

Thursday, August 9, 1990

Oil Invasion could fuel U.S. oil boom

HOUSTON (AP)— The continuing turmoil in the Middle East has prompted talk of a possible boom for the nation's energy capital.

Those who have struggled through the energy industry's ragged recovery of the 1980's have been keeping a close eye on Iraq's invasion of Kuwait and the resulting increase in oil prices.

Some believe a sustained increase in oil prices could fuel domestic drilling, raise revenues and attract investors who were scared away from the industry when prices plunged in the mid-1980s.

That all bodes well for Houston, which is still in the final recovery stages of the last oil bust.

"If it (the conflict) stays for any length of time, we're headed towards another boom," said John Faulkinberry, chief financial officer of Paramount Petroleum Co., an independent oil and gas exploration and production company.

"The oil and gas business has been down for quite a while, and so we need a little good news. But I hate for it to come as a result of a war," Faulkinberry said.

"There is an air of expectancy," said Faulkinberry, who admits to flashing a smile over the prospect of better times in the oil patch.

"This probably means the business is really going to jump into second gear now," he added. "I think a lot (of oil exploration companies) will be more aggressive in their businesses."

Others, however, are more cautious. They still remember the devastating effect of plunging oil prices.

"It may be another boom for Houston, but it's way too early to say that. There are still too many of us who have memories of the previous boom," said Don Covey, president of the exploration and production division of Mitchell Energy & Development Corp., an independent oil company based in The Woodlands north of Houston.

Independent producers take heat for high prices

AMARILLO (AP)— Independent oil and gas producers in the Panhandle say they are getting a bad rap for refiners, distributors and retailers who raised prices after Iraq invaded Kuwait.

The independent producers, whose revenues come from the sale of oil and natural gas at the wellhead, say they have no control over what retailers charge at the pump.

"I object to the black eye we're taking on these pump prices," Barrett W. Pierce, president of Amarillo-based Rio Petroleum, said.

Pierce said refiners, distributors and wholesalers raised gas prices too quickly after the Iraqi invasion.

Gasoline prices in the Panhandle shot up as much as 17 cents a gallon Aug. 2, after news broke of the Iraqi invasion.

Pierce said oil produced from Panhandle wells in recent days should be the first barrels affected by the Middle East conflict, and that oil may not make it to the pumps in the form of gasoline until next month.

"We wish the major companies would go slower with their price hikes," said Julian Martin, executive vice president of the Texas Independent Producers and Royalty Owners Association.

"This has happened before," Martin said. "We understand the problem of replacement costs, but where does that start? Do you have to do that on what's already in storage?"

If troubled conditions persist in the Middle East, American consumers should get used to higher prices, said Kary L. Plank, executive vice president of the Panhandle Producers and Royalty Owners Association.

"The refiners are going to be paying more for the oil that they purchase because so much of it is imported," Plank said.

Texas oilman T. Boone Pickens, in a speech Tuesday in Indianapolis, called the oil companies "greedy" and said they can't justify the swift gasoline price hikes.

boom and gloom to the nation's fourth-largest city.

As oil prices soared towards \$40 per barrel in 1981, Houston became the known as the "Golden Buckle of the Sun Belt."

But by 1986, oil prices plummeted below \$10 per barrel, and the local economy also plunged.

The city has slowly recovered with the growth of services, electronics, biotechnology, the medical industry and space-related businesses. But some believe the city really needs a big boost in the energy industry.

"Regardless of the progress that's been made, the state is oil and gas driven, Houston in particular," Faulkinberry said. "Anytime you have an event like this happen that makes oil prices go up, it's going to have an impact on Houston."

Oil prices have increased since Iraq's invasion, but the jump was somewhat curtailed Tuesday and Wednesday.

On the New York Mercantile Exchange, the cost of benchmark West Texas Intermediate closed at \$28.30 a barrel Tuesday. The contract had vaulted over the \$28 a barrel mark Monday, the highest level in five years.

By midday Wednesday, the price was down to \$25.80.

Drillers also could see some new business from the crisis. The number of rigs actively exploring for oil and gas rose to 4,500 at the height of the boom in December 1981, but it plunged to a low of 663 after oil prices collapsed in the summer of 1986.

This week, the count totaled 966—down 30 from the previous week but up from the 874 working rigs a year ago, according to Houston-based Baker Hughes Inc., which keeps track of the count.

Near miss

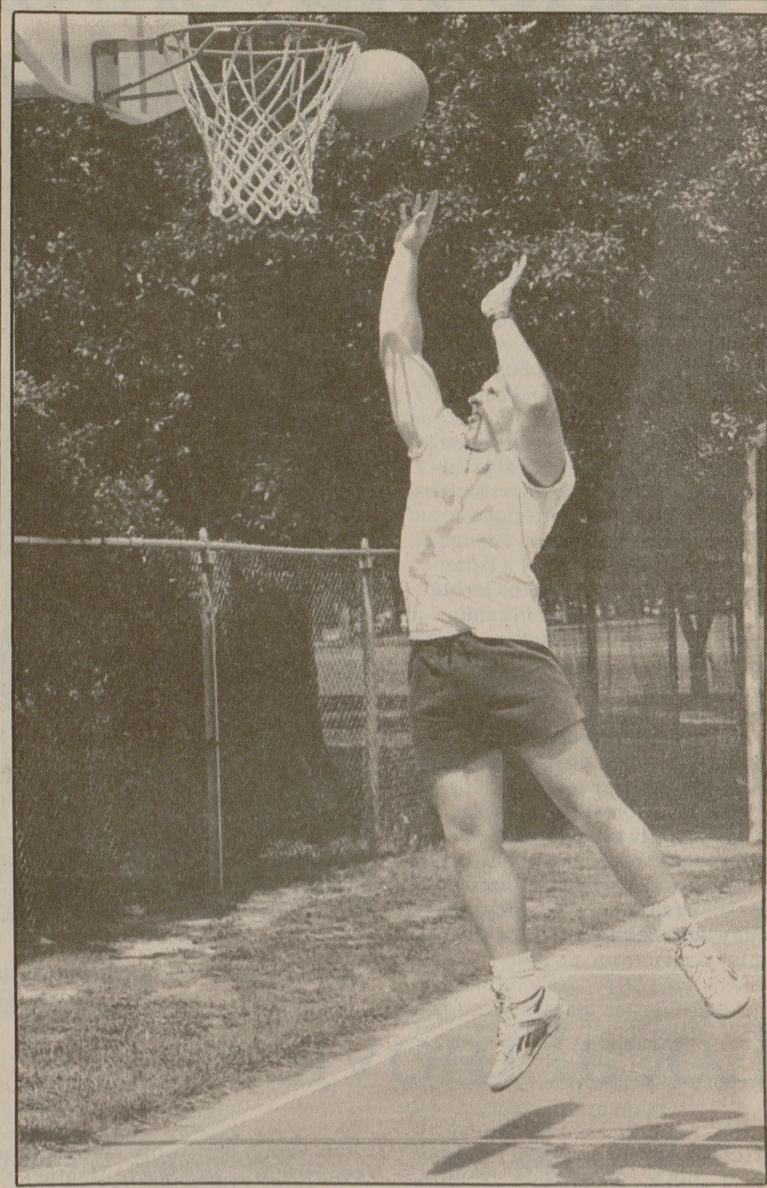


Photo by Sondra N. Robbins

Matthew Phillips, a junior political science major from Houston, takes a shot at the hoop while playing some basketball on the courts located inside the Grove.

ment Corp., an independent oil company based in The Woodlands north of Houston.

"People are going to be moving slowly because of the uncertainty and because we have seen what has happened before," Covey said. "If you were here in '86 then you un-

derstand misery — because there was a lot of it."

Despite efforts to diversify, the energy industry comprises 40 percent of the local Houston economy, according to the Greater Houston Partnership. That dependence on the oil and gas industry has brought

Commencement exercises set
UTEP president, Time executive address grads

The president of the University of Texas at El Paso and Time Inc.'s chief executive officer will be guest speakers at Texas A&M's summer commencement.

Ceremonies are scheduled for 7:30 p.m. Friday and 9 a.m. Saturday at G. Rollie White Coliseum.

At Friday's commencement, UTEP President Dr. Diana Natalicio will address degree candidates in the colleges of agriculture and life sciences, education, geosciences, liberal arts and veterinary medicine.

Students completing studies in architecture, business administration, engineering, medicine, science and those from Texas A&M at Galveston will hear Reginald K. Brack Jr. during Saturday's commencement.

Brack is chairman, president and chief executive officer of Time Inc. Magazines.

Commissioning ceremonies for 23 cadets also are scheduled during Saturday morning ceremonies.

Natalicio was named president of UTEP in 1988 after serving the university for 17 years in positions of increasing responsibility.

In addition to teaching in the departments of linguistics and modern languages, Natalicio has had numerous administrative positions at UTEP, including chairman of modern languages, associate dean of liberal arts, acting dean of liberal arts, dean of liberal arts, vice president for academic affairs and interim president.

Brack was named to his position in December 1986 after serving in top executive positions for several Time Inc. subsidiaries for nearly 15 years.

He has served as a director of Time International, Time's worldwide advertising sales director, associate publisher of Time Magazine and was chief operating officer of the magazine worldwide.

He also was the founding publisher of Discover, Time Inc.'s magazine of science and technology.

Officials name task force to locate funds for V-22

AUSTIN (AP)— Legislative leaders have named a task force that includes three former governors to push for federal funds for the tiltrotor aircraft—a craft that can take off and land like a helicopter and fly like a jet.

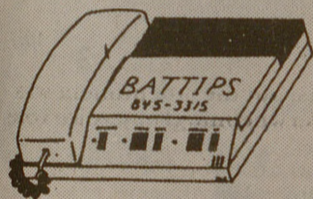
Former governors Preston Smith, Dolph Briscoe and Mark White were named to the Task Force for Tiltrotor Technology by Lt. Gov. Bill Hobby and House Speaker Gib Le-

wis. Hobby and Lewis will serve as co-chairs of the task force. U.S. Rep. Pete Geren, D-Fort Worth, will serve as coordinator of the group's efforts.

Lewis, D-Fort Worth, said the aircraft, called the V-22 Osprey, will enhance national security while providing jobs to Texans.

The V-22 project currently provides 1,000 jobs in the Dallas-Fort Worth area and has netted \$116 million in military contracts, Lewis said.

BATTIPS



Anyone with story suggestions can call BATTIPS, The Battalion's phone line designed to improve communication between the newspaper and its readers. BATTIPS' number is 845-3315. Ideas can include news stories, feature ideas and personality profiles of interesting people.

Man's plane painting business nurtured by aviation obsession

ENNIS (AP)— A 60-year obsession with aviation is what keeps 77-year-old Frank Poplawski happy in the aircraft painting business.

"As long as I can remember I've liked airplanes," Poplawski said. "You got to like them to do this because it's kind of messy."

Poplawski's reputation for craftsmanship is such that he keeps his workshop at Ennis Municipal Airport full using only one kind of advertising — his company logo embossed on every airplane he paints.

A couple from California were on hand recently to get an estimate. The once cream-colored finish on their single-engine

beauty had faded or "chalked out," becoming cracked and muddy.

Poplawski noted that the previous painter had not been careful enough in protecting the windows. The edge of the glass had been fogged by whatever chemicals were used to strip the old paint.

The California job will have to wait in line behind a half-finished Beechcraft Bonanza and a 1964 Cessna stripped down to its silvery metal skin.

Poplawski and his son, Francis, handle between 12 and 18 small airplanes a year. One paint job can take four to six weeks to complete and cost in the neighborhood of

\$3,500. "When I started out in this business, it cost \$500 to paint a plane," Poplawski said. "Today, the materials alone cost nearly \$1,800."

Actually painting the airplane is the least of the painter's worries, he said. The secret of a good paint job is cleaning any metal corrosion once the old paint is stripped.

He used a single-engine Mooney awaiting service as an example. Even though the paint job looked fresh, corrosion was showing through beneath the wings and around the flush-mounted screws.

In many instances, portions of the air-

plane must be dismantled to do a thorough job. Some owners ask for technical modifications. Both Poplawski and his son are qualified aircraft mechanics.

Poplawski has handled work for customers who brought their airplanes from as far as Alaska and Bolivia. The weirdest job he has handled was painting the Coca-Cola trademark across the wings of an airplane owned by a bottler in Alpine.

"That special red paint was \$220 a gallon," Poplawski said.

Poplawski, the son of Polish immigrants, was born in Adams, Mass. He was on his way to California in 1941 when he stopped

in Texas and decided to stay.

He moved to Ennis from Fort Worth 21 years ago, becoming the first business to open at the local airport. He chose a site on the edge of Lake Clark.

"It's so restful to have a lake outside your front door," Poplawski said.

A pilot since 1929, Poplawski still flies a small, homemade experimental airplane with a propeller in the rear. The airplane, built from fiberglass, weighs less than 700 pounds and is driven by a 100-horsepower motor.

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