OFFSHORE ENERGY CENTER

ORAL HISTORY PROJECT

Interviewee: R.O. "DICK" WILSON

Date: September 30, 2000

Place: Houston, TX

Interviewer: Joseph Pratt

Side A

JP: This is an interview with R.O. "Dick" Wilson at the Westin Galleria in Houston. Today is September 30, 2000. The occasion is the award for being one of the Pioneers of the Offshore Industry. The interviewer is Joe Pratt.

We are here today, in a sense, to talk to the future about your past, and what I would like for you to do for the record is start with a very brief overview of your own educational background and how you came to work in the offshore industry.

ROW: I was sent by the U.S. Navy as a midshipman to Rice University as part of the Holloway plan. I was raised in central Texas and, for some reason, I was very interested in the sea. I ended up taking my commission in the U.S. Marine Corp. I spent three years in the Marine Corps. When I returned, I went back to Rice for one more year. During that time, there was quite a bit in the news about Zapata Offshore and the fact that the Scorpion was being developed. It just seemed to me, as a structural engineer, that offshore and platforms were just an interesting place to work.

So, I went to work for J. Ray McDermott initially out of

Rice and spent approximately nine months offshore as a field engineer building all kinds of platforms, because at that time there were steel jackets, there were concrete structures, there were timber piles being driven, and it was a very, very interesting period.

One of McDermott's engineers went to work for Brown & Root to create a new group and he offered me a job in a special group that Brown & Root had decided to develop. His name was H.W. Reeves. He was quite a great engineer. He did lots of original design work on piling. And we gathered a group of mainly, unfortunately or fortunately, the Rice graduates of that vintage - of my class and two or three years after that. Quite a few of them were naval officers because they were all naval ROTC. This group really began to be the Brown & Root design group, but we also went out on special projects around the world.

After about one year in that group, I went to Venezuela when the new companies went into Lake Maracaibo, and at that time only Creole and Shell were in the lake, so we had Signal and Pure and Superior and many names that have disappeared now, but they were very active explorers at that time that were in the lake, and Brown & Root got a study for Signal. I was sent there in 1957, and the

Signal people, because I speak Spanish, having grown up in Central Texas, convinced Brown & Root to leave me there on a temporary additional duty or whatever you want to call it, with Signal. So, I spent another year down there. And then I joined the Brown & Root group in the lake, which was a construction group. That was after the study for Signal was finished. I worked there for about another year and a half.

A friend of mine from Brown & Root joined Zapata Offshore and they needed a manager for two floating drilling rigs they were sending into the Gulf of Paria. I actually discussed this with Brown & Root and they were beginning to close down operations there so they let me go to work for Zapata. I became the area manager, with two floating drilling rigs. And we actually, I believe, drilled some of the first wells that found hydrocarbons with the Nola 1 off of Trinidad. We drilled four wells for Texaco and all of them were producers. I am not sure whether Texaco completed them or not but anyway, we did find oil off of Brighton.

After that stint, Zapata moved out of the Gulf of Paria and I went back to work for Brown & Root and did various projects including being involved in the preparation of the proposal for the Mohole which Brown & Root eventually

got. Then, I was sent to Brazil as area manager. We had moved some of the equipment from Lake Maracaibo. We actually went down to Tierra Del Fuego to build some pipeline for Tenneco. The equipment was brought back to Rio de Janeiro where we installed some 30 inch pipelines at a supertanker terminal for Petrobras, and I became involved in that. I then spent two more years in Brazil. We laid other pipelines with the equipment. One of them was at Eliels in northern Brazil which is a loading line but it was, I think, one of the first loading lines laid from a lay barge in the open south Atlantic, but it was an interesting job.

During that period, George Brown, through his ownership in Texas Eastern, became aware of hydrocarbons, the gas primarily in the North Sea. This was an extension of the Groningen field, which was a major discovery in Holland. Brown & Root decided to send someone to just be on the ground in Europe. I got this cablegram one night saying to move immediately to The Hague. Do not pass go. Do not collect $200!

JP: What year would that have been?

ROW: That was in 1963. So, in 1963, I moved my family to Europe and I stopped off in London to see Sir Phillip

Southwell, who was Brown & Root's representative in London. Well actually, he had created Brown & Root UK, Ltd. Sir Phillip has retired recently from British Petroleum where he was chairman of Kuwait Oil Company. Sir Phillip convinced me, since I really had kind of a . it was up to me where I should live . convinced me to move to London.

I remember I got my work permit down at Petit, France, which is a foreign office, and I went down to see how I could move to London. We had no organization, really. Well, they had something called a one-man company. So, I got my work permit as the one-man company for Brown & Root. In this initial period, I traveled around to Europe, went to see the various oil companies. This was in the fall of 1963, and I had an acquaintance that lived in The Hague named Pieter Heerema. We had worked together in Lake Maracaibo. Actually, we had some negotiations and we had done a little bit of work for Pieter.

So I went by to see Pieter. He was building a ship called the Global Adventure, and had a crane on it which everybody thought was a crazy idea. But anyway, he had bought this crane from American Hoist & Derrick, 250 tons. It wasn't really 250 tons but they told him it

was. I looked at the ship. I did some more traveling around. And then, I called him and said I had no authority but would he consider a joint venture? As I said, we didn't have any equipment. At that time, Brown & Root had one derrick barge, the Lindsey, a modern-type derrick barge. And they had two others: the Bowland and the Brown. They were hammerhead cranes. So I knew we had no equipment to send for platform work if anything happened in the North Sea. We only had one lay barge, modern lay barge, the L.E. Minor, and it was sitting . well actually, at that time, it had already gone to the Persian Gulf because it was built in 1958. So, it was in the Gulf laying pipe. That is another story.

Peter said, well yes, he would consider it. So I remember I wrote a letter back to Houston and then got a cablegram back. Telephones weren't the same as they are now and communications were very difficult. In Venezuela, it was really difficult. Anyway, they were in agreement, so Ben Powell, who was the chief legal counsel and director of Brown & Root, came over. We spent a week with Mr. Heerema. We would meet on the joint venture. In those days, things happened very quickly. Mr. Heerema told us that he had spent I think three million dollars on the Global Adventure. We had 30 days to audit, and by Christmas we gave him a check for $1.5 million and we had

50% of the venture.

In this period, one of the people that I met was a gentleman named Dick Deland who was with Amoco Asiatic, and Amoco was the operator for a ten-company group in Germany. And, at that time, the law of the seas as we know it now, the Geneva Convention that divides the oceans perpendicular from the coastline until they meet another perpendicular . . . that was in discussion but it was not an agreement. So the Germans just took a chunk out there, what they thought might be their chunk if the Geneva Convention was ever signed, and started work. This was in the latter part of 1963. And they drilled some of the first wells in the North Sea, looking for hydrocarbons.

Shell had drilled a couple of wells off the mouth of the Rhine River near Rotterdam using some small platforms. I am not sure what kind of rig but it was kind of an extension of what they were doing in Maracaibo. They didn't find anything, but these were the first deep water we were actually in about 100 feet of water and Amoco Asiatic found gas. So they immediately wanted a platform to go around the conductor from the rig and with DeGroat and Mr. Heerema, we built the first jackets, and then we installed that jacket in April of 1964. That was

in about 100 feet of water. And then eventually we installed several more four pile jackets. And then we also negotiated with Mobil - GMBH, the Mobil German branch for a 16 pile platform which we built in Rotterdam and we installed during the latter part of 1964. This was a self-contained platform in German waters. In this period, we had many, many adventures. We lost barges; the German Bight, which is on the western side of the North Sea, is a very dangerous area: shallow waters, many sand bars. So, we lost barges that went aground and we lost our hammers overboard in the seas. Dirk Blankin, who was the captain of the Global Adventure, I think went white-headed during that first season! But somehow, we all survived.

The big thing that happened was in September of 1964, the Geneva Convention was signed. The 22nd signature (I may be wrong on some of these numbers, but I think it was the 22nd) . . . was the Queen of England. She signed for the United Kingdom. The United Kingdom was very fortunate in having a super-enlightened civil servant named Angus Beckett. In the United Kingdom, the civil servants have a tremendous amount of power if they want to use it. Their parties come and go but the civil servants run the country. So Angus, immediately after the Convention was signed . . . he was a geologist and had had experience in

Washington and knew a little bit about the U.S. offshore . . . he immediately divided the English North Sea up into blocks. And within a couple of weeks of the Convention being signed in September of 1964, oil companies were parading in and out of his office telling him what they would do in order to get a block. And the main thing he wanted was that they would drill. So, the first round was awarded some time after that.

We realized that . . . going back a little bit . . . with the work in Germany. Then we also installed a pirate TV platform for Pieter. Pieter was quite an entrepreneur. At that time, the three-mile limit, and after that is international waters . . . Holland had a system where the television was controlled by the government, so he went 12 miles out off of Nordike and we installed a platform there and put a TV station on it. Of course, the Dutch government shut that down eventually, but that was another project that we did. And then, of course, with the Convention being signed, we realized that things were going to happen on the U.K. side.

There was a tremendous shortage of drilling rigs and, of course, they were bringing them in from wherever. BP got an old construction barge called the Sea Gem which had been built by Delong and was sitting down in the Harve or

somewhere in the French Port, and they converted it to a jackup barge which they went out into the West Sole area. We dreamt up a method of using a salvageable jacket, two jackets. We convinced Conoco to use that. And there was a rig that Laughlin Brothers that had that was sitting off of Holland that they would use on the scurmonic hull to drill. So, we designed it around that rig. So, it was a four pile that held a derrick and a six pile that held what normally would go on a tender or on a self-contained. You know all the rest of it, the quarters and all that, the mud pump and the power units. And we actually installed this structure in the spring of 1965. Unfortunately, the water depth, as given to us by Conoco

The North Sea, as you know, has tremendous tides in it - as much as 15 feet, and it is awful hard . . . in those days, it was hard just to decide where the mean water was and, of course, depending on what time of day you were taking your soundings, you weren't really sure where you were in the North Sea because we didn't have the positioning systems we have now. So, we picked a spot and we took the jacket out there, and we were on location. I was there. And it went out of sight; you know, the water. So the water was too deep. So, we had to move it. We had no communication beyond the local

telephone system so it was quite time-consuming and expensive. But anyway, we talked to the geologist back in London and moved over about three miles. It turned out that several years later, Conoco went back and drilled in the spot that they wanted to put the structure in and they discovered the Viking field. So Conoco could have been the people who discovered the first gas field in the North Sea, but they didn't. So that structure was used for three different wells and there is a history to that.

The first move, we dropped the crane we used which was an A frame on the Atlas . . . we built a barge called the Atlas at Rotterdam dry dock and we put an A frame on it and it had steam engines. Anyway, we forgot that you can't lower through steam; you can raise with steam, but you can't lower. It ran away from us and we dropped part of the load. We had to take it into the Humber River, and that is another adventure. We eventually were able to salvage it. But in that period we had a very difficult time with Mr. Heerema and we agreed to break up the joint venture. This was in 1966 by now.

So, Mr. Heerema was going to sink our fleet. He was a very tough negotiator. He was going to pull the plug on the barges - The Global Adventure and the Atlas. But

eventually, he disappeared one day and the next thing we knew he came to Houston and met with George Brown and they settled things which is, I guess, the way you do it at the top level. And we paid Mr. Heerema, I believe it was $400,000 a year for two years to stay out of the business and another amount of money, but for the joint venture. We then had control of the fleet, the two barges, the Atlas and the Global Adventure.

Meanwhile, to backtrack just a little bit, BP had discovered gas using the Sea Gem at the West Sole location. I had been calling on BP discussing offshore with them and meeting with their contracts manager. They were designing little guide conductors and other ways, kind of reinventing the wheel. But the day that they knew they had gas in West Sole, I happened to come by there a day or two later, and all of a sudden I could tell their attitude had changed completely. All of a sudden, they wanted to talk about real structures. So we sketched out a platform that was very similar to what we had been using with Conoco, on a yellow pad, and they said, "Well, let's do it. Let's build it." We said, "All right."

I remember I went to Morgate Tube Station . . . we used to go back and forth by the Tube, back to our office, and

Barry's office was about 20 minutes from BP, with the coins, I called Houston and ordered so many linear feet of jacket legs and so much of piling and we had to get that en route to Rotterdam. But meanwhile, we promised BP that we would try and build a structure in the United Kingdom. And so, we made up big packages. We went to every shipyard in England. We had quite an education on how the famous British shipyard system had basically collapsed by then. So we really did not get any bids that could be used. So we built them at Rotterdam Holland.

Holland's shipyards had all been destroyed during the war and the Marshall Plan had built them new, so they really had brand new facilities. The Dutch really had the system there, better than anything we had ever seen. So that was where the first structures for the North Sea were fabricated.

The West Sole then . . . we negotiated with BP to build five platforms and also to lay their pipeline. So, all this was done in the latter part of November. I guess it was 1965 when we did this. They had a commitment with the government that they would be producing gas by the fall of the next year, September of 1966, and they would get a certain amount - a very high price, 55 p a therm,

whatever that is. But anyway, we fabricated all those platforms and installed them all by that summer and we actually laid the pipeline that summer. BP was producing gas by September. So it was about a 10-month period.

It would be impossible to do nowadays because of the regulations. We were just using Gulf of Mexico technology. And then, finding out every step of the way that we really couldn't because, like on the structures, when you started driving piling in the North Sea it was boulder clay. We never heard of boulder clay. The Gulf of Mexico has nice, good, soft mud and you just drive until you get tired of driving or run out of piling, but you are still hitting 10 blows a foot as the piling goes in. You just drive on until you think you have enough skin friction. But in the North Sea, we would get it down about 50 feet and it stopped. And there wasn't enough pull out because the offshore structures, as the waves hit them, one side of the piling are pushing into the ground but the other side of the piling are coming out and they have to be deep enough that the friction of the soil and the piling will keep them from tipping over. So, we had to solve those problems, but I won't get into all those details.

We developed new hammers, we developed methods of

drilling inside of piling to insert piles in to get deeper. So all these things were kind of being developed and invented. We developed skirt piles. All this technology was used later in the North Sea to build deeper platforms. So, this was from, say, 1966 or 1965, to 1969.

JP: On that issue, the key areas where you had to change the Gulf of Mexico technology and it became evident during these early . . .

ROW: Yes, at the very beginning. What happened in Germany was that they had sand and we were able to drive into the sand. We didn't really realize in 1964 that we had this boulder of clay. The bulk of the North Sea is boulder. Well, lots of sand bars, but boulder clay is underneath. But the big hammers were developed and we had the method of drilling out piling which really in the Gulf of Mexico or anywhere else in the world has never even heard of having to go drill out a pile and put a driving insert or other methods of getting skin friction to support the platforms. So, that was all developed in 1966-1967.

We also built structures at that time for the Indefatigable Field for Shell and for Amoco on Indefatigable. The Hewitt Field for Phillips and for

Arco. So, we had an assortment of clients. All the jobs were negotiating ones. The one with Shell on Indefatigable was just a page and a half letter that we sent to them and they initialed it and sent it back and said do it. And on most of these things we didn't have a contract. We never had a contract. We just got paid. I hate to think what would have happened if something had gone really wrong because we would have had, I don't know what kind of . . . but we didn't. If we had problems, we settled them one way or the other.

JP: Did you have major competitors in this area to build a platform?

ROW: No, because it happened one, two, three. We were there with Pieter. That was the reason we were there. And then we bought him out. And then we got BP. There was no reason . . . it was happening so fast that they would just talk to us and we could do it. We were just staging one job after the other. Then it was over with. The gas deal was finished and that was over with in 1969. And then, of course, Phillips discovered Ecofisk in 1969. And then we got the job in 1970 and 1971, really, to start working on Ecofisk. So there was kind of a lull in there between let's say 1969 and 1971. And then, when the lull ended, of course, we were really there in force,

but when that lull ended and the North Sea found oil, then everybody else came in; McDermott came in, Santa Fe came in. Santa Fe built semisubmersible barges which worked. So that was another life. But in the initial area we learned quite a bit, and we did learn an awful lot of this, were the gas fields that happened from, say, 1965 to 1969.

I was going to mention one other . . . in this period, of course, we kept looking for other work, and we did go down to Libya and we installed some offshore loading facilities where Brown & Root used the lay barge, the Gordon, to lay the lines and we used the Global Adventure to set the SPMs and so on.

We also had another job which was a supertanker terminal built by Gulf Oil and they eventually built another one in Okinawa, but this was being built at Bantry Bay in Ireland, and they were building six, 500,000 dead weight ton tankers, the largest ever built. They were going to haul crude to Ireland and they were going to transship the crude from Bantry Bay to the refineries in Rotterdam and the shallower waters. And Bantry Bay had over 100 feet of water in this inlet that faced southwest. We had bid the job in 1965 and we lost it to World Netherlands Harbor Works. They had small equipment, harbor-type

equipment, and we were going to use our North Sea equipment, so we were priced out of the picture.

Well anyway, in 1966 this is going to be a self-serving story but to me, it has always been an example of what happens when you follow through. I was flying on an airplane to Rotterdam and a friend of mine sat next to me, John Orden, who is dead now, and John was in the tug boat business. He said, "You know, I am sending some tugs up to Glasgow to pick up the Gulftide." The Gulftide was a brand new jackup barge that the Gulf had built to go into the North Sea. "I'm taking it down to Bantry Bay." I said, "Why in the world are you taking it to Bantry Bay?" He said, "Well, it is a big secret but the Royal Netherlands Harbor Works cannot install it. The swells that are coming in Bantry Bay are too tough and they cannot drive the pi1ing. The termina1 has to be ready in six months because the tankers are all going to be ready and this is real pricy. So they are going to divert the drilling rig into Bantry Bay."

So, we landed in Rotterdam and I went and got to a pay phone and called London. Gulf Eastern's headquarters were in London and we were living there then. We had gone to The Hague, but when we had the Brown joint venture we moved back to London. All my friends were out

but eventually I found one person and I introduced myself . "I am trying to find Bantry Bay." He said, "Well, a fellow named Angus Lindsey is in charge of this. There are real problems there." I said, "Well, can I talk to Angus?" So he transferred me to him. And I talked to Angus. And he said, "Look, I have already committed to the Gulftide. Barges will not work. We have tried that." I said, "Look, we have these barges in the middle of the North Sea." When I was talking to him was in December. I said, "We are kind of out of work right now. I know we can do the job." He said, "No, it's too late." I said, "Well look, you've got to listen to me." And he said, "O.K., I'll do it but where are you? Ron, you would have to do it today." So, I got on a plane and got back over and met him that afternoon and spent two or three hours.

He was half Guarinee Indian and half Scot. The Guarinese are a tribe from the center of Paraguay. Of course, he spoke Spanish perfectly and so on. He just looked like an Indian but he had been on the black watch. Anyway, we were talking for two or three hours. He listened to me. So, the next day, I took our construction guy, Roy Jenkins, and we went back and we talked some more. The next day we went to Holland and they took the job away from Frank Harris and they subcontracted it to us. To

make a long story short . . this was early December . . . by New Year's Day, the barge was in Bantry Bay, we were prefabricating everything at Great Yarmouth. We just had the organization built up by then. We had the engineers and everything. We built the big concrete birthing things which were supposed to be poured in place. We built those in Great Yarmouth because we knew we had to finally turn a crane on our barge so we could set all this stuff. We shifted everything to an offshore design.

And then, the other stroke of luck which I knew . because of the work Brown & Root was doing in Alaska, they had lots of problems there. And also, we had had the problems on Boulder Clay so we had designed a drilling rig that would ream out pilings. So the rig was sitting in Greens Bayou with nothing to do. It had been somebody's dream. John Irons had built it. So, we put that on the ship and we needed that because they had the same soil problems in Bantry Bay. Actually, we were dealing directly . . . I talked to Angus but then he had me call the chairman of the Gulf . Brockett was his name. He wanted to know, "How are you all doing?"

Anyway, we made a bunch of money out of this job. It was all day rate. We just charged them our normal rates. We

had it finished by the time the first tanker came in May. So, it was one of those great jobs. And then Gulf gave us the Okinawa job out of that and became a regular client of Brown & Root's.

Meanwhile, back at the ranch, BP became a very good client of ours because the West Sole was a success.

I was sent back from the North Sea to the Gulf of Mexico in the summer of 1969 because the North Sea was over with, we thought. Ecofisk had been discovered and we had done the gas fields. I came back to take over what was called the Marine Operators which was the Gulf of Mexico and the Americas. A gentleman named Hal Lindsey had been in charge of it and he was getting ready to retire, so I took over his job. We had just been back about a month when I had a phone call from a good friend of mine named Joe Rainey. He said, "You know, I just got a call from BP." Joe had stayed behind to take my place in London for this period when we were trying to figure out what to do. He said, "A fellow from BP called and he said they were going to do this themselves but they decided they want to use somebody and they are interested in Brown & Root. This is for the North Slope because they have a bunch of oil in the North Slope."

At the time I got the phone call, we were in a meeting with Arco, and Arco was negotiating with Brown & Root to do the North Slope for Arco. And so, when I took the call, I went back and Mr. Minor was gone so I talked to Herbert Frensley. I said, "Mr. Frensley, I got this call from Joe Rainey and I am getting ready to call BP, but we are also negotiating with Arco." He said, "Well, go ahead and talk to them."

It was three o'clock in the afternoon and nine o'clock at night. Of course, it was in the summer so it was broad daylight in England. So, we got an old fellow named Tom Sharp. He was out in his garden. We talked for about 30-40 minutes. He said, "Well, we really want to do something with you. How soon can you be here?" I said, "Well, it is too late today." In those days, you had to leave at noon to go to Chicago and change planes and whatever. We didn't have nonstop flights. "We will be there day after tomorrow." I went back to see Mr. Frensley and he said, "Well, you go, Dick." Delbert Ward went with me and Ed Blaskey was the chief engineer. The three of us left the next day. And we put Arco on hold to see what would happen with BP. They were being very difficult anyway with negotiations.

I remember we landed the day that Armstrong landed on the

moon because we were driving to Trafalgar Square, headed straight to BP's office about 7 a.m. There was a big TV thing in Trafalgar Square and you could see that foot coming down and Armstrong talking. So anyway, we got to BP's office and three days later we had a signed contract to develop the North Slope. So, BP set up offices here in Houston and we prefabricated everything on the first sea lift at Greens Bayou which saved . at that time, the Gulf of Mexico was going through one of its usual lulls and we were out of work at Greens Bayou, so for about a year we had all this North Slope work which really helped. And about that time they discovered Ecofisk.

Then I was sent back to London because it was decided that North Sea was going to move again. And in that period of BP, the man who we had done West Sole for and who we had negotiated North Slope with, was Bob Avery - a wonderful person. And his job was just manager of contracts. He was a civil engineer but he built the Botanic House. Whatever job BP had, he was a very fair person. So, they had proposals from three companies: McDermott, Santa Fe, and Brown & Root to do a new discovery which was called Forties. I felt we were going to get the job but I didn't know.

This is the period I was moving back to London, so I actually moved back and spent the summer when my family was still here but they came over. In that period, Bob Avery called one day and he said, "Well, Dick, we are ready to talk. Have you got a project manager?" I said, "Yes."

Bill Stallworth walked in the office. In those days, things happened very quickly. So I said, "Bill, come on with me and I'll tell you about it in the taxi." So, as we rode in the taxi . . . we were riding in taxis then instead of the underground. We had moved up a notch! And then we got cars, you know, with drivers, but that was another story.

We went to BP, I explained to them what the project was because Bill had been working on a Phillips jacket, and introduced him to Bob as our project manager. Of course, I had worked with Bill in Maracaibo and I knew Bill very well. One of the reasons he was working North Sea then was because I got him to come back. And so anyway, we negotiated Forties which was really the first deep water field in the world and it was a major field. We built them four new platforms which we went through all kinds of design problems with them. I don't think anything had been built quite like them since because we learned an

awful lot out of that that we didn't do again and so that is another story.

We did get them in. We laid the pipeline. We had lots of problems. Buckled it several times because it was deep water.

Then, of course, from that experience, other companies kept coming to us. By that time, everybody was in the North Sea. All the construction companies were there. But we got our fair share out of it. That really lasted until about 1978, I guess. And in that period, I came back to Houston, in theory to eventually take over the marine operations worldwide and Mexico . . . while I was in Houston one day, this Ed Paramore who was the president of Halliburton called me and said . . . this is in early 1977 . . . he said, there is a gentleman coming to see you named Alfonso Barnetche, and please listen to what he has to say. And so, Mr. Barnetche came by the next day and we met, and he said that he was representing Diaz Serrano who was the new head of PEMEX. The government had just changed.

In December (Jose Lopez), Portillo had come in as the new president. This was December of 1976. Mr. Barnetche was a part of the team that . before the presidents come

in, they usually have teams working on things but they don't really implement them until they become president. So, on the day he became president, he named Dio Serrano the director general of PEMEX. Serrano said, "All right, we are going to develop our offshore oil because PEMEX at that time . . Mexico was importing oil. Their old fields that they had had, you know, the major fields that were declined . . . And they actually were importing oil . this is crazy, I mean, but this is what Portillo and Dio Serrano say: "We know we have oil. Let's go out and find it." There had been rumors that the fisherman in the Gulf of Campeche kept getting their nets fouled with oil and there were fisherman who kept reporting this back. So the thought was that this was an extension of the Reforma field. It turned out that it was. It is the world's second largest offshore field.

But anyway, they thought it was an extension of other fields on land. So, everything moved very quickly. We talked about this. This is during the hey-dey in the north Sea of 1976. We were working for the French, for the Norwegians for the British So, we took a group of PEMEX and we took them to London, to Aberdeen, to Bergen where we were doing the Statfjord Field in Norway. And of course we had all this hookup work we were doing offshore and I think we had about 500 Mexicans working

offshore, and out of the couple of thousand men, we had a hookup. So, we made sure that bunch of them were on the platform. We took PEMEX, too. So everywhere they went, they would see their old buddies because the Mexican laborers we had were all oil patch laborers, welders and what have you. So they had friends. That made quite an impression on PEMEX. And we took them to Paris where we were doing the FRIG field. We had an office there. So we used the contract we had with Elf with PEMEX.

These discussions took place in February and by April we had an office in Mexico, and we were designing structures for a field that had not been found. I think that is one of the few times . . they had no idea what . . we knew the water depths because we knew that somewhere out there, 100 feet to 150 feet to 200 feet . so the jackets we could revive, but we were designing platforms for 50,000 barrels of production. We figured it would be 3,000 barrel wells. You know, the U.S. Gulf, up until recently has changed, of course, but up to that time, a big well in the U.S. Gulf was 1,000 barrels or less. So you build a platform, you drill 25 wells and you've got 25,000 barrels. So, it's no big deal. In a mom and pop organization, out of wherever - Lafayette or New Iberia or Grand Isle - they can go out and kind of assemble this

thing. But 50,000 barrels a day more and, of course, in the North Sea we were designing structures for 150,000 barrels. So, you've got to remember that the North Sea was the first place where really big production facilities for oil and gas were designed.

The U.S. Gulf, that is where we learned about jackets and piling and all that, didn't really have any volumes of either oil or gas. So it was not a big deal to handle the facilities. The North Sea was completely different. I was down in Mexico designing these things kind of halfway between the Gulf of Mexico and North Sea, because we figured there might be more oil in Mexico because the landfields were bigger and so in that period, they found a well called Chac and Chac was about 3,000 barrels, so we started designing everything around Chac. And then, a little bit later, they found a well -the discovery was called AKAL. All these are Mayan words, and of course, the Yucatan is Mayan territory. And so, all these words have a Mayan meaning. And AKAL means an inlet, like a lagoon from the sea.

Anyway, the AKAL 1 was drilled and it was a big well - 20,000 barrels plus. And all of a sudden . . . here we were designing for 50,000 and now we are going to have to do 150,000 barrels, and we are already pretty far down

the road and we are already fabricating. So anyway, we started converting everything to 150,000 barrels. We started moving equipment in from the North Sea.

The final assembly of the platform is quite difficult when you have lots of production, and we developed that in the North Sea and we made quite a bit of money out of what we called Eumech, which was the group that did all the final assembly of platforms. In fact, we did very well out of that. But Umex was beginning to run out of work, so we had two work boats full of all kinds of tools that we needed. We brought those to Tampico. We negotiated a contract for the hookup. We started fabricating structures in Houston. Anyway, the long and short of it is that we eventually built about 50 platforms. Now, this is in a period starting in 1978 and we had oil ashore in less than two years. And we were up to two million barrels by 1982. So, it was literally a major development.

We built over 1,000 miles of pipelines and 50 platforms. There are many tales that can be told about this with PEMEX because we had lots of . . . the negotiations or the work as we developed it was every day we would meet. And there were very few players. It was Diaz Serrano who made the final decisions. You had Aldolpho Lastra who

was a subdirector of primary production. He was quite a guy. And Mr. Barnetche, myself, and some of the other people that worked for Lastra . . . who are now some of the key players in the present Cantarell deal.

JP: When you look back at your experience in Mexico, what really stands out in this development in terms of the history of offshore developments around the world?

ROW: What made this particular Cantarell 1 possible is that the decision by the president of Mexico and then, through Diaz Serrano who was the director general, that they were going to get oil out of the Gulf of Mexico. So, they put all their efforts out there and because it was a crash program it was all negotiated with Brown & Root, fortunately. So we really did everything. So everything was in one shop - all the design work, the purchasing of material. EPC as they call it nowadays. It is what is happening in Brazil at the moment, incidentally, on a similar project. The difference being that the one in Brazil is a lump sum and this one, we had no idea what it was going to cost. But we did it all on day rates. So, we did all the design work with Mexican partners and then we did all the construction work with Mexican partners. And we did all the fabrication in the United states. So, there were no holds of any kind. It was just that we

must get into production. And so really, from discovery of AKAL to two million barrels a day was two years, which is quite an accomplishment. But it was only because there were no restrictions. It was the client that trusted the contractor and we had daily meetings, continual meetings. And at the top level, the decisions were made very quickly.

It is almost parallel with Forties, just to go back. With Forties, BP had 100% of Forties, and BP had a very quick line to the chairman. Monty Pennell was the deputy chairman, he was a technical man. BP in those days always had a technical man as deputy chairman and a lawyer or accountant, and a politician as a chairman. So, we had Matt Linning who was the project director, Jack Burks and Pennell. And we'd get a decision in a day, or in hours - decisions that meant . . . one time, we decided we would build some pile handling units just in case we needed them. They ended up costing like $20 million. So when Matt and I were talking one day, we said, you know, when we write the history of North Sea, we never use them. We just have a one-liner. And we built the PHUs. We'll forget about it. There went $20 million. So anyway, that is just the way things were done.

Mexico was just exactly the same, but just very, very unusual to be able to do that in Mexico. And nowadays, the way they are doing Cantarell 2, because they are so worried about something not being correct, that everything is done by bids and it has to go through all kinds of committees and it just takes forever to make a decision; whereas, at that time, there was confidence from Portillo, to Dio Serrano, to Brown & Root, and it all worked.

JP: And the technology, I understand, is not particularly challenging.

ROW: No, Mexico was like the Gulf of Mexico. The only thing that we brought to them that didn't exist in the Gulf was handling 150,000 barrels on a platform and handling large quantities of gas. And that did not exist.

JP: When you look back at your career and just think of the broad trends in this amazing world that you lived through and still are working in, are there any lessons that stand out or things that have struck you about the industry as a whole that you might like to conclude your interview with?

ROW: We are now moving out into the real deep water - 7,000

feet, Shell just announced - why are we in deep water? Well, we are looking for the last little bits We are running out of the stuff, the easy stuff to find. I think what stands out is that the oil industry is a very small industry as far as people that are involved in it and that when companies - the operators, the oil miners if you want to call them that - can trust the service companies who are really . . .

End of Side 1

Side 2

ROW: . whenever the company and the service company can trust each other and work something out . . when you really are in a hurry to do something, there are tremendous advantages to alliances or whatever you want to call them, in which people work together to do a major project.

JP: Both in the North Sea and Mexico, you have been successful in dealing with the political dimension. Do you have any insights into how that process has worked or how to smooth that process because in the early North Sea, that was fairly difficult also, but certainly with Mexico as a new departure.

ROW: Yes. The North Sea and the United Kingdom are special because the British are like us. They are pretty good civil servants can do so much. And the other nice thing about London that was lots of fun was that everything is in London. It is the center of government, it is the center of industry, it is the center of arts. It is a great place to be. So we all kind of lived together in London. If you were going to a meeting, you could go over and see Jack Rampton or Angus Beckett or whoever and discuss/explain things to them. So, lots of items were

done as a moving target. As we encountered problems, we solved them by talking it over, at government levels, too. There are all kinds of stories of how things were done.

When we brought the first barges into the North Sea, the first feeling we had was let's go ask somebody how we should bring them in, but since we had already had worked with the Global Adventure and we had this problem up in hull and we lost that thing . and I had met the authorities there . we were going to lay the pipeline in that area . . . so we just went to the local level and said, "What do we do when we want to bring a barge in?" They said, "Well, when you get to the three-mile limit, let us know and close your cigarettes up. And we will come out and the customs officer will let you have cigarettes." So we just used the law of the seas. We had a flag on our vessel. We were just like any other vessel coming in. So we didn't worry about getting any special permits for construction. And I think we may have saved some headaches by not doing that, but I don't know.

JP: I enjoyed talking with you. I am also going to file a copy of the Offshore Pioneers: The Brown & Root History, with your interview since you did have extensive

interviews and helped quite a bit in writing that book, so a lot of the details that you didn't have time to do today will be with the interview.

ROW: Right.

JP: Thank you very much.

THE END

Offshore Energy Center-Oral History Project

Interview ofR.O. "Dick" Wilson September

36, 2000