Membership Luncheon

Former Navy SEAL Chris Fussell on teamwork

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NEW MEMBERS
We trust that you have seen the value of your investment in PESA in 2017, as we have just completed our third consecutive year of positive growth thanks to your strong support and engagement with the Association. While significant industry challenges have continued this year, member companies have continued to persevere through these challenges, building a foundation for future development of the service and supply sector.

Serving as the unified voice for the sector, advocating for and supporting the sector’s achievements in job creation, technological innovation and economic stability, PESA seeks opportunities to further empower its members and support this vital sector. PESA’s ongoing work is embodied in its mantra: **Train, Elevate, Network** which translates into a broad range of programs and services that are focused on workforce development, advocacy and business intelligence. In 2018, PESA will continue to add opportunities in support of these principles.

- PESA’s workforce development and training programs have been a valuable resource to its members, particularly during the challenging times of the last few years. In 2017, PESA conducted more than 70 seminars, training programs and leadership forums, and the schedule for 2018 is even more robust. Workforce development programs are designed to cultivate talent, strengthening skills and competitiveness.

- Another priority for PESA is to elevate the views of the oilfield service sector. PESA engages with policymakers on legislation and regulations that impact the safety and vitality of the energy industry. As federal and state agencies move forward in implementing the Administration’s agenda, PESA is increasing awareness of issues that impact our sector with increased advocacy activities and two separate Washington, DC, Fly-In events in 2018.

- A valuable service that underpins all PESA events, programs and activities is the opportunity to network across the supply chain, with key customers and industry thought leaders. In addition to building relationships with colleagues and clients, events are focused on keeping members up-to-date with trends and issues impacting the industry. A number of events are already scheduled for 2018, and we continue to work with our members to develop additional opportunities.

In order to expand the business intelligence offered to the sector, PESA has identified targeted regional domestic and global locations, creating group settings where PESA members can benefit from the ability to address region-specific issues through an influential industry group, engage in best-practice sharing within antitrust compliance and receive sector-specific industry intelligence.

- Utilizing a regional district growth model to scale for success in targeted international locations, PESA implemented a phased approach with strategic intent for global growth starting with the Mexico market. PESA also hosted a Middle East Regional District Meeting in Abu Dhabi on November 14, bringing in an operator executive and U.S. diplomatic officials. In 2018, PESA will continue to identify ways to serve members in Mexico and further develop the Middle East Steering Committee.

- Domestic PESA Regional Districts are Gulf Coast, Mid-Continent/Rockies, Northeast and West TX/South TX. In 2017, Regional District meetings were held in Midland, Odessa, Oklahoma City and Lafayette. In 2018, PESA will continue to develop our regional presence in West Texas and the Mid-Continent regions by adding events in Midland and Denver, as well as expanding the Northeast district.

PESA exists and prospers because it offers specific benefits to its members that cannot be realized individually – it has done this successfully for more than eight decades and will continue to do so in the years ahead. Preparations for an extraordinary 2018 Annual Meeting are well underway, and we look forward to seeing you April 25-27 at the Ritz-Carlton Reynolds, Lake Oconee in Greensboro, GA.

We are truly appreciative of your time and resources in support of PESA and our sector.

Leslie Beyer  PESA President

2018 ANNUAL MEETING
EMERGING OPPORTUNITIES
FOR THE UPSTREAM INDUSTRY

Ritz-Carlton Reynolds, Greensboro, GA  April 25-27, 2018
PESA Value Proposition

**TRAIN. ELEVATE. NETWORK.**

**1. STRENGTHENING MEMBER COMPANIES**

- **PESA GROWTH**
  - 2014 Events: 12
  - 2017 Events: 70+

- **WORKFORCE DEVELOPMENT**
  - 200+ Executive Leadership Graduates in 3 Years
  - Provided Executive Mentoring for More Than 100 Emerging Leaders
  - Technical Trainings
  - Lunch and Learns Led By PESA Members

- **SECTOR LEADERSHIP**
  - Leadership Forums
  - Committee Collaboration

- **PESA GROWTH**
  - 2014 Committee Members: 35
  - 2017 Committee Members: 200+

**2. CONNECTING LEADERS IN THE OILFIELD**

**COMMITTEE BENCHMARKING**

- Credit Interchange Division, Emerging Leaders, Energy Educators, Engagement, Environmental Policy, Government Affairs, Health & Safety, HR, Int’l Outposts, Int’l Programs, Int’l Trade Policy, Legal, Membership, Mexico Task Force, Policy, Regional Districts, Supply Chain

**3. INCREASING OPPORTUNITIES FOR ENGAGEMENT**

**PUBLIC POLICY**

- OCS Access
- EPA Discharge Permits
- Modernized NAFTA
- Revised Well Control Rule
- Russian Sanctions Refinements
- Lifting Oil Export Ban
- Methane Venting Regulations
- Global Influencers: Meetings with Libyan NOC Chairman, Ecuador Minister of Hydrocarbons, Mexico Deputy Secretary of Energy

**ENERGY EDUCATION**

- Contributions to STEM Education Reached 150,000+ Students in 2017
- Trained 750+ Foreign Service Officers
- Education-Based Advocacy
- Rice University Fellowship

**OPPORTUNITIES TO ENGAGE**

- Emerging Executive Connections
- Industry Network Building
- Supply Chain Relationship Building

**BUSINESS INTELLIGENCE**

- Credit History on 10,000+ Oil and Gas Customers & Suppliers
- Region-Specific Market Outlooks
- Sector-Specific Regulatory Intelligence

**DRIVING KEY BUSINESS PRACTICES**

- Sector-Specific Insights
- Regional District Meetings in Midland, Middle East, Oklahoma City, Lafayette/Gulf Coast
- Exposure to Key Operator Executives
- Sector Benchmarking on Gender Diversity and Safety
After a thoughtful and deliberative process, the PESA Board of Directors voted to raise corporate PESA membership dues effective in January 2019 in order to sustain growth, maintain our high-quality programs, deliver continued benefits, and achieve PESA’s critical mission of advocating for and supporting the oilfield service and supply sector. The Board approved the dues increase January 12, 2018, considering the following points:

- Enhanced PESA Train-Elevate-Network Value Proposition delivering significant value to member companies
- Association activities and programs must be properly funded going forward in order to sustain current growth trend
- Opportunities for training and networking have increased from 12 to 75 events annually in the past three years
- No comprehensive dues increase in more than 7 years

This action is essential to continue to grow the Association’s strength, and to help us serve as an even better resource for all companies in the service and supply sector. With awareness of current market conditions, this announcement is made now for inclusion in your 2019 budget planning process. We invite you to contact any of us to discuss this action that is critical to the national association for the oilfield service, supply and manufacturing sector.

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**2019 APPROVED DUES SCHEDULE BASED ON PRIOR YEAR GROSS GLOBAL REVENUE**

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PESA PRESIDENT
Leslie Beyer

PESA VP
COMMUNICATIONS AND MEMBER RELATIONS
Molly Smart
Former Navy SEAL and New York Times bestselling author Chris Fussell addressed PESA’s Membership Luncheon on October 30.

Fussell, a leadership consultant for McChrystal Group and author of “One Mission: How Leaders Build a Team of Teams,” spoke to the audience about how to make organizations flatter and more interconnected, taking his military (Special Operations) experience and translating it into the corporate world. He explained that although there may be various groups within an organization that run well, they may also run in isolation.

Today, as our world continuously changes, traditional paths for connecting teams do not work well. Aligning teams and improving collaboration relies heavily of the willingness of employees at all levels to identify and commit to a common vision and mission. Only then can the silos be broken down and cross-functional collaboration be promoted.

Fussell also highlighted how interconnecting teams can be difficult, as most organizations are used to a hierarchical environment. As long as senior leaders can be comfortable in the middle of the organization rather than sitting at the top of the pyramid, a well-developed, interconnected network can thrive.

Attendees from more than 80 companies met senior leaders in the oilfield service, supply and manufacturing sector and learned how PESA membership can benefit their company. If you know of a company in the oilfield that would benefit from PESA membership, please reach out to Peggy Helfert.

> THANK YOU TO OUR SPONSORS

- Baker Hughes
- Gardner Denver
- GR Energy Services
- HOOVER FERGUSON
- NOY
- WEHR
Shell Oil Honored at Explorers Reception

Each year, PESA presents the Explorers of Houston Award, established in 1999 to recognize exploration and production companies demonstrating excellence in technological innovation and industry leadership. In 2017, PESA changed the focus of this award to recognize companies in the industry who have demonstrated extraordinary commitment to STEM and Energy Education.

Explorers of Houston Committee Chairman Chuck Chauviere, President – Drilling Systems, Baker Hughes, a GE company, identified Shell Oil Company as the awardee in 2017 due to its extraordinarily strong support for the IPAA/PESA Energy Education Center and Petroleum Academies. On November 16, PESA and IPAA members gathered at the Junior League of Houston for the award reception.

“I am honored to present this award to Shell Oil Company,” Chauviere said. “Shell has been an integral part of the IPAA/PESA Energy Education Center, hosting nearly 100 students over eight years since the inception of the externship program in 2010.”

Accepting the award on behalf of Bruce Culpepper, Shell U.S. Country Chair & President, Shell Oil Company, was Scott Ballard, Executive Vice President – Human Resources. Ballard spoke to the current disparity between STEM related jobs and degrees earned in these fields.

“When we look to the classrooms, we see a discouraging dearth of students on track for these professions. Not enough kids are studying the essential STEM subjects. Some 60% of the new jobs developed in this century will require STEM skills, but only 13% of U.S. college graduates earn STEM degrees.”

Ballard highlighted the importance of promoting STEM jobs in the industry and growing tomorrow’s explorers.

“These students are going to discover better solutions than we dare to imagine. But it’s up to us to get them started,” he said.

Ballard commended the service and supply sector as the leading producer of technology that drives our industry. PESA members are proud to partner with companies like Shell Oil Company as they set the stage for a strong future through technological innovation.
AS AN HR PROFESSIONAL, I AM THRILLED TO WATCH BUDDING SCIENTISTS AND ENGINEERS PREPARE FOR THEIR ROLES IN ENERGY.
— Scott Ballard, Executive VP of Human Resources, Shell Oil Company —
2017 Mid-Continent District Meeting

PESA welcomed WPX Energy Chairman, CEO, and President Rick Muncieff as the keynote speaker of PESA’s Mid-Continent District Meeting held October 13 at Baker Hughes, a GE company’s Global Research facility in Oklahoma City.

Muncieff shared the operator perspective of the case for continuous improvement, including, challenges, strategic goals and transformation for WPX Energy’s operations.

Additionally, he included changing expectations, drivers and key to success for E&P’s and the entire industry.

“PESA is an important platform to connect operators with the service and supply sector providing direct communication for greater efficiency gains,” he said.

Ira Green, Managing Director, Head of Energy Capital Markets, Simmons & Company International, Energy Specialists of Piper Jaffray opened the meeting with a presentation on Energy Capital Markets Environment. The event was hosted by PESA Board Member and Mid-Continent District Chairman Charles Davison, President and CEO, FairfieldNodal.
PESA welcomed **Danny Wesson**,**Diamondback Energy Vice President, Operations**, as the keynote speaker of PESA’s West Texas Regional District Meeting held September 20 at Gardner Denver in Odessa. PESA members and guests from more than 40 companies attended the meeting.

Wesson shared Diamondback Energy’s market position and explained how the company has realized exponential growth due to the quality and size of its asset base. He also shared strategic plans and how those plans align with Diamondback Energy’s core values and service partners. **John Daniel**, Managing Director and Senior Research Analyst, Oil Service, Simmons & Company International, Energy Specialists of Piper Jaffray opened the meeting with an Economic Outlook presentation.

The event was chaired by PESA Advisory Board Member and West Texas Regional District Chairman **Pat Bond**, Co-Chief Executive Officer, Gravity Oilfield Services. The goal of the West Texas Regional District Meetings is to create group settings where PESA members can benefit from the ability to address region-specific issues through an influential industry group, engage in best-practice sharing within antitrust compliance and receive sector-specific industry intelligence.

> **THANK YOU TO OUR SPONSORS**

**West Texas Steering Committee**

A West Texas Steering Committee has been formed recently with Midland- and Houston-based executives from the following companies:

If you are interested in joining the West Texas Steering Committee, please contact Leslie Beyer.

**TOP LEFT to RIGHT:**

PESA Regional District Chairman Pat Bond, Gravity Oilfield Services, introduces Danny Wesson, Diamondback Energy

**LEFT:** John Daniel, Simmons & Company International

**THANK YOU TO OUR SPONSORS**

COVENANT TESTING TECHNOLOGIES, LLC

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Gardner Denver

[Logo]

Gravity Oilfield Services

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JD Rush Corporation

[Logo]

LOCKTON GLOBAL ENERGY & MARINE

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SIMMONS & COMPANY INTERNATIONAL

Energy Specialists of Piper Jaffray

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SIMMONS & COMPANY INTERNATIONAL

Energy Specialists of Piper Jaffray

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GALTWAY INDUSTRIES

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GALTWAY INDUSTRIES

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Key Energy Services

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OFS Portal

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Schlumberger

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SIMMONS & COMPANY INTERNATIONAL

Energy Specialists of Piper Jaffray

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TechnipFMC

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Oil & Gas 101 Provides Industry Overview

Individuals from across the service and supply sector gathered in October for a comprehensive overview of oil and gas production, hosted by the PESA Emerging Leaders Committee and sponsored by Baker Hughes, a GE company.

PESA Board Member Chuck Chauviere, President of Drilling Systems, Baker Hughes, a GE company, kicked off the two-day seminar conveying the importance of personal development and continual learning. Jim Wicklund, Managing Director for Equity Research, Credit Suisse, then provided a market outlook to set the stage for the seminar.

Since 2014, the U.S. has had a major impact on the global supply and demand, and E&P companies can increase production faster than any other company in the world. Oil companies have returned to the U.S. after decades, and technology has allowed that to happen.

“The leaps that we have made are staggering,” Wicklund said.

To see the Oil and Gas 101 presentations, check pesa.org under “Meetings & Events.”
The PESA International Outposts Subcommittee hosted a Middle East Regional District Meeting at the Schlumberger Middle East and Asia Learning Centre in Abu Dhabi on November 14 during the Abu Dhabi International Petroleum Exhibition and Conference (ADIPEC).

The mission of the Regional District Meeting was to provide a collective environment where PESA members were able to address MENA region-specific issues through an influential industry group, engage in best-practice sharing within anti-trust compliance and receive region-specific industry intelligence.

Ambassador Douglas Silliman addressed U.S. corporate development in Iraq and Deputy Chief of Mission Steven Bondy, addressed U.S. corporate development in the UAE.

In his keynote speech, Zahir Al-Wahaibi, Strategic Finance Manager, Petroleum Development Oman (PDO), addressed region-specific industry dynamics surrounding the current low-cost environment as well as operator/oilfield service and supply collaboration.

After the address, attendees convened for a group luncheon to informally discuss and identify target region-specific issues. PESA Board Member Richard Alabaster, President-Surface Technologies, TechnipFMC; PESA Middle East Regional Chairman Dennis Jol, VP – International, DistributionNOW; and PESA President Leslie Beyer provided overviews of PESA’s mission and goals in international development.

MENA Regional District Chairman Dennis Jol, DistributionNOW currently leads the PESA MENA Steering Committee, comprised of Baker Hughes, a GE Company; Caterpillar Oil & Gas; DistributionNOW; Forum Energy Technologies; Frank’s International; GTUIT; Gardner Denver; Halliburton; LoneStar Group; Nabors Drilling; National Oilwell Varco; SOR Controls; TechnipFMC; Weir. If your company is interested in joining the PESA MENA Steering Committee, please contact Leslie Beyer.
**INTERNATIONAL OUTREACH**

**Mexico Deputy Secretary of Energy**

Mexico Deputy Secretary of Energy for Hydrocarbons Aldo Flores-Quiroga met with PESA Executives on October 18 over a private lunch hosted by the PESA Mexico Task Force.

The Secretary shared insights into Mexico’s developments, including the transformation of its oil and natural gas industry with 67 E&P companies now having a presence in the country. He also highlighted recent successes of two private companies that have announced discoveries totaling 3.4 billion barrels of oil equivalent (BOE). The Secretary expects private sector to build on that success through a robust five-year offering plan that includes more than 500 E&P blocks and 80 production fields.

The Secretary also provided an overview of the upcoming shallow-water and deep-water acreage that were offered for tender in January. Twenty-five operators have already signed-up to participate in a bidding round which has prospective resources of more than 6 billion BOE. Also, PEMEX will be offering a farm-out opportunity for the deepwater Nobilis-Maximino block, which is reported to have reserves of 500 million BOE.

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**Ecuador Minister of Hydrocarbons**

Ecuador Minister of Hydrocarbons Carlos Pérez met with PESA Executives on October 5 in Houston. The Minister said that Ecuador is shifting from state-driven investments to direct private participation in the oil and natural gas industry. His goal is to increase Ecuador’s oil production by 30% over the next four years, from 550 kb/d to 720 kb/d, primarily from developments in mature fields. At present, state-owned oil company Petroamazonas produces 80% of the country’s oil.

Ecuador recently adopted new policies to help bolster investments by the private sector. The new policies provide for production-sharing contracts which give contractors ownership over their oil production. Existing fields in the Intracampos area were open for bidding in November. During the second quarter of 2018, Ecuador plans to offer for bidding acreage in the Sur Oriente area, which is near existing Peruvian developments.

“We want companies that are going to go to Ecuador, stay there, and work with us through good times and bad,” Minister Pérez said during the discussion.

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**Chairman of Libyan National Oil Corporation Meets With PESA**

Libyan National Oil Corporation (LNOC) Chairman Mustafa Sanalla met with PESA Executives on November 16. Chairman Sanalla advised the attendees LNOC plans to open a Houston procurement office in early 2018.

Chairman Sanalla said LNOC has substantial needs from the oilfield service and supply sector. LNOC plans to leverage the Houston procurement office to ensure it obtains the best technology in a transparent process. PESA attendees encouraged the Chairman to consider an engineering function in addition to provide technical support to the procurement officers.

While unrest continues in Libya, Chairman Sanalla stressed LNOC will remain a neutral entity. As LNOC moves forward with rebuilding, there will be substantial opportunities for oilfield service and supply sector companies, that can offer innovative solutions to complex E&P activities.
Leadership Forums

The PESA Emerging Leaders Committee hosts bimonthly leadership forums, which allow member company high-performers to have an open dialogue with industry executives structured around a targeted theme.

Dave Warren, Energy Alloys

On November 30, the PESA Board Member Dave Warren, President & CEO, Energy Alloys, addressed the psychology of recovery.

Warren discussed transitioning his company’s mindset from a scarcity mentality to a growth and abundance mentality to capitalize on future opportunities. He spoke about how to lead an organization through the slow times to prepare them for the next period of prosperity by aligning the organization for long-term success.

“Leadership is creating a vision with the absence of complete information. Spreadsheets and models can only go so far. At some point, a leader must realize what the data says, see the gaps, pick a direction that you are convicted with, create a vision for the leadership team that everyone buys into, then start executing. If you don’t do that, then you are going to be left behind,” Warren said.

Richard Alabaster, TechnipFMC

On September 14, PESA Board Member Richard Alabaster, President – Surface Technologies, TechnipFMC, shared insights on becoming and being a leader.

**BECOMING A LEADER**

**Diagnose**
- Ask questions – get the good and the bad.
- Understand organization strengths, weakness, issues.
- Synthesize into coherent situation analysis.

**Strategize**
- Work with team and/or stakeholder to develop a strong vision and strategy.
- Use consultants sparingly.
- Take the time and put in the effort. It is always worth it.

**Organize**
- All efforts back to fundamental principles.
- Marshall resources and put the right people in the right roles to execute strategy.
- Set clear expectations and accountability.

**BEING A LEADER**
- Articulate and motivate.
- Communicate vision and strategy to the whole team, supervisor(s) and peers.

- Get buy-in, drive motivation and execution.
- Be passionate – get some charisma!

**SET THE EXAMPLE**
- You will be called upon to arbitrate and decide. Always do so in line with the vision and strategy!
- Always explain citing the vision and strategy. Don’t be perceived as arbitrary!
- Call stop on anything out of line with the vision and strategy (drive focus).
- Manage risks.
- Think (way) ahead.
- Explicitly identify risks, head them off and/or have a back-up plan.
- If something in your vision and strategy isn’t working, change it!

“It is a leader’s responsibility to develop strong vision and strategy, and to make sure all efforts tie back to those fundamental principles,” Alabaster said.
PESA Committee Chair Recognition

PESA Committees manage a range of programs designed to educate, empower and elevate sector professionals and collective member companies. Active engagement with PESA committees is an opportunity for professionals at all levels and their companies to show leadership, network with other industry leaders, and gain recognition for helping improve the industry. PESA Committee Chairs each serve three-year terms. PESA would like to recognize the following members for their outstanding committee leadership.

CID OPERATING COMMITTEE
Chairman Randy Friedsam, Director – Credit & Collections, Select Energy Services
Advisory Board Liaison Carrie Mendiola, North American Credit Manager, Schlumberger

EMERGING LEADERS
Chairman Ronnie Kott, Manufacturing Manager, Schlumberger
Vice Chairman Jigna Bhakta, Director, Key Accounts, Baker Hughes, a GE company
Board of Directors Liaison Chris Cragg, Executive Vice President, Operations, Oil States International

ENERGY EDUCATORS
Chairman Galen Cobb, Vice President – Industry Relations, Halliburton

ENGAGEMENT
Advisory Board Liaison Michelle Lewis, Chief Strategy Officer, SVP, Corporate Development & Investor Relations, DistributionNOW

ENVIRONMENTAL POLICY
Chairman John Candler, Director, Occupational Health & Environment, M-I-SWACO

GOVERNMENT AFFAIRS
Chairman Kevin Crowley, President & CEO, Forged Products, Inc.
Co-Chairman Tom Moyers, Vice President, Industry Affairs, Schlumberger

HEALTH & SAFETY
Chairman Loren Boisvert, VP Operations, Stream-Flo
Advisory Board Liaison Kyle Chapman, Vice President – QHSSE, Weatherford

HUMAN RESOURCES
Chairman Dave Warnick, Division Vice President, Human Resources, Weir Oil & Gas
Vice Chairman Susan Webb, Global Human Resources Director, TechnipFMC

INTERNATIONAL OUTPOSTS
Chairman Mitch Williams, Director of Sales, Drilling, Baker Hughes, a GE company

INTERNATIONAL PROGRAMS
Chairman Jock Pool, Director of Compliance, Oceaneering International, Inc.
Board of Directors Liaison Dan Domeracki, VP, Government, Industry & Global Stewardship, Schlumberger

INTERNATIONAL TRADE POLICY
Chairman Doug Polk, Vice President, Industry Affairs, Vallourec

LEGAL
Chairman Mark Wolf, VP Legal, Surface Technologies & North American Regional Business Unit, TechnipFMC
Vice Chairman Alejandro Cestero, SVP, General Counsel, Secretary and Chief Compliance Officer, Frank’s International

MEMBERSHIP
Chairman Larry Kerr, Vice President & General Manager, Petroleum & Industrial Pumps, Gardner Denver

MEXICO TASK FORCE
Chairman Hugo Espinosa, Sales Director, Baker Hughes, a GE company
Advisory Board Liaison Jorge Goudet, President, AUGE

POLICY
Chairman Karen Knutson, Baker Hughes, a GE company

SUPPLY CHAIN
Chairman Brad Wise, Vice President, Marketing, DistributionNOW
Credit professionals gathered at the 2017 PESA Credit Interchange Division (CID) Annual Meeting on October 19 for networking opportunities, training on how to best utilize the CID platform and presentations from industry experts.

PESA-CID creates a unique opportunity for credit professionals to exchange trade credit information and histories on more than 10,000 customers. This data provides a cost-effective way for members to anticipate and reduce financial risk. Additionally, the program provides a strong network of credit professionals.

Speakers, including those from Key Energy, OFS Portal, ABC/Amega and Professional Alternatives, along with a panel of PESA Industry Members shared their expertise through presentations and engaging discussions.

Topics of discussion included Ecommerce – Credit & Collections: Order to Cash (DSO), Ecommerce – Introduction and Best Practices, Credit Reports & Becoming a FileSubmitter, and Personal Investment & Development. CID Operating Committee members also reviewed the new CID billing structure in detail.

Additionally, PESA held an election for two CID Operating Committee Members and updated its policies to facilitate increased member engagement. Congratulations to the 2017-2018 PESA Operating Committee: Committee Chairman Randy Friedsam, Select Energy Services; Don Burell, Schlumberger; Doug Dunlap, TETRA Technologies; Lauri McDonald, Nabors; Kristy Woolsey, DistributionNOW; and newly elected committee members: Kara Griffith, Newpark Resources, Inc.; and Darin Day, National Oilwell Varco. Carrie Mendiola, Schlumberger, serves as Advisory Board Liaison to the group.

Our sincerest thanks to Ross Guthrie, outgoing CID Operating Committee member and former Chairman, for his dedication and contribution to PESA-CID.

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Alex Epstein Workshop

PESA Members gathered for a half-day workshop “How to Talk To Anyone About Energy” on November 14 to discuss the most important messaging challenges and opportunities that energy companies currently face. Alex Epstein, author of “The Moral Case for Fossil Fuels,” facilitated the discussion.

Epstein is the President and founder of the Center for Industrial Progress, an energy advocacy group, and his work is considered a critical asset to help companies use his moral arguments to discuss climate, environmental policy and energy.

Epstein led and coached participants on how to frame conversations naturally in order to receive positive responses.

“The framework of the conversation should always be agreed upon before discussing the facts and if I can frame the conversation in the right way, then that’s going to dramatically improve the ability of the other person to process,” Epstein said. “The root cause of a successful energy conversation is the framework.”

Epstein offered participants a playbook of messaging to work from, including books and online resources for becoming an energy champion.

> THANK YOU TO OUR SPONSORS

DUFF & PHELPS  Gardner Denver  M&M  Schlumberger  Sunbelt Steel  World Oil
Representatives from PESA member companies ASRC Energy Services, Baker Hughes, a GE Company, Cummins, DistributionNOW, Forged Products, Halliburton, M&M International, Schlumberger, and SOR Controls Group met with members from Congress and the Trump Administration during PESA’s first Executive Fly-In held September 26-28.


“Developing an open dialogue with Legislative and Executive branch leaders in Washington is critical for the service and supply sector, and strong participation in the PESA Fly-In is key to achieving the sector’s legislative understanding and advocacy goals,” said Dan Domeracki, VP Government, Industry and Global Stewardship, Schlumberger.

In a meeting at the Department of Interior, Director Scott Angelle, Bureau of Safety and Environmental Enforcement (BSEE), shared his perspective on key regulatory issues. He asked for PESA member companies to encourage their employees to share their views on the importance of the oil and gas industry to local communities and external stakeholders.

The Fly-In program included a roundtable discussion with DC-based leadership of Shell and Chevron, as well as briefings by the State Department and Sarah Ladislaw, Center for Strategic and International Studies, on the geopolitical energy landscape.
High Performer Spotlight

Tony McClain
Sales Director
Gardner Denver

What influenced your decision to enter the oil and gas industry?

Prior to Gardner Denver, I worked for a few years in the construction industry. The oil and gas industry was attractive to me due to the similarities in the people and business practices. Oil and gas is full of wonderful, hard-working people, just like the construction business. Days can be long, but everyone works side-by-side until the task is complete. Even business practices are similar, as contracts are often finalized by a handshake at the local coffee shop. The integrity and character of the industry make me proud to call it home.

What was your impression of the industry beforehand and how has it evolved?

Working for an equipment supplier, I can see how technology has played a strong role in the evolution of our industry. For example, maintenance decisions are no longer based on “look or feel,” but now those decisions are based on data and analytics. In an environment of low commodity prices, using data analytics is allowing the equipment in the field to be operated at the lowest total cost during its full lifecycle.

What have you found to be the most surprising about the industry?

The level of technology and amount of work required to produce one unit of fuel is amazing to me. Most people outside the oil and gas industry underappreciate what actually happens before gas is pumped into a car or a gas furnace ignites to warm a home.

Where do you hope to see the industry develop over the next 5 years?

I believe the business cycles are one of the most challenging and rewarding aspects of the oil and gas industry. While industrial companies see 3-5% growth or decline, our industry can swing from the peaks of 2014 to the troughs of 2016. These swings can make attracting and retaining top talent a real challenge for oil and gas companies. For those of us who ride the roller coaster, we end up building strong relationships with our coworkers and customers as we navigate the business cycles. Born of the challenges, these bonds and relationships become one of the most rewarding aspects of our industry.

How has your involvement in PESA supported your career goals?

PESA has given me access to an invaluable network of industry executives. I appreciate the opportunity to step away from the day-to-day routine and network with the industry leaders. Learning how the various company leaders approach challenges such as market dynamics, talent retention and managing shareholder expectations are valuable insights for those earlier in our careers. Often after attending PESA events, I return to the office recharged with a fresh perspective on leading my team.

Tell us about some of the people you’ve met while working in the industry and how they’ve impacted your thinking.

Over the years, I have been given the opportunity to meet and interact with several leading oil and gas executives. One of the most valuable lessons has been the importance of giving back. Seeing how top industry executives take time from their busy schedules to give back to the next generation through servant leadership has changed how I approach leading my team. Specifically, the importance of open communication, leading not managing, and building a culture of positive encouragement, are all valuable lessons that have been shared by my industry mentors.

What are you most excited about for your career, your company and your industry?

I’m excited about a positive outlook for 2018. After a couple of tough years, the industry needs a year where all the upstream markets, including offshore, can enjoy some success. From a career perspective, leading through growth cycles can be just as challenging as leading through cycles of retraction. Supported by great people, products and processes, we believe our company is uniquely positioned to respond to the needs of the industry in the new year.
Member Networking
## U.S. Oil and Gas Field Equipment Exports

### Top 15 Destinations for Sept.-Nov. 2017 (in U.S. $1,000)

<table>
<thead>
<tr>
<th></th>
<th>SEPT</th>
<th>OCT</th>
<th>NOV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>86,461</td>
<td>6,656</td>
<td>5,677</td>
</tr>
<tr>
<td>Mexico</td>
<td>4,944</td>
<td>11,979</td>
<td>40,558</td>
</tr>
<tr>
<td>Russia</td>
<td>19,157</td>
<td>5,461</td>
<td>30,476</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>13,301</td>
<td>10,587</td>
<td>10,481</td>
</tr>
<tr>
<td>Canada</td>
<td>12,123</td>
<td>10,625</td>
<td>9,636</td>
</tr>
<tr>
<td>Marshall Islands</td>
<td>9,364</td>
<td>2,758</td>
<td>18,071</td>
</tr>
<tr>
<td>UAE</td>
<td>5,623</td>
<td>8,721</td>
<td>13,046</td>
</tr>
<tr>
<td>China</td>
<td>3,151</td>
<td>13,784</td>
<td>4,996</td>
</tr>
<tr>
<td>Brazil</td>
<td>7,780</td>
<td>7,169</td>
<td>6,521</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>8,916</td>
<td>6,029</td>
<td>4,526</td>
</tr>
<tr>
<td>Norway</td>
<td>3,293</td>
<td>6,200</td>
<td>7,855</td>
</tr>
<tr>
<td>Spain</td>
<td>386</td>
<td>3,189</td>
<td>10,046</td>
</tr>
<tr>
<td>Colombia</td>
<td>3,882</td>
<td>4,579</td>
<td>3,361</td>
</tr>
<tr>
<td>Kuwait</td>
<td>1,343</td>
<td>6,094</td>
<td>4,259</td>
</tr>
<tr>
<td>Trin. &amp; Tobago</td>
<td>3,872</td>
<td>3,998</td>
<td>3,582</td>
</tr>
</tbody>
</table>

### Subtotal:

|        | 183,603 | 107,837 | 173,098 |

### All Other:

|        | 58,336 | 79,400 | 61,473 |

### Total:

|        | 183,662 | 107,916 | 173,159 |

**Sources:** Data has been compiled from tariff and trade data from the U.S. Department of Commerce and the U.S. International Trade Commission.

## UP.Coming Events

- **February 22**
  Supply Chain Seminar
  Houston

- **February 28**
  Roundtable: Managing Through Natural Disasters
  Houston

- **March 1**
  Explorers Golf Tournament
  Houston

- **March 28**
  Pat Bond Leadership Forum
  Midland

- **April 3**
  West Texas Regional District Meeting
  Midland

- **April 25-27, 2018**
  PESA 2018 Annual Meeting
  Greensboro, GA

Find all of our upcoming events at [www.pesa.org](http://www.pesa.org)

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**Q4 New Members**

“We are pleased to welcome several new companies to PESA membership,” said PESA President Leslie Beyer. “Building our membership ensures that we are an even strong unified voice for the oilfield service, supply and manufacturing sector.”