

# Drilling slump weakens support vessel market

*Supply boat operators hope for drilling increase*

**A**s oil prices soared to over \$35/bbl and natural gas to more than \$5/Mcf, with a one-day high near \$20/Mcf in late February, you might expect drilling to pick up and the demand for offshore support transportation to rise accordingly. But the uncertain economy, war with Iraq, and doubts about long-term energy prices are preventing oil companies from taking the drilling risk.

A major concern for support vessel owners in the Gulf of Mexico is a perceived lack of drilling prospects. Have the oil companies really drilled out the Gulf of Mexico? High energy prices, ice cold winters that have drained US gas reserves to record lows, and low-cost day rates indicate that there should be up to 30 more rigs running in the GoM, according to Ralph MacIngvale of Southern States Offshore. Yet most operator budgets don't call for significant increases in drilling in 2003.

Also, in the past several years, the consolidation of major operators into so-called supermajors has hit the offshore drilling industry hard. The mergers have delayed projects that were in the planning stages and prompted the supermajors to reevaluate their prospects and where they want to put their money for the best return. The effect has taken a tremendous amount of money out of the vessel marketplace.

Not all hope for a profitable support vessel future is lost, however. Peter Callais of Abdon Callais says, "We do a fair amount of seismic support work, and we've seen quite an up-kick in demand, which is a good sign. It is a leading indicator because oil companies need the seismic information before they drill."

**By Jaime Kammerzell**  
*Associate Editor*

## Deepwater risks and rewards

While the Gulf of Mexico has suffered more than international arenas, there are a lot of prospects to be drilled in the deeper water. But deepwater drilling also has slowed recently as oil companies evaluate the significant cost and risk.

Despite the drilling lull, a significant number of deepwater vessels continues to be built. Those boats are designed to work the Gulf of Mexico shelf as well as deepwater and will be more economical to operate.

Bigger, nicer, higher-capacity is the future of Gulf of Mexico, as well as international boat building. Newly built boats will carry 8,000-10,000 bbl of liquid mud and 8,000-10,000 bbl of dry bulk capacity, and new boat decks will be larger than some of the boats working today. Propulsion, fixed propulsion, Z-drive, DP-0, DP-1, and DP-2 also are features of the new-

builds, according to Robert Socha at Bollinger Shipyards. These newbuilds will be in high demand because they can do much more in one trip and stay out longer.

As the majors go into ultra-deepwater, they will free up the shelf for the independents. The US Minerals Management Service royalty relief is expected to stimulate natural gas drilling in the shallower, previously explored GoM. Natural gas has the potential to be a big driver in the vessel industry – maybe not in dollars spent, but in activity – in the coming years, said Callais.



Miss Jane Tide is a new 260 ft VS480 vessel for Tidewater.

## 2003 survey data

This year's survey includes 1,028 offshore supply vessels from 20 companies. The second column indicates the vessel

### Survey of Worldwide Service Vessel Fleet

Company	Type*	Number	Size range	Horsepower range	Shipyard built	Delivery date range	Location
Abdon Callais	S	16	145-185 ft	1,800-2,600	Master Boat Builders	1997-2002	NA
Aries Marine Corp.	S	8	166-220 ft	2,200-3,480	Halter Marine	1973-1997	Gulf of Mexico, West Coast, Hawaii, Alaska
Cal Dive International	MSV	2	381 ft	8,800	Oresundsvarvet, Landskrona, Sweden	1980-1983	Gulf of Mexico
Dolphin Towing	AHT	5	110-150 ft	9,000-16,500	Bollinger, Halter Marine, Thomasea	1987-2003	Gulf of Mexico
Global Divers & Contractors	S	4	100-233 ft	NA	NA	NA	North America, Middle East
GulfMark Offshore	PSV	30	194-276 ft	3,590-9,600	Various	1978-2002	Southeast Asia, North Sea, Brazil, West Africa
GulfMark Offshore	AHTS	15	185-260 ft	3,850-16,320	Various	1976-2002	Southeast Asia, North Sea, Brazil
Hornbeck Offshore Services	S	13	200-265 ft	4000-7,000	Atlantic Marine, Leevea Industries, Alabama Shipyards	1998-2002	Gulf of Mexico
Kilgore Offshore Inc.	S	4	172-204 ft	3,000-4,000	NA	1978-1998	Gulf of Mexico
LaBorde Marine Services	S	4	165-210 ft	NA	Halter Marine, Service Marine Industries	1978-1998	NA
Mærsk Supply Service	AHTS	45	219-295 ft	10,880-23,480	NA	1979-2002	NA
Mærsk Supply Service	PSV	8	270 ft	4,650-4,654	NA	1992-1996	NA
Metson Marine Inc.	S	2	140-166 ft	1,340-2,560	Scully, Moss Point	1981-1982	NA

\* AHT is anchor handling tug, AHTS is anchor handling tug supply, MSV is multi-functional support vessel, PSV is platform supply vessel, and S is supply vessel.

type: anchor handling/tug supply, anchor handling tug, multi-functional support vessel, platform supply vessel, and supply.

Each listing includes the owner of the vessel,

the number and type of vessel, size range, horsepower range, year built, builders, and location of the vessels, if the information was supplied or found.

The information presented in this survey appears as participating companies submitted it, with the exception of some data taken from the World Wide Web. ●

**Survey of Worldwide Service Vessel Fleet**

Company	Type	Number	Size range	Horsepower range	Shipyard built	Delivery date range	Location
New Offshore	S	1	175 ft	1,700	Rockport Yacht	1978	Gulf of Mexico
Otto Candies Inc.	S	12	185-240 ft	NA	Bender Ship Building and Repair, Houma Fabrications	1998-2003	NA
Sea Mar Inc.	AHTS	1	200 ft	6,140	NA	NA	NA
Sea Mar Inc.	S	21	130-220 ft	1,200-3,000	NA	NA	NA
Seabulk Offshore Ltd.	AHT	40	132-236 ft	2,000-8,500	Various	1973-1991	Worldwide
Seabulk Offshore Ltd.	S	28	162-222 ft	1,860-5,600	Various	1964-1999	Worldwide
Seacor Smit Inc.	AHTS	59	147-255 ft	NA	Various	1981-2002	Worldwide
Seacor Smit Inc.	PSV	40	185-268 ft	NA	Various	1979-1999	Worldwide
Seacor Smit Inc.	S	21	135-226 ft	NA	Various	1983-1985	Worldwide
Sonsub	S	3	240-308 ft	4,520-11,582	Hornbeck Offshore Services, Leeval Shipyard, Flekkefsord, Maskinfabrikk AS	1999-2002	Gulf of Mexico, North Sea
Southern States Offshore	S	6	155-205 ft	1,600-4,000	NA	1981-1999	Gulf of Mexico
Tidewater Marine Services Inc.	AHTS/PSV	550	100-282 ft	2,250-15,280	Various	1972-2001	Worldwide
Trico Marine	AHTS	10	100-302 ft	3,160-23,800	Halter Marine, Havyard Leirvik AS, Eastern Shipbuilding, Gulf Craft, Swiftships, Ulstein Hatlo AS, Bollinger	1974-2003	Gulf of Mexico, North Sea, Brazil, West Africa, Trinidad
Trico Marine	PSV	58	100-302 ft	3,160-23,800	Halter Marine, Havyard Leirvik AS, Eastern Shipbuilding, Gulf Craft, Swiftships, Ulstein Hatlo AS, Bollinger	1974-2003	Gulf of Mexico, North Sea, Brazil, West Africa, Trinidad

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