The History of Helix Energy Solutions Group
Introduction

Helix Energy Solutions Group has evolved over five decades from a ragtag bunch of abalone divers to become one of the world’s premier marine service contractors and operators of offshore oil and gas properties.

What these divers may have lacked in education and business knowledge, they made up for in their fierce desire to stay in charge of their own destiny. Having each captained their own boat, surviving the wilds of the sea and the indescribable competitiveness of the abalone fishery, these men prevailed due to their incredibly strong work ethic coupled with their resourceful ingenuity and need to be “top boat” – a philosophy that thrives within the company to this day.

The offshore industry has demonstrated that those groups whose visionary leaders have experienced the rugged “offshore life” and have the guts to convert their visions into reality know how to weather industry storms and accomplish amazing things – while the rest disappear beneath the waves.

These attributes along with the combination of technical innovation and unwavering perseverance that launched the company back in the 1960s remains the key to the organization’s success to this day.

The offshore oil industry began at the end of the 1800s when California oilmen began following their onshore oil discoveries to the edge of the sea. Quickly realizing that the oil wells closest to the ocean were the most lucrative, it wasn’t long until the first offshore oil well was drilled off a wharf that extended 900 feet into the Pacific off the coast of Santa Barbara County, California.

As drilling continued off California’s coast, technological advances made finding and recovering oil faster and more efficient. By the 1950s oil companies working off the waters of Santa Barbara still drilled from shallow wooden wharfs, but by the latter part of the decade wells were being drilled from man-made islands, barges and eventually much sturdier jack-up rigs were used.

As technology continued to advance, the industry moved further offshore. Unlike in the Gulf of Mexico, California’s shallow waters quickly gave way to depths beyond 200 feet, exceeding the capabilities of jack-up rigs of the era.

The most dangerous moment for the divers was when they had to land a 10-ton blowout preventer, or stabbing in a drill pipe, onto the subsea wellhead as rough seas heaved and bobbed the drillship above.

The subsea industry to 1960

The birth of the offshore oil industry began at the end of the 1800s when California oilmen began following their onshore oil discoveries to the edge of the sea. Quickly realizing that the oil wells closest to the ocean were the most lucrative, it wasn’t long until the first offshore oil well was drilled off a wharf that extended 900 feet into the Pacific off the coast of Santa Barbara County, California.

As the company moved further off California’s coast, they faced a major hurdle. Unlike in the Gulf of Mexico, California’s shallow waters quickly gave way to depths beyond 200 feet, exceeding the capabilities of jack-up rigs of the era.

Before the oil industry came along, commercial divers made a living through a handful of civil engineering and salvage projects while underwater fishermen in California competed with one another in their hunt for abalone, being paid strictly by the size of their loads. And long before the lightweight “Rat Hat” and modern wetsuits came along, these divers mastered the art of helmet or “hard-hat” diving, able to perform hard work underwater day in and day out, which served them well when the more lucrative offshore oil industry began its explosion.

To take drilling from extended piers out into the deeper waters where oil and gas deposits were waiting to be developed, floating drillships came into play. It would take eight anchors to secure these floating drillships over the drill site. Then divers would install permanent and stationary subsea casing and wellhead equipment.

Clyde Olcott’s painting “Stabbing In” shows how divers were used to guide heavy drill pipe into the wellhead hole. Nowadays, drilling technology has improved to the point where divers are no longer used to install the equipment.
High seas and side currents would cause the heavy equipment hanging down from the drillship to surge up and down and side to side. A strong wind would result in irreparable damage. The drill had to be able to sail out in relatively calm water and the site had to be inside the area with the least winds, just outside the upwelling waters including the California coast. Abalone harvesting was the primary source of income for many West Coast divers before the offshore industry started. Further, divers had to discover ways to work safely with a crew of only five. Instead of requiring over 2,000 feet of breathing hardware, commercial divers could work at depths far beyond where the U.S. Navy had seen the need for a decompression tank. Instead of requiring a dive crew of five, they found ways to work safely with a crew of only five.
Around midnight Dan made the first ever commercial dive on helium. He was down 42 minutes but was unable to unlatch the 30-inch riser from the wellhead so the CUSS I could move to a new location. Handelman’s turn came next. Although scared half to death, at least he knew that Dan had not been killed. The helium gas and decompression tables had worked. Knowing this, Handelman dropped down and within 20 minutes unlatched the riser so it could be released and the CUSS I moved on to a new location. The helium era had begun. Associated Divers, who had rejected helium diving, was to close its doors not long after.

General Offshore’s divers could work for an hour with clear heads and comfort and were able to demonstrate that comparable projects that required about forty 22-minute air dives could now be completed in about ten 60-minute helium dives. Production systems in deep water were installed without a hitch, and the industry would never look back.

General Offshore introduced more than just oxy-helium diving. For the first time, customers’ demands were made to give way to new safety standards and pre-job planning. More contracts were coming in and things couldn’t look better.

But the skies over the Santa Barbara Channel did not stay sunny. In 1964, storm clouds appeared in the form of a diver’s worst fear – oxygen poisoning and convulsions on the bottom. Handelman and Wilson were both hit with oxygen poisoning during deep water working dives within two weeks of each other, and it looked like the party was over.

All helium diving was called off and although both men survived, General Offshore literally as an entity would not, even though it was later discovered that the cause of these accidents was not diver oxygen intolerance but instead that the company who supplied the helium gas had created the wrong mixture in the first place. Nevertheless, Wilson could never dive again. So not long after, when American drilling giant, Union Carbide, came knocking, the partners accepted the buy-out offer and General Offshore was absorbed into the conglomerate.

Union Carbide named its new subsidiary Ocean Systems and orders now came directly from Union Carbide’s headquarters in New York City with Wilson in charge of the operation.

For an independent group of ex-abalone divers, this new arrangement didn’t sit well. So Handelman, his brother Gene Handelman, Ratcliffe and Lengyel resigned. After returning to abalone diving for a short stint, the four men each put up $3,000 (just enough to have one set of surface hard hat helium equipment if a job came up) and formed California Divers, later shortened to just Cal Dive. Handelman, who was good at diving but had nothing about business, was made President and Chief Salesman but it would be a long and hungry 18 months before Handelman would secure the new company’s first paying job. It was during this stretch that Ratcliffe invented the Rat Hat, which later became one of the company’s greatest assets.

With no insurance, few resources and with Union Carbide, Westinghouse and others as competitors, the four-man Cal Dive could only get jobs that no one else wanted. The partners could still make good money though by leveraging their helium know-how and equipment to supervise diving operations for other more established diving companies who had the deep work but not helium diving capabilities.
Aside from needing larger resources to compete, internal unrest within the company was ample reason to say yes to the Santa Fe offer before the 45-day acceptance period expired. At that moment, destiny in the form of young Harvard research assistant Matthew Simmons stepped in. Simmons asked Handelman if there wasn’t a better way to move forward without selling out and giving up the company’s hard fought independence. Simmons offered to raise the money for Handelman, who challenged him to prove he could before Santa Fe’s offer expired. Simmons came through with the financing and the Santa Fe offer was left on the table. As a result of the new funding, Cal Dive and Can Dive combined their operations and named the company Oceaneering, a name Handelman came up with himself to better illustrate the type of work the company specialized in.

Through this pivotal deal, Simmons established a long and lasting relationship with Cal Dive and Handelman. It was this same moment that was credited by Simmons as the beginning of Simmons & Company International and its evolution into becoming one of today’s largest and most prominent international investment banking firms to the energy industry.

The same year Oceaneering was formed a severe underwater blowout and subsequent oil spill off California’s coast led to the banning of all new development in that state. In response, Oceaneering founded the world’s first oil spill control company, SPILTROL.

Incredibly significant for the young Oceaneering was when Handelman convinced Mike Hughes and Johnny Johnson, the owners of World Wide Divers of Morgan City, to trade their stock in World Wide for shares of Oceaneering. The deal closed on New Year’s Eve 1969, and Hughes assumed the role of Chairman with Handelman as President. Oceaneering, through World Wide Divers, was now an important player in the Gulf of Mexico.

Making an Industry Giant: The Formation of Oceaneering

But Cal Dive needed to get its own jobs. Having not much else to offer, Handelman would convince a client to try a Cal Dive innovative and low-cost solution which would solve their problem at a fraction of the cost of what the larger competitors were offering. Clients were impressed and a few gave them a chance to prove it. To become known but having no money for advertising, even the twin jobs would be put in story form and sent to any publications that needed extra copy. Soon the name Cal Dive became known and bids began coming in.

With newfound credibility, Cal Dive was able to land contracts in Alaska, Australia, and Singapore, being carried along by customers who found they could trust Cal Dive based on prior experience with the young group. At the time the Cal Dive developed a diving bell and a large and put on an at-sea demonstration that shocked the offshore industry. Using a technique known as bounce diving, a successful 30-minute dive was performed at 600 feet down, which at the time was a world record.

By the late 1960s, America’s largest conglomerates had discovered that adding any form of oceanography to their portfolio would bode well for their stock prices. They seemed to be in a race to acquire most of the independent diving companies as fast as they could. In 1969, even little Cal Dive was approached by no fewer than three of these conglomerates. In 1969, even Cal Dive purchased a World War II amphibious vehicle known as a DUKW for $600 to help blast and remove the remnants of the original Summerland oil wells for the California State Lands Commission.

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Oceaneering’s headquarters remained on Santa Barbara’s Stearns Wharf until early 1971, when one of the diving industry’s most dramatic turn of events occurred. The world’s largest diving contractor at the time, Divcon, was in the final hour of being sold to the next largest, and most technically advanced, subsea contractor, Comex. The two companies combining to become one couldn’t have happened at a better time. Oceaneering, in the company that put forth its own offer to buy Divcon, International Utilities, scuttled its plans to sell the company to its owner, Divcon. International acquired the oldest, largest, and most technically advanced vessels of being sold to the next biggest buyer, Oceaneering, taking the all but-forgotten Cal Dive name and profits shrunk in the late 1970s, the market for diving services plummeted even further. The new Cal Dive—International Offshore Divers—needed to find a way to compete with Cal Dive when it came to working in rough seas. This advantage, along with a reputation attracting the toughest dive teams in the Gulf, allowed Cal Dive to carve out a solid market niche in Gulf water depths beyond 300 feet. By the time Handelman stepped down, companies were closing shop for the first time in decades. Thus, reduced staff and pulled back its foreign operations. Thus, while many firms were closing shop for good, Cal Dive continued to carry on its core diving capabilities in the Gulf of Mexico, Cal Dive weathered this industry storm. A fateful accident would bring additional challenges to Cal Dive. In 1985, Handelman broke his back in a diving accident, leaving him paralyzed from the chest down. Despite his serious injuries, Handelman, traveling with a wheelchair, brought additional challenges to Cal Dive. In 1985, Handelman stepped down, companies that once represented 40 percent of the business market were out of business and only six independent diving companies, including Cal Dive, were left.
New Leaders Take Cal Dive into the Future

In late 1989, DEI was in negotiations to be sold to another company, so the Cal Dive management team led by Jerry Ruehl, Owen Kratz and Jim Nelson were offered the opportunity to buy Cal Dive for $11 million and head it back as an independent – yet again.

Merrill Lynch Interfunding loaned the company $10 million and wound up holding a 45 percent stake in the company. The three managers each contributed $100,000 along with $1 million in company equity and $300,000 in employee contributions to finance the rest of the acquisition.

At the time of the purchase in 1990, Cal Dive employees were offered the opportunity to purchase shares at $2.50 each. Seventeen participated and all became millionaires as a result.

With Jim Nelson on board, the company had what the other dive companies did not – a senior financial officer with significant Wall Street experience. Over the next decade or so Nelson would oversee more than 20 significant financial transactions that helped the company grow.

In the early 1990s, Cal Dove's operations focused mainly on well intervention work and abandonment of defunct offshore structures and subsea installations. Around this time, when the industry referred to the Gulf as the “Dead Sea,” Cal Dive management took note of how many wells with remaining reserves they were capping and realized this represented yet another business opportunity for the company.

Cal Dive first began acquiring “sunset” properties that had little to offer their original operators in terms of oil and gas reserves. Buying these properties was packaged as a service since Cal Dive would take over the abandonment liabilities which the property owner would otherwise have to bid out and then supervise the government mandated multi-stage process of abandoning subsea wells safely.

Taking this idea one step further, the Energy Resource Technology (ERT) subsidiary was established in 1992 by hiring several employees from oil company ARCO to manage its oil and gas operations. By December ERT had acquired its first property from Amoco Production Company’s High Island 175 Block, a shallow oil field about 25 miles off the Texas coast. Facing an estimated $1.2 million abandonment liability, Amoco paid Cal Dive $600,000 to take over the field – which ended up producing for another 14 months, bringing in over $3.2 million in revenue for Cal Dive.

With the acquisition of its first offshore oil field, Cal Dive began its two-pronged business model as an oil service provider and an oil and gas producer. This new strategy allowed Cal Dive to offer its fleet of service vessels to the industry during good times, and during slow periods the vessels worked on the company’s own fields.

In 1993 Cal Dive management bought out Merrill Lynch’s shares of the company and the management team and employees became the sole owners of the company.
The Dynamic Position Era

In the early 1990s not much thought inside the industry was being given to the possibilities of deepwater exploration. Seeing that the most promising shallow water fields were already in production, Shell Oil was the first operator to move beyond the continental shelf.

In 1994 Cal Dive entered into discussions with the management team from Sub Sea International, a subsidiary of Halliburton, to sell the company for $35 million. Once again Simmons intervened and told the independent-minded managers of Cal Dive that they wouldn’t last a month within the rigid confines of a corporation like Halliburton. Simmons explained that all they really needed was money and so he proposed a plan that would sell 51 percent of the company to a private equity company, First Reserve Corporation, which could provide the funding for the dynamically positioned (DP) vessels Cal Dive needed to create a new deepwater capability. The deal went through as Simmons outlined and at the time it was a relatively large transaction for First Reserve now one of the largest and most significant private equity investors in the energy industry.

So with financing from First Reserve, Cal Dive bought and renovated its first DP vessel, Witch Queen, which vastly improved Cal Dive’s capabilities to operate during winter months when seas are typically rougher. The vessel also allowed the company to reach deeper wells than ever before.

Cal Dive also chartered, and eventually bought, the DP-equipped Balmoral Sea support vessel and with these newly acquired vessels the company proved that DP-equipped vessels, which use side thrusters and positioning systems to remain stationary at sea, provided a significant advantage to using anchors. And perhaps equally important, it could be done economically.

Cal Dive also purchased the company’s first semisubmersible vessel, Uncle John, in 1996. Originally built in 1977, Uncle John was the world’s first purpose designed and built semisubmersible drill support vessel. During the 1980s the vessel earned industry respect after completing numerous successful saturation diving, subsea maintenance and pipeline projects in the North Sea.

Before coming to the Gulf, Uncle John operated at a depth range of 450 to 1,000 feet, but upgrades made during the 1990s would extend its operational depth to 3,000 feet, subsea construction depth to 3,000 feet and ocean-bottom coring depth to 7,500 feet. Uncle John was the first multi-service semisubmersible to be based in the Gulf and served as the cornerstone of Cal Dive’s reputation as a leading provider of the most technologically advanced assets in the region.

Also in 1996, Cal Dive acquired offshore company Aquatica Inc. which was the company’s first corporate acquisition and included four shallow water dive support vessels.

During the peak of the company’s growth in 1997, Owen Kratz succeeded Reuhl as CEO. Kratz began his career with Cal Dive in 1984 as a saturation diver in the North Sea and served as the COO and Executive Vice President of the company for several years prior to ascending to CEO. Before joining the company, he owned his own marine construction company in the Bay of Campeche and was a superintendent with Santa Fe and other diving companies.

Kratz was recognized by Cal Dive management early on for his intelligence, strategic vision and his unending work ethic. With Kratz directing virtually every project, Cal Dive performed over 300 turnkey projects between 1990 and 1997 and lost money on only one.

At this time one of the largest worldwide subsea contractors, Coflexip Stenna Offshore, purchased a 24 percent ownership position in Cal Dive and the credibility which they provided to the company enabled it to go public in July of 1997.
After the stock was listed on the NASDAQ exchange in New York, Cal Dive was able to raise $39.4 million to help pay down debt and had more cash to buy interests in offshore blocks in the Gulf.

By 1998 revenues soared to $151.9 million and net income to $24.1 million, but another recession was on the horizon and the entire oil and gas industry would be affected. Cal Dive was able to avoid record revenues in spite of a sharp increase in competition due to the economic conditions of the time. Despite facing a 30 percent profit decline, the decision was made to move forward with an aggressive investment scheme that would use $450 million on the development and acquisition of deeper waters assets and another $300 million on oil and gas properties.

The end of the 1990s was a distressing period for the oil field, but Cal Dive’s position proved to be the exception as the plan to offer both contracting services and develop its own oil and gas fields was paying off.

By 2000, demand for offshore work was still flatlining but oil prices were on the upswing and Cal Dive was able to earn more than $181 million in revenue and a net income of $23.3 million.

In contrast, Cal Dive’s competitors drove rates down lower and lower as they all attempted to keep their vessels working during the slowdown. In the end, every contracting company in the Gulf posted a loss in 2000 – except for Cal Dive.

The company’s unique dual business model also helped ride out the uncertainties 2001. High oil prices prevailed for the early part of the year and demand for contracting work in the Gulf was so high that every rig was fully booked. The second half of the year would bring with it tumbling oil prices and leave more than a third of Gulf rigs out of work. Then the unforgettable attacks on the World Trade Center in New York and the Pentagon in Washington, D.C., pushed an already weak U.S. economy into the freezer for the next couple of years.

Nevertheless, Cal Dive prevailed and set a new revenue record of more than $200 million in 2001, increased its net income and added three additional utility vessels to its fleet with the purchase of Professional Divers of New Orleans for $11.5 million.

By the next year the company was celebrating the launching of the world’s first deepsea intervention and construction vessel, the Q4000. The Q4000’s capabilities would allow the company’s previous flagship, Uncle John, and become the first vessel to complete construction work in water as deep as 10,000 feet. Projects once limited by the maximum depth divers could reach were now made possible with the use of ROVs. With only three of the underwater robots on the Uncle John and one on the Q4000, the acquisition of ROV service company Canyon Offshore moved Cal Dive into the future of deepwater services.

The two companies had come together after a long history of partnership; Cal Dive was Canyon’s first customer in 1997. Later in 2002 Cal Dive gave the company even more with the purchase of North Sea-based Subsea Well Operations for $68.6 million. The Subsea Well Operations business unit added two sophisticated trenching ROVs to Cal Dive’s ranks along with the Seawell, a 368-foot dive support vessel. The Seawell is credited by the offshore industry as pioneering subsea trenching services which are used for a number of different reasons, but primarily to increase oil and gas production from aging or low-performing subsea wells.

Further bolstering Cal Dive’s oil and gas property was a transaction with Kerr-McGee regarding the offshore Gunnison field. For several years Cal Dive approached several large independent oil and gas companies with the proposition to take on an interest in the production of the field in exchange for completing the subsea work necessary to bring the field online. Kerr-McGee agreed to this deal and Cal Dive was given a 20 percent working interest in the drilling of a wild cat well that was initially given a low chance for success. When financial partners equipped to fund the $20 million dry hole risk, Cal Dive continued with the project as the only operator and was able to recover all but $2 million of the investment. The results of the well were a 52,000 barrel per day oil producer and a revised field development plan.

The Q4000 at the Gulf of Mexico.

The launching of one of the Q4000’s pontoons in the Brownsville, Texas shipyard.
The Gunnison Truss Spar oil platform is located in the Gulf of Mexico. In exchange for a working interest in the production of the offshore field, Cal Dive International constructed much of the subsea infrastructure for the project in 2004.

Multi-service vessel Howell

Helix board members and CEO Owen Kratz (center) ring the bell at Wall St. as the newly renamed Helix Energy Solutions Group is placed on the New York Stock Exchange.

While considered a relatively modest acquisition, Helix RDS's enduring legacy to the company is its name. In 2006 the decision was made to change the corporate name to Helix ESG to better reflect the company's double-stranded business model of offshore service contracting and offshore energy production. The company also moved its stock listing from NASDAQ to the New York Stock Exchange under its new ticker symbol HLX.

2006 and Beyond:
The Forming of Helix Energy Solutions Group

Kratz himself provided the necessary funding. Instead of being a bust, the field was deemed a major find when production began in 2003 and the management team decided to distribute 40 percent of the net proceeds to key Cal Dive employees who were recognized for their past performance with the company.

In early 2004 Cal Dive made a groundbreaking decision to own 50 percent of the Marco Polo, a tension leg platform, and construct the offshore production facility with Enterprise Products Partners, an oil and gas transportation and storage company in the Gulf. When it was installed the Marco Polo became the world's deepest tension leg platform.

Hurricane Ivan entered the Gulf as a category four hurricane in September 2004 and its wake of destruction left Cal Dive more than a year's worth of repair, inspection and salvage work to complete on damaged and destroyed oil platforms. Less than a year later in 2005 two much more powerful storms, Hurricane Katrina and Rita, hit the Gulf Coast less than a month apart and inflicted oilfield damage, leaving even more work for Cal Dive's subsea construction teams to complete.

While busy getting the Gulf back to normal, Cal Dive also managed to double its oil and gas reserves with the purchase of 19 mature Gulf shelf properties from Murphy Oil for $200 million and another four fields earlier in the year.

In 2005 Cal Dive increased the size of its Gulf deepwater and pipelay business by acquiring $210 million in assets, including 15 vessels and two portable saturation diving systems, from Torch Offshore and Acergy USA. The company also used $32.7 million to buy Scottish-based reservoir and well technology service company Helix Energy.

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The name Cal Dive would live on as Helix ESG's Gulf contracting subsidiary, but by the end of the year the company would sell off a stake in Cal Dive and would continue to sell off the majority of its shares over the next few years.

Helix ESG also began several capital spending projects in 2006 to greatly expand its contracting service capabilities, including modifying the Q4000 to include drilling capabilities, the conversion of the Caesar into a deepwater pipelay vessel, converting a train ferry into the dynamically positioned floating production unit Helix Producer I, and construction of a multi-service dive support and well intervention vessel, Well Enhancer.

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The Helix Producer I was to be used at the Typhoon field where the year before a tension-leg platform by the same name and owned by Chevron and others was upended as Hurricane Rita passed over it, sending debris raining down to the seafloor below. Following the storm the platform was found almost 60 miles from where it was originally moored. Helix ESG realized it had a solution to get the Typhoon field producing again and approached the operators, Chevron and its partners BHP Billiton and Noble Energy, to purchase the property in 2006. Helix ESG renamed the field Phoenix and set about plans to return it to production. The seabed debris field was removed, and flowlines from the platform were carefully recovered to ensure that any of oil might have remained in the lines was not spilled.

In 2008 Helix ESG resurrected the tension-leg platform business by launching the truly state-of-the-art light well intervention vessel, Well Enhancer, in the North Sea. Based on lessons learned from the Seawell, the Well Enhancer represented the next generation of all-weather well intervention mono-hull vessels and serves the North Sea region where well intervention is in high demand because of the mature state of the region's offshore oil fields.

Meanwhile, construction of Helix Producer I Floating Production Unit, which would restore production to the field, was ongoing. The Helix Producer I is a ship-shaped vessel designed to serve the role of a traditional fixed platform. The hull design and quick-disconnect system allow the vessel to move out of the path of a future storm, rather than endure its effects on site. This highly mobile layout also made Helix Producer I economical to deploy on mature fields with limited remaining productive life.

Halfway through 2006 the company bolstered its production business by buying up Dallas-based Remington Oil and Gas for $1.4 billion. The deal doubled Helix ESG's oil and gas production capabilities and gained the company extensive 3-D seismic data covering 4,000 blocks of gas and oil fields in the Gulf. That winter, Martin Ferron succeeded Kratz as company CEO after 10 years of service to the company including his roles as President and Chief Operating Officer. In 2006 Helix ESG's revenues surpassed a billion dollars for the first time in the company's history.

Helix ESG also partnered with Enterprise Field Services in 2007 to help develop the groundbreaking Independence Hub project. The project was initiated to allow five independent companies, including Helix ESG with a 20 percent share of the floating facility, to produce multiple gas fields over an 1,800 square mile area in the Gulf. Without such cooperation between the various partner companies most of the deepwater gas fields would otherwise be unprofitable.

Helix ESG's vessel Express had built the pipeline network for the Independence Hub which is the worlds deepest production platform at 8,000 feet and is also the worlds largest offshore gas processing facility, capable of handling up to a billion cubic feet of gas a day.
On April 20, 2010, an underwater well blowout at British Petroleum’s Macondo oil field in the Gulf caused an explosion on board the semisubmersible drilling rig Deepwater Horizon, claiming the lives of eleven workers and causing the largest oil spill in U.S. history. Helix ESG’s Q4000 semisubmersible intervention vessel was quickly called in to assist in the response operation. Located fewer than 30 miles from the Macondo site at the time of the blowout, the Q4000 needed only to sail in the direction of the towering fireball to know where to go.

The Q4000 and her crew played critical roles in the industry’s response to the spill, spending the next 135 days directly above the damaged blowout preventer (BOP) as several different attempts of capping and containing the well were made. Containment domes were placed over the blowout preventer, and heavy drilling mud was pumped into the BOP in an attempt to stop the flow of oil and gas from the well.

Helix ESG’s Express and Helix Producer I vessels also participated in spill response and containment operations as two drillships owned by drilling contractor Transocean, also the owner of the ill-fated Deepwater Horizon, worked around the clock to complete two relief wells that would be used to intersect the well bore and plug it permanently with cement.

On July 15, nearly three months after the blowout occurred, the Q4000 assisted in removing the damaged riser and drill pipe from the BOP and installed a capping system, diverting the flow of oil.

In early 2008 Ferron resigned from Helix ESG after serving as CEO and director of the board for a year and a half. Kratz, who was still serving as the company’s chairman of the board, would return to the helm of the organization.

At the end of 2008 Helix ESG announced that it would be transforming its business model to focus on its core deepwater contracting services and offshore production facilities. This meant that Cal Dive would be phased out of the company, and by 2009 Helix ESG had reduced its holdings of Cal Dive stock to under one percent. Helix ESG also began the process to sell its oil and gas business with the goal of recognizing the company to be more focused on the growing deepwater market, and all while maintaining a conservative balance sheet.

In December 2009 Helix ESG welcomed its new deepwater pipelay vessel, Caesar, into its Gulf fleet. Caesar is capable of laying large diameter pipelines in shallow water and smaller diameter pipelines in deepwater. The vessel’s cutting-edge onboard pipeline manufacturing facility virtually eliminates the need for onshore assembly infrastructure, making it a cost-effective option for projects in remote areas.

In the summer of 2010 Helix ESG took on perhaps its most important assignment ever as it sent its Gulf fleet to help put an end to the worst oil spill in U.S. history.
and gas to the surface so that the Q4000 and Transocean’s drillship, Discoverer Enterprise, could safely capture the escaping hydrocarbons. Following the capture operation, the Q4000 played a key role in a successful “static kill” procedure where 32,000 barrels of specially engineered mud and cement were pumped from the Q4000 directly into the well at high pressure and sealed the leak for the first time. After one of the relief wells was completed and used to permanently plug the well below the seafloor, the Q4000 raised the BOP to her deck and readied it for transport to a U.S. government facility for forensic inspection.

At the outset of the Macondo spill response, Kratz immediately recognized the industry’s need for a pre-engineered spill solution. So Kratz and Helix ESG engineers began work on the Helix Fast Response System (HFRS), which built upon the tools and techniques Helix ESG developed for the Macondo response and applied them to a program that could respond to a future spill within days, not weeks. The Q4000 and Helix Producer I were modified and subsea components were procured to create a spill response plan to capture up to 55,000 barrels of oil per day in water depths to 8,000 feet. Kratz signed more than 20 independent Gulf exploration and production companies as partners of the Helix Well Containment Group, and the HFRS was officially launched as a response to the U.S. Department of Interior’s requirement that a spill containment plan be in place before drilling could resume.

In January 2011, Anadarko, Marathon and others included the HFRS in their permit applications, certifying that Helix ESG would be ready to respond with a proven system in the event of a future spill. By March the first three permits allowing oil companies to begin drilling in the Gulf had been issued using the HFRS as a containment plan. The need to provide such a system was underscored by the prohibitive high cost of the alternative billion dollar program developed by the major international oil companies in the weeks...
Representing nearly 70 percent of the Gulf’s exploration and production capacity, independent oil companies needed an affordable solution. While the resulting drilling moratorium significantly affected the bottom line for virtually every company in the Gulf dependent on oil and gas for work, Helix ESG was one of the few actively working to bring business back to normal. And while business did suffer, Helix ESG was still the world leader in well intervention and had one of the finest ROV units in the industry. The 2010s delivered both the best of times and the worst of times for the oil industry but because of Helix ESG’s ever-evolving business model and forward-looking leadership, the company remains positioned as one of the world’s leading specialists in deepwater oil production solutions.

No other marine contractor has had such a series of unwavering leaders like Handelman, Reuhl and Kratz who all earned reputations as being top of field drivers and line as proven businessmen in the energy industry. These leaders all shared unique qualities that allowed them to boldly step out from others and set new and higher industry standards.

The credibility and success of Helix ESG has also been hard earned by the employees who work all over the world, onshore and offshore, to meet the world’s ever growing energy demands. Looking forward into the next 50 years, Helix ESG is poised to continue making the kinds of decisions that pave the way for the rest of the industry.

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The Q4000’s 600-metric ton-rated derrick is seen hoisting the blowout preventer (the yellow object) that failed to activate. The 300-ton BOP was placed on the Q4000’s deck on September 4, 2010, and was transported to a Helix ESG facility in Louisiana for re-manufacturing.

Looking much like a BOP, the Intervention Riser System (IRS) (left) is a tool used in Helix ESG’s well intervention work and is a central element in the Helix Fast Response System. The well cap (right) can be fitted onto a damaged BOP below the surface, and if the pressure of oil or gas is too great, the well cap can contain the well. Able to function well over a mile below the surface, the IRS will be attached to the well cap in the event an uncontrolled well’s pressure is too great to be stopped. This enables oil and gas to safely be delivered to surface vessels for storage and offloading.