UNION CARBIDE CORPORATION
100 OCEANGATE, LONG BEACH, CALIFORNIA 90802

April 29, 1976

Mr. L. C. Wingerd
Chevron Asphalt Company
1520 Powell Street
Emeryville, California 94608

Dear Lloyd:

Thank you for the time spent with our Mr. R. E. Byrne, Mr. Tom Fletcher and myself on April 20th. As previously discussed, the following data should be useful in determining which of our two "Calidria" Asbestos grades, High Purity Open (HPO), or High Purity Pellets (HPP), will be useful in your formulations.

Since your recent trial in using the High Purity Pellets resulted in extended mixing cycles, the options to improve this time period are these: alter the production system to accommodate the HPP, by using high speed mixing equipment, or overnight presoaking of the HPP in either water or oil; or use the High Purity Open that is known to be compatable within your system. You may also wish to assess a dollar valuation on the use of HPP with its longer mix cycle, but offset by its lower cost and lower freight rates. It's possible one would negate the other, and the use of HPP should provide a cleaner plant.

Consideration should also be given between the dust count normally obtained using Canadian Asbestos verses the count obtained during the recent trial using HPP. If there is not a significant difference between the two, then the High Purity Open should be utilized because of better all around economics. These include promixity to our King City, California plant, (200 miles); HPO should affect a more efficient use of the fiber, figure on a 75-85% substitution rate; and finally, during a period of potential shortage of certain Canadian grades, we offer a more than adequate ore reserve, calculated to last some four thousand years at present usage.

Below are listed the current freight rates from our King City, California plant to your Oakland, California plant:

Rail

HPO - 83,200#
King City, to Los Angeles, to Oakland
$2.09/Hundred

PLAINTIFF'S EXHIBIT
Union Carbide 377

HPP - 120,000#
King City, to Los Angeles, To Oakland
$1.22/Hundred

Truck

HPO, Class 55, 40,000# Rate on 27,000#
$1.00/Hundred, plus 1% Total weight, plus $2.85

HPP, Class 35, 41,000# Rate on 40,000#
$ .85/Hundred, plus 1% Total weight, plus $2.85

Please let me know if we can supply additional information or material for evaluation. Thank you for your interest in "Calidria" products.

Very truly yours,

T. P. Norris

C.C. Mr. Peter E. Schultz, Oakland, California
Mr. J. F. Aldrich, San Francisco, California
Mr. Bob Ayres, San Francisco, California

TPN:nw