



## PRESS-REGISTER

### Mobile aims to build oil, gas support business

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By **JEFF AMY**

**Business Reporter**

Chip Conklin's company started running a supply base for ExxonMobil Corp. on the Theodore Industrial Canal in 2002.

The business of loading boats for the oil giant's gas platforms near Alabama's coast seemed to fit with the marine business of Conklin's employer, Construction Services International.

But it wasn't until damage from 2005's Hurricane Katrina temporarily drove other oil operations to Theodore from their usual Louisiana bases that Conklin got a glimpse of the big time.

"We never realized how big the opportunity was," he said.

Now, thanks in part to Conklin, the Mobile Area Chamber of Commerce has launched an initiative called Offshore Alabama to attract more oil-and-gas exploration business, partly in hopes that Congress will open some areas of the Gulf of Mexico off Florida to drilling.

Offshore Alabama will sponsor an industry conference in Lafayette, La., in October to raise its profile.

"We're trying to get the word out that Mobile is going to be a big player when the eastern Gulf of Mexico opens up," said Steve Russell, the chamber's head of business retention and expansion.

The region already has sizable oil-and-gas employment. Offshore Alabama put together a directory of 130 companies that either provide services or would like to. Some, including Aker Solutions ASA, Technip USA Inc. and ExxonMobil, already have more than 100 employees each.

But before Offshore Alabama, many of those firms didn't know of their peers' existence. With the industry so deeply rooted in Louisiana and Texas, it was hard to make a case that an oil company could get what it needed in Alabama to run operations offshore. Conklin said that after Katrina, it was common to see Louisiana firms come to Mobile to provide services that could have been provided locally.

Paul Dieffenthaler, the Mobile Bay operations superintendent for ExxonMobil, said his company still depends on outsiders for "some specialty services that Mobile does not provide."

Dieffenthaler, who chairs Offshore Alabama, said the chamber is also surveying the jobs and tax revenue the industry provides.

Mobile's main competition, especially for new wells drilled in deeper Gulf waters, is Port Fourchon, La. The massive supply depot, near Grand Isle and 100 miles south of New Orleans, provides by one count 90 percent of Gulf deep-water support. More than 5,000 people work at Port Fourchon, not so much a town as a waterfront industrial park run by the Greater Lafourche Port Commission.

A 2008 study showed that Port Fourchon generated another 8,169 jobs in the Houma, La., metro area, and

\$1.5 billion in sales. Every day, 1,200 18-wheel trucks thread their way to Port Fourchon, said Chett Chiasson, the commission's economic development chief.

The port is currently expanding, but it does have some drawbacks. It's 60 miles from Houma, at the end of a highway so exposed to the encroaching Gulf that it can flood at high tide.

But its custom-built facilities are at the heart of the industry, even though Chiasson is aware that Mobile and others would like to take away business.

"Competition is always good for the market," he said. "I feel comfortable that the service providers in Port Fourchon will keep us the choice."

Mobile officials say they don't aim to displace the Louisiana hub, just slice off, say, 10 percent of activity.

"No one is going to take Port Fourchon's place," Russell said.

For now, Conklin said, he hopes Mobile can entice someone to run a deepwater drilling operation

Conklin said both ExxonMobil and Devon Energy Corp. have drilled new wells just off Gulf Shores within the last year, but said no one is running drilling today from Mobile.

Exploration slumped along with oil prices, though it's begun to creep up again lately as prices have risen.

Even today, Conklin's shore base shows how dependent the industry remains on points west, despite his best efforts. Generators from a Morgan City, La., firm were lined up near the dock Friday, while a truck from a Lafayette-area firm was parked in the lot.

If a firm launched an operation here, it could pull over suppliers for things like drilling mud, Conklin said.

"One of the mud companies will build a plant here when one of their customers says 'I'm operating out of here,'" he said.

#### ON THE NET

Offshore Alabama:

[www.offshorealabama.com](http://www.offshorealabama.com)

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