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Taking Integrity Underground

Worldwide underground storage tank replacement project targets 500 sites a year

by Stacey Simon

In a massive global undertaking that began in 2005, Chevron is replacing the underground storage tank systems (USTS) for gasoline, at 500 sites annually as part of a \$1 billion project with environmental, economic and societal benefits worldwide.

The seven-year international USTS program, a major environmental and safety Global Marketing project, upgrades all retail, commercial and industrial tank systems we own across Asia-Pacific, the Africa-Pakistan region, Latin America and Europe and, in the process, instills our world-class operating standards at each site. A USTS includes the tank, connected piping, ancillary equipment and any containment system – all of which are underground.

As a result of mergers and acquisitions over more than two decades, we find ourselves managing issues associated with the underground gasoline tanks at roughly 8,000 service stations in 73 countries across four continents. Concern for the environment – and plain economics – drive the need to standardize the replacement, operation and maintenance of these tanks.

With its billion-dollar price tag, USTS has been one of the biggest challenges facing our downstream organization since bringing the retail marketing operations of Caltex and Texaco into the company.

In early 2003, Global Marketing began to assemble a database of information about each site, determining the age, material and location of the tanks at each and prioritizing those requiring replacement. Since then, the group has worked to standardize the design, installation and subsequent maintenance of the 3,500 tanks identified for replacement over the next seven years.

According to Glen Parker, USTS global construction manager, we have had a tank integrity system since the 1980s in North America. “We started upgrading during the 80s. Then the United States introduced storage tank legislation in the 1990s. Since then, all tanks in the United States have already been upgraded to meet U.S. standards.”



Some of the USTS team

Making the Case

"This project has an impact on the environment throughout the world," says Lucinda Jackson, USTS project manager during the planning phases. "If you can protect groundwater from leakage, that's a huge impact."

Adds Andy Walz, who heads the project's decision review board, "In addition to doing what is right, there is a clear business case to be made for doing this. It's economical to replace tanks sooner rather than later and avoid the much higher costs of cleanup and any potential impact to the company name and reputation."

The cylindrical replacement tanks, which range from eight to 10 feet in diameter and from 20 to 40 feet in length, hold 6,000 to 10,000 gallons of fuel. Most of the original tanks, the oldest dating back to 1936, were made of single-walled steel, which typically has a 15-year life expectancy before becoming susceptible to corrosion.

"... it's the right thing, the forward-thinking thing to do."

- Fabio Naranjo, USTS Project Manager.

The replacement tanks are double-walled and are constructed of either fiberglass, corrosion-protected steel or a combination of the two. They also feature secondarily contained pipelines. The "tank within a tank" concept includes special monitors that detect leaks in the interstitial areas between the vessels. The new tanks are expected to last at least 30 years.

We have spent more than \$1.3 billion on remediation in the United States since the late 1980s cleaning up sites. The seven-year, \$1 billion USTS budget includes the cost of remediation needed at any replacement sites. According to USTS project manager Fabio Naranjo, the USTS project makes sense because these costs could double in the future. "Besides," he adds, "it's the right thing, the forward-thinking thing to do."

The Devil's in the Details

While tank maintenance and replacement is nothing new in itself, Fabio explains, the USTS project sets an ongoing, world-class goal for standardizing the operating practices for all sites – not just the replacements. "It's not just the hardware; it's all the systems around it that make the project best in class."



"The USTS program is the result of a team effort," Fabio adds. "Each and every USTS teammate has shown passion and dedication to the project in order to make it happen and help improve excellence in leak prevention at Chevron."

Operational excellence, our hallmark, has been the cornerstone of the USTS project, which began in 2002 when Global Marketing began to develop a worldwide inventory of the retail and commercial sites with Chevron-owned underground storage tanks, detailing – among other things – the type of tanks and lines, their age, previous leak history, current leak detection and their location. This inventory is the basis upon which decisions about tank replacement prioritization are made.

Site prioritization, a key component of the USTS project, is but one piece of this complex undertaking. Creating consistent standards around the manufacture of replacement tanks; their installation, operation, maintenance and disposal; and site remediation has meant a contractor selection process of global magnitude. This global sourcing also promises to deliver – through negotiation and leveraging opportunities – a savings of \$20 million to \$40 million over seven years.

“With that, we will have more reliable suppliers, a more effective fuel system and, finally, lower environmental costs,” explains Yingpant Vichitpant, retail facility global category manager, who has headed the USTS procurement efforts since the beginning. When the project began, he adds, “it was the largest project in Chevron Marketing’s history.”

Out with the Old

“We are being very careful in whom we select to do the work,” says Bob Wilkenfeld, Retail business unit manager for Chevron Environmental Management Co. and head of USTS project remediation. “When the tank pits are opened up, our role is to detect if the old tanks have leaked. If they have, our job is to understand the magnitude of the release and determine whether it poses a hazard to human lives or the environment.”

The tanks and lines are excavated and removed. Contractors take soil samples that are analyzed onsite and sent to certified chemistry laboratories. Remediation standards, when they exist in other countries, may differ considerably from those in the United States. “When no standards exist, we rely on standards that are internationally recognized, such as those from the United States, Australia, New Zealand or those that have been developed by the World Health Organization,” Bob says.



“Our job is to find a cost-effective way to remove contaminants to a level that protects people and wildlife,” he adds.

After almost three years of “prep work” – during which the site inventory, replacement priority list, equipment and operating standards, regulatory tracking, and vendor selection processes were developed – tank replacement began in July 2005, with 570 suppliers and contractors from 19 countries approved for the project. By the end of December, tanks had been replaced at 274 sites. Between this year and 2016, the goal is to replace tanks at 500 sites a year.

“When we look at a project, we evaluate its likely economic, environmental and social impact,” says Glen. “This project has a triple bottom line – it makes sense all the way around.”

Keeping Critical Talent on Board

'Strategic staffing' aims to retain, develop and recruit

by Renee Silveira

How does the company sweeten its appeal to critical talent? That's a big question, touching upon a lot of issues, including when and how many of the "baby boomers," as they're called in the United States, will opt to retire. There are 77 million baby boomers – people born from 1946 to 1964 – in the United States alone and millions more in Canada, Europe, Australia and Japan. Even in countries that don't have the same demographic bulge, competition for talent is growing.

The ripple effect of the baby boomers' eventual exodus from the labor force will compound the fierce competition for talent already jostling the oil and gas industry. More than ever, "strategic staffing" is top-of-mind here.

At a strategic staffing summit in San Ramon, California, in December, Vice Chairman Peter Robertson emphasized the importance of one-on-one, candid communication in keeping critical talent on board. "Chevron needs its talented people to achieve its success," he said. "So why not sit down with your manager or supervisor and talk about the work you are doing and where you are headed. Why not ask 'what's in this for me?'"

The importance of retaining critical talent can't be overestimated. Losing a valued employee early drains the talent pipeline and squanders the time and energy invested in that person. When a midcareer employee leaves, it's not only talent but a lot of experience and knowledge walking out the door. And losing a technical wizard or a phenomenal leader could be tragic.

"Basically, people have to like what they are doing and the company they're working for. And they need to feel that their views and work really matter," says Cary Mrozowski, manager of strategic staffing and the management sponsor for our international exploration and production company.

"Our scientists want to have enough time to stay on top of their technical fields," he continues. "So why don't we reduce the administrative load on our geologists, for instance? Isn't their time better spent looking at rocks than trying to figure out some complex cost-code situation?"

Why Read This? Find Out About:

- Plans for keeping critical talent
- Flexible work schedules
- 'Career movement'
- The Boomers' Network



A strategic staffing summit held in San Ramon last December drew participants from as far away as Nigeria and Thailand.

Employee feedback on a survey within our energy technology and information technology companies seems to indicate that Cary's point is well taken.

"One of the possibilities we're looking at is bringing back some administrative and technical support," says Jim Schultz, general manager of Human Resources (HR) for Technology and Services. Last year, our Technology Leadership Team commissioned a study into what drives employee engagement, commitment and retention. The survey indicated that promotion opportunities, internal/external equity (competitive compensation), manager quality, feedback and recognition, and workload/work-life balance are factors that employees rate as the most relevant to retention. The technology companies are deliberately addressing these fundamental drivers through specific hiring, development and retention efforts.

Baby boomers, research indicates, are interested in easing up on their work schedule. "Chevron has policies and programs already in place to provide this flexibility, and they could be better utilized in helping us retain our critical talent," says Scott Swasey, general manager of Total Remuneration. As an example, Scott cites the concept of phased retirement, which can include part-time work for a retirement-age employee. There are seven approved schedules in the United States, ranging from half-time to three-quarter time, with salary prorated accordingly. Alternatives outside the United States can also be explored.

Hard Facts

Retaining key talent isn't the only hurdle. Recruiting challenges are higher than ever, too.

According to the U.S. Bureau of Labor Statistics, from 1983 to 2002, the number of U.S. petroleum engineers plunged from 33,000 to 18,000. In the same time, industry geologists and geophysicists dropped from 65,000 to 48,000, and the number of U.S. universities with petroleum engineering programs dropped from 34 to 19. Increasingly, more students consider the oil and gas industry old-fashioned, short-lived and environmentally unfriendly.

A recent study by Schlumberger Business Consulting indicates a deficit of geoscience and petroleum engineering university graduates in North America, the Middle East and Russia. There is an abundance in Latin America and Asia, especially in China and India, but recruiting competition is certain to increase with business growth and nationalization.

"Why not ask 'what's in this for me?'"

- Peter Robertson, Chevron Vice Chairman

Midcareer professionals are expected to be in undersupply and in great demand over the next decade. According to a 2004 report by the Society of Petroleum Engineers, the average age of its members is 49, and half of the current professionals are likely to retire by 2010. "Poaching" within the industry – companies hiring talent away from one another – is rampant, even within the service companies.

Recruiting

"We're pretty competitive against other companies. We clearly have a very good and ethical reputation, so we definitely get our share of the top talent," says Cary.

"Companies that are the most effective in college recruiting have an ongoing relationship with the universities, not just the once-a-year contact," he says, adding that our Centers of Research Excellence at three U.S. universities are the epitome in campus presence.

Our 2004-2005 university recruiting included a 67 percent acceptance among candidates offered full-time jobs and a 74 percent acceptance among students offered intern positions. So far this year, we have higher than a 70 percent acceptance for both full-time and intern positions.

The Global External Talent Sourcing project, headed by Courtney Coffman, is providing help to the operating companies – if they need it – in recruiting university graduates and midcareer professionals with globally transferable skills. “One of the project deliverables is improved Web recruiting tools, including the capability to store and sort external résumés in a searchable database so we can match individuals to jobs and streamline a number of recruiting processes,” he says.

Nurturing Talent

Once the employee is in the door, the pressure continues. “Development of the individual – across the entire life cycle of the person’s career – is crucial,” says Glenn Phillips, manager of Global Workforce Development (GWD). “We need to give employees the experiences they need for development,” he adds, noting that accelerating the identification and systematic movement of future leaders is important as well.

The pace of development is a factor for the company’s younger employees. “Career movement will happen faster for them than it did for their supervisors; it’s a new day,” notes Eric Johnson, former manager of Horizons, a development program focused on the first five years of an upstream employee’s career. “It’s not a good message when experienced employees and supervisors say to a new hire, ‘It took me 28 years to get to this level; you have a long way to go.’”



Midcareer employees need nurturing too. Eric mentions that a version of the Horizons program is being created for upstream employees who have been in the workforce for six to 15 years.

Mentoring is built into the Horizons program and is a big factor in its success. “It’s time-intensive, but we need to make time for it,” says Cary. “Some people have an innate ability and want to teach. It would be a huge benefit if experienced employees stayed a year or two instead of retiring and could pass on their knowledge to new people.”

Knowledge Transfer

Mentoring, of course, is the ultimate form of knowledge transfer because it is enriched by the human interaction. When it doesn’t happen in an organization, there can be a void in terms of shared knowledge.

“We need to ask, ‘When our experienced people walk out the door, will our new people know how to operate everything safely, effectively and competently?’” says Jeff Stemke, our knowledge management specialist. “Typically, we don’t adequately prepare for turnover. It is important to document as much as is practical,” he notes. “But this can capture only a small fraction of what is in an expert’s head. There is no substitute for one-on-one coaching to transfer the knowledge gained over years of experience.”

An Evergreen Process

Glenn can’t remember a time when workforce planning was more center stage than now. Lani

Sinclair, a member of GWD, leads a team canvassing the company for processes and projects related to strategic staffing. Her team is also building a network for sharing tools, best practices and knowledge from internal and external sources.

“Workforce planning needs to be aligned with business strategies, and we need to manage and develop our talent so we’ll have all the capabilities, experience and skills to execute those strategies,” explains Lani.

Alan Preston, vice president of HR, calls strategic staffing an evergreen process. “We’ll need to sustain this commitment and not get into a cycle as we have in the past,” he says, referring to inconsistent levels of recruiting – some years we hired in high numbers and other years we hired in low numbers.

At December’s strategic staffing summit hosted by Lani’s team, participants talked candidly about the daunting staffing challenges their organizations faced. “Be relentless in getting your message heard,” said Glenn, urging the group to be persistent in communicating staffing issues to management.

There’s no debate that open and frank dialogue about important issues – whether about an organization’s hiring needs or an employee’s career path – is the best practice for communication.



That’s what Tim Stonelake envisioned when he first thought about organizing a group to discuss the ideas and issues of baby boomers like himself. Tim, an information technology applications supervisor in the San Joaquin Valley business unit in California, discussed his idea with now-retired Janet Winters Smith, senior adviser in diversity programs. Thus the Boomers Network, our newest employee diversity network, was born. Officially sanctioned in September 2005, it is co-chaired by Tim and Courtney. “There are a lot of variables affecting when we’ll opt to retire, and until we do, we can help the company by getting actively involved in mentoring, sharing our knowledge and experience, and developing the next generation of leaders,” says Tim.

The fact that a “Big Crew Change” will occur in some of our national populations is a statistical certainty. We have the analytical wherewithal to forecast it with a reasonable degree of accuracy. Leaders at all levels in our company understand its potential impact and are putting in place plans to address it. We are taking the steps now to ensure we have a trained global workforce with the capabilities necessary to meet our future business needs.

‘A Clear Leader’ Target for Drilling

How the whole is becoming greater than the sum of two parts

by Renee Silveira

Six months into the Chevron-Unocal integration, drilling managers and others share their thoughts.

In Thailand recently on a visit, Kevin Lacy, the head of Global Drilling and Completions (D&C), noticed “how ‘we’ is used a whole lot more than ‘they’ in conversations.” That’s the tone and direction Dave O’Reilly wants to hear as we set out to become a leader in drilling. In this year’s global teleconference, Dave spoke of our tremendous value proposition in drilling. Referring to the synergies, he noted, “We have the wherewithal and the talent to do it” – that is, to become No. 1 in drilling among the majors.

In Thailand, Efficiency, not Speed

Dave Payne, drilling manager in Thailand, says we’re “building something that is better than either company.” That sets the bar high, considering that Unocal was drilling wells at a greater pace and a lower cost than competitors. Success is not about speed, Dave emphasizes, but about efficiency.

One key practice is to take as many operations as possible “off the critical path,” Dave explains. For example, using auxiliary equipment to pick up pipe and have it standing, ready to run into the borehole, is more efficient than waiting until the rig is ready to run the pipe.

The collaborative spirit is growing despite separate office buildings. “We’re about 25 percent through the integration,” says George Buck, manager of drilling engineering in Thailand, “but already we’ve helped each other solve some problems. And we’re seeing some advantages in the procurement area,” he says.

Mike Haas, manager of drilling operations in Thailand, says, “We’re looking at each other’s best practices and deciding what to adopt as a standard. For instance, we’re comparing what we use as drilling fluids.”

In Kazakhstan, a Year Ahead of Schedule

In Kazakhstan, the giant Tengiz Field is one of our Big 5 projects. Buddy Barnett, the drilling manager, reports that drilling for the Sour Gas Injection/Second Generation Plant Projects is a year ahead of schedule and under budget.



Buddy Barnett (center, in blue shirt, with the Rig 4 crew), drilling manager at the Tengiz Field, has 35 years experience in drilling.

“Our vision is to be the clear leader.”

- Kevin Lacy, head of D&C

“We have drilled 42 delineation and development wells, reducing drilling time from 220 days to 60 days per well,” he says, adding, “we applied the ‘tech limit’ process to our drilling operation, which means we evaluated the borehole, section by section, applying the best solutions to each segment.”

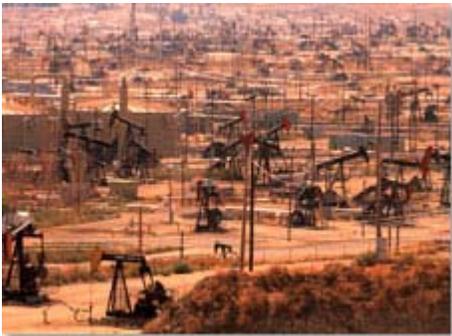
Buddy also credits DERM (Drilling, Exploration and Reservoir Management), a cross-functional team approach that enables geologists, for instance, to stay with the project through implementation rather than handing it off to the drilling engineering team.

Since 2001, the average well cost has decreased from \$24.7 million to \$14.6 million, and the total recordable incident rate (TRIR) has dropped to 0.94 – down 68 percent from 2.94 TRIR.

“This year, we will be drilling Ansagan 1, our first exploratory well in Kazakhstan,” says Buddy, adding, “Ansagan means ‘wishing for something good.’”

Expanding Drilling Team Model

In Houston, Barry Gouger is the manager of Geological and Geophysical Operations (G&G), based there. The function he leads is somewhat similar to what Buddy describes, except that G&G mainly focuses on exploratory prospects and appraisal wells.



“We’ve also been asked to help with Blind Faith and Tahiti, one of our Big 5, in the Gulf of Mexico because of the complexity of the wells,” he says, explaining that G&G, adopted as a best practice from Unocal, is being used in western Africa and Canada as well.

“G&G is brought in as part of the integrated drilling team and helps the drilling engineer translate the earth scientist’s model into a well design,” he says. A two-person team from G&G rotates out on the rig, monitoring the well real-time and communicating with onshore colleagues by satellite.

Global Workforce

Houston-based Ladi Oke is the D&C sponsor for national employees from Angola, Nigeria, Thailand, Indonesia, Kazakhstan and Latin America. He helps the upstream business units identify career development opportunities for their in-country drilling employees.

“We have very talented and very dedicated employees worldwide,” he says, explaining that structured mentoring programs are needed for our new and young employees outside the United States and the United Kingdom. “Our people need to know they have a path for career growth – and equal opportunity. This is essential for their satisfaction and retention,” he says.

In Nigeria, Safety by Example

Our company is an industry leader in drilling safety and has been so for the past three years. Last year, the drilling group in Nigeria attained a safety record of zero lost-time incidents.

Rob Weakley, the deepwater drilling manager, says the key to safety motivation is leadership. "You can tell the crew that they have the authority to stop work if safety is in question, but they won't really believe it unless you prove you mean it. That's why my leadership team and I go out on the rigs every month," he says. "We stage safety stand-ups, stopping work on the rig and engaging the crew in safety discussions."

Nigeria hosts the Agbami Field, one of our Big 5 projects.

In Indonesia, Celebrating Performance

Bachtiar Fatah, drilling manager for PT. Chevron Pacific Indonesia and based in Duri, Sumatra, celebrates his team's safety commitment every 90 days.

Recognition is important, not only for safety but other performance as well, Bachtiar says. "We have an amazing amount of energy in our people, and this is critical to our success," he says. The North Duri development plan calls for drilling some 2,400 wells from 2007 to 2011. A small footprint rig, equipped with an automated pipe handler, will be used to enable "faster moving and drilling that also will be done safely – the right way," he notes.



In the United States, Volume Base Business

In the San Joaquin Valley business unit in California, tight well spacing is also characteristic of the fields, where Chase Hinson is the acting drilling and completions manager.

"We drilled 700 wells last year; they were shallow, but the spacing issues required a lot of coordination," he says. "We're drilling in the midst of producing wells where there are active steam drives, pipelines and electrical equipment. Drilling a well here is not a separate event."

In Western Australia, Technical Challenges

In Western Australia, managing drilling operations – in the midwater Gorgon and Wheatstone and the deepwater Jansz fields – is technically challenging. The upstream Australasia business unit and our energy technology company (ETC) are collaborating to find solutions.

"The Gorgon gas contains about 16 percent carbon dioxide, which is very corrosive," says John Peters, the drilling manager. "ETC is helping us choose the type of tubing we will need for the Gorgon well design. Instead of carbon steel, we will use a rather exotic material – 25 percent chrome alloy," he says.

The next milestone for the Gorgon project – one of the Big 5 – will be moving from the Phase 3 front-end engineering design to Phase 4 execution, scheduled for late 2006.

The Chevron portfolio is reaping opportunities and challenges in which our D&C team will continue to "show their stuff," says Kevin. "Our vision is to be the clear leader, and our global capabilities will enable us to reach that goal."



HOW IT WORKS

All-Around Marvel Does 360s

Sanha's FPSO is a liquefied petroleum gas processing factory that floats. It's also a feat of engineering, with living quarters for 60.*

by Nancy Boas

When the seas get tough, Sanha's floating production, storage and offloading (FPSO) facility pivots on its permanently moored heel, turning as much as 360 degrees to find the position of least resistance to wind, currents and waves.

Doing 360s in swells churning from the Congo River 25 miles (40 km) away is just one of the marvels of the Sanha liquefied petroleum gas (LPG) FPSO, permanently moored 30 miles (48 km) off Angola's Cabinda province. The vessel is the world's first purpose-built LPG FPSO facility.



Close-up of Sanha's FPSO

It has already set records as long as its acronym. It is believed to store more LPG than any vessel in the world. Its processing column, called a depropanizer, is nearly as tall as a 20-story building and is thought to be the largest ever installed on a floating structure. The FPSO also has the world's largest tunnel thruster – a giant Rolls Royce–built propeller that can maintain the vessel's heading relative to ocean swells.

The FPSO can process up to 37,000 barrels of LPG a day. Here's how: Its depropanizer heats up the LPG, which then slowly snakes through stainless steel routing, called structured packing, that separates the LPG into propane and butane products.

Refrigeration rooms separately chill the propane and butane, and special cryogenic



Sanha's FPSO

tanks store up to 135,000 cubic meters of the liquids at near atmospheric pressure. Storing them as gases at atmospheric pressures would require a vessel roughly 250 times as large.

The propane and butane are offloaded to shuttle tankers, which transport the liquids to onshore terminals, where they're sold around the world for heating, cooking, fueling vehicles, and for industrial and other uses.

Sanha's LPG FPSO is part of a larger initiative, called the Sanha Condensate Natural Gas Utilization Project, which aims to reduce natural gas flaring in Angola's offshore Block 0. Sanha produces crude oil and natural gas from its reservoir. LPG is a component of natural gas; and condensate – a light, liquid hydrocarbon similar to gasoline – is present in natural gas and in light oil, such as Sanha's.

The Sanha project collects the "wet" natural gas and strips it of LPG and condensate, yielding "dry," LPG-free gas, which is reinjected into the Sanha reservoir. Reinjection is necessary to maintain reservoir pressure and long-term production rates.

Platform F-GIP in Area A, which has been producing LPG since the mid-1980s, also contributes its 4,000 barrels a day directly to the Sanha LPG FPSO.



Turret that allows Sanha to swing

At peak production, the Sanha Condensate Natural Gas Utilization Project will produce up to 100,000 barrels a day of liquids by 2007. Sanha's reduction in routine flaring will eliminate an estimated 2.2 million tons of carbon dioxide emissions a year.

Chevron's Angolan affiliate, Cabinda Gulf Oil Co. Ltd., has a 39.2 percent interest and

operates Block 0 on behalf of its partners.

*An FPSO (floating production, storage and offloading) vessel is an offshore oil and gas processing factory that can process the mixture of oil, gas and water from oil wells into eligible crude oil and natural gas. Finished crude oil is stored and exported to shuttle tankers through an offloading system.



Deep in Hurricane Zone

Deep in the post-hurricane rubble, Scott Reppel recovers his daughter's treasures



Scott Reppel

***Principal investigator,
Eastern Gulf of Mexico,
Chevron North America Exploration and Production***

Days after Hurricane Katrina shredded the Gulf Coast, Scott Reppel returned to South Timbalier 151, anxious to restore production to a group of shelf platforms in the eastern Gulf of Mexico. Restoring his family home was less easy: He waited two agonizing months before he and his neighbors in Buras, Louisiana – where Katrina ripped ashore – were allowed to return home. Scott is one of hundreds of our employees whose lives were, and continue to be, affected by hurricanes Katrina and Rita.

Dear Colleagues,

At first, there's a sense of "Where do you begin?"

I'm a principal investigator for the South Timbalier production group in the eastern Gulf of Mexico. We call it South Tim 151. It's a group of five fields in about 150 feet of water. We produce oil and natural gas. Our main living quarters are on South Tim 151Y. With company personnel and construction crews, we've got about 80 people staying there currently. We work seven days on, seven off. My job is in reliability engineering, preventing failures and improving equipment run time. But I'm also involved with process optimization, utilizing new technologies to improve our business.



We've been real busy since Katrina.

When we first returned to our platforms after the hurricane, it was unbelievable seeing the damage caused by water. Words can't describe it. You'd see big steel beams twisted. Deck gratings blown out. Equipment moved around. Entire platforms gone. We figured Katrina's waves were at least 60 feet (18 m) high.

Every step of the way, safety has been our top priority. I'm proud to say the whole Gulf of Mexico business unit evacuated and remobilized our platforms without a single incident.

Back on board, our engineers and operations crew looked at the damage and made a prioritized plan to restore production operations. It's overwhelming at first, but once you have a starting point and a schedule to work toward, it becomes doable. Everything has gone as planned and we've stuck to our schedule. As of last week, South Tim production was back up to 70 percent of our pre-storm levels, and we plan to restore more over the coming weeks.



Kitchen Before

Restoring our home is another matter. I live in the town where Katrina made landfall – Buras, Louisiana. My two children are the sixth generation of my family living on this property, which my great-great-grandfather moved to in the late 1800s. He was an English captain who worked as a branch pilot, guiding sailing ships through the constantly changing sand bars of the Mississippi River's southeast pass.

Buras stretches along the river, about 60 miles (97 km) south of New Orleans. It's about a mile (1.6 km) wide, bounded by the Mississippi River levee to the northeast and a hurricane-protection levee on the Gulf side to the southwest. Over the years, I've watched the marshes between Buras and the Gulf of Mexico sink and erode. After my grandpa, who lived on this land, survived hurricanes Camille [1965] and Betsy [1969], he started fussing about that back levee. It does more harm than good, he said, trapping water that's overrun the levee instead of letting it drain out.

When Katrina hit on August 29, my wife, kids and I had evacuated to nearby Lafayette. By September 9, I still couldn't get a shred of information about my house, and the local government wasn't allowing us back into the parish. My brother and I got so frustrated, we hired a sea plane to check our houses from the air. The homes of my brother, my mother, my father-in-law and my uncle – all in Buras – had washed away. My house had been submerged in 14 feet (4 m) of water at one time during the storm. By the time we flew over, it still had 3 feet (1 m) of water around it, but it was standing.

“It's like an archeology dig. You clean a little at a time, looking for keepsakes in the debris.”

For days in Buras, the water sat trapped between the two levees.

On September 20, I was finally allowed into the parish, with a police escort, to inspect my house for one hour. There was still standing water around my home. Inside, the ceilings had collapsed, there was grass in the roof beams, and furniture and other belongings were scattered everywhere.

Hurricane Rita hit four days later, flooding my house again, though only 6 feet this time. It wasn't until October 10 before I could return home to salvage some belongings.

Since then, I've spent every seven days off cleaning it out. So far, I've got seven rooms cleaned, three to go. It's like an archeology dig. You clean a little at a time, looking for keepsakes in the debris. I found little dancing figurines that belong to my 14-year-old daughter; getting them back meant a lot to her.

I don't know if we'll ever live in our home again. There's no question that I'm going to keep it and fix it up, because it's been in my family so long. But for now, we've relocated to nearby Abbeville, and our kids are slowly adjusting to a new school. One day, we may move back.

My family and I deeply appreciate everything Chevron and employees have done for us. I can't believe the generosity of employees and the Chevron Humanitarian Relief Fund that helped us financially. It makes me proud to be part of an organization that's so concerned for the welfare of its employees.

The way I look at it, my family is fortunate. We're alive, we've got our health, and we can start again. A lot of people can't say the same.

Sincerely,

Scott Reppel



Kitchen After



What's the Best Advice a Colleague Has Given You?

by Rachel F. Elson

Bernardo Domingos

*Production operations engineer,
Southern Africa business unit,
Cabinda, Angola*



“About three years ago, I was discussing my

performance agreement with a senior employee here, and he suggested that I make sure my personal goals were aligned with the business unit's objectives. Now I look at production numbers at the end of every month to make sure our business unit is on track – if there are any variances, it's part of my job to figure out how to make up the shortfall. ”



Carmen Veiga

*Housing and transportation coordinator,
Latin America business unit,
Caracas, Venezuela*

“The best advice I've received is to keep going

with my studies. When I first started here, eight years ago, I just had an associate degree. I planned to keep going, but it's not so easy to work and study at the same time. My supervisors and my managers here encouraged me, though, and now I have my bachelor's degree and am making plans to get an MBA as well.”

Gulzira Utetleuova

*Planning analyst,
Eurasia business unit,
Almaty, Kazakhstan*



“Don't be afraid to ask stupid questions. It's the

advice I've used the most. Sometimes it's hard – if you don't know the subject well, you wonder, 'Is this a smart question? Is it an appropriate question?' But in my job, there's always something new going on. You have to let people know if you don't know something – so you can get to a better decision.”



Frank Cassulo

*Business coordinator for LNG regasification ventures,
Global Gas,
Houston, Texas*

“Early on, a manager I worked with said I should

always understand how a project adds value to the corporation. I try to do that with every project I work on – it helps me prioritize and focus my work activities and keeps me from losing sight of the value drivers.”

Rudi Sanders

*Manager for sales and marketing, Benelux,
Global Lubricants,
Ghent, Belgium*



“About a dozen years ago, a colleague saw me

reacting angrily to something on my computer and told me to take a break – to never reply immediately to an email that made me upset. It applies to other forms of communication as well, but email in particular tends to polarize things; there’s no body language to mitigate a message. So instead of reacting immediately, I take a few minutes, get some coffee, talk to a colleague. And then my reply is more objective, more positive.”



We received dozens of letters about the Chevron Humanitarian Relief Fund, which donated more than \$1.5 million, tax-free, to 300 employees who suffered \$50,000-plus property damage in this summer's hurricanes in the U.S. Gulf of Mexico region. The fund came from employees, retirees, partners, the public and from the company. Recipients weren't alone in their gratitude.

'We've got the right folks'

Our people are to be admired for raising this much money to help their sister locations. I know we can conquer this hard task of rebuilding our Gulf Coast – we've got the right folks.

— GPorche@chevron.com

'Wonderful work force'

It would take a lifetime to express our thanks to everyone who donated to this fund. Without the help of fellow workers this recovery could not have been possible. Our hearts go out to each and every one in this wonderful work force we call family.

— jmcg@chevron.com

“We've got the right folks.”

- GPorche@chevron.com

'Starting over'

After 30 years working for Chevron, my family and I are starting over and rebuilding our lives. I lived in Buras, Louisiana, and I'm planning on going back there to live. Thank you to everyone who helped those of us who lost everything and are trying to get back on our feet.

— eppe@chevron.com

Editor's note: The eye of Hurricane Katrina made landfall in Buras. The town was wiped out.

'Truly awesome'

It was truly awesome witnessing how our small, individual donations made such a large impact on those affected by the hurricanes.

— Wendy.warren@chevron.com

'Heart is full'

Thank you all who gave. My heart is full knowing so many people cared. I will always be thankful.

— JearlSmith@chevron.com

'The loss seems less'

We don't know when we will be able to return to our home. But because of people like you, the loss seems less. I thank you with all my heart for what you have done for me and my family. I am so very blessed to work for a company with so many caring people.

— kaac@chevron.com

Line Rider responds:

Success to all.