



# DRILL BITS

October 2002

The Monthly Newsletter for IADC Members

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## **IADC elects 2003 officers**

Lawrence R Dickerson, President and COO, **Diamond Offshore Drilling Inc**, has been elected 2003 IADC Chairman, and **Marion Woolie**, Senior Vice President-Operations, **GlobalSantaFe Corporation**, will serve as Vice Chairman. **Ed Kautz**, Managing Director, **Caza Drilling**, was elected to the position of Secretary-Treasurer. Also elected are 3 Divisional Vice Presidents and 5 Regional VPs. IADC President **Lee Hunt** and Senior Vice President-Government Affairs **Brian T Petty** were reelected. The following Vice Presidents were also elected:

- **John Lindsay, Helmerich & Payne IDC**, Vice President-Land Division;

- **Jurgen Sagar, Transocean**, Vice President-Offshore Division;
- **Ross Murphy, Ocean Energy**, Vice President-Drilling Services;
- **R Blake Simmons, GlobalSantaFe Drilling (UK), Ltd**, Regional Vice President-Europe;
- **John O'Leary, Pride International**, Regional Vice President-International;
- **Rodney W Meisetschlaeger, Transocean**, Regional Vice President- US Eastern;
- **Ronnie McBride, Patterson-UTI Drilling**, Regional Vice President-US Central;
- **Mike Nuss, Caza Drilling**, Regional Vice President-US Western.

## **2003 membership drive underway**

IADC has begun its 2003 membership drive. Renewal packets were recently sent to all IADC Contractor, Producer and Associate members. Membership in IADC allies your company with the worldwide drilling industry.

Membership shows your firm support for industry initiatives in Washington and Brussels and for the Association's efforts in safety and technology.

It also assures you will receive early notice of meetings and other events organized by the Association. Members are eligible for discounts on printed materials and conferences.

One of IADC's most valuable assets is the diversity of its membership. More than 270 drilling contractors, 50 producers and 600 associate members provide a constant

flow of ideas to help meet a broad spectrum of challenges in the drilling industry. IADC provides a strong voice in Washington and the Association's global reach provides a strong position in influencing the direction of international treaties and rules.

IADC training and safety programs and materials are considered among the best in any industry. IADC conferences are recognized for their practical focus and valuable content.

IADC members will be listed in the 2003 IADC Membership Directory, an industry guide that reaches 5,000 drilling and producing executives.

For more information on becoming a member of IADC or reviewing your membership, call **Michelle Stukenborg**, ext 219 ([michelle.stukenborg@iadc.org](mailto:michelle.stukenborg@iadc.org)).

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*Global Leadership for the Drilling Industry*

**C. Stedman Garber Jr, Chairman**

**Lawrence R. Dickerson, Vice Chairman**

**Marion Woolie, Secretary-Treasurer**

**Lee Hunt, President**

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## Rigs receive ASP certificates

Each rig listed below received a certificate for the years indicated since the last LTI:

### Six Years

- **Enasco Asia Pacific Pte. Ltd.**, Rig 52.

### Five Years

- **Noble Drilling**, Rig Noble Ronald Hoopie;
- **Enasco Offshore Co.**, Rig 69.

### Four Years

- **Noble Drilling**, Rig Noble Piet Van Ede;
- **Enasco Offshore Co.**, Rig 24.

### Three Years

- **Noble Drilling**, Rig Noble Byron Welliver;
- **Noble Drilling**, Rig Noble Al White;
- **Enasco Offshore Co.**, Rig 90;
- **Enasco Offshore Co.**, Rig 83;
- **Pride Intl.**, Rig 70.

## WellCAP updates

### Full WellCAP Accreditation:

- University of Alaska, Mining & Petroleum Training Services;
- Transocean, Aberdeen Training Centre;
- International Drilling Schools (2nd seven year accredited program).

### Provisional WellCAP Accreditation:

- Daqing Well Control Training Center of China;
- UNOCAL Corp, WESTEC;
- Daqing Well Control Center of China.

### Full WellCAP Accreditation Spanish Curriculum:

- Wellcon Treinamento Consultoria LT-DA.

## International Well Control conference

The 2002 IADC International Well Control Conference 27-28 Oct is being held at the Bahrain Holiday Inn. The conference is sponsored by **Saudi Aramco, Kuwait Oil Company, Petroleum Development Oman** and **ADCO**. For information, please contact **Anne Otten**, 31/24-6752252 (anne.otten@iadc.org). Conference registration forms may be downloaded at <http://iadc.org/conferences.htm>.

## Introductory WellCAP is revised

At its meeting in Austin in late August, the IADC Well Control Committee approved a revised curriculum for combined drilling and workover & completion instruction at the introductory level. The revised curriculum replaces the separate introductory level drilling and workover & completion curricula that had existed previously. Under the revised guidelines, companies not accredited to teach WellCAP at the fundamental or supervisory levels can choose to offer introductory level well control training only. A minimum of four hours of instruction is required every five years. Instruction could be delivered at a rig site provided companies demonstrate how they intend to implement and monitor the program. A de-

tailed explanation of the curriculum was issued in WellCAP Bulletin 02-03. Documents necessary for schools to apply for introductory level accreditation are available on the IADC web site at <http://iadc.org>. A workgroup has been formed to develop a similar Introductory Level WellCAP curriculum for well servicing, to include coiled tubing, wireline, and snubbing. That group, chaired by **Rich deBuys** of **WCS Well Control School**, includes **Ralph McDaniel** of **Halliburton**, **Stephen Craig** of **BJ Services**, and **Larry Kuhlman** of **Advanced Engineering**. For more information, please contact **Steve Kropla**, ext 211 (steve.kropla@iadc.org).

## WellCAP hourly guidelines issued

The IADC Well Control Committee has approved new guidelines for the minimum times for WellCAP courses offering different types of instruction. Any type of stand-alone WellCAP course must consist of a minimum of 20 hours of instruction. The exception is a stand-alone wireline course, which would require a minimum of 15 hours of instruction. If a basic course is combined with another curriculum component, an additional eight hours of instruction would be required. Five more hours of instruction

would be required for each curriculum component added after a second one. Including subsea qualification in a course would also require an additional five hours. In addition, the Well Control Committee approved a 90-day window before or after the student's anniversary date for retraining or refreshers. Details were described in WellCAP Bulletin 02-04, which is available from the IADC web site at <http://iadc.org/wellcap>. For more information, contact **Steve Kropla**, ext 211 (steve.kropla@iadc.org).

## System 21 O.K. pending changes

The IADC WellCAP Review Panel voted in late August to award full accreditation to System 21 provided certain changes are made to the program's design and administration. System 21, a product of **WCS Well Control School**, is an interactive computer-based well control training program that was awarded provisional accreditation last year. The Review Panel requested WCS modify certain provisions of its single-user agreement for use in unsupervised settings. The Panel requested that

WCS make the required changes and update all existing systems prior to the end of the year. The program will continue to operate under provisional accreditation until the changes are complete. Full accreditation will take effect when WCS has demonstrated to the Review Panel that this has been done. Changes to the program's status will be noted on the IADC web site. For more information, contact **Steve Kropla**, ext 211 (steve.kropla@iadc.org).

## Ship/Port security code update

The IMO Maritime Safety Committee's Security Working Group met 9-13 Sept 2002 to continue the drafting of amendments to the SOLAS Convention and of an International Code for the Security of Ships and Port Facilities (ISPS Code). Sufficient progress has been made and it is likely that an agreement will be reached as planned, in December 2002 on final amendments and the ISPS code. However, as with so many other IMO instruments, it appears that the

"contracting governments" will be far more effective in imposing new requirements on private enterprises than they will be in agreeing to the mutual governmental obligations affecting security. For example, they are unwilling to assume the obligation of providing verifiable credentials to governmental agencies boarding ships - a situation where an armed individual can gain access. For more information, please contact **Alan Spackman**, ext 207 (alan.spackman@iadc.org).

## **Southern Arabian Peninsula Chapter Golf Tournament 12 & 13 Dec**

The SAPC Golf Tournament will be held over two days for a group of 224 players on the 12 & 13 Dec, with the first day being at the Dubai Creek Golf Club and the second day at the Emirates Golf Club (EGC) in Dubai. The Southern Arabian Peninsula Chapter Golf Tournament is now the largest corporate golf tournament in the region and gathers contractors, service and operating staff from throughout the Gulf and beyond.

For information, contact **Gordon McGeachy** (toes@emirates.net.ae), **Dave Kieman** (ansonuae@emirates.net.ae) or **Thomas Ng** (thomas.ng@weatherford.co.ae).

## **Correction to Drill Bits on Louisiana tax**

In the article "Louisiana Tax gets the ax" we referred to Senator Romero's first name incorrectly. **Senator Craig Romero**, District 22, State of Louisiana has sponsored an ad valorem property tax exemption bill. This bill requires a Constitutional Amendment and we urge our Louisiana members to vote for it in November. If you have any questions, comments or require further information on the proposed Constitutional Amendment, please contact **Senator Craig Romero** at 1/225 342 1471 or **Brian T Petty**, 1/202 293 0670 (brian.petty@iadc.org).

## **Contracts & Risk Management Conference 10 Oct**

The Contracts & Risk Management Conference will be held at the Sheraton North Houston Hotel, Thursday, 10 Oct. The conference will include topics on Arbitration v. the Courts, Contract Termination Clauses in Term Contracts and Recent Court Decisions and What They Mean To Your Next Drilling Contract and much more. For more information, contact **Leesa Teel**, ext 210 (leesa.teel@iadc.org)

## **Practical UB drilling & workover manual**

"Practical Underbalanced Drilling & Workover" is published by the **Petroleum Extension Service at the University of Texas at Austin**, and authored by **Bill Rehm**.

The easy-to-reference manual, now available through IADC Publications compiles all the intricacies of underbalanced operations.

It covers UBD terms and calculations; UBD guidelines; surface control equipment; downhole tools; gases and equipment; circulation and the fluid column; flow and mud-cap drilling, liquid-gas fluids; foam drilling; air-gas, mist and foamed mist drilling; problems; appendix, which is the current IADC WellCAP curriculum for underbalanced drilling, as well as a glossary and bibliography. 2002, PETEX.

For more information, please contact **Jason McFarland**, ext 214 (jason.mcfarland@iadc.org).

## **New IADC Safety alerts are issued**

- Alert 02-39: Drill pipe handling operations results in LTA;
- Alert 02-40: Roustabout on top of pipe on rack results in LTI;
- Alert 02-41: Improper storage of pipe on racks results in LTI;
- Alert 02-42: Material handling incident;
- Alert 02-43: Drill collar backs out of lift sub.

For more information on IADC Safety Alerts, contact **Joe Hurt**, ext 224 (joe.hurt@iadc.org) or **Dawn Brown**, ext 205 (dawn.brown@iadc.org).

## **IADC ASP Program**

**Axxis Drilling** has joined the ASP Program. For information on how to join the Accident Statistics Program (ASP), please contact **Dawn Brown**, ext 205 (dawn.brown@iadc.org).

## **IADC seeking member input on IRS proposed offroad tax change**

IADC is seeking input from members regarding the IRS proposed change to the definition of highway vehicle which would eliminate a long standing oilfield exemption from a variety of fuel and highway-vehicle taxes. Congressman **Larry Combest** (R-TX) at the request of IADC, Key Energy and Halliburton wrote the Commissioner of the IRS as senior member of the US House Small Business Committee and said he was concerned the new rule would have an enormous impact on small businesses, particularly those in the oil and gas industry.

Also, at IADC's request, US House Ways and Means committee member Congressman **Jim McCrery** (R-LA) wrote objecting because many businesses "will find that they suddenly owe taxes on vehicle types which were exempt for more than four

decades. The rule will create a real burden for many businesses, both because of the resulting confusion and the added tax costs." IADC is seeking information from drilling contractors on potential costs they may incur due to this tax change.

This information will be used in comments IADC intends to send to the IRS on 4 Dec 2002, which is the deadline extended at the request of the Coalition members. The IRS under considerable pressure announced a public hearing on its proposal to eliminate the exemption to be held on 23 Feb 2003.

For more information, please contact **Brian T Petty**, 1/202 293 0670 (brian.petty@iadc.org) or **Joe Hurt**, ext 224 (joe.hurt@iadc.org).

## **US-Russia Energy Summit-Houston**

IADC members **Robert L. Parker**, President and CEO, **Parker Drilling**, and **Robert Campbell**, President, **Noble Drilling** were speakers at the US-Russia Commercial Energy Summit 30 Sept-2 Oct, which was held at the Baker Institute, Rice University in Houston on New Technologies in Exploration and the role of en-

trepreneurs. IADC President, **Lee Hunt** participated in a Roundtable on training and education. The keynote address was delivered by The Honorable **Donald L. Evans**, US Secretary of Commerce.

For more information on the US-Russia Summit in Houston, contact **Brian T Petty**, 1/202 293 0670.

## **IADC welcomes new members**

- **Amercable Inc**, USA;
- **Combined Diving & Inspection Services**, USA;
- **Francis Torq/Lite**, USA;
- **Yan Tai Jereh Equipment Co, Ltd**, China;
- **Elite Drilling Company**, USA;
- **Sahara Petroleum Co.**, Egypt;
- **Tulpar Munai Services C/O Nations Energy**, Kazakhstan.

If you would like information on becoming a member of IADC, contact **Michelle Stukenborg**, ext 219 ([michelle.stukenborg@iadc.org](mailto:michelle.stukenborg@iadc.org)).

## **RIG PASS Updates**

### **Accredited RIG PASS Schools:**

- Pason Systems USA Corp;
- Precision Drilling Co;
- Technical Resources Services, Inc;
- Art Catering;
- Island Operating Co, Inc.

### **Renewal Accredited RIG PASS Schools:**

- Watts, Rapp & Jenkins, LLS;
- Caza Drilling, Inc;
- Fairweather/TEA.

For more information, contact, **Barbara Burrage**, ext 217 ([barbara.burrage@iadc.org](mailto:barbara.burrage@iadc.org)).

## **Surface BOP Workshop for floating drilling operations 6 Nov**

The 2002 IADC Surface BOP Workshop for Floating Drilling Operations will be held 6 Nov at the Omni Houston Westside Hotel in Houston.

Surface BOP was pioneered by **Unocal** in Southeast Asia and over the past six years this technique has demonstrated significant economies over traditional methods in benign deepwater environments.

The one-day workshop will address HSE, risk analysis, mooring, operations, riser analysis, well control, shut-off valves and much more. Mark your calendars and don't miss this workshop. For more information, please contact **Leesa Teel**, ext 210 ([leesa.teel@iadc.org](mailto:leesa.teel@iadc.org)) or check out the IADC web site.

## **Contracts Committee holds third Contracts Workshop in Krakow**

On 3-4 September, representatives of IADC's Contracts Committee conducted the third Contracts Workshop in Krakow Poland. Hosted by **Oil & Gas Explorations Company - Krakow**, the event brought together drilling contractors from across Poland and from the Czech Republic. The Workshop was led by **Mike Roth, Transocean**, Chairman of IADC's Contracts Committee, supported by **Donna Adams-Harris**, Vice Chairman - Associates, and **Ken Fischer**, IADC Vice President-Operations.

The Contracts Workshop curriculum highlighted the elements of a typical drilling Contract using the IADC model forms as a guide. Strong emphasis was placed on the intricacies of allocation of risk, indemnities and insurance provisions. This event was the second Contracts Workshop held this year, the first taking place in Dubai in January. Additional Workshops are planned for next year. For additional information or to inquire about a Workshop in your area, contact **Ken Fischer**, ext 208 ([ken.fischer@iadc.org](mailto:ken.fischer@iadc.org)).

## **Secretary of Energy requests new study on natural gas in the US**

US Department of Energy **Secretary Spence Abraham** has requested that the **National Petroleum Council (NPC)** conduct a new study on natural gas in the United States for the 21st Century.

The study is to examine the potential implications of new supplies, new technologies, new perceptions of risk, and other evolving market conditions that may affect the potential for natural gas demand, supplies, and delivery through 2025. On 17 Sept, **Brian T Petty**, IADC Senior Vice President-Government Affairs participated in a natural gas supply session in Washing-

ton, DC. The meeting was held to inform natural gas associations and user groups of the NPC plans, approach and timetable and to better understand the issues associated with natural gas. The Council's Committee on Natural Gas is chaired by **Bill Wise**, CEO of **El Paso Corp** and is assisted by an executive committee consisting of **Lee Raymond**, CEO of **ExxonMobil**, **Bob Catall** of **KeySpan**, and **Rich Kinder** of **Kinder Morgan**. For more information, please contact **Brian T Petty**, 1/202 293 0670 ([brian.petty@iadc.org](mailto:brian.petty@iadc.org)).

## **IADC comment to OSHA on MSDs**

When the OSHA 300 Recording and Reporting rules were issued, reporting of musculoskeletal disorders (MSD) separately on the log was delayed until January 2003. OSHA proposes to delay this reporting until January 2004. IADC has sent comments to the Docket supporting OSHA's proposed delay. It is IADC's position that such a delay will allow for relevant comments from interested parties and avoid confusion as to the MSD definitional issue. Additionally, IADC supports the proposition of abandoning the separate 300 LOG MSD column as it is unnecessary and redundant, creating an unnecessary paperwork burden on employers. Current recording requirements already capture acute and chronic work-related MSDs. In comments to OSHA, IADC stated that the definition of what medical conditions constitute MSDs is well settled in the medical literature so OSHA need not develop an "OSHA definition" of MSDs. The real issue is the definition of "Work-Relatedness". IADC sup-

ports separate definitions for these two terms (Work-Relatedness and Musculoskeletal Disorder). As to the "work-relatedness" issue, the employer must remain ultimately responsible for the determination of "work-relatedness". Under current OSHA Recordkeeping Requirements, the employer is responsible for determining recordability (work-relatedness) of an incident. As to repetitive and/or cumulative events, IADC believes much more scientific study is required as regards to their work-relatedness. For example, the recent comprehensive Mayo Clinic study as to Carpal Tunnel Syndrome called into question many years worth of popular acceptance of this condition's relationship to the computer dependent work environment. IADC also questions OSHA's position that MSDs should be subject to employee health privacy restrictions. For additional information, contact **Brian T Petty**, 1/202 293 0670 ([brian.petty@iadc.org](mailto:brian.petty@iadc.org)) or **Joe Hurt**, ext 224 ([joe.hurt@iadc.org](mailto:joe.hurt@iadc.org)).