

By Mike Robie

It is often said that when the going gets tough, the tough get going. The folks at the EXLOG Warehouse had more than ample opportunity to test that theory this past summer.

The warehouse team found themselves in a cavernous, empty warehouse with virtually nonexistent storage racks at a time when a fleet of 18 wheelers loaded with inventory was headed in their direction. To complicate matters, this inventory was of several different types peculiar to at least three different operations. There were items coming from TOTCO in Norman, Oklahoma; EXLOG in Sacramento, California; EXLOG inventory from the Kinghurst facility in Houston, and Drilling Motors inventory from the Baker Hughes Drilling Motor Operation in Houston.

The task at hand was fairly simple. Identify, sort, tag, and stock all of these items as quickly as possible and hold the disruptions to routine operations at

an absolute minimum. As all of us at EXLOG, Inc. know, this proved to be a painful process. It appears now, however, that the worst is over.

Despite the lack of air conditioning in a sweltering Houston summer, the dedicated warehouse crew, working long hours (including week-ends) had the place organized well enough to conduct a physical inventory in late August. Naturally, the physical count revealed numerous new problems to be dealt with. This task was approached with the same positive, can-do attitude initially shown. Most discrepancies have been resolved and the process is continuing.

Recently, an organizational restructuring took place within the Manufacturing Department at EXLOG. Managerial responsibility for the warehouse was combined with that of the Production/Inventory Control Department under Ken Bobzin. This change resulted in a much closer, more

communicative, goal-oriented relationship between the two sections. In addition, supervision of the warehouse (including Shipping, Receiving, and Traffic) was assigned to a new member of the EXLOG family, Doug Popp. Doug brought with him extensive warehouse supervisory experience gained during his tenure in a similar position with Compaq Computer Corporation. Doug and his crew are dedicated to excellence and firmly believe that a smooth running, efficient, user-oriented warehouse operation will be a reality in the not too distant future.

More challenges await us in 1989, but Doug and his crew have the right attitude and have certainly gained in experience. We wish them the best, and are confident that there are better days ahead.

The Warehouse is located at 9516 Clay Road, about 3 1/2 miles from the Houston Hollister facility.

REMEMBER THE MOVE?

As one of the ole' timers at the Hollister facility, I would like to take the liberty of standing back and comparing our present problems with those of the not-too-distant past.

A few of us were assembled about a year ago and given the overwhelming task of orchestrating the move of three groups of employees (Norman, Sacramento, and Kinghurst) into a cold, vacant building that resembled a giant warehouse. As plans for the move evolved, it became abundantly clear that many obstacles would have to be overcome.

Once the May 31st move date was established, the pace began to quicken, reaching a crescendo in mid-July. As the three groups of employees and their families began to adjust to their new work environment and city, the organization was faced with the task of coordinating 95 moving vans on the road with equipment and inventory, over 50 family moves, a facility with untested and largely unreliable support systems, and the prospect of hiring and assimilating approximately 100 new employees.

I am extremely proud of being part of that first group, and I am still amazed at the will and determination of those who joined us. They rolled up their sleeves to move heavy equipment and furniture, they directed their new neighbors to the unmarked bathrooms, and wondered if our phone system and mail delivery problems would ever get sorted out.

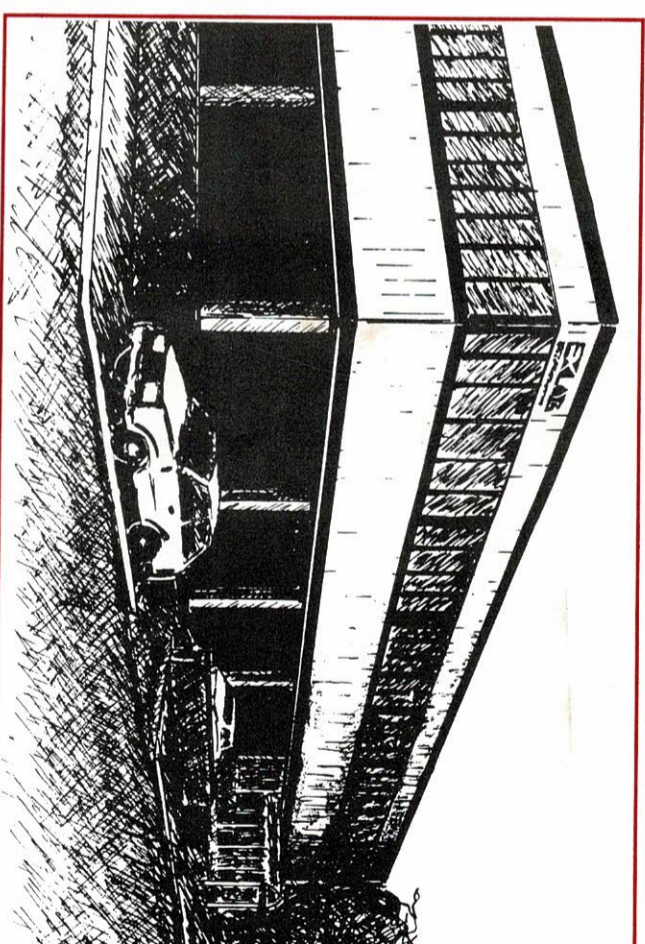
New people continued to enter the organization, resulting in sudden changes in responsibility with new supervisors and different game plans.

The move is over, and it is now time to fine-tune the performance of our Company. As an organizational headquarters, we must focus our attention on providing responsive support to EXLOG and TOTCO operations throughout the world.

THE FORUM

First Quarter 1989
Volume 1, Issue 1

NEW WINDSOR FACILITY



Artist impression of new Windsor facility

EXLOG's Windsor operations are moving into a new facility on Shirley Avenue. The move should be completed by the end of January, 1989. The facility will house key managers and will contain an area devoted solely to the training of geologists and engineers. This new training area is viewed as essential to the success of the region.

As an example of cooperation among the Baker Hughes Companies in Europe, space is being provided to personnel from Baker Mining and Baker Tubular Services. Visitors to Windsor may recognize some of the office furnishings since most of them came from EXLOG's old Sacramento facility.

The present building will be dedicated to engineering, manufacturing, overhauling logging units, the repair center, shipping, and warehousing. Stay tuned for more specific announcements.

NEW BUSINESS IN FAR EAST

By Mike Hope-Jones

The Asia/Australia/Pacific Region has just secured a three year contract with Shell for the uninterrupted use of seven logging units in Malaysia. We will be mobilizing the first six units from Singapore during a ten week period beginning in mid-January. We will open an office/warehouse in Miri Sarawak in order to support the operation. This was quite a coup for Tong Khai Wah, our Operations Manager for the Asia District. Thanks Tong! That was a real shot in the arm. Geoservices will not be so happy, though. They have to demobilize 6 units.

BAKER HUGHES DRILLING SYSTEMS GOING SOLO

By Frank Parsons

On October 19, 1988, it was announced that Baker Hughes Drilling Systems would become a separate division of Baker Hughes, Incorporated. Prior to the announcement, Baker Hughes Drilling Systems was a product line of EXLOG, Inc. Currently 95% of BHDS' operations are in the Continental U.S. but they are committed to expanding internationally this year and have recently been awarded two contracts in South America.

The new President, Pat Herbert, brings 13 years' experience in all facets of drilling to BHDS, most recently as Vice President of Technology for Smith International.

BHDS will move its headquarters to 17015 Aldine Westfield Road in Houston in the early Spring of 1989.

The company will provide tools and services for the performance drilling industry centered around a systems approach. These tools and services include computerized well planning; complete line of directional tools; conventional and steerable drilling motors; fully retrievable directional MWD system; drilling packages utilizing other Baker Hughes companies' product lines and expertise; and complete well planning analysis for applications ranging from sidetracks to complex horizontal wells.

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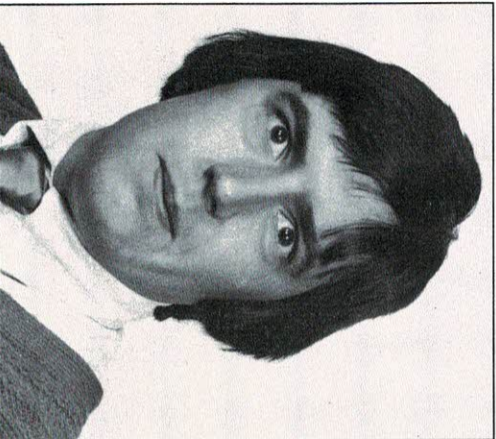
This publication serves as a vehicle to disseminate information from employee to employee throughout the worldwide EXLOG organization.

The FORUM needs reporters. If you are interested in writing for the newsletter, please submit articles by March first.

A MUD LOGGING LIFE

By Mike Saunders

23:00	Wake-up.	08:00	Kelly height breaks again.
23:02	Go back to sleep.	08:30	Thaw-out hands.
23:20	Wake-up again. Jump out of bunk. Look for laundered clothes. No trace. Go down to laundry. Find most of clothes.	09:00	Spot unexpected pay sand. Ring driller to stop drilling. Ring company geologist. No reply. Advise driller to circulate returns. Ring company rep. No reply. Tannoy. No response.
23:30	Shower.	10:00	Returns from bottom. Good oil show. Drill another five feet. Geologist and rep located in Cinema.
23:40	Breakfast on curried chicken.	11:00	Decision made to cut a core.
23:55	Depart for Logging Unit. (PRECISELY) Arrive in unit for tour change.	11:30	Start pulling pipe out of hole. Make coffee. Monitor pit levels while tripping.
00:00-		12:01	Relief arrives on tour.
04:00	Log like crazy. Samples to catch and describe every ten minutes.		
04:00	Kelly height recorder hose breaks.		
04:10-			
04:20	Up derrick in blizzard splicing hose.		
04:20-			
04:30	Attempt to thaw hands out.		
04:30-			
05:00	Frantically catch up with missed drilling.		
05:00	Start writing morning report for client and drawing up log for faxing to town (while logging).		
05:45	Go to mess, eat: Porridge, beans, sausage, egg, black pudding and chips.		
05:52	Deliver report to operator's office.		
06:00	Back in unit catching up. Acute indigestion.		
06:00-			
06:30	Logging like crazy.		
06:30	Breakfast begins to act under gravity.		
06:50	Grab a moment to dash to accommodation.		
07:00	Get back to unit to find everybody and his dog in there wondering where you are. Alarms and phone ringing.		
07:05	Silence. Eject bodies from unit. Carry on logging. Phew!		



Typical Mudlogger

12:30	After 25-minute B.S. (Handover), go to eat. Galley about to close. Eat leftovers. Go back to unit to finish log draughting unit. ...
14:00	Go to shower and bed. Deposit laundry.
15:00	Awakened by casing hands sharing your cabin (just arrived).
17:00	Decide to empty bladder. Walk miles.
20:00	Awakened for surprise boat drill.
23:00	Get ready for another tour. ♣

PROMOTIONS

Recent promotions are announced:

Manufacturing Department:
Ken Bobzin to PIC Manager.

TOTCO:
Chris Beam to District Manager, Keith Vinson to Houston Store Manager.

Finance:
Pat Howe and Cynthia Noland to Accounting Clerk II, Joe Sionto Financial Analyst I, Wanda Green to Credit Manager.

Marketing Services:
Christiana Sugg to Marketing Services Clerk III.

Marketing:
Jim Iseton to Equipment Resource Manager.

Technical Services:
John Macpherson to Senior Scientist, Mike Taylor to Senior Technical Manager.

Elusa:
Steve Renne to Senior Sales Rep., Rob Rose to Region Technical Manager, Noelia Gonzalez to Secretary III, Felipe Aramburu and Charlie Jones to Region Senior Manager, Roger Rehlaketo Technical Support Supervisor, Ken Babcock to Senior Marketing Supervisor, Mike Betik to Senior DL Engineering Supervisor, David Youngblood to Field Service Engineer II, David Doll and Kirk Colehower to Senior Mechanical Technician, Jeff Coleman to Technical Support Specialist.

Engineering:
Trevor Pugh to Senior Electrical Engineer.
Aberdeen:
Ken McCombie and Rob Goodall to Supervisor I, Al Macdonald to Supervisor II.

Windsor:
Ralph Steen and Peter Davey to Supervisor I, Martin Saunders to Supervisor II, and Alan Rowley to Senior Supervisor.
Promotions/moves to **Baker Hughes Drilling Systems** for Frank Parsons as Human Resources Manager and Rafael Rangel as Controller. ♣

This is your newsletter. Please provide news of importance to Richard Ross/Headquarters by March 1st for the upcoming editions of newsletter.

BACK IN THE USSR

By Jan Davis

Recent attitude changes by the U.S. and Soviet Union toward trade between the two countries expands opportunities for sales of oilfield equipment and services.

Houston based John Farrell and Trent Nielson traveled to Russia in October at the request of AGP, the Russian company under the Ministry of Gas. It was the second trip for Trent who visited in 1987 when 15 electronic mud units were installed. John and Trent provided technical and service engineering assistance to AGP (Astrakan Gas Promet), which operates the gas fields in the Astrakhan region. Logging units exported to AGP consisted of a Visulogger II, Rate Master, TD2000 Mud Density/Temperature Unit, and a Canary Total Gas Detector. TOTCO geological logging laboratories equipped with IBM Personal Computers running XLBASE, EAP, and VIP software are used by AGP in the gas fields near Akarsaisk.

Farrell and Nielson, through the assistance of their interpreter, Ilija Iskanderovich Kharisov, worked at field locations where TOTCO equipment measures, monitors, and displays drilling parameters. As TOTCO is the prominent leader in oilfield technology, AGP chose TOTCO to provide the best data on rig activity and formation evaluation. John and Trent provided the additional training necessary to operate and evaluate the programs designed specifically for the Ministry of Gas. At the signing of the Final Protocol prior to departure, Mr. Budelov, manager of Main Drilling Company No. 1, indicated that technical personnel would be sent to Houston to receive additional training at the TOTCO training facility. Mr. Budelov visited the Norman, Oklahoma facility in 1987.

Through the assistance of Mr. Kharisov, Nielson and Farrell experienced daily living in Russia, visiting homes of co-workers, attending the celebration of independence through the Socialist Revolution, and exchanging ideas and information with their Soviet counterparts. ♣

MISSION STATEMENT

EXLOG, Inc. provides a wide range of geological and drilling information services and equipment that meet the needs of the world-wide energy industry for the efficient evaluation, management, and control of drilling operations.

Qualified and responsive people, combined with technologically superior products, are key in our commitment to quality performance for our customers and shareholders. ♣

'89 Calendar of Events 89

April - AAPG - San Antonio
May - OTC - Houston
June - SPWLA - Denver
Sept. - Offshore Europe Aberdeen
Oct. - SPE - San Antonio
Oct. - LAGCOE - Lafayette

SAFETY NEWS

Along with the move to Houston, EXLOG's commitment to safety has been renewed. Activities include the development of procedures to handle hazardous material, the placement of First Aid kits in strategic locations and an ongoing review of accidents to insure that all necessary preventative steps have been taken.

EXLOG's Houston Safety Committee recently announced that five new employees have been certified in CPR (cardiopulmonary resuscitation). They include Mike Coffman, Barbara Kern, Andy Morley, Jane McDonald, and Judy Purucker. Future telephone directories will identify them along with those who have been previously trained.

Future emphasis will include an integrated worldwide Safety Program and concentrated attention on careful handling and disposal of hazardous materials.

A View From The Corner Office

By John Lauetta

EXLOG's financial year ended September 30, 1988. EXLOG's total revenue for the year increased by 67% over last fiscal year. This increase comes despite the major disruption brought on by our move to Houston - truly an outstanding job by all concerned. On behalf of the Management Committee, I thank you for all the hard work and extra effort that went into bringing our company together in Houston and at the same time exceeding our financial goals for the year.

The outlook for next fiscal year for EXLOG is good despite the uncertainty surrounding future oil prices. The original FY89 plan included an 8% increase in our revenue. This will be difficult to achieve since we expect worldwide rig counts to average about 3% less than last year. As most of you know, Baker Hughes Drilling Systems is now operating as a separate division. This change should not have a major effect on EXLOG, but with the decrease in size, special efforts must be made to control expenses. It is also necessary that EXLOG continue to look for new opportunities in the marketplace so that our growth can continue.

I think it is very important that all employees remain flexible and continue to make the best of every opportunity that comes along. The future still contains a lot of unknowns but our focus must be concentrated on those things each of us can control. It will take a maximum effort on everyone's part in order to achieve our plan, but I am confident we can do it. Again, thank you all for a fine effort. ♣

EXLOG PLANS FOR EFFECTIVENESS AND EFFICIENCY

By Felicia Jones

Exlog Corporate Operations continues to enhance and improve our performance and image.

Marketing and Operations Support

- Effective January 1, 1989 Jim Iseton will fill the position of Equipment Resource Manager with the primary goal of maximum equipment utilization, worldwide.

- A reporting procedure is being reinstated for tracking potential work and the status of outstanding bids. This information improves planning and coordination of our worldwide activity.

Technical Services

- Progress continues on a list of priorities identified by our entities, based on input from their clients.
- New developments in surface sensors, downhole sensors and computer systems are well underway.
- Al Macdonald, Personnel Supervisor-Aberdeen will come to Houston

temporarily to assist in our Field Personnel Development Plan. (See accompanying article.)

- Technical Services, in conjunction with Marketing & Operations, will continue to invite clients to visit the home of the new corporate EXLOG and experience first-hand the powerful effort being placed on improving our premier business position.

Marketing Services

- Plans are underway for a corporate identity program designed to give our image a facelift. The program pays strict attention to the importance of delivering the right message and utilizing a "dressed for success" approach.
- Key management and marketing personnel are now reviewing the initial proposal and when final development is approved, EXLOG people will be the first to see the results of our endeavors.

FIELD PERSONNEL DEVELOPMENT PLAN

By Mike Taylor

EXLOG is PEOPLE! Mention Exlog to our clients, and they will think of an Exlog logging geologist taking samples at the shale shaker or eyes down at a microscope, advising the client whether the rocks contain oil or gas.

Exlog has 850 geologists, of 34 nationalities, working in the field. That is probably more than all but the largest international oil companies have working for them. We are proud that all have Bachelor's Degrees in Geological Sciences. However, a formal education does not entirely train them for the Exlog service. That is where the Field Personnel Development Plan comes in. In conjunction with EXLOG Human Resources, Exlog's Technical Services Department is upgrading its training, professional development and assessment techniques. The various job functions are being analyzed to establish what each geologist needs to know to provide the Exlog service. Training schools are being organized, manuals will be prepared and written and verbal assessments prepared.

With the implementation of this program, all Exlog's field geologists will be given a clearer vision of their career paths with EXLOG and provided with the training tools to enable them to follow their chosen paths. A dedication to continual professional development will reinforce to our clients that Exlog remains the premier geological service company both in oil and gas and geothermal resource development.

If your favorite subject was not reported on in this issue, it is probably because you forgot to tell us about it! The editor hereby urges one and all to submit any item of interest to your local "reporter" (or volunteer to be a reporter) and then we can all know about it.



EXLOG FIELDS TEAM IN BHI RELAY RACE

The Second Annual BHI Heart and Sole Relay Race and Fun Run was held on Saturday, December, 10, 1988. A total of 12 division relay teams ran the 12-mile course in Memorial park in Houston. Baker Performance Chemicals was victorious, but EXLOG's team ran a noble race coming in 8th place. The team consisted of Keith Morley (21:35 min.), Trevor Pugh (21:14 min.), Don Ingle (22:53 min.), and John Martin (20:14 min.) They are busy training for next year and promise an improved performance. Stay tuned.

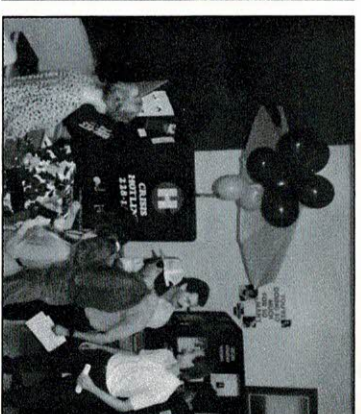
SUCCESSFUL UNITED WAY CAMPAIGN



Donna Meek receiving award for outstanding leadership and achievement.



Campaign Kick-off



EXLOG recently completed its 1988 United Way Campaign. The campaign was coordinated by Baker Hughes Incorporated and had a very ambitious goal in terms of encouraging employee support for Houston's community needs. The United Way is a program which solicits volunteer support to provide services not funded by government agencies.

In spite of the move, the number of new employees, and other mitigating circumstances, the campaign was an overwhelming success. EXLOG was ranked 4th of 11 BHI divisions and was

named the most improved division. Total contributions were \$34,312 which amounted to an average of \$143 per employee.

The campaign's success, according to Ken Babcock, Campaign Chairman, was largely due to the kick-off testimonials, the Agency Fair at which ten agencies presented their programs, and the hard work of the campaign leaders. Leaders included Donna Meek (Manufacturing), Jerri Pudliff (TOTCO), Rosey Eichler (Human Resources), Judy Purucker (Engineering), Brenda Westmoreland (Finance),

and Greg Woodward (BHDS). The departments competed to determine the greatest level of participation, and the Manufacturing Department was able to win this competition. Donna Meek was singled out for her outstanding leadership and achievement.

EXLOG Houston employees should feel proud of this success and the community has expressed its thanks. Because of this effort a wide variety of services will be made available to people in need within the Greater Houston community.

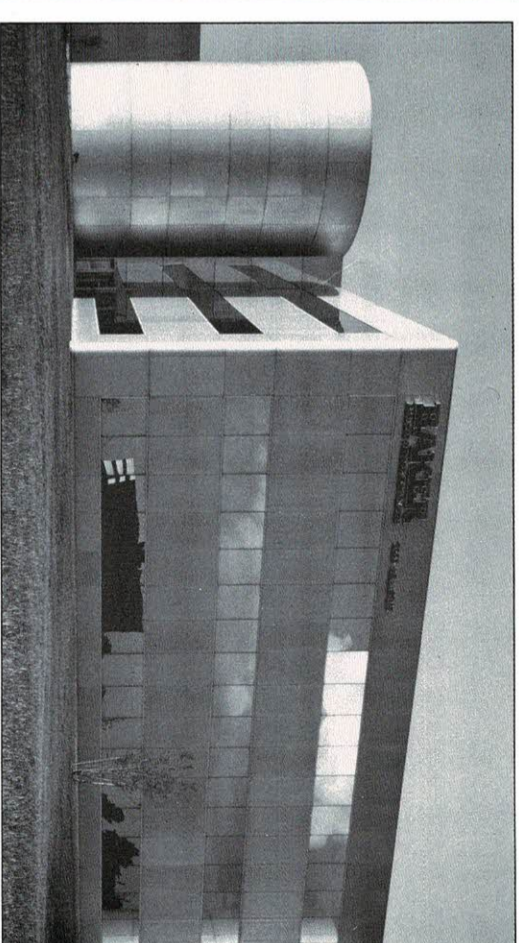
EXLOG Houston sponsored an Open-house for all employees and their families to celebrate our successful move made possible by everyone's hard work. A clown was on hand to paint the faces of the children who dared - of any age.



EXLOG Houston held two Christmas luncheons - one for the employees at Hollister and one for the employees at the Clay-Campbell facility.



EXLOG, Inc.'s FIRST MANAGERS' MEETING



Corporate Headquarters - Hollister Street - Houston, Texas

When the decision was made to merge EXLOG and TOTCO in 1987, several questions were raised. Where would the new Headquarters be? Who would make up the new management team? What would the new EXLOG be like? Although in 1988 the location had been decided and the management had been put together, it was necessary to establish company direction. This process was initiated by a group of key managers meeting in Houston from July 24-26. The group established the new company's mission and identified critical priorities.

The meeting was attended by representatives of all geographic areas who were representative of EXLOG's international work force; including Baker Hughes Drilling Systems, TOTCO, EXLOG, and the Manufacturing, Engineering, Finance, and Human Resource groups.

As a result of this meeting, the mission statement found in this publication was developed. It is very important that all employees read and identify with this mission since it represents the direction of EXLOG, Inc. In addition to the mission statement, a number of critical issues were identified. These critical issues are being worked on by either a key manager or a task force of managers. These critical issues include the following:

1. The coordination and dissemination of technical, business, and company information.
2. The improvement of product-line sales through sharing of marketing information across product lines.
3. Identifying ways of improving the utilization of EXLOG's worldwide resources.
4. Developing a company-wide computer support system.
5. Developing a list of research and development needs representing all product lines.
6. Provide programs that create employee incentive to accomplish company mission.
7. Identify and develop new market opportunities for the integrated companies.
8. Develop common software applications across all product lines.

Since the meeting, managers have been working on these issues and progress is being made. As progress is made on these issues, management and the employees will be kept informed. Once these issues are resolved, the next step will involve the development of long-term strategies that will position EXLOG to maximize future market opportunities. All employees are encouraged to discuss this effort with their manager.

FIELD PERSONNEL MEETING



Attendees left to right: James Tidey, Peter Mulholland, Martin Saunders, Martin Ellins, Mark Covill, Stephen Miller, Richard Ross, Ben Tolhurst, Keith Howard, Martyn Johnson, Simon Small, Mike Nicholson, Mike Richardson, Stephen Merry, Graham Smeaton, Peter Nimmo, Carlo Prosperi, Richard Caswell, Hilton Peacock, Robert Westcott, Jon Train, Marcus Wilson, Dominic De Hauteville Bell, Andrew Hall.

By: Richard Ross

Eighteen Field Personnel from Europe, Africa and Middle East operations met in Windsor on May 31, 1989. The purpose of the meeting was to improve communications between field personnel and Windsor office staff.

The day consisted of a presentation on Corporate plans, new Field Personnel Development Program, new equipment, and the administrative details of well reports and invoicing. The highlight of the meeting was the group discussions where Field Personnel expressed their concerns and entered into dialogue with EXLOG Management. These discussions help the Company function more efficiently.

This was only one of several meetings held worldwide where employees and managers were given the opportunity to communicate ideas to one another. ♦

The FORUM needs reporters. If you are interested in writing for the newsletter, please submit articles to Faith LeBlanc.

ENGINEERING UPDATE CONTINUES

and on the proper use and handling of chemicals. The International field offices were scheduled to introduce their monthly safety meetings during the month of July. ♦

If your favorite subject was not reported in this issue, it is probably because no one told us about it! The editor hereby urges one and all to submit any item of interest to your local "reporter" (or volunteer to be a reporter).

EXLOG, Inc.

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This publication serves as a vehicle to distribute information from employee to employee throughout the world-wide EXLOG organization.

THE FORUM

EXLOG, Inc.

Third Quarter 1989

Volume 1, Issue 3

VISITORS FROM YUGOSLAVIA



John Martin and friends.

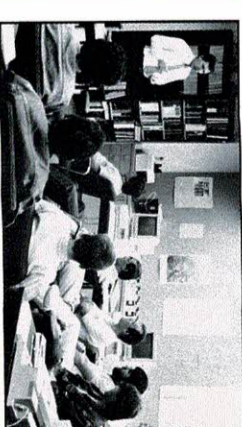
By: John Martin

We were joined by 12 Yugoslavian geologists for four weeks of training as part of a TOTCO sale to Natagas, one of the national Yugoslavian petroleum companies. This month of training was not only a learning period for the Yugoslavians, but also created an opportunity for a cultural exchange for many of the EXLOG, Inc. employees. As in most relationships, the exchange began a bit slowly with apprehensions by everyone, but by the second week their presence in the classroom and atrium was surrounded by lively conversation with joking and laughter by all.

As this was their first trip to the United States, it was only fitting that they mixed a bit of entertainment and sightseeing along with the tediums of training. Extra curricular activities included a ball game at the Astrodome, a tour of NASA, some Texas Long Necks and country western music, a real crawfish boil, a fun filled EXLOG company picnic, and a visit to Houston's famous Galleria (although they did their shopping at discount stores -- these guys caught on quickly!).

As we got acquainted with the Yugoslavians, we learned a great deal about their country and way of life. Most predominate was the fact that they were extremely proud of the beauty and heritage of their "older country". They shared this pride through pictures and vivid descriptions of their homeland. We learned of their fertile plains, their mountains, art and architecture, ancient religions, the River Danube, their home city of Novi Sad, and the beautiful Adriatic Sea coast where they will be employing the new Instrumentation Units purchased from us.

Not only were friendships and mutual respect created throughout the month, but also a strong business relationship that will undoubtedly be beneficial to our company in the months and years ahead. This particular month of training was also noteworthy for EXLOG, Inc., in that it demonstrated the resourcefulness of the synergism created through TOTCO and EXLOG, working together toward the common objectives as expressed in our company's Mission Statement. ♦



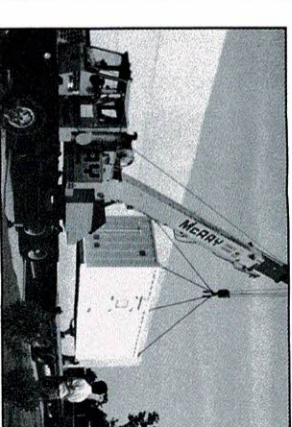
John Martin (standing) in classroom setting with Yugoslavian geologists.



Yugoslavian geologists after class and ready for the weekend!



Calibrating Visulogger J-Box.



Yugoslavian Instrumentation Labs being loaded at the Houston facility for final delivery.

PETER KIRTON, A FOND FAREWELL



By: Will Honeybourne

EXLOG bids a fond farewell to Peter Kirton after 17 years of distinguished service. In August, Peter is moving to Houston, Texas, as Vice President Eastern Hemisphere for Baker Sand Control.

After graduating in Geology from the University of Western Australia, Peter joined EXLOG's Perth operations as a logging geologist in May of 1972. In November of that year, he was transferred to Japan where he continued to work in the field positions until 1974. It was during this assignment that he met Keiko Usuki, whom he later married in Singapore. Keiko is better known to all of us as Lisa Kirton, or the cheerful voice that answered long distance phone calls from various parts of the world, at all hours of the night, and advised you that she hadn't seen Peter for awhile because he was off in some foreign land on EXLOG business. During 1974-76 Peter was assigned various field positions out of Singapore.

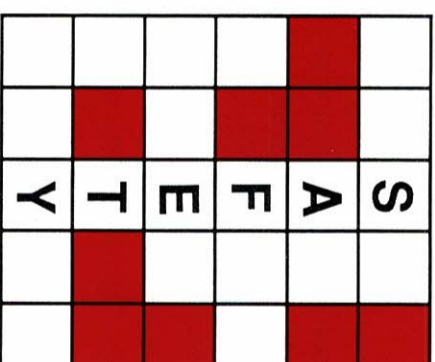
I first met Peter and Lisa at the end of 1976 when they were in Sacramento for Peter's management training. Senior management was so impressed by Peter that he was quickly taken out of management training and moved into a special projects group that was formed to develop EXLOG MWD service. This team initially consisted of three managers with Peter Kirton responsible for Market Research, operational specifications, and field testing. I remember that they were officed in a trailer out in the parking lot behind locked doors. It was all far too secret for the rest of us to know what was going on! Under Peter's direction, a core group was established that would later go out to the field and implement the DLWD services.

In 1981 Peter moved to Windsor as Technical Support Manager. He held various positions in the Windsor and Aberdeen offices, and in 1986 became the Region Manager of Europe/Africa/Middle East. This region represents EXLOG's largest volume of activity. In the two years that Peter was Region Manager, our business in the region grew from \$17 million to \$40 million.

Peter will be remembered in EXLOG for his dedication to our customers and to his staff. Even with the long hours he would put in, sometimes under difficult circumstances, Peter always maintained a positive attitude that inspired others. He has made major contributions to the success of our company, with many achievements in the areas of marketing, personnel and technology development. Peter is a leader, a problem solver and an Exlogger.

While Peter will be sorely missed, we wish him well in his new position at Baker Sand Control and the challenges it will bring. ♣

A NEW AND IMPROVED EXLOG, Inc. SAFETY PROGRAM



By: Richard Ross

One Key individual making our mud logging business work is the Personnel Superintendent. He is responsible for assigning mud loggers to logging units scattered throughout his area.

SIMON LEARY of Aberdeen has been filling this role for EXLOG North Sea since October of 1988. About 200 employees living throughout the United Kingdom man the rigs of the U.K. and Norwegian sector of the North Sea. Simon coordinates crew changes, interviews prospective employees, administers SPEC'S Tests (A mud loggers evaluation program) and is frequently the logger's sole contact with the office for long periods of time. When asked about his job, Simon said "This is an exciting job, but one must continually react to urgent requests and concerns. The client needs the unit and the people, and it's my job to make sure he gets the right people when he needs them".

Simon has been with EXLOG since 1981. He joined after completing his bachelor's degree at the University of Birmingham (in the U.K.) in Geology. Simon is a busy man, but finds time to hike and keep his Triumph GT6 in fine running order. Tuesday nights he can be found playing with the EXLOG Football Club in Aberdeen. They've won 4 of 11 games as of June 1, (this is an improvement over last year's record). ♣

FIRST AID TRAINING

On May 19, some 75 EXLOG employees attended company sponsored First Aid Training classes. These sessions prepare employees to handle the most frequent type of emergency situations. As a broad category, these are emergencies where the victim is still breathing on his own, whether conscious or unconscious. (These account for 97% of ALL emergencies.)

The course taught how to recognize the signs of Heart Attacks, Treat Shock, Stop Bleeding, Prevent Choking, Open the Airway, and to orderly respond to the emergency and use of the oxygen inhalators which are now located in 4 strategic areas of our buildings in Houston. ♣

A VIEW FROM THE CORNER OFFICE



By: Mike Robie

ARE YOU READY? Strange question to ask isn't it? Here we are, just past our 1st anniversary in Hollister. We have experienced monster hurricanes in September, freezing rain and ice in February, and floods in May. We have begun to work together and we see what can really happen as a team. We have business procedures and systems improving day-by-day. Much like a child learning to walk, EXLOG, Inc. has progressed from start-up last June, to a point where we are now poised to move ahead. Yes, there are still things to improve, but overall, we are doing quite well.

Now, we must look ahead and focus our attention on how we can do what we do better. Sure, it has been a trying year, but don't stop to look back - Look Ahead!

We hold the #1 market position in Data/Mud Logging and Drilling Instrumentation with EXLOG and TOTCO products. Let's keep it that way! We have the opportunity to become a leader in the MWD market, as well. It's up to us. It's up to YOU. Keep up the spirit that has been borne out of the last year and make things happen. That's why I ask - **ARE YOU READY?** I Think You Are. ♣

The structure of this program has been upgraded to include new features which reflect state-of-the-art in safety programs as well as the latest legal requirements.

The heart of the program is the monthly safety meeting which Supervisors will hold with their employees. Most areas will have had their first meetings in June and July, with each meeting introducing new topics of the program.

EXLOG, Inc. is committed to the policy that every employee is entitled to work in a safe workplace. This will require the efforts of each and every employee to be aware of safety in all aspects of their daily activities.

Safety Engineering will assist with any problem or issue involving safety. ♣

By: Don Derouin

The EXLOG, Inc. Safety Program was introduced to most locations in the U.S. this past June with gradual implementation in the international field. It will combine the most effective features of both the TOTCO and EXLOG programs.

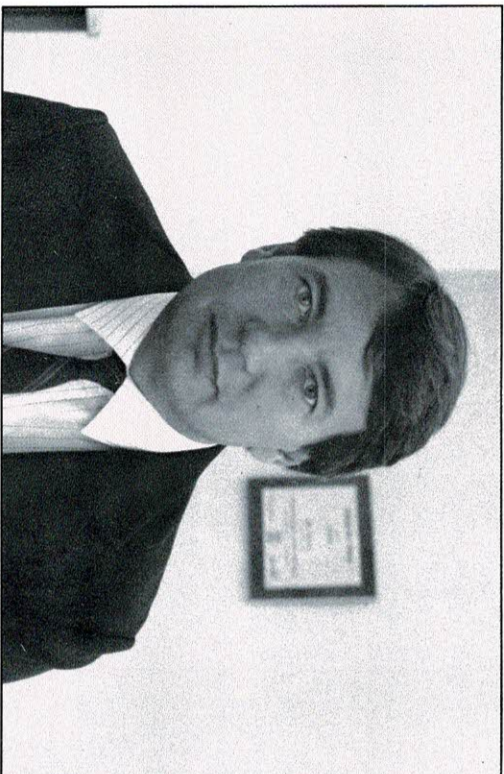
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RIC ASHTON REGION GENERAL MANAGER EUROPE/AFRICA/MIDDLE EAST



By: Will Honeybourne

Ric Ashton will be moving to Windsor in August in order to take on the important responsibility of Region General Manager for our Europe/Africa/Middle East Region. Ric's strong international background - British by nationality, East and South African by education, Australian by where he joined EXLOG, and American by current residence - will be an asset in managing this large and diverse region.

Ric has been with EXLOG since 1968 and has worked in various field geologist positions in Australia (1968-70 and 1971-73), South Africa (1970-71), Peru (1974-75) and U.K. (1976). His first management assignment was in Cairo as Operations Manager (1976-78). He has lived in the U.S.A. since 1978 when he was transferred to the Corporate office in Sacramento as Senior Marketing Coordinator for Worldwide Operations. During this time he has been Senior Marketing Coordinator (Sacramento 1978-80), Senior Marketing Manager (International, then U.S.A. Eastern Region in Houston 1980-82), Region Manager U.S.A. Eastern Region (1982-85), Director of Marketing for U.S.A. (1985-88) and Director of International Marketing & Operations Support (1988-89).

EXLOG has an exciting future in Europe, Africa, and the Middle East as we prepare to introduce the next generation of logging services and multisensor MWD. Ric's leadership and communication skills will help us make the most of these opportunities.

ENGINEERING UPDATE

By: Alan McFall

The Engineering Department for EXLOG, Inc. is a development and service organization. Existing products and services are enhanced or modified to improve performance and meet specific customer needs. In addition, there are several programs each year to design and develop new products that will expand EXLOG's or TOTCO's business base.

The SURFACE ENGINEERING GROUP is developing new sensors and systems to enhance EXLOG and TOTCO's surface data acquisition and analysis services. These include DrillBytesm, which is an advanced data acquisition and analysis system based on powerful, redundant engineering workstation computers, the Block Height System, which is a new sensor for tracking the height of the traveling block above the rig floor, and support for recently released software products such as XLBase, VIP, and DMS-PC. DrillBytesm will be available in the fall - the Block Height System is available now in prototype quantities.

The DOWNHOLE ENGINEERING GROUP is working to release a new MWD sensor this summer. The EMR (Electromagnetic Wave Resistivity) sensor measures formation resistivity using a 2 MHz propagation system. The sensor is attached to a modified DLWD collar, and field tests over the last year have produced excellent logs. Presently, Engineering and Manufacturing are jointly building a production run of these sensors.

The SERVICES AND SUPPORT SECTION of Engineering has recently introduced the EXLOG, Inc. Safety Program. The EXLOG office in Houston was introduced to the program through a series of training sessions which focused on the safety program

Continues on page 8

CARDIO-PULMONARY RESUSCITATION: CPR CLASSES

As part of our overall safety program, EXLOG sponsored the American Heart Association Heartsaver Course - CPR on June 7th and July 12.

Thirty employees attended these sessions which were designed to teach employees how to respond to "SUD-DEN DEATH" emergencies, when the heart stops and the victim is NOT breathing. The course covered risk factors leading to Heart Attack... Early warning signs of Heart Attack... Proper procedures for doing C.P.R., and the need for emergency oxygen once the victim is breathing on his own.

The first person on the scene of a medical emergency can make the difference between a life saved or a life lost. Thank you EXLOG, for sponsoring programs which prepare employees to become effective "first person responders" in medical emergency situations!



Ann Ross and Johnny Elizondo practice administering CPR as students look on.



Jeri Pudifin and Mike Taylor practice listening for signs of breathing using "Annie", the CPR dummy.



The June 7 CPR Class pictured from left to right: Mark Hager, Jack Kotch, Ann Ross, James Burks, Donna Jennings, Mike Taylor, "Annie", Jeri Pudifin, Gary Foster, Doris Self, Tom Hinrichs, Cynthia Noland, Med Alert Instructor, Johnny Elizondo, Ted Mumby.



The July 12 CPR Class pictured from left to right: Sharon Malkovich, Jaime Moore, Faith LeBlanc, Esther Davila, Michael Woods, Brenda Westmoreland, Rosalie Moody, Jeanne Sherwood, Jane Hurlock, Ed Banaszek, John Martin, Mitchell Rosende, William Williams, Med Alert Instructor, Georgia Thompson.

'89 Calendar of Events 89

Sept. - Offshore Europe Aberdeen
Oct. - SPE - San Antonio
Oct. - LAGCOE - Lafayette

EXLOG IN BORNEO



Our "EXLOG" Office.

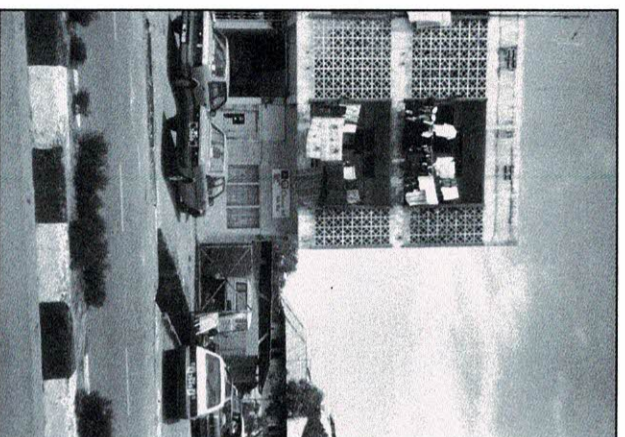
By: Peter O'Shea

May 18, 1989 saw the official opening of the EXLOG (Malaysia) Sdn. Bhd. office in Miri, Borneo by Corporate Vice President Will Honeybourne. The event was a great success and attended by well over 100 people. The opening was reported, with photographs, in the Borneo Post newspaper, which gave EXLOG excellent exposure throughout the island.

EXLOG currently has 6 units (4 ALFA and 2 RigScan/XLBASE) on offshore rigs for Shell, and will rise to 8 units by early 1990. On June 26 a Gem-das/XLBASE unit started up for Petronas Carigali (Malaysia's national oil company). At present, there are 22 loggers crewchanging through Miri, increasing to over 35 at the beginning of next year.

Borneo is the world's third largest island, yet has a population of under 10 million. The vast majority of its people are concentrated in the coastal areas, as the interior is mainly impenetrable jungle.

Miri is a coastal town of approximately 80,000 people in the east of Sarawak,



"Competitor's" Office.

about 30 kilometers from the western border of Brunei. Miri was founded on income from timber. Wood floated down to the town from logging camps upriver still remains a major source of income. Shell arrived eighty years ago, discovered oil, and has been here ever since. Miri is not what you might expect from a small coastal town in Borneo, having most of the amenities you would find in any small western town, including a golf club, boat club, country club, and of course, the standard variety of bars that can be found in any oil town catering to the needs of crews returning from abstinence offshore. Miri TV, however, does not offer many interesting programs, unless your interests include Chinese soap operas, 3rd rate American sit-coms or Quran reading competitions!

The Miri facility is a new, 2 story semi-detached building. Downstairs are the Engineer's office, air-conditioned store, warehouse, and workshop. Upstairs are offices for the Manager, Accountant and Receptionist. There is also a conference room and canteen area. An official EXLOG staff-house in Miri is used by loggers traveling to and from the rigs.



Miri Office Staff. Pictured from left to right: Maimunah Bie Halidin, Receptionist; Ong Hock Teck, Service Engineer; Peter O'Shea, Manager; Jasmine Tiong Mee Yang, Accountant.



Pictured from left to right: John Westbury, Senior Production Geologist (Shell Sarawak); Mike Hope-Jones, Peter O'Shea



Peter O'Shea (far left) and Maureen O'Shea (third from left)

Malaysia is an important growth area for EXLOG and we are ideally situated in Miri to serve a variety of potential clients in Malaysia and Brunei. We are also very fortunate to have a large pool of experienced Malaysian Logging Geologists from which to draw.

ABERDEEN SOFTWARE GROUP

By: John Shields

The Aberdeen Software Group is a part of the EXLOG Software Development Department which, for a variety of technical and historical reasons is now located in the offices of EXLOG North Sea in Aberdeen. The group was founded with four programmers, in November, 1987, to produce the DMS (Data Monitoring System) software package for use in upgrading our GEMDAS logging units.

Due to lack of space in the EXLOG Aberdeen offices, the group was set up in some vacant Baker Hughes office space in an old Victorian building near the center of Aberdeen. This provided a quiet, distraction free environment for the initial stages of the DMS project.

The completion of the EXLOG North Sea office expansion has now enabled the group to move back in with the rest of EXLOG where we can maintain closer contact with the daily traumas of a busy operations office.

The present composition of the group is one manager and four applications programmers. One programmer works from his home in Cambridge, which is 400 miles from Aberdeen, but the miracles of modern telecommunications and transportation enable him to keep in touch with the rest of the group.

The group consists entirely of ex-field geologists with a minimum of 9 years service with EXLOG. Total ex-

perience amounts to over 50 years in the oilfield in all of EXLOG's operational areas. Various members of the group have been individually and collectively involved in most of EXLOG's applications programming developments within the last 6 years, including Oil Base Mud Hydraulics, various data communications programs, MWD processing and test software, XLBASE, the Agip database programs and DMS.

The latest project is to work with the EXLOG Software Group on the Information Management System software which will form the nucleus of EXLOG's DrillBytesm services. In this project, the applications experience is being used to complement the technical expertise of the EXLOG group. ♦

MANAGEMENT ORIENTATION FOR TED RIDEOUT AND RALPH STEEN

By: Ric Ashton
Lara Olson

During May and June, Ted Rideout from our Singapore office and Ralph Steen of the Windsor office have

been undergoing management orientation at the EXLOG Houston office.

Time is spent with the various Technical, Engineering and Marketing departments, including some specialized training in Finance, Sales and MWD. Goals of the program are to gain a first-hand exchange of information, ideas and procedures between the Regions and Corporate. Additional benefit is gained from the opportunity to meet and work with people who, in the past, were just "names without faces".

Ted joined EXLOG in 1980, and since then has worked in Australia and New Zealand. Before joining EXLOG, he

was a tour guide for Australian Wildlife Tours (Just KNEW there was a bit of Crocodile Dundee in there somewhere!). He was raised in Alice Springs, Australia.

Ted met his wife, Leann (to whom he has been married for seven years) in Canberra, A.C.T., the capital city of Australia. They have two children, a son, Callum (3 1/2) and a daughter, Shannon (1 1/2).

Ted didn't have much trouble deciding on his favorite place to visit (so far), though.... "THE FRENCH QUARTER IN NEW ORLEANS". (... need we say more?...)

Ralph joined Exploration Logging Overseas, Inc. in May of 1980, immediately transferring to Singapore for training. Since then, he has also worked in Thailand, Pakistan, Can-

ada (Beaufort Sea) and the Middle East (Dubai and Oman -- as a GEMDAS operator). His current position is as a Technical Supervisor for Europe (Windsor office).

Ralph was born in Lancashire, England (a rural area of the country). His interests (when time is available) include part-time farming and "visiting remote foreign locations [which have no] TELEPHONES or FAX machines!". Ralph and his wife Helen were married in June of 1987. They currently reside in Bracknell.

Best of luck to both of these entertaining/hard-working gentlemen in their Managerial positions! ♦