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Special Studies Report on Sixteen Arkadelphia Service Stations

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SPECIAL STUDIES REPORT

ON

SIXTEEN ARKADELPHIA SERVICE STATIONS

presented to Mr. Harry H. Squires

Chairman, Department of Business & Economics

by

Johnny Heflin

May 19, 1967

OUTLINE

I. Purpose

II. Results of Survey

III. General Observations and Comments

Iv. An insight to one of the major oil companies.

PURPOSE OF THE PAPER

The purpose of the special studies project for the Division of Business and Economics is to gather the necessary information for compiling a directory of all Arkadelphia business and industry. During the first semester I had the opportunity to help compile information from the banks and major industry in our area. This semester my assignment consisted of visiting and securing information from sixteen of the service stations in the area.

There is very little to write about in trying to develop a summary paper of the work. This is due mainly to the fact that one major purpose is not to provide summary papers but to produce a worthwhile directory. This, I feel, is a good objective of one Division.

I will present my paper by giving a rundown on the 16 stations which I visited, then make a few general observations which I made and then complete my paper by giving a brief insight to one of the major oil companies. Attached in the back of my folder will be the survey sheets I used when calling on my businesses.

SURVEY OF BUSINESS
Department of Business Administration
Ouachita Baptist University
Arkadelphia, Arkansas
Date ____________________

Name of Business ____ State ________

Street ______________ Number ______ City ________________ County __________

Type of operation: Manufacturing ___, Wholesaling ___, Retailing ___, Service ___.

Lines of products handled or produced ____

____

____

____

____

Form of Organization: Corporation ___, Partnership ___, Proprietorship ___.

If a Corporation, the name of the:

Chm of Board ____________________ Secretary ______________________

President ______________________ Treasurer ______________________

V. President ____________________ Manager ________________________

Other __________________________ ______________________________

If a Partnership or Proprietorship:

Name of Owner: Position or Major Duty:

__________________________________ __________________________________

__________________________________ __________________________________

__________________________________ __________________________________

__________________________________ __________________________________

Is annual statement made available to the public? Yes ____, No ____.

Number of Employees __________ Estimated Annual Sales $ ________________

Intervied by: ____________________

RESULTS OF SURVEY BY BUSINESS

1. McArty Esso Station -- 700 Walnut

This station is owned and operated by Tom McArty. He has no employees, has never published a financial statement and did not wish to give any estimate of annual sales.

Note: To save from writing the following information for each service station, I will list some facts which were the same for all companies.

A. Type of operation was listed as retailing and service.

B. The form of organization was listed as proprietorship.

C. No annual statement has ever been published for public.

D. The line of products handled was stated to be gas, oil, and accessories.

Each owner gave the same response to those four areas so I will not list them again.

2. Buck's DX Service Station -- 630 Walnut

This station has one full time employee with two part time employees. Herman Buck is owner and operator and did not wish to give any estimate of total sales.

3. Ed Rogers Texaco -- 6th and Crittenden

This station has been sold and is now known as Taylor Texaco. Herschel Taylor is the new owner and operator. He has one full time employee and would not give an annual sales estimate.

4. Morrison Service Station -- 10th and Hickory

This station has also changed hands. James F. Dorsey is now the owner and operator. He did not know an estimate of sales. He employs one full time helper and one part time helper.

5. Black's Shopping Center 66 Station -- Pine and Hunter

This station, owned and opprated by M. R. Black, is the newest of those that I visited. Mr. Black employs two men full time. He didn't have an estimate of annual sales but said he pumped 10-12,000 gallons of gas each month.

This could give as a rough estimate about $50,000 - $70,000 in sales.

6. Flaig's Gulf Service Station -- 134 No. 10th

Mr. Ed Flaig was very helpful and gave me some interesting bits of information which I will use later. He, of course, is the owner and operator. Annual sales are estimated at $130,000. He employs one full time man and four part time helpers.

7. Ed's Tenth Street Esso Service Station

This station, located at 10th and Barkman was closed on December 31, 1966. The previous owner was Ed Wallace.

8. Chris Love's Mobil Service Station - 135 N. 10th

Chris Love, owner and operator, did not have an annual sales estimate. He hires two part time employees with one full time helper.

9. K & C Cities Service Station - North 10th

Roy Kirksey is the owner and operator of this business. Mr. Kirksey hires two employees and estimates annual sales from $65,000 - $70,000.

10. Bratton's 66 Service Station - 10th and Clinton

N. C. Bratton, owner and operator, hires one full time employee. He estimates annual sales at $100,000.

11. Jessie Brown DX Service Station -- 903 Clinton

At this station I was able to sell an advertisement for the school paper. Thus I guess, the trip was economically worthwhile. Mr. Brown was not sure of his annual sales. He does have two part time employees.

12. Neel's American Station -- 8th and Clinton

Owner and operator is Herbert Neel. He has no sales estimate and hires one man full time and one part time.

13. B & B Service Station -- 910 Clinton

Laymond Buck is the owner and operator. He gave his sales figures for last year as $96,000. He employs one man full time and three part time.

14. Loy & Taylor Texaco -- 10th and Caddo

This station is now just Loy Texaco as Wilson Loy has bought Mr. Taylor out. Mr. Loy employs one full time man and three part time. He estimated annual sales at $70,000.

15. Butler's Lion Service Station - 521 Caddo

John Butler is owner and operator of this station. He employs no other people and did not wish to give any estimate of sales.

16. Kelly Esso - 6th and Caddo

This station has changed its name to Caddo Esso. It was just reopened about 5 - 6 months ago. W. O. Traywick is the Esso dealer. He has two employees. Both are part time. His estimate of annual sales was about $100,000.

GENERAL OBSERVATIONS AND COMMENTS

I might begin by saying that all of the people interviewed at the service stations were friendly and tried to be helpful. It was certainly easy to tell that the majority of the people were fairly uneducated. I guess about five or six seem to be fairly well educated. An even greater majority of the employees seemed to lack education.

These firms - like most others - were mostly unwilling to give an estimate of annual sales. Of those who were willing we find the following figures:

Haig's Gulf	$130,000
Caddo Esso	100,000
Bratton's 66	100,000
B & B Station	96,000
Loy Texaco	70,000
K & C Cities Service	65,000 - 70,000

The firms employed a total of 13 full time workers, 21 people are employed part time. This a total of 49 people including the owners which derive some income from the 15 stations now open.

Something interesting I learned from Mr. Flaig was that none of the dealers in the Arkadelphia area actually owned their own station. They all leased them from their various oil company distributors. This was a new fact to me. He also told me that the new interstate highway, which made all through traffic bypass the city of Arkadelphia, was definitely hurting the local business. He said so far that he had lost about 500-600 gallons a day. This will mean a real dent to the service station business.

At present the newer stations that have been built out by the Holiday Inn exit seem to be doing rather well. However, when the highway goes all the way through to Malvern it is expected that their trade will also go down. It will be interesting to try and later trace what happened to the service station business as a result of the interstate.

A BRIEF INSIGHT TO TEXACO, INC.

The Texaco sign is the only major oil company which has the same name in every state from coast to coast. Even though we think of Texaco strictly as producers of gasoline for our cars this is actually only a small part of the many activities this corporation undertakes. In fact, this is true of all of the major oil companies -- they are greatly diversified. However, I might should add that the diversification all stems from the three major raw materials of petroleum, coal and chemicals. The end results vary from the gas and oil products to plastics, detergents, solvents cosmetics, explosives, pharmaceuticals, fertilizers, polyester fiber and film, anti-freeze and textile chemicals.

The company, of course, carries out its own marketing and distribution program. The producing, manufacturing and marketing techniques of the company are fully explained in these following pages taken from the 1966 annual report. This all will help to show something of one of the major oil companies. We need to keep in mind that Loy Texaco -- with annual sales of $96,000 -- is supplied by this firm.

Texaco again produced more crude oil and natural gas liquids in the Western Hemisphere than ever before. Gross production including equity in affiliated companies, rose 7.7% to 1,178,204 barrels a day in 1966 compared with 1,093,734 barrels a day in 1965. Gross production increased for the month of December, 1966, to an average of 1,186,000 barrels a day. These totals came from widely diversified sources in six countries.

At the same time, the Company increased its total reserves of petroleum liquids. The steady build-up of proved reserves of these basic raw materials, both at home and abroad, to new high levels as of the year-end provides a firm foundation for the Company's continued growth.

While as an international company Texaco was expanding its extensive foreign interests, it adhered to its policy of continuing to develop its strong domestic base for all operations. The Company's gross production in the United States rose for the 12th consecutive year. The 1966 total of 766,599 barrels a day was 8.6% higher than the 1965 level of 706,200 barrels a day. The December average was 787,000 barrels a day.

Texaco's domestic production came from 19 states. Active exploration was conducted in 38 states from Florida to Alaska, including all significant producing areas.

Onshore Louisiana continued to be the leading source of Texaco's domestic production, as it has been for many years. New oil and gas reserves were found and new production was developed in the Bay St. Elaine, Caillou Island, Lake Barre, West Cote Blanche Bay, Garden Island Bay, Lake Raccourci, and Lapeyrouse fields.

Offshore Louisiana was the scene of successful exploratory drilling on the southern flank of South Marsh Island Block 11 and in a new fault segment of West Delta Block 75, and at Rabbit Island, which provided much of the Company's fast-growing offshore oil production.

Farther offshore, significant extensions were made in the Eugene Island Block 205 and East Cameron areas. A previous discovery was further developed in the Eugene Island Block 275 area, where 12 oil wells will be placed on production in early 1967.

A microwave supervisory system was placed in service in the Henry Plant, near Erath, to provide efficient remote control of offshore wells and producing facilities. This system makes possible uninterrupted operation even during severe storms.

In West Texas, vigorous exploration and development of extensive fee properties and leases in the Delaware Basin provided excellent results. In Reeves County, three prolific gas wells were completed in the Ellenburger formation at depths below 20,000 feet. Each of these wells, in which Texaco's interest varies from 44.4% to 100%, was drilled on wide, 640-acre spacing. The use of the most modern drilling techniques on these extraordinarily deep and difficult wells saved an average of 34% of drilling costs per well, as compared with the industry-wide average in this area. In Pecos County, a fourth prolific Ellenburger gas well was completed below 20,000 feet.

Immediate markets are available for the gas reserves proved by all four of these Ellenburger wells. These sales will provide Texaco with an early return of its investments even as it continues to develop these fields. Full-scale deliveries are scheduled to begin in 1967.

In southeastern New Mexaco, important new gas production was developed at depths below 16,000 feet on the 35,000 acre Cotton Draw Unit of the Delaware Basin. Texaco's interest is 50%. A market for this gas, also, has been obtained.

Offshore from Southern California, THUMS Long Beach Company, organized in 1965 to operate the East Wilmington field, developed production of 38,000 barrels a day by the end of 1966. Texaco's share amounted to 5,380 barrels a day. Rapid development should raise THUMS production by 1970 to a peak of 200,000 barrels a day, with Texaco's share being 27,500 barrels a day.

Alaskan exploration in the Cook Inlet Province resulted in an oil field discovery at Trading Bay and a gas field discovery at Nicolai Creek. Further wildcat drilling on large onshore holdings nearby is under way.

A major part of Texaco's drilling was concentrated in the United States, where 1,532 gross wells were completed, compared with 1,495 in 1965. Of these wells, 81.1% were oil or gas producers. This success ratio compared favorably with the industrywide average.

The use of computer techniques in connection with resevoir engineering greatly assisted the Company in conserving natural resources. The application of thermal recovery techniques boosted Texaco's production in the San Ardo field in California to more than 30,000 barrels a day, or double the prior level. The entire cost of these thermal recovery facilities was paid out in less than two years.

For the long-term future, substantial reserves of shale oil were proved by extensive core holes which were drilled on the Company's oil shale fee lands in Colorado and Utah. The Company will be in a favorable position to produce shale oil when it becomes economically attractive to do so.

The Company's outstanding position in natural gas reserves enabled it to penetrate further the fast-expanding markets for natural gas, both as a rapidly growing energy source and as valuable petrochemical feedstocks. Gross domestic gas sales rose 24.1% to 2.4 billion cubic feet a day. Sales revenues rose 26.6% to $151,016,002.

A large part of this growth has taken place in Southern Louisiana, where Texaco has developed a wholly owned network of gas pipe lines designed to serve virtually every industrial location in this area. With this network and extensive and well-located gas reserves, Texaco is in a very favorable position to provide a dependable source of gas supply to Louisiana's rapidly growing industries. The Company's gas sales, especially in Southern Louisiana and from the new reserves in West Texas, are rising at a very rapid pace.

In addition to gas sales, Texaco's growing use of its own gas production in its refineries enhanced the profitablility of these operations. Gas deliveries from offshore Louisiana to the Port Arthur plants in Texas began through the wholly owned Sabine pipe line and, by early 1967, will supply the requirements of the Company's plants in this area. Texaco's own natural gas and liquiefied petroleum gas (LPG) will also be supplied by the new Louisiana refinery.

The Paradis Gas Processing Plant in Louisiana is being more than doubled so as to extract 20,000 barrels a day of petroleum liquids from natural gas. The Company's gas processing plant at Henry, Louisiana, also is being enlarged to a capacity of 20,000 barrels a day and will handle offshore gas. Two new gas processing plants are being placed on stream near Dallas and Corpus Christi, Texas, as well as a jointly owned gasoline plant located at Wilson Creek, Colorado.

Texaco's subsidiaries in Canada produced an average of 61,882 barrels a day, up 14.3% from the 1965 level of 54,162 barrels a day. Exploration was conducted in ten provinces and territories. Seismic operations were converted to digital recording and computer processing. Gas sales gained 20.9% to 88 million cubic feet a day.

Texaco's production in Latin America, including its equity in affiliated companies, rose 4.9% to a new high of 349,723 barrels a day, compared with 333,372 barrels a day in 1965. Thermal recovery projects were expanded, and active drilling programs were continued in Trinidad, Venezuela, and Colombia. Exploration was also conducted in other promising areas of South America, Central America, and the Carribbean.

The Company continued to produce more than half of Trinidad's total output. Texaco's production there rose 24.7% to 79,550 barrels a day, compared with 63,783 barrels a day in 1965. Large compressors were installed to boost the utilization of natural gas for pressure maintenance, refinery fuel, and outside sales.

Venezuelan production averaged 224,664 barrels a day, compared with 224,076 barrels a day in 1965. Over 55% came from marine properties in Lake Maracaibo. Jointly with other companies, Texaco is planning to construct large plants to make optimum use of the gas produced from these properties.

Texaco continued to be a leading producer in Colombia. Its production averaged 45,415 barrels a day, compared with 45,513 barrels a day in 1965. The major reserves already discovered in the Orito and Puerto Colon fields in the Putumayo area near the Ecuadorian boundary were increased by development drilling and by the discovery of the Temblon field six miles east of Puerto Colon.

To bring the Putumayo reserves into production, the Trans-Andean pipe line will be constructed from the Orito field to a Pacific terminal to be built at Tumaco. The pipe line will be 193 miles long and will cross the Andes at 11,500 feet. It will have an initial capacity of 50,000 barrels a day, which can be increased to 100,000 barrels a day by the installation of additional pumping equipment. Its cost will be approximately $50,000,000. To support local operations in the Orito area, a 1,000-barrel-a-day refinery is being prefabricated and will be flown in by helicopters. Texaco had an undivided half interest in the pipe line, the refinery, and more than 4,000,000 acres in the Putumayo area. It is the operator there.

In Ecuador, geological and geophysical exploration was carried out on 5,300,000 acres in the Amazon basin adjoining the Putumayo area. Exploratory drilling is scheduled to begin early in 1967, utilizing a rig transported and supplied by helicopters. Texaco holds an undivided half interest and is also the operator there.

In Peru, also, Texaco conducted geological and geophysical studies in the Amazon area. Through Deutsche Erdol A.G., minor oil production was acquired there.

Texaco's refining operations again reached a new high in the Western Hemisphere. Including equity in affiliates, refinery runs totaled 1,324,703 barrels a day, up 5.5% from the 1965 level of 1,255,895 barrels a day. They averaged 1,360,000 barrels a day for the month of December.

The year's runs in 22 refineries in the Western Hemisphere amounted to 98.2% of the Company's aggregate rated capacity, as of the year-end, of approximately 1,350,000 barrels a day. This utilization of plant capacity was well above the industrywide average.

As of the end of 1966, the Company's eleven domestic refineries had a rated capacity of 805,000 barrels a day. They processed an average of 801,305 barrels a day, or 5.8% above the 1965 level of 757,387 barrels a day. This all-time peak in domestic refinery runs was achieved without major additions to refining facilities.

To meet the ever-growing demand for higher-quality petroleum products, the Company is applying new processing technology, electronic data processing, computer control, and other technical know-how. Major new plant capacity will be added in 1967.

The Company's 12th domestic refinery-second in size only to the 310,000 barrel-a-day Port Arthur Plant-is nearing completion in St. James Parish southeast of Baton Rouge, Louisiana. It is scheduled to go on stream in the spring of 1967 and will have a rated capacity of 100,000 barrels a day.

The Louisiana Plant is strategically located to receive its raw materials from Texaco's large oil and gas reserves in that state. With ready access to both water traffic on the Mississippi River and the Colonial products pipe line to Southeastern and East Coast States, it will help supply motor gasolines, jet fuel, and other refined products to half of the United States.

The Los Angeles refinery is being expanded and modernized to help satisfy the burgeoning West Coast market. When completed toward the end of 1967, new hydrongenation and other facilities will maximize the production of high-octane gasoline and will convert residual fuel into high yields of more valuable products.

A new deepwater terminal for large supertankers is being built at Long Beach Harbor.

Texaco Canada Limited processed 113,496 barrels a day, compared with 107,144 barrels a day in 1965. Its refining capacity was raised to about 125,000 barrels a day by the expansion of the Port Credit Plant, outside Toronto. Its four refineries are strategically located, at Halifax, Montreal, and Edmonton as well as Port Credit, to supply the rapidly expanding Canadian market.

Texaco's equity in refinery runs in Latin America amounted to 409,902 barrels a day, compared with 391,364 barrels a day in 1965. Its equity in the aggregate rated capacity of seven Latin-American refineries, including two each in Trinidad, Venezuela, and Columbia and one in Guatamala, totaled some 420,000 barrels a day. The Pointe-a-Pierre Plant in Trinidad, Texaco's largest foreign refinery processed 337,083 barrels a day, compared with 319,016 barrels a day in 1965. Its capacity is now rated at 340,000 barrels a day.

In addition to a small refinery in the Putumayo area of Columbia, two others are scheduled for construction in Honduras and Puerto Rico. A 9,300-barrel-a-day plant is planned for construction at Puerto Cortes on the Caribean coast of Honduras. The Puerto Rican Government has given its full support to Texaco's application for an oil import allocation to meet the requirements of the Company's proposed 40,000-barrel-a-day refinery at Guayanilla Bay on the island's south coast. This plant will supply both local and other markets.

The Company's product sales in the Western Hemisphere, including equity in affiliates, rose 6.9% to a new high of 1,309,938 barrels a day, compared with the 1965 level of 1,224,817 barrels a day. Product sales for December averaged 1,486,000 barrels a day.

Sales volumes continued to show strong growth in the United States, Canada, and Latin America. Improved revenues were realized in North American markets because of increases in gasoline and other product prices to more nearly normal levels. However, selling prices in some areas of Latin America were depressed.

The Company has strengthened its leadership in the highly competitive domestic gasoline market and continues to retail directly the full range of petroleum products that it refines from each barrel of crude oil. Achieving a major long-term objective, it has made a balanced penetration of the market for each refined product, ranging from gasolines and lubricants to jet fuels and fuel oils. This full-range marketing enables the Company to sell its available products, from the lightest to the heaviest, through its own facilities in the most favorable avenues of trade.

Texaco maintained its unique and advantageous position as the only company to serve the motoring public under the same name in every one of the 50 states.

Following four years of extensive studies, the Company adopted a new service-station design. In keeping with the Company's belief that good taste is good business, the new stations are modern, attractive, and well landscaped. They have distinctive green roofs, fieldstone walls, large display windows, and side-entrance lubrication bays. They harmonize with both residential and commercial areas. The new design is known as the "Matawan", because it closely resembles an experimental model tested since 1964 at Matawan, New Jersey. Two other designs, a red-brick "Colonial" and a ranch-style "Suburban", were also adopted for use in appropriate locations.

The use of the Texaco National Credit Card was extended from all 50 states and all ten Canadian provinces to Puerto Rico and the U. S. Virgin Islands as well. Its use also was broadened to cover many more travel conveniences. These cards are now honored by Howard Johnson's Motor Lodges for lodging and related services, by Stuckey's roadside refreshment centers, and by the automatic car-wash centers being built by S. C. Johnson & Son, Inc. The new, non-expiring Texaco National Credit Card is being issued to the Company's many millions of Credit-card customers in place of the former cards that were replaced periodically.

The Company introduced a complete line of Texaco batteries for automobile, truck, bus, diesel, and marine use, and also a line of automotive filters for gasoline, oil and air. This Texaco merchandise is now available at service stations throughout the United States.

The Quality Line of specialty products was expanded to include a Tire Inflator-Puncture Sealer, which makes it unnecessary to change a punctured tire on the highway and allows a motorist to proceed to the nearest service facility. Green Chief, a granular lawn food containing all essential plant nutrients, also was added for marketing through Texaco service stations.

Jet fuel sales to major airlines gained sharply. General aviation sales also rose as the number of Texaco airport dealers was increased to approximately 500. The Company's objective is to provide modern facilities at every airport center for business and private flying, from principal cities to resort areas, not only in the United States but also in Canada and the Caribbean.

Further significant progress was made in the major domestic market for fuel oils along the East Coast. The authorization to increase imports permitted the expansion of residual fuel sales. Oil-fired equipment sales were stimulated by the introduction of an improved Fuel Chief oil burner. Near Wilmington, Delaware, the modern concept of supplying heating oil from central storage tanks through small pipe lines to individual and multiple residences was installed in a new development that will house 4,200 families. Similar projects are planned for other U. S. locations and were carried out in Eastern Canada.

The Company is strengthening its already strong position in Lubricating oils and greases. A highly automated plant for compounding, blending, and packaging lube oils and for manufacturing greases will be completed adjacent to the Los Angeles refinery by late 1967. This plant will provide the added capacity needed to supply rapidly growing markets in the Western States, and Texaco Canada's blending and grease plant at Toronto is being expanded.

A blending plant is under construction at Guayaquil, Ecuador. When it is completed in 1967, Texaco lubricants will be obtainable from blending plants in all four Pacific Coast countries in South America.

Overall sales of petroleum products by Texaco Canada, one of the major marketers in the Texaco family, reached an all-time high. Gasoline sales were stimulated by the construction of many new service stations from coast to coast, the opening of new bulk plants in the four Western Provinces, and the sizable increase in the use of Texaco credit cards.

A "Destination Expo" program was launched to maintain to highest standards at the service stations on the main arteries leading to Montreal's Expo 67, the world's fair being held to coincide with Canada's centennial. A special road map of these routes is being issued.

Latin-American sales were boosted by strong growth in bulk deliveries of residual fuel to expanding industries in the Caribbean and by good gains in gasoline marketing on popular resort islands. Gasoline sales also rose sharply in Colombia, where the Company in recent years has developed a nationwide network of service stations and has been the fastest-growing marketer. The construction of new or enlarged terminal facilities on Caribbean islands, with emphasis on LPG storage, further improved the Company's capability to serve its customers.

On September 16, the Company presented to radio audiences throughout the

United States, Canada, and Puerto Rico the opening-night broadcast of the Metropolitan Opera from its new home in Lincoln Center for the Performing Arts, New York City. This broadcast marked the beginning of Texaco's 27th consecutive year of exclusive sponsorship of the Metropolitan Opera on radio.

TEXACO, INC. AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF INCOME
YEAR ENDED DECEMBER 31, 1966

GROSS INCOME

Sales and Services	$4,427,320,512
Dividends, interest, and other income	272,829,533
	$4,700,150,045

DEDUCTIONS

Costs and operating expenses	$2,857,903,050
Selling, general and administrative expenses	414,092,082
Dry hole costs	39,873,464
Depreciation, depletion and amortization	370,895,634
Interest charges	28,760,844
Taxes (other than income taxes)	141,049,916
Provision for income taxes	135,600,000
Minority interest in net income	2,108,798
	$3,990,283,788

NET INCOME	$ 709,866,257

*Information taken from 1966 Texaco annual report

TEXACO, INC. AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEET
AS OF DECEMBER 31, 1966

ASSETS

CURRENT ASSETS	
Cash	$ 206,903,389
U. S. Government and cash investments-at cost	179,158,535
Accounts and notes receivable, less allowance for doubtful accounts	1,132,970,182
Inventories--	
Crude oil, petroleum products, and other merchandise-at cost, determined on the first-in, first-out method, which in the aggregate was lower than market	394,012,758
Materials and supplies-at cost	55,877,870
Total current assets	$1,968,922,734
INVESTMENTS AND ADVANCES	$ 283,273,266
PROPERTIES, PLANT, AND EQUIPMENT--AT COST	
Producing	$4,613,134,978
Manufacturing	1,454,400,853
Marketing	1,099,555,024
Marine	291,854,356
Pipe Lines	228,701,519
Other	82,563,990
	$7,770,210,720
Less-Depreciation, depletion, and amortization	3,686,974,761
Net properties, plant, and equipment	$4,083,235,959
DEFERRED CHARGES	$ 27,464,659
TOTAL	$6,362,896,618

*Information taken from 1966 Texaco Annual Report

TEXACO, INC. AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEET
AS OF DECEMBER 31, 1966

LIABILITIES AND STOCKHOLDERS'* EQUITY

CURRENT LIABILITIES

Notes and contracts payable and long-term debt due within one year	$ 113,899,397
Accounts payable and accrued liabilities	719,387,569
Estimated income taxes	191,428,120
Total current liabilities	$1,024,715,086

LONG-TERM DEBT	$ 739,668,263
RESERVES	$ 73,035,687
EQUITY OF MINORITY INTEREST IN SUBSIDIARIES	$ 61,884,600

STOCKHOLDERS' EQUITY

Capital stock-par value $12.50 Shares authorized-150,000,000 Shares issued-137,132,300 in 1966 and in 1965, including treasury stock	$1,714,153,750
Paid-in capital in excess of par value	593,002,753
Retained earnings used in the business	2,235,238,779
	$4,542,395,282
Less-Capital stock held in treasury-1,759,409 shares in 1966 and 2,014,647 in 1965 at cost	78,802,300
	$4,463,592,982
TOTAL	$6,362,896,618

*Information taken from 1966 Texaco Annual Report