



DRILLBITS

Monthly Newsletter from the International Association of Drilling Contractors

AUGUST 2011

G20 group pushes ahead on marine protection best practices

IADC participated alongside six other international organizations, as well as 18 G20 members and more than a dozen oil and gas companies, in two days of meetings held in Paris on 5-6 July as the Global Marine Environmental Protection (GMEP) group continued its work drafting an issue paper on sharing best practices for marine environmental protection. The meetings were a follow-up to the Moscow gathering in February, which IADC attended at the request of the US National Security Council.

In a departure from the Moscow meeting format, a “business practices seminar” was held on the first day to allow

for more direct input from industry. **BP, China Offshore Environmental Services** (part of **China National Offshore Oil Corp**), **Shell, Petrobras, Statoil, ENI, Total** and **Saudi Aramco** each made presentations detailing the environmental protection efforts undertaken in their operations. **Abu Dhabi National Oil Company, ConocoPhillips, ONGC, PEMEX** and **Repsol** also attended but did not make presentations.

Representing IADC, group vice president operations & accreditation **Steve Kropla** spoke about the association’s conferences worldwide, particularly those related to HSE, well control and the environment. He also discussed

plans to revise the HSE Case Guidelines, the Well Construction Interface Document and the WellCAP curriculum.

Other international organizations in attendance were OPEC, the International Energy Agency, the North Sea Offshore Authorities Forum, the International Regulators Forum, the International Energy Forum, and the International Association of Oil and Gas Producers.

The second day’s members-only meeting aimed to refine the latest draft of the issue paper. IADC submitted technical comments concerning an overstatement of the water-depth capability of jackups and clarifying WellCAP as an accredita-

Continued on Page 2

Safety alerts

www.iadc.org/alerts.htm

Alert 11-16: High-potential near-miss – hoisting line disconnected from draw-works drum.

Alert 11-17: Finger injury during 9 5/8-in. casing run.

Alert 11-18: Dropped object – pin falls from top drive results in near-miss.

Reminders

- IADC UBO & MPD Committee 3Q11 meeting, 22-24 August, Houston, Texas.
- IADC Well Servicing Committee meeting, 23 August, San Antonio, Texas.
- IADC ART Reliability & Guidelines Subcommittee meeting, 23 August, Houston, Texas.
- IADC Rig Moving Committee meeting, 24 August, Abilene, Texas.

US, Mexico cooperate on offshore safety

Representatives of the US Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE) and Mexico’s Comisión Nacional de Hidrocarburos (CNH) met in New Orleans on 12-14 July to exchange information regarding each agency’s regulatory practices and procedures. The regulators invited IADC, **Noble Drilling** and **Shell** to make presentations at the meeting regarding the use of safety cases to promote operational safety.

Alan Spackman, IADC vice president, offshore technical & regulatory affairs, presented the conceptual model for the HSE Case and explained how it is used by other offshore petroleum regulators; **Peter Bridle**, director of HSE&Q for Noble Drilling Services, explained how Noble implements the safety case, particularly with respect to

hazards analyses, assignments of responsibilities, work process design, etc; and **Joseph Murphy**, Shell deepwater wells HSE manager, explained how Shell implements their HSE management system with respect to hazards analyses, assignments of responsibilities, work process design, etc, via formal interfacing/bridging arrangements.

IADC group vice president, operations & accreditation **Steve Kropla** also attended the meeting.

Regulators also addressed other topics at the event, including inspections; compliance and enforcement of safety and environmental and safety regulations; incident management; and safety and environmental management systems.

For more information, contact **Alan Spackman** at ext 207 (alan.spackman@iadc.org) or **Steve Kropla** at ext 211 (steve.kropla@iadc.org).

Workshop addresses Indonesia 'local content'

IADC held a workshop in Singapore on 29 June to address the "35% local content requirement" in the Indonesian market and to help drilling contractor members understand ways of fulfilling that obligation. **PT Patra Mitra Konsulindo**, an Indonesian consulting firm, helped conduct the training session, which covered the legal aspects and basic principles of local content calculation on procurement of materials, goods and services and how to prepare service cost structures and fill in local content in bid documents. Participants also were able to ask press-

ing questions about the requirements and get them answered directly.

Contractor members in attendance were **Atwood Oceanics, COSL Drilling, Diamond Offshore, Ensco, Maersk Drilling, Mermaid Drilling, Northern Offshore, Rowan Companies, Seadrill, Songa Offshore, Transocean, UMW Standard Drilling** and **Vantage Drilling**.

IADC may hold the workshop again pending member interest. For details, contact **Chit Hlaing** at chit.hlaing@iadc.org or **Derek Morrow** at derek.morrow@iadc.org.

Lifeboat release gear may require evaluation

The International Maritime Organization has adopted new regulations that will require the evaluation of virtually all lifeboat release and retrieval systems. In adopting a new SOLAS regulation III/1.5, it was agreed that, for ships constructed on or after 1 July 2014, on-load release and retrieval systems must comply with the provisions of the Life-Saving Appliance (LSA) Code.

Governments are encouraged to assure compliance with any ship constructed after 20 May 2011. For existing ships, it was agreed that on-load release mechanisms should be evaluated for compliance with the amended

LSA Code no later than 1 July 2013 and that mechanisms not complying with the amended LSA Code must be replaced or modified no later than the next scheduled dry-docking after 1 July 2014 and no later than 1 July 2019.

Relevant regulations and guidance are available at www.iadc.org/committees/offshore/Programme%20of%20Meetings.html with the materials for the 89th session of the Maritime Safety Committee. For further information, contact **Alan Spackman** at ext 207 (alan.spackman@iadc.org) or **John Pertgen** at ext 203 (john.pertgen@iadc.org).

Continued from Page 1

tion system rather than a "well control school." The comments were accepted. Mr Kropla also offered these recommendations:

- Support the use of industry-developed standards, particularly API and ISO TC67;

- Establish a website to act as a clearinghouse for resources for sharing best practices for training materials, technical reports, conferences, etc;

- Acknowledge and support the work of industry organizations engaged in the dissemination of best practices.

Mr Kropla also encouraged making the website available to non-G20 members and stressed that the goal should be to provide a route to information people might not encounter otherwise.

G20 members present were: Argentina, Australia, Brazil, Canada, China, EU, France, Germany, India, Italy, Japan, Mexico, Russia, Saudi Arabia, South Korea, Turkey, the United Kingdom and the United States. Although not G20 members, Spain, the UAE and Norway were also invited and attended.

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

Accreditation updates

HSE Rig Pass (full accreditation)

- **ADICER – Adiestramiento Certificado**, Mexico;
- **Aigede International**, France;
- **Alert Disaster Control**, Singapore;
- **Apoyo Tecnico Operativo**, Mexico;
- **Arabian Drilling Co**, Saudi Arabia;
- **Aramark Remote Workplace Services**, Broussard, La.;
- **Aztec Well Servicing Co**, Aztec, N.M.;
- **Capacitacion En Seguridad Industrial**, Mexico;
- **Capacitacion y Technicas de Administracion**, Mexico;
- **Certificacion CONCACONS SA de CV**, Mexico;
- **Curmar SA de CV**, Mexico;
- **Dawson Geophysical Co**, Midland, Texas;
- **EDCONS Institute of Business and Technology**, Pakistan;
- **Estrategias Ecologicas Seguras**, Mexico;
- **LoneStar USA Safety & Training**, Midland, Texas;
- **Navigate Energy**, Houston, Texas;
- **Occupational Safety Training**, New Iberia, La.;
- **Orion Drilling Co**, Corpus Christi, Texas;
- **Petrocon International**, India;
- **SECAE SA de CV**, Mexico;
- **Seguridad, Ambiental, Calodad y Salud Consultores Ltda (SACS)**, Colombia;
- **Smith Safety Training and Auditing**, Spring, Texas;
- **Tenaris University**, Argentina;
- **Troop Transition – Troops 2 Roughnecks**, Carlsbad, Calif.;
- **Weatherford International**, Lafayette, La.;
- **Williston State College**, Williston, N.D.;
- **Xtech Tecnologia Extrema SA de CV**, Mexico.

DIT (conditional accreditation)

- **Gulf Technical & Safety Training Centre**, UAE;
- **Petrocon International**, India.

Gulf Coast governors to intervene in federal lawsuit challenging deepwater exploration plan

The State of Louisiana and the Louisiana Department of Natural Resources (DNR), joined by Alabama and Mississippi, are seeking to intervene in lawsuits filed by environmental groups challenging the federal government's approval of the first exploration plan (EP) since the Macondo event.

The suits, filed by six environmental organizations in the US Court of Appeals for the 11th Circuit, represent the first legal challenge to a deepwater drilling plan approval since Macondo. The plan in question was the first to comply with the new site-specific environmental assessment implemented in August 2010. An approved EP is the next step toward the approval of applications for permits to drill.

Louisiana Governor **Bobby Jindal** emphasized that the outcome of these lawsuits can further devastate jobs in the offshore drilling industry and impact energy prices.

"While these lawsuits attack **Shell's** exploration plan, they could impact exploration and drilling activities in the entire

Gulf of Mexico – completely halting the approval of future permits," Gov. Jindal said.

He added that, since Macondo, the oil and gas industry has undertaken a robust process to improve safety and environmental standards and worked aggressively to comply with the new standards. Now is not the time to halt work again.

"We've already faced a moratorium, followed by a 'permitorium,' and now we are threatened again by a possible judicial moratorium. This not only threatens thousands of jobs in Louisiana and along the Gulf Coast, but also hurts our efforts to bring down rising energy prices. ... We will fight these lawsuits tooth and nail so that thousands of workers are not again put out of work and so we can continue our long tradition of fueling America," he said.

DNR Secretary **Scott Angelle**, who established and is leading the Back to Work Coalition, added: "If we pull the plug on deepwater drilling in the Gulf, we threaten America's major domestic exploration and production operations."

Trades urge action on US-India investment treaty

IADC was among 17 trade and business groups that jointly sent a letter on 14 July to the US government urging progress on US-India bilateral investment treaty (BIT) negotiations "so that US companies and their workers will not lose out on important economic opportunities and protections in the highly important and fast-growing Indian market." The letter was sent to Secretary of State **Hillary Clinton** and US Trade Representative **Ron Kirk** ahead of the US-India Strategic Dialogue and Trade Policy Forum.

Negotiating a strong and high-standard BIT with India will produce substantial increases in productive investment by US companies, US exports and other new market opportunities for the

US, the letter stated. Moreover, BITs are a vital tool to protect important US investments overseas that promote US exports and economic growth.

A BIT with India would provide strong protection for US property and help open a major market for key US goods and services. It also would help level the playing field for US companies and their workers. India already has 48 BITs in force, including with England, France, Germany, Korea and Russia. The lack of a US BIT undermines US companies' opportunities to compete on an equal basis against tough competitors from around the world.

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

ISO jackup site assessment standard balloted

A FDIS ballot has been issued for ISO 19905-1, petroleum and natural gas industries – site-specific assessment of mobile offshore drilling units – part 1: jackups. Voting on the FDIS closes on 7 September 2011. The ballot for the Draft International Standard (DIS) closed on 10 February 2010.

At the DIS stage, all 15 of the ISO member bodies that voted, voted to approve that standard. Four member bodies did not vote. A total of 704 comments were received on the DIS – 435 from member bodies and 269 related to the benchmarking of the DIS. In accordance with ISO procedures, the FDIS ballot is intended to be an up-or-down vote and should not be used to further refine the standard. Member bodies voting for the standard generally should not submit comments, and those voting against the standard are supposed to indicate a reason for their disapproval.

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

Rigs receive ASP certificates:

For certificates received since last LTI (in years):

Atlantic Oilfield Services: KS Medstar 1 (3);

Ensco: Ensco 8501 (1);

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

Saxon Energy Services: Rig 141 (1).

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

Atlantic Oilfield Services: Discoverer 2 (1); KS Endeavor (1);

Ensco: Ensco 8501 (1);

Trinidad Drilling: Rigs 54 (2), 105 (2), 106 (2), 109 (2), 119 (2), 121 (2), 124 (2), 133 (1).

North Sea Chapter donates to UK cancer charities

The IADC North Sea Chapter (NSC) has donated a total of £8,800 to two UK charities to support their work in the North of Scotland with those affected by cancer. CLAN Cancer Support and Macmillan Cancer Support each received £4,400, raised by the NSC at its annual safety awards ceremony in May; the chapter then provided matched funding.

“We are delighted to be able to present these checks to two cancer charities, CLAN and Macmillan, who do so much good work providing support to those in the local area. We hope that these donations will go some way to help these excellent organizations continue to provide the many facilities and services they offer for cancer patients and their families here and further afield,” NSC chairman **Glenn White, Rowan Drilling**, said.

CLAN chief executive **Debbie Thomson** expressed her gratitude for the donation and said the funds will make a difference throughout the North East of Scotland, Orkney and Shetland. The sentiment was echoed by **David Cameron**, Macmillan Cancer Support’s area fundraising manager – North of Scotland. “The monies will be used locally in Aberdeen and Aberdeenshire to improve the lives of those people affected by cancer,” Mr Cameron said.

IADC challenges BOEMRE step-up of oversight of contractors

IADC is urging the US Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE) not to increase its oversight of drilling contractors. In a Dow Jones Newswires article, IADC executive VP – government affairs **Brian Petty** pointed out that the bureau “doesn’t have the experience or resources to regulate this whole arena of contractors. At the end of the day, it’s up to the operator to inspect any flaw or episode.”

The comment was made in response to BOEMRE director **Michael Bromwich** saying that the agency will pursue fines, penalties or charges against drilling contractors and service providers directly where the actions of the companies hired to do specific tasks is “egregious.” Mr Petty noted that the bureau’s actions will create confusion in determining liability for drilling projects. It could also make it difficult for contractors to get insurance and, as a result, push them toward doing more business in foreign waters.

Greenhouse gas reporting guidance issued

The International Association of Oil and Gas Producers, API and the International Petroleum Industry Environmental Conservation Association have issued revised petroleum industry guidelines for reporting greenhouse gas emissions. The 2nd edition of the guidelines (May 2011) is available for free at www.ogp.org.uk under the “Publications” tab.

IADC welcomes 19 new members

- **Accurate Safety Compliance LLC**, Norman, Okla.;
- **Arabian Drilling Services LLC**, Muscat, Oman;
- **Ariss Controls & Electric (Ace)**, Leduc, Alberta, Canada;
- **Ark Energy LLC**, Houston, Texas;
- **Best Inter Tools Supply Ltd – Bits**, Aurora, Ontario, Canada;
- **Cody Energy Services Inc**, Rose-dale, Va.;
- **GME – Solutions**, Houston, Texas;
- **JCCA Consulting Inc**, Chickasha, Okla.;
- **Laroui Environmental & Safety Solutions**, Ouargla, Algeria;
- **Life Cycle Engineering Inc**, Charleston, S.C.;
- **MHIndustry LLP**, Almaty, Kazakhstan;
- **Oil Field Instrumentation (I) Pvt Ltd**, Mumbai, Maharashtra, India;
- **Petroleum Engineering Department, Bandung Institute of Technology**, Bandung, West Java, Indonesia;
- **Petroleum Skills Uganda**, Kampala, Uganda;
- **Rig Inspection Services**, Singapore;
- **Sekal AS**, Sandnes, Rogaland, Norway;
- **Servicio y Consultoria Especializados del Carmen SA de CV**, Ciudad de Carmen, Campeche, Mexico;
- **Tillman & Associates Consulting LLC**, Mustang, Okla.;
- **Wataniya Environmental Services Co (WES)**, Safat, Kuwait.

Volume 21, Number 8

Matt Ralls, 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 director – membership Sharon Thorpe at sharon.thorpe@iadc.org.