

Coastal Drilling expands inland barge, land rig fleet

AN INDUSTRY VETERAN with a long family tradition of providing inland water drill barge services along the Gulf Coast now owns a company with one barge rig about 1 ½ years old and will soon take delivery of a second new unit.

The company, Corpus Christi-based **Coastal Drilling Company**, also owns and operates four land rigs in South Texas, **Coastal Drilling Land Company LLC** and is planning additional expansion in that segment as well. An operations office is located in Belle Chase, LA.

COMPANY HISTORY

Coastal Drilling Company's President and co-owner, **Chris McClanahan**, comes from a long line of inland water drill barge operators, beginning with his grandfather, **Mac McClanahan**, who founded **Service Contractors Inc** in 1954.

That company was taken over by Chris' father, **Jack McClanahan**, in 1972 when Mac passed away. The company was renamed **AWI**, which was later sold to **Mallard Bay Drilling** in 1992.

Chris owned another inland water drill barge company, **BSI Drilling** and **Workover** that operated five barge rigs. That company was sold to **R&B Falcon**.

Shortly thereafter, in 2001, he started Coastal Drilling with a land rig operation.

The company also began construction of its first barge unit, Rig 20, at **Semco**



Longtime Coastal employee J R Lofton, left, and company president and co-owner Chris McClanahan visit on one of the rigs.

Shipyard in Lafitte. The unit was delivered in November 2002, and has worked steadily since then.

"Rig 20 came out of the shipyard and has been working since November 2002 with only four hours of downtime," said **Richard Coatney**, who does the company's marketing.

Mr Coatney added that the company expects the same kind of performance from its latest unit, Rig 21. **Semco** is also building Rig 21.

Chris also has a living link to his grandfather's and father's companies. Coastal's Drilling Superintendent, **J R Lofton** has been with all of the various McClanahan-owned companies since he was 18 years old. He's now 57. Mr Lofton helped design and build eight drill barges along the way, including the company's newest.

NEWBUILD RIG 21

Rig 21 is aimed at the deep drilling market, a segment that only a few rigs can handle due to the age of the present fleet of barge rigs, which averages 23-24 years old.

The new rig was built to take advantage of the aging fleet and an uptick in drilling deep wells.

"We are seeing a lot of customers wanting to drill between 19,000 ft and 25,000 ft," Mr McClanahan said. "That includes large casing designs of 13 5/8 in. down to 15,000-17,000 ft, which demands a hookload of 1.2 to 1.3 million pounds."

Rig 21 has a 2 million lb hookload capacity and is rated to drill to 35,000 ft. The oversized 16 ft deep hull also means the rig can work in shallow waters offshore without being affected by waves that keeps many other drill barges working inland of the coastline.

"Seismic surveys are being executed and evaluated and we feel there will be more deep and ultra-deep wells in the 23,000-30,000 ft range," Mr Coatney said.

Rig 21 features many state-of-the-art



Coastal Drilling Company's newest inland drill barge, Rig 21, is shown here under construction at Semco Shipyard in Lafitte, Louisiana. The rig is scheduled for delivery this summer.

innovations for more efficient and safer operations. The driller's cabin, console and instrumentation system was provided by **Petron Industries**.

The principle instrumentation and information management systems employ a fully computerized Petron 3D system networked to workstations throughout the rig.

The master display at the driller's console provides the driller with up-to-the-second information about the drilling operations with independent digital and analog gauges displaying critical drilling functions. The system is fully redundant.

The hookload and weight on bit indicator emulate the needle of the traditional indicator with high speed signal processing for accurate needle simulation. Numeric hookload and WOB are also displayed.

The rig also incorporates Petron's Micro Driller that was developed for precise control of band brake type drawworks.

The Micro Driller is an automatic drilling system that improves perform-



Rig 2 is one of four Coastal Drilling Land Company's rigs operating in South Texas. The company is presently rebuilding a rig to add to its fleet.

ance of manual or traditional pneumatic auto drillers, providing increased accuracy with instant response and brake control to help extend bit run times and improve drilling efficiency.

Rig 21 is a 3,000 hp unit with a 2 million lb mast and a Varco top drive drilling system.

Its three mud 1,600 hp mud pumps are connected via manifolds in order to run all three simultaneously, with 7,500 psi fluid ends compared with the typical 5,000 psi ends.

The 2,200 barrel mud system also features mud tanks with rounded bottoms.

Equipment also includes five King Cobra linear motion shale shakers and two chain-driven gumbo boxes capable of

handling 2,400 gallons per minute (GPM).

Rig equipment also includes a Roger's hydraulic iron roughneck with up to 100,000 ft lbs of torque that can handle pipe sizes ranging from 4 1/2-in. through 8 1/2-in.

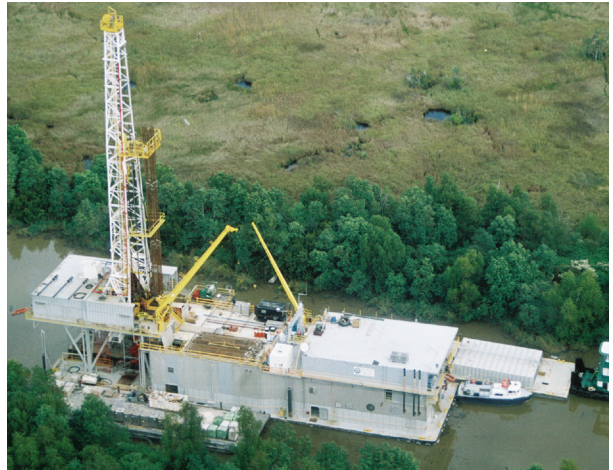
LAND OPERATIONS

Coastal Drilling's four land rigs are operating in South Texas fields. About 95% of the company's operations there is for turnkey projects.

"When I sold BSI to R&B Falcon, I had a non-compete clause so I started the land business in July 1998," Mr McClanahan explained.

"We have a niche market in South Texas between 8,000 ft and 11,000 ft," Mr McClanahan noted.

Coastal is presently rebuilding a Cabot



Coastal's inland water drill barge Rig 20 has experienced only four hours of downtime since delivery from the shipyard in November 2002.

750 rig to add to its South Texas fleet that will be available this summer to take advantage of the extremely busy onshore drilling market.

The company's four present rigs have contract backlogs that will keep them busy to at least late this year. ■