



DRILLBITS

Monthly Newsletter from the International Association of Drilling Contractors

JUNE 2010

Ban lifted on new GOM drilling in water depths of 500 ft or less

Regrettably, **President Barack Obama** announced on 27 May that he was extending by six months the moratorium on new deep-water drilling in the Gulf of Mexico, as well as suspending the drilling of 33 ongoing deepwater projects. However, in a small victory for the industry, the Obama Administration has agreed to allow new drilling to resume in water depths of 500 ft or less.

Other actions announced by the president were: the suspension of exploration drilling offshore Alaska in the Chukchi and Beaufort Seas and the cancellation of a pending lease sale in the western Gulf of Mexico and a proposed lease sale offshore Virginia.

In late May, IADC staff teamed with the Shallow Water Coalition for Energy

Security, comprised of offshore contractors operating in the shallow Gulf of Mexico, and met with Gulf Coast senators and congressmen in Washington, DC, to make a case for allowing shallow-water drilling to resume.

The meetings produced several commitments from senators and congressmen to write or call Secretary of Interior **Ken Salazar** to explain why drilling in the shallow-water Gulf should continue.

IADC helped set the stage with a 13 May letter to Secretary Salazar that set forth the case for immediately resuming new drilling in shallow waters.

Additionally, 10 senators, including eight Gulf Coast senators, signed a letter to Secretary Salazar supporting the industry's requests on the issue.

Further, Congressman **Gene Green**,

D-Texas, and Congressman **Charles Boustany**, R-La., sent a letter to the Secretary with the signatures of 56 energy Democrats and Republicans.

Congressman **Ted Poe**, R-Texas, also wrote separately to the Secretary supporting the resumption of issuing new drilling permits in the shallow-water Gulf.

IADC was represented in DC by president **Dr Lee Hunt**, executive VP – government affairs **Brian Petty** and group VP/publisher **Mike Killalea**.

Contractor members who participated as the Shallow-Water Coalition for Energy Security were **John Rynd** and **Jim Noe**, **Hercules Offshore**; **Randy Stilley** and **Kurt Hoffman**, **Seahawk**; **David Russell**, **Rowan Companies**; and **John Knowlton**, **Ensco**.

Safety alerts

www.iadc.org/alerts.htm

Alert 10-12: Struck-by incident on monkeyboard results in a fatality.

Alert 10-13: Failure to secure sling results in dropped object.

Alert 10-14: Rig move – rotary table fell off truck.

Reminders

- **IADC UBO & MPD Committee 2Q10 meeting**, 14-15 June, Budapest.
- **IADC World Drilling 2010 Conference & Exhibition**, 16-17 June, Budapest.
- **IADC Rig Moving Committee meeting**, 23 June, Shreveport, La.
- **IADC NSC Texas Scramble Golf Tournament**, 24-25 June, Aberdeen.

IADC delegation to discuss offshore safety, hazards mitigation with Cuban authorities

The US Treasury Department Office of Foreign Assets Control (OFAC) has approved IADC's application for a travel license to Cuba to discuss safety and mitigation of environmental hazards with Cuban authorities. The trip is tentatively scheduled for late August.

IADC has been appealing to OFAC the urgency of beginning a dialogue with Cuba as the country begins to examine offshore drilling prospects. IADC explained that such drilling would take place adjacent to US waters.

The IADC delegation will brief Cuban authorities on global drilling standards and best practices, environmental protection, safety procedures, hurricane preparation and personnel training.

An overview of the prospect of deep-water drilling offshore Cuba would also be conducted.

Separately, IADC executive vice president – government affairs, **Brian Petty**, participated in a policy forum, "US-Cuba Engagement in the Gulf: Lessons from the Deepwater Horizon Oil Spill," held 26 May by think tank New America Foundation. Mr Petty discussed IADC's upcoming Cuba engagement, including plans and goals. The forum also featured speakers **Jorge Pinon**, University of Florida Cuban Research Institute; **Dan Whittle**, Environmental Defense Fund; and **Robert Muse**, **Muse & Associates**. For more information, please contact **Brian Petty** at +1/202-293-0670 (brian.petty@iadc.org).

Beware of falsified HSE Rig Pass cards in Mexico

IADC has received reports of training providers selling counterfeit HSE Rig Pass Cards in Mexico. The IADC Accreditation and Certification Department (ACD) has begun an investigation.

In the meantime, IADC members are strongly urged to verify the validity of any suspicious HSE Rig Pass cards. As there is no easy way of distinguishing be-

tween an official card and an altered one, contacting IADC ACD staff is the surest means of verifying a card's validity.

"Our industry is under a lot of pressure to supply highly qualified personnel for every position on the rig, including new-hire positions. This sense of urgency may be driving some training providers to quickly deliver certified em-

ployees without taking the time to provide the valuable, even essential, safety orientation that HSE Rig Pass training provides," said **Brenda Kelly**, IADC accreditation and certification director.

For credential verification, please contact **Lauren Rouhana** or **LaDonna Thierry** at +1/713-292-1945 or send an e-mail to records@iadc.org.

H&P's Hubler receives IADC service award

IADC presented an exemplary service award to **Warren Hubler, Helmerich & Payne IDC** vice president HSE, at the IADC Drilling Onshore Conference & Exhibition on 20 May in Houston. Mr Hubler has been active in multiple areas with IADC, including leading industry efforts against mismatched hammer unions, as well as efforts on fall protection and developing the IADC environmental reporting guidelines.

In accepting his award, Mr Hubler thanked IADC and his industry peers, as well as "the thousands of H&P employees and others just like them that are represented by the companies that are here today. I consider it a tremendous honor and a sacred privilege to serve those individuals."

Mr Hubler also gave thanks to three individuals: **Pete Miller, National**



Joe Hurt (left), IADC regional VP North America and lead staff land HSE issues, presents the award to Warren Hubler, H&P VP HSE, on 20 May in Houston.

Oilwell Varco chairman, president and CEO; **George Dotson**, retired H&P president and former IADC chairman; and Mr Hubler's wife, **Meg**.

Mr Hubler is a graduate of the US Naval Academy in Annapolis, Md. He joined H&P in 1990 as a roughneck on land drilling operations.

Accreditation updates

HSE Rig Pass

Accreditation awarded:

- **Petroleum Industry Manpower Services/High Arctic**, Papua New Guinea (conditional);
- **Puglisevich Group of Companies**, Newfoundland, Canada (conditional);
- **Servicios Generales Jema SA de CV**, Mexico (conditional).

DIT

Accreditation awarded:

- **Gulf Technical & Safety Training Centre**, UAE (new);
- **Petroleum Industry Manpower Services/High Arctic**, Papua New Guinea (new);
- **Puglisevich Group of Companies**, Newfoundland, Canada (new).

A complete listing of IADC-accredited training organizations is available at www.IADC.org.

North Sea Chapter recognizes annual safety award winners

The IADC North Sea Chapter (NSC) held its annual dinner and safety awards ceremony on 14 May in Aberdeen. The 2009 winners and runners-up are:

Best Safety Performance awards:

- Jackups, winner: **Noble Drilling**
- Jackups, runner-up: **Ensco**
- Semisubmersibles under 1 million manhours, winner: **Noble Drilling**
- Semisubmersibles over 1 million manhours, winner: **Transocean**
- Semisubmersibles over 1 million

manhours, runner-up: **Odfjell Drilling**

- Platforms, winner: **Seawell**

Merit Awards:

- Outstanding safety performance over 8 years: **Noble George Sauvageau, Noble Drilling**
- Outstanding safety performance over 8 years: **Noble Lynda Bossler, Noble Drilling**
- Outstanding safety performance over 5 years: **Brent Delta Platform, Seawell**

Associate Member Award:

- Winner: **Sureclean**
- Runner-up: **Aker MH UK**

Environmental Award:

- Winner: **Stena Drilling**

Chairman's Special Award:

- Winner: **Tom Whelan, Transocean**

Speakers at the event included **James McCallum** of **Senergy**; IADC offshore division VP **Steve Gangelhoff**, **Northern Offshore**; and NSC chairman **John Monks**, **Northern Offshore**.

Restructuring plan to split MMS into 3 entities

The US Minerals Management Service (MMS) is being reorganized so its three missions will become separate entities:

- Bureau of Ocean Energy Management: responsible for the development of the outer continental shelf's conventional and renewable energy resources, including resource evaluation, planning and other activities related to leasing.
- Bureau of Safety and Environmental Enforcement: responsible for ensuring

oversight, safety and environmental protection in all offshore energy activities.

- Office of Natural Resources Revenue: responsible for the royalty and revenue management function, including the collection and distribution of revenue, auditing and compliance, and asset management.

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

IADC recognizes long-time staff members

IADC recognized the work of key staff members during a luncheon in Houston on 11 May. Awards were presented to: **Alan Spackman**, VP offshore technical and regulatory affairs; **Brian Petty**, executive VP – government affairs; **Steve Kropla**, group VP – operations and accreditation; **Ken Fischer**, regional VP – Middle East and Africa; **Mike Killalea**, group VP and publisher; and **Joe Hurt**, regional VP North America and lead staff land HSE issues. “Each of

these people has made significant contributions over the last 10-year period to the growth and development of IADC,” said IADC president **Dr Lee Hunt**.

Several IADC members also attended the event to offer their congratulations to the recognized staffers: **Bob Burnett**, **Hercules Offshore**; **Scott Gordon**, **Unit Texas Drilling**; **Arun and Rashmi Karle**, **Askara Enterprises**; **Cary Moomjian**, **Enasco**; and **Bob Warren**, **Pride International**.

Garbage restrictions to take effect May 2011

The International Maritime Organization has announced that the Wider Caribbean Region Special Area under regulation 5 of MARPOL Annex V will take effect on 1 May 2011. Member Governments and industry groups are being requested to comply immediately on a voluntary basis with the Special Area requirements, which restrict the discharge of garbage in the Wider Caribbean Re-

gion. IADC encourages its members operating in the region, which includes the Gulf of Mexico and the Caribbean Sea, to honor this request. Companies should review internal instructions to assure compliance with both flag State and coastal State regulations. For details, contact **Alan Spackman** at ext 207 (alan.spackman@iadc.org) or **John Pertgen** at ext 203 (john.pertgen@iadc.org).

SCA Chapter meets during OTC

On 4 May, members of the IADC South Central Asia (SCA) Chapter met with their US-based counterparts during the 2010 Offshore Technology Conference (OTC) in Houston. These meetings, held each year during OTC, provide members opportunities to discuss critical issues confronting drilling contractors in India. This year's agenda

included reports on offshore safety regulations, current and pending tax rules, and employment visa restrictions. The group also discussed plans for the first IADC South Central Asia Drilling Technology Conference & Exhibition, currently scheduled for January 2011.

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

Stick-Slip Mitigation Workshop on 15 July

The IADC Stick-Slip Mitigation Workshop, organized by the IADC Future Technology Subcommittee, will be held from 1-5pm 15 July at the Omni Westside Hotel in Houston. The agenda includes: value and business case for stick-slip mitigation; ID of stick-slip and standard responses; roundtable on available technologies; and discussion of technology needs. Cost to attend is \$50. The registration form and additional information can be found online at www.IADC.org under the Advanced Rig Technology Committee page.

Rigs receive ASP certificates:

For certificates received since last LTI (in years):

Enasco: Enasco 68 (16);

Nabors Offshore Corp: Nabor SSD-16 (10), SSD-19 (4), Houma Yard (6);

Parker Drilling Co: Orlan Platform (4);

Pride International: Pride South America (1);

Scorpion Offshore: Offshore Freedom (1).

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

Enasco: Enasco 89 (1);

KCA DEUTAG Drilling GMBH - Germany: T-61 (1);

KCA DEUTAG Drilling GMBH - Russia: T-502 (2), T-2000 (1);

Nabors Drilling International Ltd: D111 (1);

Nomac Drilling: Rigs 53 (1), 115 (1);

Parker Drilling Co: Rig 165 (1), SW&Y (5);

Rowan Companies: Rowan Land Rigs 52 (4), 59 (2), 60 (1), 61 (3), 87 (1), Bob Keller Rig 56 (1), Gorilla II Rig 028 (1), Gorilla VII Rig 049 (1), JP Bussell Rig 058 (1);

Trinidad Drilling LP: Rigs 107 (2), 109 (2), 126 (1), 127 (1).

Shell, DOI win Chukchi, Beaufort leases dispute

In a notable victory, the US Ninth Circuit has ruled in favor of **Shell Oil**, the state of Alaska and the US Department of the Interior (DOI), rejecting challenges on the legality of the DOI's approval of Shell's Chukchi Sea and Beaufort Sea exploration plans. IADC joined an amicus brief supporting Shell and DOI against the claims, brought by Native Alaskan and whaling communities. Unfortunately, the Obama Administration has suspended drilling on these leases pending a review of offshore drilling safety. For more information, please contact **Brian Petty** at +1/202-293-0670 (brian.petty@iadc.org).

Well control workshop held in Aberdeen

About 30 well control and training professionals attended an IADC-organized well control workshop in Aberdeen in April, prior to the IADC Well Control Europe Conference & Exhibition. The event was sponsored by well control simulator manufacturers **Drilling Systems UK** and **CS Inc**.

Steve Kropla, IADC group vice president of operations & accreditation, opened the workshop with a presentation on new WellCAP instructor requirements that have been put in place for new instructors. These requirements will be phased in for previously approved instructors.

Methods for qualifying and requalifying include documenting: the amount of classroom and simulator training provided, amount of time devoted to continuing education, presentations at industry conferences and publications in industry publications.

A full description of the new require-

ments can be found on the IADC web site, www.IADC.org, along with the forms needed to document requalification methods.

A panel discussion was then presented on "How Can Simulators Improve Well Control Training?" Simulator users were represented on the panel by **Jim Borthwick** of **KCA DEUTAG Drilling** and **Steve Collard** of **Welltrain**. Simulator manufacturers were represented by **Chuck Boyd** of CS Inc and **Clive Battsby** of Drilling Systems.

Among the ideas voiced by participants were: more focus on tripping, gas migration and the volumetric method in simulator exercises; improving the ability of well control instructors to program simulators; and the use of archived simulation exercises to avoid constant re-use of basic exercises.

For details, please contact **Steve Kropla** at ext 211 (steve.kropla@iadc.org).

IADC welcomes 23 new members

- **Alliance International**, Raleigh, N.C.;
- **Al Mansoori – Key Energy Services LLC**, Abu Dhabi, UAE;
- **Besten Industrial Group Ltd**, Delta, B.C., Canada;
- **Canadian Drilling School Inc**, Calgary, Alberta, Canada;
- **CDI Seals**, Humble, Texas;
- **Consolidated Pressure Control LLLP**, Houston, Texas;

- **Distribuidora de Equipo de Seguridad Industrial y Vial SA de CV**, Poza Rica, Veracruz, Mexico;
- **Dupont Protection Technologies**, Richmond, Va.;
- **Dynalloy Industries Inc**, College Station, Texas;
- **Energy Services del Peru SAC**, Lima, Peru;
- **FMC Technologies**, Houston, Texas;
- **Geometric Drilling Ltd**, Stirling, UK;

- **K2 Specialist Services Pte Ltd**, Singapore;
- **Location Builders Inc**, Sonora, Texas;
- **Professional Directional Ltd**, Conroe, Texas;
- **QTEC International**, Aberdeen, Scotland, UK;
- **Rotary Components International Inc**, Houston, Texas;
- **SC Rig Service Middle East SRL**, Constanta, Romania;
- **Selman, Munson & Lerner PC**, Houston, Texas;
- **Sendero Drilling Co**, San Angelo, Texas;
- **SRP Environmental LLC**, Shreveport, La.;
- **Western Drilling Inc**, Midland, Texas;
- **World Wide Power Services LLC**, Dubai, UAE.

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