

76 And Counting

REAGAN CELEBRATES MORE THAN 75 YEARS IN BUSINESS



Above: Reagan's Naches, Mississippi, Shop (Circa 1950)

Below: Reagan's Jackson, Mississippi, Branch (Circa 1956)

BY SUSAN MARDELE

Reagan Power & Compression (Reagan) is celebrating 76 years in business. Reagan has been providing equipment and services to the oil and gas industry since Tom Reagan founded the company to meet the industrial needs of the nation as World War II ended. Oil and gas production was surging, and he built the company specifically to service the industry's gas compression, power generation, and rental engine and compressor requirements. Reagan initially focused on servicing Waukesha engines, which was the first pillar of the company's success. Technology has come a long way since then, and Reagan has broadened its portfolio to encompass an array of products and services to meet the compression and power generation needs of all industries. The company currently employs 200 people and has locations in Broussard, Harvey, and Vidalia, Louisiana; Columbia and Heidelberg, Mississippi; and Carlsbad, New Mexico.



“

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”

The company's headquarters is situated on 9 acres (2.4 ha) and consists of three shops totaling more than 61,000 sq.ft. (5667 m²). Shop one is dedicated to piping, vessels, and skid welding. Shop two is the engine and compressor overhaul facility as well as the parts warehouse. The parts warehouse holds more than US\$5 million in service parts, including 5000 line items of original equipment manufacturer (OEM) replacement parts. Shop three, with 160 tons (145 tonnes) of overhead lifting capacity, is where final assembly and completion take place.

Reagan's early reputation for service persisted over time. "I've worked in the oil and gas industry all my life, and I've always known about Reagan," said Dirk Dailey, business development manager for Reagan. "We have always been a very reputable and recognized company. They used to have a logo with a little mechanic carrying a part. If you saw that logo on a piece of equipment, it meant quality, dignity, and integrity. The same is true today."

Reagan has grown into a power generation and compressor manufacturer with parts, service, and contract compression capabilities. The company supports all oil and gas industry stages — upstream, midstream, and downstream — with custom-engineered packages based on customer needs. A project may start with thousands of pages of specification. Reagan meets the requirements of adherence for documentation, quality control, management, and timely delivery. These projects can range from 50 to 10,000 hp (37 to 7460 kW) and include natural gas-fueled, diesel-fueled, and electric motor-driven compression.



Ariel/Caterpillar Electric-Drive Compressor Packages In Reagan's Louisiana Shop

In addition to high-spec compressor and power generator packaging, Reagan provides rental natural gas-fueled, spark-ignited power units for oilfield pump jacks and pump needs. In addition, Reagan has a gas compressor rental fleet available for client needs.

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Reagan offers hi-spec custom compressor package solutions.



“One of our specialties is CO₂ compression,” said Dailey. “We’ve been helping companies by providing equipment for use in carbon capture, utilization, and storage [CCUS] for more than two decades. We have assisted in sequestering billions of cubic feet of CO₂. We put the CO₂ into the ground and use it to enhance oil recovery. The capture of CO₂ can be used for many other processes, but at the forefront we are putting it back into the ground where it’s sequestered, and not in the atmosphere. It’s a highly complex event, and we’re proud to be part of it.”

CHALLENGES

Every business comes with challenges, and Reagan is no exception. Dailey talked about three challenges Reagan is currently facing and how the company is resolving those challenges.

Regulatory: “The ever-changing regulatory environment is a challenge. We have to roll with the punches,” said Dailey. “The current trend we are seeing in our client base is quickly shifting away from natural gas-fueled engines to electric drives where and whenever possible. That suits us well, because for 20 years we’ve been an electric-drive gas compressor packager.”

Trained Personnel: Reagan has a priority of training existing personnel on the latest technological advances for engines and compressors. The challenge has been to get enough new personnel who want to enter the industry.

DECARBONIZATION

Every country and industry are being urged to address excess carbon dioxide (CO₂) produced from electricity generation, transportation, steel manufacturing, cement production, oil and gas refining, etc. Reagan is playing a part in reducing global warming by providing compression equipment to sequester CO₂ emissions, diverting the gas from the atmosphere, and injecting it far below the earth’s surface.

“We’re going to approach the Lafayette Regional Vocational and Technical Center and try to get a compressor program started,” said Corey Douglas, vice president of Parts and Service at Reagan. “They have a program for production operators, but they need one for the natural gas industry. Young people are not getting into this industry like they used to.”

“We have a changing workforce that believes being a mechanic is beneath them,” added Dailey. “If they only knew they could make in excess of US\$35 an hour — it’s a good, stable career.”


Supply chain disruptions: As with many industries, Reagan is experiencing difficulty in procuring parts and supplies. “Major component deliverables that were once available in 24 to 28 weeks may take up to 35 to 40 weeks. With Reagan’s commitment to fast delivery requirements, we have had to get creative to meet these obligations.”

“It’s search and destroy,” said Dailey. “We are continuously establishing new vendor relationships and we present alternate offerings such as used equipment. We have



Reagan's Broussard, Louisiana, Shop

gone as far as Canada to retrieve used equipment and rebuilt it to like-new specifications. This has cut the delivery time in half in many instances. We’re very involved in refurbishing and/or reconditioning used equipment.”

The personal touch is an integral part of Reagan’s success. “When our clients call, they expect to hear someone’s voice,” said Dailey. “We put the human element into our day-to-day operations. When you have a high sense of urgency to address your clients’ needs and meet those needs, great things happen. We do our business to meet our clients’ needs.” 



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