

Close-Up Of A Connecting Rod



A GLOBAL INITIATIVE

GLOBAL COMPRESSION SERVICES BENEFITS FROM ITS INTEGRATED SERVICES OFFERING;
SEES GROWTH OPPORTUNITIES IN A POST-PANDEMIC WORLD

BY DANIEL FOELBER

Since taking the reins of the newly formed Global Compression Services in late 2019, President Anthony Speer has been hard at work. His immediate goal is “to establish ourselves as the go-to company for gas compression parts and service.”

After serving as vice president of manufacturing for CSI & CSI Compressco from October 2010 through February 2018, and then vice president of Ignition Systems and Controls (ISC)/H&S Valve from February 2018 through October 2019, Speer saw an opportunity to combine the product and services offerings of H&S Valve, ISC, Global Compressor Parts, and Potemkin Industries. “We feel that bringing these four great companies together to form Global Compression Services provides the gas compression industry with a unique, one-stop shop solutions provider. Our capabilities cover many of the needs that arise from gas compression operations, from simple parts supply such as spark plugs to com-

pressor overhaul services,” said Speer. “We also offer a wide range of products and services, such as engine accessories that include turbochargers and hydraulic and electric governors, and provide an extensive selection of original equipment manufacturer [OEM] parts. Global Compression Services is a manufacturer of a wide array of aftermarket compressor parts. We are the largest Altronic distributor in North America, and we provide compressor valve repair services as well as many other compressor component repair services. We provide Altronic control panel replacement and upgrade services; we carry a large inventory of new parts, both OEM and aftermarket; and we have a large inventory of used and hard-to-find compressor cylinders and components.”

STRENGTH IN NUMBERS

Folks familiar with the four businesses that joined to form Global Compression Services may be wondering why well-established companies would feel the need to merge. The answer has to do with meeting the needs of an increasingly connected and sophisticated gas compression industry that demands faster services, quicker turnarounds, higher quality machining, and more sophisticated equipment repair capabilities. “Combining the talent and expertise of these great organizations allows us to provide exceptional products and services to the gas compression market,” said Speer. “As a result, the scope of our product and service offerings will allow us to be a one-stop shop for much of our customers’ gas compression needs. Our goal is to raise the industry standard by offering full manufacturing capabilities that

are unrivaled in the aftermarket compressor parts industry. All our parts are engineered to meet or exceed OEM specifications, supported by quick turnarounds, custom parts, and high-volume production lines.”

OPPORTUNITIES FOR GROWTH

Global Compression Services operates from 13 locations, primarily servicing shale plays in the lower 48 United States. By combining four companies into one, Global Compression is capturing several aspects of the integrated gas compression value chain. The company believes the depth and breadth of its product and services offering makes it well-positioned to serve its customers’ needs. It sees its customers benefiting from its global network of compression and engine parts distribution and end-to-end custom-engineered solutions.

Barely a year into its formation as a new company, Global Compression Services has a particular focus in the Marcellus-Utica shale play, which supplies roughly 30% of US natural gas production (see “Mergers & Markets: Rockefeller’s Return,” March 2021 *Gas Compression Magazine*, p. 6). “We are currently expanding into the Marcellus and Utica plays by opening a facility in the greater Pittsburgh area. Here, we will have valve repair and compressor component repair capabilities, as well as a large parts inventory to serve our customers’ needs. We are excited to let our customers know we will be very well positioned to provide quick turnaround with excellent product and service quality,” said Speer.

Aside from the Marcellus-Utica, the company sees the Permian Basin as another key growth driver for the gas compression industry. “We believe the Permian Basin will continue to provide significant opportunities for those serving the gas compression market. The infrastructure is mature and strong, and cost to market is competitive,” said Speer.



In addition to being a supplier of original equipment manufacturer (OEM), aftermarket, and customer parts, Global Compression Services is also a comprehensive solutions provider for reciprocating compressor systems, offering a full range of repair and reconditioning services for natural gas compressor components, engine accessories, control panels, and ignition systems.

INDUSTRY REBOUND

Although the COVID-19 pandemic dampened the trajectory of the Permian Basin’s growth, oil and gas production are beginning to recover as the Permian looks to return to its status as the nation’s fastest-growing oil and gas play. As of March 2021, Permian oil production averaged 4.32 million bpd and natural gas averaged 16.75 bcf/d ($4.74 \times 10^8 \text{ m}^3/\text{d}$). For context, Permian oil production averaged 1.41 million bpd and natural gas averaged 4.32 bcf/d ($1.22 \times 10^8 \text{ m}^3/\text{d}$) just seven years ago. “Clearly, the effects of the pandemic on the market has left many companies facing serious financial and operational challenges,” said Speer. “The speed with which the pandemic subsides, allowing economic recovery to begin in earnest, will determine the fate of many. Commodity pricing must continue to improve and stabilize as it has in recent weeks. Global Compression Services has weathered the storms of 2020 and is ready to provide our customers with great value in the delivery of our products and services.” 