METALS DIVISION

# CUSTOMER CALL REPORT

Save

CUSTOMER & LOCATION Montello Sand Springs, Oklahoma

INDUSTRY CLASSIFICATION Drilling Mud Distributors

SALESMAN J. E. Walsh REGION Southern DATE OF CALL 5-16-77

PRODUCTS DISCUSSED:

| Cr | Mn | Spec. | Si | $CaC_2$ | W | V | Asb. |
|---|---|---|---|---|---|---|---|
| ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | X |

Other: _____

PLAINTIFF'S EXHIBIT UC-709

PERSONS INTERVIEWED:

Ken Campbell, President

CALL OBJECTIVE:

Introductory call made with R. E. Byrne on our drilling mud distributor.

RESULTS OF CALL: Business has been rolling along quite well this year with Super Vis, Shurelift, and Visbestos 110, 102 and 403 of budget. Montello maintains 15 warehouse operations throughout the southwest more or less as back up stock protection when California shipments can't be delivered in time to meet immediate emergency needs. Toxicology and the recent blast was a subject that touched down here also and a rehash of what transpired two weeks ago was done with Ken. Our individual shrink wrapped package has been a big help in reducing dust in the field, Ken said, over our previous package when often loose fiber in the sleeve escaped when the pallet wrap was removed. Ken is in very close contact with Dr. Rhodes on the toxicology topic and John Myers on our marketing so future calls here will be in the courtesy-social category as well as providing Montello with another instrument of communication within our group should they so desire to use it.

FOLLOW-UP ACTION REQUIRED:

COPIES TO: Gen'l. Sales Mgr. (2); Mktg. Services; Others: REB:JRL:TPN:WCT:KC-FILE:NE-FILE

J. E. Walsh

# METALS DIVISION

## CUSTOMER CALL REPORT

Save

CUSTOMER & LOCATION Montello-Sand Springs, Oklahoma INDUSTRY CLASSIFICATION Drilling Fluids Distributors

SALESMAN J. E. Walsh REGION Southern DATE OF CALL 2-21-78

PRODUCTS DISCUSSED:

| Cr | Mn | Spec. | Si | $CaC_2$ | W | V | Asb. | Other: |
|---|---|---|---|---|---|---|---|---|
| ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | X | |

**PERSONS INTERVIEWED:** Chuck Petri, Office Manager
Allan Johnson, Technical Director
Mike Miller, Controller

**CALL OBJECTIVE:** Call made at the headquarters of our drilling mud distributor.

**RESULTS OF CALL:** Met their new controller on the job the second day today and introduced myself to Chuck for the first time. Chuck mentioned the couple of large orders that he had just placed with us recently and confirmed the fact that they now expect to be about 50% better across the board on their sales from the figures Ken Campbell gave me back in November 1. Wyoming and North Dakota still remain a problem for them with their customers because of the OSHA medical exam requirement but the Gulf states of Texas and Louisiana have really opened up and are rolling. Allan added that sales could really sky rocket if they are able to get the new oil wetted pellet material project going as one of the largest potential accounts for them, Amoco is extremely interested in it. Allan was most appreciative of the cooperation he has gotten from our Falls technology people and Chuck added his kudos for the fine service he gets, ex. our King City people. Montello has taken the plunge Chuck said as they are moving back into Tulsa in the next 30-60 days and will be located at 6106 East 32nd Place.

**FOLLOW-UP ACTION REQUIRED:** Montello operates out of 7 warehouse locations to provide regular and emergency service to their customers.

**COPIES TO:** REB:JRL:TPN:WCT:KC-FILE:NF-FILE

REPORT OF CALL

Calidria ASBESTOS

cc for R. E. Byrne, Jr.
B. L. Ingalls
J. L. Myers
W. C. Thurber
KC-File
NF-File

UNION CARBIDE CORPORATION
P.O. Box 579 Niagara Falls, N.Y. 14302

H. B. Rhodes
&
By B. L. Ingalls

Date 3/12-3/14/75

| | |
|---|---|
| Full Name Montello, Inc. | Interviewed |
| Address Sand Springs, OK | Mr. Ken Campbell |
| Mfrs. of "Calidria" Asbestos Distributor | Mr. Harry Wyatt |

OBSERVATIONS

A combined dust count and technical meeting trip was made in Texas and Oklahoma in the time period noted above. Both the SVB project and a number of other business problems were covered.

SVB PROJECT

The data available were discussed in detail with both Wyatt and Campbell. In essence the SEM and screening tests have shown that Flosal contains two distinct types of asbestos:

1. Large fibers up to several hundred microns long and around 1μ in diameter.

2. Very fine well-opened material consisting of fibrils or fibers made up of only several fibrils.

Both of these ingredients made important contributions to performance under different field conditions. SVB is made up of approximately uniform fibers (and fiber bundles) moderately larger than the fine component in Flosal.

We are having great difficulty in coming up with a Calidria product that is generally competitive. Based on laboratory tests it has been found, however, that screening of Flosal removes some of the larger fibers and reduces performance substantially. Since many wells use shaker screens this could be an important sales point.


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asbestosclaims.law/library/15941/3

Based on these discussions, the following short term course of action was agreed to:

1. UCC will provide copies of the SEM pictures and some additional screening plus Fann viscosity data on the screened fractions.

2. Montello will set up a field test at a well using a shaker screen. The mechanism of action of the laboratory and continuous shaker screening is quite different and laboratory results may not extrapolate to the field. UCC will participate in the field test and will make comparative dust count while SVB and Flosal are being handled.

3. UCC will check out three additional potential ways to improve SVB. These are a.) recycle of baghouse fines, b.) additional wet shearing with existing plant equipment, and c.) test the Manton-Gaulin Homogenizer as a different type of high shear equipment.

SHRINK-FILMED SUPERVISBESTOS

The first CL of shrink-filmed Supervisbestos was examined in the Davis Mud Company warehouse in Woodward, OK. A dust count was made while around 100 bags were loaded into a truck and then unloaded back into the warehouse to simulate delivery on location. The highest asbestos count obtained was 0.6 fiber/cc. This is a ceiling value.

Visual observation of the bags indicates they were in excellent condition. The film was generally quite tight around the bag with only small amounts of asbestos between the film and the bag. There was occasionally a small hole in the film. The bags did not leak asbestos or appear to give off significant dust when handled or thrown.

The man who unloaded the rail car reported that there was no visible asbestos on the floor and they did not even have to sweep out the car. He also noted that there were a dozen or two bags that were not shrink-filmed but were loosely enclosed in a plastic overwrap bag. Examination showed that these had considerably more loose asbestos inside the bag and were somewhat difficult to handle. It is assumed that this was done to complete a load when the shrink film machine was out of order. This is certainly a reasonable solution but should be avoided wherever practical.

Dust counts were also made at two rigs where the shrink-filmed Supervisbestos was dumped into the mud. The highest asbestos count found was 1.8 fibers/cc. This is a ceiling count.

MAGOBAR OIL-BASED MUD

In response to Mr. Campbell's questions the current status was presented as:

1. Dresser was scheduled to run a field test the first week in March. We had not heard whether this had been run.

2. In spite of Cecil Haley's comments to the contrary, as far as we knew Magobar intended to buy SVB through Montello and make their own silane treated material.

AEC - Mesa

This operation under another name has been awarded funds and a series of underground shots are planned starting in June 75. Our asbestos-bentonite mix is the prescribed mud for post-shot hot holes and they expect to use about 500 tons in a 12-14 month period following June.

OIL CENTER RESEARCH - (Gilbert Gossan - 318-232-2396)

Mr. Campbell had contacted them on March 10. The HPO had been tested, performed very well, and apparently has been selected for the formulation. (The crushed SVB did not work and arrangements have been made to return it to Montello).

OCR has been disappointed in the slowness of their market growth. They do feel, however, that they have a good product and are pushing.

It was reaffirmed that Montello would get 10% discount off list on HPO and that they could buy it at the CL price in combination with SVB.

SHELL OIL DUST COUNTS

Shell Oil Company has provided a copy of both their own fiber counts with crushed SVB and the "joint" counts with granular SVB. On the granular material the Shell counts ranged from 0.6 to 6.4 fibers/cc. The comparison UCC counts ranged from 0.7 to 8.3 fibers/cc. Agreement between specific counts ranged from excellent to different by a factor of 2-3. The differences were random, i.e. one laboratory was not constantly high or low. Overall the spread is really about as what would be expected considering the field conditions under which the samples were collected.

The only count over 10 fibers occurred with the granular SVB for the man who was catching the thrown sacks. The limited tests run did not show any difference between crushed and granular SVB with, if anything, the crushed giving lower results. This merely illustrates the importance in the way the bag is handled in influencing the airborne dust level.

Shell calculated 8 hr. TWA values assuming a background level of 0.2 fibers/cc. The values ranged from 0.20 to 0.43 with most not far from the background.

OSHA PROBLEM - Lubbock Office

The uniformity ruling from the Dallas office has not yet be received. Lubbock continues to overenforce. The drilling contractor where we were scheduled to count on two rigs had been visited in the last few days and SVB had been noted on the premises. They were told that the next time they visited, if masks were not available and being used for handling asbestos, they would shut the rig down on-the-spot. It costs about $3000 a day for a rig so nobody wants to take chances.

OSHA PROBLEM - Lubbock Office (Cont'd.)

As of March 14, Davis Mud Company, the Montello distributor had provided throw-away masks to this location and SVB was back in use.

After restraining my impulse to go down to Lubbock and pound on the desk, an approach was worked out with Montello. They will continue to push to get the uniformity ruling. Assuming it is favorable, they will take the new package, the dust counts, the Utah "in compliance" and the ruling and make a "sales" call on the Lubbock OSHA office in the very true stance of a confused and injured small business asking for clarification. Hopefully, some sort of mutually agreeable ground rules can be worked out.

Typed 4/15/75
gt

FHL

REPORT OF CALL

Calidria ASBESTOS

APR 18 1975

cc for R. E. Byrne, Jr.
B. L. Ingalls
J. L. Myers
W. C. Thurber
KC-File
NF-File

UNION CARBIDE CORPORATION
P.O. Box 579 Niagara Falls, N.Y. 14302

H. B. Rhodes
&
By B. L. Ingalls
Date 3/12-3/14/75

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Typed 4/15/75
gt

REPORT OF CALL

Caldria ASBESTOS

cc for T. P. Norris
W. C. Thurber
J. E. Walsh
KC-File ✓
NF-File
J. L. Myers

UNION CARBIDE CORPORATION
P.O. Box 579 Niagara Falls, N.Y. 14302

H. B. Rhodes with
By J. L. Myers

Date 11/28/73

| | | | |
|---|---|---|---|
| Full Name | Montello, Inc. | Interviewed | |
| Address | P. O. Box 130<br>Sand Springs, OK 74063 | | Ken Campbell<br>Harry Wyatt |
| Mfrs. of | Distributor to drilling industry | | |

OBJECTIVE

Regular, approximately quarterly status meeting with our distributor to the drilling industry.

OBSERVATIONS

The writer and John Myers met with Montello in Chicago for about six hours on November 28, 1973. As usual, a wide variety of subjects was covered. The main points discussed and the conclusions reached are summarized in the following report.

Sales Volume - next 6-12 months.

Based on order entry rate over the last several months and on the increased drilling activity, their sales rate is estimated at:

| | | |
|---|---|---|
| NGSV | - | 10 T/Mo. |
| CSV | - | 200 T/Mo. |
| VB | - | 25 T/Mo. |
| IMB | - | 175 T/Mo. |
| | | 410 T/Mo. |

This is considerably above the 300 T/Mo. which is their current "allocation." It was agreed that we would adjust our bag ordering rate to this sales volume and would try to produce it if other product commitments made it possible.

There appears to be a possible discrepancy between their orders booked numbers and our sales invoiced. This may be only a matter of different time references. Ed Kleber and Chuck Petrie will prepare detailed summaries by month in order to check this out.

IMC Status - It appears certain that the increased sales rate of Imcobest will result in a period of 6-8 weeks where we are out of bags. The possibility of supplying it in Visbestos bags or plain brown bags at 40-45 lbs. each was discussed. Imco is extremely "brand name" conscious and Mr. Campbell is of the opinion that neither of these alternatives will be particularly attractive to them. Due to the apparent bag shortage, he has also not pressed them to place their (IMC's) agreed upon 2000 bag order for Galena Park inventory. A cards-on-the-table talk between IMC and Montello is planned in the very near future.

We asked why IMC is buying from Montello at a considerably higher price than the $63.50 per ton that they could obtain material directly from Atlas. There was no clear-cut answer to this but it appears to be a matter of Montello's technical ability and service and that the UCC product works better in certain of their applications.

The possibility of losing the business to alternate suppliers was discussed. Pacific is known to be sold out but both Atlas and J-M Coalinga appear to have available capacity. Atlas recently purchased a CL of Visquick bags for Magobar. We are going to have to watch this one closely.

Energy Situation - It was pointed out by Montello that the drilling industry has a crucial place in the energy problem and may well be able to get special consideration in the allocation of materials, fuel, etc. that are in short supply. They have offered to help prepare a case if it becomes necessary and appropriate. Any further action is up to us.

Pricing - They are hoping to make some price changes January 1 to be effective February 1. In connection with this they would like to know what price would make the SG-144 type Imcobest product attractive enough to us to be a worthwhile product to supply. JLM will work this out and respond.

Prepayment of Freight - Occasionally, King City prepays a freight bill. It has become a long, drawn-out and difficult project for them to collect these from their customers. Ken Campbell will write a letter explaining the problem for JLM to cover with King City.

Contract Review: The present contract is "Evergreen" with six months' notice by either party. The performance requirement numbers run out in 1973, however. They question the need for minimum performance numbers when they are selling all the product we will supply them but are quite amenable to further discussions.

In connection with possible contract changes, it was noted that SG-144 (Visbestos and Imcobest) and regular SVB are now sold only to the drilling industry and through Montello.

The next move, if any, on contract changes is up to us.

Market Profile Analysis - They are getting started on doing a good job for completion by the end of January. We could provide no guidelines on how to account for the unsettled fuel and economic conditions in 1974 in an analysis of this type.


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asbestosclaims.law/library/15941/12

OSHA - Toxicology - The test report has been widely diseminated throughout the world and has been instrumental in calming fears and getting considerable business. Texaco is on the fence and the key men are Kane, McDaniel and Abbot in New Orleans. Abbot is new on the job and Ken Campbell will call on him in a few weeks when he gets established.

Flosal still talks about an "OSHA-Approved" product but none has been seen. As will be discussed later, the "new" Flosal is much fluffier and in a larger bag. It seems to be more, rather than less, dusty.

They have had some contacts with the local OSHA director re Material Safety Data sheets. It has been confirmed that they are only required for shipyards.

We were unable to come up with any further definition of when medical examinations are required. Told them the only violation we knew of for lack of medicals was cited as a nonserious violation and resulted in a $50 citation.

JLM Japanese HPO Sales - The Japanese situation re HPO is working out as JLM predicted and they are much calmer about it. JLM will check into the procedure by which they collect their commission. JLM will go through Wada to attempt to obtain a sample of the blended material from Telnite.

Use of W. R. Grace in Europe - They feel that there is a good possibility that Grace may have the same sort of key contacts that Tomoe had in Japan. This would supplement rather than conflict with their present European representation. JLM supplied the proper contact and Montello will write to them.

Fluid Loss Control Agent - The search for a suitable fluid loss control agent continues to be frustrating. General Mills has decided to push modified quar gums. These give good fluid loss control until the asbestos is added. Viscosity properties are still good but the asbestos ruins the fluid loss control.

The UCC HEC products give good fluid loss control in the presence of asbestos but ruin the viscosity properties. The UCC advice (T. G. Foster) to Montello is to get rid of the asbestos in the system.

This is an area that merits future technical effort but neither of us has the resources to commit to it at this time.

Product Packaging and Grinding - Possible packaging changes concerning the Auger packer and nonbreathing bags, possibly polyethylene were discussed. We considered briefly the possibility of shipping SG-100 and SG-200 pellets in bulk to Montello and having them grind in their disc mill and package. In the past this has never really looked attractive but it looks to be worth reviewing in the light of the present supply situation. A key consideration may be the practicality of making VB and IB from SG-100 pellets in an attrition mill. We HBR have some SG-101 in Niagara Falls and will screen out the -10 mesh portion and compare it with VB to get a preliminary indication of technical feasibility. If this looks attractive, we will arrange to have a few bags run through the disc mill at King City.

Workover Fluids - Samples of HPO, HPP, and RG-100X will be supplied for investigation as possible ingredients in workover fluids. These may become of increasing importance in the energy crisis.

New Flosal - The work done by both Montello and UCC in testing the New Flosal was reviewed. It appears that the new product is considerably finer than the old. It will form synergistic blends with bentonite but yields more slowly than SVB. It is clear they have made a significant technical step forward at the expense of a more dusty product. We plan to sit tight and see what develops in the marketplace.

Atlas Drilling Product - Atlas,too, has come out with a new product. It is also a fine grind and it looks like a bag-house material of the same type. Comparative viscosity tests are in progress.

AEC Mesa - This has been cut back to a very low activity level. Bought 800 bags CSV last month and expect 800 bags next month. This is used in small diameter core drilling.

North Slope - The earliest that oil will ship is in 1975. There is enough capacity in capped wells to fill the pipeline for several years. Rigs, crews, and pipe are short. A well drilled in U.S. will be yielding revenue in 6-12 months. Emphasis is thus on domestic drilling with a gradual increase in North Slope activity. We have some time, therefore, before any sudden requirement for hydrophobic asbestos is generated. The point that we have no immediate capacity was again made clear.

Geothermal Drilling - This is a development industry in the early stages and is moving forward slowly. Data on high-temperature properties continues to be very desirable to aid in market penetration.

New-Granular SVB Market Progress - They continue to have serious technical limitations in high-fluid loss muds. Dresher-Magobar and Exxon have a joint program using the impinger opening system tested previously in connection with sanitary muds. It looks promising. It would appear that the low-dust levels found for regular SVB have slowed interest in the granular product.

SVB Promotion - Montello has produced a 5-1/2 minute, sound film strip telling the whole SVB story. It is expected to help sales.

Typed 12/14/73
cjb

METALS DIVISION - "CALIDRIA" ASBESTOS

CUSTOMER CALL REPORT

CUSTOMER Montello INDUSTRY Distributor

CITY, STATE Tulsa, Oklahoma SALESMAN J. E. Walsh DATE 7-15-82

DOCUMENTS PROVIDED: MSDS ___ DUST COUNT REPORT ___ BLUE BOOK ___ OTHER ___

PERSONS INTERVIEWED: Ken Campbell President; Harry Wyatt Vice President; Chuck Petri Office Manager; Doug Goyer Chemist

CALL OBJECTIVE:

Annual review call made with R. E. Byrne and G. M. Lincoln, Jr.

RESULTS OF CALL: Thrust of the meeting was directed towards past and present sales performance (copy attached). In the 75-77 years while drill rig activity was at the 2000 level, asbestos was used in both the mud system and as a sweep compound. The negative publicity and OSHA requirements began to be felt around '78 and, while rig activity was increasing, asbestos was being removed from the mud system package (the larger of the two uses, volume wise). Today total asbestos usage is estimated at about 5M tons/year. While Montello admits to losing some market share, our sales decline this year is based mainly on the complete turn-around from predicted estimates as evidenced by the two trade newsletters attached. During the first half of the year Ken advised that rig operators worked off inventories and only bought for emergencies. Second half sales Montello feels will be in the 4-450 ton/quarter range, and the outlook for '83 is estimated at 6-650 tons/quarter. Montello field agents haven't fully let loose, according to Harry as they are now in the final stages of launching a marketing program based on new bag design, work practices, introduction of Univis and a flyer clarifying the OSHA medical requirements. Montello will send us a copy of the proposed flyer to run by our law department for comments as required by the indemnification agreement we have with them.

A variety of other topics were discussed and capsuled comments follow:

Telvis- Telnite the only mud service company in Japan, has kept out Flosal and expects sales of 100 tons this year and 330 tons next year of private labeled Univis.

New Distributor Agreement- Montello was advised that the revised agreement addresses the exclusivity issue and will be mailed to them next week.

Product Specifications- Bob Byrne updated all attendees that so far we are still on target for establishing tentative specifications for CSV/Univis during this quarter. More effort on both our part and Montello's is expected to meet this objective. Goyer is Montello's first full-time lab man which should improve the feedback we receive from their end.

| | Univis | | CSV | | Imshift | | | | | | TOTAL | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SALES YTD | TONS | M$ | TONS | M$ | TONS | M$ | TONS | M$ | TONS | M$ | TONS | M$ |
| | 68.4 | 14.2 | 620.3 | 122.6 | 63.0 | 12.6 | | | | | 751.7 | 149.4 |
| BUDGET | 2200.0 | 429.0 | 500.0 | 98.0 | 600.0 | 117.0 | | | | | 3300.0 | 644.0 |

FOLLOW - UP ACTION REQUIRED:

COPIES TO: TPN: REB: GLD: GML: KC-FILE: NF-FILE NF PERMANENT FILE

Mideast Freight Rates- The writer will investigate with UCID to see if reduced rates/subsidies or alternate movements of material from California to the mideast can reduce transportation costs to allow Montello to better compete in this area.

CSV Product Inventory- Disposition of 175 tons of CSV at King City designated as out of range on yield or viscosity or both was discussed and R. E. Byrne presented evidence that showed that essentially our product quality has not changed over the past 10 years. It looks like we set our specifications at an earlier higher range and as our production consistency has improved over the years we occassionally have difficulty meeting it. A list of the lots of material at the plant were given to Wyatt with the advice that we feel all but four of which will perform downhole. Montello will review the data and advise if the questionable material can be released.

Shurelift- The dwindling sales to Halliburton's agent, Imco Services were discussed and Montello anticipates that their new marketing program will halt the downward trend but it is possible that this outlet could disappear within the next two years.

DOT Regulations- Most of the drilling rig hauling equipment which Montello uses for pick-ups is flat-bed trailers and Chuck asked for clarification of the regulations on full-load point to-point movements. The writer will respond with UCC comments on the question.

New Ideas- The question was brought up during a "blue sky" discussion on looking again at the possibility of slyrrying asbestos, and Harry will capsule his thoughts on it. and send them to R. E. Byrne to investigate the feasability of it.

Dust Monitoring- Arrangements will be made to pick up additional rig monitorings this quarter and tie in a monitoring with Exxon based on their announced intention to start up 300 new rigs.

## MONTELLO SALES HISTORY 1975 - June 1982

| | TONS | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| PRODUCT | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | THRU 6/82 | 1982 BUDGET |
| CSV | 3784 | 2124 | 2503 | 2283 | 1326 | 2739 | 2139 | 518 | 500 |
| SHUR | -- | 774 | 803 | 625 | 633 | 746 | 441 | 63 | 600 |
| UNIVIS | -- | -- | -- | -- | -- | 96 | 166 | 68 | 2200 |
| VISB | 199 | 232 | 417 | 96 | -- | -- | -- | -- | -- |
| ARCOVIS | 9 | -- | -- | -- | -- | -- | -- | -- | -- |
| NGSV | -18 | -- | -- | -- | -- | -- | -- | -- | -- |
| IMCOBEST | 833 | -- | -- | -- | -- | -- | -- | -- | -- |
| SG-200X | -- | -- | -- | -- | 131 | -- | -- | -- | -- |
| TOTAL | 4807 | 3130 | 3723 | 3004 | 2090 | 3581 | 2746 | 649 | 3300 |

dac: 7/8/82

# WORLD OIL PUBLISHER'S LETTER

## A Special Report on the Oil Outlook from *World Oil*

P.O. BOX 2608 • HOUSTON, TEXAS 77001, U.S.A. • PHONE (713) 529-4301


January 21, 1982

Another pace-setting year is ahead for oil and gas in 1982. Doomsayers in and out of industry are trying to talk the most booming business in the U.S. into a recession, since it refuses to get there any other way. But the 12 months just past saw another new high in wells drilled for the second consecutive year and a new footage record for the fourth year in a row. Both will be topped in 1982.

Specifically, WORLD OIL's 1982 U.S. forecast calls for:

...90,422 wells and 420.4 million feet of hole, up 12.1% and 12.5% respectively

...41,856 oil wells and 17,153 gas wells, all time highs for both

...18,465 wildcats, up 2,000 tests over 1981 and 40% over 1980

...An average rig count of 4,675 units for the year.

These expectations are impressive from the standpoint of magnitude. Although projected percentage growth is only about half that of the past two years, such a reduction was expected as well totals soar. Some forecasters are predicting a greater decline in growth rate, but we cannot agree for two basic reasons:

First, prices will be sufficiently high to stimulate drilling. Even though U.S. crude prices should remain flat for the year due to the world market, they should average $34 per barrel. This price, coupled with a reduction in 1982 windfall profit tax (WPT) will provide adequate incentive for expected activity. There are too many unanswerable questions about the new administration gas decontrol plan, because it is subject to congressional tinkering. But FERC's intention to administratively increase price of gas between 10,000 and 15,000 feet as it did "tight sands" gas is a needed and positive step. If done within the next few months as proposed, resulting incentive could significantly stimulate activity in selected areas.

Second, E&P expenditures will increase in 1982 and adequate money will be available for the expected drilling rate. A few larger companies have announced budget cuts because of reduced net earnings, but by far the majority of large, medium and small operators plan increased spending this year.

If there is a dark cloud on the horizon, it is the possibility of a 1982 rig surplus--something of far more concern to contractors than operators. Excess rig supplies could continue to develop in selected areas, especially those that have not lived up to expectations (the Austin Chalk trend) or where major development programs may be ending. This surplus condition may not be as serious as some expect because of retirement of old units, a reduction in rig building this year and if continuing bad winter weather delays drilling programs that will have to be accelerated later. From the operator standpoint a softer rig market would be welcome, since it would lead to more competitive pricing that could help stabilize drilling costs.

All things considered, we think the "superboom" that began in 1979 will continue at a record pace in the months ahead.




*Union Carbide trial exhibit UC-709: Union Carbide Metals Division Call Reports and Reports of Call on Distributor...* Published by AsbestosClaims.Law

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The U.S. rig count is still slipping and more layoffs were announced by a supply company. Nevertheless, one company raised its budget. And in Canada, a scheduled wellhead crude price took effect.

• The U.S. rig count dropped to 2,816—down 29.3% from a year ago. The figure is 58 rigs below the previous week. Hughes Tool Co. says 1,714 rigs have been idled since the count peaked at 4,530 rigs on Dec. 28.

• International spot crude and product prices aren't expected to improve until fourth quarter, traders say.

Earlier, they had expected inventory rebuilding to spur purchases sooner. That hasn't happened partly because destocking is still under way.

Last week, OPEC spot crude and product prices remained flat at $31.20-32/bbl. Traders were waiting to see what action OPEC might take on official price and production ceilings for member countries at its meeting late last week.

Concern grew that OPEC won't be able to persuade Iran, Nigeria, and Libya to follow production ceilings set by the organization. Overproduction by those countries already has led to lower spot crude prices.

In the U.S., traders say third quarter spot crude prices may be lower than earlier expected. Some who had forecast $36/bbl late this quarter now say the price may stabilize near current levels. A prolonged crude surplus is being blamed for the lower than expected price.

Spot market price for sweet crudes to be delivered in August increased about 10¢/bbl last week to $34.60-34.75. Sour crude price increased as much as 25¢/bbl to $32.90.

Meanwhile, more U.S. companies raised postings to the prevailing $33/bbl for sweet crude and $31/bbl for sour.

• Average U.S. pump price for full service leaded regular gasoline is $1.302/gal—up from $1.297 a week earlier. Present price remains about 3¢/gal below a year ago and less than 1¢/gal above the beginning of 1982. Increases are appearing on the West Coast, and declines are showing up in the Southeast.

• Noble Affiliates Inc., Ardmore, Okla., added $11.4 million to the 1982 capital budget of its subsidiary Samedan Oil Corp., bringing planned outlays to $102.4 million.



Union Carbide trial exhibit UC-709: Union Carbide Metals Division Call Reports and Reports of Call on Distributor...
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# METALS DIVISION
# CUSTOMER CALL REPORT

Save

CUSTOMER & LOCATION Mission Coatings, Houston, Texas

INDUSTRY CLASSIFICATION Marine Coatings

SALESMAN J. E. Walsh REGION Southern DATE OF CALL 5-2-78

PRODUCTS DISCUSSED:

| Cr | Mn | Spec. | Si | $CaC_2$ | W | V | Asb. |
|---|---|---|---|---|---|---|---|
| ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☒ |

Other: _____

PERSONS INTERVIEWED: Don Ward, General Manager

CALL OBJECTIVE: Call made on 6 pallet RG-244 customer.

RESULTS OF CALL: The 244 being used here goes strictly into Ceilcote formulations and previous calls here were to no avail to get Mission to look at it in their formulations. Finally lucked out and found Ward, the decision maker, in and discussed the regulatory and toxicology issues. After finishing up those topics we launched into the usage of 244 in the products that Mission makes and the quality and economic benefits they could expect using a raw material they already had in house. Proposed a dust monitoring being as one has never been done to show them just how low the fiber levels were and how well within the regulation boundries they were. Don accepted the offer of our doing the monitoring in return for his authorizing Frank James, his chemist, to evaluate 244 in the Mission formulations. Ward said he would talk to James and set up an evaluation schedule for us as soon as possible.

FOLLOW-UP ACTION REQUIRED:

BLI - Please let me know when you get a good date to combine with Houston.

J.W.- Phone James around 6-15 to check his progress on evaluating 244.

Union Carbide trial exhibit UC-709: Union Carbide Metals Division Call Reports and Reports of Call on Distributor...
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REPORT OF CALL

Calidria asbestos

cc for J. L. Myers
J. V. Murray
W. C. Thurber
NF-File

UNION CARBIDE CORPORATION
P.O. Box 579 Niagara Falls, N.Y. 14302

By H. B. Rhodes

Date 4/16/75

| | | | |
|---|---|---|---|
| Full Name | Montello, Inc. | Interviewed | |
| Address | Sand Springs, OK | | Mr. Ken Campbell |
| Mfrs. of | "Calidria" Distributor | | (Telecon) |

Montello has received notice that OSHA will not release the text of the uniformity ruling regarding warning signs. Several discussions were held with Montello and with Jim Murray to consider what to do now. There are really three choices:

1. Do nothing.
2. Try to get an audience in the local area OSHA office, i.e. Dallas or Lubbock.
3. Try to get help from Washington.

The cloud in the background is that even if a more favorable interpretation could be forced, i.e. no citations without monitoring we would still be faced with difficult complience problems on monitoring and medical examinations.

It was tentatively decided, subject to how the final result looked, that Montello will prepare a written presentation for the Dallas office and at the same time request a follow-up meeting. The presentation will cover their injuries due to the unsupported citations and their rather extensive field data supporting the position that signs are not needed. Only the sign issue will be addressed but Montello will be prepared to discuss possible workable arrangements in the medical examinations and monitoring areas. (We have provided them with detailed information on the current status in these areas.) Such arrangements would be based on the theme that these parts of the regulations are still being tested in the courts as they apply to plant situations and some interpretation is clearly needed as they apply to this field application. The medical examination requirement will also change in about 6 months so this is an interim situation. Montello is prepared to provide masks with the asbestos and to institute an on-site monitoring program on a moderate scale as their part in helping with complience.

We have agreed to review the Montello presentation when it is ready (about 2 weeks). There is always the chance that we are faced with a crusader attitude and a move towards reasonableness cannot be accomplished. The proposed approach is believed to have the following advantages:


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1. It is an attempt to develop support and cooperation with the local enforcement people. Maybe we can reach a workable compromise. There is little hope of this if they get their hand slapped by Washington.

2. It lays the groundwork for a strong approach in Washington if we do not get relief. All local recourse would have been tried and exhausted.

ACTION

HBR Stay in close contact with Montello.

typed 4/18/75
mlt


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Calidria ASBESTOS

c for R. E. Byrne, Jr.
B. L. Ingalls
J. L. Myers
W. C. Thurber
KC-File
NF-File

UNION CARBIDE CORPORATION
P.O. Box 579 Niagara Falls, N.Y. 14302

H. B. Rhodes
&
By B. L. Ingalls

Date 3/12-3/14/75

| | |
|---|---|
| Full Name Montello, Inc. | Interviewed |
| Address Sand Springs, OK | Mr. Ken Campbell |
| Mfrs. of "Calidria" Asbestos Distributor | Mr. Harry Wyatt |

OBSERVATIONS

A combined dust count and technical meeting trip was made in Texas and Oklahoma in the time period noted above. Both the SVB project and a number of other business problems were covered.

SVB PROJECT

The data available were discussed in detail with both Wyatt and Campbell. In essence the SEM and screening tests have shown that Flosal contains two distinct types of asbestos:

1. Large fibers up to several hundred microns long and around 1μ in diameter.

2. Very fine well-opened material consisting of fibrils or fibers made up of only several fibrils.

Both of these ingredients made important contributions to performance under different field conditions. SVB is made up of approximately uniform fibers (and fiber bundles) moderately larger than the fine component in Flosal.

We are having great difficulty in coming up with a Calidria product that is generally competitive. Based on laboratory tests it has been found, however, that screening of Flosal removes some of the larger fibers and reduces performance substantially. Since many wells use shaker screens this could be an important sales point.

Based on these discussions, the following short term course of action was agreed to:

1. UCC will provide copies of the SEM pictures and some additional screening plus Fann viscosity data on the screened fractions.

2. Montello will set up a field test at a well using a shaker screen. The mechanism of action of the laboratory and continuous shaker screening is quite different and laboratory results may not extrapolate to the field. UCC will participate in the field test and will make comparative dust count while SVB and Flosal are being handled.

3. UCC will check out three additional potential ways to improve SVB. These are a.) recycle of baghouse fines, b.) additional wet shearing with existing plant equipment, and c.) test the Manton-Gaulin Homogenizer as a different type of high shear equipment.

SHRINK-FILMED SUPERVISBESTOS

The first CL of shrink-filmed Supervisbestos was examined in the Davis Mud Company warehouse in Woodward, OK. A dust count was made while around 100 bags were loaded into a truck and then unloaded back into the warehouse to simulate delivery on location. The highest asbestos count obtained was 0.6 fiber/cc. This is a ceiling value.

Visual observation of the bags indicates they were in excellent condition. The film was generally quite tight around the bag with only small amounts of asbestos between the film and the bag. There was occasionally a small hole in the film. The bags did not leak asbestos or appear to give off significant dust when handled or thrown.

The man who unloaded the rail car reported that there was no visible asbestos on the floor and they did not even have to sweep out the car. He also noted that there were a dozen or two bags that were not shrink-filmed but were loosely enclosed in a plastic overwrap bag. Examination showed that these had considerably more loose asbestos inside the bag and were somewhat difficult to handle. It is assumed that this was done to complete a load when the shrink film machine was out of order. This is certainly a reasonable solution but should be avoided wherever practical.

Dust counts were also made at two rigs where the shrink-filmed Supervisbestos was dumped into the mud. The highest asbestos count found was 1.8 fibers/cc. This is a ceiling count.

MAGOBAR OIL-BASED MUD

In response to Mr. Campbell's questions the current status was presented as:

1. Dresser was scheduled to run a field test the first week in March. We had not heard whether this had been run.

2. In spite of Cecil Haley's comments to the contrary, as far as we knew Magobar intended to buy SVB through Montello and make their own silane treated material.

AEC - Mesa

This operation under another name has been awarded funds and a series of underground shots are planned starting in June 75. Our asbestos-bentonite mix is the prescribed mud for post-shot hot holes and they expect to use about 500 tons in a 12-14 month period following June.

OIL CENTER RESEARCH - (Gilbert Gossan - 318-232-2396)

Mr. Campbell had contacted them on March 10. The HPO had been tested, performed very well, and apparently has been selected for the formulation. (The crushed SVB did not work and arrangements have been made to return it to Montello).

OCR has been disappointed in the slowness of their market growth. They do feel, however, that they have a good product and are pushing.

It was reaffirmed that Montello would get 10% discount off list on HPO and that they could buy it at the CL price in combination with SVB.

SHELL OIL DUST COUNTS

Shell Oil Company has provided a copy of both their own fiber counts with crushed SVB and the "joint" counts with granular SVB. On the granular material the Shell counts ranged from 0.6 to 6.4 fibers/cc. The comparison UCC counts ranged from 0.7 to 8.3 fibers/cc. Agreement between specific counts ranged from excellent to different by a factor of 2-3. The differences were random, i.e. one laboratory was not constantly high or low. Overall the spread is really about as what would be expected considering the field conditions under which the samples were collected.

The only count over 10 fibers occurred with the granular SVB for the man who was catching the thrown sacks. The limited tests run did not show any difference between crushed and granular SVB with, if anything, the crushed giving lower results. This merely illustrates the importance in the way the bag is handled in influencing the airborne dust level.

Shell calculated 8 hr. TWA values assuming a background level of 0.2 fibers/cc. The values ranged from 0.20 to 0.43 with most not far from the background.

OSHA PROBLEM - Lubbock Office

The uniformity ruling from the Dallas office has not yet be received. Lubbock continues to overenforce. The drilling contractor where we were scheduled to count on two rigs had been visited in the last few days and SVB had been noted on the premises. They were told that the next time they visited, if masks were not available and being used for handling asbestos, they would shut the rig down on-the-spot. It costs about $3000 a day for a rig so nobody wants to take chances.

OSHA PROBLEM - Lubbock Office (Cont'd.)

As of March 14, Davis Mud Company, the Montello distributor had provided throw-away masks to this location and SVB was back in use.

After restraining my impulse to go down to Lubbock and pound on the desk, an approach was worked out with Montello. They will continue to push to get the uniformity ruling. Assuming it is favorable, they will take the new package, the dust counts, the Utah "in compliance" and the ruling and make a "sales" call on the Lubbock OSHA office in the very true stance of a confused and injured small business asking for clarification. Hopefully, some sort of mutually agreeable ground rules can be worked out.

Typed 4/15/75
gt

# JOINT CALL REPORT

SALESMAN: J. E. WALSH INDUSTRY: DISTRIBUTOR DATE: 3-21-83

**ACTIVITY:**

Call made with R. E. Byrne, G. L. Dickson, and B. L. Ingalls to listen to Montello's new marketing plans and set up CSV specifications.

## RESULTS OF CALL

Montello Inc. - Tusla, Okalahoma - Ken Campbell, President; Harry Wyatt, Vice President; Allen Johnson, Sales Manager. Ken gave us all a recap of the oil well drilling market over the past three years and the various factors which have brought U.S. drilling activity to its present level today of 2084 rigs. The handwriting seems to be on the wall now for those suppliers to the industry handling the frills and extras as cost has now become the most meaningful item in drilling a well. Whereas in the past the oil companies purchased drilling programs and used mud engineers on the rigs the trend now is for going it alone or with their own trained people. Right now both Arco and Exxon have mud engineer training programs in process while on the flip side Baroid a major mud service company have cut their personell from 4500 to about 2200. As the industry is making its move from mud service companies to mud supply companies Montello has also decided to move in the same direction. They are working on arrangements now with two unnamed large specialty distribution companies who would warehouse and sell mostly LTL shipments direct to the rigs. Montello would continue to supply direct T/L or C/L shipments to the remaining mud supply houses. This change in strategy allows Montello to close the 8 public warehouses they currently use and make use of the distributors locations and also rid themselves of their commissioned agents in the field and use the distributors salesmen. They are working towards this end now and Ken said that within the next 30 days they will have made their decision on which distributor to go with and will let us know who it is.

About an hour and a half of clarification and explaination of the study Blair Ingalls ran on the CSV specification issue then ensued and agreement was reached that the CSV spec would be set at 13 minimum apparent viscosity and the former yield point measurements would be dropped. Montello requested and we agreed to run and report the yield point value for a short period of time but it would not be part of the specification. They also requested that the test method be run with a single disc and we advised that we would check it out and let them know if it would be workable not only for CSV but for UNIVIS which would also be covered under the new 13AP spec.

COPIES TO: TPN: REB: GLD: GML: KC-FILE: NF-FILE: WCT: NF PERMANENT FILE ☐

METALS DIVISION - "CALIDRIA" ASBESTOS

# DISTRIBUTOR CALL REPORT

CUSTOMER Montello, Inc. INDUSTRY Oil Drilling

CITY, STATE Tulsa, Oklahoma SALESMAN J. E. WALSH DATE 3-3-83

DOCUMENTS PROVIDED: MSDS____ DUST COUNT REPORT____ BLUE BOOK____ OTHER____

PERSONS INTERVIEWED:
Ken Campbell - President

CALL OBJECTIVE:

RESULTS OF CALL: Ken called the Atlanta office to advise of plans that Montello has and would continue to be working towards that will impact on our sales to them. As background information the rig count in January '82 was at 4530 but by October '82 it had fallen to 2370. A slight comeback was made by the end of the year to 2770. Since the first of this year it has continued to fall to its present level on 3-2 of 2064 and is continuing to fall at a rate of 80-90 rigs a week. The past month has seen the leading oil producers inability to settle on either a crude price or production levels. While the U. S. drills strictly on economics all the other producers drill because of political, social or war effort considerations. The Saudi's the world's largest producer are currently pumping 3MM BBLS/day vs. a capacity of 11MM BBLS. With the oversupply it is fully expected that the crude price could fall as low as $20BBL. Based on the present rig activity and the further expected erosion of the crude price Montello has decided to pull in its horns on their activity in the market. Besides their own personnel layoffs they are planning a reduced participation in the market by bringing as many functions into Tulsa as possible. They are working on handling the business direct and eliminating their commissioned field agents; closing their own field warehousing; and reducing their accounts receivable from around 200 to about a dozen. It is not a money problem Ken said as they are in good financial shape but based on the present outlook where they are typically carrying accounts 60 days they feel they would be better off at a reduced activity level which would allow them to transfer their cash into either real estate or money market instruments. Requested Ken to take some time and discuss with his people and come back to us with some thoughts, ideas and suggestions, blue sky and otherwise as to what assistance Union Carbide might be able to provide them during this time that could impact on their plans. They will plan on doing so and either communicate verbally or in writing to the writer so that we can address their ideas at our meeting later in the month.

SALES thru February

| | CSV | | SHUR | | UNIVIS | | TELVIS | | | | TOTAL | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | TONS | M$ | TONS | M$ | TONS | M$ | TONS | M$ | TONS | M$ | TONS | M$ |
| LES TD | 142.8 | 28.6 | 21.0 | 4.2 | ---- | ---- | 37.4 | 7.5 | | | 201.2 | 40.3 |
| GET | 1500.0 | 300.0 | 168.0 | 34.0 | 300.0 | 63.0 | 330.0 | 69.0 | | | 2298.0 | 466.0 |

FOLLOW - UP ACTION REQUIRED: Comments, thoughts, and suggestions are welcomed as to what revised strategy or marketing plan we should pursue here based on the deteriorating industry and distributor situation.

COPIES TO: TPN: REB: GLD: GML: KC-FILE: NF-FILE: WCT: JLM: NF PERMANENT FILE ☐

# CUSTOMER CALL REPORT

CUSTOMER Montello INDUSTRY Distributor

CITY, STATE Tulsa, Oklahoma SALESMAN J. E. Walsh DATE 7-15-82

DOCUMENTS PROVIDED: MSDS ___ DUST COUNT REPORT ___ BLUE BOOK ___ OTHER ___

PERSONS INTERVIEWED: Ken Campbell President; Harry Wyatt Vice President; Chuck Petri Office Manager; Doug Goyer Chemist

CALL OBJECTIVE:

Annual review call made with R. E. Byrne and G. M. Lincoln, Jr.

RESULTS OF CALL: Thrust of the meeting was directed towards past and present sales performance (copy attached). In the 75-77 years while drill rig activity was at the 2000 level, asbestos was used in both the mud system and as a sweep compound. The negative publicity and OSHA requirements began to be felt around '78 and, while rig activity was increasing, asbestos was being removed from the mud system package (the larger of the two uses, volume wise). Today total asbestos usage is estimated at about 5M tons/year. While Montello admits to losing some market share, our sales decline this year is based mainly on the complete turn-around from predicted estimates as evidenced by the two trade newsletters attached. During the first half of the year Ken advised that rig operators worked off inventories and only bought for emergencies. Second half sales Montello feels will be in the 4-450 ton/quarter range, and the outlook for '83 is estimated at 6-650 tons/quarter. Montello field agents haven't fully let loose, according to Harry as they are now in the final stages of launching a marketing program based on new bag design, work practices, introduction of Univis and a flyer clarifying the OSHA medical requirements. Montello will send us a copy of the proposed flyer to run by our law department for comments as required by the indemnification agreement we have with them.

A variety of other topics were discussed and capsuled comments follow:

Telvis- Telnite the only mud service company in Japan, has kept out Flosal and expects sales of 100 tons this year and 330 tons next year of private labeled Univis.

New Distributor Agreement- Montello was advised that the revised agreement addresses the exclusivity issue and will be mailed to them next week.

Product Specifications- Bob Byrne updated all attendees that so far we are still on target for establishing tentative specifications for CSV/Univis during this quarter. More effort on both our part and Montello's is expected to meet this objective. Goyer is Montello's first full-time lab man which should improve the feedback we receive from their end.

| | Univis | | CSV | | Imshift | | | | | | TOTAL | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| LES TD | TONS | M$ | TONS | M$ | TONS | M$ | TONS | M$ | TONS | M$ | TONS | M$ |
| | 68.4 | 14.2 | 620.3 | 122.6 | 63.0 | 12.6 | | | | | 751.7 | 149.4 |
| DGET | 2200.0 | 429.0 | 500.0 | 98.0 | 600.0 | 117.0 | | | | | 3300.0 | 644.0 |

LLOW - UP ACTION REQUIRED:

IES TO: TPN: REB: GLD: GML: KC-FILE: NF-FILE

NF PERMANENT FILE

Mideast Freight Rates- The writer will investigate with UCID to see if reduced rates/subsidies or alternate movements of material from California to the mideast can reduce transportation costs to allow Montello to better compete in this area.

CSV Product Inventory- Disposition of 175 tons of CSV at King City designated as out of range on yield or viscosity or both was discussed and R. E. Byrne presented evidence that showed that essentially our product quality has not changed over the past 10 years. It looks like we set our specifications at an earlier higher range and as our production consistency has improved over the years we occassionally have difficulty meeting it. A list of the lots of material at the plant were given to Wyatt with the advice that we feel all but four of which will perform downhole. Montello will review the data and advise if the questionable material can be released.

Shurelift- The dwindling sales to Halliburton's agent, Imco Services were discussed and Montello anticipates that their new marketing program will halt the downward trend but it is possible that this outlet could disappear within the next two years.

DOT Regulations- Most of the drilling rig hauling equipment which Montello uses for pick-ups is flat-bed trailers and Chuck asked for clarification of the regulations on full-load point to-point movements. The writer will respond with UCC comments on the question.

New Ideas- The question was brought up during a "blue sky" discussion on looking again at the possibility of slyrrying asbestos, and Harry will capsule his thoughts on it. and send them to R. E. Byrne to investigate the feasability of it.

Dust Monitoring- Arrangements will be made to pick up additional rig monitorings this quarter and tie in a monitoring with Exxon based on their announced intention to start up 300 new rigs.


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# MONTELLO SALES HISTORY 1975 - June 1982

| | TONS | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| PRODUCT | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | THRU 6/82 | 1982 BUDGET |
| CSV | 3784 | 2124 | 2503 | 2283 | 1326 | 2739 | 2139 | 518 | 500 |
| SHUR | -- | 774 | 803 | 625 | 633 | 746 | 441 | 63 | 600 |
| UNIVIS | -- | -- | -- | -- | -- | 96 | 166 | 68 | 2200 |
| VISB | 199 | 232 | 417 | 96 | -- | -- | -- | -- | -- |
| ARCOVIS | 9 | -- | -- | -- | -- | -- | -- | -- | -- |
| NGSV | -18 | -- | -- | -- | -- | -- | -- | -- | -- |
| IMCOBEST | 833 | -- | -- | -- | -- | -- | -- | -- | -- |
| SG-200X | -- | -- | -- | -- | 131 | -- | -- | -- | -- |
| TOTAL | 4807 | 3130 | 3723 | 3004 | 2090 | 3581 | 2746 | 649 | 3300 |

dac: 7/8/82

WORLD OIL FORECASTS LETTER

A Special Report on the Oil Outlook from *World Oil*

P.O. BOX 2608 • HOUSTON, TEXAS 77001, U.S.A. • PHONE (713) 529-4301

January 21, 1982

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...An average rig count of 4,675 units for the year.

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*Union Carbide trial exhibit UC-709: Union Carbide Metals Division Call Reports and Reports of Call on Distributor...* Published by AsbestosClaims.Law
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The U.S. rig count is still slipping and more layoffs were announced by a supply company. Nevertheless, one company raised its budget. And in Canada, a scheduled wellhead crude price took effect.

• The U.S. rig count dropped to 2,816—down 29.3% from a year ago. The figure is 58 rigs below the previous week. Hughes Tool Co. says 1,714 rigs have been idled since the count peaked at 4,530 rigs on Dec. 28.

• International spot crude and product prices aren't expected to improve until fourth quarter, traders say.

Earlier, they had expected inventory rebuilding to spur purchases sooner. That hasn't happened partly because destocking is still under way.

Last week, OPEC spot crude and product prices remained flat at $31.20-32/bbl. Traders were waiting to see what action OPEC might take on official price and production ceilings for member countries at its meeting late last week.

Concern grew that OPEC won't be able to persuade Iran, Nigeria, and Libya to follow production ceilings set by the organization. Overproduction by those countries already has led to lower spot crude prices.

In the U.S., traders say third quarter spot crude prices may be lower than earlier expected. Some who had forecast $36/bbl late this quarter now say the price may stabilize near current levels. A prolonged crude surplus is being blamed for the lower than expected price.

Spot market price for sweet crudes to be delivered in August increased about 10¢/bbl last week to $34.60-34.75. Sour crude price increased as much as 25¢/bbl to $32.90.

Meanwhile, more U.S. companies raised postings to the prevailing $33/bbl for sweet crude and $31/bbl for sour.

• Average U.S. pump price for full service leaded regular gasoline is $1.302/gal—up from $1.297 a week earlier. Present price remains about 3¢/gal below a year ago and less than 1¢/gal above the beginning of 1982. Increases are appearing on the West Coast, and declines are showing up in the Southeast.

• Noble Affiliates Inc., Ardmore, Okla., added $11.4 million to the 1982 capital budget of its subsidiary Samedan Oil Corp., bringing planned outlays to $102.4 million.



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METALS DIVISION - CALIDRIA ASBESTOS

# CUSTOMER CALL REPORT

CUSTOMER & LOCATION Montello Inc., Tulsa, Oklahoma INDUSTRY CLASSIFICATION Distributor

SALESMAN J.E. Walsh REGION Southern DATE OF CALL 11-10-81

ASBESTOS HEALTH & REGULATORY DOCUMENTS PROVIDED:

- ☐ MSDS
- ☐ Health & OSHA Information Blue Book
- ☐ Dust Count Report
- ☐ Other, specify below

PERSONS INTERVIEWED:

Ken Campbell - President
Harry Wyatt - Vice President
Allen Johnson - Sales Manager

CALL OBJECTIVE:

Meeting held at LaGuardia airport with Montello people and W. C. Thurber, G. M. Lincoln and R. F. X. Fusaro from Union Carbide.

RESULTS OF CALL: The new CALIDRIA sales organization was discussed first followed by a review by the Montello people on 1981 oil field activity. Drilling was up about 35% but Montello's sales of CSV and Shurelift were off about 27% from last year. The decline they blame mainly on their own lack of pushing CSV sales as they have felt threatened for two or three years now by a black cloud of product liability. The product liability issue was the key one at the meeting and we agreed to respond to them on what help Union Carbide might be able to provide them with to reduce their concerns. Essentially they feel shut out in their own ability to get coverage as none of the insurance companies they contacted weren't interested in talking with them. A positive response to this issue on our part, which they feel would eliminate most of their concerns, will provide the incentive for them to rededicate their sales efforts on CSV and Univis. 82 activity is projected to be about 25% higher than this year with average well depth deeper than before. The deeper the well the better CSV out-performs the competitive Flowsall. Our projected 5-10% price increase coming January 1 they felt was reasonable and one that the market could handle. A list of all distressed CSV stock was given to each Montello representative and their assistance was requested to move as much of it as possible before converting over to Univis. The distressed stock brought up the issue of specifications and the need to define for both ourselves and Montello, controls that we both can live with. Rather than rework the specifications

FOLLOW-UP ACTION REQUIRED:

JW- Coordinate the responses to the various questions and issues raised and communicate them to the appropriate Carbide and Montello personnel.

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on CSV being as the intent is to phase it out and convert to Univis it was agreed to continue on with the temporary specifications we are presently living with. Allen Johnson will work with Blair Ingalls on developing specifications for Univis that the plant can meet and also provide Montello with competitive material in the field. The artwork is done on the Univis bag and Montello is ready to go with it. Our decision and response on the product liability question is the factor which will determine what transpires next in our relationship with Montello.

Sales:

| | Thru Oct. 81 | | 81 Budget | |
|---|---|---|---|---|
| | Tons | M$ | Tons | M$ |
| CSV | 1784.6 | 320.2 | 3000.0 | 540.0 |
| Shurelift | 381.0 | 68.6 | 1140.0 | 205.0 |
| Univis | 32.0 | 5.8 | 500.0 | 90.0 |


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METALS DIVISION - "CALIDRIA" ASBESTOS

# CUSTOMER CALL REPORT

CUSTOMER & LOCATION Montello Inc. Tulsa, Oklahoma INDUSTRY CLASSIFICATION Drilling Mud Distributor

SALESMAN J.E. Welsh REGION Southern DATE OF CALL 4-24-81

ASBESTOS HEALTH & REGULATORY DOCUMENTS PROVIDED:

- ☐ MSDS
- ☐ Health & OSHA Information Blue Book
- ☐ Dust Count Report
- ☐ Other, specify below

PERSONS INTERVIEWED:
Allen Johnson Sales Manager
Chuck Petri Office Manager
Ken Campbell President
Jim Lummus Consultant

CALL OBJECTIVE:

Call made with J. L. Myers and H. B. Rhodes for semi-annual business meeting.

RESULTS OF CALL: The morning portion of the meeting was spent almost entirely on discussions of OSHA regulations and development of a game plan to both convince the contractor and obtain AIDC endorsement on the safe use of asbestos. The questions of liability, monitoring and development of work practices appear to be the best route to achieving the objectives and all three routes will be pursued by various parties in attendance. Agreement was reached to set up at least a quarterly monitoring program and hopefully, at the same time, to implement work practice procedures to reduce the variance of the results. Right now Montello is looking to be completely out of CSV and into Univis by years end with the initial transition to begin sometime mid-third quarter. Discussed the present off-spec and bag inventory situation, and we will provide them with a detailed listing of the rejected lots and what they are off-spec on as the quantity seems to have grown since the listing we wrote to them about last December. The 81 tons of Supervis in plain brown bags and the MT Visbestos bags we will attempt to move to Great Gulf in Houston. Another 50 - 75 ton run of Univis in plain bags will be made to provide stock for continued field monitoring.

FOLLOW-UP ACTION REQUIRED:

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## IMPORT EXPORT

As representatives from our city's business community wing away from Tulsa's International Airport in search of new world business, Ken Campbell and Harry Wyatt might be meeting one of their customers or suppliers just arriving from Tokyo. Ken and Harry are co-owners of Montello, a company that makes money from mud. . . very special kinds of muds.

From their Tulsa based offices and laboratory, Montello tests special additives and refines their application for all types of muds. For almost a quarter of a century, Montello has been introducing and distributing highly specialized products designed to increase well drilling efficiency. The advent of the fuel shortage and the growing restrictions posed by increasing ecology controls combined to create new pressures and demands on the drilling industry. None felt it more keenly than the suppliers of mud additives, both in the United States and abroad.

Developing new drilling mud additives and applications for different parts of the world is very specialized and complicated. Montello's task is to bring these advanced systems and technology to the international drilling industry.

The real challenge is to effect improvements in drilling efficiency while minimizing the effects on the environment.

This is true not only in the reclamation of old oil fields but also in the increased sophistication of requirements of deep water offshore drilling.

Montello's involvement in international trade is not like the shipping of hardware to Brussels or Bangkok; rather it is delivering new ideas and technology in the form of it's specialized drilling mud additives. At this point Utica's International Department becomes a factor. In addition to letters of credit and currency transfer and exchange, it is often necessary to prepare documents in a foreign language. Utica's quick, accurate and precise response in these areas has been an important contribution for Montello.

Just as Montello's services to its customers is varied and specialized so, too, are the timely services of Utica's International Department.

Right: Testing is conducted at Montello's laboratory.

Below: Harry Wyatt checks test results. Bottom: Ken Campbell with Harry Wyatt.







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METALS DIVISION - "CALIDRIA" ASBESTOS

# CUSTOMER CALL REPORT

CUSTOMER & LOCATION Montello Tulsa, Oklahoma INDUSTRY CLASSIFICATION Distributor

SALESMAN J.E. Walsh REGION Southern DATE OF CALL 2-11-81

ASBESTOS HEALTH & REGULATORY DOCUMENTS PROVIDED:

- ☐ MSDS
- ☐ Health & OSHA Information Blue Book
- ☐ Dust Count Report
- ☐ Other, specify below

PERSONS INTERVIEWED:

Allen Johnson Sales Manager

CALL OBJECTIVE:

Dinner meeting in Houston, Texas with our oil well drilling mud distributor.

RESULTS OF CALL: Montello had been in earlier in the week to see Great Gulf, the Dresser compounder, to try and determine when they could expect some money from them on the outstanding invoices they were holding. In addition to the rushed shipments Montello sent in, they also put in two carloads on a consignment basis, and Great Gulf is into them for about $60M past due. Allen said the meeting was pleasant but tenuous at times due to the content, and Great Gulf advised that they would try to work off some of the CSV they have as well as some of the past due money owed. According to Allen, Great Gulf has an interest in buying HPO from Montello, but it is doubtful if the feeling is shared by Montello due to their past money turnover experiences with them. Allen, Harry Wyatt and Ken Campbell represent the in-the-field Montello sales force and they have just hired another salesman who will work out of Singapore. In addition to the Montello payrolled people, they have a large network of sub-distributors and what they call commissioned agents in the field handling the Montello product line. Stock is kept in both Montello operated warehouses and shipped direct to those distributors they have large enough to handle carload deliveries. Export shipments in the Gulf coast area are routed through the ports of Houston and New Orleans. Univis was discussed along with the possibility, Allen said, that they would want us to produce some more shortly for them. Requested sufficient lead time to run the product and the need for them to purchase more bags to put it in. Allen will check it out with Harry Wyatt and let us know what quantities they are thinking of; when, and the availabilit

FOLLOW-UP ACTION REQUIRED: of MT bags.

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REPORT OF CALL [illegible]

Calidria ASBESTOS

CC: J. E. Lenahan
T. P. Norris
R. L. Schult
W. C. Thurber
J. E. Walsh
KC-File ✓
NF-File
F. H. Ancker

UNION CARBIDE CORPORATION
P.O. Box 579 Niagara Falls, N.Y. 14302

By H. B. Rhodes

Date 7/10/75

| | |
|---|---|
| Full Name Montello, Inc.<br>Sand Springs, OK<br>Address<br><br>Mfrs. of | Interviewed<br><br>Ken Campbell<br>Harry Wyatt |

The following information was collected during several recent contacts with Montello.

Drilling Industry Activity

The reaction of the oil industry to the elimination of the depletion allowance seems to have settled out to a substantially decreased, but still solid, domestic activity with foreign activity continued quite strong. Specific adjustments include:

1. Virtual stoppage in domestic wildcat activity. Drilling consists mainly of development wells in established fields.

2. Emergence of a large number of new, small financial entities that are drilling domestic wells. This is the result of a clause in the law which allows companies with less than 2000 barrels per day of production to take a depletion allowance for a substantial number of years. With 22% that would otherwise go directly to the government, to negotiate with, there is plenty of opportunity to work out mutually attractive financial arrangements.

Use of Oil-Based Muds

Mr. Campbell obtained this information from an old acquaintance at Oil Base, Inc. There has been major pressure from the federal EPA against the use of oil-based muds for offshore drilling. Almost nothing has been said about on-land drilling.

New cuttings cleaning methods have been developed to make things acceptable for offshore use. Bariod has a new test to measure if cuttings are clean enough.


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Their (Oil Base, Inc.) business is holding steady and they expect it to increase as wells get deeper. Mr. Campbell speculates that Dresser, with no vested interest in oil-based systems, may be holding off some to see what develops. They also have a commitment to increase their business in chemicals for drilling and we may have a priority problem.

Typed 7/14/75
cjb


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FHL

REPORT OF CALL

Calidria asbestos

RECEIVED
APR 18 1975
UCC-CALIDRIA

c for R. E. Byrne, Jr.
B. L. Ingalls
J. L. Myers
W. C. Thurber
KC-File
NF-File

UNION CARBIDE CORPORATION
P.O. Box 579 Niagara Falls, N.Y. 14302

H. B. Rhodes
&
By B. L. Ingalls
Date 3/12-3/14/75

| | |
|---|---|
| Full Name Montello, Inc. | Interviewed |
| Address Sand Springs, OK | Mr. Ken Campbell |
| Mfrs. of "Calidria" Asbestos Distributor | Mr. Harry Wyatt |

OBSERVATIONS

A combined dust count and technical meeting trip was made in Texas and Oklahoma in the time period noted above. Both the SVB project and a number of other business problems were covered.

SVB PROJECT

The data available were discussed in detail with both Wyatt and Campbell. In essence the SEM and screening tests have shown that Flosal contains two distinct types of asbestos:

1. Large fibers up to several hundred microns long and around 1μ in diameter.

2. Very fine well-opened material consisting of fibrils or fibers made up of only several fibrils.

Both of these ingredients made important contributions to performance under different field conditions. SVB is made up of approximately uniform fibers (and fiber bundles) moderately larger than the fine component in Flosal.

We are having great difficulty in coming up with a Calidria product that is generally competitive. Based on laboratory tests it has been found, however, that screening of Flosal removes some of the larger fibers and reduces performance substantially. Since many wells use shaker screens this could be an important sales point.

Based on these discussions, the following short term course of action was agreed to:

1. UCC will provide copies of the SEM pictures and some additional screening plus Fann viscosity data on the screened fractions.

2. Montello will set up a field test at a well using a shaker screen. The mechanism of action of the laboratory and continuous shaker screening is quite different and laboratory results may not extrapolate to the field. UCC will participate in the field test and will make comparative dust count while SVB and Flosal are being handled.

3. UCC will check out three additional potential ways to improve SVB. These are a.) recycle of baghouse fines, b.) additional wet shearing with existing plant equipment, and c.) test the Manton-Gaulin Homogenizer as a different type of high shear equipment.

SHRINK-FILMED SUPERVISBESTOS

The first CL of shrink-filmed Supervisbestos was examined in the Davis Mud Company warehouse in Woodward, OK. A dust count was made while around 100 bags were loaded into a truck and then unloaded back into the warehouse to simulate delivery on location. The highest asbestos count obtained was 0.6 fiber/cc. This is a ceiling value.

Visual observation of the bags indicates they were in excellent condition. The film was generally quite tight around the bag with only small amounts of asbestos between the film and the bag. There was occasionally a small hole in the film. The bags did not leak asbestos or appear to give off significant dust when handled or thrown.

The man who unloaded the rail car reported that there was no visible asbestos on the floor and they did not even have to sweep out the car. He also noted that there were a dozen or two bags that were not shrink-filmed but were loosely enclosed in a plastic overwrap bag. Examination showed that these had considerably more loose asbestos inside the bag and were somewhat difficult to handle. It is assumed that this was done to complete a load when the shrink film machine was out of order. This is certainly a reasonable solution but should be avoided wherever practical.

Dust counts were also made at two rigs where the shrink-filmed Supervisbestos was dumped into the mud. The highest asbestos count found was 1.8 fibers/cc. This is a ceiling count.

MAGOBAR OIL-BASED MUD

In response to Mr. Campbell's questions the current status was presented as:

1. Dresser was scheduled to run a field test the first week in March. We had not heard whether this had been run.

2. In spite of Cecil Haley's comments to the contrary, as far as we knew Magobar intended to buy SVB through Montello and make their own silane treated material.

AEC - Mesa

This operation under another name has been awarded funds and a series of underground shots are planned starting in June 75. Our asbestos-bentonite mix is the prescribed mud for post-shot hot holes and they expect to use about 500 tons in a 12-14 month period following June.

OIL CENTER RESEARCH - (Gilbert Gossan - 318-232-2396)

Mr. Campbell had contacted them on March 10. The HPO had been tested, performed very well, and apparently has been selected for the formulation. (The crushed SVB did not work and arrangements have been made to return it to Montello).

OCR has been disappointed in the slowness of their market growth. They do feel, however, that they have a good product and are pushing.

It was reaffirmed that Montello would get 10% discount off list on HPO and that they could buy it at the CL price in combination with SVB.

SHELL OIL DUST COUNTS

Shell Oil Company has provided a copy of both their own fiber counts with crushed SVB and the "joint" counts with granular SVB. On the granular material the Shell counts ranged from 0.6 to 6.4 fibers/cc. The comparison UCC counts ranged from 0.7 to 8.3 fibers/cc. Agreement between specific counts ranged from excellent to different by a factor of 2-3. The differences were random, i.e. one laboratory was not constantly high or low. Overall the spread is really about as what would be expected considering the field conditions under which the samples were collected.

The only count over 10 fibers occurred with the granular SVB for the man who was catching the thrown sacks. The limited tests run did not show any difference between crushed and granular SVB with, if anything, the crushed giving lower results. This merely illustrates the importance in the way the bag is handled in influencing the airborne dust level.

Shell calculated 8 hr. TWA values assuming a background level of 0.2 fibers/cc. The values ranged from 0.20 to 0.43 with most not far from the background.

OSHA PROBLEM - Lubbock Office

The uniformity ruling from the Dallas office has not yet be received. Lubbock continues to overenforce. The drilling contractor where we were scheduled to count on two rigs had been visited in the last few days and SVB had been noted on the premises. They were told that the next time they visited, if masks were not available and being used for handling asbestos, they would shut the rig down on-the-spot. It costs about $3000 a day for a rig so nobody wants to take chances.

OSHA PROBLEM - Lubbock Office (Cont'd.)

As of March 14, Davis Mud Company, the Montello distributor had provided throw-away masks to this location and SVB was back in use.

After restraining my impulse to go down to Lubbock and pound on the desk, an approach was worked out with Montello. They will continue to push to get the uniformity ruling. Assuming it is favorable, they will take the new package, the dust counts, the Utah "in compliance" and the ruling and make a "sales" call on the Lubbock OSHA office in the very true stance of a confused and injured small business asking for clarification. Hopefully, some sort of mutually agreeable ground rules can be worked out.

Typed 4/15/75
gt

REPORT OF CALL

Calidria asbestos

cc for T. P. Norris
W. C. Thurber
J. E. Walsh
KC-File ✓
NF-File
J. L. Myers

UNION CARBIDE CORPORATION
P.O. Box 579 Niagara Falls, N.Y. 14302

H. B. Rhodes with
By J. L. Myers

Date 11/28/73

| | | |
|---|---|---|
| Full Name | Montello, Inc. | Interviewed |
| Address | P. O. Box 130<br>Sand Springs, OK 74063 | Ken Campbell<br>Harry Wyatt |
| Mfrs. of | Distributor to drilling industry | |

OBJECTIVE

Regular, approximately quarterly status meeting with our distributor to the drilling industry.

OBSERVATIONS

The writer and John Myers met with Montello in Chicago for about six hours on November 28, 1973. As usual, a wide variety of subjects was covered. The main points discussed and the conclusions reached are summarized in the following report.

Sales Volume - next 6-12 months.

Based on order entry rate over the last several months and on the increased drilling activity, their sales rate is estimated at:

| | |
|---|---|
| NGSV - | 10 T/Mo. |
| CSV - | 200 T/Mo. |
| VB - | 25 T/Mo. |
| IMB - | 175 T/Mo. |
| | 410 T/Mo. |

This is considerably above the 300 T/Mo. which is their current "allocation." It was agreed that we would adjust our bag ordering rate to this sales volume and would try to produce it if other product commitments made it possible.

There appears to be a possible discrepancy between their orders booked numbers and our sales invoiced. This may be only a matter of different time references. Ed Kleber and Chuck Petrie will prepare detailed summaries by month in order to check this out.

IMC Status - It appears certain that the increased sales rate of Imcobest will result in a period of 6-8 weeks where we are out of bags. The possibility of supplying it in Visbestos bags or plain brown bags at 40-45 lbs. each was discussed. Imco is extremely "brand name" conscious and Mr. Campbell is of the opinion that neither of these alternatives will be particularly attractive to them. Due to the apparent bag shortage, he has also not pressed them to place their (IMC's) agreed upon 2000 bag order for Galena Park inventory. A cards-on-the-table talk between IMC and Montello is planned in the very near future.

We asked why IMC is buying from Montello at a considerably higher price than the $63.50 per ton that they could obtain material directly from Atlas. There was no clear-cut answer to this but it appears to be a matter of Montello's technical ability and service and that the UCC product works better in certain of their applications.

The possibility of losing the business to alternate suppliers was discussed. Pacific is known to be sold out but both Atlas and J-M Coalinga appear to have available capacity. Atlas recently purchased a CL of Visquick bags for Magobar. We are going to have to watch this one closely.

Energy Situation - It was pointed out by Montello that the drilling industry has a crucial place in the energy problem and may well be able to get special consideration in the allocation of materials, fuel, etc. that are in short supply. They have offered to help prepare a case if it becomes necessary and appropriate. Any further action is up to us.

Pricing - They are hoping to make some price changes January 1 to be effective February 1. In connection with this they would like to know what price would make the SG-144 type Imcobest product attractive enough to us to be a worthwhile product to supply. JLM will work this out and respond.

Prepayment of Freight - Occasionally, King City prepays a freight bill. It has become a long, drawn-out and difficult project for them to collect these from their customers. Ken Campbell will write a letter explaining the problem for JLM to cover with King City.

Contract Review: The present contract is "Evergreen" with six months' notice by either party. The performance requirement numbers run out in 1973, however. They question the need for minimum performance numbers when they are selling all the product we will supply them but are quite amenable to further discussions.

In connection with possible contract changes, it was noted that SG-144 (Visbestos and Imcobest) and regular SVB are now sold only to the drilling industry and through Montello.

The next move, if any, on contract changes is up to us.

Market Profile Analysis - They are getting started on doing a good job for completion by the end of January. We could provide no guidelines on how to account for the unsettled fuel and economic conditions in 1974 in an analysis of this type.

OSHA - Toxicology - The test report has been widely diseminated throughout the world and has been instrumental in calming fears and getting considerable business. Texaco is on the fence and the key men are Kane, McDaniel and Abbot in New Orleans. Abbot is new on the job and Ken Campbell will call on him in a few weeks when he gets established.

Flosal still talks about an "OSHA-Approved" product but none has been seen. As will be discussed later, the "new" Flosal is much fluffier and in a larger bag. It seems to be more, rather than less, dusty.

They have had some contacts with the local OSHA director re Material Safety Data sheets. It has been confirmed that they are only required for shipyards.

We were unable to come up with any further definition of when medical examinations are required. Told them the only violation we knew of for lack of medicals was cited as a nonserious violation and resulted in a $50 citation.

JLM Japanese HPO Sales - The Japanese situation re HPO is working out as JLM predicted and they are much calmer about it. JLM will check into the procedure by which they collect their commission. JLM will go through Wada to attempt to obtain a sample of the blended material from Telnite.

Use of W. R. Grace in Europe - They feel that there is a good possibility that Grace may have the same sort of key contacts that Tomoe had in Japan. This would supplement rather than conflict with their present European representation. JLM supplied the proper contact and Montello will write to them.

Fluid Loss Control Agent - The search for a suitable fluid loss control agent continues to be frustrating. General Mills has decided to push modified quar gums. These give good fluid loss control until the asbestos is added. Viscosity properties are still good but the asbestos ruins the fluid loss control.

The UCC HEC products give good fluid loss control in the presence of asbestos but ruin the viscosity properties. The UCC advice (T. G. Foster) to Montello is to get rid of the asbestos in the system.

This is an area that merits future technical effort but neither of us has the resources to commit to it at this time.

Product Packaging and Grinding - Possible packaging changes concerning the Auger packer and nonbreathing bags, possibly polyethylene were discussed. We considered briefly the possibility of shipping SG-100 and SG-200 pellets in bulk to Montello and having them grind in their disc mill and package. In the past this has never really looked attractive but it looks to be worth reviewing in the light of the present supply situation. A key consideration may be the practicality of making VB and IB from SG-100 pellets in an attrition mill. We HBR have some SG-101 in Niagara Falls and will screen out the -10 mesh portion and compare it with VB to get a preliminary indication of technical feasibility. If this looks attractive, we will arrange to have a few bags run through the disc mill at King City.


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Workover Fluids - Samples of HPO, HPP, and RG-100X will be supplied for investigation as possible ingredients in workover fluids. These may become of increasing importance in the energy crisis.

New Flosal - The work done by both Montello and UCC in testing the New Flosal was reviewed. It appears that the new product is considerably finer than the old. It will form synergistic blends with bentonite but yields more slowly than SVB. It is clear they have made a significant technical step forward at the expense of a more dusty product. We plan to sit tight and see what develops in the marketplace.

Atlas Drilling Product - Atlas,too, has come out with a new product. It is also a fine grind and it looks like a bag-house material of the same type. Comparative viscosity tests are in progress.

AEC Mesa - This has been cut back to a very low activity level. Bought 800 bags CSV last month and expect 800 bags next month. This is used in small diameter core drilling.

North Slope - The earliest that oil will ship is in 1975. There is enough capacity in capped wells to fill the pipeline for several years. Rigs, crews, and pipe are short. A well drilled in U.S. will be yielding revenue in 6-12 months. Emphasis is thus on domestic drilling with a gradual increase in North Slope activity. We have some time, therefore, before any sudden requirement for hydrophobic asbestos is generated. The point that we have no immediate capacity was again made clear.

Geothermal Drilling - This is a development industry in the early stages and is moving forward slowly. Data on high-temperature properties continues to be very desirable to aid in market penetration.

New-Granular SVB Market Progress - They continue to have serious technical limitations in high-fluid loss muds. Dresher-Magobar and Exxon have a joint program using the impinger opening system tested previously in connection with sanitary muds. It looks promising. It would appear that the low-dust levels found for regular SVB have slowed interest in the granular product.

SVB Promotion - Montello has produced a 5-1/2 minute, sound film strip telling the whole SVB story. It is expected to help sales.

Typed 12/14/73
cjb


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asbestosclaims.law/library/15941/48

REPORT OF CALL

Calidria ASBESTOS

CC: J. E. Lenahan
T. P. Norris
R. L. Schult
W. C. Thurber
J. E. Walsh
KC-File ✓
NF-File
F. H. Ancker

UNION CARBIDE CORPORATION
P.O. Box 579 Niagara Falls, N.Y. 14302

By H. B. Rhodes

Date 7/10/75

| | |
|---|---|
| Full Name Montello, Inc.<br>Address Sand Springs, OK<br>Mfrs. of | Interviewed<br>Ken Campbell<br>Harry Wyatt |

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Mr. Campbell obtained this information from an old acquaintance at Oil Base, Inc. There has been major pressure from the federal EPA against the use of oil-based muds for offshore drilling. Almost nothing has been said about on-land drilling.

New cuttings cleaning methods have been developed to make things acceptable for offshore use. Bariod has a new test to measure if cuttings are clean enough.

Their (Oil Base, Inc.) business is holding steady and they expect it to increase as wells get deeper. Mr. Campbell speculates that Dresser, with no vested interest in oil-based systems, may be holding off some to see what develops. They also have a commitment to increase their business in chemicals for drilling and we may have a priority problem.

Typed 7/14/75
cjb


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METALS DIVISION - "CALIDRIA" ASBESTOS

DISTRIBUTOR CALL REPORT

CUSTOMER Montello, Inc. INDUSTRY Oil Drilling

CITY, STATE Tulsa, Oklahoma SALESMAN J. E. WALSH DATE 3-3-83

DOCUMENTS PROVIDED: MSDS_____ DUST COUNT REPORT_____ BLUE BOOK_____ OTHER_____

PERSONS INTERVIEWED:
Ken Campbell - President

CALL OBJECTIVE:

RESULTS OF CALL: Ken called the Atlanta office to advise of plans that Montello has and would continue to be working towards that will impact on our sales to them. As background information the rig count in January '82 was at 4530 but by October '82 it had fallen to 2370. A slight comeback was made by the end of the year to 2770. Since the first of this year it has continued to fall to its present level on 3-2 of 2064 and is continuing to fall at a rate of 80-90 rigs a week. The past month has seen the leading oil producers inability to settle on either a crude price or production levels. While the U. S. drills strictly on economics all the other producers drill because of political, social or war effort considerations. The Saudi's the world's largest producer are currently pumping 3MM BBLS/day vs. a capacity of 11MM BBLS. With the oversupply it is fully expected that the crude price could fall as low as $20BBL. Based on the present rig activity and the further expected erosion of the crude price Montello has decided to pull in its horns on their activity in the market. Besides their own personnel layoffs they are planning a reduced participation in the market by bringing as many functions into Tulsa as possible. They are working on handling the business direct and eliminating their commissioned field agents; closing their own field warehousing; and reducing their accounts receivable from around 200 to about a dozen. It is not a money problem Ken said as they are in good financial shape but based on the present outlook where they are typically carrying accounts 60 days they feel they would be better off at a reduced activity level which would allow them to transfer their cash into either real estate or money market instruments. Requested Ken to take some time and discuss with his people and come back to us with some thoughts, ideas and suggestions, blue sky and otherwise as to what assistance Union Carbide might be able to provide them during this time that could impact on their plans. They will plan on doing so and either communicate verbally or in writing to the writer so that we can address their ideas at our meeting later in the month.

SALES thru February

| | CSV | | SHUR | | UNIVIS | | TELVIS | | | | TOTAL | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | TONS | M$ | TONS | M$ | TONS | M$ | TONS | M$ | TONS | M$ | TONS | M$ |
| ALES YTD | 142.8 | 28.6 | 21.0 | 4.2 | ---- | ---- | 37.4 | 7.5 | | | 201.2 | 40.3 |
| DGET | 1500.0 | 300.0 | 168.0 | 34.0 | 300.0 | 63.0 | 330.0 | 69.0 | | | 2298.0 | 466.0 |

FOLLOW - UP ACTION REQUIRED: Comments, thoughts, and suggestions are welcomed as to what revised strategy or marketing plan we should pursue here based on the deteriorating industry and distributor situation.

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Calidria ASBESTOS

c for J. L. Myers
J. V. Murray
W. C. Thurber
NF-File

UNION CARBIDE CORPORATION
P.O. Box 579 Niagara Falls, N.Y. 14302

By H. B. Rhodes

Date 4/16/75

| | | | |
|---|---|---|---|
| Full Name | Montello, Inc. | Interviewed | |
| Address | Sand Springs, OK | | Mr. Ken Campbell |
| Mfrs. of | "Calidria" Distributor | | (Telecon) |

Montello has received notice that OSHA will not release the text of the uniformity ruling regarding warning signs. Several discussions were held with Montello and with Jim Murray to consider what to do now. There are really three choices:

1. Do nothing.
2. Try to get an audience in the local area OSHA office, i.e. Dallas or Lubbock.
3. Try to get help from Washington.

The cloud in the background is that even if a more favorable interpretation could be forced, i.e. no citations without monitoring we would still be faced with difficult complience problems on monitoring and medical examinations.

It was tentatively decided, subject to how the final result looked, that Montello will prepare a written presentation for the Dallas office and at the same time request a follow-up meeting. The presentation will cover their injuries due to the unsupported citations and their rather extensive field data supporting the position that signs are not needed. Only the sign issue will be addressed but Montello will be prepared to discuss possible workable arrangements in the medical examinations and monitoring areas. (We have provided them with detailed information on the current status in these areas.) Such arrangements would be based on the theme that these parts of the regulations are still being tested in the courts as they apply to plant situations and some interpretation is clearly needed as they apply to this field application. The medical examination requirement will also change in about 6 months so this is an interim situation. Montello is prepared to provide masks with the asbestos and to institute an on-site monitoring program on a moderate scale as their part in helping with complience.

We have agreed to review the Montello presentation when it is ready (about 2 weeks). There is always the chance that we are faced with a crusader attitude and a move towards reasonableness cannot be accomplished. The proposed approach is believed to have the following advantages:


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1. It is an attempt to develop support and cooperation with the local enforcement people. Maybe we can reach a workable compromise. There is little hope of this if they get their hand slapped by Washington.

2. It lays the groundwork for a strong approach in Washington if we do not get relief. All local recourse would have been tried and exhausted.

ACTION

HBR Stay in close contact with Montello.

typed 4/18/75
mlt


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# METALS DIVISION
# CUSTOMER CALL REPORT

Save

CUSTOMER & LOCATION Montello-Sand Springs, Oklahoma INDUSTRY CLASSIFICATION Drilling Fluids Distributors

SALESMAN J. E. Walsh REGION Southern DATE OF CALL 2-21-78

PRODUCTS DISCUSSED: Cr ☐ Mn ☐ Spec. ☐ Si ☐ $CaC_2$ ☐ W ☐ V ☐ Asb. ☒ Other: _____

PERSONS INTERVIEWED: Chuck Petri, Office Manager
Allan Johnson, Technical Director
Mike Miller, Controller

CALL OBJECTIVE: Call made at the headquarters of our drilling mud distributor.

RESULTS OF CALL: Met their new controller on the job the second day today and introduced myself to Chuck for the first time. Chuck mentioned the couple of large orders that he had just placed with us recently and confirmed the fact that they now expect to be about 50% better across the board on their sales from the figures Ken Campbell gave me back in November 1. Wyoming and North Dakota still remain a problem for them with their customers because of the OSHA medical exam requirement but the Gulf states of Texas and Louisiana have really opened up and are rolling. Allan added that sales could really sky rocket if they are able to get the new oil wetted pellet material project going as one of the largest potential accounts for them, Amoco is extremely interested in it. Allan was most appreciative of the cooperation he has gotten from our Falls technology people and Chuck added his kudos for the fine service he gets, ex. our King City people. Montello has taken the plunge Chuck said as they are moving back into Tulsa in the next 30-60 days and will be located at 6106 East 32nd Place.

FOLLOW-UP ACTION REQUIRED: Montello operates out of 7 warehouse locations to provide regular and emergency service to their customers.

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METALS DIVISION

# CUSTOMER CALL REPORT

Save

CUSTOMER & LOCATION Montello Sand Springs, Oklahoma

INDUSTRY CLASSIFICATION Drilling Mud Distributors

SALESMAN J. E. Walsh REGION Southern DATE OF CALL 5-16-77

PRODUCTS DISCUSSED:

| Cr | Mn | Spec. | Si | $CaC_2$ | W | V | Ash. | Other: |
|---|---|---|---|---|---|---|---|---|
| ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☒ | |

PERSONS INTERVIEWED:

Ken Campbell, President

CALL OBJECTIVE:

Introductory call made with R. E. Byrne on our drilling mad distributor.

RESULTS OF CALL: Business has been rolling along quite well this year with Super Vis, Shurelift, and Visbestos 110, 102 and 400% of budget. Montello maintains 15 warehouse operations throughout the southwest more or less as back up stock protection when California shipments can't be delivered in time to meet immediate emergency needs. Toxicology and the recent blast was a subject that touched down here also and a rehash of what transpired two weeks ago was done with Ken. Our individual shrink wrapped package has been a big help in reducing dust in the field, Ken said, over our previous package when often loose fiber in the sleeve escaped when the pallet wrap was removed. Ken is in very close contact with Dr. Rhodes on the toxicology topic and John Myers on our marketing so future calls here will be in the courtesy-social category as well as providing Montello with another instrument of communication within our group should they so desire to use it

FOLLOW-UP ACTION REQUIRED:

COPIES TO: Gen'l. Sales Mgr. (2); Mktg. Services; Others: REB:JRL:TPN:WCT:KC-FILE:RE-FILE


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# CUSTOMER CALL REPORT

CUSTOMER & LOCATION: Montello Tulsa, Oklahoma

INDUSTRY CLASSIFICATION: Distributor

SALESMAN: J.E. Welsh REGION: Southern DATE OF CALL: 5/80

## ASBESTOS HEALTH & REGULATORY DOCUMENTS PROVIDED:

- ☐ MSDS
- ☐ Health & OSHA Information Blue Book
- ☐ Dust Count Report
- ☐ Other, specify below

## PERSONS INTERVIEWED:

Ken Campbell President
Harry Wyatt Vice President
Allen Johnson Sales Manager/Technical Director

## CALL OBJECTIVE:

Call made with J.L. Myers, W.B. Atley and B.L. Ingalls to discuss a variety of mutual areas of interest.

## RESULTS OF CALL:

Day long meeting and discussion on a variety of topics which will be covered in synopsis form here.

Competition - Flowsal distributor Drilling Specialties has begun a strong advertising compaign pushing their asbestos product. Flowsal is a 10% moisture J-M asbestos prill. With Univis now essentially dead a new gimmick or approach is needed to prevent further erosion of our position in the drilling mud area.

CALIDRIA - Due to the number of movements our product goes through and the valve type bag we use the intergrity of our material is not as good as Flowsall. CSV price slightly higher than Flowsall and over the past eight years Montello feels our quality has gone down so that we are now only equal in performance to them.

New Ideas - Several in a variety of order with varying lengths of time needed to implement them. The first choice seems to be RG-100 mini-pellets which we can make in limited amounts and have 50M lbs on hand as surplus at our Marietta plant. Ballparked price for carloads was given to Montello as $260/Ton no frills with pallets, shrink-wrapping add ons same as now. Other potentials are standard grade pellets and filter cake of both grades. Montello will evaluate the pellets and if they get a 50% greater yield with the RG-100 which they expect to they would probably start with field sampling on a limited degree based on the amount of production we would be willing to make for them on a continuous basis with our present equipment.

Packaging - Investigate the possibility of using opaque shrink wrap over our paper bags to at least hide the visible asbestos in our present package. Montello will design a label for the new product with the appropriate warnings, come up with a new product designation for whatever product they decide on and send us the stick-on labels to apply to the opaque shrink wrap.

Quality Control - Allen Johnson will spend a couple of days next week at the King City plant with Blair Ingalls observing how we run our quality control testing. With this experience and looking both at their own particular needs and the specific need at present of Dresser's compounder they will try to develop quality control test methods relevant to drilling mud customers and ones that our plant is capable of testing for and meeting.

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Montello Tulsa, Oklahoma Distributor

Communications - QC data for Dresser's compounder on CSV shipments will be sent to J.L. Myers on all shipments to the compounder. If Montello requires the data they will obtain it from Niagara Falls. The last week of the month Montello will provide us with their best estimates on their CSV & Shurelift palletized and unpalletized requirements for the next two months. The estimates will be phoned by Montello to Atlanta and wired to King City with a copy to J.L. Myers. Orders will be phoned to King City with specified ship dates at least 5 to 10 days hence. We will no longer provide Montello with our product or bag inventory figures but must advise them prior to or on the specified shipping date if we will not be able to supply their requirements as ordered. Normal shipping info such as car number, date shipped, etc will continue to be provided by King City direct to Montello as requested when orders are shipped.


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METALS DIVISION - CALIBRIA ASBESTOS

# DISTRIBUTOR CALL REPORT

CUSTOMER MONTELLO INDUSTRY DISTRIBUTOR

CITY, STATE Tulsa, Oklahoma SALESMAN J. E. Walsh DATE 3/1/84

DOCUMENTS PROVIDED: MSDS____ DUST COUNT REPORT____ BLUE BOOK____ OTHER____

PERSONS INTERVIEWED: Ken Campbell, President
Allan Johnson, Sales Manager
Chuck Petri, Office Manager

CALL OBJECTIVE: Sales call with G.L. Dickson and J.T. Kelly on our distributor to the oil well drilling industry.

RESULTS OF CALL: Rig count has taken its normal first two months of the year decline to 2200T but optimism still persists that it will average out at 25-2600 for the year. Sales of Shurelift will cease when the approximate 6500 bags we have on hand in inventory are used. Montello made a low key approach to Halliburton on possibly continuing on with some sort of protection but they are committed to taking their name off asbestos bags. They will continue to use and sell it but will purchase their requirements from Montello in the form of CSV. Based on the present optimistic outlook in the industry, Ken felt that CSV sales for the year should continue at the 125Ton/month average we have seen so far this year or up 300Tons for the year more than originally budgeted. Telvis sales still are expected to be 170 tons with Univis sales probably up T/L or two over the original 2 budgeted.

Discussed the Ashland situation and we are all set for our meeting with Ashland people in Columbus on 3/20 to discuss issues relative to handling and marketing asbestos through their warehouse location. Drilling Specialties is in a state of reorganization due to heavy losses incurred last year in the industry but so far as Ken and Allan can tell, they still are continuing to market Flowsal. The sample of our various grades sent in to their Sand Springs operation for them to try to wet out have still not been worked on as they have been tied up with their new Ashland relationship. Now that it has been pretty much concluded they are planning to work with the various grades we sent them. The DMI/Grace merger into Hughes Tool is also still in a state of flux and Montello is still trying

SALES: Through February

(OVER PLEASE)

| | UNIVIS | | CSV | | IMSHFT | | TELVIS | | | | TOTAL | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SALES YTD | TONS | M$ | TONS | M$ | TONS | M$ | TONS | M$ | TONS | M$ | TONS | M$ |
| YTD | ---- | ---- | 256.1 | 57.0 | ---- | ---- | ---- | ----- | | | 256.1 | 57.0 |
| PLAN | 40.0 | 10.0 | 1200.0 | 276.0 | 190.0 | 46.0 | 170.0 | 36.0 | | | 1600.0 | 368.0 |

FOLLOW - UP ACTION REQUIRED:

COPIES TO: TPN: JTK: GLD: GML: KC-FILE: PITT-FILE: PITT PERMANENT FILE