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World Trends and Technology for Offshore Oil and Gas Operations

Port Fourchon exhibits growth, optimism



 **HALO** is Mentioned on page 4 and page 12 of this PDF

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YEARS OF GROWTH
1960 - 2010

Yes, they have no bananas

But, 50-year-old Port Fourchon is certainly not complaining

Determined to corner the lucrative banana trade, Louisiana Gov. Jimmie Davis on July 7, 1960, put his signature to Act 222 that created the Greater Lafourche Port Commission, and with it, Port Fourchon.

Over the next 50 years, the banana bonanza never materialized as most boat captains opted to unload their fruity cargo farther east in Biloxi, Mississippi. Nevertheless, you'd be hard-pressed to find anyone in Port Fourchon bemoaning the monopoly lost, for the consolation prize has eclipsed by several magnitudes any banana revenue. It also propelled what once was an isolated backwater, popular only with weekend anglers and duck hunters, into what is unquestionably one of the nation's most indispensable pieces of waterfront.

According to the latest federal estimates, upwards of one-fourth of the US domestic oil supply and nearly 90% of its offshore gas production flow through what is known as "The Gulf's Energy Connection" just over 100 mi (161 km) south of New Orleans. With the deepwater Gulf of Mexico as its backyard, Port Fourchon is the nucleus for nearly all of the flourishing drilling and production business in the outer fringes of the continental shelf. What's more, Port Fourchon also serves as the base for the Louisiana Offshore Oil Port (LOOP) that offloads from some of the world's largest tankers as much as 1.2 MMb/d, or 10-15% of all US oil imports.

"They could've added pineapples and several other fruits and wouldn't have come close to making up what they have



Louisiana Gov. Jimmy Davis signs Act 222 on July 7, 1960, to create the Greater Lafourche Port Commission and, in turn, Port Fourchon. Looking on, from left, are State Rep. Woolen Falgout, State Sen. A.O. Rappelet, and State Rep. Dudley Bernard.

Jim Redden

gotten in oil and gas," 40-year port veteran Pat Pitre, vice president of family-owned supply boat company L & M Botruc Inc., says of the commission's original ambition.

Indeed, a study commissioned by the Louisiana Department of Economic Development and released in late 2008 disclosed just how vital this once insignificant port is to US energy security. The report concluded that any disruption of Port Fourchon operations would keep 18% of the nation's energy supplies out of the marketplace. That ominous assessment was driven home in August and September of 2008 when hurricanes Gustav and Ike slammed into southern Louisiana, temporarily shutting off production coming out of the port and keeping an estimated \$7 billion in oil and gas from reaching consumers.

Still bullish on deepwater

The core of Port Fourchon remains the deepwater, which unlike other geographic drilling theaters, shows no indications of falling on hard times within the foreseeable



A tanker off-loads imported crude at the Louisiana Offshore Oil Port (LOOP).

future. Some estimates say that by the end of this year, the deepwater could account for nearly 80% of GoM oil production. The US Minerals Management Service (MMS) said that as of Jan. 25, 43 new projects in 1,030 ft to 8,850 ft (314 to 2,697 m) of water were undergoing either drilling or work-over operations. It followed a similar report issued in early 2009, which showed 33 deepwater wells being drilled, along with another 59 "pending." Factoring in the 135 deepwater fields already developed at the time, the 2009 report documented nearly 230 deep and ultra deepwater projects in need of products and services, not including the projects under way this year.

"Our saving grace is the deepwater," says

Once dead shelf showing signs of life

While deepwater is the primary focus in Port Fourchon, others say the shallow waters of the Gulf of Mexico shelf also are poised for a resurgence in drilling activity.

"We're finding that some companies are planning to go back and look again at some of the older wells that were drilled there. With the technology we have today, they can drill those wells even with current (gas) prices," says Greater Lafourche Port Commission Executive Director Chett Chaiasson.

Many believe Fourchon would enjoy full employment if not for the rigs, boats, and workers idled by the free fall in deep shallow-water shelf drilling. That once dormant drilling arena may be in line for a rebound, thanks to a major discovery in January by Louisiana's own McMoRan Exploration Co. of New Orleans. Drilled to a depth of more than 28,000 ft (8,534 m) in 20-ft (6-m) of water some 20 mi (32 km) off the Louisiana coast, McMoRan's Davy Jones discovery is believed to hold from 2 to 6 tcf of gas, making it one of the largest shelf discoveries in decades. Chaiasson and others believe it could breathe new life into the once drilling dead zone.

"The deepwater is going well and continues to be very strong, but now we're seeing a lot of the shelf operators starting to pick up activity," says Daniel LaFont, Fourchon marketing manager for Edison Chouest Offshore.



Stacked jackup drilling rigs may return to work if prospects improve for the shelf.

Karl Boffanie, manager of long-time port tenant John W. Stone Oil Distributor Inc. "If anyone doubts the value of the deepwater all they have to do is look at the price of oil after Katrina and these other hurricanes when the port was shut down for a while."

Despite the healthy outlook for the deepwater, Port Fourchon has not been entirely immune to the economic downturn that brought with it a sharp decline in drilling and production elsewhere in the country. The shelf earlier became a virtual dead zone for drillers, and even some companies involved directly with servicing and supplying the more prosperous deepwater market have been proceeding a bit more cautiously of late, says Chett Chiasson, who this year became only the second executive director in the history of the Greater Lafourche Port Commission. He replaced Ted Falgout, who after 31 years at the helm retired at the end of last year as the first executive director of the now 50-year-old port commission.

"We're having to deal with the economic downturn like everyone else," he says. "Companies are still coming in, but not at the same pace as before. But, we've recently seen interest pick up. Companies are drilling and they tell us that between 2011 and 2012 they'll be back to where they were."

Port tenants optimistic, expanding

L & M Botruc's Pitre agrees, saying that since the first of the year, signs have been



The 1971 (left) and current port commission boards and new Executive Director Chett Chiasson.



encouraging. "We've seen an upturn over the last two to three weeks and that's a good sign. Normally, January's slow even in a good year."

Pitre and others say that while they have not experienced any major upturn, they have not seen any signs of decline either.

"Business is steady," says Rene Melancon, Port Fourchon yard manager for mooring company Delmar Systems Inc. "We haven't seen any downfall at all and, in fact, we're seeing steady improvement."

"Business hasn't been wide open, but it's been steady and really started picking up in December," says Al Graham, director of Marine Operations for the Central Division of USLL, which specializes in waste management.

"Somebody's drilling," adds Tyrus Smith, business development manager



for Halo LLC, which provides wire rope, chains, slings, and related industrial equipment for the offshore. "Between Jan. 1 and Jan. 20, we've manufactured and sold 700 pipe slings." The same for Danos & Curole, which provides supplemental labor and related services for area operators and service companies. Nicole Williams says business in 2009 increased appreciably for the 63-year-old family-owned company,

Port, ROR work to save the coastline

A spate of shoreline-eating hurricanes in recent years and the sweeping expansion under way at Port Fourchon have combined to invigorate fears that the Gulf of Mexico is close to swallowing the southern Louisiana coast.

No one argues the scientific evidence that warns Louisiana is losing its coastal marshland at an alarming rate. The non-profit Restore or Retreat (ROR) advocacy group that counts among its members a number of operators and service companies, says the state is losing 25 to 30 sq mi (40 to 48 sq km) of wetlands every year, or more simply, marshland the size of an American football field every 30 minutes.

ROR and the Greater Lafourche Port Commission have joined to reverse that trend.

"Restore or Retreat and the port work together, directly and indirectly, on many coastal projects. For years, the Greater Lafourche Port Commission has consistently supported Restore or Retreat financially through a significant annual membership donation," says ROR Executive Director Simone Theriot Maloz. "We are working together on a number of initiatives today."

Her counterpart at the port commission, Executive Director Chett Chiasson, says commissioners have long recognized the environmental threat to expanded development and have taken steps to combat it. Every time the port literally creates

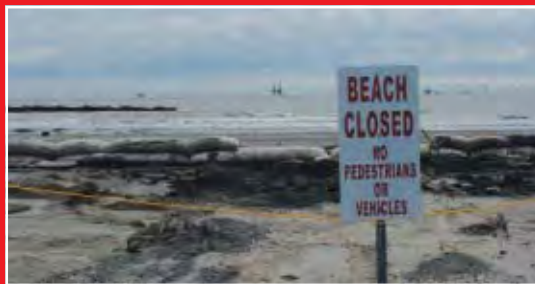
land from the seabed for development, it gives birth to a similar amount of wetlands, he says.

"For example, for the 700 acres we are developing for the Northern Expansion, we also will create 700 acres of new marshland," Chiasson says, referring to the port-sponsored Maritime Forest Ridge project.

"Port Fourchon has been an industry leader when it comes to balancing their growth and the environment. The port has been consistent in beneficially using dredge material for decades, and a prime example of this is the Maritime Forest Ridge project," Maloz says. "This 6,000-linear ft (1829-m) ridge restoration project originated from the need of the port to expand to accommodate increased federal outer continental shelf energy activity. Going above and beyond the required mitigation, the project is envisioned to be 12,000 ft (3,658

m) upon completion and will provide a world-class birding habitat, increased hurricane protection, and serve as an educational and eco-tourism platform."

She adds ROR and the port also are involved in a number of marshland-saving projects, including, among others, one devoted to re-introducing freshwater into Bayou Lafourche and another aimed at diverting encroaching salt water from the GoM. Also underway is the \$243-million US Corps of Engineers Caminada Headlands Project, a shoreline restoration initiative that is part of the Louisiana Coastal Area Study (LCA).



The non-profit Restore or Retreat and the Greater Lafourche Port Commission are working on initiatives to keep the Port Fourchon shoreline intact and open.

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An anchor handling vessel undergoes work at the recently opened Edison Chouest covered dock in Port Fourchon.

pointing specifically to a multi-year contract the company received recently to provide contract operations and maintenance personnel for all of BP's deepwater activities.

"We've seen amazing growth the past year," she says. "The deepwater remains strong and now it looks like drilling on the deep shelf may take off."

In response, and following the lead of its landlord, many port tenants, likewise, are expanding their operations. Bollinger Shipyards, for example, recently unveiled the first public dry dock in Port Fourchon; Cal Dive International has completed development of its Fourchon Marine Base; Offshore Cleaning Systems became the latest company to establish a port presence; and Hornbeck Offshore introduced the world's largest multi-purpose vessel, says Chiasson.

Mammoth Edison Chouest Offshore, which like the port is celebrating its 50th anniversary this year, also had a busy 2009 with the opening of its covered anchor handling dock. By far the port's largest leaseholder, Edison Chouest operates 165 supply vessels worldwide and services 41 rigs out of Port Fourchon, says Daniel LaFont, marketing manager. The company operates the C-Port I and C-Port II covered facilities and last summer opened its three-slip covered dock. The facility, which has lifting capacity for 9,950 tons, comprises two wet and one dry dock. "We can handle any size (anchor handling) boat in the Gulf," he says.

M-I SWACO, already the port's dominant supplier of drilling and completion fluids, intends to increase completion fluids capacity this year by 10,000 to 20,000 bbl at its HOS Port location, says the company's Port Fourchon Facilities Manager Ron Domangue. In addition, he says the company plans to introduce its automated boat and tank cleaning technology this year at its C-Port II location, one of five it operates within Port Fourchon.

Remarkable growth

It took nearly 20 years after its creation before the port went all out in major infrastructure enhancements that included roads and channel improvements. Since then, and despite the cyclical ups and downs of the E&P industry, the growth of Port Fourchon over the past 50 years has been nothing short of remarkable and, with its overseers seemingly locked onto a continual mode of expansion, it shows no sign of slowing anytime soon. The 700-acre Northern Expansion, in what at one time was a playground for duck hunters, is well under way, and when completed over the next decade or so, will more than double the port's developed acreage.

More than 125 service and operating companies, from multi-national conglomerates to private, home-grown enterprises, call Port Fourchon home and many, led by Edison Chouest, hold multiple leases. The soon-to-be completed Phase 1 of the Northern Expansion

will provide operating space for more than 20 new companies, says Chiasson.

As for the first phase of the Northern Expansion, Chiasson says 3,000 ft (914 m) of bulkhead for Slip B was completed recently with an additional 1,000 ft (305 m) now under construction. With the completion of Slip B in 2011 and the newly completed Slip A, he says Phase 1 of the expansion will be complete.

A short time ago the commission received the necessary permits to begin dredging for the 2,000-ft-long by 700-ft-wide (610 x 213 m) Slip C, which essentially kicks off the second phase of the expansion. Pointing out that work began on slips A and B in 2000, Chiasson says the entire Northern Expansion project will take 10 to 15 years to complete.

While all that is in full swing, the new director says port officials continue to explore innovative ways to serve the tenants already there.

"We're constantly planning to do anything we can to further enhance our capabilities. For instance, we recognize that vessels are becoming larger so we're looking at deeper drafts to allow the industry to continue to expand here," he says.

Inauspicious beginning

All this is a far cry from the Port Fourchon of 1979 when Boffanie began working in what was basically an undeveloped swamp. Boffanie, who says he practically grew up around the port, recalls when the main artery was nothing more than a dirt road canopied by towering cattails, and the only business enterprise was fishing. "At that time, there was one dock and the only two (oil) companies here were Martin Fuel Distributors and Baroid Drilling Fluids," he says.

The same for Wayne St. Pierre, Fourchon facility manager for



Schematic of future Port Fourchon expansion.

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InterMoor Inc. "When I started here in the late '70s all we had basically was a gravel road and this whole area was used mainly for duck hunting. A few small banana boats would come in occasionally and there were the fishing companies, but that was about it," he says from what is now the central location for InterMoor's worldwide operations and home of the largest lift crane on the Gulf Coast, a behemoth capable of lifting 800 tons (726 metric tons).

The times they most definitely have been a-changing and many of those changes, ironically, came when the oilfield was mired in turmoil. In the early 1980s, the industry took a severe and prolonged nosedive with the price of a barrel of crude dropping to low single digits. With jobs harder to come by, service and supply companies considered every possible avenue to cut costs. More times than not, that avenue reached a dead end at Port Fourchon.

"Many of the service and supply companies had numerous, small facilities located all along coastal Louisiana so they could be close to the projects they were working on. They had to downsize and centralize their operations into one or two logistically advantageous locations. For many of them, Port Fourchon was chosen for their consolidated shore base," Chiasson says.

"While oil and gas suffered through a depression in the '80s, Fourchon actually experienced tremendous growth, as more and more support services companies set up their shore base operations here to take advantage of our strategic proximity to the current and future activities in the GoM.

"The port received a major boost in 1995 when the US Congress passed the Deepwater Royalty Relief Act that improved the economics of drilling in more than 1,000 ft (305 m) of water.

"Significant technological advancements were made to coincide with the timing of the passage of this act. Therefore, all the conditions were favorable for the rebirth of the drilling industry in the GoM. Fortunately for Fourchon the service companies realized there was no better place economically, environmentally, or geographically to conduct their operations than Port Fourchon.

"The passage of the deepwater royalty act created rapid expansion at the port. At that time, we had a 2000 to 2030 strategic plan that soon went out the window and we had to revise it upward."

In addition to the ongoing 700-acre Northern Expansion, since 1996 the available 500 acres created in the three-phased E-Slip development all were leased quickly and fully developed. "We really ramped up between 1997 and 1998 and by 2000, a third of the E-Slip had already been leased," Chiasson says.

Taking hurricane evacuations to a new level

Port newcomer Offshore Cleaning Systems takes a unique approach to evacuating for a hurricane: Just pack up the whole kit and caboodle and move it out of harm's way.

Michael Breaux, corporate asset manager for the tank and vessel cleaning company, says within a matter of hours its entire Port Fourchon location can be cleared, leaving nothing behind, but a concrete slab. Owing to the company's uniquely designed 8- x 12-ft (2.4- x 4-m) modular office and warehouse, when a hurricane approaches the building can be disconnected simply by flipping corner bottom and top levers. Once the structure is detached from his support, a crane lifts it onto a trailer and hauls to a safe location until the all-clear is given to return.

"Once the roads are cleared and we are given approval to return, we can be up and running in 24 hours," he says, adding the site also is equipped with generators to keep it in operation if electricity is down.

Based in Abbeville, Louisiana, the 12-year-old company established a base in Port Fourchon last November.



With its modular design, the Port Fourchon headquarters of Offshore Cleaning Systems can be removed completely in the face of a hurricane.

Then came Hurricane Katrina in late summer 2005. As operators and service companies surveyed the wreckage the storm left in its wake, many once more turned their sights to Port Fourchon. "Many of these companies still had facilities in Cameron, Venice, and elsewhere along the coast and most of those were either destroyed or under water. Like everyone here, we had a mess to clean up, but sustained no major structural damage, so we were able to get back up and running fairly quickly. Several of those companies decided it would be more prudent to operate out of here."

"If you service the offshore oil and gas industry, this is the only place to be," says Offshore Cleaning Systems Corporate Asset Manager Michael Breaux, echoing what seems to be a universal sentiment among Port Fourchon tenants.

"Fourchon has really changed and the growth over the past 10 years has just been remarkable," adds Todd Hornbeck, chairman, president, and CEO of Hornbeck Offshore. "It offers the best value proposition for those of us operating in the GoM."

Airport also growing

The expansion has not been restricted to the port. The South Lafourche Leonard Miller Jr. Airport in neighboring Galliano, which came under the umbrella of the port commission in 2001, likewise is engrossed in expansion. Named Louisiana's 2006 Airport of the Year by the US Federal Aviation Administration (FAA), the airport early last year extended its main runway from 3,800 ft to 6,500 ft (1,158 to 1,981 m) to accom-

modate mid-size corporate jets. Airport manager Jason Duet says construction of a parallel jet taxi way is complete as is installation of sophisticated localized landing systems that rely on radio signals. He says the port commission also continues to look at developing an industrial park at its undeveloped 1,200-acre parcel that surrounds the airport.

This year, VIH Cougar opened its new hangar, which will serve as the base for its GoM air services operations, while Edison Chouest, which already operates one hangar, is looking at build another, Duet says.

"Traffic has increased steadily," Duet says. "In fact, between January 2009 and January 2010, we've seen a 19% increase in traffic and that even with us being closed two months for construction. We also have several tenants who've expressed interest in building at the airport."

If Davis and the other pioneers who laid the foundation for Port Fourchon could see what their once modest port had become 50 years after its founding, they undoubtedly would feel is if they had been transported into some parallel universe. And, considering where the port is today and where it is headed, anyone who still believes the administrators should have held steadfast to their original aspiration, would be looked upon here as being a bit, well, bananas.

The continuous advancements in deepwater oil and gas technology, coupled with the reserve projections for the GoM, indicate the activity currently ongoing at Port Fourchon will be sustained for the next 40 years, at least. ●

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New lock keeps bayou cargo flowing; LA 1 again seeks funding

A waterway that some contend is as vital to the offshore as its more popularized overland counterpart received a major boost late last year with the long-awaited opening of a lock engineered to keep rig-bound cargo moving.

The November opening of the Lean Theriot Lock on widely traveled Bayou Lafourche is heralded as a high point for barge captains who often found themselves grounded, sometimes for days after a storm had passed over the southern coast of Louisiana. Before the opening of the lock, the area relied solely on the bayou's network of floodgates. While effective in heading off flooding, the gates prevented vessels from transporting needed supplies and equipment offshore, says Windell Curole, general manager of the South Lafourche Levee District. The district's primary responsibility is to maintain the ring levy flood prevention system. The district has been working to build the lock for the past 15 years.

Meanwhile, at press time the LA 1 Coalition was heading back to the drawing board after being denied a \$300-million federal grant that would help fund the final 8.3-mi (13-km) segment of the new elevated LA 1 highway system. The so-called Transportation Investment Generating Economic Recovery (TIGER) grant would have been used to complete the elevated highway between Golden Meadow and Leeville, where it would tie into the elevated Tony Doucet Bridge that opened last July.

Coalition Executive Director Henri Boulet says the group knew up front that the competition it faced in getting a share of the total \$1.5-billion the US Department of Transportation (DOT) is earmarking for highway and bridge projects, public transportation proposals and port projects would be fierce.

"The LA 1 Coalition is disappointed by the fact our well-drafted and compelling TIGER grant application was not selected. In reviewing the list of projects that did receive funding, it is clear to me that a decision was made by the Department of Transportation to spread the money across the country versus focusing on large significant projects such as LA 1. We had hoped that the majority of funds would be directed to large-scale projects of national



(Above) Aerial view of the recently christened Tony Doucet Bridge over Bayou Lafourche. (Photo courtesy of Wilbur Smith Associates) (Left) The new Lean Theriot Lock is engineered to keep cargo flowing offshore.

importance like ours. The Coalition's work is far from over, and we are looking at additional funding opportunities being proposed by Congress in the coming months," he says.

The remaining eight-mi (13-km) stretch remains the only unfunded portion of the highway that is engineered to keep cargo and production flowing in and out of the port during storms. This past July, the \$161-million elevated toll way over Bayou Lafourche opened to replace the old and decrepit Leeville bridge that was considered the "weakest link" in the oft-flooded and badly damaged LA 1 highway. The old bridge has since been demolished.

Curole and the levee commission definitely have experience when it comes to acquiring funding. Since conceiving the idea for a lock in 1995, the commissioners of the South Lafourche Levee District had to face more than their share of frustration when it comes to funding. What's more, the original price tag for the lock was \$7 million, but the final bill came in at \$25 mil-

lion, Curole says, thanks in no small part to Hurricane Katrina in 2005 that sent construction costs soaring.

While no precise numbers are available, Chett Chiasson, executive director of the Greater Lafourche Port Commission, says "hundreds" of barges and other vessels traverse the bayou monthly, delivering equipment and supplies offshore. Ultimately constructed with a combination of state and federal funds, the uniquely engineered lock, which was fabricated in Morgan City, Louisiana, and floated into place, is designed to keep that traffic moving, which was not the case with the floodgates.

"The floodgates would be closed two days prior to a storm and after the storm passed a low-pressure system could remain over the area for a week. The gates would have to remain closed until all the threat of flooding had passed. We've had boats with millions of dollars worth of cargo trapped and unable to navigate the bayou for days after a storm had passed," Curole says.

Days after its unveiling, the lock received its first big test when in late November Ida became the latest forming hurricane in history. The lock passed the test with flying colors, Curole says. ◉

GOL is a full service marine transportation and logistics company providing vessels and logistical support for the Oil & Gas industry across the Gulf Coast.



Gulf Offshore Logistics, LLC ("GOL") was established in 2003 starting with three vessels servicing the shelf operations in the Gulf of Mexico. Today, the Company operates 30 vessels including 10 deepwater offshore support vessels and employs over 275 people. In addition, GOL has recently announced plans to build four 280 foot DP 2 platform supply vessels and four 220 foot DP2 fast supply vessels with deliveries starting in 2012.

GOL also operates a 20 acre shore-base facility in Port Fourchon, Louisiana. The site includes 1,400 ft of bulk-headed water

-front, three fixed position cranes, 23,000 sq. ft. of office space and living quarters, 24,000 sq. ft. of warehouse space and over 226,000 sq. ft. of out side storage area. The facility also has a 30,000 barrel liquid mud mixing plant and on-site fuel and water sales.

The facility was developed to service the specific needs of deepwater operators while incorporating scalable services to be economical for shelf operators.

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Storms, deepwater combine to make inspections healthy business in Port Fourchon

Add a few hurricanes to the intrinsic nature of the deepwater and you have the ideal scenario for companies specializing in checking the integrity of topsides and downhole paraphernalia.

“With all the storms we’ve had, the regulations have gotten much more stringent, so the need for inspections has increased a great deal,” says Wayne St. Pierre, Fourchon facility manager for InterMoor Inc. InterMoor is heavily involved in inspections of wire rope, mooring, and similar apparatus.

Elsewhere within Port Fourchon, Smith Services Inc. operates what it says is the only inspection facility of its kind anywhere along the Gulf Coast. Occupying two slips at the C-Port II facility, the Smith Super Service Center can inspect all downhole tubulars and includes a full-service machine shop for repairs. What district manager AJ Wanous III describes as the area’s only “one-stop shop,” also is being upgraded to handle up to 23-in. (58-cm) casing.

“We are installing all applicable equipment in the C-Port facility to make and break, store, and load casing. We plan to be up and running by the start of May,” adds Todd Simar, Eastern US regional manager.

Wanous explained that the center uses ultrasonic technology to check for fatigue cracking anywhere along a full-length of both new and used pipe.

“This is a one-stop shop. The pipe comes off the rig and we have everything here to both clean and inspect it,” he says. “Our inspections also can be tailored to meet a client’s individual requirements.”

He says the technology and configuration of the center allow its technicians to inspect in three days pipe that normally would require more than one week to examine.

“We literally can inspect 18,000 ft (5,486 m) of pipe in 72 hours. What we do is provide added insurance to the operator and drilling contractor. After all, if you have a pipe failure in deepwater it can cost you dearly,” he says. “We have even spotted defects in pipe that came directly from the mill.”

Meanwhile, Halo LLC is taking its inspections services on the road after signing a franchise agreement with IntegriCert of New Iberia, Louisiana. The agreement gives the three-year-old Port Fourchon supply company exclusive use of IntegriCert’s uniquely engineered portable load



(Above) At the Smith Services facility in C-Port II, drill pipe and other tubulars arrive straight from the rig to be cleaned, inspected, and, if necessary, repaired before returning to operation. (Below) With the portable load test unit, Halo can simulate an actual lift at a client’s facility.



testing unit in Lafourche and two surrounding parishes. The unit has a load testing capacity of up to 125,000 lb.

“With this unit, we can go to the clients’ yards and simulate an actual lift without them having to load up and haul their skids or whatever else needs testing. Anything that requires load testing we can do with this unit quickly, and as we all know in the oilfield time is everything,” says Halo Busi-

ness Development Manager Tyrus Smith.

Founded in 2007, Halo also operates a 3-million lb (1.36-metric ton) capacity, 220-ft (67-m) long load test bed at its Port Fourchon base with an 11-ft (3-m) stoke capable of testing all sizes and types of mooring lines and heavy-lift slings. Smith says the company also is looking into the possibility of developing a mobile test bed with 100,000-lb load capacity. ●

HOS Centerline gives new meaning to multi-purpose vessel

When Hornbeck Offshore Services Inc. introduced its 370-ft (113-m) *HOS Centerline* last year, it not only gave the Gulf of Mexico the world's largest support vessel, but also one designed to transport everything from drilling fluid to crude oil. With a more than 8,000-dwt (7,258-metric ton) capacity, the *Centerline* brings multi-purpose support vessels to an entirely new dimension. Not only is the triple-certified newbuild designed to transport supplies for drilling and production, it can be "flipped over" in two to three days and work as a crude oil tanker, says Todd M. Hornbeck, chairman, president and CEO of the Covington, Louisiana-based company that also operates the HOS Port in Port Fourchon. What's more, Hornbeck says the newest entry to the company's global fleet also is fully certified to haul hazardous wastes.

"It's the only time in the world this has been done," he says of his new support vessel/tanker combination. A sister-vessel, the *HOS Strongline*, was expected to join the Hornbeck fleet in February and is destined to receive the same regulatory pedigree.

Hornbeck says the uniquely engineered vessels can transport more than 30,000 bbl of liquid drilling mud and fuel. The vessels' 400 kW of available propulsion, power, and DP-2 capability allows it to work safely in sea and weather conditions that keep smaller vessels in port. The design of the vessel reduces fuel consumption in half, he adds.




The *HOS Centerline* is not only the world's largest multi-purpose supply vessel, it also is the most versatile, says Hornbeck.

"These vessels really provide a wider weather window, and they are equipped and designed to safely transfer cargo in high seas," he says. "They really give us a cradle-to-grave approach to serving our customers, from spud to production."

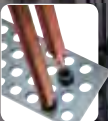
The HOS 370-class cargo deck is 240 ft x 58 ft (1,287 sq m) and is complemented by an additional 30 ft x 58 ft (9 x 18 m) of covered deck space, which is unprecedented. The large deck and living quarters for 78 crew members also makes the *Centerline* functional for subsea construction.

While the commissioning of the *Centerline*, gives Hornbeck 85 vessels working worldwide, he says the company will continue to focus on the Gulf of Mexico.

"Any place we look at first has to pass the smell test and convince us it is a better place to be than in the Gulf of Mexico." ◉




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Report shows enormity of GoM decommissioning market

It may come as a surprise, but for some Port Fourchon companies one of the hottest markets in the Gulf of Mexico these days has nothing to do with drilling or production. Quite the contrary, actually.

“Salvaging is by far the biggest market in the GoM other than deepwater drilling. The numbers are unbelievable,” says Jimmie “Beau” Martin Jr., sales representative for family-owned B & J Martin Inc., which has a strong focus in post-decommissioning seabed cleaning.

Before dismissing Martin’s assessment as fanciful, consider the results of the Gulf of Mexico Decommissioning Report released in December. According to the report’s author, Dr. Mark J. Kaiser, director of Research and Development at Louisiana State University, GoM decommissioning is destined to be a well over \$3 billion market over the next five years. The GoM holds more than 4,000 platforms and Kaiser wrote that an average of 140 structures have been removed annually over the past decade with another 424 wells P&A’d. US Minerals Management Service (MMS) regulation mandates a site be cleared one year after abandonment.

“Throw in the occasional devastating hurricane and the huge impact this has had both in activity volume and cost and you have an annual industry worth between \$377 million and \$825 million,” Kaiser concludes. “The total exposure for decommissioning in the GoM sits somewhere between \$18 billion and \$57 billion.”

Martin adds that many operators just now are getting around to permanently abandoning the structures Hurricane Katrina destroyed in 2005, “and then we had (hurricanes) Gustav and Ike.

“Everything really slows down for us right after a hurricane, because operators’ priorities are trying to restore what production they can. They worry about abandonment later,” he says.

While his family’s 63-year-old Port Fourchon company also operates Martin Quarters, which manufacturers rig and platform

office and housing modules, Martin says that for the past two decades much of the firm’s attention has focused on ensuring the seabed is cleared once the topsides have been removed for platform decommissioning. The foundation of the Martin seabed clearance business is its patented Gorilla Net, which is constructed of a weave of 9/16-in. combination cable at the opening and a body made with twine five times the strength of a standard trawl net. Martin says the increased strength allows it to contain debris that would rip a standard net.

He says as the net is pulled across the seabed it can clear several tons of debris within an 80-ft (24-m) pass, with the activities on each line recorded electronically. Once the debris is removed, the Gorilla is followed by a verification pass to confirm to operators and regulatory authorities that the site, indeed, is clear.

“With the Gorilla, we are able to remove seabed debris for 20% of the costs of using divers or some other clearing method. We also can do in two days what normally would take a month,” he says.

The trawlers that pull the net have a remarkable resemblance to standard shrimp boats, which Martin’s grandfather Beauregard Martin of Galliano, Louisiana, operated from 1947 until the company he founded turned its sights toward servicing the oil and gas industry 20 years later. With the commissioning of a 110-ft (34-m) trawler in December 2009, the company now has five vessels, all of which are at work with their six-man crew, says Martin. The largest vessels can operate in a maximum 400-ft (122-m) water depth.

Martin emphasizes that the nets are constructed to allow fish and other aquatic life to escape unharmed.

“We’re here to pick up debris, not catch fish,” he says.

The company has serviced the oil and gas industry since 1968, but it was not until 1990 that Martin entered the seabed clearance business. Since then, Beau Martin estimates the company has cleared between 600 and 700 locations.

“The operators have done a tremendous job of returning the seabed to its natural state. Once they have borrowed it, the oil companies return the seabed to as good or better condition than it was when they got it,” he says. ◉



Mountains of Gorilla Nets are on standby at the B & J Martin Inc. facility in Port Fourchon.

HOS PORT FOURCHON

Hornbeck Offshore's HOS Port shore base is a 66-acre facility at Port Fourchon, LA., supporting the deepwater E&P logistics requirements of our customers. It offers nearly 3,000 linear feet of proprietary dock space, shore side support for our vessel charterers, water depths sufficient for the deep draft berthing required by large OSVs and MPSVs and a 300-ton heavy lift crane with a reach of 180 feet. But it doesn't end there.

Through on-site vendors, HOS Port can provide dispatching, fuel and lube distribution, waste removal, tank cleaning, office, warehouse and outdoor storage space, and rental equipment, including A-frames, winches, AHC/articulating gangways, ROVs, portable accommodation buildings and more.



Learn more about HOS Port Fourchon and our fleet of OSVs, MPSVs, tugs and tank barges by visiting us online at www.hornbeckoffshore.com or calling (985) 727-2000.

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