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SEC Accelerates Growth Through Products And Services

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SEC Energy Products and Services (SEC) was founded in 2003 on the principle that quality people and a straightforward approach to gas compression design would produce a product at a great value. With that approach SEC has seen exponential growth over the last four years. In September 2007, SEC was recognized by the *Houston Business Journal* in its Houston Fast 100 Growing Companies poll where SEC was ranked second based on sales growth. The company expects to continue the growth trend through 2007, which is already the best year in the company's history. Based on an existing backlog and a business plan that includes the expansion of packaging, technical service and power generation capabilities, 2008 appears to be even more promising.

Initially, SEC's primary focus was as a packager of compression equipment utilized in wellhead and gathering service applications and by rental fleets. As it grew, it caught the attention of mid-stream



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companies and was soon packaging large units utilized for transmission and gas storage projects. Although most of SEC's packages are driven by gas engines, they have also packaged large electric motors, primarily for use where low emissions are required by state law.

The Barnett Shale play of North Texas has been one of the most prolific drilling areas in the country over the last few years. SEC has been very active in building and installing compressor packages in this region. The company is currently installing 10 large packages which feature the 8,180 horsepower Caterpillar G16CM34 engine coupled with the Ariel KBV/6 frame.

One new business opportunity SEC is developing is the fabrication of production vessels and equipment, such as separators and dehydrators. This will be a natural progression, utilizing the same shop personnel, equipment and facilities currently fabricating compression equipment.

Another growing segment of the company's business portfolio is the operation and maintenance of compression packages and power generation equipment. This includes overhauls and re-vamps which can be done in a shop or in the field. According to partners Gary Hyde and Ralph Gates and Technical Services Manager Clint Green, the Technical Services Group has experienced "tremendous" growth in recent months, doubling in size over the last year. Green said the group now has technicians covering every region of Texas. The Houston-



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based service technicians cover south, central and east Texas, as well as south Louisiana. There is also a shop in Houston which is used for overhauls and re-vamps. SEC has personnel located in Fort Worth, Cleburne and Fairfield to cover the Barnett Shale development and other areas in north Texas. This group also covers Oklahoma

and north Louisiana. They recently established a presence in the Rockies, based out of Farmington, NM. There are plans to expand this group to include the Piceance Basin of Colorado.

SEC can generally overhaul an engine on-site in the field, in a week or so. Since overhaul service requires the unit to be out

of commission for an entire week, some customers prefer that SEC switch out the engine with a spare swing unit which can be completed in a day. Green said they try to have a spare engine on standby for such situations.

The company is a qualified distributor for most of the major manufacturers, such as Ariel and Waukesha, and is an OEM Gold Level dealer for Caterpillar. This allows SEC to offer genuine parts to their customers at competitive prices. SEC leads the industry in master mechanics, to include technicians certified by Caterpillar to commission their largest and latest technology engines. SEC also handles electronics upgrades for units, emissions monitoring, and other environmental and corrosion control work. Training is an integral part of the company's philosophy, offering at least one school each quarter for its customers and in-house employees.

Additionally, the company provides power generation installations and maintenance in applications that range from private homes to cell towers, crew boats and compressor stations.

Compressor packaging will remain a key focus of the company, having built more than 500,000 bhp since entering its facility in northwest Houston.

