

TENNECO CHEMICALS, INC.

A Major Component of Tenneco Inc.



TENNECO HYDROCARBON CHEMICALS DIVISION

P. O. Box 2511
Houston, Texas 77001
July 8, 1971
(RES-288-71CD)

Mr. E. S. Sciutto
Planning Manager - Supply/
Distribution
Industrial Chemicals Division
Shell Chemical Company
One Shell Plaza
Houston, Texas 77002

Subject: Loading Vinyl Chloride Monomer Vessels

Dear Mr. Sciutto:

Shell has indicated an interest in using Tenneco's facilities for loading VCM on vessels for export. Since Tenneco has existing dock storage and loading facilities, it might be to Shell's best interest to utilize Tenneco's loading facilities rather than to construct new facilities on Shell's property for spot export sales.

Tenneco is interested in loading VCM for export shipments for Shell and presents the following proposal for your review. We would like to have an indication of your interest by September 15, 1971.

1. Loading Fee - Tenneco will invoice Shell 0.15¢/lb for the quantity of VCM loaded on Shell's vessel. Payment due 30 days from date of invoice. This loading fee is to reimburse Tenneco for purging the vessel with VCM and loading VCM on the vessel.
2. Purging - If the vessel requires purging with nitrogen prior to purging with VCM, the cost of nitrogen purging would be for Shell's account, and it would be the responsibility of Shell to arrange for the purchase of liquid nitrogen. The maximum oxygen content permissible prior to purging with VCM is 0.5 volume percent. The VCM used for purging is for Shell's account.
3. Loading Rate - Tenneco will load the vessel at an average rate of 80 metric tons/hour once the inspector certifies that the vessel is purged and ready to load VCM.
4. Inhibitor - Shell will specify and provide the inhibitor to be used.

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5. Tenneco's maximum capability for loading vessels is 6 MM lbs. However, to load a vessel this size requires precise scheduling by Tenneco and could impose severe operating problems upon Tenneco if the vessel were delayed beyond its expected arrival date. Therefore, Tenneco would prefer to load vessels that require no more than 4-5 MM lbs. of VCM.
6. Measurements - Quality and quantity of the shipment shall be determined on the basis of tests on, and gauges of said product in Tenneco's shore tanks immediately prior to loading, as certified by an independent, licensed inspector.
7. Dock Specifications - Tenneco will provide a berth suitable for accommodating a vessel with a maximum draft of 30 feet and length of 800 feet.
8. Specifications - To be mutually agreed upon.
9. Inspector - Shell will provide for licensed independent inspector such as Charles Martin or Saybolt.
10. VCM Swap - The VCM loaded by Tenneco for Shell will be against an exchange with Shell, whereby Shell will load an equal quantity of VCM by tank car for shipment to Tenneco Plastics or other Tenneco customers. Shell will ship VCM at such a rate that when the vessel arrives at Tenneco's dock Shell will have shipped a quantity equivalent to the amount that Tenneco will load on the vessel. It is estimated that it will take Tenneco 1-2 weeks to accumulate 4 MM lbs. in inventory for export shipments for Shell.

Ernie, I hope that the above items provide you with the information needed to determine whether it will be feasible for Shell to load spot export shipments using Tenneco's dock facilities. Please advise me if you have any further questions.

Very truly yours,

TENNECO HYDROCARBON CHEMICALS DIVISION

R. E. Simmons

R. E. Simmons

Assistant Manager of Marketing

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