

LUFKIN

ROUNDUP

JANUARY 1987



From the President's Desk

Goals for 1987



What does the New Year hold for each of us and for Lufkin Industries? The accomplishments of 1987 will be, to a large measure, dependent on how well we take advantage of the opportunities. We cannot control the price of oil, but we can control the way we approach our business and our jobs.

Let's resolve to build the best, most dependable equipment and the best value for our customers.

Let's also resolve to share optimism and enthusiasm with everyone that we meet. The following creed can help us take a positive approach for the new year:

Promise Yourself

- To be so strong that nothing can disturb your peace of mind.
 - To talk health, happiness and prosperity to every person you meet.
 - To make all your friends feel that there is something in them.
 - To look at the sunny side of everything and make your optimism come true.
 - To think only of the best, to work only for the best and to expect only the best.
 - To be just as enthusiastic about the success of others as you are about your own.
 - To forget the mistakes of the past and press on to the greater achievements of the future.
 - To wear a cheerful countenance at all times and give every living creature you meet a smile.
 - To give so much time to the improvement of yourself that you have no time to criticize others.
 - To be too large for worry, too noble for anger, too strong for fear, and too happy to permit the presence of trouble.
- Christian D. Larson

There will be many new challenges in 1987. It is most important to recognize the opportunities that we have and make the most of them. By far, the greatest asset that the company has is the loyal and dedicated group of partners and associates that work together to produce a superior product. We must face each challenge with confidence in ourselves and in our fellow employees. Working together to help each other succeed will, in turn, assure the continuing success of the company.

Thanks very much for your efforts during 1986, and together we can make 1987 a year of positive accomplishment.

A handwritten signature in dark ink, appearing to read 'F B Stevenson'.

Frank B. Stevenson

Holiday Events

1986 Service Awards Banquet

Slightly more than six hundred and twenty employees with spouses and guests attended the 16th annual service awards banquet December 6th. Two hundred forty-three awards were given to employees completing 5, 10, 15, 20, 25, 30, 35, and forty years of service. Employees who retired in 1986 were also recognized and remained afterward for the group photo shown below.

Frank Stevenson, president and c. e. o., gave an informative talk that reflected on the events of 1986

and the prospects of the future. Mr. Stevenson praised all LUFKIN employees for their efforts in continuing the success of the company, especially in view of the general downturn in business recently.

James Horton, director of personnel and corporate communications, served as the master of ceremonies. He proved for the second year in a row that he can be heard from any point in the civic center without a public address system.



1986 retirees present at the service awards banquet included, front row, left to right: Arthur A. May, Betty Stewart, Richard Brashear, Herman Parrish Jr., James B. Parnell, Lavelle Glenn, Jimmy Lamont, Gene Vinson, Harold Newsom, James Kegler, Travis Stone. Second row, left to right: Delbert Williford, Thomas Alexander, Marlin Williams, Clarence Mangus, Coy Oliver, Jane Green, Orpha McCall, Lillie Etheridge, Katherine Luker, Bob Beddingfield, Clayton Jircik, Ernest Lord. Third row, left to right: Linwood Johnson, Bill Wagner, Jesse Ray, Edward Clifton, David Massingill, Arthur Harrison, Jay Lee Tarver, Jessie Satterwhite, Esklee Simmons, Henry Sumlin, Austin Stein, Winston Richard. Back row, left to right: Thomas Ladd, James Jones, Harold Page, Willie Mitchell, Edgar L. Mills, James R. Watson.

200 Attend the Retiree Christmas Banquet

The Lufkin Barbeque annex was the scene of the annual holiday gathering of LUFKIN Industries' retirees and their spouses. G. C. "Cowboy" Starrett emceed, Harold Westbrook entertained with humor, and Elie Smith with Bonnie Eakin performed musically and also led the group in a medley of songs from memory lane.

I continue to be awestruck by the cheerfulness and goodwill at this annual party. These folks really have a great time and for just about two and a half hours they share more joy than some people do in a lifetime.

Cowboy wants all the LUFKIN retirees to remember the 1st Wednesday of each month at 9 a.m., is the coffee at the Lufkin Barbeque annex.



Retiree Leamon Bulluck joins in the sing-a-long at the retiree banquet.

S. C. F. What is it?

The SCF or small castings facility is the production area for small parts used in pumping units and commercial gears. In terms of capacity, it will produce parts in the weight of 12 ounces to 2400 pounds and is capable of casting gearboxes up to the 57D.

The SCF is the latest foundry improvement, replacing methods in small casting production that have been used almost forty years at LUFKIN.

The reason for installing the new system has been evident for a number of years. Keeping up with production needs has forced us to purchase a large number of small castings from outside foundries. In some years this has amounted to as much as 75 percent of our small part needs.

In determining what system the company would need to handle our production needs for pumping unit parts and commercial gear parts, Scott Semlinger, chief foundry engineer and Clayton Jircik, retired chief foundry engineer, spent many hours touring other foundries and observing various casting systems before making a choice.

A major concern in the selection of equipment was production flexibility. The finished facility needed high capability, but it also had to maintain LUFKIN's competitive edge during periods of slow business when quick response and short runs dictate production.

The heart of the new system is a revolutionary impact molding machine manufactured by the George Fischer company of Switzerland. The latest sand molding technology is present in this system which replaces nine

molding machines. Instead of blow molding, shaking, or hand packing the sand onto the pattern, a fully controlled explosion of natural gas distributes and packs the sand. A key feature of this process is a change in how tight and uniformly the sand is packed next to the pattern surface.

With older molding methods the sand has been less dense or not as tight next to the pattern. This surface, once the pattern is removed, will support the molten iron and provide the shape of the casting. Because the sand was less dense, there was a greater tendency toward mold failure, collapse, or poor dimension control. This left a casting that would have to be scrapped or one that would require much more time to clean and prepare for machining.

The Fischer impact system produces molds, with higher sand density, which will mean cleaner, more consistent castings. This will also reduce the usage of raw material by 5 to 10 percent in the casting because of higher tolerances held by the new molds.

Another feature of precision molding is the elimination of additional sand cores. Many of our intricate casting designs have required more elements than a cope and drag (top or bottom), and so separately produced cores are used to complete the mold. But each additional core means more cost. Now the enhanced travel of the sand as it packs, allows it to shape to patterns with more detail. The photo on page five provides a good example of this improvement. The molds pictured have just exited the George Fischer impact

machine. These molds need no additional cores and are ready for closing, but the same mold made by the previous method required six sand cores in order to give the same amount of detail to the casting.

The cost savings in this example is 25 percent. Overall, a 25 to thirty-five percent cost reduction will be the average savings on all the parts produced by the S.C.F.

The Fisher system is highly automated and with a crew of eight the SCF will be able to handle 100 percent of LUFKIN's small parts needs. Speed is also a factor with the new system producing three times the castings as it's predecessor.

A hidden benefit of the facility coming on line during the current oil field slump is the opportunity to work out the bugs and train our personnel before needing full production capacity.

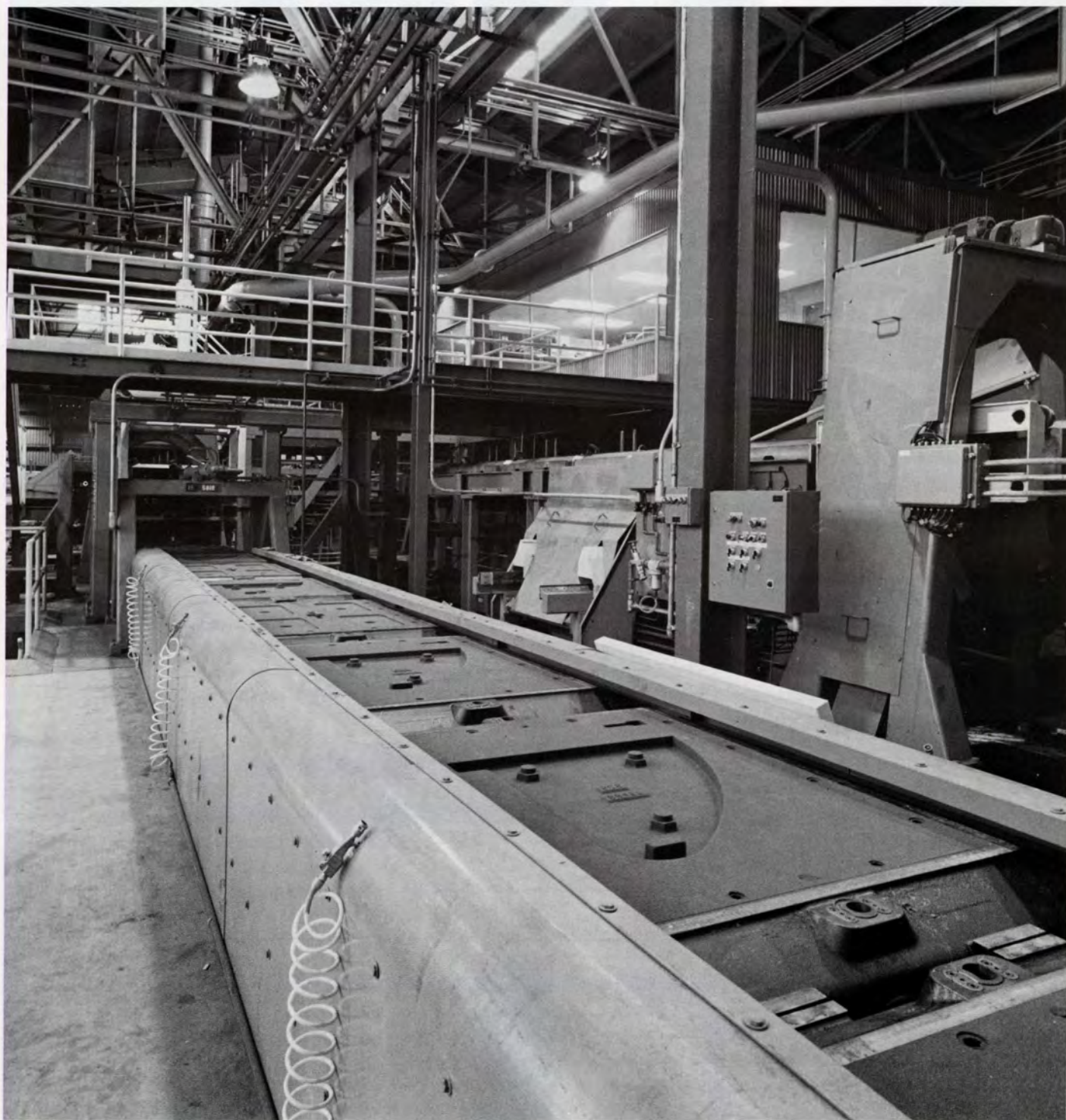
Also, much of the site preparation, construction, and installation has been performed by LUFKIN personnel, providing opportunities to work that were otherwise unavailable.

The commitment of the stockholders and directors to the future of this company by providing improvements such as the S.C.F. greatly improves our ability to compete for available business in good times or bad. Faster production, with greater flexibility, at lower cost yet with higher quality means products that are more appealing to buyers.

And we all know what more sales mean since our jobs literally depend on what we sell.

By Kurt Martin

JANUARY ANNIVERSARIES



Auxillary counterweight molds travel by conveyor from the George Fischer impact molding machine toward the close-up area of the Small Casting Facility. Production costs for these molds are 25 percent less than the previously used method.

Promotions



**Neil
Bowman**

Neil Bowman has been promoted from Senior Programmer in the corporate data processing department to Programmer Analyst - Technical Support.

A native of Lufkin, Bowman graduated from Lufkin High School then earned his B.S. in computer science and mathematics from Stephen F. Austin State University in Nacogdoches before joining LUFKIN in 1982.

Bowman is soon to be wed to Ginny Braden, the daughter of Edwin T. and Cile Braden. His future father-in-law, "Tenny" Braden, has been a vital part of LUFKIN's engineering department for 40 years.

Charlene Havard has accepted a promotion to the position of Programmer Analyst in the corporate data processing department. Havard had previously worked as a Senior Programmer there.

After being raised on the Gulf Coast and graduating from Galveston's Ball High School, Havard traveled to the Piney Woods to study computer science at Stephen F. Austin State University. Upon graduation with a B. S. in 1983, Havard joined the LUFKIN team in the corporate data processing department.

David Lawson, Production Control Clerk, has been promoted to the position of Programmer/Project Specialist at the trailer plant.

Lawson, a 1977 graduate of Hudson High School, came to LUFKIN later that year and has worked in the production of trailers since, starting as a helper, moving then to machine operator class B, then to Partsman and next to Production Control.

Lawson, along with wife Shari and their two children, Justin, age 4 and Maegan, age 16 months, attend Providence Baptist Church in Hudson.



**Charlene
Havard**



**David
Lawson**



**Rhonda
Modisette**

Rhonda Modisette has been promoted from Senior Programmer to Programmer/Analyst in the corporate data processing department.

Before coming to LUFKIN in May, 1981, Modisette graduated from Huntington High School in 1979 and then from Angelina College with an associate degree in 1981.

Modisette and husband Greag are the proud new parents of 2 month old Bryan.

Kenneth Rich has been promoted to Supervisor 10 on the 2nd shift at the Trailer Plant.

Rich, formerly a welder specialist in van chassis, has been back with LUFKIN since 1983 and has worked up through the helper and welder classifications. Rich had nearly two years with LUFKIN in the early 80's before getting caught in an '82 layoff.

Rich, along with wife Brenda and sons Jay, age 12, and Virgil, age 9, attend the First Assembly of God Church in Huntington.



**Kenneth
Rich**



**Jo Ann
Tyler**

Jo Ann Tyler has accepted a promotion from Traffic Coordinator B to Assistant Traffic Analyst in the corporate traffic department.

Tyler, a 1975 graduate of Lufkin High School, was a recipient of a Lufkin Industries Foundation Scholarship and used this assistance to graduate with a B.B.A. degree from Baylor University in 1979. After graduation from Baylor and before joining LUFKIN in 1986, Tyler and her husband drove a long haul truck for over four years and visited all 48 continental United States.

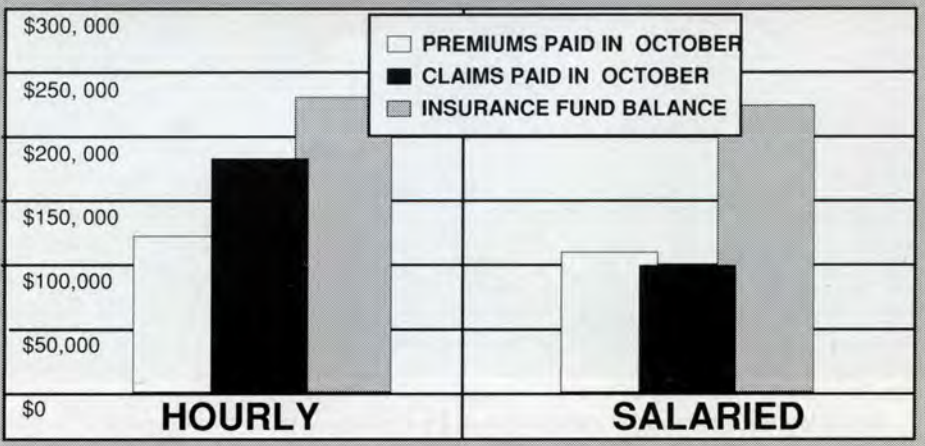
Tyler and truck driving husband Mike attend the Denman Avenue Baptist Church in Lufkin.

Geraldine Williams has been promoted from Secretary to the Assistant Purchasing Agent for Industrial Supplies to the position of Chief Purchasing Clerk at the Trailer Plant. Williams, who joined LUFKIN in 1976, and husband, Bobby, are members of Herty Baptist Church.



**Geraldine
Williams**

Insurance Update



JANUARY ANNIVERSARIES

Accounting		CALVIN COOPER	24	CLARENCE MILLER	21	ROBERT HAIL	13	DON BLOCK	25
		WALTER BANE	16	WILLIAM OLDHAM	21	EARL STUCKEY	11	JAMES MASTERS JR.	23
		RAY MCCOLLISTER	16	MAC MITCHELL	20	WILLIAM WILLIFORD	11	CALVIN HAMMER	23
PAM THOMPSON	8	JESSIE WADE	14	LOWELL WICKER	15	PEGGY HERBST	7	DAWSON HOWELL	21
JERRY HILL	7	JOHN WADE	14	JAMES WHITE	14	M. I. S.		LANKFORD BALLARD	21
BRENDA KEE	5	ROBERT HOOSIER	13	ROBERT RAY	14			PAT GAMMILL	20
KARI MCDANIEL	1	ENEREE CRANFORD	12	WILLIAM TIDWELL	14			JERRY LAWSON	19
Canada		KENNETH LARUE	11	JOE POWELL	14	MARY RUSSELL	1	MICHAEL STRINGER	16
		HOWARD HENRY	11	PAUL BIRDWELL	13	Material Control		JOSEPH WILLIAMS	15
		GEORGE DARDEN	11	MICHAEL MAY	13			HERMAN NERREN	15
TONY COLANGELO	7	HELEN INGRAM	10	JERRY HAMPTON	13			QUINTON EDWARDS	15
DELBERT SCHUETZ	3	BLAKE BORDELON	10	W. H. TULLOS	12	JAMES LEE	19	CHARLES HOLMES	15
JARNAIL RANDHAWA	1	THOMAS O'QUINN	10	JAMES WARREN	12	CAROLYN SHERRER	19	VIRGIL REYNOLDS	15
Corp. Comm.		ELLA BANKS	9	ROBERT CONNER JR.	12	Personnel		CARL WALKER	11
		ROGER KITCHENS	9	CLARK JAMES	11			ROY ERWIN	8
		TRINIDAD SOLIS	8	MARCE ALLEN	11			REGINALD MOORE	8
KURT MARTIN	3	HERBERT MOORE	8	BENNETT MCMULLEN	11	JOHN HAVARD	13	JAMES DAVIS	7
Corporate		PEDRO GARZA	8	ALFRED JOHNSON	11	SAMUEL BLAIR SR	9	STEVE SPANGLER	7
		TOMMY SMOTHERMAN	8	MICHAEL MODISSETTE	11	DELBERT RAY	6	RAY LOVING	7
		OSCAR ELIJAH	8	JAMES HINES	10	LARRY HIGHT	5	HORACE KENDRICK	7
LaVAN WATTS	19	KEN TILLERY	7	LOUISE MELTON	10	ANNA KING	3	DARIET STRIPLING	3
ELTON FENLEY	14	TOMMY BASS	7	CONNEY STAPLETON	10	BEVERLY HIGHTOWER	3	BRYAN SQUYRES	3
Engineering		KARL BALLENGER	7	JACK ANDERSON	10	MARSHA DAY	2	HENRY SLEDGE	3
		BRUCE BAIN	7	VON LOWERY JR.	10	Purchasing		JAMES DAVIDSON	3
		FREDERICK PRESTON	7	RICKEY STANFORD	10			CHARLES KILGORE	3
BOBBY SPELLS	22	LENNETH SOWELL	3	FREDRICK BERQUIST	9	LAVERNE BASEY	22	JOEL WIER	3
CECIL HUNT JR.	21	RICKY JUSTUS	2	JOHN WILSON	9	Structural		JOHNNY CHRISTIE	3
ROY WRIGHT	20	SAM GREENVILLE	1	BILLY COUTEE	8			BILLY HORNE	3
DON BRIDGES	11	Industrial Supply		FELIPE TREVINO	8			DANNY LOCK	3
ARTHUR MYERS	6			JOE PITTMAN	7			DAVID MERRITT	3
STEPHEN DEHLINGER	2			WILLIAM COOPER	7			GLENN ELLENDER	2
WOODROW COPPEDGE	1	EDITH ARNOLD	24	TONY HIGHT	7	AUDIE CHRISTIE	25	KEITH COLLINS	2
Final Assembly		HUBERT MORGAN	20	JAMES DAVIS	7	MARVIN MALNAR	21	RAJAN BABU	2
		Machine Shop		KENNETH SPEARS	7	TOM HOLLINGSWORTH	20	GUY HAGOOD, III	2
BIAS MCDANIEL	21			BRUCE MOTT	7	JAMES LOVING	19	MICHAEL HEBERT	2
JOHN COOPER	13	CECIL BERRY	41	CHARLES REYNOLDS	7	JAMES HAMBY	17	RICHARD PRITCHETT	2
MANUEL LUNA SR.	11	RICHARD COLLMORGEN	31	BEAUFORD KERVIN	6	TOMMY DENNIS	16	DAVID MILES	1
RAYFORD BARNES	8	JIMMY HORTON	28	FRANK SANDER	5	JOHN GOODWIN	14	KENNETH DAVIS	1
JACK PALMER	7	JOHN COLE	25	GEORGE MCMULLEN	3	WILLIAM GANN	13	KIRBY BROWN	1
JIMMY RUSSELL	7	O'NEAL DAVIS	25	Machinery Sales		WILLIAM HAYNES	7	LOUIS POLASEK	1
Foundry		WALTER ESTES	25			ERNEST PLEASANT	5	Trailer Plant	
		HOLLIS CLIFTON	25	JOHN FINCHER, JR.	32			Welding Shop	
		DARVIN DOMINEY	25	ETHEL SUNDAY	18				
FERDINAND GUILLORY	25	JOHNNIE SMITHERMAN	24	WANDA OTTMERS	16	OTIS ALEXANDER	31	JAMES MCKINNEY	22

54 Employees are Tobacco Free!

On November the 20th, ninety-six tobacco users began a thirty day trek to non-smoking status. We are happy to report 54 finished the thirty days on the wagon. That is 56% success for participants company-wide and the Trailer Plant recorded the highest success percentage at eighty. The Foundry followed with 65 percent of it's participants succeeding and the Structural Fabrication department at an even 50 percent.

April 1st is Deadline for Scholarship Applications

Graduating seniors have until April 1st to complete application for Lufkin Industries Foundation two or four year scholarships. Include a transcript of grades 9 through 11 and the first semester of grade 12 for either scholarship. If applying for the four year include your SAT results. For more information contact Beverly Hightower at the Personnel Department.

JANUARY COVER

Leonard Sweat (left) and John Norman (right) maneuver a pouring ladle as molten iron flows into a mold at the new S. C. F. See the related story on pages 4 and 5. Photo by Viron Barbay.

THE ROUNDUP

Volume 44, Number 1, 1987

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

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LUFKIN INDUSTRIES, INC.
P.O. Box 849, Lufkin, Texas, 75902-0849

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The Lufkin Team



Tommy Bass



Tommy Reynolds



Donald Ray Coutee