BOEM DEEPWATER GULF OF MEXICO HISTORY PROJECT

OFFSHORE ENERGY CENTER HALL OF FAME

Interviewee:	Glenn G. Chance
Date:	January 10, 2009
Place:	Houston, Texas
Interviewer:	Tyler Priest
Ethnographic preface:	Glenn G. Chance was born in Tulsa, Oklahoma in 1930, and enlisted in the Marines when he came of age during the Korean War. He returned in 1951 to work for the Lee C. Moore corporation, manufacturing drilling tools. A few years later, Chance started his own firm, Chance Sales & Service. He was soon after scooped up by Drilco, and Chance relocated to Morgan City to oversee a manufacturing shop. Chance in 1976 started another firm, named Chance Collar Company. By the 1970s, multiple firms were licensing Chance's patented drilling innovations. He sold the company in 1982, luckily cashing out before the big slump in the business during the mid-1980s.

TP: This is an interview with Mr. Glenn Chance for the OEC Hall of Fame induction, January 10, 2009. Congratulations.

GC: Thank you very much.

TP: The interviewer is Tyler Priest. We're in Houston, Texas, and let's just start off with a little background information. Where were you born, and where did you grow up?

GC: Born in Tulsa, Oklahoma, 1930. Finished high school and enlisted in the Marines. That was during the Korean War, and I didn't want to go to the Army. I got into the Marines, but just a short while. They gave me an

honorable medical discharge, and I came back to Tulsa and started work for Lee C. Moore Corporation. They're a manufacturer of drilling cantilever masts. I started working there as a file clerk and from that, well, I got to reading print and redoing them for the engineers. Then I got on night duty, so I could explain the blueprints to the men out in the shop and install them, and then from there I progressed to what you'd call a man who'd go out in the field and install these rigs. Most of them were field engineers, but they called me a field—no education.

An interesting aspect, I was very young, looked very young, and the first job I went out on, unbeknownst to me, the customer called into my boss, Mr. Chuck Giddings [phonetic], and said, "You sent a kid out here to do this work."

I didn't know this either, but Mr. Giddings told him, he said, "Well, that kid can do it if you'll give him an opportunity." So in rigging this up with trucks and getting it all ready, the customer did call in and told my boss I did a good job. So from there, I went around repairing Lee C. Moore rigs.

TP: What year? This is right after the Korean War?

GC: Yes, this was in '51, '52, '54. So at that point, they sent me all over, and I got to meet a lot of customers. There's a lot of drilling rigs.

TP: This was still in Oklahoma mainly?

GC: Oh, all over, Mexico, yes.

TP: Oh, really?

GC: Yes. So that progressed, and I transferred to Shreveport, Louisiana. Mom, you tell me if I've missed something. At that time I was about twenty-three or twenty-four. I got real smart. I needed to get in business for myself. So I started Chance Sales & Service, and Drilco was one of the companies I represented and then rags, soap, dope companies, Kelco [phonetic], cat heads, etc. So in other words, I went out and installed these, run the equipment and the hole and met more people.

Then I got to the point, the president of Drilco came to see me, and he said, "Something's going to have to be done," because I was selling them on a commission. He said, "I'm the president of the company, but you're making more money than me. You're outselling the rest of them." So for that reason I went to work for him, and from there I went to a district manager, division manager, assistant sales manager, got to be domestic sales manager. My latest—

TP: When you went to work for Drilco, you moved to Morgan City, is that right?

GC: Yes, moved to Morgan City, built a plant there on Intercoastal, went offshore on a lot of rigs, and I started seeing a lot of problems that they had offshore. Drilco is in West Texas, and that was hard-rock country, and South Louisiana drilling was a lot different. They had a lot of gumbo and had a lot of different problems. So, basically, when I had the shop, the drill pipe would come back in and the drill collars, and we would inspect them and find the joint failures and etc., and predominantly it was in the drill pipe, right when it hooked to the collars.

TP: Really. That's where most of the failures were?

GC: Right. So I sold new collars, and I took used collars in trade. Then let me see. Mr. Clifford Yancey, with Rowan Drilling Company, their yard was next to ours. I told him about an idea I had, but I could use this old material to try it. He liked the sound of it, and he said, "Well, I'll pay for the shop expense, just at cost." So there's different configurations. The first Hevi-Wate, I had five wear knots [phonetic] on it, and we just kept experimenting until—

TP: So this was an issue with directional offshore wells you were noticing?

GC: Oh, yes, and straight, too, straight or directional, especially directional. I think because of Hevi-Wate, it got a lot more directional drilling done. In association with Down Home Motors and etc., well, Hevi-Wate was and everything—

TP: Describe to me again what the Hevi-Wate was.

GC: It's a thirty-one-long—same length as drill pipe, and it's usually in predominant sizes, 3-1/2, 4-inch, 4-1/2, and 5-inch. What separates it, it's got a larger, about a 6-1/2 OD on each end, where you can put a larger connection, more firm connection, and then the middle of the bar, we turned it down and left about a 30-inch OD. It'd be about 6-3/8 OD, if I can do that. So with that, we finally got that going and in '69 we started running it, and finally Tenneco, I believe, Mr. Crownover, he finally decided to run it in his holes, and he said it did excellent. Well, with Rowan and—what'd I say, Conoco?

TP: Tenneco.

GC: Tenneco, yes. Well, that really started Hevi-Wate on its way, and its been run all over the world in every kind of situation, and it's done good, because we got that—

TP: It minimizes or eliminates the failures you have.

GC: Oh, tremendously. Well, the patent was in '74, and they're still using the same design, you might say. But it isn't a one-man show. I had engineers help me to figure out the flexibility, the weight under different strains, different tensions, different bends. So Mr. Sam Crews, he was an engineer with Drilco, he helped a lot. Then when we'd run out of used material, he got Timco, so we bought new steel and installed new ends on it, turned it down, so we did from that extent. So I'm glad to see there's—they use more Hevi-Wate now than they do drill collars by far, and it's accepted practice all over the world now.

Later, when Smith bought Drilco, I started Chance Collar Company, and in order to get around Hevi-Wate, which is the best thing that was, well, then I got a patent on Spiral-Wate. And Spiral-Wate, there's spiral drill collar, but a spiral Hevi-Wate was different in the way the spiral went right through, and I thought it was more limber and it would bend more, and naturally, I had to compete against—

TP: Compete against your own innovation.

GC: Right. So in a nutshell, there's a lot of detail. Basically, I think one of the things where Hevi-Wate came into being is Drilco had the used material, where I'd sell new drill collars and take the used drill collars in. We use that because it takes a lot of money, it takes a lot of time to get a patent, especially [unclear].

TP: You first got the idea of this in '62, around thereabouts?

GC: Well, in the late sixties. I started running a hole in '69, and we ran it in the hole in that way.

TP: But you'd been thinking about this for a long time?

GC: Oh, yes, oh, yes. But I didn't know how to do it to begin with. I just came little by little, with the assistance of a lot of people. But finally, like I say, we ran in a hole all over in different kind of conditions, hard country rock, offshore, mainly because you like to set a rig up and then drill twenty wells off of it, directional wells, so you don't have to move the rig.

TP: And it was especially useful with directional wells.

GC: And the oilfield accepted, especially the engineers, which is hard to understand.

TP: Did it save them a lot of money?

GC: Tremendous. Fishing jobs because of the failure of just the drill pipe, that eliminated that, or 90 percent of that portion was eliminated, of that drill pipe breaking off. This is stouter, can absorb more punishment, more rpm. It's just got a more rugged life. The tool joints are longer than your standard drill pipe, so you could re-cut it more times, a lot of nice features about it, and the price wasn't out of sight.

TP: So if this was '69, you didn't get the patent till '74.

GC: That's true.

TP: When did companies really start using this in a big way?

GC: Oh, I'd say almost immediately when they saw what could be done, and it was up to us to get it shown to different people, and we did a good job. The industry accepted it immediately. After a man could put it in a hole and he recognized what it would do, it just took off. And it must be pretty good. Like I say, no one's come up with anything better since then that I know of now, but I've been out of the oil field since '82 when I sold Chance Collar.

TP: In thinking about the mid-seventies, when they started to approach a thousand feet of water, and you're talking about expensive wells, and so anywhere they could save a good bit of money, this must have had a huge effect.

GC: You take an offshore rig, it could cost as much as $500,000 a day. If you can just save them one hour, you're talking about dollars. Then if you could talk about saving them days and even weeks, then you're going to get that product along with others to do the job. But this is also for land rigs.

TP: Oh, really.

GC: Like, for instance, just above Fort Worth about seventy miles, there's a field there. There's about a hundred drilling rigs there, and they're drilling for gas 15,000 foot, and I would say 80 percent of those rigs are running Hevi-Wate. There was a far cry for it, and that patent surely helped, and it

made Drilco a lot of money. As a matter of fact, I think he gave me $20. I worked for the company, so any ideas you have, well, they go to the company. But I made up the difference in Chance when I came out with Spiral-Wate, but then I finally got paid for that.

TP: So you got $20 for the original one.

GC: Yes, sir. Got a lot of recognition though for it, and it made me feel good that it made so many more jobs and it was accepted so readily by the industry. Most ideas and tools take quite a while to be accepted.

TP: And this was immediate.

GC: But I'll say it again. There was a lot of people involved in the introduction of Hevi-Wate and the experiments. The first engineer of Drilco that came down—I was going to run it on that rig with Rowan—in his words, he said, "That's the last of the junk we see when it goes in that hole. He'll never get it back."

As a matter of fact, the engineering department, the head of it, he said, "I don't think that'll work, Glenn. You're just wasting money."

I said, "Well, I'm down here working and I'm on the rigs, and most of the time you're in the office, and I think it means a lot for the men out in the field. They can see things that you can't really put into words, and by the time it gets back to the home office and goes through five people to get there, it's a different elephant, different-colored elephant. So the true facts don't get back to the people at times, and vice versa, from an office to the field." But that's just about it.

TP: Speaking about being down on the rigs, you have an anecdote about your first experience going offshore. Do you mind talking about that?

GC: Well, those waves get pretty big, and the weather—

TP: This is going from a crew boat to the platform.

GC: Yes. The waves get pretty high.

TP: What year would this have been about?

GC: That would have been in the fifties.

TP: So helicopters were just being—

GC: Started, yes.

TP: Just being introduced. People were still swinging off of ropes and Jacob's ladders and all that, right?

GC: Helicopters were for the foremen and the higher people, and the hired hands like me, we went in the crew boats where they strap you down, and you take a sixty-mile trip out there. Sometimes the seas get kind of rough, and then when you get out there, you've got to get off of that tug or crew boat and get on that rig, and usually they let a crane down and a big bone with the ropes, and you throw your luggage on inside, and you try to time the jump on it.

TP: The boat is moving up and down.

GC: Yes. So it gets pretty hairy. As a matter of fact, the oil field is more dangerous than people think. Personally, I'm one of the ones that for a man with all the risks that the companies take for granted, the people are really getting a bargain for the price of gas. I mean, even when it's $3 or $4 a gallon, the other people have been paying that for thirty years. Japan, Italy, Germany, they've been paying that all along.

TP: Oh, yes. Gasoline is cheap in this country.

GC: But not as cheap as eight cents a gallon, I believe, over in Iraq and Iran.

TP: Yes, right, exactly.

GC: I might like to mention my wife. She's helped me a lot. We have two children, but she raised them, since I was on the road all the time, because not only Morgan City, I've been to Australia, Japan, etc., building plants for Drilco and getting everything going.

TP: Building plants for Drilco. Did you build any for Chance Collar, too?

GC: But when I left Drilco, when Smith purchased them, yes. I went to Chance Collar, and I had to make it something to compete with Hevi-Wate, Spiral-Wate. It's not as well known as Hevi-Wate, but it's cheaper to manufacture, for one, and I think it does a similar job maybe.

TP: Is Chance Collar still in existence now?

GC: No. Chance Collar I started in '76. I was just going to have a machine shop. I didn't have that kind of money. But two men gave me a million-dollar line of credit. We started with $1,000 cash, and then in '79 we sold

it. In December of '79 we sold it. I took my money and ran to the country and bought me a ranch, and since then, I've had very little to do with the oil field.

TP: Oh, really.

GC: Yes.

TP: Lasting contribution. So you're out in Bedias. Is that how you pronounce it?

GC: Well, the oil field went down, you know. In the early eighties it went straight down, and over half the companies in business went belly up.

TP: And the contractors are the ones that feel it first, right?

GC: And they're going to do it again. It's a cycling effect. I have to give credit to the majors and a lot of independent oil companies to have spent money and tried to find oil. Overseas, the foreign governments are taking that over. Say you go to one of those companies overseas. The only way they know how to do business is under the table, yet our government gets after us when we do that, but we're just trying to get in and get a concession to drill for oil. That's just my personal opinion.

TP: Well, now the state-owned companies take most of the action in those places.

GC: You get kicked out of Argentina, Columbia, all of those places where we drilled.

TP: Do you have any particular memories about working overseas? You've been to just about everywhere probably.

GC: Well, for instance, when we went to Japan—by the way, I might mention that the Japanese furnished me those tubes, too, and where it used to be made in Japan, you used to laugh at it. Japan makes the finest steel there is in the world, so naturally—and doing business with them with Drilco, well, that helped me when I started with Chance. My wife went with me that time. You eat a lot of different things you don't know what it is. A lot of the things, you look at it and don't want to eat it, but the most gracious people they were. They took us to the castle and all over and treated us just royally. But it was our money that built the new plants that MacArthur [phonetic] got from us.

Japan came over and found out how much could be improved in the making of steel, and they've done it. I believe it's no secret that their steel and their manufacturing is all—but the raw steel itself, the way they heat treat it and everything, but different increments, you have different heat treats, different qualities of pipe.

TP: So all your pipe came from Japan eventually?

GC: Well, everything I could get from over there. But, no, I bought from the other companies here, domestic, too. But in those days—it's either feast or famine in the oil field. You make a lot of money, but then you could lose it all if you stay in. Every ten or twelve years it goes up and down like a yoyo. If it's good, you'd better get it and make it and keep it—my philosophy, not everybody's.

TP: Well, it sounds like you got out at the right time, the early eighties.

GC: Yes. I thank the Lord upstairs. What really made it hard to get out is I had an 8-million-dollar line of credit with a bank, and they just okayed it to 20 million, and I had a 48-million-dollar backlog, and when I sold it people said, "You're crazy." But we sold out, luckily.

TP: Have you been tempted to get back in the business?

GC: No, no, no. You see these gray hairs? I'm seventy-eight years old. No. But I'd recommend it to any young man, especially for a gentleman or a boy or a man that really doesn't have a college education, because he can still make it and make very good money. Even if you're a tool pusher or driller, those people make good money. Thirty, $35 an hour is nothing to be sneezed at.

TP: No, and it looked like it was going to be wonderful there for a while, about six months ago.

GC: Oh, well, it'll be wonderful again. I mean, it's not bad now, but I believe a lot of those land rigs, they're going to be shut down a while, because those majors, they got $150 a barrel and now it's $40 a barrel. Now, anybody in business, whatever commodity you're selling, you're going to sit and make some decisions.

TP: Well, do you have any other thoughts or stories? Could you imagine where the industry was going to be today when you were working on this problem back in '69?

GC: Well, I believe there's got to be a lot more technology. It's coming along and there's even going to be more. In twenty years, we won't be drilling the same way we are now, just like twenty years ago you're not, so now there are some very intelligent people in the oil field today. There's more money to be had. You've got a bigger clientele. There haven't been any major wars lately, so there have been more people, and there's got to be some substitutes for oil. There are going to have to be. I just don't think there's—we might get surprised. Maybe if we can drill 50,000 or 60,000 foot in the dirt and wells, there might be some down there, different fuel, I don't know.

TP: Up in the Arctic or ever-deeper waters.

GC: Yes, like that aircraft carrier they named for Bush. It can stay out there for twenty years and never be refueled. That's nuclear now. I don't know, but there are just a lot of things going to happen. In the last century we saw, get a man on the Moon, supersonics, advances in medicine. Yes, I'm all for the young ones.

TP: Well, just to go back. We can finish up here pretty soon, but what made you think that—it's one thing to have an idea about how to do something new, and it's another to sort of translate it into real practical usage.

GC: Well, I think Drilco management has a lot to do with it. We had a good training program, and if you got promoted, say, to a district manager, you ran that district. You ran it sales-wise, manufacturing-wise, collection-wise. You picked out your men, and you were responsible for that district, and the less we hear from you the better. So it's a make or break, the way Drilco ran their company, and they were a very fine company, the best there was, because they came up with a lot of inventions. It was a company—like in my position I thought I had something going, and my immediate supervisor, he thought there was something to it, and it takes, like I say, a lot of money. You take Hevi-Wate, say it's $8,000 a stick, and there's thirty of them at a time on a rig, a quarter-million dollars, and we had to use a lot of drill collars, but thank God it was used, but nevertheless, Drilco management gave us a lot of leeway to do things.

TP: Gave you the flexibility.

GC: Yes. That's just one that worked. Now, you know there were quite a few of them that didn't work.

TP: What were some other ideas that didn't work?

GC: Oh, a different type stabilizer. We made some down-hole tools, the reamers, the shock subs, on and on, and we had different drilling assemblies for different types of work to help the customer. If he wanted to deviate, we helped him with a bottom-hole assembly that was for the bottom-hole motor, and etc.

TP: I guess they say every well is different, so you had to devise a lot of customized equipment.

GC: I believe so. I built a plant in Laurel, Mississippi, and took one of the owners—out in West Texas, you could see those rigs for miles, all of them. When I took him to Mississippi, he said, "Where are the rigs?" We got in about two o'clock at night. He said he'd like to go out that night, so we started going, and there are a lot of dirt roads there, a lot of pine trees, and I'd have to stop. I'd just get a general layman's idea of where that rig was, and at night at eight o'clock, you stop the engine, open the doors and listen to the motors just so you could find a rig. And usually they lit up, so you could find it. So I thought that was pretty comical, because he didn't give me a good recommendation. That was my recommendation, to build a plant there, and he came over to see about the rigs. There were about seventy rigs there, but you couldn't see but one at a time.

TP: Along the flat plains of West Texas, you could see them all over.

GC: Oh, and you could see them all. He was an older gentleman, Mr. Elder [phonetic], and he had been with the company a long time. So I didn't get a good rating from him about those rigs, because he was just there a couple of days and I couldn't make all the rigs. But that worked and then Laurel, and then they sent me to South Louisiana, so I spent a year in New Orleans and found out the problems, that they needed a facility located on the Intercoastal where they could bring those tugboats in and get their equipment repaired, drill collars and all the other things, so that's when we built a plant in Morgan City. We had to dredge it in. You can't buy no property in there, so we had to dig out the dirt, put a bulkhead in and built the plant, but the plant went overboard.

We went offshore. The rigs started coming in, and you'd see more problems when they all come in. Well, then we were there, and we could see the defects or—I call defects—just the problems that the guys run into drilling those wells, directional, straight, or what. So we got to looking to get better tool joints, longer tool joints and just better equipment, give them my recommendations, and they just had a lot of—not being derogatory. They had a lot of local machine shops that would repair anything, and ours was centralized, and it was specific items that were on that oil field, the stuff that went in the hole. That's what we thought we

were better at, knowing how to repair it and how to build it and design it, and also we taught them how to run. We sent men out and gave interviews and then schools with the crews, so like I say again, Drilco was the strongest service company that there's ever been in the oil field. It had to be; Smith bought them.

But other than that, I could tell you about landing overseas in Iraq, Iran, and there'd be guys there that's twelve, fourteen years old that had a machine gun in their hand, and it was loaded. It kind of scares you. And they didn't treat Americans too well over.

TP: Yes, not during that time.

GC: If you have a wreck over there, it's automatically your fault, because there wouldn't have been a wreck if you hadn't been there. If you were still back in the United States, there wouldn't have been a wreck, so it's got to be your fault. So you always rent a car and a chauffeur. You dare didn't drive a car over there. And wherever you go, you have to pay attention to the customs of those people and do it their way, and some Americans tried to do it their way, you know, so you've got to get along with people.

TP: Yes, have to be able to adapt. Well, this has been great. Can you think of any other thing you want to put down?

GC: Well, this is really an honor for me, as far as I'm concerned, to be that. I'm very humble about it, and I'm glad they did recognize me, even if it has been quite a while.

TP: Well, you're in with illustrious company. Everyone who's been inducted has really done something special.

GC: Well, it did something for my family, too. It enabled me to retire a lot younger than I thought and go to the country, and we've had an excellent time up there. I have draft horses, [unclear] carriages, parades and etc., so everything's been great.

TP: Well, wonderful. Okay, why don't we stop here, and congratulations again.

[End of interview]