

The **LUFKIN** Line



80 Years of Success



A company measures its success in many ways. At Lufkin Industries, we consider it a major milestone that for 80 years our company has manufactured and marketed the best machinery of its type available. For 61 years, the LUFKIN LINE has represented our company and its line of products to our customers. We believe that it is fitting that we celebrate our eight decades in business with a commemorative issue of this publication.

During these years, we have put the LUFKIN name on numerous products--including

sawmill and cotton gin equipment, chain saws and gas engines. Carriages for 155-millimeter Howitzers and other military equipment built in our plant during World War II earned us special commendation from the Armed Forces.

For nearly six decades, however, our main product has been LUFKIN pumping units. Even though our conventional crank-balanced unit was established as a standard in the oil patch in the 1920s and 1930s, the company expanded its line of pumping units during the 1950s and 1960s to include air-balanced and Mark II units. Our engineers continue to improve our pumping units to meet new demands in the field. The company's success with the pumping unit has been so accepted that "lufkin" has become a generic term among oil men around the world.

Yet, we cannot rest on our laurels. Even as we pause briefly to reflect on our past, we look to the opportunities of the present and future.

During this year, our new corporate office building has been completed. Expansions in the machine shop, foundry and structural steel plant give us the facilities to continue producing machinery worthy of the LUFKIN name. Now, we can meet ever-changing production demands.

Actually, change has played a major role in our success. Early in our history, we built

sawmill machinery. Then this business began to wane, and we turned to the oilfield for new business. We got into the pumping unit business as a pioneer manufacturer of sucker rod pumpjacks. After years of building gears for our pumping unit line, we branched out into the industrial and marine gear market. Our track record is good in both the pumping unit and gear areas.

While we have changed some of our products through the years, we have continued to do what we do best—build sturdy machinery that will get the job done for the customer. Today, as in the past, the name LUFKIN on a pumping unit, a gear, or a trailer means quality.

With 80 years behind us, we are optimistic about our future. This company may be old in years, but we feel it is just reaching its prime. After experiencing many years of growth and success, we can never be satisfied with anything less. Lufkin Industries is ready to meet the challenges ahead.

R.L. Poland
President and Chief Executive
Officer

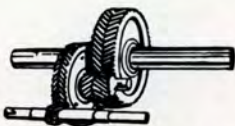


CONVENTIONAL

AIR BALANCED

MARK II

OIL FIELD PUMPING UNITS



**GEARS FOR INDUSTRY
AND SHIP PROPULSION**



**TRAILERS
FOR EVERY
HAULING NEED**

The **LUFKIN** Line

COMMEMORATIVE ISSUE
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Lufkin Industries 1902-1982

The LUFKIN story is a success story.

It is a story that began 80 years ago in a small East Texas timber town...

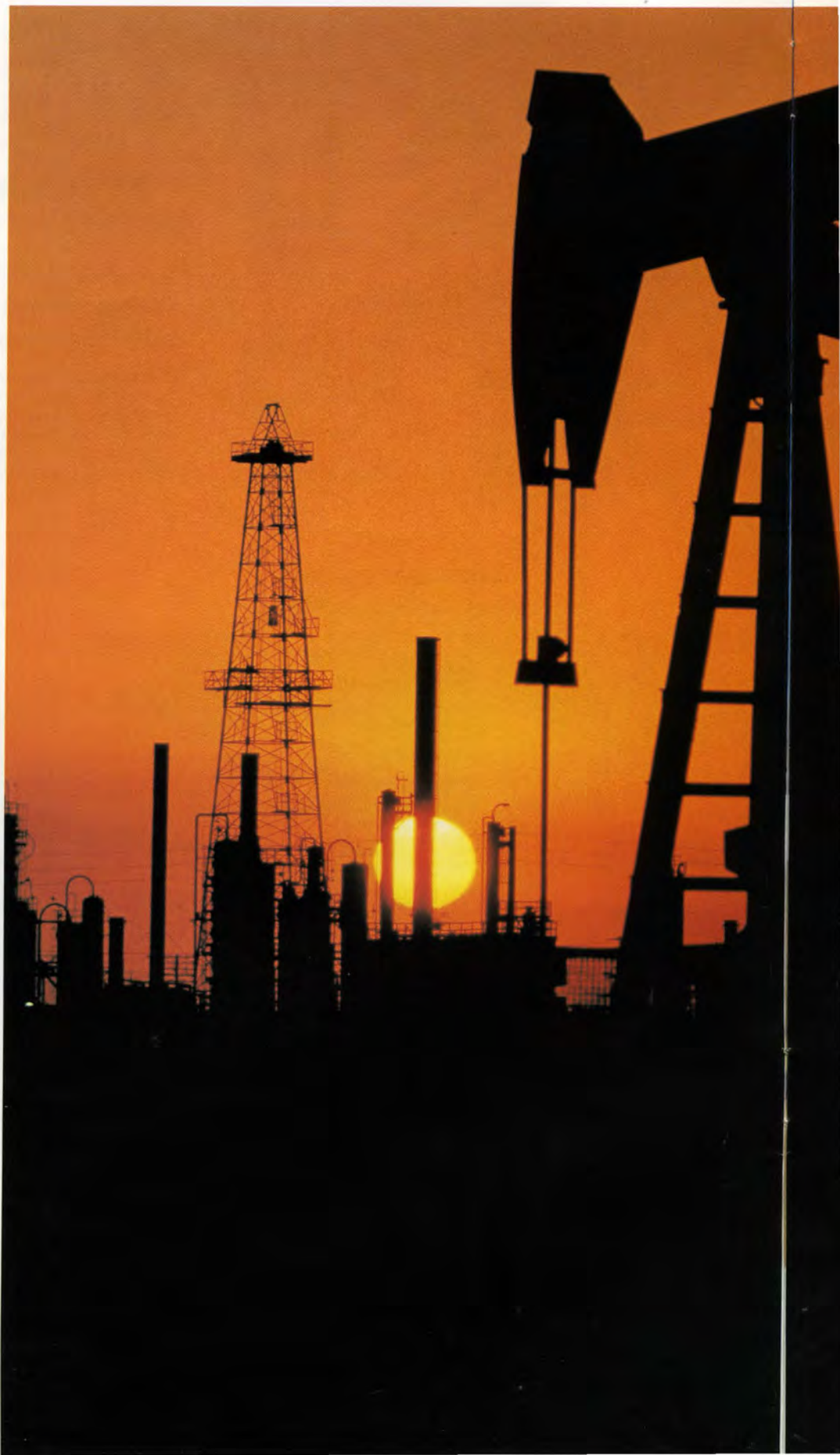
...a story of a foundry and machine company that became an innovator and a leader in oilfield pumping unit manufacturing...

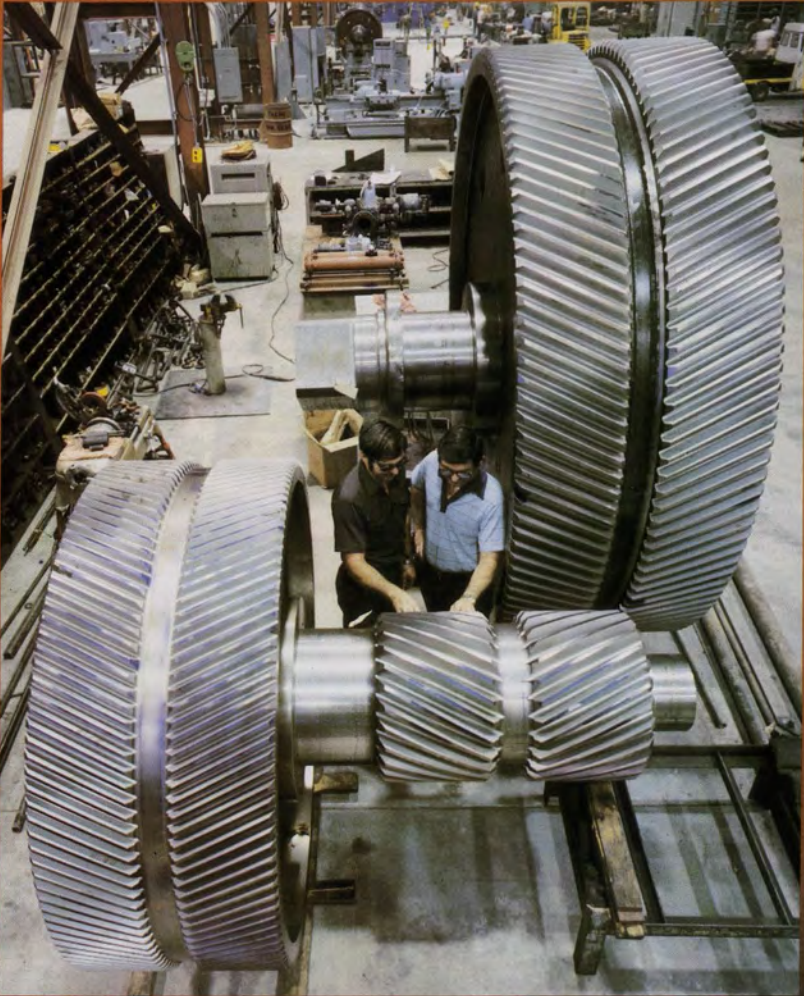
...a story of a growing organization that diversified into industrial and marine gearing and truck-trailer markets...

...a story of a strong corporation, building and expanding to meet the challenges of today and tomorrow...

Lufkin Industries, Inc. is named for the East Texas city where we were founded in 1902. But the scope of our achievements can be seen in almost every part of the world. Organized as a sawmill repair shop, we have evolved into one of the world's leading oilfield pumping unit manufacturers. Since 1925, we have shipped more than 165,000 oilfield pumping units, and the LUFKIN trademark has become a familiar sight in oilfields around the world.

With almost a half century of experience in industrial and marine gear manufacturing, LUFKIN gear installations operate in a variety of industries, and our marine





Since the 1920s, Lufkin Industries has pioneered most of the major developments in the pumping unit industry. The completion of a new gear facility (above) separated pumping unit and gear manufacturing areas. The Trailer Division (left) manufactures most standard lines of trailers and a variety of custom-designed trailers.

The air-balanced unit (left) utilizes compressed air instead of cast iron counterweights. Due to its unique geometry and phased counterbalance design, the Mark II unit (right) lowers peak torque and prime mover horsepower requirements when properly applied. The conventional crank-balanced unit (below) is simple to operate, requires little maintenance and adapts to most pumping situations.



propulsion gears power ships in the waterways of the world. For more than four decades, LUFKIN truck-trailers have moved the nation's goods along its highways.

The history of Lufkin Industries is one of steady growth and progress. The company's success has been based on our pledge to provide customers with products and services of the highest quality and dependability. This commitment to excellence has been supported by an extensive modernization and expansion program that will continue far into the 1980s. Millions of dollars have been reinvested to build the finest in manufacturing facilities, utilizing the latest in machining technology.

Oil was developing into a major industry in Texas 57 years ago when company general manager and later president, W.C. Trout, patented the counterbalanced crank pumping unit. In 1931, he introduced the first twin crank pumping unit. LUFKIN's basic design still remains the standard in the industry today.

In the 1950s, LUFKIN was the first to propose ductile iron as an improved material for pumping unit reducer gears. As a result of our research and testing, ductile iron gears became an accepted API standard. We also added two other pumping unit types to our product line, the air-balanced and the Mark II Unitorque. Each is available in numerous variations so that no matter the productivity of the reservoir or



Used in high-speed, automated production of pumping unit gear housings, a horizontal machining center (above top) does all machining required on pumping unit gear boxes. LUFKIN units (above) are ready for shipment outside the new 33,730-square foot final assembly and shipping building.



The booster retrieval ships (top) for the U.S. space shuttle program are powered for open ocean travel by 2,900 twin diesel engines equipped with two LUFKIN HSQ2120 marine reduction gears and two huge controllable pitch propellers. LUFKIN gears (above) can be found operating in many industries. Each of these three LUFKIN combination gear reducer pinion stands in an Alabama steel mill is powered by an 800 horsepower D.C. motor.



the well itself, there is a LUFKIN unit to handle the job.

At the same time, we were making important strides in another area of our Machinery Division--industrial and marine gearing. After 15 years experience producing pumping unit gear reducers, LUFKIN manufactured its first industrial gear unit in 1939 for a local paper mill. During World War II, we built propulsion gears for LST landing craft, Navy destroyers and Army cargo vessels. Since 1957, Lufkin Industries has been a major supplier of propulsion gearing for all types of marine applications.

LUFKIN became an active member of the truck-trailer

industry more than 40 years ago when we purchased the Martin Wagon Company of Lufkin. Martin log wagons had been popular during the sawmill era, but after the sawmill industry declined, the firm built a few trailers for highway use. After we acquired the company, our engineers designed a complete line of standard truck-trailers, and a new trailer manufacturing facility was built.

The third division of the company, Industrial Supplies, began as a wholesaler of sawmill equipment the year the company was founded. Today, it is one of the largest dealers of industrial supplies in eastern Texas.

(below center) The LUFKIN name (below center) can be found in the oilfield not only on pumping units but also on a line of lowboy and oilfield float trailers. (below) Originally known as Mill Supplies, the Industrial Supplies Division opened in 1902 when the company was repairing sawmill equipment.





(top) The company participates in numerous trade shows, like the annual Offshore Technology Conference in Houston, Texas, each year. (above) The company has been involved in an extensive modernization and expansion program since the 1970s.

During our 80 years of business, Lufkin Industries has earned a reputation for stability and financial conservatism. All our company's operations are financed internally. In 1981 alone, we reinvested \$33.7 million for new manufacturing facilities and machinery. More than \$6 million was spent on production machines for pumping unit manufacturing. A \$7.5 million gear expansion featuring the finest in precision manufacturing equipment was completed. The foundry's new \$3.5 million cupola system doubled melting capacity. A \$7 million steel fabrication and final assembly and shipping plant increased productivity while reducing costs.

In 1980, LUFKIN sold \$215 million worth of pumping units. In 1981, total sales exceeded \$360 million. Since 1974, our sales have increased more than 300 percent while the average price of a LUFKIN pumping unit has increased little more than nine percent a year compounded annually. These figures reflect an increase in volume rather than prices.

LUFKIN is one of the few companies that sells its entire production through its own sales force. Machinery Division sales offices are located in 23 different areas of the United States and Canada. Six warehouses located near major oilfields provide repair parts and quick, reliable service to our customers. Nine trailer sales and service facilities are located throughout the South.

The installation of a \$3.2 million melting system in the foundry represents the best available technology for iron melting and pollution control.



(below) A newly purchased precision gear grinder permits the company to compete in both the case-hardened and through-hardened, single and double helical gear markets.

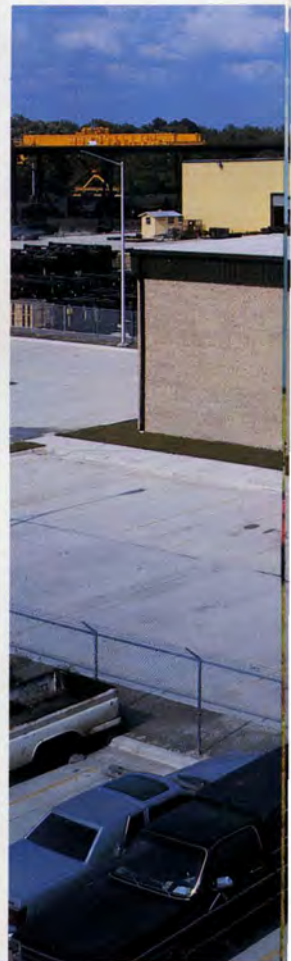


Our main manufacturing plant covers more than 100 acres in downtown Lufkin. It includes our foundry operations, the pumping unit manufacturing complex and our new industrial and marine gear facility. A recently completed new corporate office building overlooks the plant. Southeast of the city is located our 41-acre structural fabricating and shipping facility. South of that plant, on a 60-acre tract, stands the company's trailer plant.

Each of these manufacturing areas features the finest in modern machine tools. Pumping unit gear boxes are produced on numerically-controlled horizontal machining centers which perform all milling, boring and drilling

operations. Manufacturing time is cut in half, and each machine can produce 1,000 finished gear boxes a year. The addition of \$5 million in new gear manufacturing equipment has shortened delivery time and improved production scheduling. Hoefler grinding equipment allows us to produce precision case-hardened and ground gearing for special applications.

In the foundry, conversion to no-bake molding has improved casting quality, and provided a cleaner working environment for employees. Automation in the new structural steel plant has made possible new concepts in pumping unit fabrication. Roll-over fixtures position parts for welding, and a plasma arc shape burning





(opposite page, bottom) A special accuracy 120-inch gear hobbing machine combines two operations—gear gashing and finishing—into one single operation. (left) New structural steel facilities house the optimum in welding equipment, including a state-of-the-art torch cutting machine. (below) Automation in the new \$7 million structural steel and final shipping and assembly plant has increased productivity and reduced costs.





machine and torch cutting machine automatically cut pumping unit parts. The trailer plant features a Pierce-Rivet machine that can rivet an entire panel for a 40-foot van in a matter of minutes.

LUFKIN product design engineers utilize a CAD/CAM (Computer-Aided-Design/Computer-Aided-Manufacturing) system to speed and improve the design process. One of the finest gear test facilities in the industry assures customers that gearing will perform to specifications.

Another great asset of Lufkin Industries is our people. Our work force is made up of people with varying skills and talents, all working toward a common goal. We were founded by families, and we remain a family-oriented corporation today. Some families have earned their livelihoods with us for generations, and they take great pride in LUFKIN and our accomplishments. It is through the efforts of these people that we have been and will continue to be successful.

The LUFKIN success story does not end with this 80th anniversary celebration. It begins. The future offers us many opportunities. We have the people, the skills and the technology to make the most of them. We can deal with the challenges of the years ahead because of our past. We can change when necessary...yet never change the quality and dependability built into every LUFKIN product.



(top) The test panel in the new gear test area is designed to provide data display, data recording, control of test parameters and instrumentation for diagnostics of gear quality problems. (left) The company's counterweight foundry was one of several foundries in the nation selected by the Environmental Protection Agency for study in developing standards for future foundries. (above) A variety of talents and skills are represented in the LUFKIN workforce. The company is the largest employer in the Lufkin area.

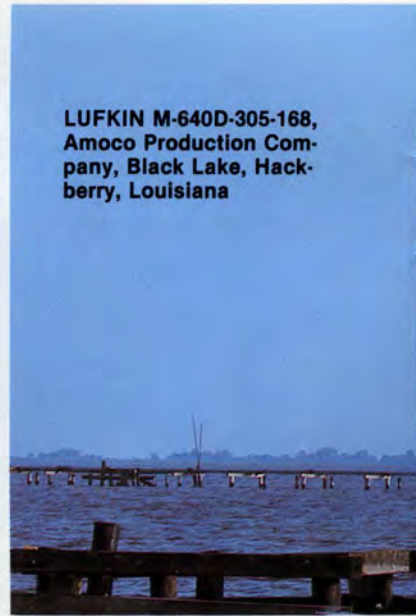
A new three-story corporate office building overlooking the main manufacturing plant in downtown Lufkin is representative of the company's corporate maturity.



LUFKIN PRODUCTS AROUND THE WORLD



**LUFKIN
C-25D-53-30, Davis
& Backus, State
#85, Caddo Lake,
Louisiana**



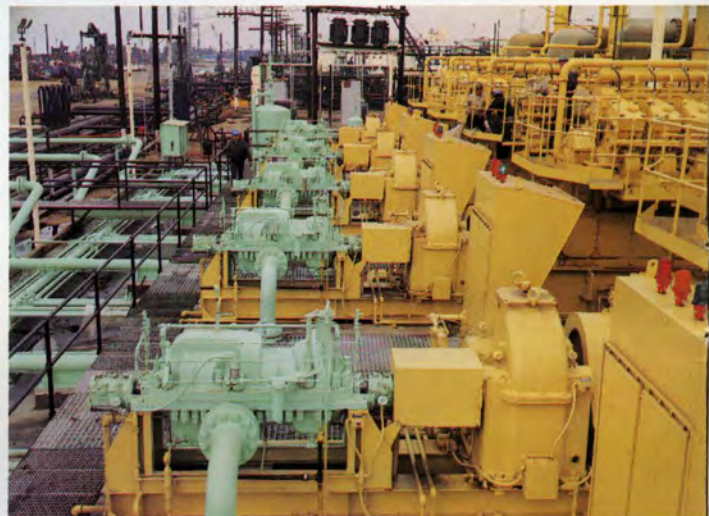
**LUFKIN M-640D-305-168,
Amoco Production Com-
pany, Black Lake, Hack-
berry, Louisiana**



**LUFKIN M-320D-256-120, Mobil Oil
Corporation, Spears Deese Unit 1-1,
County Line, Oklahoma**



**LUFKIN Aluminum TFV-IP Dry Freight Van, Lufkin,
Texas**



**LUFKIN N2405C Gear Increaser installed on a multi-cylinder
engine driving centrifugal pumps in a pump station in Long
Beach, California**



LUFKIN Air-Balanced Units operating on a platform eight miles off the coast of Africa for Elf—Congo, Point Noire, Peoples Republic of Congo



LUFKIN N1204C Gear Reducer with LUFKIN D1824 Double Reduction Gears drive a spur gear final-drive and Fulton three-roll sugar mill in a Florida sugar factory



LUFKIN C-320D-256-120 Unit, Home Oil Co., Ltd., Turner Valley Field, Calgary, Alberta, Canada



LUFKIN A-912D-427-144, Hunnicut & Camp Drilling Company, Friedrich Lease, Oxnard, California

LUFKIN

FROM SAWDUST TO OIL

In 1902, the company catered to sawmill and locomotive repair work in East Texas. In 1982, its products are marketed worldwide.

A comprehensive history of Lufkin Industries has been compiled for the company's 80th anniversary. The book, *LUFKIN...From Sawdust to Oil*, tells the story of the people who maintained an 80-year dedication to quality and service. These people, the company's craftsmen, salesmen and executives, developed a small foundry and machine shop into a major manufacturer of sucker rod pumping units, industrial gears and truck-trailers.

This historical account of Lufkin Industries was researched and written by Elaine Jackson, special projects editor, public relations department, and edited by Virginia Allen, director of public relations. The book, which was published by Gulf Publishing Company of Houston, features more than 300 photographs, many of them in full color.

R.L. Poland, company president and chief executive officer, set the tone of this history when he wrote in the foreword, "We are proud of our products. We are proud of our history, our people and our company. We are grateful for the loyalty and dedication of our employees, for the continuing patronage of our customers, and for the spirit of freedom and cooperation under which we were conceived and have prospered through these years."

LUFKIN...From Sawdust to Oil retails for \$24.95 plus \$1.25 tax and \$1.50 postage for a total of \$27.70. Copies of the book are available through the Public Relations Department at Lufkin Industries, P.O. Box 849, Lufkin, Texas, 75901.

