

Texas company helps energy giants keep track of equipment

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Keeping track of billions of dollars of equipment that's constantly on the move is one of the oil and gas industry's toughest challenges. Time is always money. But it's a fortune when it's downtime in the oilfield or offshore.

"Frac tanks, generators and pumps, trucks, vessels and cargo are constantly being relocated on drilling rigs, platforms, shore bases, marine vessels and in oilfields," says James MacLean, the 37-year-old CEO and founder of Geoforce Inc. of Coppell, Texas.

"Knowing where anything is at any given moment can be a logistical nightmare."

Geoforce's satellite-tracking network - touted as the world's largest specifically designed for the energy business - helps BP PLC in the Gulf of Mexico, Pioneer Natural Resources Co. in the West Texas Permian Basin, National Oilwell Varco throughout North America and Schlumberger Ltd. throughout the world.

MacLean, who founded Geoforce in 2007, learned how hard it was to find equipment in a hurry when he was in his 20s.

A friend of his quit a job at Schlumberger, complaining that he'd been transferred five times, worked horrible hours and dealt with one crisis after another. He handled dangerous explosives and radioactive materials. The only positive was that the job paid twice what he'd been

offered anywhere else.

MacLean was sold long before his friend got to the money.

"The whole time I'm thinking, 'Wow! This sounds like a great adventure.'"

FIRST JOB

MacLean got a job as a wireline engineer for Schlumberger in the Gulf of Mexico.

BP was Schlumberger's largest customer, and Mac-Lean's job was to evaluate new oil reservoirs for BP's drilling projects, including those of the ill-fated Deepwater Horizon.

He routinely got calls in the dead of night telling him to rush by helicopter from his home in Houma, La., to a platform hundreds of miles into the gulf. He'd scramble to assemble his team, pinpoint the closest equipment and get it to the rig.

"It was a chaotic environment," he says. "My job was to deal with it."

He admits that working in a pressure cooker was a hoot. That's what drew him to the job in the first place.

People assume that Mac- Lean saw the craziness, had a light bulb moment and founded Geoforce.

"But that's not how it happened," he says. It was the other way around.

In 2007, MacLean, who'd moved to Dallas, had tracking technology in search of a problem. That's when the idea of oil equipment hit him.

His first customer was an oilfield equipment rental company.

Geoforce got its big break in April 2010, helping BP with the cleanup after the Deepwater Horizon disaster. BP had been using Geoforce to track its cargo-carrying equipment and needed to prove that it had deployed oil skimmers and beachcombers from Louisiana to Florida.

"The White House was understandably saying, 'You don't know what you're doing. We're going to bring in track-and-trace experts from the military and Wal-Mart to track your equipment,'" MacLean recalls. "And BP said, 'No, we've got a partner company that can do this.' And that was Geoforce."

The White House probably didn't realize that Geoforce was an eight-person company at the time.

"It was all hands on deck," MacLean says. "We had guys riding in boats with the Coast Guard to find the equipment. We put 1,120 of our tracking devices on it. BP and the Coast Guard used our Web-based software at the Coast Guard's command center in Mobile to monitor the location of all of the equipment. It was a big, big success."

BP would not comment beyond confirming that Geoforce is a vendor in good standing.

GROWING FAST

Today Geoforce has 65 employees, up from 40 at the year's start. MacLean expects revenue to reach nearly \$20 million, twice that of 2013.

Irving, Texas-based Pioneer uses Geoforce to track the trucks hauling water to and from its rigs in the Permian Basin.

"In a field that stretches 150 miles north to south and 75 miles east to west, knowing where trucks are is extremely important," says Dennis Lithgow, Pioneer's field services vice president. "Geoforce has developed a user-friendly system at an affordable cost."

Lithgow says Geoforce is more than willing to upgrade its GPS and software to meet Pioneer's changing needs. "It's refreshing to work with a company that wants to make their system grow with the industry they serve."

Pioneer uses billing software to make sure it only pays for services and rental equipment it actually uses.

"There's a saying in the industry," MacLean says. "I know half of my billing is wrong. I just don't know which half."

Geoforce tracking devices cost \$295 apiece with volume discounts. The smallest is the size of a hockey puck; the largest is as big as a paperback. The units, which have a five-year battery life, are affixed to equipment, vessels, vehicles and other assets and are satellite synced up to six times a day. It typically costs \$16 a month to monitor each unit, MacLean says.

RUGGED DEVICES

There are other track-and-trace systems to monitor vehicles, but Geoforce's devices are rugged enough to handle unforgiving oilfield and offshore conditions in remote parts of the globe.

While more than 90 percent of Geoforce's devices are used in the oilfields, they've also tracked iceberg movement and water currents. Scheid Vineyards in California uses them on its harvesters to streamline operations.

A year ago, Houston Ventures invested in excess of \$10 million in Geoforce, says Chip Davis, managing partner of the venture capital firm. "There is a lot going on (in the energy industry). As a result, there are a lot of logistical issues. We like to invest in those problems."

Houston Ventures has a 10-year horizon on its investments. So what does Davis expect Geoforce to be in 2023?

"It's a top-line, several-hundred-million-dollar business," says Davis, who sits on Geoforce's board.

Profitable at that point?

"Absolutely."

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JAMES SHIER MACLEAN III

Title: Founder, president and CEO of Geoforce

Age: 37

Grew up: Jacksonville, Fla.

Education: Bachelor of science in mechanical engineering, Georgia Institute of Technology, 1999; MBA from Duke University, 2007

Personal: Married to Jennifer for 13 years; two sons, 8 and 10

GEOFORCE INC.

Founded: 2007

Headquarters: Coppel

Ownership: Private investors led by James MacLean and Houston Ventures

Employees: 65

Revenue: \$20 million projected for 2014

SOURCES: Geoforce; Houston Ventures

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