

INTERNATIONAL ASSOCIATION OF DRILLING CONTRACTORS



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IADC opposes job, industry-killing moratorium

Editors & reporters: To review IADC's recent news releases on Macondo and other resources, please go to [www.iadc.org/Offshore GOM Reform](http://www.iadc.org/Offshore_GOM_Reform).

Houston, 14 July – The International Association of Drilling Contractors unequivocally opposes the 12 July 2010 suspension on deep-water drilling in the Gulf of Mexico. This blanket, industrywide edict is contrary to precedent and abrogates lawfully offshore leases.

“In issuing this new moratorium, the Department of the Interior has chosen to ignore volumes of evidence regarding the industry’s safe operating practices, as well as industry’s exhaustively produced recommendations – made at DOI’s request – for moving forward even more safely,” said IADC President Dr. Lee Hunt.

IADC endorses the comments of Sen. Mary Landrieu, D-La., who warned in a 4 June Op/Ed of the dangers of overreaction: “Congress cannot afford to react to this disaster as we did following the meltdown at Three Mile Island, when the government unwisely halted all nuclear power plant construction for 30 years,” she wrote (<http://landrieu.senate.gov/mediacenter/inthenews/06-04-2010-1.cfm>).

The 12 July drilling suspension bars all drilling operations using subsea blowout preventers (BOP), as well as those using surface BOPs from floating facilities. Unlike the original moratorium, water depth is not referenced. A 22 June court ruling lifted the earlier moratorium. The current suspension will extend through 30 Nov., although DOI indicates that it could be lifted sooner.

Secretary of the Interior Ken Salazar does not dispute that wells can be drilled safely using accepted industry practices augmented with strengthened requirements. The DOI’s concerns in the 12 July notice center on “blowout containment shortcomings” and “spill response capabilities that are strained by the BP oil spill.”

“Prevention is the key to safety in drilling, whether offshore or land,” Dr. Hunt said. “The industry’s history of drilling 42,000 Gulf of Mexico wells over more than six decades prove that, when accepted practices are followed, the threat of spillage is minimal.”

Drilling could safely resume, he added, through non-hydrocarbon-bearing strata with virtually no risk.

Add one...IADC opposes job- and industry-killing moratorium

The continued moratorium threatens to ship overseas a high-tech industry providing well-paying jobs to people residing across the USA. An IADC study of 11,875 offshore workers placed these people in 296 Congressional Districts – 68 percent of total districts nationwide.

Further, companies across the nation provide goods and services for the offshore industry, as previously reported by IADC.

The continued moratorium will threaten the nation's energy security by increasing imports. The USA consumes more than 20 million barrels of oil each day, yet produces less than half of that. Roughly half of USA oil production comes from the Gulf of Mexico, 80 percent of that from deep water. While production is allowed to continue under the new moratorium, the cutback in drilling and the exodus of quality rigs portend falling production in the future. Once rigs are working outside the USA on long-term contracts, as is common practice, their return will be years away, if at all.

IADC also encourages offshore producing companies to develop thorough plans for spill response and oil containment that will satisfy the Department of Interior and result in an rapid end to the moratorium.

IADC is dedicated to enhancing the interests of oil-and-gas and geothermal drilling contractors worldwide. Founded in 1940, IADC's mission is to improve industry health, safety and environmental practices; advance drilling and completion technology; and champion responsible standards, practices, legislation and regulations that provide for safe, efficient and environmentally sound drilling operations worldwide. IADC holds Accredited Observer status at the International Maritime Organization and the International Seabed Authority, specialized agencies of the United Nations. The Association is a leader in developing standards for industry training, notably its Well Control Accreditation Program (WellCAP)[®] and rig-floor orientation program, RIG PASS[®]. IADC is headquartered in Houston and has offices in Washington D.C., the Netherlands, Thailand, and the United Arab Emirates, as well as chapters in the UK, Venezuela, Brazil, Australasia, South Central Asia, Southeast Asia, the Middle East and across the United States. For more information, visit the IADC website at www.iadc.org.

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