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# Chemtec completes fabrication shop expansion



*Chemtec has been fabricating large-bore pipe spools for Magellan Midstream Partners*

Chemtec Energy Services, LLP recently completed the expansion of its fabrication shop in Willis, Texas. The project adds another 7,000 sq ft to Chemtec's existing shop space, and will be used for the firm's custom fabrication business which has seen steady growth over the past few years, according to Chemtec President Milton Page.

Chemtec manufactures and supplies speciality equipment and systems for the petroleum terminal and petrochemical industries around the world. Chemtec equipment is used by most of the major oil companies as well as a number of independent storage terminal companies.

Chemtec's new shop includes a 6-ton electric bridge crane with twin hoists plus three 1-ton jib cranes. As part of the expansion project, Chemtec also purchased several new subarc welders and positioners. Chemtec has also filled several new positions for its new shop, including structural and pipe welders.

The layout of the existing and new shop floors was also completely redesigned to improve workflow. The new shop building will house all the fitting and welding stations, and the existing shop will be used for assembly, electrical installation, and testing.

Chemtec had contemplated the expansion project for almost a year due to space

constraints with the existing shop. Patrick Wadzinski, Chemtec's Business Manager, conducted a study of existing shop utilisation, and he quickly realised that considerable time was being wasted moving skids in and out of the shop (to make room for other projects). The new shop addition will minimise the need to move skids until they are ready for shipment.

The new shop floor didn't sit empty for long, adds Milton Page. Even before the power was on in the new building, the space was being used to house a number of ongoing and completed projects.

"We had completely outgrown our existing shop space, so the new addition is a big help," he stated. "Our production capacity has been increased significantly, and we are now handling much larger projects than we ever could before."

One of these projects is the fabrication of large-bore pipe spools for Magellan Midstream Partners, L.P. This project, which includes pipe sizes from 6" to 42", is part of Magellan's plan to add 1.2 million barrels of additional storage at its Galena Park, Texas marine terminal, located on the Houston Ship Channel. Typically, the entire project would have been fabricated in the field. However, Chemtec worked with Magellan and the installation contractor to move the majority of

the manifold piping into Chemtec's shop. "This project is another example of Chemtec's focus on lowering project costs by moving jobsite fabrication work into our shop. This approach provides cost savings to the customer as well as superior quality control and time management. We have been perfecting this model for over ten years, and our customers are extremely pleased with the results."

Over the past year, Chemtec has also worked on a number of major systems projects including:

Ethanol Blending Skids - Uruguay  
Chemtec was awarded a contract to provide numerous ethanol blending and pump skids to ALUR, a Uruguayan company responsible for the implementation of ethanol blending in Uruguay. A total of 17 blender skids were ordered for ANCAP terminals in Treinta y Tres, Durazno, Juan Lacaze, Paysandú, and Tablada.

Before awarding this contract, ALUR personnel visited Chemtec's facility in Willis, Texas to discuss the project and to collaborate on the design and specifications for the



*A Kinder Morgan ethanol offloading skid*

blenders. Chemtec's design input was well received, and a purchase order from ALUR quickly followed. Once production began on the blenders, ALUR engineers visited Chemtec a second time to inspect the quality and progress of the blending skids.

Following a successful second visit to Chemtec, ALUR awarded Chemtec additional orders for ethanol pump skids. Ed Segovis, Chemtec's Account Manager for this project, was particularly pleased to receive the pump skid orders since it reinforced ALUR's confidence in Chemtec. Segovis stated, "I knew when ALUR inspected their blender skids here at Chemtec that they were very pleased. Then we received the pump skid order, and it just reinforced our confidence in the quality and value of our work."

**Ethanol Offloading Skids – United States**  
 Chemtec has built approximately 30 ethanol offloading skids for Magellan, Valero, Kinder Morgan, and others. Chemtec worked with these customers to develop an accurate and easy-to-use ethanol off-loading skid that eliminates the entrained air problems with other systems and ensures that an accurate BOL is provided for the off-loaded product. Given the inaccuracies of BOL's from ethanol shippers, Chemtec's Ethanol Off-Loading skids provide customers with a very quick return on investment.

**Metering Skids – Iraq**  
 Chemtec is currently working on a major project in Iraq to provide metering skids for the Midland Refining Company (MRC) in central Iraq. These skids will be used for custody transfer of crude oil and refined products. For this project, Chemtec partnered with ENGlobal, a Houston-based energy engineering and professional services firm and FMC Corporation. ENGlobal is providing all engineering and design services for the project, and FMC is providing the metering equipment and customer training.

**Loadrack Skids – Morocco**  
 Chemtec is currently fabricating two 5-arm truck loading skids for a new US\$120 million hydrocarbon storage and distribution facility in Tangiers, Morocco. Chemtec is working with Control Systems International (CSI) on this project. CSI received a major contract to provide equipment and services for this project, which is part of a development program for the new port of Tangiers, Morocco. The terminal will store and distribute bunker fuel and white products such as fuel oil, diesel, mogas (motor gasoline), gas oil and marine diesel.

**Ethanol Pump Skids – United States**  
 Chemtec recently completed a project for Sunoco to provide dual and triplex ethanol pump skids for numerous terminal locations. For this project, Chemtec partnered with Pipe Products who is based in West Chester, Ohio. Pipe Products is a first tier stocking master distributor for many of the key products and equipment serving the petroleum terminaling industry, and they provided most of the components used on the Sunoco pump skids. Over the past few years, Pipe Products and Chemtec have collaborated on numerous projects with Pipe Products providing the components and Chemtec providing the fabrication services.

The past year also saw FMC Technologies Measurement Solutions, Inc. and Chemtec enter into a Master Distributor agreement whereby FMC sells and supports Chemtec products in the states of California, Washington, Oregon, Arizona, Nevada, and Alaska. FMC Technologies, Inc. is a leading global provider of technology solutions for the energy industry. The FMC offices in Torrance, California and Bakersfield, California are responsible for handling all Chemtec activity related to the

Master Distributor agreement, which enhances an existing OEM relationship between FMC and Chemtec.

Under the terms of the Master Distributor agreement, FMC sells both manufactured and custom-fabricated products built by Chemtec. Chemtec's manufactured products include the MiniBLOCK and ProPAC5 additive injectors. Custom-fabricated products cover a wide range of applications including loading and unloading skids, pipeline metering skids, LACT Skids, and ethanol and biodiesel blending skids.

Chemtec and FMC have already collaborated on a number of large projects including product loading skids and a vapour blower skid for Kinder Morgan. "FMC has a stellar reputation in our industry, and we are extremely pleased that

they chose to partner with Chemtec," added Milton Page.

He summarized Chemtec's plans for the future. "I see tremendous growth potential for Chemtec across all its business segments. We managed to grow our business during the economic slowdown, and we continue to grow our backlog of orders. To meet this increased demand, we are working on plans to add more shop space and to hire additional shop and office personnel. In conclusion, we will continue to grow Chemtec's business while always maintaining high quality, competitive pricing, and quick delivery for our customers.

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