

Letter from the
President



April 21, 2020

Back around the year 2000, a couple buddies and I went to Lake Powell to go fishing. I took my old boat. We launched at Page which is at the southern end of the lake drove north about 55 miles to where we camped. The next day we drove further north another 10 miles and entered the San Juan arm of Lake Powell, then drove several miles up the San Juan until we started fishing.

We had a great day of fishing and fun (my wife Gini says when guys get together, they “laugh and scratch”). Late that afternoon we decided to head back to camp, which was probably at least 20 miles away. We hadn’t gone too far when my oil sensor alarm started buzzing and shut down the engine. I opened the engine compartment and found the compartment filled with engine oil.

Now understand that we’re in a very remote section of Lake Powell, and we’re there during the time of the year when not a whole lot of people are on the lake. We had only seen a couple boats the entire day, so the chance of getting someone to tow us was remote. Even though we had a marine radio, we couldn’t get any reception to call for help. We were on our own. (And I didn’t have my bro Keith with me who could fix the space shuttle with baling wire and duct tape.)

We couldn’t figure out why the engine had leaked all the oil, but fortunately I always carried extra oil in the boat, so we put more oil in the engine, got the engine started, and headed in. Well, the same thing happened within a couple miles. Oil sensor buzzes, engine shuts down. We have no more oil, so we bail the oil out of the engine compartment and put it back in the engine, start the engine, go a little further. Same exercise three more times...engine shuts down, we load the oil back in the engine, we start going again, it shuts down again. Sometime during all of that, we were able to reach Dangling Rope Marina to try to get help. They said it’s too late to come tow you tonight, so good luck, you’re on your own.

We finally made it out to the main channel of Lake Powell where there’s more boat traffic. Some guy came by on a pontoon boat and asked if we needed any help. He happened to be a boat mechanic from Montrose Colorado. (really??!!) Of course, we said absolutely we need help! He quickly found that the little oil pressure sensing device that screws directly into the engine block was cracked, which was where all the oil was leaking. It was a 1/8” NPT connection into the engine block. In my old toolbox, I happened to have an old copper tubing valve that had a 1/8” NPT male thread. (Really??!!) So we put that valve in the engine block, closed the valve, the mechanic bypassed the sensor so it wouldn’t shut down the engine, and once again we were on our way.

We had to get new oil in the engine because what we had been using had water in it. It was way past dark by the time we got to Dangling Rope Marina and they were long closed. We went to the store and there happened to be one of the workers still there. (Really??!!) He said, “Are you the guys that were stranded up the San Juan?” We said yes, and could we buy some oil? He got us some oil, told us how to change the oil without spilling in the lake, and once again we’re on our way.

We now had to find our campsite. Have you ever driven on Lake Powell when it's pitch black? With all the rocks in the water, and canyons that all look like each other – it was nerve racking! We had to go about five miles and finally and miraculously found our camp site.

So why am I telling this story? Because God is always with us, providing for us, guiding us, doing big and little miracles for us. What was the chance of a boat mechanic helping us, me having the exact right fitting, a worker being on site hours after closing, finding our campsite in the black night...without God watching over us, taking care of us, and loving us??

We've just experienced a once in a lifetime crash of oil prices. There are a lot of uncertainties in the oil industry, for the world-wide economy, and for people affected by and with the COVID-19 virus. But there is no uncertainty about who is in control and who is all-powerful and who is all-loving. Our God. That's who is in control.

The reality is that God has been blessing PESCO by preparing us for this historic day. He has brought us many great people that lead with integrity, impassioned motivation, wisdom, and intelligence. Through those people, we're on strong financial footing, have our materials under control, productivity is getting better, our quality of design and manufacturing is second to none, our safety is better than it's ever been, and we have extremely promising diversification possibilities. He has blessed us with strong customers like ConocoPhillips and Noble, that have shared values and a sense of a true partnership. He has blessed us with a loyal vendor base.

PESCO will not be panicking through this situation but will continue to march forward with our strong will to win, our commitment to excellence, and our faith in God. We will not cower in fear, but will boldly go forward, setting an example within PESCO, within our community, within our state, and within our industry.

Because we plan to be a much better PESCO when we come out of this current situation, we will continue to work on things such as:

- Our productivity by putting systems and processes in place and holding people accountable for consistently following those processes.
- Leadership development
- Gaining efficiencies in materials
- Fully implementing RF+
- Quote Standards
- Engineering Standards
- Employee Assistance Programs
- Further business diversification
- Bayotech manufacturing
- Expanding services to existing customers
- Etc.

Thanks all of you for being so dedicated to PESCO!

Thanks!

Kyle Rhodes
President