

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF LOUISIANA

HORNBECK OFFSHORE SERVICES, L.L.C.	*	CIVIL ACTION
VERSUS	*	NO.: 10-1663
KENNETH LEE "KEN" SALAZAR, IN HIS OFFICIAL CAPACITY AS SECRETARY, UNITED STATES DEPARTMENT OF INTERIOR;	*	SECTION "F"
ROBERT "BOB" ABBEY, IN HIS OFFICIAL CAPACITY AS ACTING DIRECTOR, MINERALS MANAGEMENT SERVICE; AND MINERALS MANAGEMENT SERVICES	*	MAGISTRATE "2"

\* \* \* \* \*

**AFFIDAVIT**

**STATE OF LOUISIANA**

**PARISH OF ORLEANS**

**BEFORE ME**, the undersigned authority, personally came and appeared:

**Jeffrey M. Svendson**

who, after being duly sworn, deposed and stated as follows:

1. I am over 18 years of age and competent to execute this affidavit.
2. I am the President and CEO of Advanced Logistics, LLC and I execute this affidavit on the basis of my personal knowledge and my review of records maintained in the regular course of Advanced Logistics, LLC's business, 2014 W. Pinhook Rd, Suite 310, Lafayette, LA 70508.
3. Advanced Logistics, LLC employs 16 full time employees



4. Our company operates directly and/or indirectly to support oil and gas exploration and production companies drilling in the Gulf of Mexico's Outer Continental Shelf by providing the following services and/or products:

We provide technology to the marine industry, where we have software located on the vessels that allows the vessel owners to manage that particular vessel or their entire fleet. It creates the vessel's logs, give GPS locations for mapping, contains safety data, crew data, commodities on board, and we provide the same data to the oil and gas companies to be able to manage that particular asset and to use the logs for allocation purposes.

5. How has your company been affected as a result of the First Moratorium, United States Department of Interior's Secretarial Directive of May 28, 2008 suspending all pending, current and approved deepwater drilling operations for six months?

Vessels that are not supporting drilling operations will go on standby. Those vessels that are on standby are not working, so my customers are not requiring the use of the technology. Commercially, I charge for web subscriptions, so if they are not using the vessel, I cannot charge to access the web subscription because there is no data use because the vessel is not working.

6. Explain whether there has been any change due to the affects to your company as a result of the United States Department of Interior Secretary Salazar's new decision issued on July 12, 2010 ("Second Moratorium") which suspends certain drilling operations and the cessation of approval of pending or future applications for such drilling until November 30, 2010?

The effect of the two moratoriums is the same. The effects just continue to get worse.

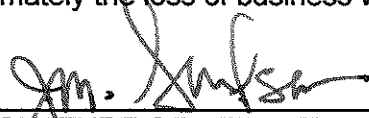
7. Does your company anticipate changes in its work force due to the "Second Moratorium," new decision issued on July 12, 2010 by the United States Department of Interior, Secretary Salazar, (ie. Layoffs, reduction in man hours, transition from full time workers to part-time workers)? If so, how?

We have already lost one employee because of the moratorium. If the moratorium continues, because no permits are being issued, vessels to support drilling operations will not be required, so the support requirements are declining and demand for my web subscriptions are declining.

8. Please explain how you believe your company and its employees will be economically impacted by the second drilling moratorium.

The uncertainty of the continuation of the moratorium and other activities, drilling production activities, oil and gas companies are not interested at this time at pursuing any sort of new technology for the uncertainty of the industry. I have other applications beyond the marine applications that I provide to the oil and gas companies. No oil and gas company is

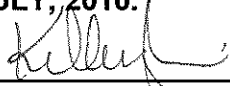
interested in talking about any type of new technology. The expansion of new business has come to a halt. There is no anticipated growth and ultimately the loss of business will continue.



SIGNATURE OF AFFIANT

Print Name: JEFFREY M. SVENDSEN

SWORN TO AND SUBSCRIBED  
BEFORE ME THIS 21<sup>st</sup> DAY OF  
JULY, 2010.



NOTARY PUBLIC

L.a. Notary/Bar No.: 25871 LA

My Commission is for Life.

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF LOUISIANA

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UNITED STATES DEPARTMENT OF INTERIOR; \*  
ROBERT "BOB" ABBEY, IN HIS OFFICIAL \*  
CAPACITY AS ACTING DIRECTOR, MINERALS \*  
MANAGEMENT SERVICE; AND MINERALS \*  
MANAGEMENT SERVICES \*  
\* \* \* \* \*

AFFIDAVIT

STATE OF MISSISSIPPI

COUNTY OF HARRISON

BEFORE ME, the undersigned authority, personally came and appeared:

Mark A. Scairono, Sr.

who, after being duly sworn, deposed and stated as follows:

1. I am over 18 years of age and competent to execute this affidavit.
2. I am the President of Coastal Marine Equipment, Inc. and I execute this affidavit on the basis of my personal knowledge and my review of records



maintained in the regular course of Coastal Marine Equipment, Inc. business, Coastal Marine Equipment, Inc., 20995 Coastal Parkway Gulfport, MS 39503

3. Coastal Marine Equipment, Inc. is an associate member of OMSA. We are an equipment manufacturer and the vast majority of our business is derived from the oil field industry. Our equipment is installed on OSVs, PSVs, offshore tugs, barges and crew/supply boats.
4. If new vessels are not built, our equipment is not needed. What we are hearing from our customers (shipyards & vessel operators) is that new construction projects are either on hold or cancelled. Some examples of this are:

A South Louisiana vessel operator has a contract with a South Louisiana shipyard for four (4) ~300' PSVs. The first two (2) vessels are currently being constructed, but the second two (2) may be on indefinite hold.

An international vessel operator has a contract with another Gulf of Mexico shipyard for six (6) ~300' PSVs. The first three (3) vessels are currently being constructed, but the others may be on indefinite hold.

Yet another international vessel operator was in the market for several (possibly four) similar sized PSVs. This seems to have died as we have heard nothing in over 30 days.

A South Louisiana shipyard was in the process of building a new shipyard. This project was halted until the market for crew/supply boats rebounds.

6. Explain whether there has been any change due to the affects to your company as a result of the United States Department of Interior Secretary Salazar's new decision issued on July 12, 2010 ("Second Moratorium") which suspends certain drilling operations and the cessation of approval of pending or future applications for such drilling until November 30, 2010?

As 2010 began, we were encouraged by the prospects of new construction by many operators and the Gulf Coast shipyards. However, as the drilling moratorium(s) have halted all new potential, we have been forced to reduce our entire workforce to 36 hours per week in an effort to avoid layoffs. We are currently taking less profitable fabrication work just to keep the shop busy.

7. Please explain how you believe your company and its employees will be economically impacted by the second drilling moratorium.

If the devastating results of the drilling halt continue, we will be forced to reduce our work force with layoffs. It could ultimately cost us our business!!!

  
Mark A. Scairono, Sr.

Subscribed and sworn to before me in my  
presence, this 21st day of July  
2010, a Notary Public in and for the  
County of Stennis State of MS  
Wanda F. Nease  
(signature) Notary Public  
My Commission Expires Jan 18, 2011

UNSWORN DECLARATION PURSUANT TO 28 U.S.C. § 1746

STATE OF LOUISIANA

PARISH OF TERREBOUNE

BEFORE ME, personally came and appeared:

**TERRY P. BRAUD, JR.**

who did, being first duly sworn, upon oath at law, deposes and says that:

This statement is made and presented to OMSA for purpose of comment on the current moratorium in place affecting drilling in the Gulf of Mexico.


Cross Group, Inc. ([www.thecrossgroup.com](http://www.thecrossgroup.com)) of Houma, Louisiana is a diversified oilfield services company primarily focused on the support of offshore oil and gas activities in the Gulf of Mexico providing services relating to marine equipment sales, service, repair, rental, charter of multipurpose barges for shallow and deepwater applications, subsea field support, and logistical services.

Over the past five years in particular, the company has expanded its asset base through significant capital expenditures in anticipation of increased deepwater drilling and production. It was and remains, Cross management's opinion that these deepwater activities are essential in order for the United States to decrease its reliance upon energy imports.

Since the issuance of moratoriums on drilling by the Administration in response to the Deepwater Horizon incident, Cross has experienced a significant fall-off in inquiries and bid invitations from customers for our core business activities. In fact, there have been some work opportunities that have been cancelled as a direct result of permits not being awarded and/or rescinded by the federal agency formerly known as Minerals Management Service (MMS). Additionally, customers that had reduced activities during 2009 but were discussing more active 2010 activity have now again placed work opportunities into an undefined suspense mode awaiting a lift of moratoriums and the positioning assets by major producers to domestic or foreign venues.

Based on the initial evidence and indications of decreased activity resulting from the issuance and these moratoriums, Cross is very concerned about the potentially devastating long-term adverse effects on Cross' business, its employees, and the industry on a broader basis that will result from a continuation of the moratoriums.

I declare under the penalty of perjury that the foregoing is true and correct.

  
By: Terry P. Braud, Jr.



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UNITED STATES DEPARTMENT OF INTERIOR; \* MAGISTRATE "2"  
ROBERT "BOB" ABBEY, IN HIS OFFICIAL \*  
CAPACITY AS ACTING DIRECTOR, MINERALS \*  
MANAGEMENT SERVICE; AND MINERALS \*  
MANAGEMENT SERVICES \*

\* \* \* \* \*

**AFFIDAVIT**

STATE OF LOUISIANA

PARISH OF ORLEANS

BEFORE ME, the undersigned authority, personally came and appeared:

**HANS B. JONASSEN**

who, after being duly sworn, deposed and stated as follows:

1. I am over 18 years of age and competent to execute this affidavit.
2. I am the Senior Vice-President of Dreyfus-Cortney Inc., dba DCL Mooring & Rigging (DCL) and I execute this affidavit on the basis of my personal knowledge and my review of records maintained in the regular course of DCL Mooring & Rigging's business, 4400 North Galvez St., New Orleans, LA 70117.
3. DCL 58 full time employees and no part-time employees.





4. Our company operates directly and/or indirectly to support oil and gas exploration and production companies drilling in the Gulf of Mexico's Outer Continental Shelf by providing the following services and/or products:

Wire Rope and Rigging Products  
Wire Rope Slings  
Wire Rope Rigging Hardware  
Anchors & Anchor Chain  
Mooring Hardware

5. How has your company been affected as a result of the First Moratorium, United States Department of Interior's Secretarial Directive of May 28, 2008 suspending all pending, current and approved deepwater drilling operations for six months?

*As a result of the Moratorium (First and/or subsequent drilling stoppages) DCL has experienced a minimum 14% reduction in oil-field related sales comparing the average monthly revenue for the 1<sup>st</sup> four months of 2010 versus the average monthly sales revenue during the May-June 2010 period. This reduction is actually very conservative given the May-June period is seasonally the busiest time for our business. Actual sales losses might exceed 25%.*

*With a Moratorium in place, DCL has suspended all capital expenditures on equipment and facility improvements and is limiting inventory purchases. We have also reduced discretionary spending across the board. Such actions will have a long term impact raising inventory and operating costs. Our reductions in spending will also have a trickle-down effect on our vendors and suppliers locally and across the country.*

6. Explain whether there has been any change due to the affects to your company as a result of the United States Department of Interior Secretary Salazar's new decision issued on July 12, 2010 ("Second Moratorium") which suspends certain drilling operations and the cessation of approval of pending or future applications for such drilling until November 30, 2010?

*Given the continuing uncertainty in the drilling market due to the Second Moratorium, our customers have essentially stopped all but emergency purchases of our equipment and services. We have seen weekly sales quotes and call volumes decrease to levels not seen since the last offshore oil downturn. This will further aggravate an already weak sales volume outlook.*

7. Does your company anticipate changes in its work force due to the "Second Moratorium," new decision issued on July 12, 2010 by the United States Department of Interior, Secretary Salazar, (ie. Layoffs, reduction in man hours, transition from full time workers to part-time workers)? If so, how?

As a result of the Moratoriums, DCL has developed a plan to be implemented in early August 2010 consolidating operating facilities and down-sizing the work force. This first phase will result in a 12% reduction in force.

Additionally, DCL has made plans for a possible second phase of reorganization that could result in an additional 20% reduction in force. Phase two is planned within 30-60 days of the first reorganization phase pending further clarification on the length and real impact of the Moratoriums.

8. Please explain how you believe your company and its employees will be economically impacted by the second drilling moratorium.

In addition to 6 & 7 above, given our specialized work and the expectation that our competitors and customers will be forced to have a reduction in force due to the Moratorium, many employees released will either not be able to find similar work in this region or will be forced to relocate so as to apply their skills. We estimate that half will be unable to find employment within one year.



SIGNATURE OF AFFIANT

Print Name: HANS B. JONASSEN

SWORN TO AND SUBSCRIBED  
BEFORE ME THIS 21<sup>st</sup> DAY OF  
JULY, 2010.



NOTARY PUBLIC

La. Notary/Bar No.: 25871

My Commission is for Life.

Kelley Ann Sevin, Notary Public

Louisiana Bar No. 25871

Duncan, Courington & Rydberg, L.L.C.

400 Poydras Street

Suite 1200

New Orleans, Louisiana 70130

My Commission is for Life

UNITED STATES DISTRICT COURT  
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UNITED STATES DEPARTMENT OF INTERIOR; \* MAGISTRATE "2"  
ROBERT "BOB" ABBEY, IN HIS OFFICIAL \*  
CAPACITY AS ACTING DIRECTOR, MINERALS \*  
MANAGEMENT SERVICE; AND MINERALS \*  
MANAGEMENT SERVICES \*

\* \* \* \* \*

AFFIDAVIT

STATE OF LOUISIANA

PARISH OF Orleans

BEFORE ME, the undersigned authority, personally came and appeared:

**Daniel Brown**

who, after being duly sworn, deposed and stated as follows:

1. I am over 18 years of age and competent to execute this affidavit.
2. I am the General Manager of Herbert S. Hiller Corporation and I execute this affidavit on the basis of my personal knowledge and my review of records maintained in the regular course of Herbert S. Hiller Corporation business, [S. Hiller Corporation.



3. Herbert S. Hiller Corporation employs 63 full time employees and 0 part-time employees.
4. Our company operates directly and/or indirectly to support oil and gas exploration and production companies drilling in the Gulf of Mexico's Outer Continental Shelf by providing the following services and/or products:

Fire protection, gas detection and fire suppression.

5. How has your company been affected as a result of the First Moratorium, United States Department of Interior's Secretarial Directive of May 28, 2008 suspending all pending, current and approved deepwater drilling operations for six months?

We had a contract for a vessel that has been cancelled as a result of the moratorium.

6. Explain whether there has been any change due to the affects to your company as a result of the United States Department of Interior Secretary Salazar's new decision issued on July 12, 2010 ("Second Moratorium") which suspends certain drilling operations and the cessation of approval of pending or future applications for such drilling until November 30, 2010?

We are concerned that we are going to lose jobs because of the loss of business.

7. Does your company anticipate changes in its work force due to the "Second Moratorium," new decision issued on July 12, 2010 by the United States Department of Interior, Secretary Salazar, (ie. Layoffs, reduction in man hours, transition from full time workers to part-time workers)? If so, how?

We can foresee layoffs happening in the very near future.

8. Please explain how you believe your company and its employees will be economically impacted by the second drilling moratorium.

Our company is going to layoff employees, adversely effecting our operations.



SIGNATURE OF AFFIANT

Print Name: DANIEL J BROWN

SWORN TO AND SUBSCRIBED  
BEFORE ME THIS 01 DAY OF  
JULY, 2010.



\_\_\_\_\_  
NOTARY PUBLIC

La. Notary/Bar No.: 25871

My Commission is for Life.

Kelley Ann Sevin, Notary Public  
Louisiana Bar No. 25871  
Duncan, Courington & Rydberg, L.L.C.  
400 Poydras Street  
Suite 1200  
New Orleans, Louisiana 70130  
My Commission is for Life

UNITED STATES DISTRICT COURT  
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ROBERT "BOB" ABBEY, IN HIS OFFICIAL \*  
CAPACITY AS ACTING DIRECTOR, MINERALS \*  
MANAGEMENT SERVICE; AND MINERALS \*  
MANAGEMENT SERVICES \*

\* \* \* \* \*

AFFIDAVIT

STATE OF LOUISIANA

PARISH OF St. Mary

BEFORE ME, the undersigned authority, personally came and appeared:

Alle Adams III

[INSERT NAME]

who, after being duly sworn, deposed and stated as follows:

1. I am over 18 years of age and competent to execute this affidavit.
2. I am the President of Sewart Supply, Inc. and I execute this affidavit on the basis of my personal knowledge and my review of records maintained in the regular course of Sewart Supply's business, P.O. Drawer L, Morgan City, La. 70381 with offices in Harvey, La. and Friendswood, Tx.,



3. Sewart Supply employs approximately 65 full time employees and 5 part-time employees.
4. Our company operates directly and/or indirectly to support oil and gas exploration and production companies drilling in the Gulf of Mexico's Outer Continental Shelf by providing the following services and/or products:

Sewart Supply is a complete sales and service distribution company specializing in marine propulsion equipment. Twin Disc Marine Transmissions and Electronic Controls and Hamilton Water Jet Propulsion systems are all industry leaders and used by the companies operating their vessels in support of the Gulf Outer Continental Shelf business. Any change in new construction or relocation of vessels will have an adverse affect on our business.

5. How has your company been affected as a result of the First Moratorium, United States Department of Interior's Secretarial Directive of May 28, 2008 suspending all pending, current and approved deepwater drilling operations for six months?

As a result of the first Moratorium, we have actually experienced new vessel construction cancellation and other projects have been temporarily put on hold should the Second Moratorium be carried out as planned.

6. Explain whether there has been any change due to the affects to your company as a result of the United States Department of Interior Secretary Salazar's new decision issued on July 12, 2010 ("Second Moratorium") which suspends certain drilling operations and the cessation of approval of pending or future applications for such drilling until November 30, 2010?

Vessel operators have made it perfectly clear that if the Second Moratorium is carried out as scheduled orders that have been put on hold will likely be cancelled. This could impact our new construction supply of equipment by as much as 40%.

7. Does your company anticipate changes in its work force due to the "Second Moratorium," new decision issued on July 12, 2010 by the United States Department of Interior, Secretary Salazar, (ie. Layoffs, reduction in man hours, transition from full time workers to part-time workers)? If so, how?

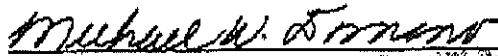
The Second Moratorium could impact both our new construction sales and service sales by as much as 40%. As a result, I could see us reducing our workforce by a proportional amount. This could result in layoffs of 20 – 25 staff across our 3 branches.

8. Please explain how you believe your company and its employees will be economically impacted by the second drilling moratorium.

Should the second moratorium be carried out as proposed, Sewart Supply would be negatively impacted by as little as \$10,000,000 to \$25,000,000 over the next year or two depending on what the confidence level of the industry erodes to based on the length of this moratorium. In terms of payroll, anticipated layoffs would result in \$2-4 million dollars in loss salaries.

  
SIGNATURE OF AFFIANT  
Print Name: ALLIE ADAMS III

SWORN TO AND SUBSCRIBED  
BEFORE ME THIS 29<sup>th</sup> DAY OF  
JULY, 2010.

  
NOTARY PUBLIC Michael W. Domino  
La. Notary/Bar No.: 91762  
My Commission is for Life.



UNITED STATES DISTRICT COURT  
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UNITED STATES DEPARTMENT OF INTERIOR; \*  
ROBERT "BOB" ABBEY, IN HIS OFFICIAL \*  
CAPACITY AS ACTING DIRECTOR, MINERALS \*  
MANAGEMENT SERVICE; AND MINERALS \*  
MANAGEMENT SERVICES \*

\* \* \* \* \*

**AFFIDAVIT**

STATE OF LOUISIANA  
PARISH OF ORLEANS

BEFORE ME, the undersigned authority, personally came and appeared:

**Richard Tremayne**

who, after being duly sworn, deposed and stated as follows:

1. I am over 18 years of age and competent to execute this affidavit.
2. I am the Marine Business Manager of Thompson Tractor Company, Inc. and I execute this affidavit on the basis of my personal knowledge and my review of records maintained in the regular course of Thompson Tractor Company, Inc. business, 30950 State Highway 181, Spanish Fort, AL 36906.



3. Thompson Tractor Company, Inc's marine division employs 14 employees.
4. Our company operates directly and/or indirectly to support oil and gas exploration and production companies drilling in the Gulf of Mexico's Outer Continental Shelf by providing the following services and/or products:

Thompson Tractor Company, Inc. is a manufacturer and distributor of equipment, including power packages based on Caterpillar engines. Our products are included in nearly all offshore equipment and vessels, including offshore supply vessels, crew boats, and rigs.

5. How has your company been affected as a result of the First Moratorium, United States Department of Interior's Secretarial Directive of May 28, 2008 suspending all pending, current and approved deepwater drilling operations for six months?

The moratorium has affected the demand for new vessels, which negatively affects our sales volume.

6. Explain whether there has been any change due to the affects to your company as a result of the United States Department of Interior Secretary Salazar's new decision issued on July 12, 2010 ("Second Moratorium") which suspends certain drilling operations and the cessation of approval of pending or future applications for such drilling until November 30, 2010?

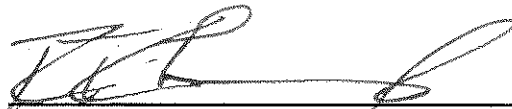
We forecast an 80% to 90% loss of sales volume based on the moratorium.

7. Does your company anticipate changes in its work force due to the "Second Moratorium," new decision issued on July 12, 2010 by the United States Department of Interior, Secretary Salazar, (ie. Layoffs, reduction in man hours, transition from full time workers to part-time workers)? If so, how?

The moratoriums will end up in layoffs. We could lose half the manpower we have right now; that is, 6 – 8 people. Indirectly, Thompson could easily lose another 25 – 30 people in the Gulf region.

8. Please explain how you believe your company and its employees will be economically impacted by the second drilling moratorium.


Because of the ongoing moratorium, we could lose 80 – 90% of our sales volume.



SIGNATURE OF AFFIANT

Print Name: Richard R. Toussaint Jr

SWORN TO AND SUBSCRIBED  
BEFORE ME THIS 21 DAY OF  
JULY, 2010.



NOTARY PUBLIC

La. Notary/Bar No.: 25871 LA

My Commission is for Life.

**Kelley Ann Sevin, Notary Public**  
Louisiana Bar No. 25871  
**Duncan, Courington & Rydberg, L.L.C.**  
400 Poydras Street  
Suite 1200  
New Orleans, Louisiana 70130  
My Commission is for Life