

## Varco to Make Drilling Rigs by Kostroma

By [The Moscow Times](#)

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Workers at a National Oilwell Varco facility.

U.S.-based National Oilwell Varco has agreed to build a plant in Russia to make drilling rigs after the country slapped import duties on the equipment.

The plant, outside Kostroma, would be the first wholly foreign unit to make drilling rigs locally.

Kostroma region Governor Sergei Sitnikov and chief of National Oilwell Varco's Kostroma unit Anthony Crawford signed the agreement Tuesday, the regional government said in a statement.

Varco plans to invest 2.7 billion rubles (\$83 million) in the plant, which will start work next year, the statement said.

Russia made rig imports more expensive as of this year by introducing a 10-percent duty. Russian producers of the equipment include the Uralmash Oil and Gas Equipment Holding

Company and the Volgograd Drilling Tools Plant.

Chinese rivals have also made strong inroads into the market, where drilling companies like Eurasia Drilling and Integra are upgrading their hardware.

Integra's vice president for sales, Yevgeny Vlasovets, said the arrival of the new local producer would help improve quality and lower prices on the market.

The Volga River, which flows through the Kostroma area, will serve as a convenient delivery route for the heavy parts traveling from abroad to the future plant for assembly, Crawford said in the statement. He declined to comment further Wednesday.

The plant will reach full capacity by 2019, being able to produce 16,000 tons of equipment such as mobile and stationary rigs and mobile well-repair tools.

Eurasia Drilling, as part of its upgrade program, has ordered 14 rigs for delivery between 2010 and 2014, it said on its website.

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