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 ★ COVER STORY ★

Ramping Up for Oil's Return

Instead of sitting on its heels, Bobcat Contracting LLC is gearing up for the inevitable return of the oil and gas industry's prominence in the American economy.

BY BRIAN SALGADO

Bobcat Contracting's pipeline and mechanical division represents about 70 percent of the company's revenues today.

As oil prices plummeted over the course of 18 months, countless oilfield service providers gritted their teeth to ride out the downturn for as long as it may last. Many opted to lay off employees to stay afloat as the number of rigs steadily declined. ¶ While these companies chose to panic over the present state of the industry, Bobcat Contracting LLC instead chose to prepare for its inevitable return to normalcy. According to Roy M. "Marc" Young, founder and president of Bobcat Contracting, his company is using the downturn in the industry to ramp up for the price of oil to return to profitable levels by scooping up assets – be it equipment, human resources or accounts – other companies let fall by the wayside. ¶ "Right now, we see the downturn in the oil and gas industry as a huge opportunity," Young says. "Before, our problem with growth was the job market was so strong that there weren't many people in the industry available. Now we've hired some talented people that we currently don't have a need for, but we know the industry will come back at some point, so we consider this a long-term investment."

“Sometimes we find a great guy with contacts and abilities we didn’t have, so we’ll hire him and let him create his own spot.”

— Roy M. “Marc” Young, founder and president

Young launched his firm in 1994 and Bobcat Contracting was incorporated in 1997. Young says he has spent his entire career in the energy business. He started out performing secondary residential electrical, water and sewer work. In 1996, Bobcat Contracting began performing pipeline work, starting with just one backhoe and a crew of three people. In those early years, Young began

purchasing sand and gravel pits to perform small dirt projects.

By 1999, Bobcat Contracting had moved fully into the oil and gas industry and has grown exponentially ever since by catering to this sector, specializing in pipeline construction and maintenance. In 2010, Young started Bobcat Electrical & Instrumentation (E&I), which performs electrical and automation services

for the oilfield and midstream sectors. By 2013, Bobcat E&I began performing overhead electrical services for its oil and gas clients.

Last year, Young saw the need to move into the crane business, so the company launched Bobcat Crane. These three divisions – crane, electrical and instrumenta-

tion, and pipeline and fabrication – are run from Bobcat’s headquarters in Hillsboro, Texas. Bobcat Contracting has become a turnkey provider of construction services for the energy industry. From piping to electrical, pumps to excavation, concrete

to integrity, and now cranes to overhead power, the company has

Bobcat Contracting has become a turnkey provider of construction services for the energy industry. From piping to electrical, pumps to excavation, concrete to integrity, and now cranes to overhead power, the company has truly become a one-stop shop for the energy industry.



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truly become a one-stop shop for the energy industry.

Today, the company has five offices – four in Texas and one in Oklahoma. Bobcat Contracting’s pipeline and mechanical division represents about 70 percent of the company’s revenues. This group performs pipeline construction and maintenance services as well as piping, civil and mechanical work inside terminals, tank farms and refineries.

“Most of our work is to and from the refinery,” Young says. “Our pipeline work is

entirely midstream.”

These additional services, according to Young, are the reason Bobcat Contracting not only has survived the downturn of the oil and gas industry, but come out ahead of it.

In an era when firms are fighting to stay open, Bobcat Contracting had 10 percent sales growth in 2015, with its revenues growing to \$110 million.

“The oilfield has been good to us,” Young says. “There are so many wells drilled and so many unfinished projects

that need to be completed that we haven’t seen much of a slowdown. We’re finishing up what was started a couple years ago.”

Bobcat Contracting has continued to hear positive feedback from customers even during this tough business environment.

“Our customers rave about our ability to meet deadlines and lower costs,” Young says. “We work hard to help our customers improve operational efficiencies and maximize profitability.”

Bobcat Contracting continues to hire some of the best and brightest employees who happen to be victims of the downturn of

the oil and gas industry. Young maintains the company may not have the work for them presently, but he wants to utilize their years of experience in the business to drum up new clients, ideally.

“Sometimes we find a great guy with contacts and abilities we didn’t have, so we’ll hire him and let him create his own spot,” Young says. “We might not have that part of the industry yet, but we’d like to get into it.

“We’re pretty cash strong, so we have time to let them build their own little division. There are so many good people available right now,” Young adds.

To meet the safety demands of its clients, Bobcat Contracting LLC has added several experienced health and safety employees to its ranks. One staff member is dedicated strictly to fleet safety, overseeing as many as 300 trucks that traverse the roads daily.



So far, this plan has worked out well for Bobcat Contracting. Many of the people the company has hired recently lost their jobs due to downsizing, but their customers liked them, so they are willing to follow their account holders to greener pastures.

Safety First

No matter the state of the economy, oil and gas companies demand the safest of operations from their service companies, and that is exactly what Bobcat Contracting provides. The company has earned Texas Mutual Insurance's annual safety award

for three consecutive years.

To meet these demands, Young says Bobcat Contracting has added several experienced health and safety employees to its ranks. For example, one staff member is dedicated to fleet safety, overseeing as many as 300 trucks that traverse the roads daily. Another is devoted strictly to electrical safety.

Here to Stay

As Young puts it, everything is based on a company's experience modification rate (EMR), which can make or break a contractor's viability in today's litigious at-

mosphere. Young says Bobcat's EMR once stood at .9 about five years ago, predominantly due to a bevy of smaller issues. Bobcat Contracting has brought its rate down to .5 since in the ensuing years.

"We preach that safety and quality are worth a lot, and that's what we sell," Young says.

Here to Stay

Not only has Bobcat Contracting committed to keeping its staff intact during the oil industry's downturn, but it has nurtured a sense of loyalty in its workforce that has endured since the 1990s.

Each employee at Bobcat is issued an employee ID number. Young says he recently hired employee number 1,700, yet employees Nos. 1 and 2, Jay Mackey and Jeff Bailey, are still with Bobcat, as are many who don badges with numbers under 100.

Young also says Bobcat employs generations of families within its ranks, which he says is a testament to the type of company he operates.

"With the next group coming in and the young group we have, we're a single source that offers what the customer needs," Young says. ☺

