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With the start of 1960, we entered a period which we hope will be known in our pipeline activities as the "Super Sixties." But, just to remind us all that it's going to take a real effort to do better than we did in the "Fabulous Fifties," here's a brief review of some highlights of the last ten years:

1950

1. Platte Pipe Line Company was formed to build 1,257 miles of pipe line from Wyoming to St. Louis, Missouri, with Continental owning a 20 per cent interest. This line provides an outlet eastward for our Rocky Mountain area production, thus making possible accelerated exploratory efforts and greater exploitation of reserves. Our production in the Rocky Mountain area has about tripled since Platte was constructed.

1951

2. Constructed 131 miles of 12-inch crude pipe line from Wichita Falls to Oklahoma City, which enabled us to move Texas crude to Oklahoma City for shipment over the existing 8-inch line to the Ponca City Refinery. Large savings were effected on transportation costs for the Ponca City Refinery crude requirements through reduced use of outside pipe lines together with the establishment of much lower tariff rates than those charged by outside carriers.

3. Replaced 5 1/2-inch main line in McAllen District with 100 miles of 8-inch to provide a satisfactory market outlet for Continental's Rincon production and to transport liquid products from cycling plants in the area to Delhi-Taylor's Refinery.

1952

4. Purchase of the Artesia gathering system to supply crude oil requirements for the Continental Refinery.

5. Purchase of the Longville gathering system in the Louisiana District to provide an added low-cost crude supply for the Lake Charles Refinery.

6. We joined in the construction of Pioneer Pipe Line Company products line (Conoco 65%), consisting of 298 miles of 8-inch line extending from Sinclair, Wyoming to our new products terminal at North Salt Lake, a connection with the Salt Lake products line extending from Salt Lake City to Pasco, Washington. At the same time, Conoco product terminals were erected at Burley and Boise, Idaho, which together with use of Tide-water-Shaver's public terminal at Pasco, Washington, all served by the Salt Lake Pipe Line system, provided a dependable source of supply and improved our competitive position in the marketing of refined products in Utah, Southern Idaho, and South-eastern Washington.

1953

7. Purchased Vinton gathering system and constructed 16 miles of 6-inch line to Lake Charles Refinery to provide an added low-cost crude supply for the refinery.

8. Built Yellowstone Pipe Line from Billings, Montana, to Spokane, Washington, 537 miles of 10-inch line. This line extended the economic marketing area of Billings Refinery, enabling the refinery to maximize its crude runs. It also provided a better market outlet for Conoco's production from the Elk Basin, South Elk Basin and Frannie fields. At the same time Conoco product terminals were constructed at Spokane, Missoula, Helena, and Bozeman to be served by Yellowstone Pipe Line.

1954

9. Purchased the outstanding interest in Rocky Mountain Pipe Line Company to provide more adequate and lower cost crude supply for our Denver Refinery, as well as other refineries in the Cheyenne and Denver areas.

10. Built Conoco product terminals at Madison, Wisconsin, and Amboy, Illinois, to improve marketing position through low-cost source of supply.

11. Cherokee Pipe Line Company (50% Conoco) was formed for the purchase of all of Interstate Pipe Line crude oil system in Oklahoma, the Ajax Pipe Line system consisting of two 10-inch lines from Glenn Pool, Oklahoma to Wood River, Illinois, and Shell Pipe Line's Kansas gathering system, including a 6-inch line from Wichita to a point near Ponca City. A portion of the Oklahoma crude system and one of the Ajax 10-inch lines, plus the 6-inch line purchased from Shell, were converted to products use. In addition, our 8-inch line between Ogg and Oklahoma City was sold to Cherokee and made a part of the products system. At the same time, General Facilities, Inc. (50% Conoco) was formed to build product terminals at Wood River, Illinois, Oklahoma City, Oklahoma, Wichita, Kansas, and Mount Vernon, Missouri. Later, terminals were added at Belle, Missouri and Glenn Pool, Oklahoma. The Cherokee Products System has greatly expanded the economic market of the Ponca City Refinery, particularly as to heating oils, and substantially lowered transportation costs on sales of jet fuels to McConnell Air Force Base at Wichita. Largely because of the new and more attractive refined products markets provided by the Cherokee system, crude processing at the Ponca City Refinery has increased from about 45,000 to nearly 75,000 barrels per day. At Wood River, Cherokee Pipe Line ties into the Ohio products line which extends to Indianapolis, and at that point there is a connection with Buckeye products pipe line, serving points north and east of Indianapolis.

12. Constructed a 12-inch crude line from Oklahoma City to Ponca City in order to handle larger volumes of crude for the Ponca City Refinery. The 8-inch line which had formerly been used to transport crude to Ponca City was sold to Cherokee Pipe Line Company for products service.

13. Constructed 7 1/2 miles of 20-inch crude line to connect Texaco and Cities Service pipe lines to Continental refinery at Lake Charles, thus making it possible to receive a greater volume of crude by pipe line and lowering the transportation costs of crude for that expanding refinery.

14.. Constructed 15 miles of crude line to connect the Washington Field in Louisiana with our Louisiana District gathering system.

1955

15. Constructed microwave system from Houston to Ponca City. Greatly expanded communications requirements between Houston, Ponca City and inter-connected points required an increase in voice circuits from two to six. The most economical

way of providing this added service was to build the microwave system as a jointly-owned project with Sinclair. In addition to meeting the needs of that time, the microwave system provided for anticipated expansion to meet greater communications requirements at a much lower cost than any other method available. Since the system was authorized, it has been necessary to add nine circuits, bringing the total to fifteen Ponca City-Houston channels. Comparable increases have been made to serve intermediate points on the microwave system.

16. Purchased Frannie, Wyoming gathering system to lower crude costs for our Billings Refinery.

17. Constructed gathering system in the West Short Junction field in southern Oklahoma to provide a market outlet for crude developed in this area.

1956

18. Purchased 115 miles of 6-inch and 8-inch crude line for conversion to product use from our Wichita Falls Refinery to a point near Grapevine, Texas. This expanded the economic market of the Wichita Falls Refinery and provided a permanent, low-cost source of supply for the markets in the Dallas and Fort Worth area.

19. At the same time, we constructed a Conoco product terminal at Grapevine, Texas.

1957

20. Constructed "one-hop" microwave system from Cameron to Lake Charles, Louisiana to improve communications for the MCN offshore activities.

21. Participated in construction of partnership product terminals at Chippewa Falls, Wisconsin and Duluth, Minnesota, served by the Great Lakes Pipe Line system to lower Conoco's product distribution costs.

22. Extended Yellowstone Pipe Line 23 miles to Geiger and Fairchild Air Force Bases near Spokane, Washington. The connection with these air bases substantially reduced transportation costs on Air Force jet fuel requirements.

23. Designed, engineered and built the Grand Isle Offshore pipe line system for the C.A.T.C. group. This system lowered transportation costs and maximized offshore production from C.A.T.C. wells.

24. Purchased 12 1/2 per cent interest in Butte Pipe Line Company to reduce transportation costs on crude for Denver Refinery.

1958

25. Participated, with a 10% interest, in the organization of Four Corners Pipe Line, extending from the area of the Four Corners oil field to Los Angeles. This is a 16-inch line with a present capacity of 80,000 barrels per day, and now running at about 70,000 barrels per day rate. We participated in order to make available low-cost crude transportation to the West Coast markets for our production in the Four Corners area.

26. Participated in organizing Wabash Pipe Line Company (Conoco 25%). Wabash built a 12-inch products line from Wood River, Illinois, where it connects with Cherokee Pipe Line, to Champaign, Illinois, Griffith, Indiana, and, scheduled for completion in 1960, to a deep water terminal for loading barges and ships on the Calumet River in Chicago. Wabash also constructed a 12-inch line from Robinson, Illinois, which connects with the other Wabash leg at Champaign. Barges and ships will be loaded at the Calumet Dock to supply markets on the five Great Lakes. Should markets be developed along the St. Lawrence Seaway or in Europe, ocean-going vessels can be loaded at the Calumet Dock. Coincident with the organization of Wabash, Petroleum Facilities, Inc. (Conoco 50%) was formed to build product terminals at Champaign, Illinois and Griffith, Indiana. These facilities, along with those of Cherokee Pipe Line, put Conoco in a position to market products from the Ponca City Refinery competitively with other suppliers in the Chicago and Champaign areas. With its great industrial development and rapidly growing population, the Chicago area market for petroleum products, particularly heating oils, is probably the largest in the United States. Wabash Pipe Line also connects with the Wolverine Products pipe line which extends to the Detroit area, and to the Badger Products pipe line which extends to Rockford, Illinois and Madison, Wisconsin.

27. Converted to products service our Osage crude line from Ponca City to Wynona, Oklahoma, and extended the line by 15 miles to connect with Sinclair Pipe Line Company's Osage Station to deliver products from the Ponca City Refinery to Sinclair in accordance with a long-term Sinclair products exchange agreement.

28. Expanding product thruput on Cherokee Pipe Line made it necessary in 1958 to convert the second 10-inch crude line from Glenn Pool to Wood River to product service. At the same time, we built a 12-inch line from Ponca City to Glenn Pool to supplement the 8-inch line already in service.

1959

29. Purchased 22 miles of 6-inch line to provide low-cost transportation for PBC stocks and condensables to the Lake Charles Refinery from Conoco's Rayne Field.

30. Constructed 9 miles of 16-inch pipe line for Continental Oil Company, tying the Lake Charles Refinery to Evangeline Pipe Line, through which our products move to Plantation Pipe Line and attractive markets in Southeastern United States.

31. Designed and supervised construction of offshore microwave system for C.A.T.C. This is the first "loop" type microwave system built and provides communication from offshore platforms to Harvey, Louisiana and provides the most economical means of automating the offshore production.

32. Construction of jet fuel line to Tinker Air Force Base to lower transportation costs on deliveries of jet fuel.

33. Construction of jet fuel line to Sheppard Air Force Base to lower transportation costs on deliveries of jet fuel.

34. Purchased the Malco crude system in the New Mexico District as part of the over-all acquisition of Malco properties.

35. Constructed 153 miles of 6-inch products line from Artesia to El Paso. The large transportation savings available through the construction of this products line supported the purchase of the Malco properties.

36. Constructed product terminals at El Paso, Albuquerque, Phoenix, and Tucson, Conoco's first bottom loading terminals. These terminals provide a permanent, low-cost source of supply for these markets through our Artesia-El Paso products line, which connects at El Paso with the Southern Pacific products line and Standard of Texas products pipe line.

37. Successful movement of dodecene, a high-value petrochemical, through the Cherokee products line was made at a substantial savings in transportation cost. The potential of large transportation savings in the movement of petrochemicals

through products lines could provide incentive for re-examination of some of our petrochemical projects and influence the evaluation of new projects.

38. Two successful movements of heating oils through our crude oil pipe line from Wichita Falls Refinery to Ponca City offers the possibility of improved earnings from the manufacture and sale of refined products by utilizing crude lines for the transportation of refined products.

Those are the "highest" highlights of the "Fifties." There were others -- increasing volumes, stable employment, improved efficiency resulting in substantial cost reduction, automation, streamlined administration, upgradings and promotions, and imaginative engineering. All in all, the "Fifties" produced a record of accomplishment of which we can all be proud.

Although it's going to be hard to surpass these accomplishments, they do offer one big advantage. From the accomplishments of the "Fifties" we gained a tremendous amount of "know-how." We have new facilities which can be the basis for adaptation, for new techniques and for expansion -- all pointing toward maximization of profitable use. In short, the "Fifties" have given us a headstart for the "Sixties."

Let's get going!

W. L. Kygar
