



WellCAP Plus pilot course conducted in July

A full-length pilot course of the WellCAP Plus well control training program was conducted during the week of 19 July at the Randy Smith Training Solutions office in Lafayette, LA. WellCAP Plus is intended to be an alternative to the standard WellCAP supervisory level instruction for highly experienced and seasoned personnel. It features a facilitated team-learning and decision-making approach to solve specific well control scenarios.

The course was facilitated by development team members **Gary Nance** of **Randy Smith Training Solutions**, **Ron Fuqua** of **BP** and **John Rogers Smith** of **LSU**. Ten of the participants were operations personnel provided by development team companies. These included **John Smith**, Wellsite Leader, **BP**; **David Lazure**, Drilling Consultant, **Newfield Exploration**; **George Armistead**, Drilling Engineer, **Unocal**; **Donny Logan**, Drilling Supervisor, **Amerada Hess**; **Joey Guin**, OIM, **Transocean**; **Ray Johnston**, Senior Drilling Representative, **ChevronTexaco**; **Mitzi Downey**, Operations Engineer, **Transocean**; **Warren Powell**, Drilling Superintendent, **Diamond Offshore**; **Ricky Parrie**, OIM/Toolpusher, **GlobalSantaFe**;

and **Steven King**, Sr. Well Control Engineer, **Wild Well Control**.

Two last-minute vacancies in the pilot course were filled by **ENSCO** employees, **Richard Holloway**, an OIM, and **David John Lester**, a driller.

In the first afternoon, participants were given a "mini-exercise" to give them a flavor of how exercises on the following three days would be laid out. Each of the following three days began with the participants being asked to identify the key learnings from the previous day. Then, each day was spent working through key decision points on a specific exercise. The first exercise dealt with an off-bottom kill.

On the second day, the focus was on a high pressure, high temperature well. The third day involved a deepwater exercise. IADC is being assisted in the facilitator development process by two consultants from the Texas Engineering Extension Service (TEEX) of Texas A&M University, both of whom were present throughout the course. One of the things they consistently remarked was that they had never seen a group that as a whole remained so focused and enthusiastic about the course throughout its duration. The evaluation forms completed by the students

were overwhelmingly positive and all were grateful for having had the opportunity to participate in an experimental type of well control course.

At the conclusion of the course, participants were presented with WellCAP supervisory level certificates in a brief "graduation" ceremony marking the event. This was hosted by development team co-chairman **Jim Metcalf** of **Newfield Exploration** and **Allen Kelly** of **Unocal**. The development team is currently assembling a package to be presented for industry review and comment. The comment period will begin 15 September and run until 31 October.

As the Well Control Conference of the Americas will occur shortly before the end of the comment period, a presentation there will be used as a way to promote interest and relevant comments. Another presentation is planned for the International Well Control Conference in Dubai in December. For more information, contact **Steve Kropla**, Ext 211 (steve.kropla@iadc.org).

JOBS bill threatens US Expats

IADC has weighed in on the pending "JOBS" bill in the US Congress to oppose weakening the IRS code section 911 provisions involving the foreign earned income exclusion.

In a letter written to Senate and House conferees on the measure, **Brian T. Petty**, Senior Vice President - Government Affairs, explained that the drilling industry is utterly dependent on the ability to efficiently move equipment and personnel as international oil and gas markets dictate.

The JOBS Act would substantially modify Section 911 foreign earned income and housing expense exclusions by combining both and capping the total at \$80,000.

Americans abroad must pay US income tax on income, benefits, allowances, and overseas adjustments. By comparison, no other major industrial country in the world taxes its citizens working overseas on their foreign earned income. For more information, contact **Brian T. Petty** 1/202 293 0670 (brian.petty@iadc.org).

New IADC Safety alerts are issued...

- Alert 04-32: Cargo handling incident;
- Alert 04-33: Use of load boomers results in two incidents;
- Alert 04-34: H2S inhalation: man fell from tote tank resulting in LTI;
- Alert 04-35: Drill line spool run-away.

IADC Publications Catalog now available

Request a catalog at publications@iadc.org or call **Loretta Krolczyk**, ext 215.

Vietnam suspends added contractor tax

Following an appeal by IADC to the Vietnamese Government, its Ministry of Finance deferred plans to raise taxes on foreign drilling contractors who conduct business or generate income in the country. The Ministry had been expected to finalize a circular increasing taxes on contractors with effect from 1 July 2004. Foreign contractors in Vietnam currently pay tax only on income generated from business activities performed in Vietnam. Versions of the expected changes called for higher VAT rates for many goods and services provided under leasing or procurement contracts, with contractors potentially facing a tax burden about 40 to

50 percent greater than current levels. Although delayed, the government's plans aren't necessarily scrapped. The Ministry will again consider tax changes for contractors at the end of this year.

A delegation of Vietnamese government and industry officials, led by Deputy Minister of Planning and Investment Nguyen Bich Dat, discussed the considerable potential of the country's OCS and new opportunities there for western drilling and production companies during IADC's Annual Meeting last year in Houston. For more information, contact **Brian T Petty** 1/202 293 0670 (brian.petty@iadc.org).

Scottish EPA relents on radioactive hazmat

At the request of IADC North Sea Chapter Chairman Mark Burns, the Scottish Environment Protection Agency (SEPA) suspended its proposed re-interpretation of section 13 of the Radioactive Substances Act of 1993. The new regulation would shift the legal requirement for obtaining licenses from the operator to the contractor.

Mr. Burns, supported by UKOOA, argued that SEPA hadn't consulted with industry: "Any legislative change which directly affects our business requires to be managed. Without a full and comprehensive consultation exercise which is normal practice, the management of change will be flawed and may result in potential legislative breach. The impact of such a

breach on ourselves and our clients is significant."

In response, SEPA has proposed the creation of a liaison group with IADC and UKOOA on a variety of environmental issues. In his letter to Mr. Burns, SEPA's Colin Bayes closed with: "On the specific issue of the holder of an RSA authorisation I would propose that it be the first item for discussion at any liaison grouping but in the interim we will be taking a position of business as normal so as to obviate any difficulties for your industry or members."

For more information, contact **Dominic Cattini** 44/1 895 621889 (dominic.cattini@iadc.org) or **Brian T Petty** 1/202 293 0670 (brian.petty@iadc.org).

IADC Well Control Conference of Americas & Exhibition 24-26 October, Albuquerque

The Well Control Conference will bring together experts representing operators, contractors and training providers who will discuss advanced technologies, state-of-the-art training and limited well control incidents.

The featured speaker is **Tim Spisak**, Fluid Minerals Group Manager, **Bureau of Land Management**. Mr Spisak will discuss current activity in BLM's Inspection and Enforcement and Best Management Practice Programs, as well as review BLM regulation regarding well control training and practice. Other speakers include: **Marion Woolie**, Chairman,

IADC; Senior Vice President Operations, **GlobalSantaFe Corporation**, **Kevin Lacy**, Principal Advisor-Well Engineering & Operations from **ChevronTexaco**, **C Mark Franklin**, P.E. BP, Market Outlook featured speaker **Allen Parks**, Partner, **Parks Paton Hoepfi & Brown**, **Terry Strickland** and **Gabe Gibson**, **Cudd Well Control**, **Gary Nance**, **Randy Smith Training Solutions**, **Craig Kretz**, **EnCana Corporation**, **Dwayne McClland**, Manager, CTOP Well Control, **ChevronTexaco** and many more. For more information, contact **Leesa Teel**, ext 210 (leesa.teel@iadc.org).

Rigs receive ASP certificates

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

Four Years

- **Pride Offshore Inc**, Rig 651;
- **Nabors Offshore Corp**, Rig P10.

Three Years

- **Energy Drilling Co**, Rig 9;
- **Rowan Companies Inc**, Rig Land Rig 18;
- **Nabors Drilling Intl Inc**, Rig 426;
- **KCA DEUTAG Oman**, Rig 2 (T-55);
- **National Drilling & Services**, Rig 31.

Two Years

- **Nabors Offshore Corp**, Rig 85;
- **KCA DEUTAG**, Rig T-66, T2000;
- **Pride Forasol-Chad**, Rig Workshop & Warehouse, Transportation;
- **Nabors Drilling Intl Inc**, Rig 115; 426;
- **KCA DEUTAG Pakistan**, Rig T-34.

One Year

- **Energy Drilling Co**, Rig 1;
- **Nabors Offshore Corp**, Rig SD-1, P-54;
- **Rowan Companies Inc**, Rig Rowan Gorilla VI Rig 048, Rowan Land Rig 15;
- **KCA DEUTAG**, Rig T-77;
- **Nabors Drilling Intl Inc**, Rig 210, 814, 854 656, 426.

Recognized Since Last Recordable Incident:

Two Years

- **Rowan Companies Inc**, Rig Rowan Land Rig 33;

One Year

- **Rowan Companies Inc**, Rig Rowan Land Rig 9;
- **Nabors Drilling Intl Inc**, Rig 814, 657.

Call for abstracts

IADC and Offshore Marine Service Association (OMSA) are pleased to issue a call for abstracts for the upcoming conference on Offshore Logistics 11-12 April, 2005, Hilton Hotel, Lafayette, La.

The IADC/OMSA Offshore Logistics Conference will focus on improvements in efficiency, safety and environmental protection in the movement of goods, supplies and personnel between onshore support facilities and offshore installations.

Presentations will highlight current challenges, as well as recent developments leading to improvements in offshore logistics. Abstracts must be submitted to IADC no later than 15 November 2004. Authors of selected presentations will receive confirmation by 15 December, 2004.

For more information, contact **Leesa Teel**, ext 210 (leesa.teel@iadc.org).

Accounting Committee holds first meeting

The inaugural meeting of the Accounting Committee was held at the offices of GlobalSantaFe 16 August. Karen Acree of GlobalSantaFe was selected Chairperson and David Tonnel of Transocean Vice Chair. The Accounting Committee will meet quarterly.

Ms Acree presented a survey on Sarbanes Oxley Readiness for committee members to fill out and stated the results would be tabulated and returned to the committee members. Mr Craig Williams introduced Mike Dawson of GlobalSantaFe who began a discussion group on Capitalization/depreciation pol-

icy for assets, including accounting for mobilization, drydock/inspections and repairs and maintenance.

The discussion covered how the various companies present items for capitalization/expense and depreciation. Items discussed included repairs, maintenance, PCs, software painting projects, surveys, steel replacement, salvage values, whether crew costs were included, locking at barge impairments, partial retirements.

For more information on attending the next committee meeting, please contact **Kathye Sargent**, ext 220 (kathye.sargent@iadc.org)

National Offshore Safety Advisory Committee (NOSAC) applicants wanted

The US Coast Guard is seeking applicants for appointment to the National Offshore Safety Advisory Committee (NOSAC).

The Committee provides advice to the Coast Guard on matters relating to offshore energy industries. It is comprised of 15 members, two of whom are drawn

from the drilling community. The notice specifically seeks an applicant from the drilling community to replace a member whose term is expiring.

Applications should be received by the Coast Guard by 30 September 2004. For information, contact **Alan Spackman**, ext 207 (alan.spackman@iadc.org).

IADC, API prevail in SPCC extension

US EPA issued a final rule granting an extension of its Spill Prevention, Control, and Countermeasure (SPCC) compliance deadlines by an additional 18 months.

The new deadlines are 17 February 2006 for amending plans and 18 August 2006 for implementing plans. This extension also applies to mobile facilities, which EPA left out in the last extension.

The preamble to the rule also states that

any provisions that provide regulatory relief are not affected by the extension, meaning that industry gets the benefit of any new relaxed provisions.

IADC and API successfully argued for inclusion of mobile facilities in formal comments to the docket. For more information, contact **Brian T Petty** 1/202 293 0670 (brian.petty@iadc.org) or **Joe Hurt**, ext. 224 (joe.hurt@iadc.org).

Petty chosen for US investment panel

US Undersecretary of Commerce **Grant Aldonas** and the Office of the US Trade Representative have announced the creation of the Investment Working Group (IWG), comprised of 16 individuals representing a broad range of US industry, academia and environmental interests to advise The White House and Secretary of Commerce in bilateral and multilateral trade negotiations on investment policy. IWG members were designated for their sector-specific expertise, and IADC Senior

Vice-President -- Govt. Affairs **Brian T. Petty** was selected to serve on the panel to represent the oil and gas industry. In terms of oil and gas operations, these negotiations loom large in determining the encouragement and safeguarding of oil companies' international investments in E&P assets, and the interests of drilling contractors who work for them, including state-owned oil companies. The IWG will be chaired by **Scott Miller** of **Procter & Gamble**.

RIG PASS Updates

HSE RIG PASS

Accreditation Pending:

- Offshore Energy Services, Lafayette, LA.

WellCAP Updates

Fully Accredited WellCAP Program:

- Drilling & Workover Services, Ltda. Bogota, Columbia (Supervisory Level).

IADC welcomes 10 new members

- 4-Way Drilling Co, LLC, Texas;
- Consolidated Training Systems, Inc, Philippines;
- Council Development Corp, Louisiana;
- Eiticat Ltd Trading AS, England;
- Gulf Drilling Intl LTD, Qatar;
- Kingbury Drilling LLC, Wyoming;
- Phoenix Drilling Inc, West Virginia;
- S.A.R.L. Inc II Castoro Algerie, Algeria;
- Stoltz and Company, Texas;
- Torquato Drilling Accessories, Pennsylvania.

RIG PASS site visits

Three Rig Pass site visits were conducted in July in South Louisiana. Steve Kropla, IADC Director - Accreditation & Certification programs conducted visits at Island Operating Company in Scott, Taylors International Services in Lafayette, and Technical Resource Services in Broussard. For more information, contact **Steve Kropla** at ext. 211 or steve.kropla@iadc.org.

Corrections

In the August issue of Drill Bits, the name of **Reinaldo Polanco** of **Helmerich & Payne International Drilling Company** was incorrectly given as Rolando Polanco. In the July issue, **Aberdeen Skills Enterprise Training (ASET)** was inadvertently omitted from the list of companies participating on the IADC Ballast Control & Stability Program development team. IADC regrets the errors.

NEW IADC Employee

Marlene Diaz has joined IADC as Accreditation Coordinator.

She will assume duties previously performed by **Huma Khan** who has returned to school.

API developing helideck management guidelines

The API is developing a new Recommended Practice (RP) 2L1 on Inspections Maintenance and Management of Offshore Helidecks. This new RP will supplement API RP 2LL Recommended Practice for Planning, Designing, and Constructing Heliports for Fixed Offshore Platforms by providing current and specific guidance regarding visual

aids, obstructions, communications, and inspection. API has formed a Work Group, co-chaired by **Bill Hedrick** of **Rowan Companies** and **Bob Williams** of **ExxonMobil** with the intent of having the draft standard completed before January 2005.

For information, contact **Alan Spackman**, ext 207 (alan.spackman@iadc.org).

2004 IADC Annual Meeting 22-24 September

The International Association of Drilling Contractors Annual Meeting will examine topics of critical importance to the drilling contractors and oil producers in an era of persistent high crude oil prices.

The Drillers Outlook will Examine key trends and events likely to impact land and offshore drilling markets. Specifically, speakers will report on deep gas opportunities, economic challenges, new technology opportunities in Iraq and safer more efficient drilling operations. This year, the event will feature an Operator's Outlook Breakfast, which will include ReedHycalog Rig Census, and a special presentation from Juan Garcia, Drilling Manager for ExxonMobil Development Company.

The conference will convene 22-24 September at the Inter-Continental Hotel, New Orleans. To book a room, call 504-525-5566 or Fax 504-523-7320.

Other speakers include: Amy Myers Jaffe, Senior Energy Advisor, Baker Institute for Public Policy; Dennis Smith, Director of

Corporate Development, Nabors Industries; Jon Marshall, President and CEO, GlobalSantaFe Corporation; Don Hannegan, Director-Underbalanced Services, Weatherford International, Inc; Elliott Pew, Vice President Exploration, Newfield Exploration Company; H.E. Harding, General Manager, Gulf Coast Business Unit of Upstream, ConocoPhillips; Steve Nowe, Project Drilling Manager, BHP Billiton Petroleum; Pete Miller, Chairman, President and CEO, National Oilwell; Michael K. Williams, President-Drilling Equipment, Varco International Inc; Mike Derbyshire, Marketing & Business, Manager Middle East, Pride International, & Chairman of the IADC Southern Arabian Peninsula Chapter; John Deane, ReedHycalog; Arvind Sanger, Portfolio Manager, SAC Capital Management LLC; and John Herrin, First Vice President, Merrill Lynch.

For more information, contact **Leesa Teel** at 1/713-292-1945, ext 210, or check the web at www.iadc.org/conferences.htm.

IADC Contracts & Risk Management Conference 4 Nov

The Contracts & Risk Management Conference will be held at the Omni Houston Hotel Westside, Thursday, 4 Nov. CLE credits will be available. Contact **Leesa Teel**, ext 210 (leesa.teel@iadc.org).

Horror Files Update Horror Stories Needed

Cary Moomjian will present his Contract Horror Files again at the IADC Contracts & Risk Management Conference 4 Nov. Mr. Moomjian would like to receive any unusual, onerous or just plain stupid contract clauses to include in his presentation. "Contract Horror Files - Real World Examples of Horrible Contract Provisions." Contact **Cary Moomjian**, **Ensco International** at cmoomjian@enscous.com.

OSHA revisits personal protective equipment (PPE) issues

In the 8 July Federal Register OSHA announced reopening discussion on their 31 March 1999 Proposed Rule to require employers to pay for personal protective equipment (PPE).

They are asking for answers to a number of specific questions such as: Are certain PPE considered tools of the trade that employees take with them from one employer to another? If so, how should OSHA determine which PPE fall into this category? What are specific examples of tools of the trade PPE? OSHA is also attempting to determine which PPE is personal in nature and should be provided by the employee, and what effect might having employees pay for PPE have on safety in the workplace.

IADC filed comments to meet the 23 August 2004 deadline. For additional information, contact **Joe Hurt**, ext 224 (joe.hurt@iadc.org).

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