$50,000, was far too small an organization to carry out the grand plans of Cullinan and Schlaet. Accordingly, in March, 1902, it was arranged that a new corporation should take over the assets of the Texas Fuel Company.

On April 7, 1902, the charter of the new company was registered, and additional financial assistance came from John W. Gates, the Lapham interests, and the Mitchell family of Chicago. The new company was capitalized at $3 million and called The Texas Company. The trade name Texaco originated as a cable address shortly afterward. To strengthen this identification, the corporate name was changed in 1959 to Texaco Inc. Today the Company is one of the few survivors of the approximately 200 oil companies that were born in the Spindletop field.

By the end of its first year of operation, the young Company had built 36 storage tanks to store the large quantities of crude oil purchased at favorable prices. A 20-mile pipe line was laid by the Company to transport the crude from its oil fields at Spindletop to deepwater facilities at Port Arthur, Texas, so that oil could be moved by barge to Eastern oil refineries and to Louisiana sugar planters who used it as boiler fuel.

Texaco's major growth began in January, 1903, when Well No. 3 at Sour Lake, not far from Spindletop, came in as a major discovery. Texaco was still producing almost 1,500 barrels a day from this field in 1977. The Sour Lake success was followed by major Texaco discoveries in other parts of Southeastern Texas, in Louisana, and in Oklahoma.

To utilize these plentiful sources of crude, the Company built its first refinery at Port Arthur, purchased some barges and an oil tanker, and completed a pipe line from Oklahoma to the Gulf Coast — a bold venture which paid off. The Port Arthur refinery processed 318,364 barrels during its first full year of operation. It now has a capacity of 406,000 barrels a day.

With both adequate supplies of crude oil and a refinery in operation, Texaco next had to develop its sales outlets at home and abroad. In 1905, Texaco operations were inaugurated in the European market. By the end of 1907, its sales operations in the United States covered all except five Western

states. Texaco's most important petroleum products in these early years were kerosine, fuel oil, and asphalt.

THE GASOLINE ERA (1914 - 1933)

World War I brought an immense increase in petroleum demand, and the success of the automobile made gasoline a necessity in American life. To help meet that demand, Texaco opened its first "filling stations" in 1913. In 1917 and 1918, Texaco tankers joined the Atlantic convoy fleets to aid in the war effort.

After World War I, Texaco specialized in supplying automobile gasoline and lubricating oils to the motorist, and began advertising in national magazines. To meet the growing needs for gasoline, the Company set to work to increase the number of gallons of gasoline that could be produced from each barrel of crude oil. Two employes of the Texaco refinery at Port Arthur perfected a continuous refining method for this purpose. The Holmes-Manley process, the industry's first continuous thermal cracking process that was both practical and commercially profitable, went into operation in 1920.

The Company's growth continued with the marketing of new products such as Texaco Aviation Gasoline. In 1928, Texaco extended its marketing area to cover 48 states. In 1931, it obtained rights to important patents for removing waxes in the processing of premium motor oils such as Havoline.

To offset the effects of the Depression of the early 1930s and to increase gasoline sales, the Company introduced Texaco Fire Chief Gasoline in 1932, by means of extensive advertising on radio and in print media. Texaco Sky Chief, a premium gasoline, was introduced in 1938.

While the Company, along with most others in the industry, lost money during the Depression, Texaco continued paying a dividend — although at a reduced rate — thus maintaining its never-broken record begun in 1903.

ERA OF PREWAR EXPANSION (1933-1940)

In 1933 the Company started a gradual upswing that lasted through the entire difficult decade and