

LUFKIN

ROUNDUP

AUGUST-SEPTEMBER 1987



Partnerships



As business has become more competitive, we recognize the importance of a relatively old form of business relationship - that of "partnership."

Partnerships take many forms:

- Relations with our suppliers
- Relations with our vendors
- Relations with our customers
- Relations with each other

The above forms must include mutual trust and respect in order to succeed.

The common thread that runs through most of the arrangements, whether it concerns a product or a service, combines the characteristics of:

- Dependability
- Quality
- Value

The fact that we have built a long-term relationship of dependability and trust with a supplier enables us to provide our product at a better cost to our customer.

The relationship we build with each other becomes our most important partnership. We must be absolutely able to trust and depend on each person on the LUFKIN team in order for us to develop the type of championship organization that we must have in today's competitive environment.

LUFKIN has built a worldwide reputation for dependability and outstanding service in every market in which we participate. We appreciate your help in continuing this great tradition and in daily improving our teamwork and partnership relations. Your effort will enable us to build a stronger LUFKIN and a better place to work.

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

Frank B. Stevenson

Around The Plant

Completing The Package

Providing a complete pumping unit package is just one of the reasons Lufkin Industries purchased the Odessa based company, Sargent Oil Well Equipment Company, from Dover Resources Inc. The technology of Sargent will allow LUFKIN to prepare for the future by offering the customer an engineered motor-driven system with the added capability of various types of controls and monitoring devices, which will automate oil field operations.

Sargent, founded in 1920, is the industry leader in ultra-high slip motors which power the pumping units. The company also holds ten patents in its product line, which include high-tech

well monitoring equipment and special application pumps and valves.

Sargent recently developed the oil well monitor. This monitor automatically shuts down the pumping system when fluid levels become insufficient to achieve optimum pumping results. According to Rod Pittman, vice-president and manager of Machinery Sales, "monitoring wells holds the key to future improvements, allowing maximization of an entire oil field's production efficiencies."

LUFKIN and Sargent share the same markets in the U.S. and abroad, as well as using the same sales agents in most of the oil producing countries.

Sargent will continue to operate as a stand-alone business. The company has 25 employees and generates over \$5 million in annual sales. Sargent maintains sales offices in California, Colorado, Wyoming, Oklahoma and Texas, with sales agents around the world.

With the purchase of this company, LUFKIN has made another step toward the goal to offer a complete line of products and services to the oil production industry.



MACHINE SHOP CHANGES

Richard Alvis moved from Machinist to Machine Operator A. **Virgil Berwick** moved from Machine Helper to Machine Operator Trainee. **Carroll Benge** moved from Machine Operator Trainee to Machine Operator Class A. **Bennie L. Boles** moved from Machine Helper to Machine Operator Trainee. **Oran Calmese, Jr.** moved from Machine Helper to Machine Operator Trainee. **Bobby Colbert** moved from Tool Grinder A to Tool Maker. **Clarence Collins** moved from Machine Operator D to Machine Operator B. **Steve Cortines** moved from Machine Operator A to Machine Operator B. **Robert Dunn** moved from Machine Operator A to Assembler-Commercial Gears. **John Greenwell** moved from Assembler B to Assembler A. **Armando Guerrero** moved from Stenclier to Machine Operator Trainee. **Jerry W. Jackson** moved from Machine Helper to Machine Operator Trainee. **Carl Kiel** moved from Machine Operator A to Machine Operator B. **August Kulms** moved from Machine Operator A to Machinist. **Calvin Lofton, Jr.** moved from Machine Operator Trainee to Machine Operator C. **Manuel Luna, Jr.** moved from Machine Operator B to Machine Operator A. **Michael Maddux** moved from Electrician C to Electrician A. **Robby Malone** moved from Machine Operator B to

Machine Operator A. **Denorris Martin** moved from Machine Operator C to Tool Grinder Specialist. **John Matthews** moved from Machine Operator C to Tool Grinder Specialist. **Michael Modisette** moved from Machine Operator A to Machinist. **James Norwood** moved from Machine Helper to Machine Operator Trainee. **Walter Peden** moved from Machine Operator Trainee to Machine Operator C. **Kara Porter** moved from Machinist to Machine Operator A. **William Potts** moved from Part-Time to Mold Machine Operator. **Myrle Powers** moved from Machine Helper to Machine Operator A. **Donald Randall** moved from Machine Operator A to Machinist. **Chester W. Sickels** moved from Welder C to Welder B. **John Sigler** moved from Assembler B to Assembler A. **Rickey Stanford** moved from Machine Operator A to Machinist. **Jerry Taylor** moved from Machine Operator A to Inspector. **Jerry Watson** moved from Machine Operator A to Machinist. **Dale Wigley** moved from Machine Operator A to Machinist. **Jimmy Wilkie** moved from Truck Operator to Machine Operator Trainee. **James Yount** moved from Tool Grinder Specialist to Assembler-Commercial Gears.

by Sharon Henderson
photos by Viron Barbay

Conveying The Right Idea

From the depths of the forest emerged the rustling herds of mules and oxen pulling wagons and carts loaded with the plentiful timber. Years later steel railroad equipment operated full speed ahead and combined larger locomotives with flat cars to eventually replace this slow method of labor by penetrating deeper into the woods to obtain more timber. Yet inherent in all operations with mechanical equipment are breakdowns, so perhaps the next alternative lies in the development of a repair company closer to home to fix the equipment that fails. . . how about the Lufkin Foundry and Machine Company? It could possibly work. . . and it did.

Beginning in 1902 and continuing for the next two decades, the Lufkin Foundry and Machine Company began expansion into extensive sawmill productions that provided a firm foundation which did lead toward a successful future. Then 1923 arrived, along with the pumping unit, an alternative to the sawmill business. Lufkin Foundry and Machine Company expanded and developed into a leader of oil field equipment and products, while activity in forestry products declined.

Lately, the Structural Fabrication Department has revived the past by manufacturing components for the Temple-Eastex sawmill project in Buna, Texas.

Lufkin Industries' idea to bid on the sawmill project was born out of the shrinking demand for pumping units.

Approximately one year ago, Fred Coulter, salesman for LUFKIN, contacted Mid-South Engineering in Hot Springs, Arkansas, the firm responsible for the design of the \$30 million sawmill project.

When bidding on this project, LUFKIN looked at the two key factors: how much will it cost Lufkin to do the job and how much Lufkin estimates it will cost its competitors to do the job. Having determined these two factors, a competitive dollar amount was bid. After submitting their quote, LUFKIN realized it could be competitive with other companies that were vying for the same sawmill project and Coulter delivered the initial bid to Mid-South Engineering on Christmas Eve, 1986. The portion of the bid LUFKIN eventually received was fabricated machinery, which included the manufacturing of conveyors, saws, log kickers, stop and load arms and other structural components.

The project became a company-wide effort as LUFKIN's Machine Shop participated in the project by machining shafts, frames for the saws, plastics, and mechanical components. The Industrial Supply Division received approximately \$200,000 in supply purchases and the Trailer Division manufactured the conveyor bed. Structural Fabrication alone invested over 16,000 man hours in the project. Several employees spent fourteen, 12-hour days just to get the initial bid.

Structural Fabrication processed approximately 540 tons of steel for this project. The capacity of the sawmill is rated at 140 million board feet per day; however, what makes this sawmill unique compared to others is its computer automated capabilities, permitting operation with less manpower.

Despite the history of LUFKIN's involvement with sawmill equipment, this sawmill project was a new experience for everyone. Dwayne Howell, Senior Technologist at Structural Fabrication, said, "This marketplace is something we had to get into, we had to learn about it and we had to take the knocks that came with it. It's something you can't see on paper, you have to actually do it in order to



learn how to be competitive." Howell added that if this project had not been won, there would have been a period from March to July where workers, who are in the shop now, would not have been called back. Although there was an increase in pumping unit orders in the midst of the Mid-South job, the period before and after did not see enough units to justify work; therefore, workers would have also been faced with three day work weeks. Jim Riggs, vice-president and manager of the Structural Fabrication Department, said, "Building that sawmill was a very beneficial experience for us in more ways than one.

Our people appreciated the fact that we got out and hustled when work was short, and they gave a superior effort. Our mechanical engineering group got a crash course in bidding and project scheduling. All the LUFKIN divisions, with the exception of the Foundry, got a chance to work together on a single project. We are much better prepared now to approach greater diversification so that we can become less dependent on the oil patch in the future for our company survival."

Howell says, "Once the project is complete, we go back and figure out how we could have done things dif-

ferently and where we can make adjustments to produce a more cost effective product, in a shorter amount of time but with the same LUFKIN quality. For example, we had a tremendous number of sprockets which were purchased outside of LUFKIN that we will now look into manufacturing ourselves in order to cut costs." Howell added that operational methods were discovered to reduce the time spent on parts going through the line, another cost effective area.

Howell also said that working on this project showed the workers that pumping units are not the only thing that can be built from steel. "All the different jobs we do carry over into the next one. As we get into new projects, our people have to become more creative and sharper. The tricks they learn in one job simplify the next job, and we make some changes and do things a little different which improves quality and production."

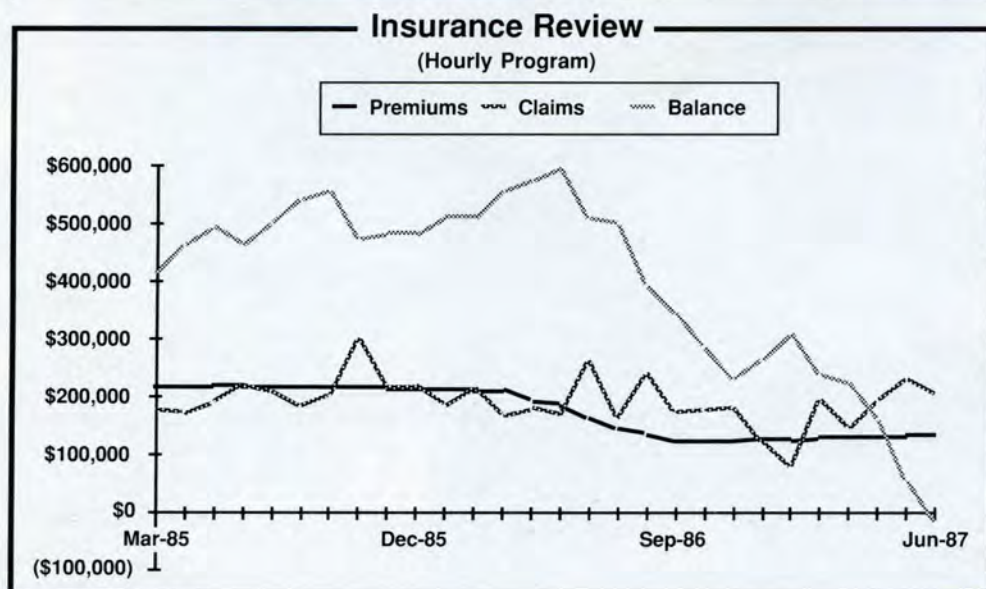
With the Fabrication Division's track record of satisfied customers, the history of the company as a whole and the modern facilities available, Howell feels that future projects are just around the corner. "We've definitely got our foot in the door, we've taken our first step, now we've got to continue."



Workers assemble a bark conveyor for the Temple-Eastex sawmill project in Buna. This conveyor, completely supplied by Structural Fabrication, will run approximately 200 feet in length.

AUGUST ANNIVERSARIES

Accounting		John Powell	12	Machine Shop		Pat McGill	7	Isaac Wheeler	10
		Willie Bryant	11			E. Bernard Foster, Jr.	3	Ronnie Jones	10
Ruben Hall	25	Alfred Navarro	11	John Smith	32	Gloria Bowen	3	Charles Davis	10
Joy Havard	14	James Malone	10	Leonard Avery	32	John Beavers	2	Craig Person	10
Sondra Bennett	8	Marvin Allen	10	Lillian Ashby	26	Cary Haenelt	2	Glenn Coutee	9
Douglas Holland	6	Charles Winthrop	10	Willie Calvin	26	Order Department			
Kennith Baker	3	Roger Hurts	9	Gary Hopper	23				
Kevin Buchanan	2	John McElwee	9	Eddie Mitchell	21				
				James Craven	9				
				Everardo Luna, Jr.	9				
				Alton Inman	8				
				Marcos Rodriguez	8				
				Eleazar Carrillo	8				
				Mary Stephens	6				
James Thompson	21	Charles King	6	Larry Blanton	17				
Armon Thrasher	15	Kingsley McKay	3	David Hartman	17				
Theodore Perez	8	Robert Harris	2	James Davis	16				
				Thomas Sanders	2				
				Thomas Mcfarland	15				
				Arnold Cole	15				
				Jerry Luce	15				
				M Freeman	15				
				Maurtis Jansen	14				
				Robert Spencer	14				
				John Sigler	13				
				Donald Spicer	10				
				Kathy Turner	10				
				Alexander Koshy	10				
				Edith Farrior	9				
				Paul Crawford	8				
				J. Matlock	8				
				Billy Reynolds	8				
				G. Sisson	8				
				Joe Wilson	8				
				Carl Kiel	8				
				Frank Pachicano	8				
				Carrol Hargis	6				
				Larry Walker	6				
				Cullen Reynolds	3				
				Machine Sales					
				Pat Stanley	21				
				Michael Kartye	21				
				Terry Orr	11				
				John Skillern	9				



Insurance Premiums Raised

The Insurance Department has announced a 25% increase in our medical insurance premiums effective October 1, 1987. A look at the Insurance Review charts indicates the need for the increase.

Both the hourly and salaried fund balances have shown steady decline since July 1986, with both funds dipping below zero in June of

SEPTEMBER ANNIVERSARIES

Accounting		Earl Mark	14	Betty Wood	21	Donald Crow	1	Richard Wallace	11
		Charles Riggins	13	Bobby Allen, Sr.	20	Omer Hill	1	James Baldwin	10
Roy Myers, Jr.	15	Marvin Dill	13	Thomas Stricklin	19	Order Depart.			
Jimmie Fenton	13	Donnie Dudley	13	Michael Cummings	18			Lemon Hamilton	9
James Harrison, Jr.	11	Jeff Lankford	12	Terry Johnson	17			Johnny Davis	9
Pam Lovett	9	Henry Credit	12	Oscar Arant	15	Larry Cloyd	21	James Murphy	9
Gary Porter	6	Joe Penn	10	John O'Connor	15			Johnny Johnson	9
Charlene Havard	4	George Castillo	10	William Mosley	15	Personnel			
Shirley Thomas	1	William Monmouth	10	Jerry Watson	14			Joe Sanches	8
		Roger Sowell	10	Henry Sargent	14			Jimmy Smith	8
		Larry Hunt	8	Dora Hight	13	Ginny Russell	7	Larry Grimes	7
Assembly & Shipping		Benito Hibarra	8	Carl Moore	13	Gregory Wilson	2	Willie Limbrick	7
		Raul Castillo	8	Eldon Newton	13			Olivo Lopez	7
		David Burke	2	Harvey Rainey	13	Trailer Plant			
		Norman Shoemaker	2	Mitchell Oneill	12			Travis Harris	4
Rayford Davis	25	Ned Hitesman	2	Leonard Sharp	12			Robert Molandes	4
Willie Walker	17			Garvin Bridges	12	Trevatha Carroll	36	Greg Mora	4
Freddie Rudisill	14	Heavy Weldment		William Ford	12	J. Crawford, Jr.	32	Sharon Spells	3
James Tudor	10			Claude Williams	12	Kenneth White	25	Louis Wilson	3
Joseph Pisesky	4			James Price	10	Marilyn Ivy	25	Johnny Charanza	3
		Royce Ashworth	24	Tommy Harris	9	Henry Williams	25	Gregory Moore	3
Engineering		Jesse Ross	17	Thomas Downey	9	Darcey Faircloth, Jr.	22	Robert Scott	3
		Joe Audrey	13	Jason Parrish	8	Ada Beck	22	Roosevelt Adams, Jr.	2
		John Purvis	9	Milton Phillips	8	Gary Jones	22	Welding Shop	
Robert Nunn	21	Bobbie Havard	9	Martha Reese	8	Albert Mills	21	Marion Christie	32
Betty Niosi	9	Lynne Owens	8	Harlon Smith	8	Tommie Miller	20	Coy Minshew	26
Dewayne Collins	9	Jack Walker	8	Edward Perley	8	Charles Distefano	20	William Hutson	25
Tina Randolph	8	Gary McMorrow	6	Willie Wigley	6	Billy Durham	19	Marvin Tarver	24
Vernon Speicher, Jr.	4	Jesse Bengé	3	Wendell Davis	3	John Pena	18	Glenn Edwards	23
Kent Neuvar	3			John Freeman	3	Oscar Malone Jr.	18	Jefferson Skinner	22
Robert Jones	3	Machine Shop				Rex Bailey	15	Wayne Doss	21
				Machine Sales		Shirley Ware	15	Dale Frels	20
		Bobby Wood	26			Linwood Fenley	15	James Brennan	19
Harold Hicks	37	Joseph Behannon	25	Ed Patterson	28	Marvin McKnight	15	Rickey Buchanan	15
Roosevelt Adams	32	Keith Strickland	25	Rose Courtney	14	Jackie Hewitt	14	Wayne Spratley	13
Edward Flemon	24	Charlie Rhodes	25	Kenneth Diana	10	John Joseph	14	Ricky Sowell	13
Bobby Strange	21	William Sides	25	Fred Coulter	10	Andy Beddingfield	13	Douglas Steel	13
J. Higgins	18	Donald Traylor	24	James Copeland	8	Susie Phillips	13	Guadalupe Sanchez	12
Melvin Powell	18	Larry Cordova	23	Jim Still	7	Herbert Logan	12	Truman Belrose	11
Kenneth Burnett	17	Hollis Barnhart	21	David Henning	7	Geraldine Williams	11	Bobby Guthery	10
J. Rodgers	16	Samuel Barrow	21	Harry Sledge	6	Gerald King	11	Antonio Santana	8
Lonnie McDaniel	15	Archie Taylor	21	Bruce Cunningham	4	Lovell Lee	11	Jo Hugg	6

LUFKIN INDUSTRIES, INC.

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The Lufkin Team



Ronnie Martin



Keith Kidwell



Vernell Winthrop

On The Cover

Senior Technologist Dwayne Howell checks the measurements on one of the logkickers at the Temple-Eastex sawmill in Buna, Texas. Structural Fabrication took part in a project that started the LUFKIN tradition 85 years ago.