BOEM DEEPWATER GULF OF MEXICO HISTORY PROJECT

OFFSHORE ENERGY CENTER HALL OF FAME

Interviewee: Bill E. Stallworth

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Place: Houston, Texas

Interviewer: Tyler Priest

Ethnographic preface: Bill Stallworth was born in Rosebud, Texas, in 1932. After attending Tarleton for a few years, Stallworth transferred to Texas A&M University in 1951. After two years spent in the U.S. Air Force, Stallworth went directly to Brown & Root in 1956. He first worked as a cost engineer, and worked for a good amount of time in the Middle East on onshore-based petroleum projects. Stalwart was involved in major British Petroleum projects in the North Sea during the 1980s and 1990s, including BP's Forties field.

TP: This is an interview with Mr. Bill Stallworth. The date is January 9, 2009. We're here for the Offshore Energy Center Hall of Fame induction. Mr. Stallworth is being inducted as an Industry Pioneer. Let's just start off with a little personal background. Where were you born? Where did you go to school?

BS: I was born in Rosebud, Texas, 1932. Rosebud had a population of about 1700. It's grown to about 1700. I went to Tarleton, which is a junior college, at that time for a couple of years, which was a part of the A&M system. Then I transferred to A&M in 1951.

TP: So another Aggie in this industry.

BS: Right, right, quite a few in the industry. I had started out in architecture, and I learned that I really couldn't be an architect. I could draw a building if I had seen it before, but I couldn't think of a new building, so I got into the construction side of architecture, which was more in civil engineering than anything else. Spent

three years—I got out in 1954, went directly into the Air Force for two years, came out in '56, went to work for Brown and Root. I knew nothing about overseas work. I had been there about six months.

TP: How did you choose Brown and Root?

BS: Nobody had ever offered me $475 a month for one month, so I was ready to go. But I'd been there about five or six months, and the boss called me in one day and said—

TP: Was this here in Houston?

BS: Yes. I was working in the estimating department. I went in, and he said he had a friend in town from Maracaibo, and he needed a cost engineer. He thought I could do the job, but if I didn't want to do it, he had some other assignments he could send me on. But this was about four o'clock one afternoon. He said, "Take all the time you need to think about it, and let me know at eight o'clock in the morning if you want to go."

So I said, "Yes, sir." Then I got a map to find out where Maracaibo was. But it was very interesting.

TP: Had you gone overseas when you were with the Air Force?

BS: Yes. I spent a year in Korea. But Maracaibo was a very interesting place to work. We were just getting into what we thought was deepwater then, about a hundred foot.

TP: That deep in Maracaibo. I didn't realize it.

BS: It's about 120 feet in the deepest. We were doing pipeline work. I went down as a cost engineer on a pipeline job, and then we got—

TP: Cost engineer, just estimating costs?

BS: Estimating and seeing where you were against your budget, that sort of thing. Then we got into a pipe-coating job. We had a forty-inch pipeline for Crioli [phonetic], gas pipeline. I got into that and just was a general, all-purpose field engineer there, doing a little of everything. Finished up that. Most of the work we were doing was kind of running down, and we were in the process of being transferred back to Houston.

TP: Were you married at the time?

BS: Yes. I got married six days before I went to Maracaibo. About that time, Brown and Root had gotten a job in Brazil, unloading line at a refinery in Rio, so they

sent me down there for about four months to get that set up. There was a Brazilian contractor that was going to do the pipe coating, but he'd never done a coating yard before, and I had one or two jobs behind me, so I was the expert, I guess. We went down there and got that job kicked off and then came home, and I spent probably the next—most of the sixties was spent back and forth overseas on bachelor-status jobs, a lot of work in the Persian Gulf, Iraq, a lot of work in Iran, Das Island, which is in Abu Dhabi. I was the superintendent of pipe coating there. That was an interesting place. It's a mile and a half long and a half mile wide, a desert island. I spent about four months down there.

TP: Any special problems or challenges in doing pipe coating in these places? That's mainly what you were doing in Venezuela and Brazil?

BS: In those days, yes.

TP: Forty-inch lines were pretty big then.

BS: Yes. They were gas lines for our gathering system in Lake Maracaibo. I guess one significant problem was we were using a barite as heavy aggregate to coat the pipe on Das Island, and we got some impurities in the barite and it wouldn't set up quick enough for us, and I had a real problem trying to meet schedule. So I called Houston. In those days, we didn't have cell phones. You were allowed two hours a day to get the international circuit from the Middle East to Houston or to the States, and it just happened to be two or three o'clock in the afternoon there and three to four o'clock in the morning Houston time. So I booked a call and called my boss and said, "I've got a real problem here."

And he said, "Well, don't ever call me at three o'clock again in the morning." So I hung up and figured out a way to solve it.

TP: Who was your boss at the time?

BS: I'm not going to tell you. But you wouldn't know him anyway. But I solved it, and we went on down the road and finished on schedule. But other than that it was just the communications were quite difficult.

I spent a good bit of time in the Middle East on other projects that really weren't offshore-related. We did a crude storage and export out of Lavan Island in Iran. We did some fabrication over in Kuwait, jacket fabrication.

TP: Iraq?

BS: Iraq was the first job I did out there, and then in the Iran work, we did some fabrication in Kuwait, and we supplied material to London and Copenhagen, and I was kind of coordinating all those jobs from Houston. So I spent a lot of time traveling back and forth mostly. I probably spent about six months a year in Iran for several years there, then came back. I had a short assignment up in Colorado

on a tunnel job, and then in 1970 I got a chance to go to London, just as an engineer/project manager sort of job.

TP: Tell us a little bit about working for Brown and Root at this time.

BS: It was interesting. The world was a lot different than it is now. When you got off on some of those assignments like I had and you had a problem, you'd best solve it. And nobody ever questioned it. If you came out all right, you progressed, and if you didn't, you got fired. But you had a lot more flexibility in international work than you did at home. There was always some expert around the home office could help you here, but you didn't those problems overseas.

TP: So you had to be very resourceful.

BS: Yes. And fortunately, things worked out on most of the jobs.

TP: Well, Brown and Root has a reputation for the can-do spirit in their projects.

BS: There was a lot of it. We really had some interesting jobs and challenging jobs, and I was very fortunate in that I was in Venezuela when they were just getting into what we thought was deeper water at that time. Then the Persian Gulf was just opening up for offshore work in the early sixties, so I was involved in that. I was involved in the North Sea work as it was just getting into the really deepwater, so I just happened to get assignments in some very interesting, challenging places. So it was a lot of fun.

TP: Well, there's probably a reason why they were giving you those assignments in the challenging places. They knew that you could handle it.

BS: I did a talk up at Tarleton here a few years back, and I told them, I said, "If your boss offers you a job somewhere, he's probably already decided you can do it, so don't be afraid to take the challenge. View it as a challenge." I also said, "Look at responsibility as an asset, not a liability. If you get out in those sorts of places, if you take it you've got a lot of responsibility, but if you perform you get the credit, and if you don't, you don't." But it's a lot easier than having a split responsibility and always something falls in the crack. So I was very fortunate, got me a lot of interesting assignments.

TP: Well, yes. Tell us about your time in London as the North Sea was just opening up.

BS: That was very tough duty, but somebody's got to live in London, you know?

TP: After Maracaibo and Lavan Island—

BS: Yes, and I spent a little time in the jungles of Peru along the way, too. But London was very interesting, because the North Sea, they'd started some of the gas field development earlier, when Dick Wilson was there was the first time. But when I went over in 1971, they were just beginning to work in the Ekofisk field in Norway, which was about 300 foot of water, 250. The assumption had been you could extrapolate Gulf of Mexico data to the North Sea, but it didn't work out that way. I was kind of coordinating a lot of the Phillips work at that time from London.

Then we got the Forties Field for BP, which was one of the first times we'd ever had an engineering and management job.

TP: You were the project manager of Forties Field, is that right?

BS: Yes. We did most all the engineering here at that time. We didn't have that capability in London. But then we supervised all the fabrication, all the purchasing, all of the installation work. One time we had—I'm guessing now—I think about a thousand people working just in the supervisory-inspection side of the business.

TP: Really.

BS: And we had work going on in Holland, Norway, several sites in the UK, so I got around, got to see a lot of the country, and it was very interesting to see the different working conditions and so forth. But we had some real problems then. It was a time the coal miners all went on strike, and everything was on the three-day work week for a while. But all in all, we got it going. It was a much more complex project than either we or the owners thought it was going to be.

TP: Because of the depth and just the rough conditions?

BS: Yes. Well, we thought it would be—at one time, we made a rough guess before the job started, that the jackets would weigh about 800 tons. The biggest jacket ever set had been the one in Ekofisk, which was 300 tons, so we said, "Well, nothing could weigh more than 800 or 1,000 tons." But it ended up that the structure that floated it out, that we built also, was 8,000 tons, and the jacket was I think about 14,000 tons. So there were quite a few changes.

TP: I think the cover of the *Offshore Pioneers* has a tell out of one of the Forties Field jackets.

BS: Yes, I've got a picture of that on my wall. But it was a very, very challenging project.

TP: Well, at Ekofisk you were working with the Norwegians, then at Forties you were working with the UK, right?

BS: Right.

TP: Was there much difference in the owners and the different regulatory regimes?

BS: Yes, yes. Norway, as time progressed, became much more regulated. But the UK was—in those days, they were having some real problems with the field and so forth, no coal and so forth, so it was a matter of getting of get it done. It doesn't make much difference how you do it; move ahead with the project. It came together. It was a year late, but considering the fact that it was that much bigger than anybody ever thought, I felt like it went all right.

TP: This was also right during the embargo period, energy crisis.

BS: Yes, yes.

TP: This was an exciting time to be in the business.

BS: Yes, yes, it really was. Contractors could actually make a little money, just barely.

TP: And you stayed over there for most of the seventies?

BS: Yes. I went over in '71, we came back in '80.

TP: Did you have kids that you were raising over there?

BS: Yes. We took a third and a first grader over, and we came back with a senior and a sophomore in high school, but they enjoyed it, too. But London was a good place to raise kids. But after the Forties, well, we got other project management engineering jobs as well. We were doing a lot of work for Total and Elf and the French companies in the North Sea, and I became responsible for all the project management work at that time. Then eventually—

TP: Project management really was sort of a new thing in the seventies, right?

BS: Yes. We really hadn't done it, certainly in the offshore side of the business, and it really turned out to be quite interesting.

TP: Is it really just a matter of learning by doing, or did you have models that you drew on?

BS: No, no. But after that, I looked after all the project-management work that we had out of London. Then after that, when Dick Wilson came back to the States, I took over as the executive officer for all of the European and African work, and then

the fellow, Tony Gibson, who looked after the Middle East and Southeast Asia, was killed in an accident, so I inherited the Middle East, which was run out of Bahrain, and Southeast Asia, run out of Singapore. I did that the last, probably, year I was there.

Then I came back here in 1980 and in '81 I took over all of the marine work worldwide. By then, Mexico was a very big operation. North Sea was beginning to run down. It was becoming much more of a mature market there. We had some very interesting projects when I was back here, too.

TP: Did you do much work in the Gulf? Well, you were overseeing all project management. Does that include the Gulf?

BS: Right. Well, no, I was over all activities then, engineering, etc.

TP: Oh, yes, all marine, okay.

BS: Yes. Yes, we had some real interesting projects. We did the Exxon Lena tower, which was about 1,000 foot of water. That was a very interesting job.

TP: I interviewed Jay Weidler about that.

BS: Jay's a good guy. If I can back up a minute, before we left the North Sea, one of the major project-management and engineering jobs we had was the Stratfjord B Project in Norway. That was about a 2-billion-dollar project, and that went very well. Frank Hauser [phonetic] ran that for us and did an excellent job. That was about a four-, five-year project, and it went very well. Actually, I guess that finished up after I moved back to the States, but that was one of our main focuses when I was in North Sea.

TP: Those are milestones, Forties Field, Ekofisk, Forties, and Stratford B. You were there for all of it.

BS: Yes. We did a lot of work on Stratfjord A, but it was just hookup and that sort of thing. The fact is, we didn't bid on the main contract for that. We were committed other places. But that was very interesting, too.

TP: You mentioned that you tried to apply Gulf of Mexico technology to the North Sea, and it didn't really work. How much were you able to rely on what had been done in the Gulf? What kind of basis did that give you for early North Sea work, or did you really just have to develop everything from scratch?

BS: Well, the design criteria was different. In the Ekofisk work, we had designed for what we thought was a hundred-foot wave, but when it exceeded that wave three times the first winter, we thought maybe that was a little bit lax on the criteria.

The industry was just developing, and we really worked a lot in that, developing the criteria for fatigue, that sort of thing, steel-fatigue analysis, that sort of stuff.

TP: Was Tim Peas [phonetic] involved in a lot of that? Or maybe not.

BS: No, I think Tim had maybe left Brown and Root by that time. Jay Wyler was and prior to Jay—I'm having a senior moment. I'll have to come back and tell you. But we worked with the British regulatory authorities, Lloyd's and the clients, and developed a lot of that stuff. So it was a very interesting time.

TP: Are there any anecdotes or stories you can tell about the North Sea? Working with Dick Wilson?

BS: Well, Dick was always a very good boss. He let you run your business. I enjoyed working with—I've worked with and around Dick, for Dick, ever since Maracaibo in 1958, I guess.

TP: Then you were with Brown and Root until when, '86?

BS: Yes. I left in '86 and set up my own consulting company. Again, most of what we did, what I did at that time was for overseas clients we'd had before, and they'd remember that, "Twenty years ago we had a problem, and you got us out of it, and can you help us again?" Nobody ever called you when everything was going good. It was only when they had a problem.

Then Frank Hauser joined me in '93. But I went over to the North Sea once on a project. I had a board meeting scheduled in Holland, and they wanted to know if I'd take a look at this job in the North Sea that they thought they might have a problem. They were a year late on a lump-sum job and no money till the job was over, and they thought they might have problems, so would I stop by and look at it? After about a week, they said, "Why don't you just take this job over and run it." They were about 100 million pounds over budget at that time.

And I said, "Well, I'll call my wife and tell her I won't be home this weekend, but I'll do it." I was afraid to tell them I hadn't had a job in fourteen years, or fifteen. But it was a real challenge.

TP: This is in about what year?

BS: This was '91 and '92. I spent about fifteen months over there, off and on. We got the bleeding stopped and got the job finished, but you couldn't turn it around. But then when Frank Hauser came in, we did some work up in Canada on Hibernia.

TP: Hibernia, yes. That was a big project, huh?

BS: Yes, it was. We had a very minimal part in it, but we did some consulting on it, both for the contractors, and we provided some inspection services for the owners

on some pipeline work, gathering lines. We did a little work onshore in the Oman, a few other things.

Then in '97, I was asked to head up an initial public offering on a company they wanted to develop in Louisiana. The concept was to take four existing privately owned construction companies who had worked in the marshes and did fabrication and a little bit of offshore work, do a rollup and do a public offering rated at about 100 million dollars, roll them up, with those funds buy the four companies and run it as a construction company that worked in the marshes and shallow waters offshore, and I spent about a year there. I was chairman and CEO of that for about a year and then left. Basically, I've been fully retired since I got so old nobody would hire me anymore.

TP: But you'd still take a job over in the North Sea if they offered it to you now?

BS: Well, I'd probably ask how much they paid now, but in those days, I didn't.

TP: So you've been retired about ten years or so?

BS: Well, I guess, frankly, I dissolved our partnership when we found out we didn't have enough work to even pay the [unclear] bill, so that was about seven or eight years ago. We spend a lot of time in West Texas. We have a ranch out in Sonora and try to spend a couple of weeks every couple of months out there.

TP: Did you have any idea when you were working the Forties Field, that offshore, deepwater offshore would be where it is today? I mean, did you have any idea where the technology was going to be taking the industry?

BS: That technology I couldn't even imagine in those days. It's progressed so far above what we were doing out there then.

TP: But looking back at your role then and where it's come, what would you say your contributions were? Because you certainly were an Industry Pioneer and a lot of precedent-setting projects, not only North Sea but Lena.

BS: I guess contributions would have been really some of the requirements on some of the major projects and organization of those projects and pushed them through to completion in all different parts of the world.

TP: I mean, every project now requires a very sophisticated organization. You've got contractors around the world. When you were managing these things, were contractors more localized, or were you starting to draw from people, from companies all over the world and having to coordinate that?

BS: Well, in those days, in the marine business there was Brown and Root and McDermott and Heerema and one or two others, but McDermott and Heerema

were the three big ones. But then you used a lot of associated fabrication facilities, all that, by subcontracting that work. And we did work all over. Eventually it got where most of the fabrication was being done in Korea, that sort of thing.

TP: Singapore and places like that.

BS: I think they're getting too high now to do it. They're moving somewhere else.

TP: When did you start to see that shift in fabrication away from the U.S. and Europe to these places?

BS: Well, early on, most everything was in the U.S., because nobody had ever done offshore fabrication.

TP: All along, just the Gulf Coast mainly.

BS: Right. Then Holland started opening up, and then in the early seventies it became more nationalistic, and you had to do more work in the UK or Holland or Norway or wherever you were working, so there was a lot of talent developed in the underdeveloped countries, places like Korea, like Singapore, Malaysia, that sort of thing.

TP: Was that talent cultivated by companies like Brown and Root, or did the governments and local companies there see an opportunity and sort of—

BS: It was a combination of both. We worked with them, but you had a choice. You could work with them or go out of business, because they were going to get the work. We developed some very good talent in those areas, particularly in Southeast Asia. The UK was well developed when we were there. It was just a matter of converting from onshore-type work, manufacturing work, to offshore.

TP: When you say developing the talent, what kind of training programs did you develop in those places to get the kind of engineers [unclear]?

BS: Early on, we had to set up welding schools, that sort of thing, instrumentation.

TP: Brown and Root did that?

BS: Yes, yes. I think we trained almost every welder in Scotland. You get them trained up and they go somewhere else. But now it's really a worldwide industry because of those things.

TP: Yes, the tailor diving as well. You've got to train the divers and train the welders to become divers.

BS: Yes.

TP: That's sort of a massive educational effort. Was that a big part of project management?

BS: Well, it was part of the construction industry in those days. I wouldn't say it was limited to project management. But the other thing is in the sixties, most of the marine engineering was done in the States, because that technology didn't exist. But by the eighties, you could put it all on a disk that big and put it in your pocket and take it all over the world, so the competition really sprang up.

TP: Yes. Computer-assisted design came in in the eighties, I guess, right?

BS: Yes, the CAD work came in. That was in the eighties. But now, all that technology exists all over the world now. You just don't have any central location for the engineering talent.

The other major change that I've seen is that a lot of the European countries in particular have taken the profits that they made in the offshore industry and petroleum industry and moved that to the States, bought companies in the States, that sort of thing.

TP: As the Gulf of Mexico keeps going on and on and on.

BS: Yes. But now you see Sir Ian Wood's company is an example of this, or Baygear [phonetic] in the States, the Norwegians, Aker, Caberner [phonetic], those people, they've all invested money back here and have very good capabilities.

TP: Why do they move back to the States? Just because this is where still a lot of the advanced work is being done?

BS: I guess there's a talent pool here, and clients were here, but most all of the major French companies, Technique [phonetic], all of those companies are back here now.

TP: Especially in Houston.

BS: Yes, that's right. Yes.

TP: Everything has become recentralized, I guess, in Houston.

BS: It's still the center of the energy industry, but it's a much broader base of players here now, an international base, which is good. It's good for the business.

TP: If you were working today, you probably wouldn't have to travel as much as you did back in the sixties.

BS: Probably not, with cell phones and so forth.

TP: Life must be a lot easier for people than during your time.

BS: Well, it was different in those days. When I left Maracaibo to go to Brazil, they had asked me if I'd take that assignment. I said, "Yes. I'd like to take my wife with me. She's already living here."

And they said, "Okay. Well, you'll go down in about three weeks."

And about Saturday afternoon I was sitting in the office, and I got a call from the head of all the runners' pipeline work in Houston, who was sort of like God to us. And he said, "Stallworth, I need you in Brazil on—." First off, we'd only been able to talk by phone from Maracaibo to Houston for about six months at the time. And he said, "You've got to be in Houston and Rio on Wednesday morning."

And I said, "Yes, sir. Well, what am I supposed to do when I get there?" And the phone went dead.

The operator called me back on Tuesday afternoon and said, "Would you like to reconnect your party?"

I said, "Forget it." We'd already packed up everything we had, sold everything we couldn't carry with us, had our plane tickets and were ready to go.

TP: So you just flew to Rio.

BS: Yes. Well, by then I'd gotten a Telex to tell me who to meet, but communications weren't too good. But now that problem's gone away.

TP: Rio in 1960 must have been—Brazil wasn't the most stable country at that time. They were having a lot of political issues.

BS: Where we were, it wasn't too bad. We were in Rio, because the job was right outside of Rio. But we were there for four months, and it was during their winter, so coming from—

TP: So you were only there for a short period.

BS: Coming from Maracaibo, it seemed like it was very cold, but it was in the sixties or fifties, something like that.

TP: Well, are there any other folks that you think deserve mention? Dick Wilson I know you were close to for a long time. Other people at Brown and Root that you worked with and have fond memories of?

BS: I was very fortunate in that I worked for some extremely talented people, Dick Wilson being one of them. Sir Phillip Southwell, when he was the chairman of the UK operation, was a very outstanding individual. He was the chairman of Brown and Root UK for many years.

But equally as important is I had some very talented people working for me. I always contended if you hire people that are smarter than you are, you look real good, and I had some very talented people with me along the way, people like Frank Hauser, Bo Smith [phonetic], various others that were very outstanding guys, and they carried the load.

TP: Did they often go with you on these various projects?

BS: A lot of them had worked on different projects all over the world. Frank came to work with us in London, but some of the others we started working back in Venezuela together. Bo Smith I met up in Norway. But all those guys I've known for twenty or thirty years, and it was really fun. I really had a good team generally in the various places.

TP: And you were able to keep the team together, for the most part.

BS: Well, it would change, you know, different people on different jobs. You'd get ready for some job, and you had to get this guy or that guy, but there were some very talented people that worked with me and for me.

TP: Well, is there anything else you'd like to add?

BS: I really can't think of much else.

TP: Well, it's a great honor, and I congratulate you on your induction as an Industry Pioneer.

BS: It's been a real fun run. I had a lot of interesting and challenging assignments, but it's been a good run.

TP: Well, we can stop the interview here.

[End of interview]