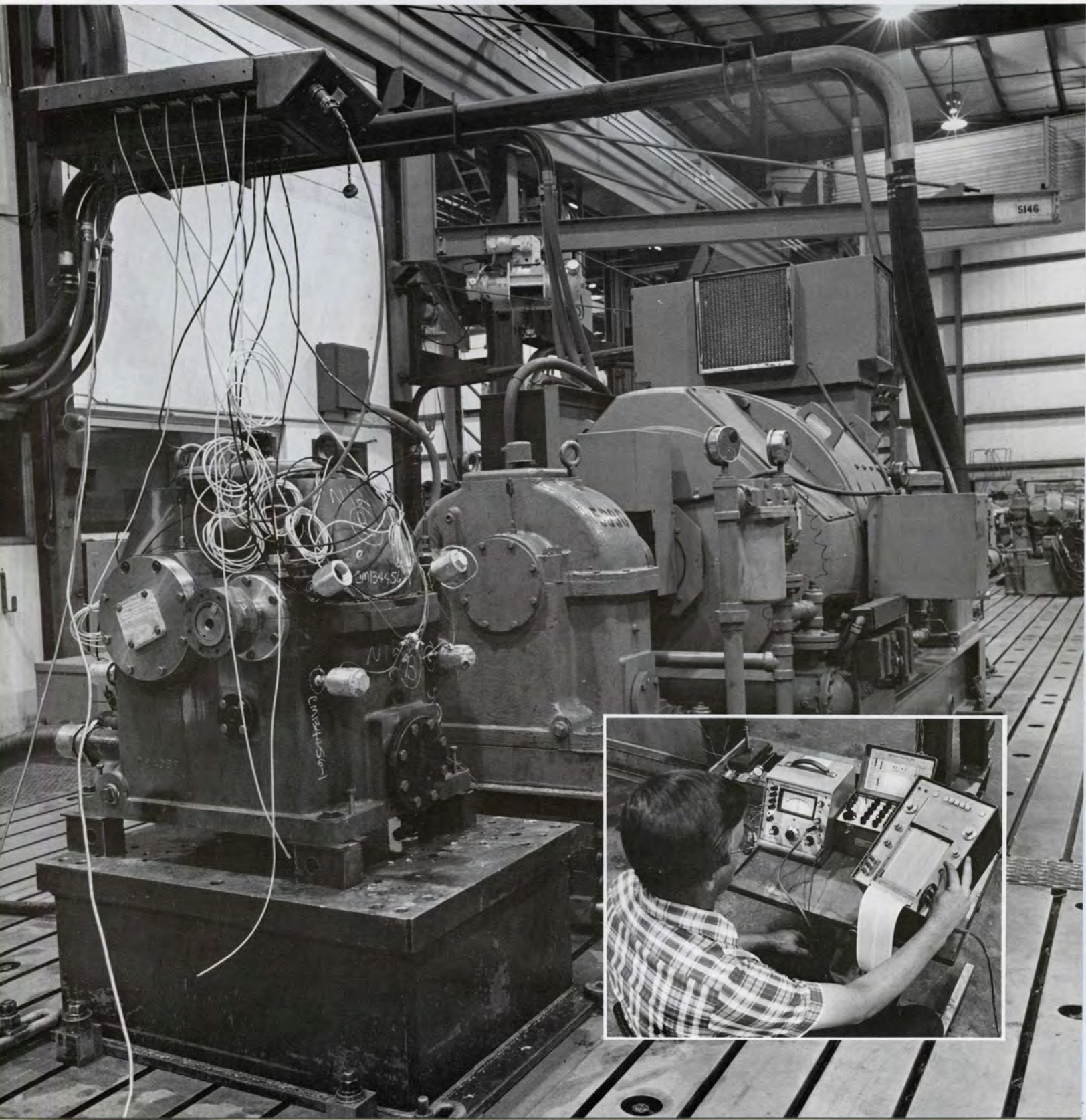


LUFKIN

ROUNDUP

September 1986



From the President's Desk

We Shall Return

In the first half of 1986 we have seen the steepest decline in oil field business in over fifty years. This decline in pumping unit business has affected the Machinery Division, but it has also affected the entire company. We have lost approximately eight hundred of our associates and fellow employees; this has been a great loss to each of us and to the entire company. The company has operated at a loss for the first time since the Great Depression. Besides the decline in oil prices, there has been extremely stiff competition in all products that we produce.

The decline in the oil business was absolutely beyond our control - but - the return of business, jobs, and profitability is within our control. Our strategy for recovery is in place and we are improving everyday; we need your help now more than ever. The first three steps to recovery are:

1. **Constant improvement in every product and every service** - this means that we must produce absolutely the best product - the highest quality - the best delivery - more efficiently than our competitors. Each of us must, day-by-day, do the very best we can in our jobs to be sure that every part, every operation, is as good as we can possibly make it, and that we render the best possible service



"We need your help now more than ever!"

to our customers.

2. **To broaden and expand our product lines** - everyday new products are being developed, and new improvements are being made in our existing product and we are searching for new ways to be of service to our customers and provide them a wider range of products and services.

3. **We are continually searching for new markets** - the structural fabrication business is a good example, but all of us must be alert for new possibilities, for new services, for new products that we can produce. Your ideas and suggestions are earnestly solicited for any type of innovative, new endeavor that we can pursue.

We very much appreciate the sacrifices and hard work that each of you have contributed, and we earnestly solicit your continued efforts to keep LUFKIN #1 in every endeavor in which we are engaged.

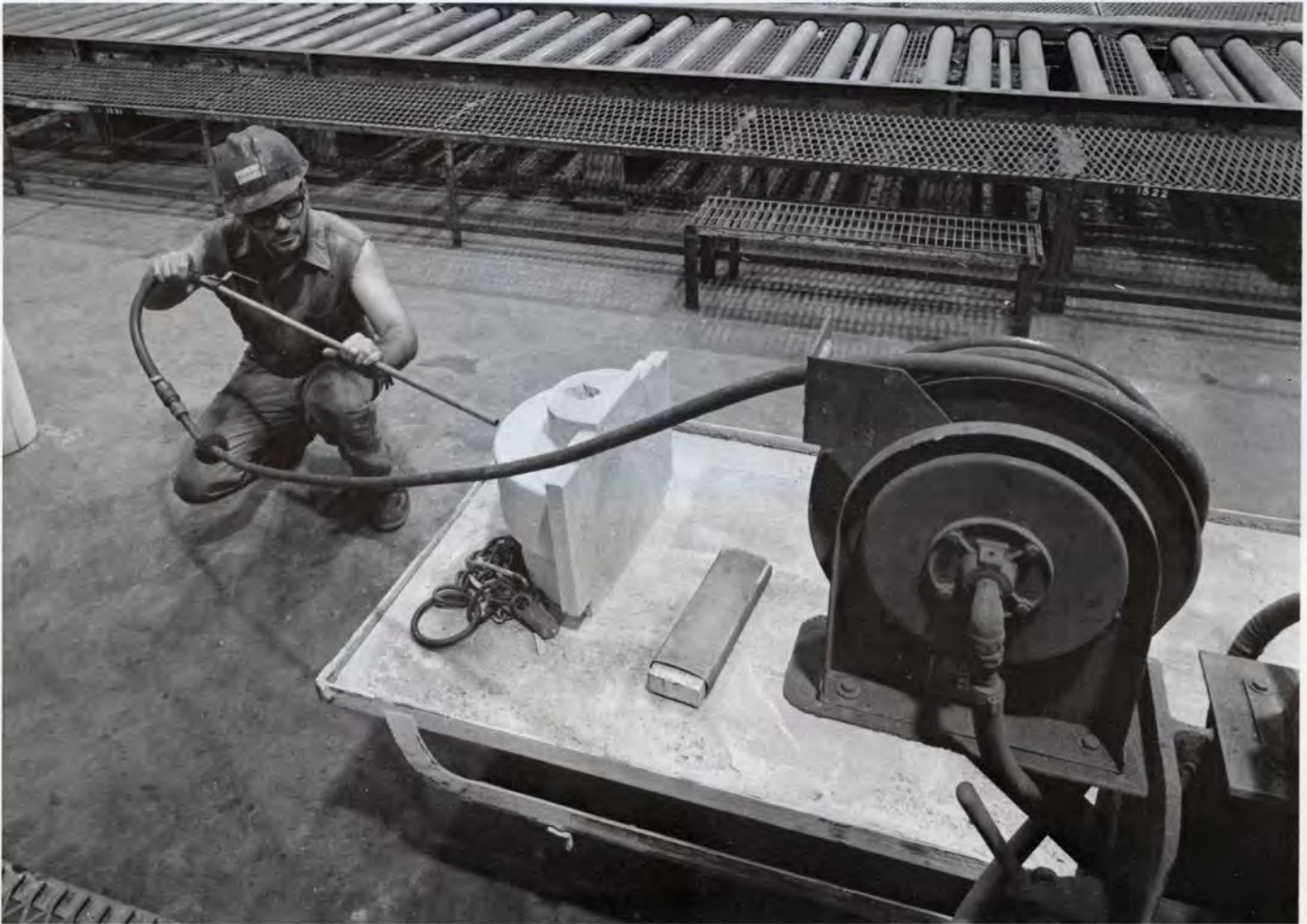
We hope that the business cycle has bottomed-out. Now - Let's begin the march back up the hill.

We shall return.

A handwritten signature in cursive script that reads "F B Stevenson".

Frank B. Stevenson

Suggestion Box



The young man in the picture above is Carl Canino, transfer car operator, foundry department. Carl is one of those innovators that Mr. Stevenson wrote of on the facing page. He discovered a problem on the core-up line in the foundry. There are several hoses and cords along the core-up line to assist the employees in their jobs. Because these cords and hoses lay on the floor, across the conveyors, and in the transfer car paths, they are prone to breakage, not to mention the safety hazards created for the workers who walk through the area.

Carl noticed that when a hose or cord was severed it meant the entire core-up line would stop while the repair was made. The line also slowed down each time someone moved the hoses. Carl, himself, would stop his transfer car to remove hoses and cords from the car's pathway.

Carl freely admits that the next part was somewhat difficult. You see, he had a wonderful

idea but Carl has a problem getting his thoughts on paper. He took his idea to a foundry supervisor and the supervisor knew how to describe Carl's idea so that retractable cord and hose reels could be installed along the core-up line.

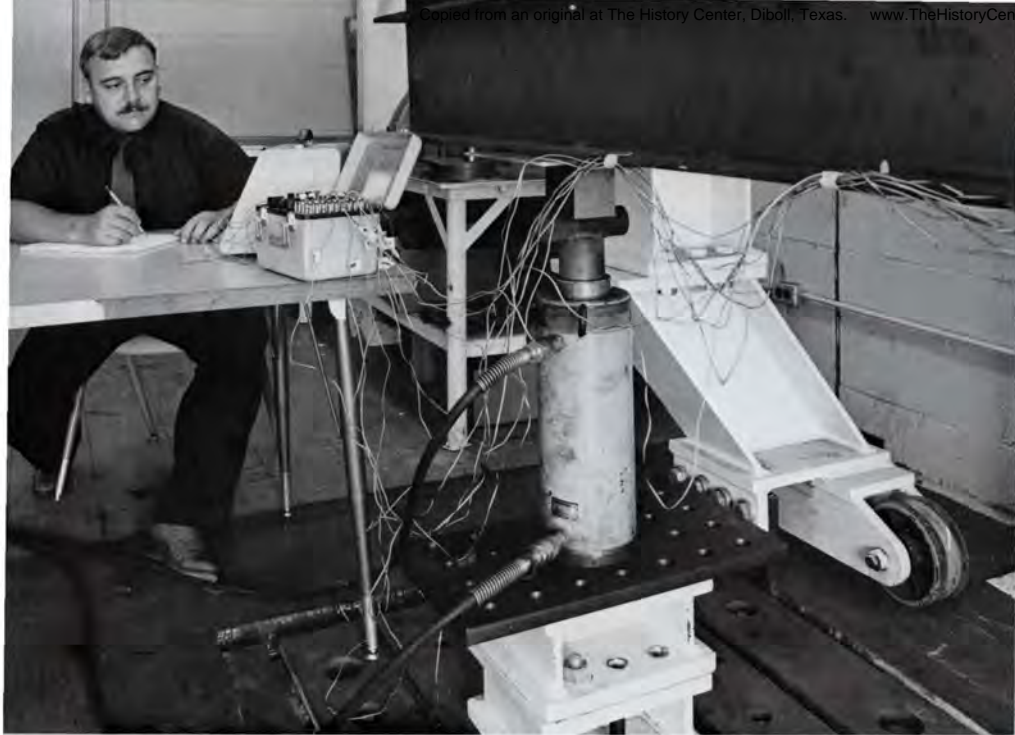
The overall benefit of Carl's idea is hard to measure, but the foundry maintenance department reports a 25 percent reduction in the usage of pneumatic hose which means that there are fewer breaks, so there is less downtime, and Carl is able to keep his transfer car running without something getting in the way.

Do you have an idea that needs to be heard? But you have a problem expressing it, or maybe you don't know whether your idea is a good one. Do as Carl has and tell your supervisor. We need your ideas now more than ever.

Kurt Martin

Testing

by Kurt Martin
Photos by Viron Barbay



Lexie Dean records data while testing materials in the trailer plant test lab. The cables along the beam are connected to strain gauges which "feel" movement or flexing at critical points of the beam.

test \ˈtest\ noun 1: a critical examination, observation, or evaluation.

That's Webster's definition and it is applied each day at LUFKIN Industries.

When you hear the word "test" one of the first places you might think of is the High Speed Test Stand in the commercial gear factory (see cover photo). This facility, regarded as the best in the industry, is available to our commercial gear customers for evaluation of gear products prior to installation.

Precision best describes the preparation of a gear test, critical alignment of the gear to the drive motor, dynamometer, or other devices. Then a spaghetti bowl of wires, hoses, and pipes brings life and a nervous system to iron, brass, and steel. It reminds you of an emergency room loaded with monitors, scopes, and chart recorders. In the test, conditions such as noise, temperature, vibration, and oil flow are measured. This extensive testing prevents future problems in the field.

Another test area is the Metallurgical Lab in the Foundry. Quick answers are important here as huge ladles of molten iron are readied for pouring into molds. A small sample is taken and sent through a pneumatic tube to the lab in the Foundry Main Office. In two minutes as many as sixteen different elements have been measured for percentage of content. The lab technician knows immediately if the iron is usable for LUFKIN castings and

communicates the information to the foundrymen via two-way radio.

The Trailer Division has increased their product testing recently as new designs leave drawing boards to become prototypes. Lexie Dean reports "Our new dump trailer is being constructed right now and as soon as it is finished we are going to connect strain gauges in the critical areas, load the trailer, pull it down the road, dump the load and record the data from the strain gauges on a chart recorder." The same method will be used on a new drop deck frame trailer under consideration now.

Lexie explained the need for the comprehensive testing in this statement, "If a trailer component breaks, we take special note of that situation and correct it immediately, otherwise our name and reputation is at stake. That driver can travel the highways bad mouthing our company and product. We want to engineer the problems out of our products and we will use testing to validate our calculations."

Bobby Spells and Kurt Ulmer conduct product testing in the engineering lab. It is here that each part of a pumping unit is scrutinized for function, durability, and wear.

In the near future a new means of testing pumping units will be functional. A new test well is being constructed next to the engineering lab which will allow testing of up to a twelve foot stroke pumping unit and in the future could be extended to a twenty foot stroke. According to Bobby, "This

for Quality Assurance

well will actually check a unit under field conditions," as opposed to loading test units with constant loads.

Cecil Hunt explained the loading further, "We have buried an air-balanced cylinder to which the sucker rod will be connected. We will use lube oil in association with an air system and a series of accumulators to pressurize the cylinder and thus provide a varying load on the pumping unit."

Valves will control the intensity of the load and future computer controls could make possible simulation of any field condition that a customer could face.

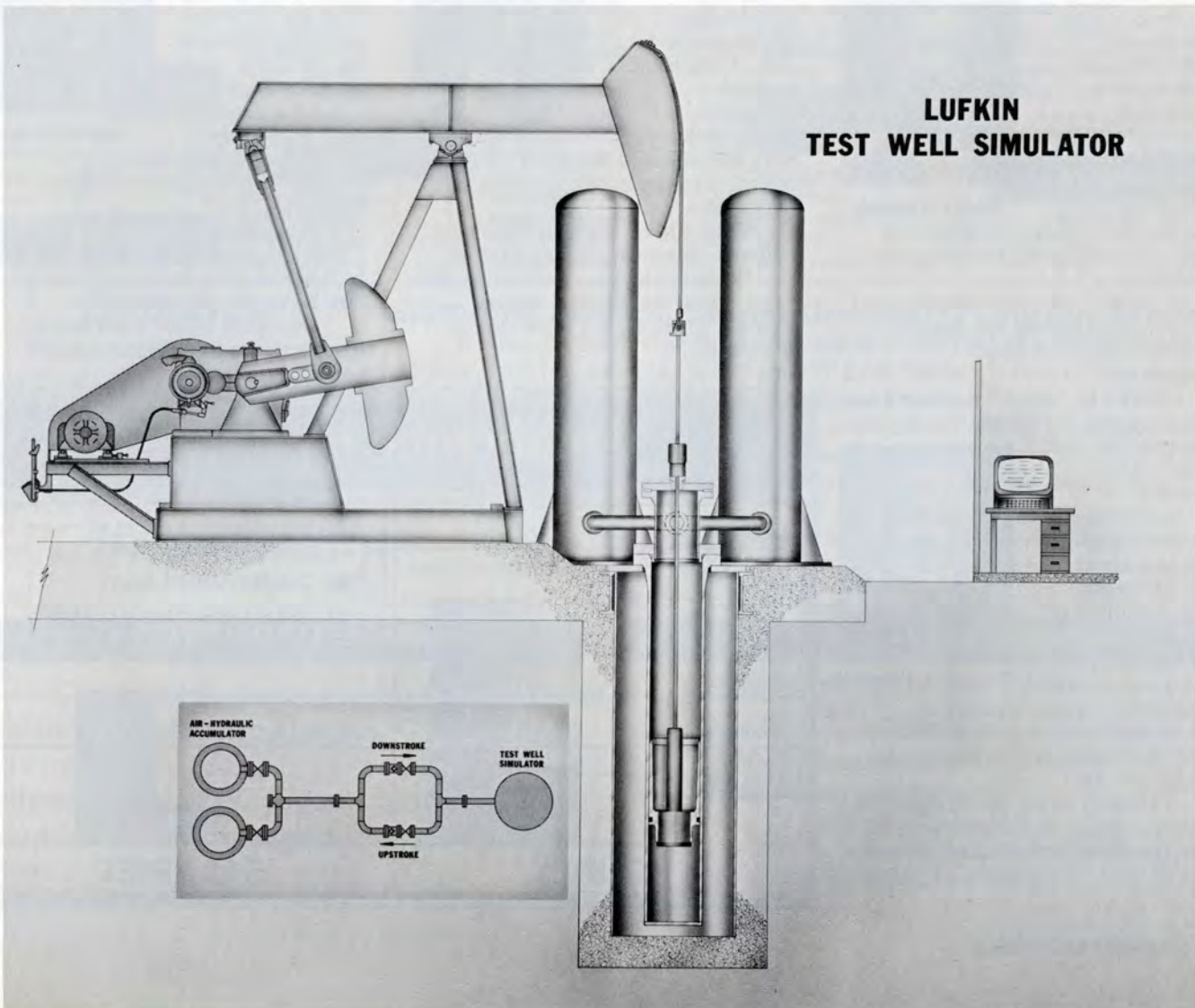
Other potential improvements to this test facility could make possible exhaustive comparison of LUFKIN's pumping units to our competitors and overall efficiency of pumping systems and individual components.

This merely scratches the surface of the products we test. Behind the scenes there are countless examinations of processes and controls that affect not only the finished product, but analyze safety, health and environment conditions.

Testing is conducted to insure your occupational safety, the health of our neighbors and to insure the superior quality of LUFKIN products.



The drawing below, produced by Bob Freeman, shows the key components of the test well and a flow diagram which indicates flow paths of the air and lube oil used for loading test pumping units.



Promotions

Sandra DiStefano has moved from the engineering micrographics department to the position of chief engineer's secretary at the Trailer Division.

After initially coming to LUFKIN as a secretary in the machine shop, she moved to the engineering department where she worked in micrographics for approximately seven years.



Sandra DiStefano

A graduate of Central High School, DiStefano has also attended Angelina College.

DiStefano and husband Charles who is a Foreman at the trailer plant with nearly twenty years experience, have two children, son, Scott, 12 and daughter, Angela, 4. The whole family enjoys sports, centering on bowling.

Allen L. Fancher has been promoted to foreman in the Trailer Division.

A veteran of over twenty years working with trailers, Fancher has worked in mechanical maintenance since joining LUFKIN. Working up through the ranks, Fancher was a class A mechanic for nearly 17 years before receiving this promotion.



Allen L. Fancher

A graduate of Center High School, he enjoys both fishing and hunting in his time away from trailer maintenance.

Charles B. "Buck" Kendrick has been promoted to foreman 9 in the van chassis set-up area of the Trailer Division.

Kendrick, who just celebrated his 30th anniversary with LUFKIN, most recently was an assembly foreman and prior to that was a class A mechanic for nearly ten years.



Charles B. Kendrick

Kendrick and wife Leona have three children, Charles Jr., 21, Garyn, 16, and Cheryl, 14.

A Hudson native and Hudson High School graduate, Kendrick and family attend the Bethlehem United Methodist Church.

James F. Lord moved from the shop to the office when he signed the Job Posting for and accepted the position of draftsman A in the foundry.

After graduating from Lufkin High School, Lord began his career at LUFKIN 15 years ago in the pattern shop as a pattern maker apprentice, moving to class B in 1973 and then to class A in 1975.

Lord and wife Billie, have three children, Jennie, 11, Christopher, 3, and Heather, 3 months. The Lords attend the Hudson Church of Christ.

Donald R. "Bo" May has been promoted to foreman in the mechanical maintenance department of the Trailer Division.

May joined LUFKIN in 1984 and worked in the machine Shop mechanical maintenance department as a class A mechanic until this promotion.



James F. Lord



Donald R. May

A Lufkin High School graduate, May also attended Stephen F. Austin State University in Nacogdoches for over a year.

Wife, Cheryl and May have two children, Shannon, 19, and John, 16.

When not hunting and fishing, the Mays attend the Redland Baptist Church, where Cheryl is the church secretary.

Louise Melton has been promoted to secretary to the machine shop vice-president.

Since joining LUFKIN in early 1977, Melton has spent all but a few months as a machine shop secretary, working most recently as a technical secretary in industrial engineering.



Louise Melton

Melton and husband, Daniel, are the parents of two children, Michelle, 15, and Daniel IV, 13. The Meltons attend the First Baptist Church of Lufkin.

After graduating from Lufkin High School, Melton attended Angelina College.

Sharon Spells, after signing a Salaried Job Posting, has accepted a promotion as secretary to the sales manager of the Trailer Division. Spells, who joined LUFKIN in 1984, makes the move from the receptionist/clerk position in the Industrial Supplies Division.



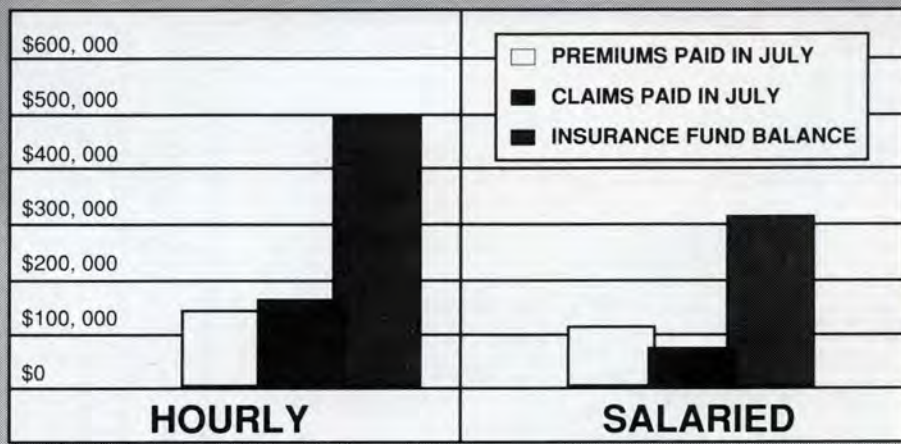
Sharon Spells

After graduating from Center High School, Spells attended Southwestern Business College in Houston.

Spells and husband, Bobby who is LUFKIN's engineering lab manager and a 20 year employee, have two daughters, Kimberly, 18, and Andrea, 12.

The Spells attend Faith Baptist Church where Sharon is the church secretary.

Insurance Update



SEPTEMBER ANNIVERSARIES

Accounting		Harold Hicks 36	James Copeland 7	John Freeman 2	Darcey Faircloth, Jr. 21
Roy Myers, Jr. 14	Roosevelt Adams 31	Jim Still 6	Material Control		Ada Beck 21
Jimmie Fenton 12	Edward Flemon 23	David Henning 6	Larry Cloyd 20	Gary Jones 21	Albert Mills 20
James Harrison, Jr. 10	Bobby Strange 20	Harry Sledge 5	Henry Havard, Jr. 12	Tommy Miller 19	Tommie Miller 19
Pam Lovett 8	J Higgins 17	Bruce Cunningham 3	Shirley Daddow 9	Charles DiStefano 18	Billy Durham 18
Gary Porter 5	Melvin Powell 17	Machine Shop		John Pena 17	John Pena 17
Kevin McKay 3	Kenneth Burnett 16	Bobby Wood 25	Personnel Dept.		Oscar Malone, Jr. 17
Charlene Havard 3	J Rodgers 15	Joseph Behannon 24	Lee Lowery 6	Rex Bailey 14	Rex Bailey 14
Canada		Keith Strickland 24	Ginny Russell 6	Shirley Ware 14	Shirley Ware 14
Joseph Pisesky 3	Charles Riggins 12	Charlie Rhodes 24	James Boonstra 1	Linwood Fenley 14	Linwood Fenley 14
Robert Hoerer 3	Marvin Dill 12	William Sides 24	Hilburn Slaid 1	Marvin McKnight 14	Marvin McKnight 14
Corp. Comm.		Donald Traylor 23	Gregory Wilson 1	Jackie Hewitt 13	Jackie Hewitt 13
Jo Ann Anderson 6	Frank Lankford 11	Larry Cordova 22	Structural		Andy Beddingfield 12
Corporate		Hollis Barnhart 20	Marion Christie 31	Susie Phillips 12	Susie Phillips 12
Margaret Johnson 1	Henry Credit 11	Samuel Barrow 20	Coy Minshew 25	Richard Wallace 10	Richard Wallace 10
Engineering		Gerald King 10	William Hutson 24	James Baldwin 9	James Baldwin 9
Robert Nunn 20	Joseph Penn 9	Archie Taylor 20	William Tarver 23	Sandra DiStefano 9	Sandra DiStefano 9
Betty Niosi 8	William Pennington, Jr. 9	Betty Wood 20	Glenn Edwards 22	Lemon Hamilton 8	Lemon Hamilton 8
Paul Collins 8	George Castillo 9	Bobby Allen 19	Ronald Doss 20	James Murphy 8	James Murphy 8
Christina Randolph 7	Roger Sowell 9	Thomas Stricklin 18	Palmo Frels 19	Joe Sanches 7	Joe Sanches 7
Vernon Speicher, Jr. 3	Larry Hunt 7	Michael Cummings 17	James Brennan 18	James Smith 7	James Smith 7
Kent Neuvar 2	Raul Castillo 7	Terry Johnson 16	Rickey Buchanan 14	Larry Grimes 6	Larry Grimes 6
Robert Jones 2	Richard Holloway 1	Oscar Arant 14	Wayne Spratley 12	Willie Limbrick 6	Willie Limbrick 6
Final Assembly		David Burke 1	Douglas Steel 11	Olivo Lopez 6	Olivo Lopez 6
Rayford Davis 24	David Burke 1	John O'Connor 14	Guadalupe Sanchez 11	Travis Harris 3	Travis Harris 3
Willie Walker 16	Norman Shoemaker 1	William Mosley 14	Truman Belrose 10	Robert Molandes 3	Robert Molandes 3
Freddie Rudisill 13	Ned Hitesman 1	Jerry Watson 13	Jo Hugg 5	Greg Mora 3	Greg Mora 3
James Tudor 9	Geraldine Williams 10	Henry Sargent 13	Trailer Plant		Sharon Spells 2
Foundry		Carl Moore 12	Leon Carroll 35	Robert Scott 2	Robert Scott 2
Edwin Patterson 27	John Purvis 8	Eldon Newton 12	J. Crawford, Jr. 31	Jose Lopez 1	Jose Lopez 1
Rose Courtney 13	John Purvis 8	Mitchell O'Neill 11	Kenneth White 24	Roosevelt Adams, Jr. 1	Roosevelt Adams, Jr. 1
Kenneth Diana 9	John Purvis 8	Leonard Sharp 11	Marilyn Ivy 24	Welding	
Fred Coulter 9	Bobbie Havard 8	Francis Bridges 11	Henry Williams 24	Royce Ashworth 23	Royce Ashworth 23
Industrial Supply		Lynne Owens 7			Jesse Ross 16
Gary McMorrow 5	Gary McMorrow 5	William Ford 11			Joe Audrey 12
Jesse Bengé 2	Jesse Bengé 2	Claude Williams 11			
Machinery Sales		Thomas Harris 8			
Edwin Patterson 27	Edwin Patterson 27	Thomas Downey 8			
Rose Courtney 13	Rose Courtney 13	Jason Parrish 7			
Kenneth Diana 9	Kenneth Diana 9	Milton Phillips 7			
Fred Coulter 9	Fred Coulter 9	Harlon Smith 7			
		Edward Perley 7			
		Willie Wigley 5			
		Wendell Davis 2			

Changes

Dariet Stripling, yard crew, foundry, has moved to the trailer plant as a helper. **Bryan Squyres**, maintenance, foundry, has moved to the trailer plant as a helper. **James Murphy**, Buck Creek, has moved to the trailer plant as an electrical department specialist. **Dale Frels**, foreman 9, Buck Creek, has moved to the trailer plant.

Memorial Medical Center Discount Program Available

A new discount program is available to employees of LUFKIN Industries through the Memorial Medical Center of East Texas. The discounts range from 5 to 25 percent on various hospital services.

Services included in the discounts are inpatient rooms, prescriptions filled by the hospital pharmacy, outpatient surgeries, intensive care and nursery facilities, skilled nursing services, individual fitness testing, and other programs.

To qualify for the discounts simply let the admissions clerk know that you are an employee of LUFKIN Industries and the discounts will be applied.

SEPTEMBER COVER

Cover photo shows our high speed test stand for commercial gears. This facility is regarded as the best in the industry. Inset photo: Bobby Spells monitors test equipment in the engineering lab during a stress test on pumping unit parts.

THE ROUNDUP

Volume 43, Number 9, 1986

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James Horton, Director of Personnel /
Corporate Communications

Michael Mark, writer

Kurt Martin, Mgr. AV/Photographic Services

Viron Barbay, Photographer

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

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The Lufkin Team Back Cover

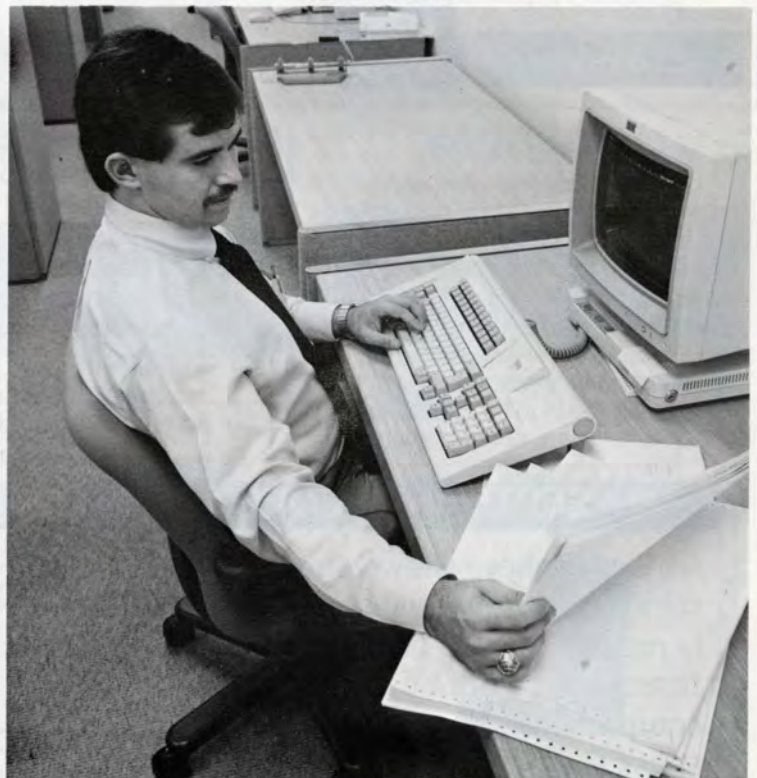
The Lufkin Team



Diane Farrior



Gary Porter



Neil Bowman