

# Oil companies batten down the hatches in Persian Gulf

By SCOTT WILLIAMS

Dallas-area companies with operations in the Persian Gulf region are joining the anxious countdown to war, and forging some unusual alliances to protect their interests.

Most of the companies say they already have established contingency plans for relocating workers, and some have taken the added precaution of evacuating employees' relatives.

But if the standoff between the United States and Iraq erupts in violence, important business facilities might get caught in the crossfire. And no one is certain what will be left when the destruction ends.

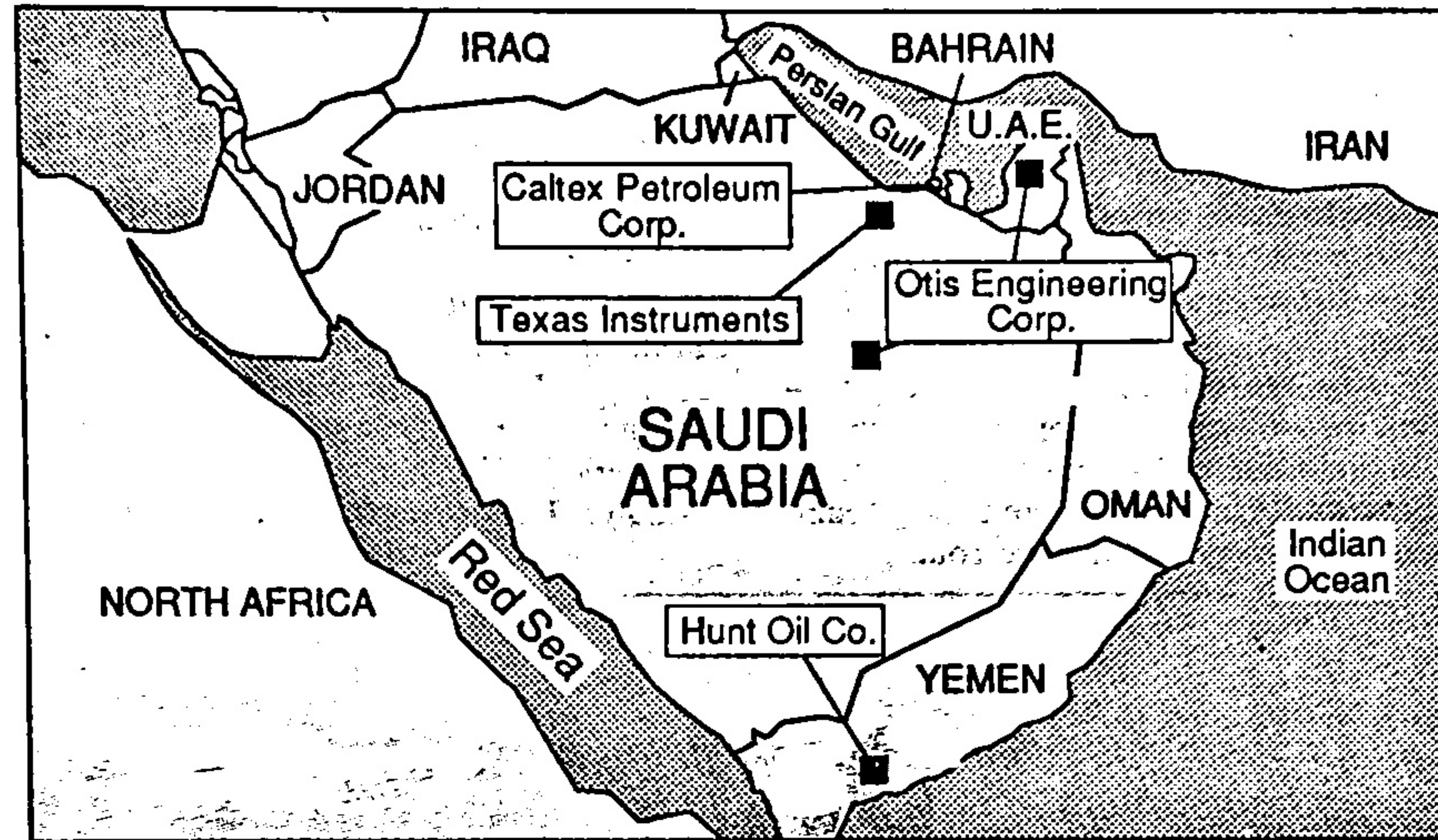
"We're all crossing our fingers," said Paul Murphy of Caltex Petroleum Corp., an Irving company with an oil refinery in Bahrain, just 200 miles from the hot spot in Kuwait.

Caltex is among at least a half-dozen Metroplex companies nervously awaiting Tuesday's deadline for Iraqi forces to end the five-month-old occupation of Kuwait or face the threat of attack by U.S. troops amassed nearby in Saudi Arabia.

Otis Engineering Corp., a Carrollton oil-field services company with offices and dozens of employees in both Saudi Arabia and the United Arab Emirates, evacuated employees' families immediately after the Aug. 2 invasion.

And company vice president Richard Grisham said that if war breaks out, contingency plans call for moving the workers themselves "out of the danger zone."

Although Otis is a profitable subsidiary of Halliburton Inc., Grisham said there also are plans to shut down business if the fight-



ing becomes too threatening.

"We would scale back to virtually nothing," he said. "It would be a major disruption."

Ghaleb Faidi, a spokesman for the U.S.-Arab Chamber of Commerce in Washington, said numerous American firms with a presence in the region have made preparations to move employees to safe cover.

But beyond that, Faidi said, "We're just waiting to see what happens."

"What more can they do?" echoed Jeff Johnson, a Mideast specialist with the U.S. Department of Commerce.

Several Dallas-area companies have sought local government assistance in the Middle East to mind the store in the event of war.

Hunt Oil Co. has been assured by the

government of Yemen that Hunt's operation in that country will be guarded and will remain active, even if Hunt's people must leave.

Yemen has sided with Iraq in the conflict with the United States. But the government also has developed strong ties to Hunt since the Dallas company made that country's first major oil discovery in 1984.

Today, the operation produces up to 180,000 barrels a day, and it is as much a boon for the Yemen economy as it is a profitable undertaking for Hunt.

Said company spokesman Jim Oberwetter: "If hostilities were to occur, we feel confident that the government would keep production under way."

Murphy hinted that the same is true of Caltex's refinery, which has been in opera-

tion since before World War II and employs hundreds of people in tiny Bahrain.

Murphy said the Bahrain government actually is a partner in the business. Asked if contingency plans for protecting the refinery have involved the government's militia, he said, "All necessary precautions are being taken."

Other companies doing business in the Gulf region, however, are not fortunate enough to have such influential partners. Others say they are not willing to trust outsiders to watch over their interests or simply do not feel threatened by the prospects of war.

Texas Instruments — with a multimillion-dollar project under way in Saudi Arabia — is providing automated systems to government oil company Aramco for a major pipeline expansion about 60 miles from the gulf.

Company spokeswoman Terry West said the contract is worth several million dollars, but the threat of disruption to the project is seen as minimal, she said, "if the conflict is contained to Kuwait."

"Any impact would be minimal," she added.

Dresser Industries Inc. vice president Herb Ryan said Dresser executives will take their cues from Washington when it comes to bracing for war, and they will rely on the common sense of their employees if the worst happens.

"The people over there are in the best position to know what the risks are," he said. "I imagine our people are carrying their passports with them just about everywhere they go."