

WOOD RIVER REVIEW

MAY/JUNE 1996

Accent on Asphalt

Did you know that Shell is the largest U.S. producer of asphalt? Or that SWRRC is the major producer of asphalt for Shell?

SWRRC holds prominent standing in the World Asphalt Sweepstakes, even though its asphalt business labored for years under limitations imposed by antiquated facilities. Until about three years ago, the problems had gone largely ignored, with other parts of the refinery commanding greater attention and allocation of resources.

Finally, all production areas, including Asphalt, began to come under scrutiny in a push to make them more productive and profitable. Two things soon became apparent: (1) asphalt is one of the more profitable things to do with crude residue, so we'd like to sell more of it, and (2) we couldn't sell more because we couldn't make more. The question was why.

A 20-Year Need

Bechtel's Bob Stevens, who, together with Frank Budny of Project Engineering, coordinated the Asphalt Upgrades Project, philosophically observes that "Sometimes the simplest things are the most revolutionary." Stevens is referring to the approach the group took to discover the

GRADUATE ISSUE

Some of the Asphalt Upgrades Project team gather for an impromptu "ribbon-cutting." Left to right: Bob Stevens (Bechtel), Ed Bartosiak, Ron Ooton (Raytheon), Larry Ondrey and Ron Carter.

Continued on page 2...

Continued from cover...

problems that inhibited asphalt production--and the solutions.

"We thought, 'Why not ask the people who do the job?'" recalls Stevens. "We talked with a good cross-section of the senior Operators, and they told us what needed to be done to relieve the bottleneck." In addition, the group talked with truck drivers, who concurred with the Operators' analysis of needed improvements.

Budny remembers some initial skepticism. "People told us they



Planned improvements will reduce waiting time at the Asphalt truck loading rack.

had needed these improvements for 20 years. At first, they just didn't believe it would happen." Skeptics became believers, however, thanks to the concrete results achieved by the Asphalt Upgrades Project group, which, in addition to Stevens and Budny, included Operators Ed Bartosiak, June Hartwick (now retired), Larry Ondrey, and Clarence Woolfolk; Operations SET Ron Carter; and Mike Delaney of Business Development.

Solutions

The solution was to replace two 24M-bbl. "blending" tanks with two 60M-bbl. tanks, install new pumps, and eliminate three small "shipping" tanks. The two new tanks now do double duty for both blending and shipping. A power house was also constructed to provide power for the pumps. Other improvements were made in the West Property asphalt tankage area.

A line from the new tanks runs directly to rail cars, speeding up loading time by 50%. A line leading directly to the truck loading rack is planned for next year. With completion of that final step, rail and truck lines will be independently operable. Three truck loading spots will always be available, which will reduce drivers' waiting time.

The twin tanks are not only the first new tanks constructed in the Asphalt Plant in 35 years, but are the largest finished product tanks located there: 95 feet in diameter and the height of a five-story building. The old tanks will be used as "hand-me-downs" for grades of asphalt produced in less volume. One of the tanks replaces A-10, one of the original refinery tanks, dating from 1917. Removal of A-10 from service in 1989 had left a storage capacity shortage.

The project included two notable pieces of new technology: radar gauges to monitor tank levels and an in-line gauge in the pipe to monitor viscosity, which is one of the major specifications for asphalt.

"One of the most important process considerations was heat," says Carter. "Asphalt must be kept around 300°, whether it's in tanks or in pipes. If it isn't, it can really tear up pumps." The new tanks are equipped with state-of-the-art steam heating systems.



Two new 60M-bbl. Asphalt tanks tower above Mike Delaney (left) and Bob Stevens (right).

Frank Budny (left) and June Hartwick (right) at the Asphalt rail car loading rack. Loading time is 50% faster with an independent line to the rack.



Benefits

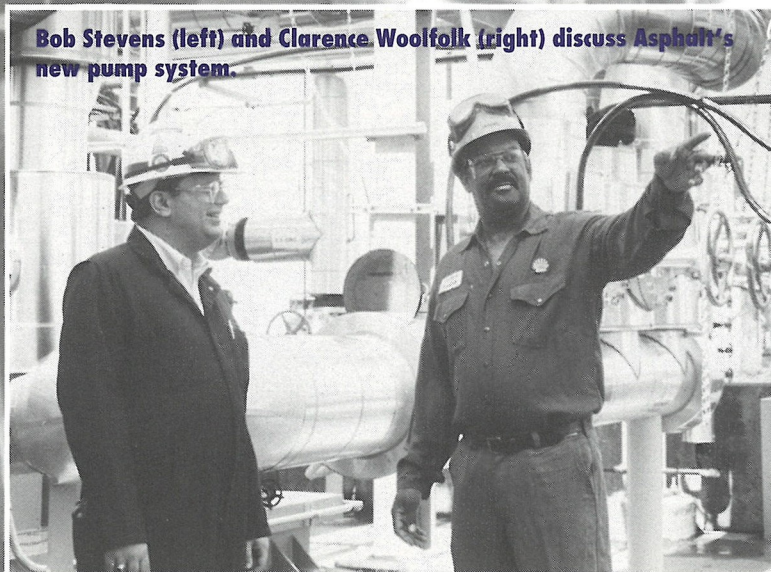
According to Delaney, changes during the Distilling turnaround (spring, 1996), increased the unit's ability to pump residue. As a result, Distilling could increase crude intake and produce more light product, as well as asphalt. The two new tanks better equip Asphalt to respond to Distilling's new capabilities.

With holding capacity more than doubled and faster loading, Asphalt can now blend bigger batches. The result is increased overall production capability. "We had been running a maximum production level of around 10MM bbls. a year," says Delaney. "With these improvements, we're able to increase production in the summer, when shipments are most profitable, and handle the increased residue."

Building For Success

If SWRRC had done nothing in Asphalt, conditions would have continued to deteriorate, and a significant sales opportunity would have been lost. With a relatively modest capital investment of \$15 million, Asphalt is now positioned both to increase asphalt sales volume and to support production goals of other units. As Stevens says, "It's good, fundamental strategy." ●

Bob Stevens (left) and Clarence Woolfolk (right) discuss Asphalt's new pump system.



Building The Business

Trying to operate a company without a strategy is a lot like trying to drive from Florida to Alaska without a map: you're likely to end up somewhere you don't want to be. In business, arriving at goals takes planning—figuring out where you want to go and the best route to get there. And that's the essential purpose of the newly-formed Business Development Team (BDT).

Since the reorganization of all Shell locations as independent corporations, each has formed its own Business Development organization, although each refinery's group is structured differently. Here at Wood River, the principle for structuring the team was synergy.

The Team's six members will be led by Jim Overman, Vice President-Business Development and Company Leadership Team (CLT) member. Other BDT members are Mike Delaney, Todd Kalass, Howard Olsen, Gene Peters and Doug Rule. Each contributes different areas of expertise and, collectively, their experience spans the full scope of business development activity.

Members will have individual responsibility for strategy focus and serve as the group's communications links with outside contacts in their areas. However, they will not function in isolation. The group will be housed together on the third floor of Main Office to facilitate regular, informal interaction. Overman explains, "My vision for this group is that it will evolve into a highly integrated team—that we will build on the strengths of individuals and provide different perspectives for each other that will generate new ideas."

If that happens, the team's collective effectiveness will be greater than the sum of its parts.

Making The Most Of Opportunities

Overman sees the BDT's structure as giving SWRRC "excellent focus to take advantage of income-generation opportunities and add value to the refinery." Adding value

is how the team defines its mission, to be achieved by "being the focal point for crafting, negotiating, communicating, and implementing business relationships among raw material suppliers, SWRRC, and customers."

If that seems to cover a lot of territory, the perception is accurate. And there's no shortage of potential opportunities to pursue. "In the short time I've been here," says Overman, who recently arrived from Shell Deer Park Refining Company, "I can tell there are a lot of ideas out there."

So, with all those ideas, where to begin?

The Radar Screen

During its first few weeks, the BDT identified a number of the most promising ideas. Then came the job of setting priorities. "We would like to create some quick successes to build on," says Overman. With that thought in mind, during a planning session he drew a circle, and within it placed activities which the team identified as meriting immediate attention based on their potential for quick results. Longer term initiatives fell outside the circle.

Overman calls the circle "The Radar Screen," drawing an implicit analogy between the function of the BDT and that of an air traffic controller. Everything on the screen carries a must-do-it-now sense of urgency.

Custody Issues, Governance Resolution And Price Structure

The BDT will be involved in negotiating a number of issues related to SWRRC's relationships with other organizations. Some, such as common use assets ownership, arise from separating the refineries out from Shell Oil Products as individual corporations. Questions still remain, for example, about ownership interest, as well as throughput and deficiency obligations in LOOP, the Louisiana offshore oil port where much foreign crude is imported. The BDT is working to resolve the ownership questions with Shell Pipe Line and Shell Norco Refining Company.

Price negotiations on products we sell also lie ahead, particularly related to Shell Marketing and Shell's Lubricants and Chemical businesses at Wood River. The concern is to assure the refinery receives a fair market price for what it sells.

Peters explains that Lubricants and Chemicals

own their assets but are operated by SWRRC—an arrangement that includes provision of materials, such as feedstock, used in manufacturing processes. The BDT will be looking at the price structures included in those agreements to ensure they are commercially appropriate, based on market value.

Income Generation

Another broad area of activity for the group will be income generation: What are our opportunities and how do we pursue them?

The BDT will be looking into potential opportunities with other refineries. Peters explains that purchasing assets is not the only option. “There may be other opportunities,” he says—opportunities that Overman describes as “logistical synergies.”

These and other income generation issues require careful analysis, balancing cost against potential benefits, weighing risk against potential gain. All such analysis, as well as the strategies that will evolve from the process, will be pursued with the Business Model and Operating Plan in mind. “We’ll be looking for opportunities that reinforce our refinery strategy to be a low-cost producer and that tie to the financial beacons of the Operating Plan,” says Overman.

Working Relationships

Peters stresses that the BDT’s role is strategic, not tactical, and Overman states unequivocally that the BDT’s intent is “to leave running the refinery to the

people who do it best.”

“We want to clarify that it is not our role or intention to insert ourselves in the execution of the tactical plan,” says Peters. Responsibility for tactical planning resides with Production Planning and Systems (PP&S), and the BDT plans to communicate and coordinate closely with this group to resolve any gray areas that arise between their respective functions. That communication has already begun. During their start-up Team workshop, the BDT invited the PP&S group in to explain their purpose, discuss how the two groups would work together, and answer questions.

PP&S is itself a newly organized group which pulled from the Systems Coordinator, Measurement and Loss Control, and Planning and Economics groups. From the perspective of its Manager, Becky Talley, the realignment of functions will greatly enhance “running the refinery.”

“The design of the new group incorporated systems and planning with Operations,” says Talley, “and that improved our capability to plan for the short term—a zero-to-three month window. It gives us a body of people who can devote their total energies to optimal outturn, while others capitalize on opportunity areas that go beyond our short-term capability.”

A Leap Of Faith

The BDT plans to hold subsequent workshops at roughly six-month intervals to look back and evaluate results through performance analysis. “We need to

understand how we are adding value to the refinery. I believe development and growth will be the key,” says Overman.

We’re a new company. We have a new governance structure and new working relationships. As the line in a song says, “we’ve only just begun” to reinvent ourselves as an independent business. While the road ahead isn’t yet clear, the BDT will be devoted to charting the route, and that seems to be a good beginning. Jim Overman perhaps puts it best: “It’s a statement of faith in the *people* of SWRRC.” ●



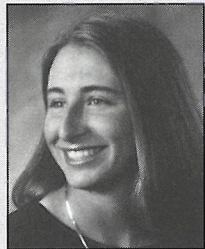
The Business Development Team

Seated, left to right: Jim Overman, Doug Rule and Todd Kalass. Standing, left to right: Mike Delaney, Gene Peters and Howard Olsen.

1996 GRADUATES



It's that time of year again when graduates from high schools, colleges, trade schools and professional programs receive their diplomas. The Shell Wood River Refining Company takes pleasure in recognizing the educational achievements of this year's graduates who are children and grandchildren of Shell employees and retirees. Congratulations to all.



Kathy Bartosiak
Civic Memorial High School Bethalto, IL

Kathy is the granddaughter of Shell retiree Edmund Bartosiak. She is a member of the

National Honor Society, has been active in the Health Careers Club, and was a Girl's State nominee. She was named Most Valuable Player in tennis and also played softball. Kathy plans to attend college to prepare for a career as an athletic trainer.

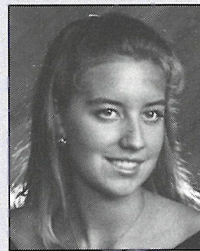
(no photo)
Kyle Brueggeman
Roxana High School
Roxana, IL

Kyle is the son of Randy Brueggeman, Cat Cracking, and Joyce Brueggeman, Business Services. Valedictorian of his class, he has been a Boy's State participant and received the DAR Good Citizenship Award and the Silver Medallion Award. He has served on the Student Council, as president of the National Honor Society, and as committee chairman of the History Club. Kyle plans to attend the St. Louis College of Pharmacy, ultimately entering into pharmaceutical research.



Deanna Busby
East Alton-Wood River High School
Wood River, IL

Deanna has worked as a Cooperative Office Education student in the Training Department during the 1995-96 school year. She has been honored by the Student Recognition Award and active in the JCE Program.



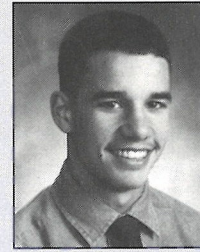
Tricia Ann Cole
Roxana High School
Roxana, IL

Tricia is the granddaughter of Shell retiree Dick Webb. During high school, she was active in the Pep Club and the Business Network and was a member of the girls' soccer team. She plans to attend Southern Illinois University at Edwardsville, majoring in psychology.



Cathy Davis
Belleville Township High School West
Belleville, IL

Cathy, daughter of Joseph A. Davis, Technical Services Central, was on the Renaissance Honor Roll and received a Certificate for Outstanding Citizenship Qualities. She was also a member of the Color Guard and the American Flag Squad. Cathy will attend Southern Illinois University in the pre-veterinary program.



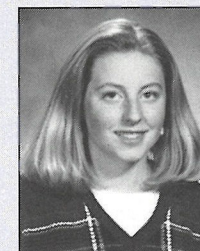
Corey Patrick Daniel
Civic Memorial H.S.
Bethalto, IL

Corey, son of Boilermaker David Daniel, was on the football, baseball and wrestling teams in high school. He will attend Lewis & Clark Community College this fall, with plans to earn a degree in education and coach.



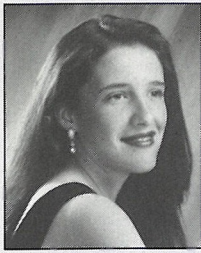
Catherine Elizabeth Erslon
Pattonville H.S.
Maryland Hgts, MO

Catherine, daughter of Stephen Erslon, Aromatics East, served as yearbook editor and president of BSAAC. She was also a member of the Drill Team and played soccer. She plans to attend the University of Missouri, where she will major in journalism.



Cara Ford
Lyons Township H.S.
LaGrange, IL

Cara, granddaughter of Shell retiree Francis J. Herzog, is a member of the National Honor Society and the Quill and Scroll honor society for high school journalists and is listed in Who's Who Among American High School Students. She has been a member of the Class Board and the Community Service Club and served as editor-in-chief of the school newspaper. Cara plans to attend St. Mary's College at Notre Dame.



**Amy Beth Forehand
Marquette Catholic
High School
Alton, IL**

Amy, the daughter of Lawrence W. Forehand, Health & Safety, has been active in basketball,

softball and Campus Ministry. She plans to attend the University of Illinois at Urbana-Champaign, where she will major in natural resources and environmental sciences.



**Mari Jennifer
Franklin
Roxana High School
Roxana, IL**

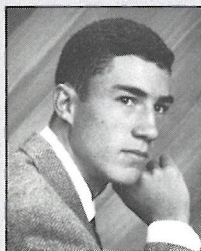
Mari, daughter of Leonard G. Franklin, Engineering-Controls Systems, was a member

of the Student Council and Sweet Sixteen. She plans to attend Ricks College in Rexburg, Idaho.

(no photo)

**Bryan Lee Gonterman
Southern Illinois University at Edwardsville
Edwardsville, IL**

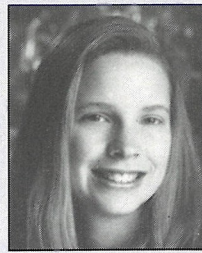
Bryan, the grandson of Shell retiree Edmund D. Bartosiak, Sr., graduates with a B.S. degree in business administration and finance. A pitcher on the SIUE baseball team during college, he has been named Assistant Baseball Coach at Fontbonne College in St. Louis. He will also work for Bell Electronics in St. Louis.



**Jeffrey Edmund
Gonterman
St. Louis Community
College-Florissant
Valley
St. Louis, MO**

Jeffrey, the grandson of Shell retiree Edmund D.

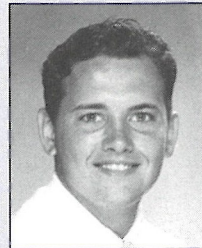
Bartosiak, Sr., receives his associate's degree in broadcasting. A member of the National Broadcasting Society, he plans to continue his education in broadcasting and film at Central Missouri State University in Warrensburg, Missouri.



**Emily R. Henry
Staunton High School
Staunton, IL**

Emily, granddaughter of Shell retiree Wilton C. Rinkel, was named an Illinois State Scholar, received IHSA Scholastic

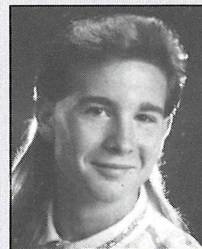
Achievement Awards in her junior and senior years, and is a member of the National Honor Society. She played softball and volleyball, lettering in both sports, and also played basketball for two years. She will attend Southern Illinois University at Edwardsville, majoring in engineering.



**William "Joshua"
Houston
Culver-Stockton
College
Canton, MO**

William, son of Ronnie E. Houston, Distilling, graduates with a B.A.

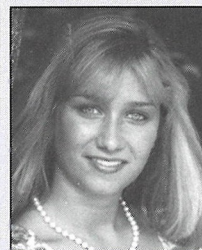
degree in communications with a minor in public relations. The recipient of a Presidential Scholarship and two soccer scholarships, he was captain of the soccer team and voted 1st Team All-Conference in soccer. He also served on the newspaper staff and as public address announcer for basketball and is a member of Lambda Chi Alpha. William will attend graduate school to prepare for a career as a university professor and soccer coach.



**Sean C. Kent
St. Louis University
St. Louis, MO**

Sean, who is the son of Evelyn Kent, Maintenance, receives his bachelor's degree in political science. A

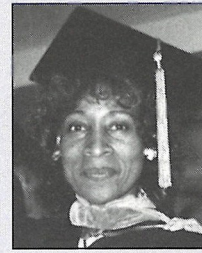
Dean's List student while in college, Sean plans to pursue a career in government services.



**Stacey Lyn Koschak
Gillespie High School
Gillespie, IL**

Stacey, daughter of Rick Koschak, Distilling, is a member of the National Honor Society and winner of an All-

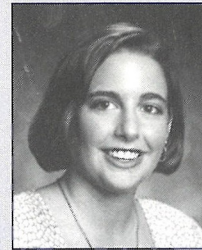
American Scholar Award. She was a member of the high school choir and editor of the yearbook, and pursued her interest in photography. She plans to attend a four-year college.



**Barbara Cantley
Lacey
Concordia University
Wisconsin - St. Louis
Center
St. Louis, MO**

Barbara, who is a truck driver with Shell,

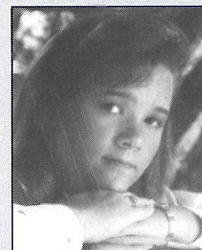
graduates with a B.A. degree in management and communications. She previously attended SIUE, where she was on the Dean's List.



**Shana Christine
Leitner
Metro East Lutheran
High School
Edwardsville, IL**

Shana, daughter of Mark W. Leitner, played varsity

basketball and was a two-year member of the volleyball team. She was elected to Homecoming Court as a junior and was a Homecoming Queen candidate in her senior year. Shana plans to attend Southern Illinois University at Edwardsville while working part-time at Target's Edwardsville store.



**Sara McCormick
Hickey Business
School
St. Louis, MO**

Sara, the daughter of Rick McCormick in Logistics, receives her diploma in the

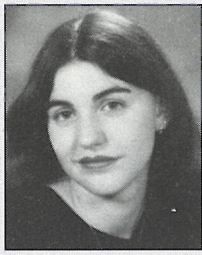
administrative assistant program. A President's List student, Sara plans to seek employment in the St. Louis area.



**Joella Morris
Bunker Hill High
School
Bunker Hill, IL**

Joella is the daughter of Anthony Morris, retired from Engineering Services.

An Honor Roll student, she was on the year book staff and is listed in Who's Who Among American High School Students. Joella will attend Lewis & Clark Community College for two years and then transfer to Eastern Illinois University. She plans to become a dietician.



Karen Morrison
Hazelwood East
High School
St. Louis, MO

Karen is the daughter of Michael Morrison, Gas Plant. During high school, she earned

letters in tennis and band, and received a I rating for a Lindenwood music scholarship. She also participated in theatrical productions and was a member of Thespian Troupe 1220. Karen plans to attend college, where she will work toward a degree in communications.



Heather O'Neal
East Alton-Wood
River High School
Wood River, IL

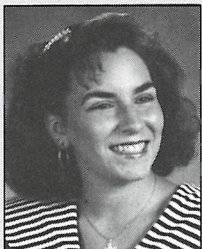
Heather, a Cooperative Office Education student with Shell in 1995-96, played soccer during

high school. She will attend Lincoln College in the fall, possibly majoring in accounting.

(no photo)

Mark Stephen Phillips
Law Enforcement Training Academy
Golden, CO

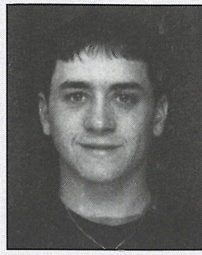
Mark, the grandson of Shell retiree Richard Janning, graduates from law enforcement training program conducted by the Jefferson County Sheriff's Department in Golden, Colorado.



Kara L. Pitt
Blackburn College
Carlinville, IL

Kara, daughter of Kerry Pitt, Utilities, graduates with a B.A. degree in elementary education. She was the recipient of a

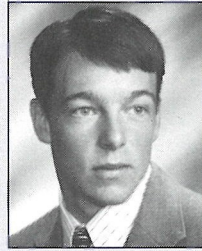
Community Service Scholarship, played softball and was active in intermural sports. She looks forward to a career as an elementary school teacher.



Charles M. Rose
Civic Memorial H.S.
Bethalto, IL

Charles, stepson of Gary Wilson, Maintenance, is an Illinois State Scholar and is listed in Who's Who

Among American High School Students. He played football and baseball, each for four years, and basketball for three years, and was named Knights of Columbus Defense Back of the Year in football. He will attend college, majoring in business or communications.



Zachary P. Ruthven
Edwardsville H.S.
Edwardsville, IL

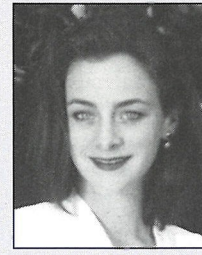
Zachary is the son of Joe L. Ruthven, Project Engineering. An Honor Roll student, he has been a varsity wrestler

and football player, as well as a pole vaulter on the track and field team. In 1995, he was a member of the Belleville News Democrat Class AA Boys All-Area Track Team. Zachary plans to attend Florida State University.

(no photo)

Steve Schenk
Duke University
Durham, N.C.

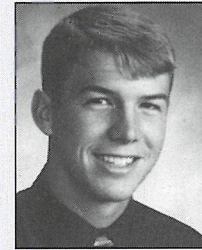
Steve, grandson of Shell retiree Harold J. Schenk, receives his B.S. degree in biology. A National Merit Scholar, he received a Howard Hughes Undergraduate Research Grant and a Pew Foundation Research Grant. He has also served a Editor of Vertices, Duke's undergraduate research magazine, and has participated in Project Wild, a wilderness camping group. Steve has been accepted into the marine biology graduate program at Florida State University in Tallahassee, Florida.



Holly Schwin
Ecole Classique
Metairie, LA

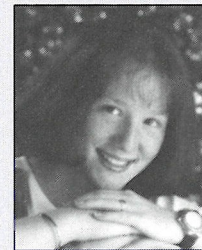
Holly, the daughter of Phil Schwin, Administration, graduates from Ecole Classique, where she was a cheerleader

and participated in competition gymnastics. She plans to pursue her education at Florida Southern College next fall.



Jim Scroggins
Roxana High School
Roxana, IL

Jim is the son of Mitch Scroggins, Engineering Maintenance. During high school, he played baseball and football.



Sarah Beth Shewmaker
Alton High School
Alton, IL

Sarah, daughter of Kip Shewmaker, Lubricants-Lube Processing, was a cheerleader and served

as secretary of the Fellowship of Christian Athletes. She will attend Western Illinois University in Macomb, where she plans to major in Spanish and English as a second language.



Emily Titchenal
Alton High School
Alton, IL

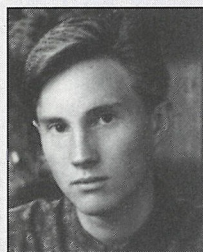
Emily, daughter of Gail Titchenal, Business Services, has served as president of the Alton High chapter of the

Business Professionals Club and been a member of Future Business Leaders of America and the Thespians. She took fifth place in the State Business Professionals Office Specialist Exam and was listed in Who's Who Among American High School Students, 1994/1995. Emily will attend Hickey Business School.



Vanessa J. Vassar
Trevecca Nazarene
University
Nashville, TN

Vanessa, daughter of Shell retiree Henry J. Vassar, graduates with a Master's degree in counseling. During her college years, she has been active in the Raider Victory Fellowship, a campus Christian organization. She has previously served as a missionary and may return to that position.



James K. Welsh
Eastern Illinois
University
Charleston, IL

James, son of John C. Welsh, Technical-HS&E, graduates with a B.S. degree in management. During his college career, he was named to the Honorary Order of Omega and received a New Initiate Omega Scholarship. He is a member of Kappa Delta Rho social fraternity, has served on the Interfraternity Council, and has been active in the Society for Human Resource Management. He is currently seeking employment.



Stacy Welsh
Millikin University
Decatur, IL

Stacy, daughter of John C. Welsh, Technical-HS&E, graduates with a B.A. degree in English and gender studies. A member of the Phi Kappa Phi National Academic Honor Society, she has been the recipient of the Conant Society English Department Award, the Conant Prize for literary interpretation, and the Winifred Moorehead English Scholarship. She has served as vice president of the Sigma Tau Delta English Honor Society and as editor of the college literary magazine. Stacy plans to enter graduate school to pursue her M.A. and Ph.D. degrees in English.



Keri Ann Zaksas
Gillespie H.S.
Gillespie, IL

Keri, daughter of David Zaksas, Aromatics West, is an All-American Scholar and member of the National Honor Society, and has been listed in Who's Who Among American High School Students for four years. She played volleyball for four years, serving on 2nd All-Area, 1st All-Conference and 1st Macoupin County Tournament teams. She was also a member of the softball team for four years, playing on the 2nd All-Conference Team, and the basketball team for two years. Keri plans to attend Lewis & Clark Community College and then transfer to Belleville Area College to study physical therapy.



Margaret Zenk
College of
St. Benedict
St. Joseph, MI

Margaret, granddaughter of Shell retiree Francis J. Herzog, receives her B.A. degree in German. During college, she was awarded the Margrette Nathe Scholarship for students of German, was inducted into the Delta Epsilon Sigma honor society, and made the Dean's List four times. An Honors Program participant, she also studied for a semester at the University of Salzburg in Austria and translated a collection of short stories by contemporary German author Helga Novak. Margaret has applied through the Fulbright Committee for a teaching assistantship in English at a high school in Austria.

Matthew Paproth Wins Shell Scholarship

Matthew W. Paproth, son of Mark Paproth, Senior Purchasing Assistant, Business Services/Procurement, was recently announced as a recipient of a Shell Oil Company Foundation Scholarship, selected from among 278 candidates.

A 1996 graduate of Edwardsville High School, Matthew will enter McKendree College in Lebanon this fall, with plans for a career in education. He enjoys reading and creative writing, and teaches Sunday school in his church. In addition to the Shell Foundation Scholarship, Matthew was named to receive a McKendree Presidential Scholarship.

This is the 28th year for the Shell Foundation Scholarship, established for children of Shell employees, retirees and deceased employees. Winners are selected by the National Merit Scholarship Corporation on the basis of outstanding test performance, leadership and citizenship. The four-year awards granted by the Shell Oil Company Foundation range from \$1,000 to \$5,000 a year. ●

TRAINING PROGRAM FOR SPOUSES

In February and April, Organizational Effectiveness and Training (OE&T) broke new ground, conducting a first-ever training program for spouses of Shell employees. The two-day personal development course, titled "Increasing Human Effectiveness," was facilitated by Randy Marshall, Gary Perfetti, and Lynette Zirges. The three volunteered to conduct the course on their own time.

Twenty-one spouses attended the February class, and 14 attended in April.

According to Gary Perfetti, the course "focuses on helping individuals become better mental managers, which in turn enhances their opportunity to be successful in an ever-changing environment." Participants learn skills to overcome self-imposed limitations, develop positive habit patterns, replace an "I have to" with an "I want to" mindset, attain business and family goals, improve relationships, develop



The first-ever training program for spouses was held in February.

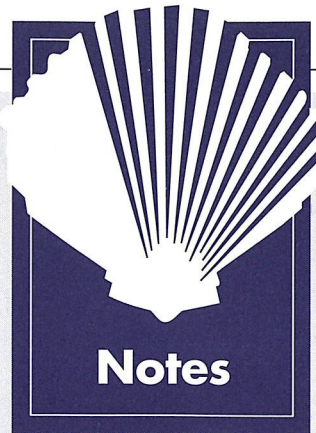
self-confidence, and handle stress more effectively.

"We believe that, to become a premier company, we need to go beyond the development of our employees to include their families,"

explains Perfetti. "It's impossible not to bring challenges that we face in our personal lives to work and vice versa. By reaching out to families, we are forming support groups

not only at work, but at home, which, in turn, strengthens two organizations—SWRRC and the family."

OE&T promises to continue its efforts to extend personal development training to Shell families. The "Increasing Human Effectiveness" will be offered again in 1997. ●



"Increasing Human Effectiveness" Participants

Feb. 23-24

Dale Bach
Bev Bolton
Wanda Bourland
Diane Breitweiser
Debbie Deerhake
Glenda Drew
Donna Farmer
Veronica Gallego
Carol Hamm
Marit Hatfield
Cindy Horan
Donna Jacobs
Cindy Koons
Bev Kramer
Cara Lytle
Therese Macias
Cathy Mills
Betty Perfetti
Gloria Shewmaker
Carolyn Simmons
Barb Yeager

April 19-29

Debra Avilez
Sandy Chapman
Barbara Chihak
Donita Crockett
Nancy Dona
Lindsey Hardy
Marsha Marshall
Linda Purves
Victoria Rathgeb
Cindy Ritter
Rob Tokar
Krew Tullier
Pam Voyles
Mary Wiseman

SWRRC Recognized For Environmental Excellence

Wood River has made improving its environmental performance a top priority, with outstanding results, and those efforts are attracting notice. Recently Shell's Belpre Plant selected Wood River to receive one of its Environmental Awareness Awards for 1995.

The award, which was one of four given, recognizes the accomplishment of recycling material from V-942. The team members who worked on the project are Jerry Grant, Terry Longden and Dan Swanner.

This is the first year awards have gone to people outside the Belpre Plant. Each award winner received a wildlife print. ●



KIDS @ WORK

All across the nation, when parents set out for work on the morning of April 25, they took their daughters with them. It was national Take-Your-Daughter to Work Day, which this year coincided with Wood River's annual Shadow Day for Roxana High School.

A record number of students—90 of them (girls and boys)—turned out for the most recent Shadow Day. In fact, student interest ran so high that a few were placed with employees from Emons Printing, the Edwardsville Intelligencer, and Southern Illinois Industrial Association (SIIA). It was the first extension of Shadow Day beyond Shell. Students "shadowed" 69 Shell employees, and several of them spent the day with their own fathers, getting to know what they do on the job.



Sixteen-year-old **Nate Mattingly**, a junior, watched his father, Ken Mattingly, make sense of

a cabinet full of wiring. To a novice, it might look like nothing more sensible than a plate full of plastic-coated spaghetti, but to Nate's dad, an Electrical Instrument Mechanic in Central Maintenance, it looks more like a piece of cake. Nate isn't sure about his future plans. He may go to college—or, after Shadow Day, he may decide to attend Rankin Institute in St. Louis. "It's a harder job than I thought it would be," he said, "but I like what my dad does."



Over in Quality Assurance, **Wally Copeland**, age 15 and a sophomore, was spending the afternoon in the Main Lab with his dad, QA Operations SET Walter Copeland. It wasn't his first visit. "I was here when I was a kid, but I didn't remember much," recalled Wally. Earlier in the day, father and son toured the refinery, then

visited the North Property Motor Lab and the Compound House Lab. "We've just been looking around," said Wally. "It's been fun." Wally isn't yet sure of his career choice, but his plans definitely include college.



Junior **Carrie Schroeder**, 17, shadowed her father, Lube Operations SET Don Schroeder. Carrie plans to attend Southern Illinois University at Edwardsville, perhaps to become a dentist. "But," says Don, "this [Shadow Day] gives her a chance to see what this side is like." Clearly, she didn't find it boring. Recounting her day enthusiastically, Carrie said, "We saw the quart and gallon line, then went out on the unit and saw the big compressors and reactors. After that, we sat in on a meeting. I think I enjoyed seeing the equipment most." And what did she learn? "How to put in ear plugs!"

Shadow Day Volunteers • Thanks to all the folks listed below who volunteered to spend part of a day with a student shadow. Those who were shadowed by their own children are designated with an asterisk.

Alice Anderson
Gwen Baalman
Ron Beiermann
Dennis Bolton
Gary Bourland
Terry Bratton
Mark Cain
Dan Callahan
Dave Carlyon
Bill Clark
Tara Condon-Tullier
*Walter Copeland
Jane Dempsey

*Dan Dona
Minnie Dooley
Linda Dumas
Bob Eschbach
Lloyd Funk
Ray Gallo
Bill Generally
Al George
Dave Hays
Larry Heugatter
Dianne Isaak
Bill Jacobs

Steve James
Jim Koen
Bruce Koons
Rick Koschak
*John Kwas
Larry Leuck
*Harold Lynn
Andy Macias
Doug Martin
*Harry Mason
*Ken Mattingly
Don McReynolds

Gloria Moellering
Ed Mortimer
Roger Motley
John Nichols
Joe Podnar
Doug Purkey
Robin Rader
Larry Ray
Shirley Roderfeld
*Les Schlemer
Judy Schrewe
*Don Schroeder

Dennis Schrupf
*Mitch Scroggins
Mike Sikora
Kelly Sitton
Dave Smith
Jim Spaulding
Lynn Sprouse
Bill Taylor
Bill Thompson
Glenn Tiller
Becky Tolbert
Dave Trent

Denny Van Sandt
Gary Voyles
Wauneta Waters
Perry Wheeler
Gary White
Jack Wilson
Gill Wimberly
Thomas Wood
Nancy Yarnell
Jake Young
Dan Zipprich
Lynette Zirges

GAIN SHARING PROMISES A PIECE OF THE



Wood River's 1996 Operating Plan calls for reducing the per-barrel cost of making light product—primarily gasoline, diesel and jet fuel, benzene and lube base stocks. To encourage all employees to focus on this goal, President/CEO Phil Schwin recently announced a refinery-wide Gain Sharing Program.

The initiative is part of our Winning Strategy: "Run Full...Run at Best Yields...Run with a Leading Cost Structure." Light products sell for a substantially higher price than heavy products, and by lowering our cost to produce them, we will realize a greater margin of profit on each barrel of light product we sell. Those extra dollars will go straight to net income.

Under the Gain Sharing incentive program, which is exclusive to Wood River, a bonus will be paid to employees if the per-barrel cost of manufacturing light product is reduced to the target level for the year. All full-time and part-time employees, except President/CEO Phil Schwin, who exempted himself, and those involved in the Commitment Renewal Program, are eligible to participate.

Bonus For Reducing Cost

The target cost per barrel established by the 1996 Operating Plan is \$3.75—a 26-cent reduction from the 1995 cost of \$4.01. If that target is met, each eligible employee will receive \$750. If the target is exceeded, the reward will be even greater. The Gain Sharing bonus will double to a maximum payout of \$1,500 if the per-barrel cost is lowered to \$3.55, or 20 cents less than the target. Bonuses for other levels of cost reduction beyond the target will be proportional. At a per-barrel cost of \$3.63, for example, the Gain Sharing payment would be \$1,200, or 80% of the maximum.

Incentive For Perfect Attendance

Because our cost structure is negatively affected by absenteeism, the program was designed with an incentive for employees to meet the qualifications for Exemplary Attendance (perfect attendance or no more than one scheduled workday missed).

An "availability multiplier" reflecting the percent of scheduled hours worked will be applied in calculating

each employee's bonus. If an employee qualifies for Exemplary Attendance, the amount of the bonus (based on cost per barrel of light product achieved) will be multiplied by 110%. Thus, if the per-barrel cost is lowered to \$3.63, an Exemplary Attendance employee will receive the Gain Sharing payment of \$1,200, plus an additional 10%, or \$120, for a total bonus of \$1,320.

Annual Review

In launching the Gain Sharing Program, Human Resources distributed a brochure addressing the details of how the program works and specific bonus parameters based on 1996 targets established in the Operating Plan.

The program will be reviewed and adjusted annually to fit new Operating Plan targets. In addition, the program, including targets, will be reviewed each year with Union Leadership. Prior to launching the program this year, the plan was discussed with Union Leadership and voted upon by their members.

"It is vitally important to the success of the program to have the support of all employees," says Manager Human Resources/Industrial Relations Support Larry Judge. "We want them to be enthusiastic about participating and achieving our performance targets."

Figuring The Cost

How is the cost of making light product determined? Both fixed and variable costs are included. Fixed costs are those which do not vary with production rate. They include such expenditures as labor, maintenance, turnarounds, loss and damage, waste disposal and supplies. Variable costs are costs directly related to the level at which a unit is run, including such items as fuel catalyst, process chemicals, oxygen at the Cat Crackers, and steam production.

At first glance, one may wonder why all employees are considered eligible to participate in the Gain Sharing Program. After all, how can someone who is not directly involved in manufacturing processes—an office worker, say—affect the cost of light product? Fixed costs are associated with every job, however, and those costs enter into the cost-per-barrel calculation.

Managing The Cost

Both fixed and variable costs represent necessary spending, but the amount of spending can be lowered. The key is to *manage* costs. According to Lynn Sprouse, Financial Team Leader, there is a lot of opportunity to save money. "By using our creativity to work smarter and develop innovative ways to do the same job more efficiently, we can reduce both fixed and variable costs," says Sprouse. "We can also improve our light end production processes to maximize the amount of good product we extract from the barrels of crude we buy."

We hear a lot about the importance of reliability. The reason is that reliability is a major element in managing fixed costs. If, for example, we avoid operational problems by performing inspections and preventative maintenance, we will reduce the expense of repairs.

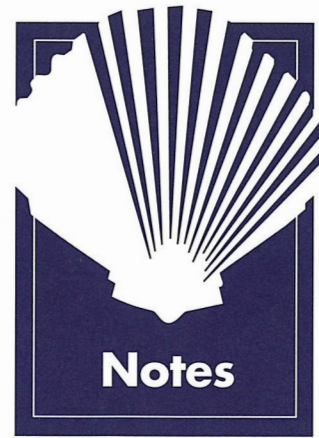
Another, very simple, way to manage cost is to reduce expenditures for equipment and supplies used on the job, such as gloves and safety sunglasses. According to Business Services-Purchasing, about 728 employees use an average of 6,800 pairs of work gloves (not including liners) a month—an average of over nine pairs per employee. The cost? \$13,574 a month—or an annual cost of \$162,888.

"I'm Responsible"

The theme "I'm Responsible" has been highly effective in sharpening awareness of the responsibility each person bears for avoiding accidents. But individual responsibility isn't limited to safety, and the "I'm Responsible" theme is being expanded to the Gain Sharing Program.

To reach our cost per barrel target, each employee must make frugality a value pursued in his or her job performance. That means actively looking for ways to conserve supplies, from work gloves to paper clips. It means being alert to potential problems and thinking about ways to head them off before they happen. It means working creatively and efficiently.

If we are to be a profitable company, we can't afford to be a corporate "consumer society." We must adopt a producer, not a consumer, mentality, and the Gain Sharing Program should help us make that cultural change. ●



SERVE Brushes Up

At 7:30 in the morning on Saturday, May 4, 25 volunteers showed up at a house on Rose Avenue in Roxana for SERVE's spring Fix-Up Day. Workers scraped and scrubbed, but the rain came before they were able to paint, so they returned a week later to finish the job.

The house selected for the most recent Fix-Up Day belongs to Mrs. Gilbert Wheeler. Mrs. Wheeler, 78, has undergone two surgeries following a broken hip in March and experienced complications. Of the volunteers, she says, "What they did was just wonderful. They scraped off all the old paint and painted the house. And they even planted flowers in pots."

SERVE conducts its painting projects jointly with the Bucket Brigade, sponsored by Pride, Inc., an Alton community service organization. To volunteer for SERVE's fall Fix-Up Day or other service projects, contact Community Relations, ext. 2685. ●



Service Anniversaries

MAY

Bill L. Costello
Compounding
Compounder 1st
30 Years

Wally L. Engelke
Logistics
Operator 1st
20 Years



Ken B. Goeke
Operations-Compounding
Sr. Engineering Technician
30 Years

Jim W. Jones
Maintenance/Shops
Pipefitter 1st
20 Years

Don L. Klotz
Project Engineering-
P&ID/SEP
Engineering Assistant
30 Years

Al W. LaRossa
Gas
Operator 1st
20 Years

Donald E. Mihelcic
Business Services-
Material Management
Counterman 1st
20 Years

Joe L. Schreiber
Distilling
Operator 1st
20 Years

Dave H. Smith
Maintenance/Shops
Craneman 1st
30 Years

Carl H. Woodard
Maintenance/Shops
Insulator 1st
20 years

Al R. Woolverton
Engineering/Maintenance/
Field
Machinist 1st
30 Years

Kermit E. Young
Compounding-Maintenance
Driver
20 Years

Tom A. Zipprich
Environmental Operations
Operator 1st
20 Years

JUNE

J. Gordon Becker
Maintenance-Shops
Insulator 1st
20 years

Jim W. Berry
Aromatics East
Operator 1st
20 Years

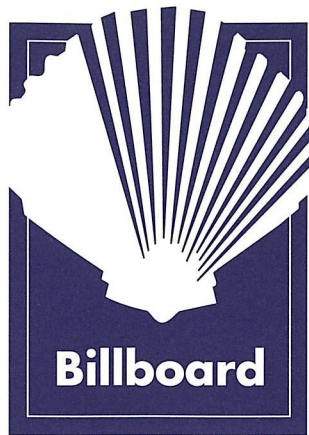
Art D. Branch
Maintenance-Shops
Machinist 1st
20 Years

Dave L. Cavins
Engineering/Maintenance/
Field
Machinist 1st
20 Years

Jesse I. Celis, Jr.
Technical/HS&E-Technical
Services Central
Engineering Staff

Don E. Diestelhorst, Jr.
Compounder
Compounder 1st
20 Years

Joyce J. Dildine
Logistics
Operator 1st
20 Years



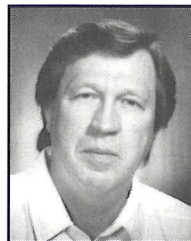
Dan R. Dona
Operations-Logistics
Sr. Engineering Technician
20 Years

Del W. Hines
Compounding
Compounder Helper 1st
20 Years

David C. Kruckeberg
Engineering/Maintenance/Field
Machinist 1st
20 Years

Rick E. Phipps
Alkylation
Operator 1st
20 Years

Ron F. Saragusa
Maintenance/Shops
Machinist 1st
20 Years



Gary A. Spears
Hydrocarbon Systems
Sr. Engineering Technician
30 Years

Clyde H. Wiseman
Environmental Operations
Supervisor Operations-Maintenance
20 Years

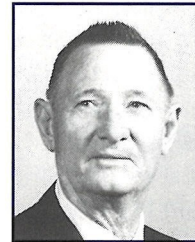
Ron G. Yurkovich
Compounding
Compounder 1st
35 Years

In Memoriam



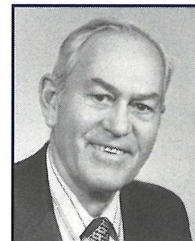
Cletus C. Beck, 84,
died June 13.

Mr. Beck retired on March 1, 1966, as a Pipefitter 1st in Engineering. He served for 27 years.



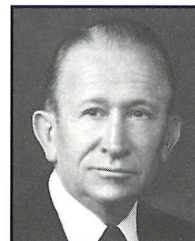
Bryan Cole, 84,
died June 7.

Mr. Cole, a Shell employee for 28 years, worked as an Engineering Foreman in Engineering. He retired July 1, 1970.



Walter Frohock, 84,
died June 11.

Mr. Frohock served for 22 years. He retired as a Counterman I in Purchasing on March 1, 1974.

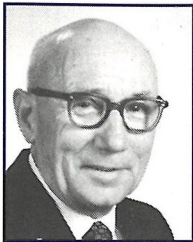
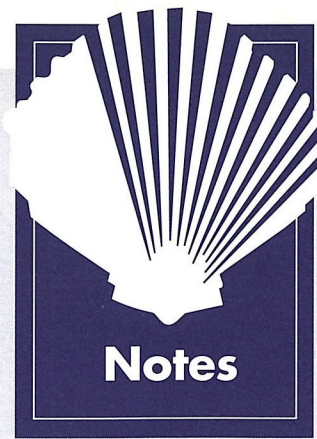


Joseph Hlavsa, 84,
died April 26.

Mr. Hlavsa retired from Engineering Field as a Pipefitter Helper 1st on Aug. 1, 1973. He served for 33 years.

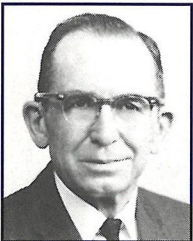
Retiring

Bill E. Gray
Quality Assurance
Sr. Technical Associate
29.1 Years of Service



Floyd A. Lamm, 86,
died May 5.

Mr. Lamm was an Engineering Foreman in Engineering Field. He served for 33 years prior to his retirement on Oct. 1, 1972.



James Nelder, 94,
died May 12.

Mr. Nelder was a Shell employee for 33 years. He retired from Distilling, where he was a Shift Foreman and Operator 1st, on Feb. 1, 1963.



Gertrude Rietveld, 74,
died May 16.

Ms. Rietveld served as a Shell employee for 34 years. She retired in Feb., 1985, as an Accounting Assistant in Financial.



James "Ben" Schwabe, 86,
died May 2.

Mr. Schwabe, a Material Analyst in Purchasing, retired Dec. 1, 1970. He served as a Shell employee for 27 years.

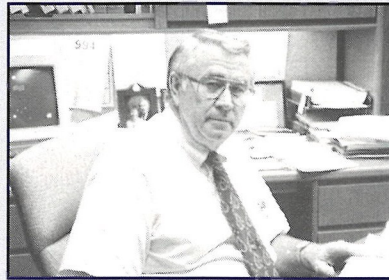


Henry Smith, 89,
died June 19.

Mr. Smith served 23 years. He retired as a Master Machinist on April 1, 1967.

Warren J. Wille, 75,
died May 11. (no photo)

Mr. Wille was a Yardman/Chairman in Maintenance. He served for 30 years prior to his retirement on February 1, 1981.



Dr. Salesman Honored

On May 2, SWRRC Medical Director Dr. Charles Salesman was made a Fellow of the College of Environmental and Occupational Medicine. The occasion was the professional organization's national meeting in San Antonio.

Only 11% of the members of the College have been so honored. Candidates must meet stringent requirements. They must have practiced occupational medicine for a minimum of five years, be certified by a board recognized by the American Board of Medical Specialties, and have earned a minimum of 150 points. Points are earned through service to the organization and completing courses of professional study in a range of medical subjects, such as toxicology, environmental medicine and administration. Candidates must also be recommended by two Fellows and approved by a committee of the College.

Dr. Salesman's distinguished career spans 35 years. He started as a family practitioner in Robinson, Ill.—"the first new doctor there in 20 years," he says. He was soon recruited by a small local oil company to take care of employee injuries and handle occupational medicine issues. Word spread quickly among other manufacturers, and within 10 years, he found himself involved with 2,200 of 2,800 manufacturing jobs in the county. In the meantime, his family practice also continued to grow.

In 1991, Dr. Salesman began his tenure with Shell. At the time, he still served all those other companies, as well as 5,000 families. "I delivered over 2,500 babies in my career," he recalls. "Something had to change, and I decided to go to full time occupational medicine. After a short tenure with Granite City Steel, I joined Shell."

Dr. Salesman obtained his medical degree from the University of Illinois in Chicago and later did postgraduate work at City Hospital in St. Louis, which was affiliated with Barnes Hospital. 🌟

Inroads Summer Interns

Andre Brown
Technical/HS&E-Technical Services
Intern III

Paris Dampier
Technical/HS&E-Control Engineering
Intern IV

COE Students

Welcome to our new Cooperative Office Education Students, who began their clerical positions in June.

Chad Buder
Environmental Conservation/
Administration

Brad Conreux
Human Resources/Medical

Christy German
Maintenance

John Gusewelle
Project Engineering

Jennifer Jaco
Logistics

Melissa Matthews
Organization Effectiveness & Training

Carolyn Schmidt
Computer Services/
Administrative Services

Diana Thomas
Maintenance-Materials Management

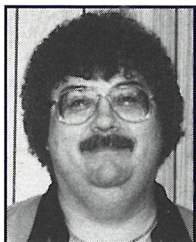
Melissa Wade
Community Relations

Katherine Wayman
Project Engineering

New To SWRRC

Paul Perry

Paul Perry comes to Lubricants as a Lube Oil Inventory System (LOIS) Specialist from the Oakbrook Plant, where he has spent the past 17 years. After joining Shell in 1968, he worked in Chicago, then at the Argo and the East Chicago distribution centers, prior to moving to Oakbrook. Paul and wife Kathy, who are the parents of Phillip, 22, and Peter, 16, have settled in Godfrey. Paul enjoys fishing and model building. ●



SRA Family Day

Saturday, July 20
1 p.m. to 9 p.m.
Wood River Aquatic Center

Swimming • Waterslide
Food served at 1 p.m.
Catered by Brown's Chicken

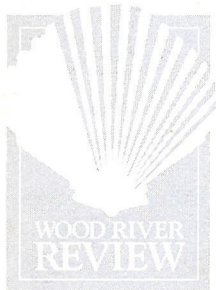
Tickets:

SRA members and immediate family, \$2;
non-members and guests, \$5

For tickets, contact:

Lois Compton—ph. 2400, pager 2022
Randy Duncan—ph. 2629
Kerry Pitt—ph. 2509, pager 2055
Sharon Rhodes—ph. 3174
Mary Roberts—ph. 2249, pager 2288
Pat Maher—ph. 2895, pager 2100

Shell Oil Company
P.O. Box 262
Wood River, Illinois 62095



The *Wood River Review* is published for employees, pensioners and friends of Shell Oil Company in Wood River, Illinois.

Editor: Sandi Sherwood
Design & Production: Inlandesign Group Inc.

Copyright © 1996, Shell Oil Company

Bulk Rate
U.S. Postage
PAID
Wood River, IL
Permit No. 229

