

LUFKIN

ROUNDUP

FEBRUARY 1986



FROM THE PRESIDENT'S DESK

The 1986 Machinery Division Sales Conference of Lufkin Industries concluded on a high note of interest and enthusiasm. Without exception, all of us associated with LUFKIN can be proud of our fine group of sales representatives.

There is absolutely no doubt that our competition is increasing and will be stronger during 1986 than in any previous year. Our competition is keener and LUFKIN customers are much more cost-conscious in each purchase they make.

This difficult situation of increased competition and more carefully guarded expenditures by our customers is certainly reason enough to require the LUFKIN team to make our very best effort, to pull together and to produce the best product in the most efficient manner possible.

Unquestionably, we must all work harder to find better, more economical methods to accomplish everything that we do.

It is important to realize that our Machinery Division has a dedicated group of salesmen who circle the globe to get the LUFKIN story to our far-flung customers.

It is equally important for each of us to realize that nothing happens for our company until someone makes a sale



*"... Nothing happens
for our company
until someone
makes a sale ..."*

--- then, and only then, do the wheels start turning.

The making of a sale for LUFKIN creates the purchase of materials from our suppliers so that we can turn those materials into finished products. The work of our salesmen allows us to produce a product that will be of service to our customers.

The key word, of course, is *service*.

We must truly serve our customers in everything we do. Each of us should realize that every operation that is performed in the shop or in the office is important, and the only reason for the existence of any of us within the LUFKIN operation, is to serve our customers. Should we ever forget this,

then we would be headed for serious trouble.

With this in mind, let us all remember that everything we do each day is aimed at aiding our customers, whether making or setting a core, cleaning a casting, drilling a hole, welding a beam or making a drawing. Whatever we do, we should maintain two primary rules in judging our daily work:

- 1) Does this help the customer?
- 2) Does this help the company?

Unless we can answer "yes" to both of these questions, we are not being as productive as we should.

Quality, service, dependability and value. These four ingredients of success have always been the hallmarks of LUFKIN. Each of us must strive to see that this creed continues to be true for every single part that we produce and every service that we perform for our customers.

Thanks to our sales force for starting the wheels turning by making so many sales throughout the world. You can be assured that you will always have the full support of the entire LUFKIN organization.

Frank B. Stevenson

FEBRUARY COVER

When Texas Agriculture Commissioner Jim Hightower showed up on the north lawn of the State Capitol in Austin at 10 a.m. on January 15 to officially dedicate a Texas Family Land Heritage mobile museum, contained within a LUFKIN van, company photographer Viron Barbay had already been on the job for over three hours. Barbay photographed the LUFKIN van from every conceivable angle, coming up with this colorful and eye-appealing cover shot. For more on the special LUFKIN van, see pages 7-8.

THE ROUNDUP

Volume 43, Number 2, 1986

Published monthly by Lufkin Industries, Inc. P.O. Box 849, Lufkin, Texas, 75902-0849 for active and retired employee and their families. Produced by the Corporate Communications Department.

Rick Pezdirtz, Director
Diana Hill, Assistant Editor
Mary Beth Kinner, Layout/Graphics Designer
Kurt Martin, Mgr. AV/Photographic Services
Viron Barbay, Photographer
Jo Ann Anderson, Advertising Coordinator
Terry Free, Photographic Technician
Kim Stephens, Clerk/Typist

STEVENSON ELECTED CEO

Three New Veeeps Named



When the directors of Lufkin Industries, Inc. gathered the other day for their first quarterly board meeting of 1986, among other business transacted was the election of a new chief executive officer and three new company vice presidents.

Frank B. Stevenson, president at LUFKIN for the past 21 months, was elected to the position of chief executive officer. Formerly chief operating officer, Stevenson succeeds R. L. (Bob) Poland as CEO. Poland retired as company chairman and CEO on the final day of 1985.

New Lufkin Industries' vice presidents are Herb Green, Jim Partridge and Jim Riggs.

Green is manager of foundry operations plus materials and manufacturing information systems.

Partridge is chief engineer of the Machinery Division.

Riggs is manager of structural steel, final assembly and shipping operations within the Machinery Division.

"All three of our new vice presidents have proven records of accomplishment with this company and are recognized leaders within their respective fields," Stevenson said of the new top-

Four top-management advancements have been made by the board of directors of Lufkin Industries, Inc. Company president, Frank B. Stevenson, second from right, has also been named chief executive officer. Jim Riggs, left, Herb Green, second from left, and Jim Partridge, far right, were named new company vice presidents.

management appointees.

"We are certainly looking forward to continued growth and improvements throughout the entire company and are counting on these men to provide the leadership."

The three new vice presidents fill company officer vacancies left by the late 1985 retirements of Fred Griffin, Ben Queen and Bill Pennington.

A member of the executive committee of Lufkin Industries' board of directors, Stevenson started with the company in 1951 following graduation from Southern Methodist University where he earned bachelor of science degrees in mechanical and industrial engineering. He became a company vice president in 1975, senior vice president in 1981, and was elected executive vice president and to the board of directors in 1983. He is

also a director of RepublicBank in Lufkin and was a 1983-85 director of the Angelina County Chamber of Commerce.

Green, a graduate of Oklahoma State University, is a certified public accountant. He spent nine years as a consulting manager with Arthur Anderson and Co. in Houston and Tulsa before joining Lufkin Industries in 1981.

Partridge, a graduate of Texas A&M University, joined Lufkin Industries in 1958. He is a former member of the Lufkin Planning and Zoning Commission and currently a director of the American Gear Manufacturers Association. He is also a member of the Texas Society of Professional Engineers and past president of the Pineywoods chapter.

Riggs, a graduate of Texas A&M University and presently working towards a masters degree at Stephen F. Austin State University, joined Lufkin Industries in 1959. He had been superintendent of the company's Trailer Division until recently. He is chairman of the Angelina County Chamber of Commerce Agri-Business Council and was a prime mover behind the establishment of a Farmer's Market in Lufkin.

'86

Sales Success

Enthusiasm abounds at this

By DIANA HILL

"To enhance Lufkin Industries' ability to produce additional business through improved sales performance."

This was the theme of the 1986 Machinery Division's annual sales conference.

"The excitement and enthusiastic attitude displayed during our sales conference was most impressive," said E.G. Pittman, vice president and manager of machinery sales. "The presence of teamwork between departments was apparent time and time again. It is inspiring to me to be in close association with such a fine group of individuals."

A wealth of surprises and special attractions highlighted the Jan. 8-10 conference held at Lufkin's Civic Center. Among the participants were 44 out-of-town machinery salesmen, one trailer salesman, four guests and 117 local employees, who attended at least a portion of the conference.

"This conference is more than just a gathering of sales people; it is a gathering of many key Lufkin Industries' employees," said Frank Stevenson, president. "It is a new beginning. We are striving to be an excellent company --- excellent in every department and excellent in every individual."

Wednesday

Several special touches were added to this year's conference program.

Participants sat at individual tables designated by personal nameplates. Delegates wore engraved nametags, and were issued conference notebooks. Gallery seating was available for LUFKIN employees attending only



Cecil Hunt (second from right), chief engineer of the oilfield division, visits with several of LUFKIN's salesmen about the new, small pumping unit. Also, standing beside the new unit are (l to r) Rick Schlabach, Oklahoma City; David Corderman, Los Angeles; Terry Kerbo, Oklahoma City; Harry Sledge, Tulsa; and Jon Pennington, Casper, Wyoming.

portions of the sales conference. Each morning, participants received *Update*, a daily news bulletin.

"We encourage our salesmen to keep these nametags to wear when making plant tours, attending trade shows or calling on customers," Pittman said.

Only 90 minutes into the sales conference, the first and probably most dramatic surprise was presented. A hush fell over the audience as opening bars from the "1812 Overture" were played. A new, small LUFKIN pumping unit was unveiled.

"In surveying the market, we found that most users of small pumping units are independents," said Cecil Hunt, chief engineer of the oilfield division. "They have little interest in auxiliary equipment --- fluff. Most often, they buy pumping units based on price. The buyer tends to be unsophisticated, caring little about the technical end of a unit.

"We have not yet determined the price and date of availability of this new, smaller unit. We welcome your input," Hunt told the salesmen.

Company vice president Bill Trout's talk, Wednesday morning, had a surprise ending. He read a letter addressed to the LUFKIN sales force. "There is little need to tell you how to make the approach. There are thousands of ways to ease into a sales discussion and some of you know this better than I. . . Then of course, there are the small units to talk about," signed W.C. Trout, September 8, 1938.

On Wednesday afternoon, "A Study of the Use of Artificial Lift Equipment in the U.S.A" was presented by Joe Welling, president of Welling & Associates of Tulsa, Oklahoma.

According to a telephone survey made by Welling & Associates, 76 percent of the oil producers' market preferred sucker rods over gas or electrical lifts. "Sucker rods have a reputation for simple installation, familiarity, low cost, low maintenance and long life," Welling said. The survey also showed 72 percent of the market preferred LUFKIN pumping units.

Through Teamwork

year's Machinery Division conference.

The survey included information from 56 majors and 67 moderate to large independents. Welling was accompanied by Charles Simpson, district manager of *Oil and Gas Journal* in Houston and Tom Terrell, vice president and national advertising sales manager of *Oil and Gas Journal*.

Thursday

"Inspired Teamwork" flashed across a video screen and was repeated by several LUFKIN employees who made presentations throughout the day.

"Inspired teamwork is beyond mere cooperation," Stevenson said. "This is the level at which progress and real innovation happens. Where we are enthusiastic about our jobs and excited about opportunities for learning and surpassing yesterday's accomplishments. Where we offer suggestions and actively help each other solve problems. A true sense of caring about every job we perform, and about the worth of each



Doug Jones, with Fred Pryor Seminars of Shawnee Mission, Kansas, leads a sales presentation, "Beyond the Price of Admission" during the final morning of the annual sales conference.

Houston, and John Finney, Pittsburgh, Pennsylvania.

The tides shifted briefly when Pittman became the beneficiary of at least one surprise. Stevenson presented him with an Award of Excellence for his efforts in organizing and leading an outstanding sales conference.

Friday

The highlight of Friday morning's seminar was "Beyond the Price of Admission," a sales training presentation, led by Doug Jones, with Fred Pryor Seminars of Shawnee Mission, Kansas. Jones had previously kindled the salesmen's interest during a stimulating keynote banquet address Thursday evening.

Condensing a six-hour presentation into two hours, Jones focused on four areas which earn someone the right to do business --- (1) *questioning for need, listening*; (2) *communicating value*; (3) *managing attitudes and objectives*; (4) *gaining action, closure*.

The high points regarding the area of "questioning for need and listening" included preparing in advance, asking open-ended questions, educating rather than persuading and practicing active listening skills.

When "communicating value" assume nothing. "Don't assume the customer knows everything about Lufkin Industries, pumping unit and gear business," Jones said. "Reverse the traditional selling process. Sell benefits supported by related features. Customers are people, not engineers."

"Managing attitudes and objections" is best addressed by giving people new information to make new decisions to take new actions. "You can't handle

(CONTINUED ON PAGE 5)



Harry Sledge (left), Tulsa, and Joe Simmons, Lufkin, examine a few of the parts for the new, smaller Lufkin Industries' pumping unit.

individual at LUFKIN."

During the annual machinery sales division banquet, nine LUFKIN employees were recognized for five to 30 years of service.

For five years of service: Peggy Herbst, Crystal Lake, Illinois; Billy Atchley, Oklahoma City, Oklahoma; Mary Ann Phillips, Houston; Jim Still, Houston; David Henning, Baltimore.

For ten years of service: Louis Miceli, Odessa.

For 15 years of service: David Remich, Cleveland, Ohio.

For 20 years of service: Don Stanley, Houston.

For 30 years of service: John Fincher,

generalities and ambiguities," Jones said. "Find out the real objection. No need to prove them wrong. You can't change people's minds, only educate them.

"Finally, *gain action and close*. Summarize. Ask for their business. You've earned it," Jones said.

The conference concluded with a challenge to the sales force by Pittman.

"Are we farming the best we know how? Do we know every person in our area who uses pumping units or industrial gears? Have we learned as much about LUFKIN products and competitors? Do we push our unique products and services? Do we respond quickly to customers' needs? Do we pass on our ideas to management?" Pittman asked.

"The salesmen and all those in attendance seemed to have picked up on the sense of urgency we must have to meet our competition head on during such a period of downturn in every industry we serve," Pittman said. "I truly believe, in a very short period of time, we can have the best sales force in the world --- and I expect nothing less."



Several delegates got a closer look at the new, smaller LUFKIN pumping unit during Lufkin Industries' annual sales conference. Pictured are (l to r) Louis Lloyd, Lufkin; Bob Burrelli, Cleveland, Ohio; and Joe Varga, Lufkin.

EDITOR'S NOTE: The following are brief excerpts taken from speeches made by LUFKIN sales reps during last month's Machinery Division sales conference.

CENTRAL DIVISION

RICK MULLER, division manager, Dallas: "Make new friends, but keep the old. One is silver, the other is gold. This could well be LUFKIN's motto in our struggle to increase our market share. The ranks of our old friends have been decimated by retirements and promotions to jobs above the mundane selection of pumping units.



Muller

"Many old friends are independent oil operators who have continued to buy LUFKIN units. They made the difference between a schedule and no schedule in 1983. We must strive to keep them. They are truly golden."

ROCK MTN. DIVISION

RICK NEAL, district manager, Littleton, Colorado: "The outlook for the coming year continues to be clouded by uncertainty over the price of oil, proposed changes in tax laws and restructuring --- all of which should continue a weakness in drilling activity.



Neal

"With companies whose primary interests are reliability and quality, LUFKIN continues to be the No. 1 choice. To keep LUFKIN the No. 1 choice, we must continue our efforts to increase efficiency, reduce costs and strive to improve profitability while operating in this price-sensitive environment."

BOB HAIL, district manager, Casper, Wyoming: "The instability of the ever-changing oil price really

keeps the small, independent oil companies, as well as the majors, guessing as to the profitability of drilling for new oil. David Freeze and Jon Pennington (LUFKIN sales reps) both feel that future oil price stability will play a great role in their future orders."



Hail

NORTHEAST DIVISION

JOHN FINNEY, division manager, Pittsburgh: "In the theme of increasing sales, beating competition is the name of the game today more than ever. Once we've signed on as a participant in a business or product, we can't turn our competitive juices off and on as we choose --- we are riding the tiger and can't get off.



Finney

"It isn't logical to like your competition today. I believe we have to have the attitude of destroying them, or at least intimidating them."

BOB BURRELLI, district manager, Cleveland: "In the face of relatively low and unstable prices for their (oil) production, our customers are feeling the impact of increased governmental regulations. Each new law, like a snapping left jab, finds its mark. As a result, our customers are staggered by higher operating costs."



Burrelli

GULF COAST DIVISION

ED PATTERSON, division manager, Houston: "The current

'86 - How They See It

outlook for 1986 pumping unit sales is at best a year approximating 1985, and at worst another significant drop in rig activity, drilling and completions, plus additional reduction in capital expenditures within the industry.



Patterson

"Probably, 1986 will prove to be a year in which many of our lesser competitors will drop out of the business."

JOHN SKILLERN, district manager, Houston: "In order to increase sales, we must be competitively priced, maintain LUFKIN quality, and convince the (gear) industry at large to think LUFKIN for their slow speed (gear) needs."



Skillern

CANADIAN DIVISION

LEN RUZICKI, division manager, Calgary: "Our biggest problem with prices is the strong U.S. dollar. The exchange rate to purchase U. S. funds is presently over \$1.40 Canadian funds, whereas a year ago it was \$1.32."



Ruzicki

"The oil industry had a record year (1985) in Canada which exceeded the previous record of 1984 by about 19 percent."

INTERNATIONAL DIVISION

PAT STANLEY, manager, Latin America: "How can we increase our sales performance in

international trade? Manufacture in foreign countries. Remember, though, everytime any units or parts are manufactured in a foreign country or by anyone else other than LUFKIN, we are taking work out of our own plant and contributing to a higher unemployment rate in Angelina County. We have a monster to feed here in Lufkin and the only way to keep it fed is to keep it busy --- 100 percent if possible."



P. Stanley

"In no event should we ever consider manufacturing any where other than in our own LUFKIN plant as long as we can be competitive and are given an equal opportunity to sell our equipment. Unfortunately, this is not always the case. To participate in selling our equipment in foreign countries, we must abide by their laws."

"More and more we are finding it difficult to participate in supplying equipment without doing some manufacturing within that particular country in which equipment is going. You cannot blame a government for trying to establish new industries and create new jobs in their own country."

INOCENCIO REYES, gear sales rep, Latin America: "It is difficult to predict what will happen this year. The economical and political situations of these countries has not improved much. Currency devaluations, unexpected government policy changes and high foreign debts are everyday events in my area."



Reyes

JOHNNY FINCHER, manager, Europe-Africa-Middle East:

"A territory that spreads over a quarter of the earth's surface with customers speaking at least a dozen different



Fincher

tongues presents some problems. Somehow, we have to be able to make regular calls on major customers and communicate with them in their own language.

"The only practical way we can do this is to appoint and train local representatives and distributors."

DON STANLEY, manager, Far East: "Sales in the Far East for 1985

were poor compared to 1983-84. The main reason for this is the Indonesian Government has changed the procedure for purchasing by expatriot companies."



D. Stanley

"In the past, each government did its own purchasing from whomever it pleased. The government has done two things to overturn this free enterprise system of doing business."

"First, all foreign companies must purchase through a local company which forces us to use a local representative."

"Secondly, all foreign companies must ask permission from the government to purchase equipment by means of a requisition. The government then tells the foreign company who to get bids from."

"You must be on the government's accepted bidders' list to get the opportunity to submit a quotation."

"After receiving all bids, the oil company reviews them, makes comments on acceptable equipment and sends all the bids to a government agency called BKKA. This agency reviews the bids and sends them to another agency called Sekneg."

"Members of this (Sekneg) committee are financial people and they know nothing about oil field equipment. They only look at the bottom line. To them, all units meeting API specifications are equal so why not purchase the lowest price unit."

"In every case, this committee will ask for each bidder to submit a lower price than originally quoted and then the price war begins."

HAPPY BIRTHDAY TEXAS STYLE

Our 150th Seisquicentennial
celebration is under way
and LUFKIN is part of it.



Story by Rick Pezdirtz / Photographs by Viron Barbay

From the parking lot of the world's largest western-flavored night spot, Billy Bob's in Fort Worth, to the LaSalle County Fair and Wild Hog Cook-off in Cotulla, a very special van, manufactured by the Trailer Division of Lufkin Industries, is due close scrutiny by millions of Texans and out-of-state visitors during 1986.

"We can't thank our sponsors enough for making this Texas Family Land Heritage traveling exhibit become a reality," announced Texas Agriculture Commissioner Jim Hightower during recent dedication ceremonies for the mobile museum on the north lawn of the State Capitol in Austin.

"As part of the Texas Seisquicentennial celebration, the Texas Department of Agriculture is proud to pay tribute to the Texas families whose land is our heritage," said Hightower.

For this year of Texas' 150th birthday, Lufkin Industries has provided a standard model aluminum dry freight van which came off the Buck Creek assembly line in mid-November. The van is a 48-footer and will be hauled to numerous Texas events by a Central Freight Lines tractor and driver.

Perhaps Trailer Division chief engineer LaVan Watts said it best during the dedication ceremonies in Austin, com-

menting: "It is certainly fitting that a LUFKIN van was chosen to carry the display representing Texas agriculture because our plant is located in a rural area six miles southeast of Lufkin and

bordered by a 1,200-acre game preserve, small farms and rural living.

"The folks who work in the LUFKIN Trailer Division are grass-root Americans --- Texas men and women who



Texas Agriculture Commissioner Jim Hightower makes a point during dedication ceremonies at the State Capitol in Austin of a Lufkin Industries' van that has been donated for 1986 usage as a Texas Family Land Heritage traveling exhibit. Flanking Hightower, l to r, are Floyd Long of the Texas Motor Transportation Association, Rick Pezdirtz and LaVan Watts of Lufkin Industries, and W.W. Callen Jr., of Central Freight Lines.

When the Texas Department of Agriculture's Family Land Heritage mobile museum arrived in Lufkin for its premier showing at the Angelina County Exposition Center, two of its early viewers were R.L. Poland, left, former Lufkin Industries chairman and chief executive officer, and Dan Jones, county judge. The LUFKIN Trailer Division exhibit-van was here in conjunction with the Texas Seisquicentennial Wagon Train stopover.



ranch families listed within the exhibit were seven from Angelina County, including land owned by former Lufkin Industries' employee Franklin Weeks. To qualify for a Texas Family Land Heritage listing, a farm or ranch has had to remain within the same family for 100 or more years.

After its initial display, the LUFKIN van and TDA exhibits moved on to the Fort Worth Fat Stock Show and the Billy Bob's location. Other first quarter of the year dates are at the Houston Livestock Show, then on to county fairs, rodeos and Texas Wagon Train showings in Johnson City, San Antonio, Cotulla, Junction, Kingsville, San Juan, Huntsville, Austin, Tyler, Santa Fe and Corpus Christi for Buccaneer Days.

The special exhibit-van is due back in Lufkin for the Texas Forest Festival and Southern Hushpuppy Olympics, May 16-18. It is scheduled for Dallas in October as an official exhibit of the 50th Texas State Fair.

Lufkin Industries was awarded a Texas Seisquicentennial Citation for its contribution of the van for state use during 1986.



make up the real live world of agriculture.

"The hands that built the aluminum sides and welded the steel frame of this trailer are farming on weekends, caring for horses or cattle, running a truck farm or baling hay, after putting in a week's work building trailers. These men and women can talk about farming just as well as talk about building trailers. It is certainly a privilege for a LUFKIN trailer to represent agriculture and honor the men and women who built this trailer by displaying it throughout Texas during 1986."

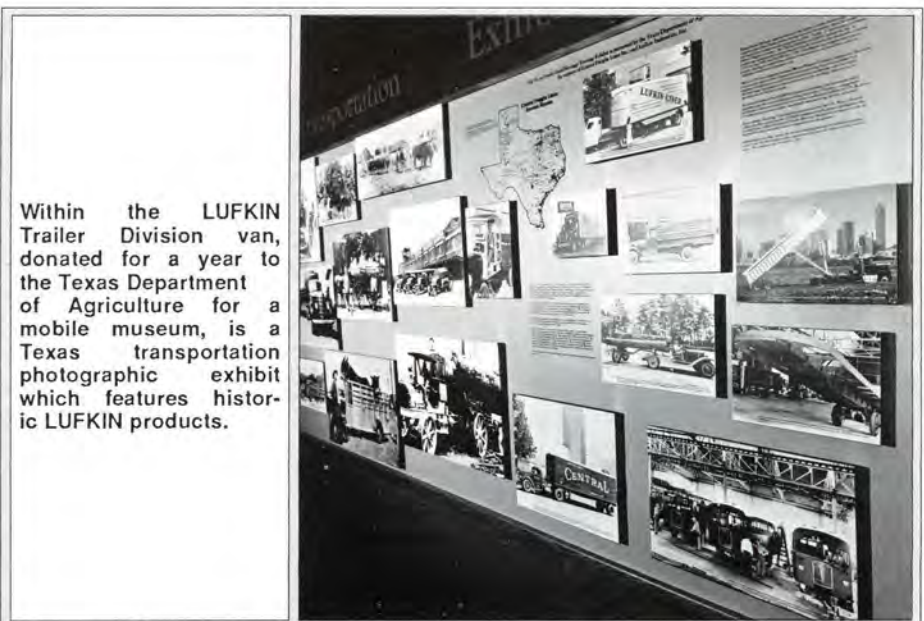
Watts received a warm round of applause for his remarks at the State Capitol. Also representing Lufkin Industries during the dedication ceremonies were Jim Horn, Trailer Division sales manager; Don Butler, LUFKIN's branch office manager from San Antonio; plus Viron Barbay and Rick Pezdirtz of the corporate communications department.

Horn, Pezdirtz and Darcey Faircloth, Trailer Division commercial artist, had met last October in Waco with Central Freight Lines and Texas Department of Agriculture officials about setting the wheels in motion toward the building of the Seisquicentennial exhibit.

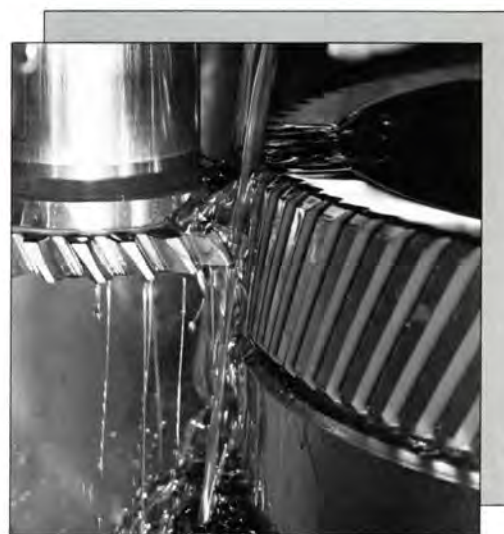
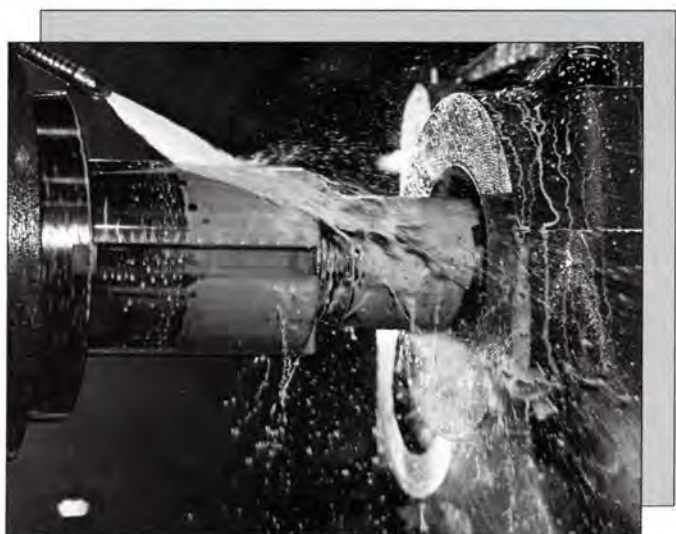
Premier showing of the LUFKIN van

and Texas Family Land Heritage photographic and antique farm implement exhibits was the Angelina County Exposition Center (Jan. 16-17) where the Texas Seisquicentennial Wagon Train was encamped. A half dozen old photographs of Martin Wagon Company and LUFKIN trailers were included in a special Texas Transportation area of the mobile museum.

Among the 1,900 Texas farm and



Within the LUFKIN Trailer Division van, donated for a year to the Texas Department of Agriculture for a mobile museum, is a Texas transportation photographic exhibit which features historic LUFKIN products.



METAL *CUTTING* METAL

A close look at tools used to
build our company's products.

Story by Diana Hill
Photographs by Viron Barbay

Round or oblong, smooth or rough, solid or hollow --- metal parts, making up Lufkin Industries' pumping units and gears, come in all shapes and sizes. Metal tools are used to cut these metal parts.

"Cutting tools, attached to a variety of machines, alter the shape and configuration of metal placed in the machine," says Thom Brewer, procurement planner. "The metal cutting tool must be harder and more durable than the metal it's shearing."

Tungsten carbide, a man-made metal, and high-speed steel are used to make cutting tools. Most LUFKIN parts are made of alloy steels and cast irons.

There are seven processes used to cut gears, pinions, shafts, bearing carriers, oil seals, cores, crank bearings, crank pins. Cutting processes include milling, boring, drilling, tapping, grinding, sawing and turning.

"In each of the processes, the tool edge removes a chip from the metal being cut," Brewer says. "In some cases, the tool is stationary as in turning and boring. The chip is cut when the metal turns or passes by the tool. In other processes, the tool moves over a stationary workpiece as in drilling and tapping. And finally, there are two processes in which both the tool and the workpiece move simultaneously --- milling and grinding."

Lufkin Industries sells metal shavings to a Houston company which melts the scrap and recycles it to foundries for



Larry Blanton operates a numerical-control lathe, utilizing the turning process to shape a high-speed pinion.



Ronnie Smith cuts teeth in a gear using the milling process.



making future castings.

The seven metal cutting processes are:

TURNING: The workpiece rotates or turns over the cutting tool, shaving metal from the part. The rate of movement can be adjusted. The turning process is used to shape gears, pinions, shafts, bearing carriers, oil seals and crank pins. The tool used in the turning process is made of tungsten carbide.

MILLING: The rotating milling cutter machines the workpiece as it passes underneath shearing metal to produce a flat surface. The workpiece is brought into the cutter by the movement of the table. The table feeds the workpiece into the cutter. The milling process is used to shape reducer gear boxes, structural bearing components and crank arms. The tool used in the milling process is made of tungsten carbide.

GRINDING: With the cylindrical grinder, the table reciprocates slowly. Traversing the table moves the workpiece past a grinding wheel. The grinding process is used to finish the surface of pinions and shafts. The tool (grinding wheel) used in the process is made of silicon carbide.

DRILLING: The hole size is determined by the drill diameter. The depth of a hole is controlled by how far the drill is pressed into the workpiece. There are many types of drilling machines --- numerical controlled, multiple spindle, manual

horizontal and vertical. They all have in common a spindle that holds and rotates the drill. They also have a head that feeds the drill into the workpiece. The drilling process is used to drill holes in bearing carriers, oil seals, crank pin bearing housings and gear boxes. The tool used in the drilling process is made of high-speed steel or tungsten carbide.

TAPPING: This is an operation which cuts threads in drilled holes of components. The tapping process is used to thread holes in gear boxes, crank pin bearing housings, crank center bearing bases and many other components. The tool used in the tapping process is made of high-speed steel.

BORING: This is a process of removing metal in various sizes of holes to a high degree of accuracy. The boring process is used to shape gear housings, crank arms and various other parts. The tool used in the boring process is made of tungsten carbide.

SAWING: This is a metal cutting process used to cut parts, such as bar or shaft stock, in specified lengths. Two sawing processes are band sawing (a continuous band of steel containing cutting teeth is passed into the workpiece) and circular sawing (a circular blade which has cutting teeth on its outside diameter). The tool used in the sawing process is made of high grade, high-speed steel.



Arthur Prejean uses the turning process --- shearing metal to form a gear.



Ronny Parker runs a milling machine, shearing metal to cut a keyway in a pinion.

FOCUS

Promotions announced for seven employees

Promotions of seven Lufkin Industries' employees have been announced by company officials in five departments.

In structural steel operations, **Ide Russell** and **Donald Baker** were promoted.

Russell was promoted to production manager from general foreman in final assembly and shipping. He joined the company in 1961. Following graduation from Lufkin High School, Russell studied business administration at Angelina College and computer programming at Fort Worth IBM Training Center.

Baker was promoted to supervisor 10 from scheduler. He joined the company in 1975. Baker graduated from West Sabine High School in Pineland, Texas.

In the Industrial Supplies Division, **Wayne Saucier** was promoted to

plumbing sales representative from head counter sales. He joined the company in 1976. Following graduation from Bossier City (Louisiana) High School, Saucier attended Air Line Junior College. Saucier is a board member of the Houston chapter and chairman of the East Texas chapter of the Multiple Sclerosis Society.

In material and information systems, **Dennis Clark** and **Odie Watts** have been promoted.

Clark has been promoted to project analyst from foundry production control manager. He joined the company in 1984. Following graduation from Jasper High School, Clark received an associate of science degree from Angelina College and a BBA degree in management and computer science from Stephen F. Austin State University. He is currently

Ide Russell



Donald Baker



Wayne Saucier



Dennis Clark



Odie Watts



James Luce



Randy Collins

working on a masters degree from SFA.

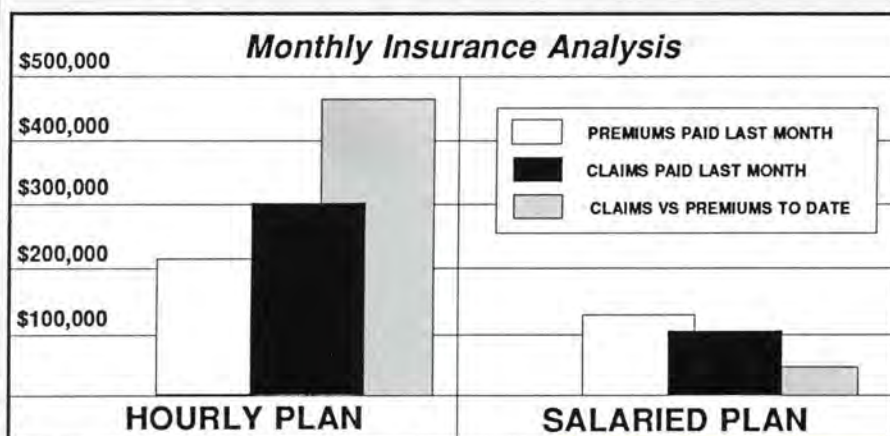
Clark is past president of the SFASU chapter of Sigma Iota Epsilon (management fraternity) and a member of the Host Lions Club.

Watts was promoted to project analyst from machine shop mechanical maintenance supervisor. He joined the company in 1981. Following graduation from Central High School in Tulsa, Oklahoma, Watts received a bachelor of science degree in production management from the University of Colorado. He attended graduate school at the University of South Dakota. Prior to joining LUFKIN, he served 22 years in the United States Air Force.

In the machine shop, **James Luce** was promoted to supervisor 10 from supervisor 9. He joined the company in 1965. Luce graduated from Apple Springs High School.

In the Trailer Division (Oklahoma City branch), **Randy Collins** was promoted to service manager from shop foreman. He joined the company in 1981. Following graduation from Barnsdall (Oklahoma) High School, Collins attended Bartlesville (Oklahoma) Vocational/Technical School.

INSURANCE UPDATE



The office of Technology Assessment (OTA), in a recent report, found smoking cost every man, woman and child in the United States from \$110 to \$260 per year in lost productivity and wages.

There is additional costs of \$50 to \$150 in medical care. Were smoking to be curbed, the OTA estimates that a family of four would gain \$1,640 per year. This does not include the savings in life and hardship that would result if people would stop smoking.

FOCUS

Scholarship deadline is April 1

Graduating high school seniors applying for Lufkin Industries' Foundation college scholarships have only until April 1 to return their applications to James Horton, personnel director.

Applications for four-year scholarships are available through the personnel department and principals' offices of Lufkin and area high schools. Applications for two-year Angelina College scholarships are available through the financial aid office at Angelina College and LUFKIN's personnel department.

Scholarship applications must include a transcript from grades nine through 11 and a first semester transcript of a candidate's senior year. Four-year scholarship applications must also include

Scholastic Aptitude Test (SAT) results from the Admissions Testing Program of the College Board of Entrance Exams.

"Applications without SAT results cannot be considered for four-year scholarships," Horton says. "Students who have completed the SAT test are encouraged to apply for both the four-year and two-year Angelina College scholarships."

An unmarried, high school senior with an overall high school grade average of 80 or better, whose parent was employed by the company at least one year immediately prior to the date the student registered for his senior year, is eligible to apply for a LUFKIN scholarship.

If a member of a senior's family has received a past four-year scholarship, the student is ineligible to apply for a 1986 four-year scholarship. However, he or she may apply for an Angelina College two-year scholarship.

If a member of the family has received a past Angelina College scholarship, the student is ineligible to apply for a 1986 two-year scholarship. However, he or she may apply for a four-year scholarship.

Selections are based on academic achievement, character and citizenship. The winners are selected by a committee disassociated with Lufkin Industries. Children of officers of the company are ineligible.

NAMES & NOTES

Supervisor Graduate

Carter Olds, a Trailer Division foreman and 22-year employee of LUFKIN, has graduated from the 40th Supervisor's Training class, part of Lufkin Industries' continuing education program.

The company's 41st such class, under the leadership of Danny Martin and Jim Riggs, is scheduled for mid-February.



OLDS

degree from Stephen F. Austin State University last month.

A company employee since May of 1976, Griffis displayed 20-year persistence in obtaining his college degree. He started at Lamar University in 1965, later attended Richland College in Dallas, Angelina College, and finally SFASU. With a wife to support, he worked by day and attended classes by night, finishing with 136 college hours and an admirable 3.4 grade point average.

Griffis isn't done with his pursuit of higher learning. He's already been accepted in SFASU's graduate school and started work toward earning a Master's Degree.

Thanks Mike

A Department of Defense certificate of appreciation has been awarded Mike Penn, vice president and manager of machining and assembling operations, for Lufkin Industries' support of the Combat Support Company, 3rd Battalion, 153rd Infantry, Magnolia, Arkansas.

Frank Myers, a five-year draftsman for the design engineering department of LUFKIN and a 15-year member of the

Arkansas National Guard, nominated Penn for the award. Staff Sergeant Myers said the award is part of a national program to recognize supportive employers of Guardsmen and Reservists.



Free Advertising

When industrial engineering technologist Ken Phillips was thumbing through a *Road & Truck Magazine* the other day he did a double-take upon spotting a two-page advertisement for Honda Civic automobiles. The foreign car was featured in a California oil field along with two LUFKIN pumping units.

"I've also seen LUFKIN pumping units on recent television shows, *Hunter* and *Moonlighting*. I'm happy we're receiving so much free advertising," said Phillips.



Tuition Aid pays off

"I couldn't have made it without the Lufkin Industries' Tuition Aid Program," said Charles R. Griffis, a systems programmer in LUFKIN's data processing department, upon receiving a bachelor's of business administration

LUFKIN

Retiree Profiles

Editor's Note: In a continuing tribute to our dedicated retirees, the ROUNDUP is presenting individual retirement profiles.

John White

*

21 years



Retiree John White says he's not a "traveling man," but does enjoy gardening, fishing, hunting and caring for six cows and six chickens.

"I was ready to retire, but I miss the fellows I worked with all those years," White says.

White retired from the machine shop after 21 years of service. During that time he drove a truck, hauling material to the machines from the casting yard, blacksmith workstations and the old shipping department.

He and his wife, Berdie, have 12 children and 10 grandchildren.

Lyle Carpenter

*

28 years



Although Lyle Carpenter seems to keep busy --- automobile repair (mechanical and body work) and carpentry --- he intends to set aside time for traveling during his retirement years.

"I would like to venture west to see California, Oregon, Washington, Wyoming, Montana and Colorado," Carpenter says.

He owns 13 acres west of Lufkin. His most immediate task is to clear underbrush and repair a renthouse.

"I'm a piddler," he says. "I can always find something to do. I usually can't rest

until a job is finished, but I hope to learn." He and his wife, Bettie, have two children and three granddaughters. Carpenter also enjoys lifting weights.

William Thorne

*

40 years



Since retirement, William Thorne's greatest desire has been for better health. Presently, he must use a dialysis unit twice a week.

"When I feel better, I want to grow a garden and tend to a few chickens and hogs," he says. "I will give my surplus produce to neighbors who need food. There are many folks around here who need help."

Thorne retired from Lufkin Industries' foundry cleaning room after 40 years of service.

Henry Whitten

*

31 years



Henry "Shotgun" Whitten says he was ready to retire.

"I've been working since age 15," he says. "I was reared on a sharecropper's farm in Louisiana. At 15, I joined the United States Navy as my father signed papers indicating I was 17 years old." He saw navy duty until coming to work in Lufkin Industries' machine shop in 1954."

Some of Whitten's retirement time will be spent visiting one grandchild in Houston and two grandchildren in Grand Forks, N.D.

He and his wife, Frances, have three children.

Sam Taylor

*

34 years



The congregation of Lubbock Street Church of Christ has benefited from Sam Taylor's retirement from Lufkin Industries.

Although he had been a preacher at the Lufkin church for 15 years, it had been a part-time avocation. Upon retiring from LUFKIN's Trailer Division in December, preaching became Taylor's full-time vocation.

"I miss the work (body builder in the van department), but I'm glad I have more time to serve as pastor of my church," he says. "I also like to fish, and I plan to visit relatives in Los Angeles."

He and his wife, Marie, have five children and three grandchildren.

Leonard Modisette

*

35 years



After 35 years as a Lufkin Industries' welder, Leonard Modisette is spending his retirement days fishing, hunting and playing with six grandchildren.

"Our twin granddaughters, who attend Central Elementary School, stay with us after school each day," Modisette says.

When Modisette began working for LUFKIN in 1950, the welding shop was located downtown. The shop was later moved to Pershing Street. He retired from the welding shop's current location at Buck Creek.

He and his wife, Velma Dee, have three children.

CHANGES

Company officials have announced 34 job changes and new assignments. They include:

INDUSTRIAL SUPPLIES DIVISION: John Purvis, from industrial sales representative to industrial buyer.

WELDING: Hilary Brady, from manufacturing engineering technician to technologist I.

FOUNDRY: Jack Bates, from fork lift tow material operator to class A welder; Carl Canino, from chipper grinder to pattern/mold car operator; Byron Coutee, from coremaker helper to class B core machine operator; Leon Denning, from core knocker to shot blast operator; Elroy Gregory, from chipper grinder to pattern/mold car operator; Clifford Johnson, from class A core machine operator to class A coremaker.

Also, James Lambert, from class A molding machine operator to class A welder; Charles Smith, from chipper grinder to mechanic helper; Jane Stephens, from entry level analyst to manufacturing engineering data base coordinator II; Steve Tamez, from chipper grinder to trailer plant helper; Jerry Thornton, from chipper grinder to mold finisher coresetter..

TRAILER DIVISION: Larry Berry, from class B to class A machine operator; Billy Horne, from helper to class B trailer builder; Robert Lamar, from helper to class B welder; Cecil Malone, from helper to class B machine operator; Sylvester McClain, from class A trailer builder to inspector; James Roberts, from class B to class A trailer builder; James Stuckey, from helper to class B trailer builder; Joel Wier, from helper to class B trailer builder.

MACHINE SHOP: Richard Alvis, from class A machine operator to machinist; Ben Anderson, from class B to class A utility maintenance; Calvin Carroll, from class B to class A utility maintenance; Billy Coutee, from class A machine operator to machinist; Jerry Crain, from class B to class A utility maintenance; Mark Euper, from machinist helper to heat treat helper; Sherry Green, from blueprint clerk to gear cutters clerk; James Holloway, from class B to class A utility maintenance.

Also, Verble Lawson, from class B to class A utility maintenance; Kenneth Phillips, from manufacturing engineering technician to technologist I; Cullen Reynolds, from class B to class A utility maintenance; Florine Thompson, from laborer to helper; Jerry Welter, from class B to class A utility maintenance.



Valentine's Day

FEBRUARY ANNIVERSARIES

LUFKIN INDUSTRIES CANADA

Betty McIver 6
Anil Singh 2

FINAL ASSEMBLY & SHIPPING

Theron Williams 20
Ted Hearnberger 18
John Bridges, Jr. 10
Oscar Houston 10
Joe Foreman 8
Billie Lee 7
Armando Guerrero 6
J.D. Olford 6
Freddy Hensley 6
Victor Doggett 2
Billy Loftin 2
Lawrence Kallas 2
Gary Telford 2
Mack Saxton 2

FOUNDRY OPERATIONS

Rex Jones 35
James Jones 31
Clayton Jirick 31
William Westbrook 30
Charles Minton 24
Lewis Ferguson 20
Archie Williams 20
Donald Kuehl 19
Everett Rhodes 18
Jewel Hale 16
Juan Reyes 14
James Johnson 14
Troy Allen 13
Walter Cummings 11
Eddie Wade 10
Wilkin Mickey 9
Jack Bates 9
Clara Boyett 8
David Ramirez 8
Alfred Broussard 7
Mitchell Ware 5
Anier Mullins 5
Joe Hankins 5
Jesse Ferguson 5
William Peavy 5
Darrell Cranford 5
Daryl Curl 2
Jerry Thornton 2
Louis Killingsworth 2
Stevan Tullos 2
Willie Hageon, Jr. 2
Charles Johnson 2
Johnny Corcoran 2
Rufus Kirkwood, Jr. 2
Kelvin Crain 2
Jewel Swint 2
Johnny Ward 2
Florentino Lopez 2
Gordon Tull 2
Andro Branch 2
Dan Legg 2
Jerry Jeffery 2
Edward Trotty 2
Enrique Dominguez 2
Tim Crawford 2
Jeffery Patton, Sr. 2
Lawrence Wyatt 2
Enrique Moyeda 2
Joseph White 2
Clifton Anders, Sr. 2
Alvin Erwin 2
Jose Ramos 2
Judge Handy 2
Gerald Warner 2
Robert Clark 2
Tony Torres 2
Donald Hagins 2
Cester Mack 2
Michael Bronson 2
Donald Kirkwood 2
Floyd Gilmore, Jr. 2

LITTLE ROCK FOUNDRY

Wilbur Hileman 2
John Wright 2
Troy Troutman 2
Odell Marshall 2
Devon Johnson 2
Ricky Jones 2
Kerry Walker 2
Terry Wallace 2
Otis Gammel, Jr. 2
Michael Hobbs 2

STRUCTURAL STEEL OPERATIONS

Malchom Lowery 27
David Merritt 24
Jay Tarver 22
J.P. Womack 19
Leandro Vasquez 19
George Waldrep 17
Charles Lee 16
Gregory Dempsey 10
Sam Figueroa 9
Therman Davis 9
Nelson Reynolds 9
Millard Barge 8
Billy Hoosier 7
Ricardo Ibarra 7
Perry Hoff 6
Gilberto de Jesus, Jr. 6
Rosario Moreno 6
Ismael Terrazas 6
Curtis Flakes 6
Don Mayo 6
Tommy Butler 6
Bobby Napier 6
Javier Horta 6
Jose Aldaba 6
Richard Barrett 2
James Hambrick 2
William Williams 2
Roger White 2
Billy Vardeman 2
James Cooper 2
Douglas Dolan 2
Dennis Hulett 2
Gerald Thomas 2
Perry Bell 2
Richard Wright 2
Daniel Burfield 2
Vernon Ivy 2
David Alexander 2
Jerry Ferguson 2
Charlton Hough 2

PERSONNEL

Waldo Oakley 5
Robert Meadows 4
Wilma Dixon 1

MACHINERY OPERATIONS

Stanley Beck 31
Betty Stewart 28
Donald Wallace 27
Jack Landrum 27
Hulen Warren 24
Curtis Thomas 21
James Luce 21
Ronnie Parker 20
Austin Stein 18
Raymond Solly 17
Marvin Powell, Jr. 17
Ben Newsom 16
Kenneth Brashear 15
Billy Addison 14
Robert Gresham 14
Harold Lane 13
Kenneth Burke 13
Steven Langston 13
Marvin Sowell 12
William Barnett 11
Sidney Alvers 11
Victor Reese, Jr. 11
Robert Lewis 11
Thomas Thomas 10
Robert Dunn 9
Joy Ouseph 8
Lacy Ford 8
Dennis Massey 7
Gary Ritnour 7
LaDonna Stapleton 7
George Shimer 7
Fred Sutton 7
William Reneau, Jr. 7
Fernando Arredondo 6
Albert Stokley 6
Robert Bailey, Jr. 6
Michael Cassin 6
Michael Horn 6
Irineo Mendoza 6
James Crain 6
Freddie Baker 6
Jo Dixon 5
Lawrence Hawthorne 5
Joe Hood 5
David Henry 4
Richard Childress 2
Ronnie Pace 2
Phillip Alexander, III 2
Thomas Miller 2
Verble Lawson 2

MANUFACTURING ADMINISTRATION

Delbert Ellison 22
Henry Sumlin 13
Rex Whitaker 10
John Duke 8
Harvey Corder 8
Michael Medley 7
Belinda Pyle 6
Elizabeth Ray 1

CORPORATE OFFICES

David Pustka 9
Douglas Hudson 9
Eleanor Hohimer 7
Ronald Sharp 2
Edna Ross 2

INDUSTRIAL SUPPLIES

Dorothy Bohn 21
Lee Saxon 18
Kendall Moseley 14
Ellis Saucier 10
Joe Branton 6

WELDING SHOP

Earl Burchfield 24
Lawrence Holt 12
John Jones 8
Gregory Harrison 2
Benjamin Pinkerton 2

ENGINEERING

William Wagner 34
James King 21
Robert Estes, Jr. 16
Ellen Lightfoot 10
Ragena Thompson 3
Kurt Ulmer 2
Albert Mallonee 1

MACHINERY SALES

David Bishop, Jr. 29
E.G. Pittman 26
Jim Trout 18
Cheryl MaitreJean 9
Michael Huff 2
Jimmy Martin 1

TRAILER PLANT

Granville Wright 36
Milton Watson 36
Gary Hobson 23
Cabe Clonts 22
Charles Kilgore 22
Howard Coleman 22
Freddy Williamson 22
George Oliver 21
Elmer Lynch 20
Charlie Jackson, Jr. 20
J.C. Malnar 20
James Green 20
Sam Adams 18
Walter Butler 18
Whittaker Garrett 17
Kelly Hopson 17
Dean Pruitt 16
Robert Brockett 14
Edward Williams 14
Jerry Sudduth 14
Ira Lewis 14
Sylvester McClain 14
Willie Davis 14
Delbert McGuire 14
Carmuto Rios 10
Kenneth Modisette 8
Herman Blake 8
Robert Johnson 6
Jerry Mericle 6
Larry Edwards 6
Edward Woodall 4
James Kennedy 2
Robert Bussell 2
Kenny Kendrick 2
Joe Madden 2
James Sanchez 2
Paul Fenley 2
Gregory Korn 2
Mark Allen 2
Dwight Walter 1
Charles McFarland 1
Truitt Dixon, Jr. 1



Granville Wright
36 Years



Milton Watson
36 Years



Rex Jones
35 Years



William Westbrook
30 Years



Betty Stewart
28 Years

LUFKIN INDUSTRIES, INC.

P.O. Box 849, Lufkin, Texas 75902-0849

Address Correction Requested

Bulk Rate
U.S. POSTAGE
PAID
Lufkin, Texas
Permit No. 10

2

**Stevenson Elected CEO;
Three New Veeps Named**

3

**Sales Success
Through Teamwork**

7

**Happy Birthday
Texas Style**

9

Metal Cutting Metal

ALSO IN THIS ISSUE

*FROM THE
PRESIDENT'S DESK, 1*

FOCUS, 11

RETIREE PROFILES, 13

ANNIVERSARIES, 14

IABC Member of International Association of Business Communications.
Copyright 1986, Lufkin Industries, Inc. All rights reserved.



HAPPY 150th LONE STAR STATE!

During formal dedication ceremonies of the Texas Sesquicentennial Family Land Heritage mobile museum at the State Capitol last month, three LUFKIN Trailer division executives were in Austin for the event. Appearing with the traveling exhibit, which is contained within a standard 48-foot LUFKIN van, are left to right: Don Butler, manager of LUFKIN's branch office at San Antonio, Trailer Division sales manager Jim Horn and chief engineer LaVan Watts. Lufkin Industries donated the van to the Texas Department of Agriculture for this year of Texas' 150th birthday celebration. For more on the exhibit-van, see pages 7-8.