

INTERNATIONAL ASSOCIATION OF DRILLING CONTRACTORS



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IADC seeks reprieve for drilling in shallow GOM

(Houston, 13 May, 2010) – The International Association of Drilling Contractors (IADC) is seeking a reprieve for drilling operations in the shallow-water Gulf of Mexico. Currently, all new drilling in the U.S. Gulf of Mexico is under an interdiction scheduled to last at least three weeks.

IADC believes that prohibiting new drilling in water depths less than 1,000 feet that use blowout preventers located above the sea surface will unnecessarily cause the loss of thousands of jobs and could spur business insolvencies. IADC is seeking an exemption from the drilling ban for this type of operation, as well as a clarification of the rule.

“The current spill in the Gulf of Mexico was caused by an operation in 5,000 feet of water using blowout preventers on the seabed,” remarked **Dr. Lee Hunt**, president of IADC. “In contrast, drilling in less than 1,000 feet of water using blowout preventers above the sea surface is very different. To ban this type of drilling is unnecessary, either to protect human safety or the environment and will put thousands of hard-working people out of work and adversely impact the economies of coastal Louisiana parishes.

Dr. Hunt noted numerous differences between shallow-water and deepwater operations. First, while deepwater primarily explores and develops oil resources, in shallow water the resource is primarily natural gas. Second, oil remaining in shallow-water reservoirs has largely been produced and is underpressured, limiting its ability to spew out of control. In addition, in shallow water, the sea bed can be much more easily accessed for intervention by remote craft and even divers. Further, temperatures in shallow water are much warmer than in deep water, forestalling the formation of crystallized gas hydrates.

Typically, wells drilled by jackup rigs in shallow water take 15-40 days. Should the current ban continue through 1 July, IADC estimates that some 60% of Gulf of Mexico rigs could be idled.

“Not only will this present problems for sustained energy supply, it could economically devastate hard-working offshore employees and the economies of coastal Louisiana parishes,” Dr. Hunt warned. “It is important not to overreact.”

IADC’s contract-drilling members own most of the world’s land and offshore drilling units and drill the vast majority of the wells that produce the planet’s oil and gas. IADC’s membership also includes oil-and-gas producers, and manufacturers and suppliers of oilfield equipment and services. Founded in 1940, IADC’s mission is to improve industry health, safety and

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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 Federation, branches 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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