1948 and became Operations Foreman in 1965. He and his wife, Mary Ellen, live at 127 North 4 St., LaPorte.

Pena, Laborer, Engineering Field, recently completed 25 years service. He has served as a Yardman, Truck Driver No. 1, and Ganister Worker. With his wife, Consuelo, he will retire to 7912 Garfield, Houston.

Thompson, Painter No. 1, had 26½ years of service. During those years, he had

served as a Painter No. 2 and as Relief Craft Foreman. He became a Painter No. 1 in 1945.

He and his wife, Ethel, reside at 3117, Bond, Pasadena.

**FM 1960-WESTHEIMER IS LOCATION--
(Continued from page 1.)**

R.O.F. (Research Organization and Facilities). Prime consideration was given to construction aspects and to proximity of residential sections and Shell installations in the Houston area. The site selected has an abundant supply of both established and new single and multi-family housing available in all price ranges in Houston and the suburbs within relatively short driving times.

Following completion of site-planning for the Research facility and adoption of a compatible land use plan for the 300 acres remaining, large tracts will be sold to investors and major land developers for business park, multiple family housing and commercial use.

**ANNUAL REPORT EXPLAINS OPERATIONS IN 1971--
(Continued from page 1.)**

Bridges said, "and this, together with the additional funds which we foresee will be required for environmental measures, could well mean a return of capital expenditures to higher levels."

Marketing developments disclosed in the report included the establishment of 45 self-service stations, installation of car-wash facilities at over 100 stations, inauguration of a nationwide free telephone number for use by credit card customers, introduction of two new premium motor oils and a "face-lifting" program which gave over 600 older stations a modern architectural appearance.

Revenues from sales of refined products were \$2,199 million, up 6 percent over the 1970 total. Shell's share of the domestic gasoline market declined from 8.4 percent to an estimated 8.3 percent. This was due in part to Shell's move at midyear to restore prices to acceptable levels. As a result volume fell but the drop in volume was more than offset by the gain in revenues.

The volume of jet fuel sales rose 5 percent as Shell continued to be the country's leading supplier of fuels used in commercial air transport. Liquefied petroleum gas sales volume was up 22 percent.

In exploration and production, the report said \$50 million was spent on exploration outside the U.S., most of it in Canada, as Shell continued to widen the horizons of its

exploratory activity.

Offshore Exploration

Offshore Louisiana and Texas continued to be Shell's major domestic exploration and production area, accounting for about 45 percent of liquid hydrocarbon production last year and 35 percent of natural gas production. Commercial discoveries were made on 3 tracts off Louisiana acquired at the December 1970, federal lease sale.

Inland, active exploratory and development drilling programs were conducted in Utah, Michigan and Mississippi.

With regard to the chemical segment of Shell's business, the report said capacity of the new olefins plant at Houston was increased about 30 percent by taking advantage of expansion opportunities inherent in the basic design. Noting that the capacity of a smaller olefins plant at Norco, Louisiana, was also increased, the report said olefins production is expected to be an increasingly significant factor in Shell's chemical business.

At Houston Shell began the manufacture last year of two chemicals it has not made previously: vinyl chloride monomer and orthoxy-lene. The demand for KRATON[®] Thermoplastic Rubber continued to grow. A large new plant was completed at Marietta, Ohio, to make this unique material, which combines the elasticity of rubber with the ease of fabrication of plastics.

CLASSIFIEDS

FOR SALE

1967 Mustang hardtop Coupe, very good condition, loaded with extras.
Telephone: 479-1325 after 4

Boat--15 ft. molded plywood & 40 hp motor, big wheel trailer, steering controls, accessories, needs repairs, \$100 total.
Telephone: 477-5027

VW dune buggy, red fiberglass body with new wide ovals and reversed chrome rims. Also molded fiberglass convertible top & tow bar included. Moving to apartment, must sell. All for price of materials, \$650.
Telephone: 474-3344 evenings

Dogs--Besenji, AKC reg. champion lineage, barkless & odorless, matched pair, \$150 or \$100 and pick of first litter. 2712 Morning-side.
Telephone: 477-5027

Ping pong table, \$15. Sears massage belt, \$25.
Telephone: 472-6979

Kenmore 3 speed automatic washer, 1967 model 800 variable water temperatures, runs good, \$50.
Telephone: UN 1-8933 after 5:30 p.m.

1964 Valiant (Ply.) 4 dr. sedan, 6 cyl., air, automatic, motor needs work, make offer.
Telephone: 472-3069 after 5 week days, anytime weekends

Skis, Fischer superglass RSL, 200 cm, Look-Nevada Rotomat bindings, Look-Nevada toe pieces, excellent buy.
Telephone: 472-0800

Ward's 5 hp riding lawnmower, \$100.
Telephone: 333-2979

Ski jacket, White Stag, yellow color, size: man's large.
Telephone: 472-0800

1970 Chevy ½ ton pickup, 33,000 miles, 250-6 cylinder, radio & heater, 5 new tires, \$1,695.
Telephone: 442-7685

¾ ton Carrier window air conditioner, also 1/2 ton unit, 220, both \$100.
Telephone: 479-3569

Lot for sale--90'x120', Deer Park-East 11th, \$4250 cash.
Telephone: GR 2-1029

90 acres land, 70 acres in cultivation, 130 mi. no. of Houston on Highway 287 (St. 19), ¾ mi. two-road frontage, highway & county road, \$275 per acre. 2½ mi. no. Grapeland.
Telephone: 862-8437

Precision Odometer for automobile rally racing, measures mileage exactly, Master Tripmaster by Halda (Swiss).
Telephone: 472-0800

23-foot Traveleze trailer, tub & shower, fully self-contained, oversize refrigerator,

4 burner thermostatic controlled oven with vent-a-hood. Twin beds, lots of storage--price \$2600.
Telephone: 479-2583

Zenith "Circle of Sound" stereo, used 6 mo., new needle cartridge, original price, \$200 (2 years old). Now \$75.
Telephone: 926-5274

1971 CL 350 Honda, excellent condition, 3900 miles, low gas mileage, elec.-man. start, lug. rack, \$700. Hvy, dty trailer, excel. con., 15" wheels, aircraft tiedowns, \$150. 3 cycle helmets, 2 red, \$25 ea., white, \$15. Will sell separately or all for \$800. Can be seen at 6411 Spencer, #191.
Telephone: 487-4367

Bedding plants--ageratums, marigolds, petunias, strawflowers, sweet williams, tomato.
Telephone: 479-4527 after 5, anytime weekend

'71 Ford ¾ ton pickup sport custom, V8, air, camper cover. \$2550.
Telephone: 471-1679

Apt. size elec. range, \$40.
Telephone: 479-2590

Coldspot air cond. 220, good condition, 22,000 BTU (installed cen. air), \$75. 42" attic fan, good con., \$20.
Telephone: 479-1371 after 4, anytime weekends

Puppies--6 wks. old, 1 male, 1 fem., part shetland collie & shepherd, \$5 ea.
Telephone: 481-4940 after 6

Frederich 33,000 BTU air cond., used 1 mo., orig. price \$561, now \$375.
Telephone: 472-0347 or 926-5271

House--Clear Lake City, 3-2-2, olde english, built-ins, shag carpet, fenced, on cul-de-sac.
Telephone: 488-5372

'71 Toyota MkII wagon, 16,000 miles, air, AM/FM stereo radio, disc brakes, make offer.
Telephone: 487-2641

1962 V-6 Buick Special stationwagon, good running condition, automatic transmission, radio and heater, \$120.
Telephone: 471-4645

WANTED

Smallest portable oxy-acetylene gas welding and brazing rig complete. Also 110v portable vacuum pump.
Telephone: 474-3344 evenings

JAMES H. HOWARD, PENSIONER, DIES

James H. Howard, Pensioner, died in a Cleveland hospital, Friday, February 25.

He is survived by his widow, Mrs. Mabel B. Howard.

Howard retired as a Medium Equipment Operator, Automotive, Engineering Field, in February 1971 with 23 years of service.

Services were held Sunday, February 27, through the Pace Stancil Funeral Home. Burial was in Cleveland.

