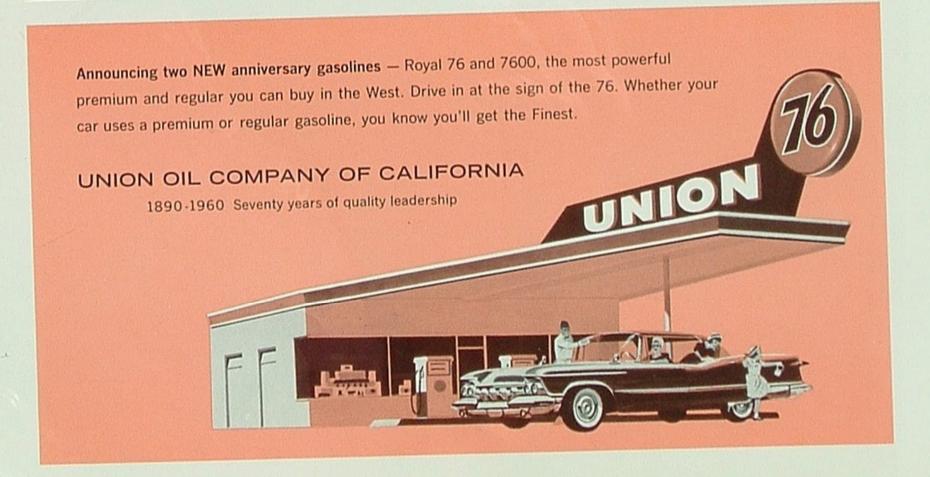


SEVENTY Union Oil Company of California SIX

FEBRUARY 1960

IVI (%) STI POWERFUL PREMIUM

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SEVENTY®

Volume 4, Number 2

FEBRUARY, 1960

THE COVER: On a clear, cool January 1, 1960, our "Antony and Cleopatra" float, President's Trophy winner, turns down Pasadena's Colorado Boulevard to meet the applause of million spectators.

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is a Union Oil Company of California trademark. It also symbolizes the American freedoms won in 1776, which made possible this nation's industrial development and abundance. Our SEVENTY-SIX magazine, published monthly, mirrors industrial freedom through the thoughts, skills, accomplishments and appreciations of Union Oil people. We invite readers to participate with us in an exchange of ideas and information. Address correspondence to the Editor, SEVENTY-SIX, Union Oil Center, Los Angeles 17, California.

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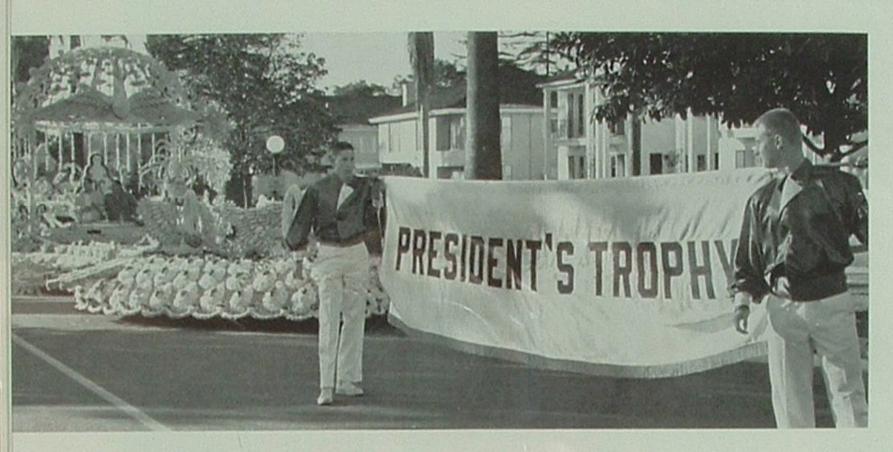
Where are the "Young Turks"?



reprinted through courtesy of NEWSWEEK

Where is that traditional young American who takes the "Boy Wanted" sign out of the window and says to the boss, "I'm your boy"? You know the lad I mean. The bell-ringer, Up with the sun, Last to leave, Sweep the floors, Learn the line, Get to know the territories, Up off the canvas, Shoot for the moon, Watch-my-dust! We've had our bellies full of the play-it-safe boys. Where is that enterprising youth who's willing to stick his skinny neck out and make decisions? "He only has to be right 51% of the time to be a success," says Bruce Barton. America needs more Young Turks. (And more Old Turks who know how to recognize the Young Ones). The kind of man who parachutes into darkest Africa - and opens a chain of supermarkets

in sixty days!



Wins



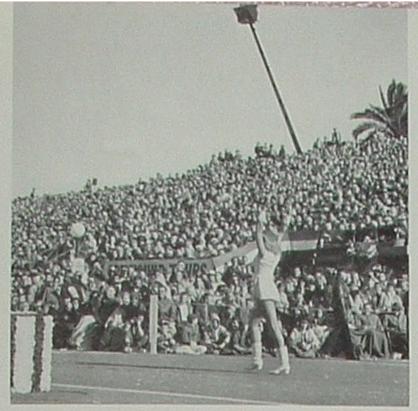
THE PRESIDENT'S TROPHY, a major award presented annually to the Tournament of Roses float having the most beautiful display of roses, was won on January 1, 1960, by Union Oil's entry, "Antony and Cleopatra." Theme of this year's parade was "Tall Tales and True."

The float, designed for Union by Dr. Sam Coleman, represented a rose-decked barge being pulled by three white-chrysanthemum swans. Strands of vanda orchids formed a towering canopy at the stern of the barge and were alternated with other blooms to achieve a background of large Egyptian fans. The total of orchids, roses, chrysanthemums and carnations needed to produce this prize-winning beauty soared to 126,000.

Valiantly riding the barge during cool early-morning hours of judging and down the river of Pasadena's humanity-banked Colorado was a tropically clad Cleopatra, Miss Sherri Rice. Antony, portrayed by Jack Veazey, had a more comfortable morning of it in the toga and cloak of a Roman tribune.

Besides several million spectators lining the historic parade route, a much larger national audience shared the Tournament beauty and thrills via television.

THE END



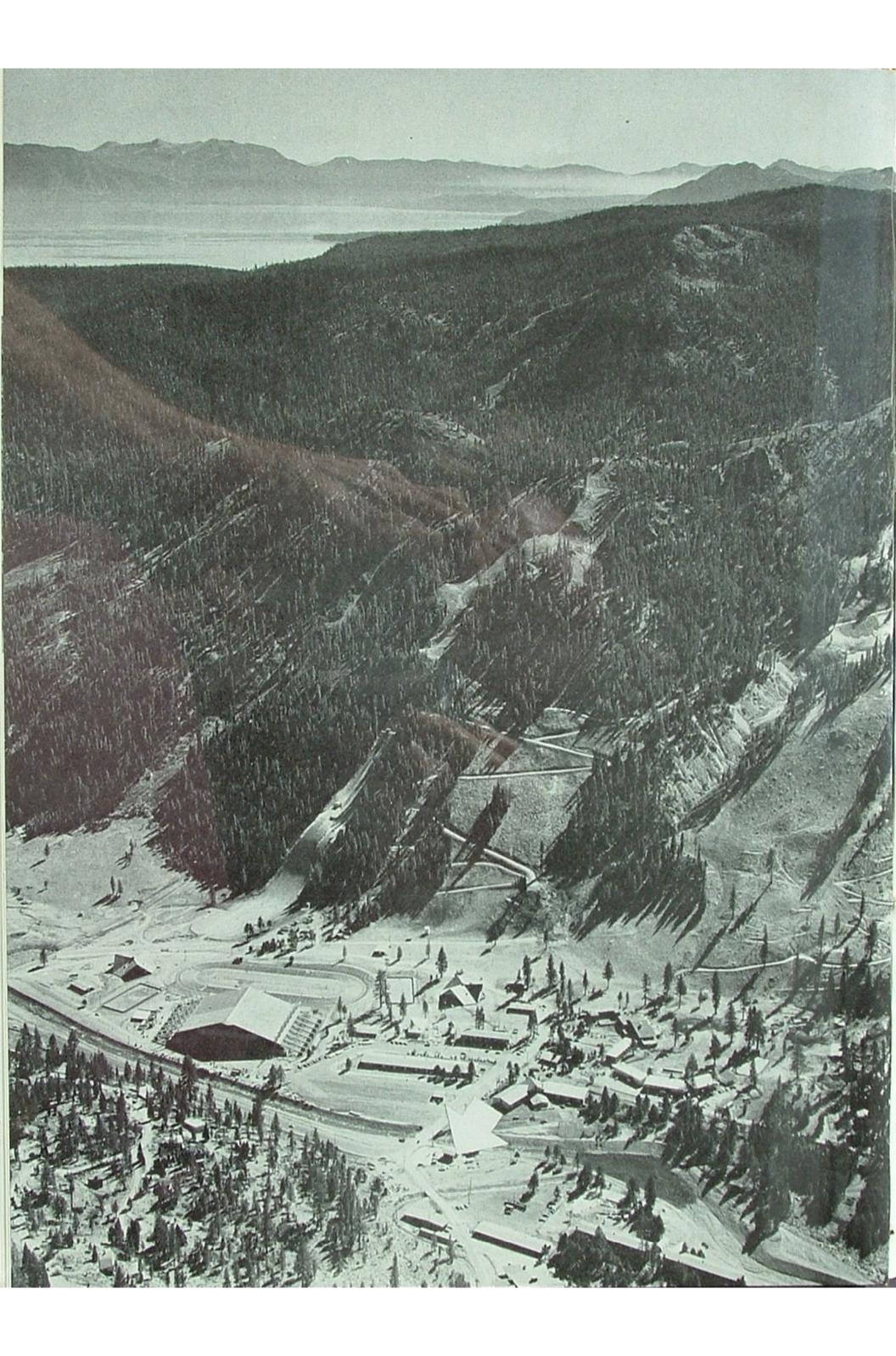
Between levees of spectators this high and several miles long flows the magnificent parade. Television cameras, at boomlength above the crowd, are the eyes of our nation.

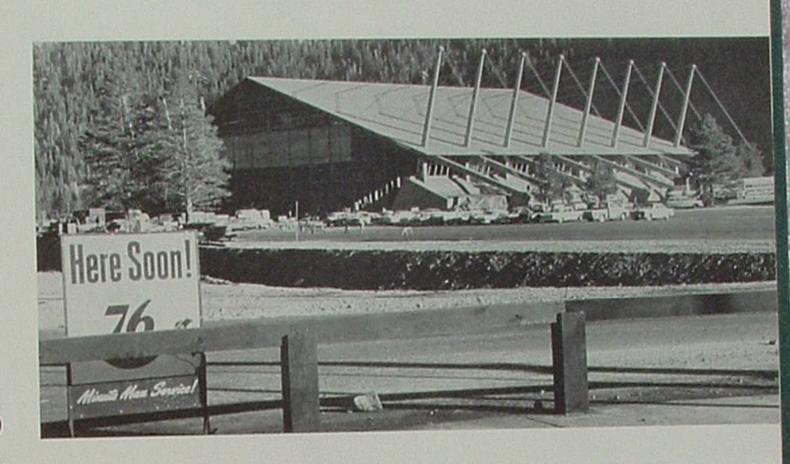
To complicate history, Tournament official Ken Clark, right, one of our Pasadena salesmen, asked to be photographed with Antony and Cleopatra. We of course obliged.



President's Trophy







This is

Squaw Valley

S Nevadas of California with their winter coat.

In one respect this was a kindly oversight by the elements. It permitted a thousand final construction touches to be hurried along at dry-weather speed in preparation for the Winter Olympics.

So our rim-of-the-mountain view of Squaw Valley and neighboring Lake Tahoe is an exceptional one for the month of December:

It shows an immense roof under which thousands of spectators will thrill to ice hockey and the world's best figure skaters. Just beyond the indoor rink is an outdoor, quarter-mile, speed-skating course, which depends upon mechanical refrigeration rather than weather for its ice. Flanking the oval are two odd-roofed spectator centers where people may stand with their backs to the fireplace and their eyes on the outdoors competition.

Splitting the groves of pine trees are the world's best-designed and constructed ski jumps, downhill and slalom courses. Invisible over the trees are several double-chair lifts reaching clear to the tops of the mountains.

Long-roofed buildings at right of the arena are

administrative headquarters, an information center, restrooms, inns, lodges and shops for the general public.

Near the bottom of our picture is Olympic Village—dormitories, cafeterias, etc., to accommodate an estimated 1,200 athletes from some 35 competing nations. On the hillside at lower left are a few of several hundred Alpine-type chalets being built by steady frequenters of the beautiful valley.

And, if you'll look for our arrow, there in the village square is the community's only service station — a unique, two-story building with living quarters for the crew and with radiant heating equipment to keep the pump island dry even during a blizzard.

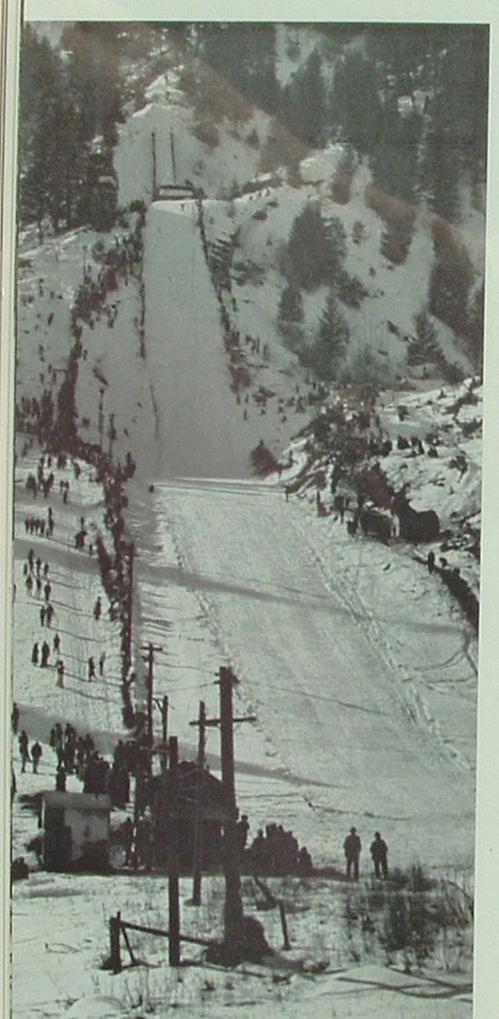
In fact, Squaw Valley has the *Finest* of everything – except snow. And no one's worried much about that. During no winter in recorded history have the Sierra Nevadas failed to match their Spanish name, meaning snow-covered mountains.

Even now, as we write this report, a call comes through from Reno: "Snow is falling in Squaw Valley!" So next month we may be able to reveal the world's greatest winter games in their real ermine setting.

Sorry, boys, but all pump island jobs have been spoken for and filled at Union Oil's "76" chalet!

Meanwhile





at Leavenworth

From R. G. Chandler

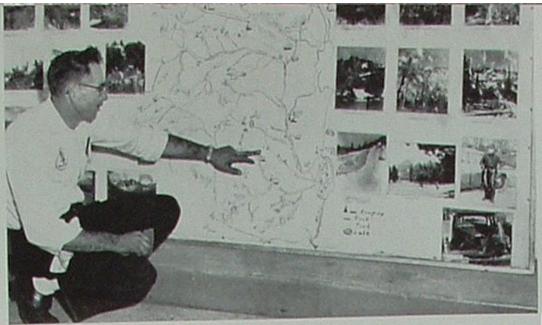
On eastern slopes of the Cascade Mountain Range in Washington the snow problem is seldom one of too little, often one of too much. This winter has been about ideal, with just enough of the moisture powdering down to provide ideal skiing conditions.

The town of Leavenworth, Washington, nestled comfortably in the Cascade snow pack, takes advantage of its wintry resources with vigorous enthusiasm. One mile by paved road from the center of town are three excellent ski jumps, one of them among the largest ever constructed in the United States.

Busiest civic organization in town is the Leaven-worth Winter Sports Club, whose 14-member board of directors and large membership aim to make Leavenworth the *ski-jumpingest* community in America. When a work day is called, at least 50 people will always respond to dig roads and trails, clear the trestles, pack slopes for the jumpers, clean up debris and keep the coffee pot boiling for all comers. Then everybody within driving distance either lines the big 90-meter hill or puts on his skis to assault the world's record. Needless to say, this town has been visited by many champion jumpers and is developing a spectacular group of young skiers for the competition ahead. Even the smallest children are given instruction "on the boards."

Union Oil Dealer Mike Smith typifies the spirit of Leavenworth. An active member and past chairman of the Winter Sports Club, he knows every peak and cranny of the rugged Cascades and won't be satisfied until everybody shares his admiration of the great open country. In fact Mike keeps on display at his service station a huge map showing the best hunting, fishing and skiing spots and indicating with photo enlargements what the

The 90-meter ski jump at Leavenworth attracts an interested crowd of townspeople nearly every winter afternoon. Cascade snow is ideal.

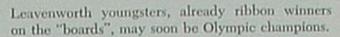


The illustrated map maintained by Union Oil Dealer Mike Smith, above, directs sportsmen of all seasons to Finest of fun spots.

sportsman may expect to find when he gets there. At times during the year Mike's station is crowded with "map" customers, many of whom in gratitude become gas customers. Sale or no sale of gasoline, Mike always sells 'em the Cascades.

So, if you see the Winter Olympics at Squaw Valley this year, you'll find Leavenworth represented out of all proportion to its size by snow-sports officials, contestants who trained there, and by spectators who called on Mike Smith for map service.

/THE END



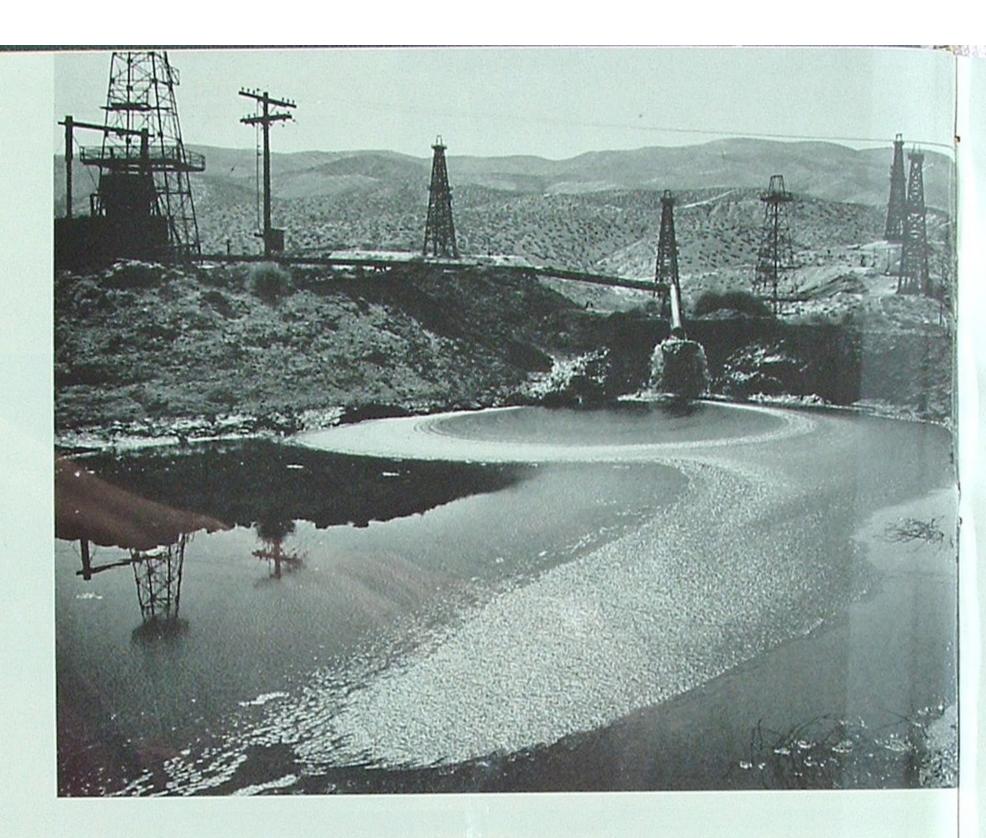


Excellent Campaign Slogan

CONSIGNEE GORDON K. REID, at right of accompanying picture, was a Union Oil employee for 22 years preceding his Monterey, California consigneeship. Recently he was elected 1960 president of the Monterey Peninsula Chamber of Commerce. His other community activities include Rotary, Red Cross, the Community Chest, the Convention Bureau and church work. As his Chamber of Commerce leadership began, he and outgoing President Al Madden, at left, chose the lettering on a Union Oil storage tank as a suitable backdrop for their 1960 objectives. Undoubtedly the idea is older than Benjamin Franklin, but it still makes good common sense.

photo from the Monterey Peninsula Herald





What about the oil surplus?

F ROM TIME TO TIME we get questions about the West Coast's oil surplus. We passed some of them along to the Company's Economics and Planning Department and following are their answers:

Q. What caused the West Coast's oil surplus?

A. The surplus was caused by a combination of long-term and short-term factors. A major long-term factor was the continuing rise in the share of the West's energy market going to natural gas. Since the end of World War II West Coast natural gas consumption, in terms of fuel oil equivalent, has increased to 600,000 B/D, of which 400,000 B/D is brought in from other U. S. areas and Canada. In addition, construction of new pipelines has permitted large volumes of crude oil and products to be shipped from the Rocky Mountain area into the West Coast.

Another important long-term factor has been the emergence of a global oil surplus. The pressure of this surplus caused foreign crude imports to increase. In total, oil and gas sources outside California now supply the equivalent of 800,000 B/D to the West Coast market. Imported oil accounts for less than one third of this total. The rapid rise in imports became particularly evident in 1957, when total West Coast receipts of foreign oil increased to 263,000 B/D, 45% over the 1956 average.

The principal short-term factor causing the surplus was an unexpected drop in 1957 in product sales to the military and to several foreign nations.

The total effect of all these adverse developments was the emergence of the worst surplus the West Coast oil industry had seen since before World War II.

Q. What happens when an inventory surplus such as this develops?

A. The oil companies individually do all they can to bring their own inventories down to a manageable level. Even if storage is available (and it often isn't), storing more oil than needed is an expensive proposition. To reduce inventories, companies will do one or more of the following: (1) Shut in some of their production of crude oil, cut back their exploration for new sources, and reduce their purchases of oil produced by others; (2) try to increase product sales; and (3) start selling in markets not normally reached economically (such as the U.S. East Coast). All these things usually mean reduced profits.

Q. Was there any improvement in 1958?

A. Although inventory surpluses can accumulate quickly, it often takes a long time to work them off. This is proving to be the case here. Demand in 1958 increased by about 2% over 1957 while total imports of foreign oil—under federal pressure for "voluntary" curtailment—dropped back to about 20,000 B/D over the 1956 average. However, inventories declined only slightly as additional oil entered the West Coast from newly-discovered fields in the Four Corners region (Utah, Colorado, New Mexico, and Arizona). Consequently, price and profit margins remained low through the year. In addition, California's oil fields experienced a sharp drop in production and productive capacity as exploratory and drilling operations were curtailed.

- Q. Early in 1959 President Eisenhower imposed mandatory controls on all imports of crude oil and products in the United States. Two questions: Why did he do this? Has it helped the West Coast oil industry?
- A. (1) President Eisenhower took this action because of mounting evidence that oil was "being imported into the United States in such quantities as to threaten to impair the national security." Basically, he did it in order to encourage the exploration and development of crude oil—an essential source of energy for our national defense—within the continental United States.
- A. (2) West Coast oil import quotas are set by the federal government so that imports will equal the difference between expected domestic (i.e., U.S. oil) production available on the West Coast and expected total demand. Thus, the import quotas do not bring about the inventory reduction needed to relieve the pressure on prices and profits. Total imports for 1958 (a period of "voluntary" controls) averaged slightly over 200,000 B/D; imports for March-December 1959 (the period of mandatory controls) have averaged about 250,000 B/D.

Actually, however, the West Coast industry has managed to improve its inventory position during 1959 by increasing sales of products in the U. S. East Coast, the Far East, and even in Europe. This action does not help current profits. In fact, the low average product realizations on such sales generally means lower profits.

However, the inventory reductions should provide a sounder base for 1960's operations.

- Q. Isn't the idea of restricting imports contrary to our free enterprise economic system?
- A. Yes, it is. However, the need to insure our national defense can be an overriding factor. Though we certainly must preserve our economic system, we should never lose sight of the need to adequately defend our nation.

Q. Has the quota system produced any problems?

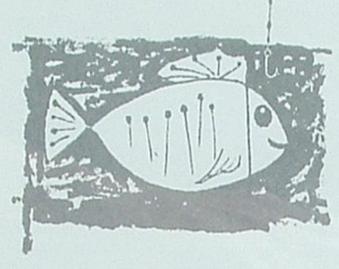
- A. The quota system, by necessity, includes many attempts at compromising conflicting interests. Not unexpectedly, it has produced a number of problems. These include:
- Lengthy arguments and even lawsuits from companies who feel the method of allocating quotas is unjust.
- Formal complaints from oil exporting nations who believe their production deserves some sort of preferential treatment; complaints from others who claim discrimination because other exporters are receiving preferential treatment.
- Since quotas are established twice yearly (usually during the month preceding the quota period), importing companies find advanced scheduling more difficult.
- 4. A cumbersome, entrenched bureaucracy is developing in Washington to administer the quota system and to arbitrate complaints. Oil companies are stocking up on filing cabinets to handle the added paper work.
- 5. To prevent "unwarranted" price increases resulting from the quota system, President Eisenhower has ordered a "surveillance" of product and crude oil prices. Thus far, there has been no indication of what this means. However, many fear it could be an opening wedge toward ultimate "public-utility type" price regulation.

Q. Could the import restricitons be done better some other way?

A. Yes. In our view, an effective tariff on imported crude oil and products has several advantages over the import-quota system. An effective tariff—one high enough to bring about the desired aim of stimulating the search for crude oil within the continental United States—would avoid the problems listed above. It would be easy to administer, it would treat all importing companies and exporting countries alike, and it would remove the uncertainty of planning for future imports. In addition, since a tariff is, in effect, a tax on foreign production, it would bring in additional revenue to the government. This would shift some of the burden of the costs of government to low-cost foreign producers.

/THE END

for the finest of fishing



By J. W. White, Manager of Operations, Seattle

T HERE IS A sign at Westhaven Cove, Westport, Washington that reads:

Population Winter—35 Summer—35,000

Resident Manager Dick Adams at Hoquiam and Consignee V. Ted Holland at Westport assure us these figures are no exaggeration. Winter finds the village practically in hibernation except for a handful of year-around residents and business people. But with the first breath of spring the cove yawns and leaps out of its covers. A fleet of excellent charter boats freshens up with new paint and begins to flex its propellers. Sportsmen converge on the Pacific threshhold not only from nearby counties and states but from throughout the United States and Canada. By mid-summer the town is crowded with anglers and automobiles while the cove takes on a boat-servicing assignment of big-city proportions.

The incoming tide at Grays Harbor, Washington, hardly creates a ripple in Westhaven Cove, where sportsmen convene for excellent fishing.



The cause of this sudden transformation of course is wonderful fishing. Westport fishing grounds abound with fighting salmon. With just average luck a fisherman gets his limit of sea bass, sole, halibut, ling cod or red snapper. On occasions a six-or seven-foot shark takes the bait to provide a thrilling tussle. The ocean facing Grays Harbor teems with such food fish as anchovies, herring crab, clams, shrimp. And for the landlubber who shuns boat fishing there's surf, rock and jetty fishing—crabbing on the beach—or digging for delicious razor clams. The famed Dungeness crabs come from this area.

Prior to 1950 Westhaven was maintained primarily for commercial fishermen. But so rapid has been the rise of sport fishing that the area now caters predominantly to recreation and the tourist trade. To handle the increased traffic, port officials have increased the lineal capacity of Westhaven floats from 1,370 feet in 1949 to 5,449 feet in 1959.

Most recent of the cove's improvements is a Union Oil marine marketing station, officially opened by Consignee Ted Holland on November 21, 1959. Our shore facilities consist of underground storage tanks, a concrete warehouse and office building, showers and restrooms, a modern loading rack for trucks. The underground storage from this location connects by pipeline with a nearby pier and float whose hose reels supply gasoline and two grades of Diesol. As many as five boats can be served at one time. The excellent quality, safety and appearance of these improvements have attracted high commendation from the Port of Grays Harbor Board of Commissioners.

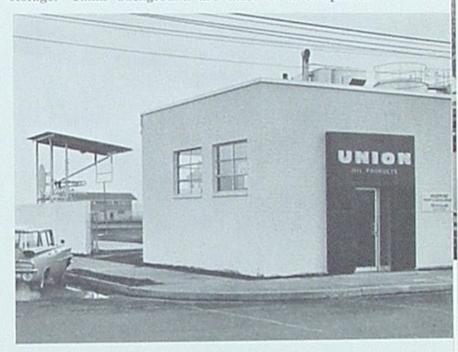
At the unit's open-house inauguration in November, Hosts Ted Holland and Dick Adams greeted 165 guests—evidence that perhaps 130 Union Oil people in Washington swelled the town's winter population of 35 to give the new service venture a proper start. "Come spring," they predicted, "there'll be no time for ceremony. Westhaven Cove will become the focal point of the Northwest's Finest fishing!"

/THE END

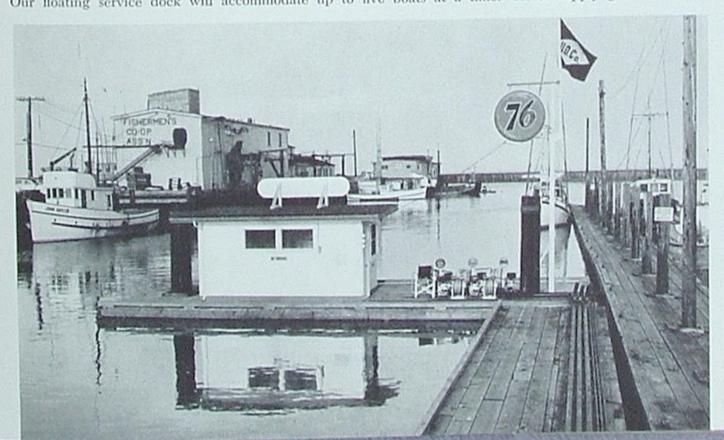


Under a "76" moon, Union Oil people gathered November 21 to help Ted Holland open new marketing unit.

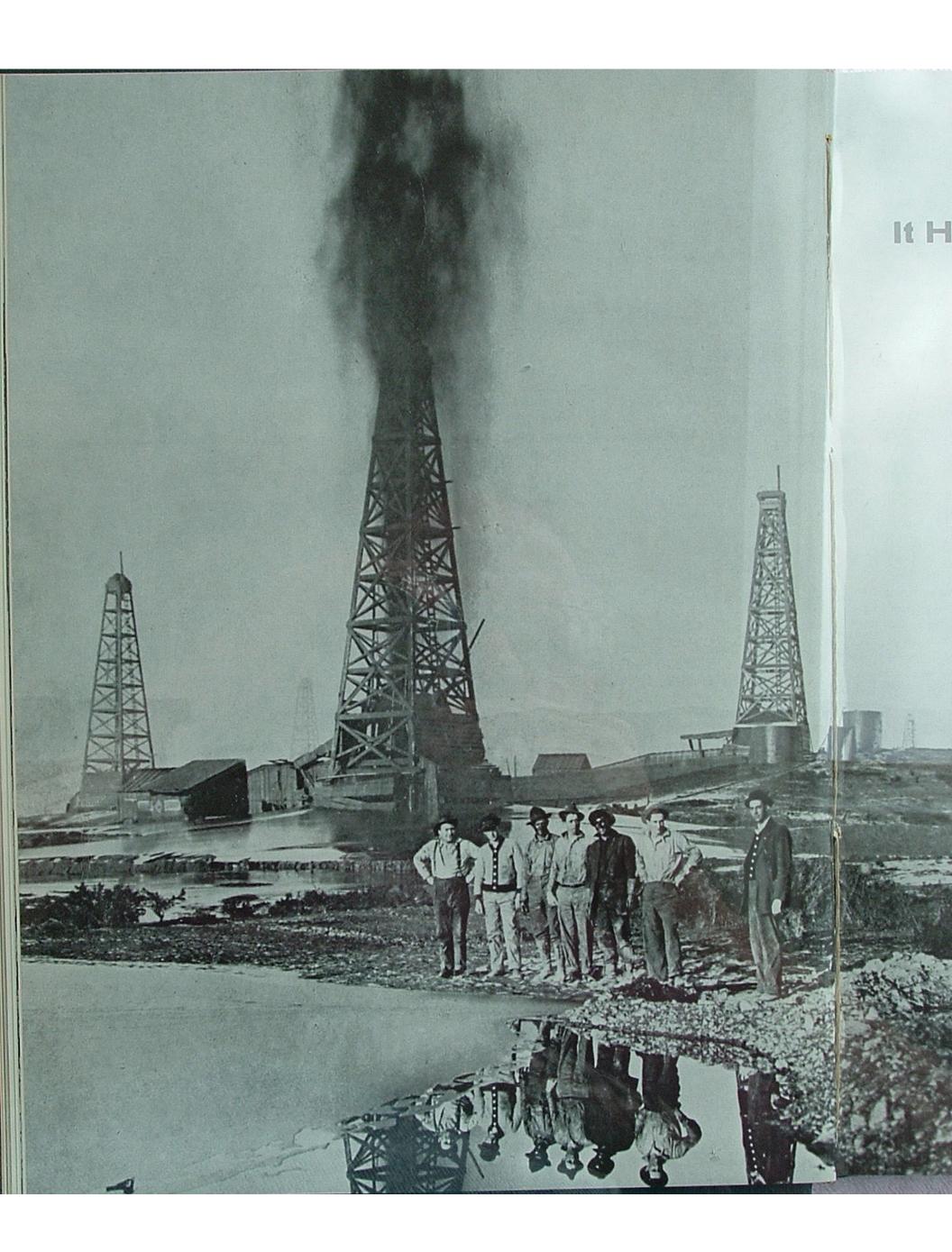
Union's onshore plant is equipped with underground bulk storage. Tanks background are those of a competitor.



Our floating service dock will accommodate up to five boats at a time. Hoses supply gas and Diesol.







It Happened just 50 years ago

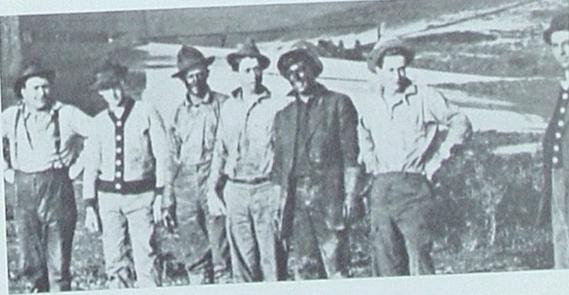
In 1910, California was the leading oilproducing state in the Union, and the lion's share of the state's annual 52-million-barrel yield came from San Joaquin Valley. Nearly fully developed were the famous old McKittrick (1887), Kern River (1899), Midway-Sunset (1901) and Coalinga (1900) fields.

Besides several so-called major oil companies in the area, there were hundreds of small operators, 150 of whom formed the Independent Oil Producers Agency in 1909 as a cooperative means of getting their oil to market. Union Oil Company, a major in size and an independent in operation, had won the Agency's gratitude in 1909 by footing half the cost of a 240-mile pipeline from the valley to tidewater at present-day Avila. This assured the Independents that some 30,000 barrels per day of their oil would reach Pacific Coast cities at transportation costs competitive with those of the majors.

Even though gasoline and automobiles were not of much consequence to the oil industry, there was a growing demand in the cities for fuel oil, kerosene, engine dis-

-continued

Time has not forgotten Union Oil's famous Lakeview Gusher of 1910, seen at left shortly after its volcanic debut. Not so most of the workers and witnesses. Can you old-timers identify any of these seven men?



tillates, benzene, asphalt and lubricants.

It was during this teenage of petroleum that mild exploratory interest was centered on a corner of the old Midway-Sunset field near Taft and Maricopa. Here on the Sage & Webster lease, Union Oil drillers were sinking a wildcat well with cable tools. They had picked the drilling spot largely on "hunch-ology," for the sciences of petroleum geology and geophysics were either unappreciated or unknown. Their chances of success were frightfully slim.

About the same time Union Oilers spudded in, a seven-man group calling themselves the Lakeview Oil Company decided to risk everything on a 100-acre tract adjoining the Sage & Webster lease. Two of the men were rig builders and probably some of the other partners had drilling experience. The seven had barely enough money to finance one string of cable tools and a shallow hole — providing trouble stayed away.

But trouble hounded their venture from the start. First the cable-tool bit veered off at a bad angle instead of pounding straight down. In the crooked hole the drillers lost a set of tools and got nowhere trying to retrieve them.

Union Oil's Drilling Superintendent C, E. "Barney" Barnhart helped them out of this predicament by lending his experience and some fishing tools — on two separate occasions. Even so, 1800 feet of hole proved to be the limit of these seven men's resources. They finally approached Union with the proposal of selling out "real cheap."

Union Oil didn't want the Lakeview prospect at any price. The Company already had four unpromising wildcats drilling in the area, and to add a fifth so close to the Sage & Webster venture seemed folly. But partly due to the desirability of Lakeview land as a storage tank site, the Company made an acceptable counter offer. Union Oil would buy a 51% controlling interest in Lakeview and finish drilling the well if and when a Sage & Webster crew had nothing else to do.

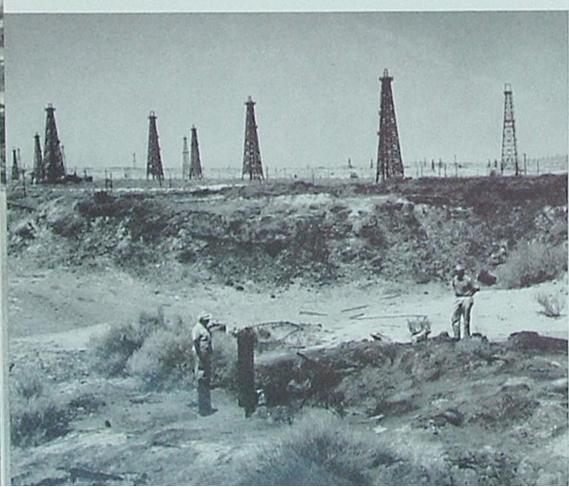
Ironically, the drilling foreman Union assigned to Lakeview was Charles Lewis Woods. Actually he was one of the most skillful and experienced drillers in the business. But through some mysterious run of hard luck he drilled nothing but dusters. A run of some 15 dry holes in California once induced him to break the jinx by leaving the state. The jinx followed him. Returning to California, he drilled several wells for Union Oil in various parts of the state. All were dry holes. By this time he was widely known throughout the industry as "Dry Hole" Charlie. Any betting man would have given big odds that no oil would be found either on Sage & Webster or Lakeview — with Charlie on the job.

During the evening of March 14, 1910, drilling was brought to a temporary halt at Sage & Webster due to a sanding condition in the well. There was nothing for the relief crew to do when they came *on tour* at midnight. So the foreman hustled them over to the Lakeview hole, which by this time was down to 2200 feet.

Two hours later they pulled the baler out of the bore hole and found its rock cuttings dripping with oil. Astounded, they dropped the baler several more times, each time encountering the oil column at a higher level. By dawn a mixture of water, oil and gas bubbles began gurgling up through the well opening. Undoubtedly these were hours of triumphant back slapping and wide-eyed exultation. Then:

What at first seemed like Nature's way of rewarding "Dry Hole" Charlie for years of perseverance soon took on a less kindly meaning. Lakeview wasn't content with yielding a nice, steady flow of oil that could be

Today the Lakeview crater still offers evidence of a titanic struggle. Like long-necked giraffes, wooden derricks of another era stand in awe.



Taft Field Foremen Bud Knick and Harry Boness read bronze plaque erected to commemorate the spot.



capped with a valve and turned off and on at will. Spurts of gas and oil began shooting 10, then 20, then 70 feet—clear to the top of the derrick. Pebbles blasted against the wooden rig like bullets. By the time Charlie came to work at eight o'clock that morning, gas and oil were roaring hundreds of feet above the derrick's crown and falling like rain in adjoining arroyos. Lakeview Gusher was born. Quickly recovering from his unbelief, Charlie yelled, "We've cut an artery down there!"

Unlike most other gushers of its day, Lakeview didn't tame down after a few hours or days of violence. It was gushing at full force weeks, even months, after March 14th. Fearful that the oil flood would cover the earth, catch fire and destroy everything, preachers began

asking for technical help from On High.

Union Oil people did some praying too—along with some of the hardest and most perilous work oil men have ever been obliged to tackle. They worked in a petroleum rain erecting a dam around the roaring crater and placing sandbag barriers across nearby arroyos. As these filled to overflowing, they fashioned larger catch basins downstream, one of them a 16-acre reservoir nicknamed the Cornfield. In world's record time they installed two miles of four-inch pipeline connecting with the new Producers Pipeline to Avila. Every available man or horse was coaxed or bribed to help stem the oil flood. Crude prices—shaky to begin with— fell to 30 cents a barrel as the months rolled by and there seemed no end to the Lakeview fountain.

In fact, the well gushed on for 18 long months. Estimates of its flow were 125,000 barrels during the first 24 hours. Engineers actually gauged production at 90,000 barrels a day for more than 30 days. And at the end of 18 months Lakeview had disgorged a nine-million-barrel sea of crude. Five million barrels were recovered and

used; approximately four million barrels were lost to seepage and evaporation.

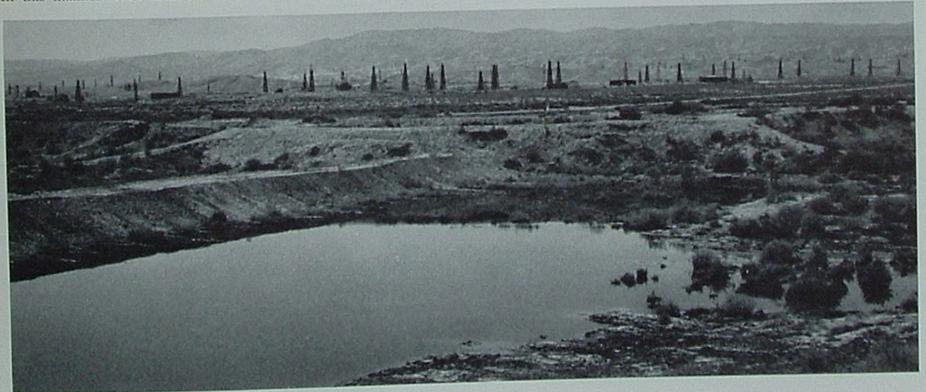
Miraculously, neither the oil nor the earth was consumed by a holocaust. Heavy rains, which usually visit this area during March, held off, thus helping the reservoirs to retain their catch of oil. But Union Oil was plagued by claims and lawsuits. Everybody who found oil specks on his grazing land, house top or "Monday wash" blamed Lakeview and sued for damages.

The abrupt expiration of Lakeview Gusher on September 9, 1911, after 18 months of eruption, was hardly less dramatic than its birth. It quit suddenly and completely—utterly exhausted. Even when redrilled two years later and equipped with a pump, Lakeview No. 1 never yielded more than 35 barrels a day.

Nor did Charlie's luck change much after drilling the world's most spectacular gusher; he resumed drilling here, there and everywhere—dry holes almost exclusively. However, Lakeview Oil Company accounted for 7,536,-858 barrels of oil and \$1,293,750 in dividends from 100 acres of land before the company's dissolution in 1955.

Today a Kern County Historical Society plaque marks the grave of this great gusher. In most other respects, except for the mellowing touch of time, the old well site remains just as it was when Lakeview expired. The pit that was blasted out by gas pressure and swallowed the entire cable-tool rig stands empty except for its old souvenirs of drilling scrap. Nearby embankments are impregnated with rotting burlap, suggesting the labor and heroism that stayed the flood. A mile or more away stand the Cornfield and other embanked reservoirs—now collecting water for range cattle. Like long-necked giraffes, wooden derricks of another era seemingly stand around in awe of an imperishable spectacle—Lakeview Gusher of 50 years ago.

The Cornfield was part of a reservoir system hastily constructed by hundreds of men, teams and scrapers to stay the Lakeview oil flood. In this manner more than half of the well's nine-million-barrel yield was saved. Reservoirs now accumulate water for range cattle.



Business Highlights of the Month

EXPLORATION 90 tests, 24 strikes.

A review of our 1959 exploratory operations reveals that 59 Company-operated wells were drilled, resulting in 13 new discoveries of which four were oil, eight were gas, and one was gas-condensate. With our exploratory drilling activities concentrated in the Louisiana Gulf Coast and in Western Canada, five of these discoveries were in the Gulf Division and six in the Canadian Division. In addition, the Company had participating or working interests in 31 wells drilled by other operators, resulting in 11 other discoveries.

An intensive exploratory program will be continued throughout 1960 with approximately \$13 million budgeted for that purpose. Slated for the first half of 1960 are six wells in the Pacific Coast Division, nine wells in the Culf Division, six in the West Texas Division, three in the Rocky Mountain Division, seven in the Canadian Division, two in the Oklahoma Division, one in the Alaskan Division, and eleven wells in our Foreign Operations. This 45-well exploratory program should develop several areas of new production and substantial additions to our oil and gas reserves.

from Basil Kantzer

PRODUCTION Old oil field retires.

Union Oil has sold its producing properties and gas processing facilities in the Playa Del Rey Field located in Los Angeles County some eight miles west of Los Angeles.

A portion of the sale involved three leases containing 13 wells, which were sold to the Southern California Gas Company. These wells will improve operation of the gas company's storage reservoir at Playa Del Rey by providing greater reservoir capacity needed to supply peak gas demands in the Los Angeles Basin.

The other property sold included several acres containing a Company-owned and operated absorption plant. The land was sold to Los Angeles County; the absorption plant was dimantled and removed. The acreage when dredged will become part of the new Playa Del Rey Marina, an inland harbor now under construction, which eventually will provide mooring berths for several thousand small boats and serve as a recreational area for the Southland.

The Company has been compensated fully for the loss of its future earnings from these properties and for the cost of removing all field facilities.

from Dudley Tower

TRANSPORTATION & SUPPLY Fast Loader!

The SS TORREY CANYON recently established a record turnaround for our foreign flag fleet at Mina Al Ahmadi, Kuwait, with a total in-port time of only 16 hours and 30 minutes. Actual time required to load her 428,000-barrel cargo was eight hours and 45 minutes, an average loading rate of 49,000 barrels per hour.

The Company's allocation for the importation of crude oil and unfinished oils for our Pacific Coast refineries during the first six months of 1960 is 24,310 barrels daily, compared with 25,320 barrels daily during the second half of 1959. These allocations are established semi-annually by the Oil Import Administration, Department of the Interior, and are based on the volume of crude oil processed during a one-year base period prior to the beginning of each allocation period.

The release of 28 cars from our railroad tankcar lease reduced our total fleet to 425 cars at the end of 1959. The reduction, made possible by more efficient utilization of cars, decreases the Company's tankcar rental costs approximately \$25,000 per year.

from E. L. Hiatt

MANUFACTURING Injury takes a holiday.

Edmonds, Cut Bank, Orcutt and Santa Maria Refineries have experienced a full year devoid of lost-time injuries, as of January 1, 1960. These accomplishments, coupled with low lost-time-injury frequencies at Oleum

and Los Angeles Refineries, resulted in the Manufacturing Department's fine contribution to Company-wide safety improvement during 1959.

Shut down of the Fluid Catalytic Cracking Unit at Los Angeles Refinery between January 9 and February 12, 1960, marked its first interruption in two years for inspection and repairs. This is a record run in length of time for the unit, reflecting good operating and maintenance procedures.

Ammonium Sulfate manufactured at Los Angeles from spent sulfuric acid recently has been insufficient to meet the requirements of Collier Carbon & Chemical Corporation. So, arrangements have been made to purchase spent acid until such time, possibly the second quarter of 1960, when the refinery's supply of the material will increase to adequate quantities.

The Manufacturing Department's 1960 plan of operation is based on processing an average 164,000 barrels per calendar day of Union's raw material. Except for 3,400 B/CD asigned to Cut Bank Refinery, all will be processed at our West Coast refineries. Crude oil processed by others will increase the total raw material rate to approximately 170,000 B/CD.

Some 11 acres of Los Angeles Refinery property has been leased to Collier Carbon & Chemical Corporation. On this plot, near the northeast corner of the refinery, Collier plans to construct sulfuric acid and Ammonium Sulfate plants. Molten sulfur, hydrogen and sulfide gas, and spent acid produced at the refinery will be raw material for the sulfuric acid plant. In return, the refinery's requirement for fresh sulfuric acid will be supplied from Collier. The latter's Ammonium Sulfate plant will utilize fresh sulfuric acid to yield a high-quality product.

from J. W. Towler

MARKETING Unimar incorporated.

Unimar, a \$10 million fully integrated oil company jointly owned by Union Oil Company of California and Maruzen Oil Company, Ltd. of Japan, has been incorporated. It will place immediate emphasis on marketing in Southeast Asia and the Middle East. Directors of the jointly owned company are equally divided between Japanese and American citizens; F. K. Cadwell of Union Oil is Unimar's chairman of the board. Operating officers and directors in Hongkong are Kahei Mega and J. H. McGee. Other directors are Kinzo Takii and Frank Culling in Osaka, Japan, and Hideyo Fujita in Los Angeles.

We have been awarded a contract to supply 700,000 barrels of bunker fuel oil to the City of Los Angeles Department of Water and Power. Delivery will be made by pipeline to their Harbor Steam Plant up to April 30, 1960.

Military Petroleum Supply Agency has awarded the Company a contract covering 400,000 barrels of Navy Special fuel oil for December delivery at Los Angeles.

Recent substantial-volume sales made to contractors include the petroleum requirements of the Lige-Dickson project on the Tacoma-Everett, Washington freeway; a substantial H. C. Price Company installation of 30-inch gas pipeline across the state of Arizona; a Gibbons & Reed job near Mt. Shasta, California; and the Darkenwald Construction Company's pipeline project at Dixon, California.

The building of new marketing stations at Idaho Falls, Idaho, Grangeville, Idaho, and Great Falls, Montana, is under way. Major rebuild of similar plants is progressing at Willits, Napa and Lompoc, California.

R. F. Koch has been appointed manager of Export Sales with headquarters in Home Office. B. M. Schwalm is now special representative — Railroad Accounts, with headquarters in San Francisco.

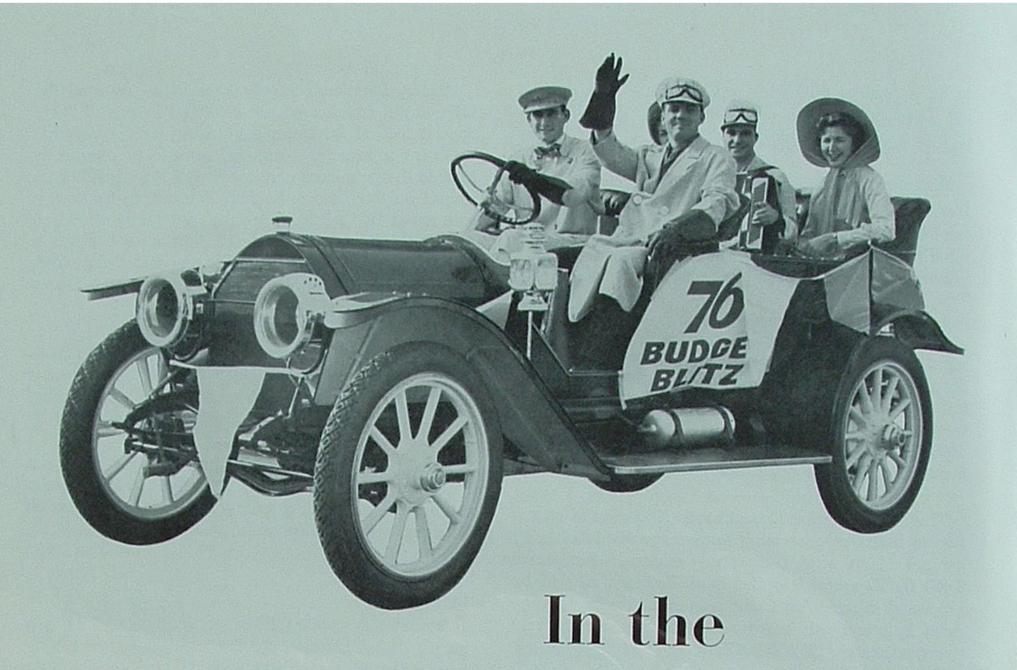
from Roy Linden

RESEARCH

Among the responsibilities of the Research Department's Patent Division are the acquisition, and protection, of brand names (trademarks) used by the Company. Trademarks identify the products of one company from those of its competitors, and therefore can be used to promote the sale of products. Many companies strive to convince the buying public that their trademark is a symbol of guaranteed consistent quality. If successful, the trademark becomes an intangible asset of great value to the Company. International trademark laws require separate registration with the government of each country in which you intend to do business. That government, in effect, grants a monopoly on the use of the registered marks, thereby protecting the Company from unauthorized use of its identifying symbols. In the United States, separate registration in each state in which you do business, plus federal registration, is required for complete protection. Since the inception of this activity, the Patent Division has acquired, and currently maintains the active legal status of, forty federally registered U. S. trademarks; well over one hundred, in forty-nine of the States (Alaska has no trademark law); and a total of nearly five hundred trademark registrations in fifty-four foreign countries. The most recent addition is NR-76, Union's exclusive new gasoline additive, designed to reduce carburetor fouling and malfunction.

A number of years ago, as one phase of the legal process necessary to establish Union's "76" mark, arrangements were made for a survey to determine what proportion of those surveyed on the West Coast recognized the mark as belonging to Union. It is interesting to note that four out of five of the people interviewed at that time correctly identified Union's mark.

from Fred L. Hartley



"There's a station on this street Where all the good people meet. There they get their oil and gasoline And Minute Men get their windshield clean.

"Now all the cars use T. B. A. But the dealers don't always say 'You need tires or a battery.' Mr. Dealer, won't you look and see!

"This is your big opportunity
To sell a way that will always be
The sharp way, one that never fails.
Mr. Dealer, how's your Budget Sales?"

Merry Old Mobiles

To the Tune of a Current Popular Song, the foregoing verses rang out on the pump islands of several hundred Union Oil service stations in Southern California during December. They were sung by two mixed quartets of Union Oilers dressed in motoring attire of a half-century ago. Two cars borrowed from a Horseless Carriage owner were used to carry the roving troubadors on their merry errand; one car was a 1911 Pope Hartford, the other an ancient Cadillac.

Union Oil dealers, of course, were overwhelmed. They had received no forewarning of the visit. When the old 1911 cars rolled in, they scratched their heads wondering how to service such things. Then, when they found themselves the objects of a musical serenade, they

leaned on the pump and grinned from ear to ear.

The whole idea — cooked up by Regional Merchandising Manager Bill Sopher — was to stimulate dealer interest in the 76 Budget Blitz, a new time-payment service that is being offered to all Union Oil credit card holders. Despite the old automobiles, the show put on at each service station took only about three minutes. Here's how it ended:

Male Voice (through megaphone): We've come to tell you how you may increase your budget sales. Do you want to know how you can increase them, Mr. Dealer? Go on, ask me!

Dealer: Okay, I'll bite. How can I?

Quartet: (to tune of Dodger song) CHARGE!



In an automobile of about 1911 vintage, Serenaders Don Garbac, Rose Finnegan, Dave Plaza, Ted Bowers and Janet Paull leave a 1960 merchandising message with Union Oil dealers of Southern California. The gist of their song and parting word was "Charge!"



Les Girls, (below from left) Rose Finnegan, Janet Paull, Liz Lavers and Mary Ann Daluiski, all from Home Office, cooperate on a motoring hat that blew out of style 50 years ago. At left, Janet reveals some ever-stylish red undies.





Augustus Chandler of Tucson, Arizona guessed within 30 feet how far this Austin-Healey would travel on one gallon of 7600 Gasoline, and won the car. Presenting the keys in the presence of Dealers Joe Fraccaro and Lew Boxleiter are A. H. Webber, left, of Union Oil and Ray Owen of Tucson Radio Station KCEE.

Tucson's best guess was only

30 feet from perfection

A Featured Event of the 1959 Tucson-Pacific Coast Championship Sports Car Races, held November 21 and 22, was a Union Oil sponsored guessing contest. At all Union Oil service stations and other designated points in the Tucson area, free entry blanks were available to contestants over 18 years of age. On each blank the participant was instructed to write his estimate in miles, feet and inches of the distance an Austin-Healey "Sprite" sports car would travel on one gallon of 7600 Gasoline. The contest was limited to the first three weeks of November, with the deciding run being made over a prescribed course at Municipal Airport on November 22.

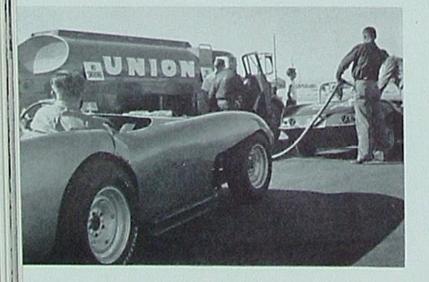
Thousands of Arizona people eagerly followed the Austin-Healey as it circled round and round the course enroute to the best guesser. But most contestants underestimated the miles in a gallon of "7600". When the car finally rolled to an out-of-gas halt, it had traveled exactly 47 miles, 2,690 feet and two inches.

One man, Augustus Chandler of Tucson, had come amazingly close to the right estimate. He missed the mark by only 30 feet of actual mileage. As a reward, he returned to the "76" station where he had obtained his entry blank and was handed the keys and a certificate of ownership to the less than 50 miles old "Sprite."

Further assisting Tucson's Catalina Rotary Club in sponsoring the finest sports car races to date, Union Oil people fueled all of the racing machines with Royal 76 Gasoline and donated a handsome trophy to the winner of a major event.

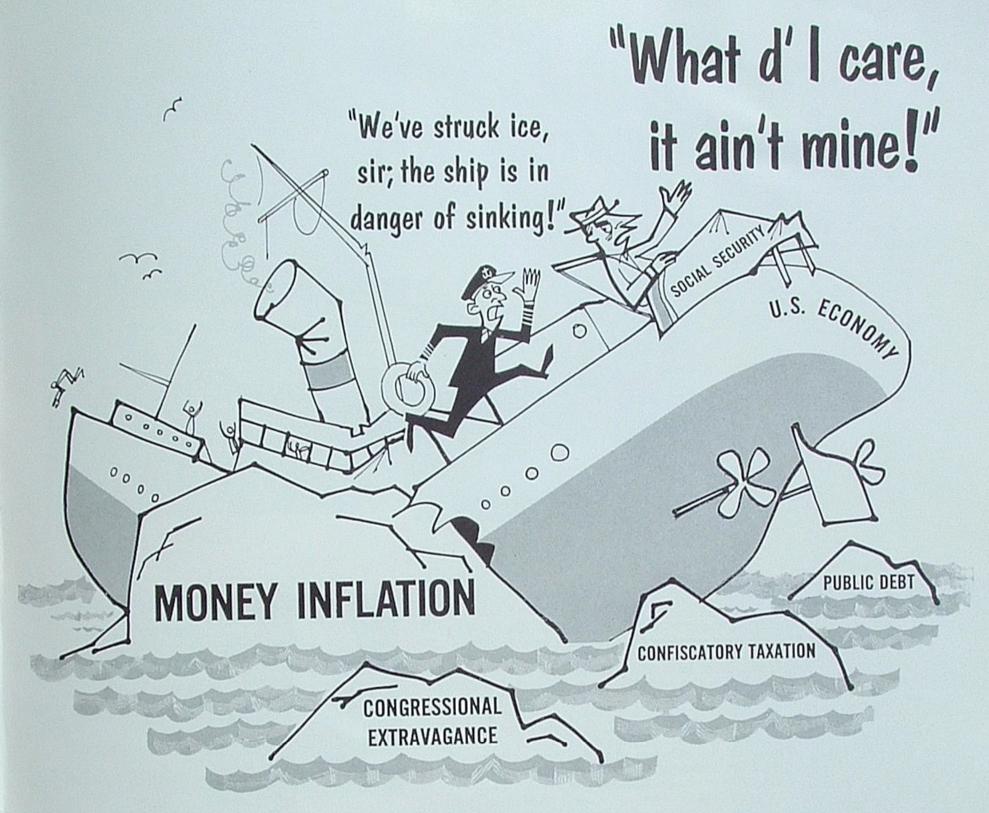
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Royal 76 Gasoline powered the entire fleet of racers in Tucson's championship tests of 1959.



R. C. Morgensen, left, of Phoenix was winner of the Class B race in his D-Modified Ferrari – and of a "76" trophy from Union Oiler O. D. Dorsett.





Chairman of the Board Union Oil Company Ontario, Oregon November 8, 1959

Dear Sir:

I like to read advertisements such as appeared recently in Newsweek headed, "What is the No. 1 threat to U. S. growth?"

I agree with your ideas as to what is the No. 1 threat, but would add a little to it. The underlying force behind this threat is the indifference of a large percentage of our people to the fact that government interference in the affairs of private business, exorbitant taxes from the Federal government on down are destroying the incentive of big business to expand.

The person who says, "What should I care if the government takes all the profit of Union Oil, Standard Oil, U. S. Steel, General Motors, etc.?" puts himself in the same class as the man on the ship in mid-Atlantic who, when the captain said the ship was sinking, said, "What do I care, it ain't mine!"

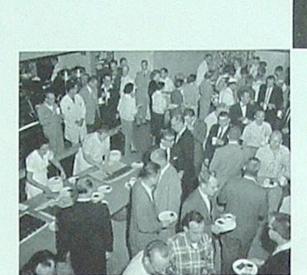
Russia can never destroy America, but they will not need to. Government management of private business can, and if not checked will, do a better job of destroying America than any outside power could ever hope to do.

I am a rancher; my business is small. Yours is big. You may be able to hire better lawyers and other experts than I can. But regardless of which one of us is destroyed first the position of the other is weakened.

It is my firm belief that, if there was a reduction of say 40% in the income tax of every operating business, enough more business, and in turn enough more jobs, would grow out of it to bring the government more taxes than are received now. Then by putting a stop to government wastefulness, starting from the greatest waster of all, the military, and from there on down, the budget would not only be balanced but the national debt would be reduced. This would be accomplished without hampering any necessary government function.

Yours very truly, (Signed) H. G. Mallett

in focus



RESEARCH BAKED A CAKE during December in celebration of having bettered two million manhours without a disabling accident. Within Research, two departments—Production Research and Design Division—had each achieved the one-million-manhour safety mark, bringing to five the individual Research divisions that have been given such outstanding recognition. At left above, Vice President Fred L. Hartley who heads Research receives the "2,000,000" plaque and the Company-wide congratulations expressed by President A. C. Rubel.



UNION OILER SPEAKERS frequently are called upon to share their experience and forecasts with varied western audiences. Recently Industrial Sales Engineer J. S. Bassett, left, addressed the Spokane Chapter of the National Association of Practical Refrigeration Engineers on the subject of "Lubricating Refrigeration Equipment." At left below, President John H. Mitchell of the Oakland Executive's Association introduces Regional Representative H. B. Anderson, who told the members what Bay Area counties may expect in highway, real estate and business development during the next 10 years of anticipated growth in population.





ANOTHER ELMORE! We had never heard of the ancient Elmore auto until our "Senior" customer Adolphus Shenk told us of owning one in Imperial Valley in 1908, Now from Dealer George Smith in Santa Rosa, California comes the picture of another—a 1911 Elmore he has restored to activity in the Horseless Carriage Club. The original owner in Sonoma recorded the purchase price at \$2,500—windshield and top extra if such luxuries were desired.

from C. C. Corsiglia



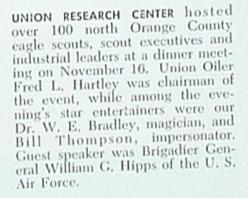
DEALER BOB GOMEZ, center, of Long Beach, California was the winner of a sales contest sponsored by Southwest TBA Supply Company. His prize was a holiday trip to Hawaii with Mrs. Gomez and their daughter, Pamela. On hand to greet them at Honolulu Airport were Union Oil's Manager of Operations W. A. Coie, left, and Firestone Representative Don Schoemaker, right.

from J. H. Garrison



FORTY SCHOOL TEACHERS of the Long Beach Unified School District were guests of Union Oilers on Business-Education Day. The guests, shown here at Los Angeles Terminal, also visited Los Angeles Refinery and were given an inti-mate view of what their students will be obliged to operate and improve in the near future.

from 5. D. Reiner



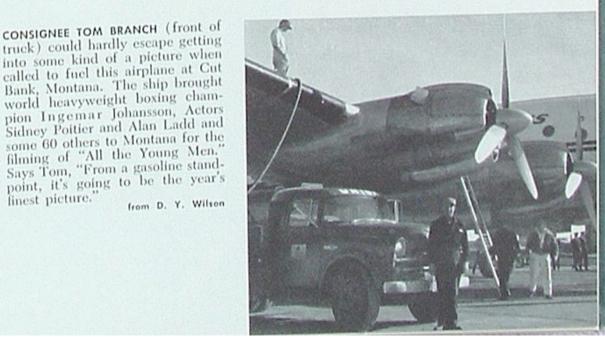


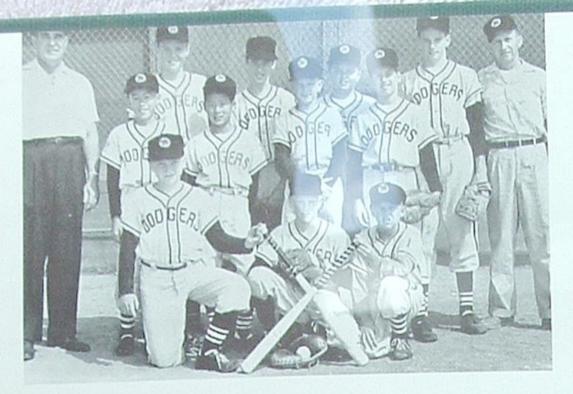


FIRST COMPANY CAR to prospect the petroleum markets of Ketchikan, Alaska was this 1926 Dodge driven by Agent Thor Hofstead. Now chief engineer at the local light plant in Ketchikan, Mr. Hofstead proudly preserves his Union memoirs. from Donald J. House

Bank, Montana. The ship brought world heavyweight boxing champion Ingemar Johansson, Actors Sidney Poitier and Alan Ladd and

some 60 others to Montana for the filming of "All the Young Men."
Says Tom, "From a gasoline standpoint, it's going to be the year's finest picture.' from D. Y. Wilson





THE "76" DODGERS, co-sponsored by Los Angeles Refinery and the Marketing Department, kept pace with their world-champion namesakes of Los Angeles by taking the Little League championship of Harbor City. Team Manager Ottis Lovell, at left, is a machinist at LAR, the coach, at right, is Joe Kopchik.

from S. D. Reiner



A BOWLING TEAM seldom rates mention in our book for anything less than championship performance. This team sponsored by Consignees Berner & Lake of Santa Rosa, California is the exception. From left are John Fitzgerald, Deputy Sheriff Bob Bolduc, Sponsor Gene Lake, Joe Reynolds, FBI Agent Ron Stamp, Otto Fowler and Sponsor Bud Berner. Not in the picture is another team member, Attorney Scott Foster. Loaded with such legal and law-enforcement talent the team may win by hook but not by crook.

THE CHRISTENSENS, Harold and Vic, of 841 East Anaheim, Long Beach are now dealer veterans of the 25-year class. But their kinship with Union Oil goes back 54 years to their uncle, C. C. Christensen, who started distributing our products back in 1905. So, in the photo from left, Retail Salesman Dale Wells and Manager of Operations J. H. Garrison beam special pride in personally presenting the service plaque to Harold and Vic.



DIRECTOR LEIGH M. BATTSON, center, received his 10-year Company service pin during the January Board of Directors' meeting. Extending their congratulations are, from left, W. L. Stewart, Jr., Chairman Reese H. Taylor, Prentis C. Hale, Jr. and R. F. Niven.



RETIREMENTS

Dealer Sales-Sacramento

Service Date February 1, 1960

MARGARET B. CHALMERS August 1, 1918

ROLLA GRAINGER Northern Division Pipeline November 13, 1923

RICHARD C. HARRIS

Exploration-Foreign Operations December 14, 1951

WALTER W. HEATHMAN Exploration-Canadian Division March 25, 1923

DANIEL C. INGRUM

January 7, 1924 Los Angeles Refinery

ARTHUR B. RUSSELL December 10, 1928 Oleum Refinery

MINTER E. STONE

May 12, 1933 Southern Division Field

TRUMAN R. TINKER November 29, 1922 Southern Division Field

IN MEMORIAM

Employees:

WILFRED J. LEPAGE Southern Region Distribution

December 18, 1959

JOHN R. McWHORTER

January 1, 1960 Los Angeles Refinery

Retirees:

JOSEPH HORVAT

December 8, 1959 Oleum Refinery

THOMAS C. BOSANKO

December 12, 1959 Los Angeles Refinery

WILLIAM H. RICHARDS

December 18, 1959 Northern Division Pipeline

ROY R. HARLAN

December 20, 1959 Oleum Refinery

FRED M. WOODARD

January 3, 1960 Production Department

SERVICE



EMPLOYEES

February 1960

40 YEARS

LLOYD V. CRITTON.....Southern Division Field ALLEN R. RICHARDSON......Direct Sales-Van Nuys HOWARD V. THOMPSON....Southern Division Field

35 YEARS

THOMAS S. COULSON......No. Region Distribution EDGAR L. GOOLEY.....Southern Division Field MAX LORIMORE......Comptroller's-Home Office WILLIAM H. McCULLOCH....So. Region Distribution EDWARD F. SCHINNERER Compt.'s-Home Office GOVE R. WILDER.....Southern Region Distribution

30 YEARS

LEO W. LUND......Northern Region Distribution

25 YEARS

CHARLES M. FULLER......Oleum Refinery EDWARD C. RAWSON......No. Region Distribution FORREST M. SCHLEGEL...Retail Mktg.-Bakersfield

20 YEARS

WILLIAM D. CRESSWELLLos Angeles Refinery EVERETT A. HOWARD.....Los Angeles Refinery FRANK N. LAMMERMAN......Oleum Refinery FLOYD C. MONROE Los Angeles Refinery CHARLES O. MUNSON......Los Angeles Refinery RAYMOND A. ROGERS......Research Department JAMES E. SUTTLES......Gulf Division

15 YEARS

LIELA I. APPLEGATE.....Direct Sales-San Francisco CORRINNE H. ARMSTRONG Commun.-Santa Paula RICHARD BRUNS......Northern Division Field FLORIAN E. BRUSSEAU...... No. Region Distribution ONA D. DAVENPORT.....Los Angeles Refinery FRED H. FRIES.....Los Angeles Refinery FLOYD A. HARRISON.....Los Angeles Refinery SIM HODGE, JR.....Oleum Refinery EUGENE C. JACOBSON....Direct Sales-Sacramento MARGUERITE S. KAMPFER....Direct Sales-Portland JAMES H. McGEE......For, & Refy. Sls.-Hong Kong T. L. ROSS.......Oleum Refinery

10 YEARS

AUTHULA F. ARKLEY Manufact'ing-Home Office RICHARD L. BENNETT....Direct Sales-Home Office KENNETH H. FOXField Dept.-Home Office THOMAS F. GAFFNEY, JR......Eastern Cont. Terr. SAMUEL HOOVER......Comptroller's-Oklahoma LELAND W. LOGAN.....Treasury-Seattle WALTER F. ROTH......Research Department WILLIAM T. SHERAR Retail Marketing-Arizona MAURICE SKLAR Exploration—Bakersfield ROBERT H. WILSON.....Southern Division Field

DEALERS

February 1960

25 YEARS

JOSEPH CECCONI.....San Francisco, California

15 YEARS

R. G. STEINMAN.....Anacortes, Washington

10 YEARS

SERAPHINE CALDEIRA......Niles, California LEON KOLLODGE Yerington, Nevada

5 YEARS

CARL E. FORK & FLOYD K. FORK Willow Creek, California GEORGE A. GREENE Santa Rosa, California ALLEN LYNCH......Black Diamond, Washington TOSHIO MATSUYAMA & HERBERT ICHIMASA Lihue, Kauai, Hawaii WILLIAM S. SHIELDS......Tulare, California L. STRAIN......Kent, Washington KATSUMI YAMAMOTOSacramento, California

HENRY A. BROWN......Tulare, California

CONSIGNEES - DISTRIBUTORS

February 1960

25 YEARS

PAULINE THOMPSON Republic, Washington

15 YEARS

JOHN A. DICKMAN.....Coachella, California

Bonnie Luboviski

I'm afraid I shocked my husband

I was going right along with a popul. notion.

I had the idea that individuals and families are hard-pressed by inflation—while businesses and corporations somehow are immune.

When I mentioned this to my husband, who works at Union Oil Company, he was shocked. Then he said: "Let me give you just one example of what inflation does to the Union Oil family.

"In 1929," he went on, "we laid 96 miles of pipe line in California. It cost us then \$6,230 per mile. The life of the pipe was estimated at 30 years. Tax laws permitted us to set aside one-thirtieth of the cost each year, as depreciation allowance for eventual replacement of the line. You're with me?"

I was, and I nodded.

"By 1958, Bonnie, when we replaced three miles of the line, inflation had hiked the cost to \$20,697 per mile. And we had set aside only \$18,690 for what was now a \$62,000 job.

"So, how did we raise the additional \$43,310? We had to withdraw that amount from after-tax profits. And this required the profits from hundreds of thousands of dollars of sales. As a consequence, these profits were not available for expansion or growth or for payment to stockholders.

"Remember," he added, "the pipe line is just one example. Nearly everything we use at Union keeps going up in cost."

"I take it back," I said. "In fact, you make Union Oil's problems sound just like things at home."

"That," my husband said, "is precisely my point."

Bonnie Luboviski is the mother of three teen-age boys and the wife of Union Oil



Company's Public Relations Director, Jerry Luboviski. The point he makes about inflation is well taken.

And there is something we can all do about it. We can urge government to stop the wasteful spending which is one cause of inflation. When government at all levels (Federal, State, local) pays closer attention to the budget, companies and families alike may move out of this shadow of inflation.

YOUR COMMENTS INVITED. Write: Chairman of the Board, Union Oil Co., Union Oil Center, Los Angeles 17, California.

Union Oil Company of CALIFORNIA

