



DRILLBITS

Monthly Newsletter from the International Association of Drilling Contractors

DECEMBER 2009

Pride president, CEO Louis Raspino elected 2010 IADC chairman

Louis Raspino, president and CEO of **Pride International**, was elected 2010 IADC chairman at the association's 2009 Annual General Meeting, held 8-10 November in Miami, Fla.

"The IADC is a recognized platform for standards and practices in the worldwide oil and gas drilling industry, and I look forward to expanding my involvement even further with the organization," Mr Raspino said. "Our industry has grown tremendously and continues to venture into new territory, so I especially value the forum that IADC provides for discussing new technology and trends that promote safe, efficient and environmentally sound practices."

A full profile article of Mr Raspino will be published in the January/February 2010 issue of DRILLING CONTRACTOR.



Louis Raspino



Matt Ralls

Matt Ralls, president and CEO of **Rowan Companies**, was elected as the association's new vice chairman, while **Beth Gordon**, controller for **Diamond Offshore Drilling**, was re-elected as secretary-treasurer. Ms Gordon also chairs the IADC Accounting Issues/Procedures Committee.

Steve Gangelhoff, senior vice president of marketing for **Northern Offshore**, was elected vice president of the

Offshore Division. **Jeff Flaherty**, vice president – US land operations for **Helmerich & Payne International Drilling Co**, and **David Reid**, vice president for E&P business and technology for **National Oilwell Varco**, were both re-elected and will serve as vice president of IADC's Land Division and Drilling Services Division, respectively.

Also re-elected were **Dr Lee Hunt** as IADC president; **Brian Petty** as senior vice president – government affairs; **Tom Terrell** as senior vice president – business development; **Mike Killalea** as group vice president/publisher; and **Steve Kropla** as group vice president – operations & accreditation.

The 2010 Annual General Meeting is scheduled for 11-12 November at the Hyatt Regency Riverwalk in San Antonio, Texas.

IADC SCA Chapter meets with Indian safety regulator

More than 40 members of the IADC South Central Asia Chapter (SCAC) met with representatives of the Oil Industry Safety Directorate (OISD) in Mumbai on 29 October 2009. Chapter vice chairman **P. Venkateswaran**, **Aban Offshore**, presided and chapter secretary **K.L. Batra** facilitated.

J.B. Verma, OISD executive director, presented an overview of the development of regulations and the designation of OISD as the "competent authority" for implementation and enforcement. He described OISD's "goal-based approach" to regulations and noted that OISD has been accepted into the International Regulators Forum.

U.K. Arora, OISD joint director E&P, followed with a detailed presentation that pointed out key provisions of regulations pertaining to drilling operations. He also reported that OISD has entered into a Memorandum of Under-

standing with the US Minerals Management Service and that they planned to do joint audits and to hold a workshop early next year.

Ken Fischer, IADC regional VP – Middle East & Africa, chaired a lively question-and-answer session during which contractors was able to ask OISD about various issues and request interpretation of specific rules. One key topic was identification of the "operator." OISD representatives clearly stated that the "operator" is the oil and gas company holding the exploration license, not the drilling contractor, integrated service contractor or any other third party.

SCAC Safety Committee chairman **Dave Coleman** of **Pride International** remarked that "this meeting was good for everybody," and he hoped that there would be more similar meetings as IADC continues to work with OISD.

For more information, contact **Ken Fischer** at ken.fischer@iadc.org.

Safety alerts

[w/alerts.htm](http://www.iadc.org/alerts.htm)

- Alert 09-31:** Helicopter wheel snags helideck net – near-miss with high-severity potential.
- Alert 09-32:** Dropped slip dies results in broken hand.
- Alert 09-33:** Picking up drill collars results in LTI.

Reminder

- **IADC Health, Safety, Environment & Training Conference & Exhibition**, 26-27 January, Houston.

IADC addresses Qatar Incident Review Committee

IADC regional vice president - Middle East and Africa **Ken Fischer** addressed the 25th meeting of the Qatar Drilling Operations Incident Review Committee on 4 November in Doha. More than 75 representatives of companies operating in Qatar's upstream industry were on hand to report on their HSE performance and to hear detailed reports on incidents occurring in the country. The meeting was chaired by **Mohammed Al-Mulla**, assistant drilling manager of **Qatar Petroleum**.

Mr Fischer's presentation, titled "How IADC Accreditation Programs Help

Build Competence," described the use of IADC tools and programs in a company's competence development scheme. He demonstrated how these programs can be used individually or in combination to define job descriptions, deliver effective training and assess personnel as they progress through various rig positions. IADC accreditation programs have experienced unprecedented growth in the Middle East in recent months, with numerous contractors and training providers achieving accreditation.

For details, contact **Ken Fischer** at ken.fischer@iadc.org.

Drillers await US international tax legislation

There's been a lot of press on the Obama Administration's proposals for taxing foreign-earned income, which could cost US drillers working abroad. The Wall Street Journal recently published an article saying that the administration has backed away from the international provisions for now. Several publications then ran articles about that article.

By mid-October, the US Government Accountability Office had issued a report on international tax systems ("Study: Countries That Exempt Foreign-Source Income Face Compliance Risks and Burdens Similar to Those in the United States," GAO-09-934). The report can be found at www.gao.gov/cgi-bin/getrpt?GAO-09-934, and highlights can be found at www.gao.gov/highlights/d09934high.pdf.

Senator **Max Baucus**, D-Mont., and **Chuck Grassley**, R-Iowa, who are

chairman and ranking member of the Senate Finance Committee, respectively, responded that caution must be used when looking to reform the US international tax system and that the system should not be reformed on a piecemeal basis.

Sen. Baucus said the report "makes clear there are significant inherent challenges in international tax policy reform, and the complexity of the issues requires us to move carefully and thoughtfully." Given that the health-care reform package is still being debated and has to be paid for, no one in Washington thinks it's time to relax or that the press reports can be relied on to accurately predict that the fight is over. However, this is encouraging news. IADC's Tax Committee is closely following the legislation.

For additional information, please contact **Brian Petty** at +1/202-293-0670 (brian.petty@iadc.org).

From IADC Publications: Falls and Falling Objects

This convenient pocket-size booklet is packed with safety information allowing for on-the-spot checking of safe practices. Published by **NSL America**, the 50-page booklet includes subjects such as health and safety at work; safety equipment/clothing; fall arresters; falling objects; and rescue from height. For more information or to place an order, please contact assistant director – publication sales **Loretta Krolczyk** at ext 215.

Accreditation updates

WellCAP

Accreditation awarded:

- **Malaga Drilling School S.L.**, Spain (conditional);
- **PetroTalent, Institute of Petroleum Technology**, Pune, India (intro);
- **Safety Plus LLC**, Texas (conditional);
- **Well Control School Indonesia**, Jakarta, Indonesia (conditional).

Accreditation pending:

- **Diamond Offshore Drilling Inc**, Houston, Texas (renewal);
- **Randy Smith Training Solutions**, Lafayette, La. (renewal).

HSE Rig Pass

Accreditation pending:

- **Grupo Hegemonia Servicios Administrativos Integrales SA de CV**, Mexico (new);
- **MB Petroleum Services LLC**, Oman (new);
- **Pioneer Drilling de Colombia**, Colombia (new);
- **Safety & Training Consultants**, Houma, La. (renewal);
- **Safety Technologies**, Mexico (new);
- **SISEMHL Consultores**, Mexico (new);
- **Total Safety**, Dubai (new);
- **Total Safety**, Qatar (new);
- **Total Safety**, Saudi Arabia (new).

DIT

Accreditation awarded:

- **Drilbert Engineering Inc**, The Woodlands, Texas (conditional);
- **JC International Ltd**, Nigeria (conditional);
- **PetroEd Multimedia Inc**, Houston, Texas (conditional).

Competence Assurance

Accreditation pending:

- **Frontier Drilling**, Houston, Texas;
- **Xtreme Coil Drilling**, Houston, Texas.

IADC accredited providers up by 17%

Despite weak economic conditions around the world, the IADC Accreditation and Certification Department (ACD) has seen its total number of accredited training providers/companies increase by 17% over the past year to 347. ACD director **Brenda Kelly** attributes this growth to “our industry’s continued commitment to quality training and the desire to have a competent workforce ready for the upturn.”

All but two of IADC’s accreditation programs saw an increase in the number of participating companies. The Drilling Industry Training Accreditation (DIT) system experienced the strongest growth, with 23 new companies and 105 new custom-designed courses in 2009. **Proteccion al Medio Ambiente y Seguridad Privada Aplicada** (Mexico) achieved the highest number of course accreditations in 2009, with 28 courses accredited. **Arabian Drilling** had the second-largest number of courses accredited, 27.

HSE Rig Pass marked an 18% growth rate by gaining 26 training providers. Increased participation by companies based in Mexico accounted for a significant percentage of this growth.

By region, IADC’s accreditation programs saw the largest growth in Central America, with Mexico leading the way. The number of Rig Pass programs in that country rose by a remarkable 50% in the past year; a total of 24 new Mexican companies now participate in Rig Pass. The first UBO Rig Pass accreditation in Mexico was also achieved this year, by **Siatesa**. Mexican companies also joined the ranks of new WellCAP and DIT training providers, with four and two training providers respectively.

IADC’s accreditation programs are fully global, reaching every petroleum market around the world. ACD has accredited training providers operating in 67 countries and conducting training in 14 languages. For details, contact **Brenda Kelly** at brenda.kelly@iadc.org.

HSE Case workshop held in Oman

IADC conducted an HSE Case workshop in Muscat, Oman, on 1-3 November 2009 in cooperation with **Governors B.V.** and **RPS Group PCL**. The event was designed to teach participants how to develop HSE case documents in compliance with the IADC HSE Case Guidelines.

Mark Hobbs of **Shaleem Petroleum Services**, chairman of Oman’s Leaders In Safety Forum, reminded workshop participants of the importance of an effective HSE management system and the key role of the

IADC HSE Case Guidelines in the implementation of that system. He noted that the HSE case is not just a “paper exercise” but an integral part of keeping workers safe on the rig.

During the three-day event, participants learned to apply the BowTie approach to risk assessment and to use this analysis to form the core of the HSE case. Participants received detailed instruction on the use of **Governors’** software tools.

For more information, please contact **Ken Fischer** at ken.fischer@iadc.org.

IADC Middle East Operations Forum meets

Members of the IADC Middle East Operations Forum (MEOF) held a meeting in Manama, Bahrain, on 25 October 2009, chaired by **Ken Fischer**, IADC regional VP Middle East & Africa. He presented a comprehensive review of IADC activities and programs within the Middle East and globally. He also provided a status report on various IADC regulatory and standards activities and on the adoption of the association’s accreditation programs throughout the region.

Ali Al-Ghamdi of **Saudi Aramco**, chairman of the IADC Northern Arabian Peninsula Chapter, reported on the activities of his group.

David Lorello, a London-based attorney with **Step toe & Johnson LLP**, gave a presentation on “A Global Anti-Corruption Strategy: Risks and Compliance Approaches for Multinational Companies.” He provided an overview of anti-bribery and corruption laws and described their application to the oil and gas industry. He also outlined compliance strategies that companies can use in their operations.

The meeting was hosted by **Rowan Drilling Middle East**.

The next MEOF meeting is planned for April 2010 in Dubai. For more information, please contact **Ken Fischer** at ken.fischer@iadc.org.

Rigs receive ASP certificates:

For certificates received since last LTI (in years):

Bassdrill: BassDrill Alpha (1);

High Arctic Energy Services PNG: Rig 104 (1);

KCA DEUTAG Germany: Rig T-45 (6);

Nabors Offshore Corp: Rigs Nabors 85 (5), MODS-202 (1);

National Drilling & Services Co: Rig 31 (2);

Pride International: Pride Hawaii (3);

PV Drilling Corp: PV Drilling I (2);

Weatherford Drilling International (BVI) Ltd: Rigs 146 (5), 150 (3), 180 (8), Kuwait Transport Team (8).

For certificates received since last recordable incident (in years):

KCA DEUTAG Drilling GMBH - Pakistan: Rigs T-34 (4), T-75 (3);

Trinidad Drilling: Rigs 108 (2), 117 (1);

Unit Drilling: Rigs 105 (1), 311 (1);

Unit Texas Drilling LLC: Rig 101 (1);

Weatherford Drilling International (BVI) Ltd: Rig 799 (1), Saudi Arabia Support Team (2).

4 receive IADC Exemplary Service Awards

IADC president **Dr Lee Hunt** presented Exemplary Service Awards to four industry veterans at the IADC Annual General Meeting, 8-10 November in Miami, Fla.: **Jim Nicklos, Nicklos Drilling; Bill Hedrick, Rowan Companies; Warren Weaver, Transocean;** and **Jim Gormanson, Noble Drilling Services.**

Mr Nicklos has served as chairman of Drilling Contractor Publications Inc and as secretary/treasurer of IADC, in addition to several terms on the IADC Executive Committee. He has provided leadership for the association's Houston Chapter and the organization of many Drilling Onshore Conferences.

Mr Hedrick has provided leadership as chairman of the IADC HSE Committee and vice chairman of the Training Committee. He's served on the IADC Offshore Regulatory Affairs, Jackup Rig and American Regional committees. He's also provided assistance in organizing numerous conferences.

Mr Weaver and Mr Gormanson were each recognized for their significant contributions to IADC and the development of the IMO MODU Code. They coordinated efforts with the flag-State Administrations of Liberia and Vanuatu and served on the delegations of those flag-States at numerous IMO subcommittee meetings.

Nigerian local content legislation advances

The Nigerian House of Representatives has passed a draconian "local content" bill for the oil industry that would establish impossible indigenous quotas for equipment and hiring. IADC, joined by **Halliburton** and **GE**, has for two years argued to the Nigerian government that these thresholds are unattainable and may drive foreign oilfield service contractors out of Nigeria.

The government is under intense pressure from local companies to mandate a piece of the action for oilfield projects in the country, despite a lack of engineering or manufacturing capacity. Similarly, the government is supporting legislation ("PIB") that would deprive non-Nigerian oil companies of existing offshore licenses and change the tax regime.

IADC and its allies have brought these issues to the US government be-

cause of the potential geopolitical consequences of further damage to the Nigerian economy and its severely declining oil and natural gas production.

Most recently, IADC senior VP – government affairs **Brian Petty** joined a briefing of the US Department of State's International Energy Coordinator **David Goldwyn** before he departed for Nigeria. Others involved in the briefing were **GE**, **ExxonMobil** and **Shell**. All emphasized the dire consequences of the local content and PIB legislations, which are poised to be considered by the Nigerian Senate. Mr Petty was invited to a late November luncheon in Washington with visiting Nigerian Oil Minister **Lukman** to discuss these and other issues.

For additional information, please contact **Brian Petty** at +1/202-293-0670 (brian.petty@iadc.org).

IADC welcomes 21 new members

- **5M International Consultancy & Training**, Kuwait;
- **Aqua Drill Services LLC**, Durant, Okla.;
- **Attok International (GH) Ltd**, Tema, Greater Accra Region, Ghana;
- **Basic Equipment**, Houston, Texas;
- **Blooming Drilling Rig Co Ltd**, Beijing, China;
- **Bullmate Ltd**, Lagos, Nigeria;
- **Colregistros SA**, Bogota DC, Cundinamarca, Colombia;
- **Copower Enterprise Group Ltd**, Wanchai, Hong Kong, China;
- **Drilling Project Services SDN BHD**, Johor Bahru, Johor, Malaysia;
- **Grupo Avanza de Mexico SA de CV**, Ciudad del Carmen, Campeche, Mexico;
- **Hickman Sales and Service Inc**, Odessa, Texas;
- **Institute of Health & Safety**, Qormi, Malta;
- **John Nitschke Drilling Pty Ltd**, Hahndorf, South Australia, Australia;
- **LLC Izhdril - Service**, Izhevsk, Udmurt Republic, Russia;
- **Microsoft**, Houston, Texas;
- **Mojust Global Resources Nigeria Ltd**, Port Harcourt, Rivers State, Nigeria;
- **Primepoint Oil & Gas Pte Ltd**, Singapore;
- **Sino Tharwa Drilling Co**, Cairo, Egypt;
- **Tyndale Co**, Pipersville, Penn.;
- **Verdande Technology AS**, Trondheim, Norway;
- **Wilhelmsen Ships Equipment**, Pasadena, Texas.

Volume 19, Number 12

Claus Hemmingsen, Chairman • Lee Hunt, President • Linda Hsieh, Editor
PO Box 4287, Houston, TX 77210-4287 USA

All listed phone extensions are for IADC's Houston headquarters,
+1/713-292-1945. Fax +1/713-292-1946.

Send comments/questions to Linda Hsieh at linda.hsieh@iadc.org.

To subscribe to Drill Bits, go to www.iadc.org/drillbits.htm. To change/cancel a Drill Bits subscription, send an e-mail message to IADC membership coordinator Sharon Thorpe at sharon.thorpe@iadc.org.