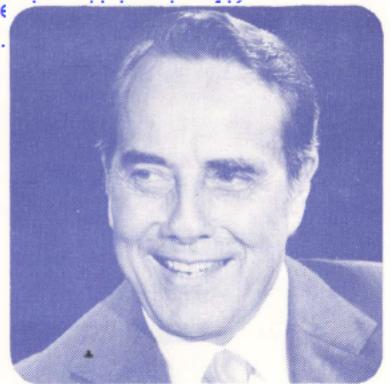


News from Senator

BOB DOLE



(R - Kansas)

SH 141 Hart Building, Washington, D.C. 20510

FOR IMMEDIATE RELEASE
FRIDAY, APRIL 13, 1984

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**** EL DORADO REFINERY NEWS ****
DOLE RECEIVES CRUDE OIL COMMITMENT FROM TEXACO--
BUT SENATOR WILL CONTINUE TO SEEK ASSURANCES

WASHINGTON -- Kansas Senator Bob Dole announced today that he has secured a commitment from Texaco Inc., that it will be the crude oil supplier of "last resort" to the El Dorado refinery. In a personal letter to Dole, Texaco said that in the event that that facility cannot be sold because a prospective purchaser is unable to physically acquire crude oil supplies for the refinery, the oil company will supply the crude.

Senator Dole secured the written commitments from Texaco, after several weeks of negotiations with the oil company. Senator Dole stressed during his discussions with Texaco that, although there may not be a crude oil supply problem at this time, it was important that a new owner have a back-up supply of crude available that in the event that during the early days of the new operation, a supply problem arose.

"I am pleased that Texaco has agreed to stand ready as a supplier of last resort for crude oil necessary to operate the El Dorado refinery," said Dole. "However, I will not rest in regard to this matter until the FTC embodies the spirit of that commitment in the final Consent Order setting forth specific terms by which Texaco will be responsible for such a commitment. My staff has drafted specific language that would require Texaco to be prepared, if in the event a new operator of the facility could not acquire crude oil during the first three years of operation, to sell at least 50,000 barrels a day at the going market price. We will submit this language to the FTC as part of a comment to the preliminary Consent Agreement and will encourage the FTC to incorporate it in their final order."

The letter to Senator Dole, dated April 12, 1984, from Donald Annett, Vice President of Texaco, follows:

This refers to your inquiry requesting clarification of the section in Mr. John McKinley's March 29 letter to you relevant to crude oil supplies for the El Dorado refinery. You asked whether Mr. McKinley's letter can be interpreted as meaning that Texaco is committed to being the "crude oil supplier of last resort" and will negotiate with the purchaser for the sale of crude oil on commercial terms in the extremely remote and unforeseeable event that Texaco, or a subsequent trustee, cannot sell the refinery because a prospective purchaser is unable to physically acquire crude oil supplies for the refinery.

I believe that Mr. McKinley's letter, a copy of which is attached, is quite clear on this issue and that the interpretation you have suggested is correct, *i.e.*, under the conditions set out above, Texaco will be the "crude supplier of last resort" to the El Dorado refinery.

Texaco acknowledges that comments are being filed with the FTC on this issue. We understand that you, as well as others, will request the FTC to require in its final order a crude oil commitment by Texaco for the El Dorado refinery at its 1983 capacity level for a 3-year period following the sale. Under the FTC consent order procedures, the Commission will be required to consider this request in the adoption of its final order after considering all views, including those of Texaco. You should be assured that it is the intent of Texaco to comply with the lawfully promulgated final order of the FTC in this proceeding.