

Eco-friendly products increased exports for Caufit

Nynas building tailor-made hub in Houston

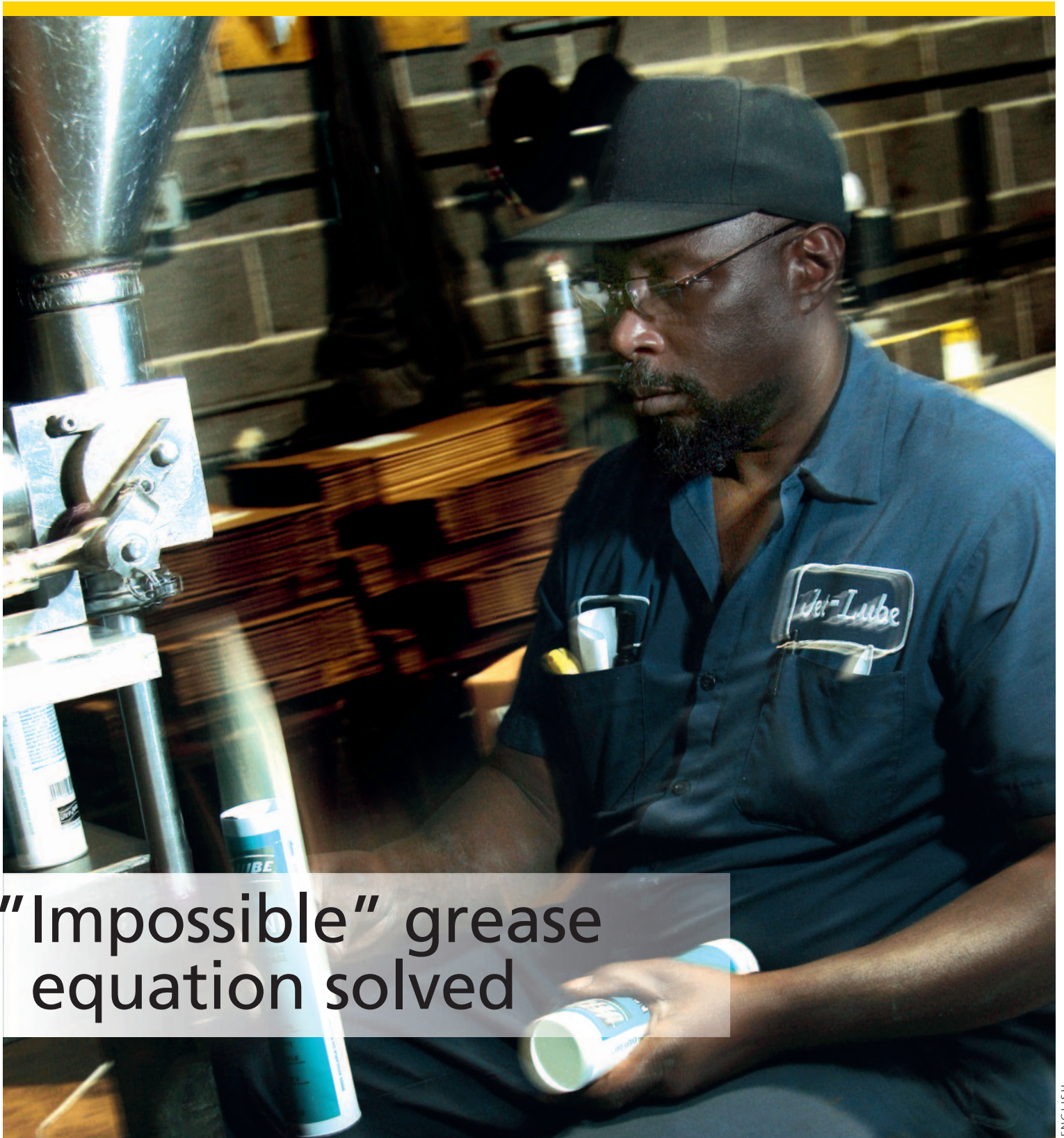
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NAPHTHENICS



“Impossible” grease equation solved



Herring Gulls and the wildlife in the North Sea benefits from the environmental work that has been done in Texas.

Werner Lilienthal, Quality Assurance Manager, checks, among other things, that Jet-Lube's products stay within specified tolerances and that each can and package contains the right volume.





“Impossible” eco-equation solved

Manufacturing greases that could cope with extreme loads and meet strict specifications on biodegradability, but still at an acceptable cost, has been an equation that up until recently, just wouldn't balance. But Jet-Lube in Houston, USA, has succeeded.

“**W** E SUPPLY EXTREME TECHNOLOGY for extreme conditions,” says the company's President, Greg L. Havelka. “With biodegradable products for the offshore industry, we have opened the door to the future.”

Jet-Lube was formed by brothers Joe and Frank Bergeron in 1949 in California. They saw a market for lubricants for heavy applications such as oil drilling and developed a method for injecting their products with a pneumatic applicator, hence the company name, Jet-Lube.

In 1973 Jet-Lube was acquired by Capital Southwest Corporation and relocated to Houston, Texas. In 1977 and 1993 Jet-Lube made two acquisitions, first in Canada, then in the UK. Today these are known as Jet-Lube Canada Ltd. and Jet-Lube UK Ltd., and employ about twenty employees each.

AFTER PRODUCING ALMOST exclusively for the oilfield drilling industry, Jet-Lube started expanding both products and markets in the 1980s. Today about half their business is in the oil sector, represented by both drilling and production. The other half of the business is spread over several industrial segments that include the water well market, where Jet-Lube is the market leader in the USA.

Havelka explains:

“Our business model is to supply the market with performance products, and to develop long term relationships. This means we are not a volume product producer, but a specialty premium producer.”

The concept has turned out to be very successful.

“Our financials are confidential,” says Havelka, adding with a smile:

“But I can tell you that our sales have increased dramatically in the last three years.”

Havelka explains that users are willing to pay more for the performance boost provided by their products. They also know that they can rely on Jet-Lube's reputation for delivering high quality products, as they earned ISO 9001 certification back in 1993.

“In turn, we expect the same high level of performance, quality and service from our suppliers, and I have to say that there are not many who can live up to our demands,” says Havelka. “But Nynas is one that certainly does.”

Jet-Lube has routinely tested all incoming materials since the start of the 1990s.

“We haven't had any production or quality problems related to Nynas. This is critical to our operation since Nynas' oils are a major constituent of most of the products we sell,” he continues. “We can depend on Nynas to supply very consistent, high quality products. What is also decisive is that they can supply exactly what we need, exactly when we need it.”

Due to the fast pace at which Jet-Lube is growing, the company's storage capacity is being pushed to the limit.



Mike Krause, Senior Research Technician, conducting a penetration test on a newly produced batch of Kopr Kote.



“This is where Nynas plays a very important role. Because they’re located so close to us, Nynas can deliver products by the truckload almost every other day. This is effectively the equivalent of adding more storage to our plant. No other quality supplier can match such a demanding delivery and service level.

“A key capability that provides a competitive advantage for us, and sets Jet-Lube apart, is our ability to manufacture all our base greases, which are the foundation of our finished products. Since oils make up more than 70% of these greases, we needed Nynas’ help in order to sustain our continued growth.”

“The level of cooperation with Nynas is outstanding,” he stresses. “Nynas has been very supportive in our growth efforts and we wouldn’t have been able to manage without them.”

IN HAVELKA’S VIEW, the concept of ‘partnership’ is often used without there being any actual substance in the term. But he asserts that Jet-Lube’s relationship with Nynas has grown into a true partnership.

“And it is one of the few partnerships that I have seen built and developed over 30 years,” says Havelka, who has been with Jet-Lube for 32 years. “I can with-

out hesitation recommend Nynas to anyone.”

Jet-Lube’s successful growth can be attributed to two factors – the array and the availability of product offerings to the world market.

Tom Blake, Vice President/Sales, explains that Jet-Lube’s activities are divided into three areas: oil-field, industrial and water well. The industrial division covers MRO (Maintenance, Repair and Operation), food processing, petrochemicals and general manufacturing.

“A few years ago we improved our global presence by establishing key distribution points in the United Arab Emirates, Argentina and Singapore to complement our production units in the USA, Canada and the UK. This has enhanced the accessibility and increased the sales of our products around the globe,” explains Blake.

“As a specialty manufacturer we are well equipped to fulfil a customer’s request for a product that will satisfy their particular needs. Having complete product quality control over three strategically located manufacturing facilities gives us a significant advantage over our competition as we can provide quality products to customers worldwide in a timely and cost effective manner.

“But naturally we also have products that are ready to be used just as they are. We even make

Facts

Company:
Jet-Lube Inc.
 Founded: 1949
 Head Office: Houston, Texas, USA
 Business: Production of lubricants
 CEO: Greg L. Havelka
 Owner: Capital South West Corp, 100%
 Chairman of the Board: Gary Martin
 Production plants: USA, Canada, UK
 Production: 1,100,000 pounds/month on average (around 500 tonnes)
 Employees: Approximately 120
 Market: USA and worldwide
 Website: www.jetlube.com



Oils make up more than 70% of these greases



Jet-Lube’s President, Greg L. Havelka, and Vice President/Sales, Tom Blake, are confident about the future. The fast growth of recent years is a result of new products and increased market accessibility.

products for companies that in turn market them under their own labels.”

“Our proactive investment in greener products has also been very worthwhile and we plan to continue with that effort,” says Havelka, referring to a very successful product group, the environmentally friendly “green”, or, in actual fact yellow, greases that Jet-Lube has developed. The family of products are collectively referred to as Jet-Lube ECF (Environmental Compound Formula). The yellow colour signifies the safest Environmental classification a compound can attain. Green status applies only to substances, not compounds.

THESE PRODUCTS ARE classed as biodegradable and bioaquatic – or, to put it simply, in Tom Blake’s words “they don’t kill the fish”.

“These new eco-friendly products, based on our own patented technology, have contributed to a remarkable increase in sales. We are talking about a growth of greater than 20 percent a year over the last five years.”

“We developed these products for the oil producers active in the North Sea in response to legislative demands being imposed upon them,” explains Blake. “In Europe environmental awareness is high and along the Norwegian coast there are some very

sensitive aquatic environments.”

The difficulty has been in developing greases that are both effective and meet the ever increasing environmental demands. This is an example of a challenge that Jet-Lube accepted and overcame. Jet-Lube’s ECF products have been approved in Norway, the UK and the Netherlands.

“The companies that use Jet-Lube ECF products naturally have operations in other parts of the world too,” continues Blake. “We have noted that our ECF products are increasingly displacing the traditionally used products, regardless of regulatory requirements. These companies want to showcase that they are responsible members of the global community and are taking an initiative in favour of the environment.”

Blake proudly tells us that today Jet-Lube is the market leader when it comes to this product technology.

That Jet-Lube has embarked on a path leading to the future is something that Blake is totally convinced of.

“This is the market segment that is growing and within all our divisions we plan to increasingly go green.”



In 2007 Jet-Lube received the OTC (Offshore Technology Conference) prize for their new product series, ECF, Seal-Guard and NCS-30.

CARLO LASZLO



Don Oldiges is Vice President for Research and Development at Jet-Lube.

How Jet-Lube developed products that don't harm the environment

Don Oldiges is Vice President for Research and Development at Jet-Lube. He explains that the work developing and refining ECF products has been going on for many years.

“JET-LUBE RECOGNIZED the need for better biodegradable products more than a decade ago,” says Oldiges, “but the solutions available at that time were cost prohibitive.”

“The development of our ECF products was built upon the foundation of several related projects we had going at the time. But the road to the final products was both long and trying.”

“We tested all the recognized biodegradable materials available at the time for lubricants and found significant differences and deficiencies in their performance. The goal was to achieve a sufficient level of biodegradability without sacrificing performance.”

“We found Nynas oils to be essential

for use in the ECF greases. Sustained performance under severe load is required for thread compounds used in both oil drilling and oil production. A naphthenic oil of the highest quality is necessary to pass the stringent friction and wear tests. Using Nynas oils we achieved outstanding results. And an added bonus to using Nynas naphthenic oils is that they are free of recognized carcinogenic substances.”

Getting the new ECF products approved by the authorities in Europe was nonetheless a challenge.

“To get approval from the authorities we had to provide data supporting the ECF products’ biodegradability claims. Their requirements were that at least 20 percent of the material should biodegrade in salt water after 28 days,” explains Blake. “After using an adapted protocol for grease, we showed that more than 60 percent of the ECF products biodegraded in 56 days. Our results were accepted.”