

EXPLORING THE WORLD FOR BEST PRACTICES IN ENERGY AND PRECIOUS METALS

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ROCK SOLID

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MAINE DRILLING & BLASTING
BORES INTO THE FUTURE

Rock Solid

Maine Drilling & Blasting celebrates 45 years in business with a secure foundation and concrete plans for the future.

“We truly believe that growth is a natural outcome of doing things right.”

// MITCH GREEN, vice president

[BY LORI SICHTERMANN]

Maine Drilling & Blasting started at the kitchen table of Ted and Judy Purington of Gardiner, Maine. From that beginning in 1966, the firm has had a core set of values that are non-negotiable: honesty, hard work and quality service.

Today, the company celebrates 45 years of safety, success and growth in the drilling and blasting industry. Over the years, Maine Drilling & Blasting has safely performed more than one-and-a-half-million controlled blasts for highways, quarries, house lots, utilities, marine and energy work. And through the years, the company has upheld its original values and, more recently, remained nimble in a fluctuating economy.

Mitch Green, vice president of Maine Drilling & Blasting, says the storied history of the company’s last 45 years can be quantified into two segments: 1966 to 1990, and 1990 to the present.

In the 1960s, the business took off with a bang. “A lot of [our early success] in moving out of the traditional Maine market area had to do with the highway systems,” Green explains. “The interstate system was being finished in New England and we became a part of that. What’s more, the company experienced an expansion into the quarry markets outside of Maine during that same period.”

Maine Drilling & Blasting was founded in times of economic growth.

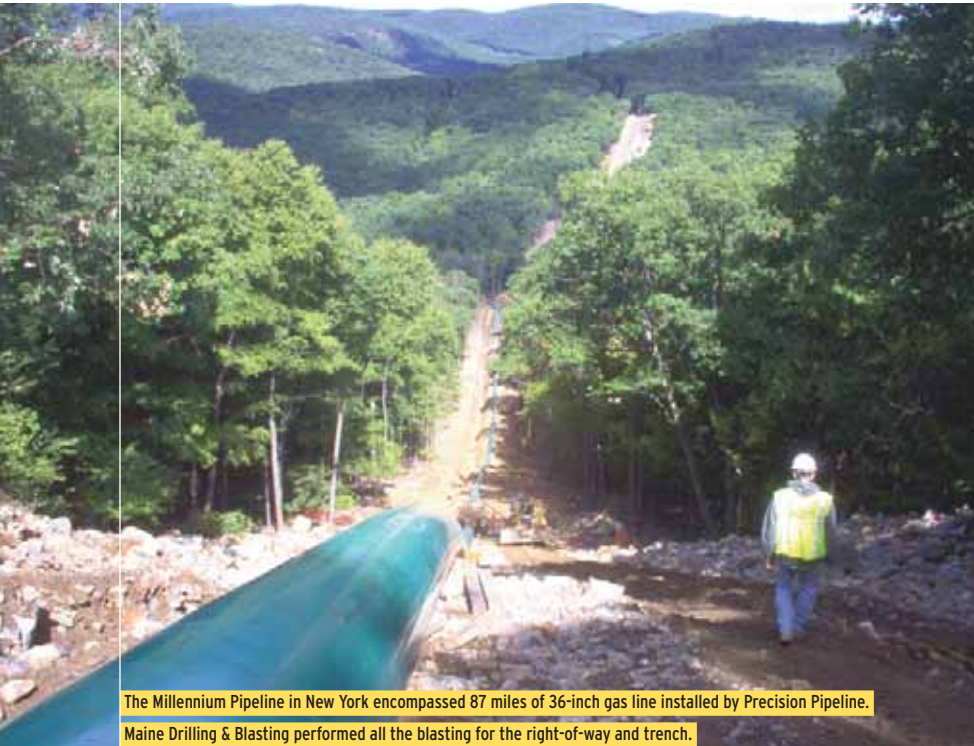
PROFILE

Maine Drilling & Blasting

www.mdandb.com | Estimated 2011 sales: \$60-75 million | Employees: 375+ | Corporate headquarters: Gardiner, Maine | Specialty: Drilling and blasting



Maine Drilling & Blasting introduced electronic detonation technology in Box Industries' Dracut, Mass., quarry to provide advanced control for a blast.



The Millennium Pipeline in New York encompassed 87 miles of 36-inch gas line installed by Precision Pipeline. Maine Drilling & Blasting performed all the blasting for the right-of-way and trench.

However, the company would eventually encounter several economic contractions that would leave a lasting impression on the operation. “Around 1989 and 1990, there was a fairly severe recession and the company had to reorganize and restructure to become much smaller and leaner,” Green recalls. “That period really set the stage for our sustainability as we know it today.”

He says the company had a desire to expand, but the unsteady economy in the late 1980s caused some hesitation. “We wanted to spread our geographic footprint, but were concerned about doing that on a sustaining level,” he adds. “The executive leaders at the time mapped out a fiscally conservative approach to the company’s expansion that would allow it to build up the necessary resources in cash in order to fund growth.”

Maine Drilling & Blasting’s calculated growth strategy continues to prove successful for the company. Currently, the operation’s footprint spans the New England states and Pennsylvania down into the northern edge of the Virginias. “We expanded, but we did it in a very fiscally responsible way,” Green notes.

Since the mid-1990s, Maine Drilling & Blasting has completed a number of acquisitions that have enabled the company to become a stronger organization. “There have been a number of acquisitions in key markets that have helped us to grow our operations,” Green notes. “We will also greenfield operations in markets where there are no relevant acquisitions for us. In those instances, we acquire property, establish an office and begin to employ people local to the market.”

As Maine Drilling & Blasting has realized, expansion and growth are risky, and it needs a solid plan to be successful.

“Growth should always be tempered by our ability to service the market locally,” explains President and CEO Bill Purington. “That means local employees, local equipment and resources for supply and distribution.”

Moving one state at a time, Maine Drilling & Blasting has become one of the largest D&B firms in the country. It utilizes more than 100 drills throughout its footprint and nearly 400 employees during peak season. And, as Green notes, the company has its sights set on

continued growth. “Our business plan is to achieve a strong market share in all of the markets we serve,” he says. “We truly believe that growth is a natural outcome of doing things right.”

CHANGE FOR THE BETTER

The business model of Maine Drilling & Blasting seems simple: breaking rock. However, as the operation has demonstrated over the past 45 years, there are many facets to breaking the hard stuff. According to Green, the industry for drilling and blasting has changed significantly over the past several decades, causing widespread alterations to standard operating procedures.

In recent years, regulations have been one cause of stress for the industry in which Maine Drilling & Blasting competes. “We all know that it has become an increasingly stringent regulatory environment, especially since Sept. 11, 2001,” Green notes. “The demands placed on the company by this environment require strict compliance to a number of regulatory agencies. Failure to comply can expose a company not only to fines, but potential suspension of the licenses necessary to operate.”

However, as restrictive as regulations can be, Maine Drilling & Blasting views these challenges as an opportunity for continued growth. “Some companies can look at [industry regulations] as the type of change that is not convenient and therefore they resist it,” Green explains. “We look at it as an opportunity to be better at what we do. Compliance to the regulatory environment today is paramount to the health of our company.”

In response to more stringent demands on the industry, Maine Drilling & Blasting created in-house training programs that offer more information than is necessary to comply with regulations.

“Industry regulations challenge us to train people at a much higher level. This is how we embrace the future,” Green explains. “Drilling and blasting are trades, and you learn them through experience. You can’t send an employee to a school of drilling and blasting, so we train these employees on our own, showing them how to use the most advanced technology in the most efficient way in order to ensure safe,

productive operations and minimal impact on the environment.”

In addition to regulators, the general public has placed more demands on the drilling and blasting industry. “People have become more educated and are concerned about the environments in which they live,” Green explains. “The public puts a lot of demands on how business is done today – they’re precise about services they find acceptable.”

Maine Drilling & Blasting puts forth substantial effort to inform area residents about a project well in advance of the start date.

“We do a lot of public training,” Green says. “We may do three or four public forums before we put equipment on a project to help our customers get the word out on how we’re going to do it. The trust between the public and our company is another aspect of the total environment in which we operate on a daily basis.”

A FOCUSED APPROACH

Fundamentally, the drilling and blasting industry is straightforward. “We drill and blast rock so people can put in homes, businesses, retail centers, bridges and roads, and so quarries can generate the product which keeps the region’s infrastructure solid.” Green explains. “In fact, our quarry divisions service over 140 quarries across 10 states, in pits from 10,000 to 1.5 million tons per year with turnkey drilling and blasting services, including laser profiling, bore tracking and comprehensive quarry planning and blast design.”

However, as Maine Drilling & Blasting has demonstrated, once you have your fundamentals perfected, there are endless avenues to pursue. For example, it recently increased its presence in the hydro, pipeline, wind and other energy markets. “The need for energy is changing; there have been many ambitious programs that have been put in place in the Northeast to leverage renewable resources to create energy,” Green notes.

A number of programs are taking place in the Northeast’s wind power segment, and Maine Drilling & Blasting is uniquely positioned to be a part of the process. These projects require drilling, blasting and related capabilities, and the



At Kibby Mountain in Maine, foundations for 44 towers required Maine Drilling & Blasting to install 616 rock anchors tested to 679,000 pounds each.

company has the technology and equipment to make these projects successful.

“One of our specialty services that bolted on well for us is our rock anchors and rock bolting,” Green explains. “Energy towers need stabilization of their bases, so we drill the holes necessary and install the rock anchors to post-tension the concrete tower foundations. That’s been a side business for us that complements our fundamental service of drilling and blasting rock.”

Green estimates Maine Drilling & Blasting has worked on nearly 96 percent of the commercial wind energy projects in the New England area. “There are probably 560 megawatts in place today, and we’ve been involved in about 545 of them,” he says. “We’ve also done all the rock bolting work associated with those sites. That amounts to over a thousand rock anchors.”

In addition to wind power, Maine Drilling & Blasting has applied its capabilities to the hydroelectric industry. It

won a three-year contract to provide drilling and blasting services to the Holtwood, Pa., hydroelectric facility improvements for Pennsylvania Power and Light. “There’s been quite a bit of expansion and refurbishing of hydro power in our area of the country,” Green notes. “There’s a growing program to upgrade facilities, and some of it will involve rock. We see that market growing for us.”

Natural gas pipeline work is another segment of the energy market for Maine Drilling & Blasting. “The initial phase of this kind of work is to bring energy in from Canada and down from Sable Island, 300 km southeast of Halifax, Nova Scotia,” Green explains. “The cost of natural gas vs. other forms of energy has made such work viable in today’s market. Of course, significant investments are now being made in the Marcellus Gas Shale region in Pennsylvania, and we are currently in that market for road development and pad work.”



Maine Drilling & Blasting provided drilling, excavation and rock anchor installation at the Holtwood Hydroelectric Plant expansion in Holtwood, Pa.

about how to be successful. From growing at a conservative pace to turning regulatory challenges into opportunities, Maine Drilling & Blasting is an industry leader.

“Growth of the company does not occur without parallel growth and aligning our culture of safety with our operating principles, vision and mission,” Green says. “We make it a point to exceed industry safety standards from pre-blast surveys to seismic monitoring, from job hazard analysis to zero incident tolerance. The effort we expend on safety is directly related to our success.”

Maine Drilling & Blasting will continue on its well-defined path while applying its founding principles. “Honesty, hard work and quality service: That’s what Ted Sr. founded the company on 45 years ago,” Purington notes. “We remain true to those values today.”

Green echoes the company’s philosophical model with his own standards for doing business. “Your reputation is only as good as the quality of work you do,” he says. “This is a hard-working industry – between the hours worked and the kind of stress that people are under – you constantly have to put in 100 percent.” “That’s where employee ownership gives us an edge,” Purington adds. “We’re celebrating our seventh year of employee ownership in 2011, and we’ve found with each passing year, especially during this economic downturn, that working with the determination of business owners pays off not only for us, but for our customers.”

Maine Drilling & Blasting has the unique ability to apply its capabilities throughout numerous segments of the drilling and blasting industry, and beyond. From cellar holes to interstates to wind and hydroelectric power, the company has made it a practice to excel, even in the toughest of circumstances.

“When we look at the challenges that face the industry as a whole, you can look at change as being something to be avoided, or you can view it as something that creates opportunity,” Green notes. “Maine Drilling & Blasting is a very adaptable company. It’s very principle-oriented – it knows what it does best.” **EMI**

Maine Drilling & Blasting’s entrance into energy work was the result of the company’s ability to read the market and make changes accordingly. “We naturally would have come into these markets in time, but what got us into these markets before our competition was that we saw the need coming,” Green says. “We learned from our lessons in the past that it is not viable for us to expand and contract based on one single strategy, which would be roads, housing and commercial developments. As a result, we’ve realized a lot of flexibility in our business model.”

The energy market has proven to be successful for Maine Drilling & Blasting, but the company also is serving other sectors, such as the ski market in the Northeast. From value-engineering and design/build services, to drilling and blasting for new trail development, and rock anchors to secure lift towers, the company’s work has taken it to extremely remote mountain areas.

“We’ve engineered a lot of track-type of equipment that we can [use to] get our resources and people into remote

areas,” Green explains. “We don’t need to have a perfect road to get in.

“We can bring in bulk explosive – which is very efficient, easy-to-use and safe – and put this on our small track equipment, allowing us to go into a ski area or right up into a mountain area and be able to start drilling and shooting.”

As Maine Drilling & Blasting expands its geographical footprint and capabilities, it is adamant about staying focused. “Our core services are drilling and blasting,” he says. “That strong focus helps us as we evaluate markets and the types of services we want to provide.”

Purington adds, “Our core markets of residential and commercial construction and quarry work are still very important to us, and we’re certainly still dedicated to servicing and growing that business. However, the energy market is an important progression to our future growth.”

GOOD WORK DONE RIGHT

Over the past 45 years, Maine Drilling & Blasting has learned a thing or two