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MANAGEMENT Newsletter

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Cleaner refineries

El Segundo and Perth Amboy refineries are a continent apart geographically but they are first cousins environmentally. Each is situated in a vast population center and each is related to all other refineries in the common need for careful environmental considerations. The Company has spent some \$40 million to protect the environment at El Segundo and about \$8 million at Perth Amboy. Another \$6.2 million will shortly be spent on the two for further environmental controls.

El Segundo

Back in August of 1970, Corporation Engineering, Chevron Research and the Western Operations Manufacturing people at El Segundo started a three-month study of the waste water situation at the refinery. The result was a 1½-inch-thick master plan defining the alterations necessary to meet state and Federal regulations which at the time were only being talked about but were nevertheless clearly predictable.

The refinery plan will cost \$5 million and has three major parts which are all under way.

The first, which is scheduled for completion by the fall of 1973, calls for a new large cooling tower. The refinery presently draws in about 24,000 gallons of sea water a minute for cooling and returns it to the ocean. The new tower will take over this cooling function by using fresh water circulating within a closed system.

The second part provides a parallel drainage system which will allow separation of the contaminated streams for different purification processing.

Third is an air flotation tank in which bubbles of air will rise up through the water, separating the small quantities of oil from the water and sending it to the surface where it can be removed.

(This separation process is in lieu of large settling ponds which are used at Richmond Refinery. At El Segundo, there is not enough spare acreage for ponds.)

The entire project will be completed by mid-1976.

Perth Amboy

If you could peek inside the cat cracker at Chevron-East's Perth Amboy Refinery, you'd see among other things, a lot of silica-alumina catalyst pellets being jostled up and down and sideways under intense heat and slowly being abraded to dust.

Dust is a dirty word in these days of environmental concern, especially in oil refineries and other manufacturing plants. Perth Amboy's cracker already has considerable equipment installed to prevent most of this dust from escaping to the atmosphere. However, careful analysis has shown that up to 160 pounds per hour is still escaping from two flue gas stacks.

More sophisticated equipment is now being added, at a cost of \$1.2 million, which will reduce the dust loss by 99 percent. The project will be completed by the end of 1973.

Problem in Peru

Last May 16, the tax court in Peru ruled that Refineria Conchan Chevron S.A., a Socal refining and marketing subsidiary in Peru, must pay stamp taxes amounting to several millions of dollars for a period dating back to 1967, and must continue to pay such taxes in the future. Subsequently, the government placed an embargo on Conchan's concession rights, its physical assets and its bank accounts.

Because of the embargo (attachment in U.S. terminology), plus restrictions on the importations of crude oil, Conchan was forced to suspend operations on June 3. Finally, on July 13, the Peruvian Government took possession of the company's assets. CH 00826

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The Conchan situation is complicated. It dates back to contracts signed with the Peruvian Government in the early 1960's which exempted the Conchan operation from all taxes except those on income. In 1966, the government modified the petroleum code to eliminate the tax exemptions. In December 1967, the government tax office brought a claim against Conchan for payment of stamp taxes retroactive to 1964. Six months later, a special tax tribunal confirmed the stamp tax exemption.

The present government of Peru has seen fit to challenge the exemption once again; the decision of May 16 represents the culmination of that challenge.

Conchan management has made a strenuous effort to seek an agreement with Peru, which would result in a mutually satisfactory settlement of the tax dispute. This effort is continuing.

Aramco's Sea Island

Sea Island 4 ended its 9000-mile journey from Japan to Ras Tanura, Saudi Arabia, on June 27 and slipped into position within 1 inch of its design position. It joined its sisters, Sea Islands 1, 2 and 3 as part of the largest offshore loading facility in the world.

Sea Island 4 will accommodate simultaneously two supertankers ranging from 150,000 to 500,000 deadweight tons and brings the total berths at the Sea Island complex to eight.

This latest addition to the complex is larger than any of its three older sister installations. The central platform measures 265 x 125 feet; walkways connecting it to the six mooring dolphins and to Sea Island 3 give it an overall length of 1750 feet. With its arrival, the length of the total Sea Island complex becomes 1.1 miles.

The giant loading facility is located about two miles offshore in 90 feet of water. Sea Island 4 is scheduled to go into operation in September 1972.

OSHA and asbestos

Asbestos is a grayish or greenish fibrous mineral used for making incombustible or fireproof articles. In modern industry there are some 3000 applications of this unique mineral.

Early in this century, a scarring disease—*asbestosis*—of the lungs was found in individuals exposed to asbestos-laden dust. Recent studies indicate that more serious complications can result.

Socal has few employees who are exposed to asbestos dust and their exposure is very different than occurs in the asbestos manufacturing and construction industries where most health complications have occurred. No Socal employee has contracted asbestosis.

OSHA (Occupational Safety and Health Administration) recently established safety and health standards for exposure to asbestos dust. These were established only after much debate and disagreement. The disputes have centered around the determination of a specific level of asbestos fiber concentration in the air below which exposure is safe.

OSHA has established 10 regulations which:

1. Set maximum exposure limits;
2. Require engineering controls to achieve compliance;
3. Require specific controls for certain operations;
4. Limit the use of respirators for compliance;
5. Require provision of special work clothing;
6. Specify monitoring of airborne dust levels;
7. Require caution signs and labels;
8. Require pre-employment, annual and termination medical examinations;
9. Specify retention time and access of medical and monitoring records;
10. Require disposal of wastes in sealed containers.

In keeping with Company policy and practice, and mainly as a matter of information, the Corporation Safety Division is preparing compliance guidelines for distribution to all organizations.

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