DOUBLE DUTY

Petro-Drive, Inc. Ranked #46
Ranked #66 Boco of Louisiana

BY LESLIE TURK

It may be quite unusual for one person to have two companies in the Top 100, but in Charles Miller's case, BOCO of Louisiana Inc. and Petro-Drive Inc. are on it. In many ways, the two companies go hand in hand.

They're both service companies which very much depend on the cyclical oil and gas industry.

Miller has owned Petro-Drive since 1976, and BOCO since 1984. These two companies showed significant growth from 1992 to 1993. Petro-Drive saw its gross revenues increase by nearly $4 million and climbed 14 spots in the Top 100.

Petro-Drive is a diversified oilfield service company specializing in conductor driving, rental cranes, etc. Employing an average of 230 workers, it also specializes in fabrication, or general oilfield construction.

"Ninety-five percent of our work is offshore," says Petro-Drive vice president of operations Keith Simone. One of the company's offshore jobs last year played a major role in its ability to post such impressive revenue gains.

Last year, Simone was project manager on a $5 million job the company did for Exxon, off the California coast. "Actually, we set a world record," says Simone. Using a special tool exclusive to the company, called a Center-Punch, Petro-Drive was able to simultaneously drill and drive conductor pipe. "The fact that we drove 48 conductors offshore California in 1,100 feet of water—that set a world record."

Simone says the company has a number of other big prospects "worldwide," but he declines to release any specifics. "We've been contacted by several majors to utilize this technology. We've had this tool since 1993, and we've used it in Alaska and Canada."

Another project for a major oil company has helped BOCO, a sandblasting and painting company, to see its revenues climb from $6.6 million to $7.8 million, moving it to No. 66 in the Top 100. For about four years, BOCO has been involved with a Shell Oil affiliate in another project off the California coast. "We fly about six people out there every week," Miller says.

BOCO manager Gordon Romero says more agreements like this—where a major like Shell or Texaco looks to hire one company exclusively—are definitely the trend. Some of the companies BOCO does business with aren't employing bidding-type agreements, he says. "They're really giving us 100 percent of their business. Basically, I think it's going to come down to, in the next five years, certain companies will choose one company to do their work."

Industry analysts and some major oil company executives confirm that such alliances or partnerships are occurring more frequently. They say that oil property operators' past practice of awarding bids to the lowest bidder often created an adversarial relationship, whereas the new practice lends to a spirit of cooperation.

Romero says these alliances are occurring for a number of reasons, one of which is that companies like Shell don't have to monitor the service company it has formed a relationship with as closely as it may have in the past. Another reason is that service companies often have profit incentives for more efficient performance. Drug screening, proper training and good safety records are other factors playing into this trend, Romero says. He says some big companies are demanding such qualifications.

Romero maintains it's also much easier to cut costs when the two are accustomed to working with each other. "We're sort of taking the walls down and are able to discuss the real important issue, which is cost," Romero says.

BOCO's employment peaks at about 210, Romero says. The company currently is doing work for about 10 to 15 different companies.

Despite the recent drop in oil prices, Romero says his work load should not suffer. Customers say they aren't cutting maintenance costs. Romero says the feeling is that the current oil price is short-term, and companies fear they will fall behind if they skimp on maintenance in the interim.

Romero says, "The work, the way we see it, looks like it's increasing, not only in the paint and sandblasting, but also in the offshore construction, which helps our other company, as well."

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