



OGP responds to proposal for EU offshore safety initiative

Responding to the proposal for an EU safety initiative for the offshore oil and gas industry, the International Association of Oil & Gas Producers (OGP) has asked the European Commission to look to legislation in the form of a directive that would allow member states to adjust to local circumstances and align with existing regulatory frameworks.

IADC has been actively involved with development of OGP's position paper, which was delivered to the commission's Directorate-General for Energy in January.

The paper notes that the offshore E&P industry has developed recommendations for improving well incident prevention, intervention and response

capability over the past couple of years. This work has already achieved better engineering design and well operations management, improved capping devices, and enhanced oil spill preparedness and capability.

The paper also details OGP's concerns with several key issues.

- Europe's offshore oil and gas activities would come to a halt unless there are adequate transition periods to ensure consistency between national legislation and the proposed regulation. A transition time line should follow a risk-based approach to allow prioritizing higher-risk activities, and revision of environmental and safety documentation should not follow a one-size-fits-all approach.

- Numerous definitions require clari-

fications before industry could operate under the proposed regulation, and these definitions must be consistent with the body of definitions currently used in member states. Changes to definitions, including "operators" and "major accident," are proposed.

- A mandatory separation of licensing procedures would be against common and proven practice and would jeopardize industry's contribution to employment and economic growth in Europe. Important economic incentive structures in place could be damaged. Further, OGP does not recognize that the proposed changes would add to an existing safety regime.

Continued on Page 3

Safety alerts

www.iadc.org/alerts.htm

Alert 12-01: Ruptured piston on mud pump leads to pump house fire.

Alert 12-02: Disregard for energy isolation procedures results in amputation.

Alert 12-03: Malfunctioning pump results in third-degree burn injury.

Reminders

- IADC ART Future Technology Subcommittee meeting, 23 February, Houston.

- IADC ART/SPE DSATS Workshop, 5 March, San Diego, Calif.

Industry comments on draft PEIS for OCS program

Providing comments to be considered before the Draft Programmatic Environmental Impact Statement (DPEIS) is finalized for the proposed 2012-2017 Outer Continental Shelf (OCS) leasing program, seven industry groups, including IADC, reiterated disappointment in the limited scope of the DPEIS. However, the groups also expressed support for the work of the US Bureau of Ocean Energy Management (BOEM) in preparing for the DPEIS.

Comments were submitted in January to **James Bennett**, BOEM Division of Environmental Assessment chief. They pointed to the missed opportunity to increase access to additional OCS energy resources in the Eastern Gulf of Mexico, offshore Alaska and on the US East Coast, especially offshore Virginia. "The result is greater dependence on foreign sources of oil and gas," the groups stated.

However, with as many as 15 lease sales among the six OCS planning areas in the proposed action plan, industry believes the DPEIS includes an acceptable range of offshore access.

The groups further identified numerous areas where further attention to the statements made is needed, as well as areas where there is incomplete or unavailable information.

Regulators were urged to use existing legal authorities and mechanisms as the foundation for future actions to carry out coastal and marine spatial planning. In addition, the coexistence of native subsistence hunting and fishing and modern commercial development in Alaska demands more thought in the context of future lease sales.

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

86 groups object to trade agency reorganization

Eight-six groups representing the business and agricultural communities, including IADC, jointly wrote to US President Barack Obama expressing concerns over a proposal to merge the Office of the US Trade Representative (USTR) with five other agencies into a single cabinet-level department.

The USTR plays an invaluable role in coordinating the different entities within the US government with specialized trade functions based on expertise. By balancing the interests of various constituencies and agencies, the USTR provides assurance “that no one has a thumb on the scale,” the letter stated.

As a separate entity within the Office

of the President, the USTR is able to act responsively to negotiate, implement and enforce US trade objectives. The USTR is actively involved in growing US exports, eliminating foreign market barriers and improving the overall competitiveness of US farm and manufactured goods and services in the global economy.

IADC executive VP – government affairs **Brian Petty**, in his capacity as ITAC2 chairman, counsels the US Trade Representative and the US Secretary of Commerce on international trade issues. For more information, contact him at +1/202-293-0670 (brian.petty@iadc.org).

Earley to lead Contracts Committee

Stacey Earley, Transocean director, marketing, contracts, compliance and services, has been selected to chair the IADC Contracts Committee. Ms Earley brings strong industry experience involving not only contract matters but also as a petroleum engineer and an offshore rig supervisor for **Pennzoil**. She also held various positions at **ExxonMobil** for 17 years before joining Transocean in 2006.

Separately, the IADC Board of Directors has adopted an updated version of the Drilling Bid Proposal and Daywork Drilling Contract – US, replacing

the April 2003 version. Copies of the new form will be available soon.

Work is also beginning on revisions to the footage version of the form. Contractors who drill on a footage basis are encouraged to participate in this work.

Further, work continues on revisions to the Offshore Daywork Drilling Contract – US. The form is being modified to reflect changes in contracting practices in the Gulf of Mexico. Contractor members with rigs in the GOM are encouraged to join the task group.

For additional information, contact **Holly Shock** at holly.shock@iadc.org.

UBO & MPD Committee elects 2012 officers

The IADC UBO & MPD Committee elected 2012 officers at its fourth-quarter meeting in Houston in December. **Dag Ove Molde** of **Statoil** was elected as chairman and **Mike Vander Staak, Hess**, was elected vice chairman.

“I am honored to be selected to lead the group in the coming year. We have many important initiatives that will require strong participation from all our members,” Mr Molde said.

The committee’s first-quarter meeting will be held in Milan on 22-23 March in conjunction with the Dual Gradient Seminar and the SPE/IADC Managed Pressure Drilling and Underbalanced Operations Conference & Exhibition. Dates for other meetings in 2012 can be found on the committee’s page at www.iadc.org.

For more information, send an e-mail to ubochairman@iadc.org or contact **Holly Shock** at holly.shock@iadc.org.

Petty to chair ITAC

Investment Working Group

The US Secretary of Commerce and US Trade Representative have designated IADC executive VP – government affairs **Brian Petty** as chairman of the Investment Working Group of the Department of Commerce Industry Trade Advisory Committees (ITACs). Mr Petty will continue to serve as chairman of ITAC2 on automotive equipment and capital goods.

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

ISO subcommittee on arctic operations to be established

ISO’s Technical Committee 67 on materials, equipment and offshore structures for petroleum, petrochemical and natural gas industries has decided to establish a new subcommittee (SC 8) on arctic operations. **Mikhail Rusakov**, head of **Gazprom** offshore projects directorate, will chair the new ISO/TC 67/SC 8 Arctic Operations. The subcommittee will be responsible for the standardization of operations associated with exploration, production and processing of hydrocarbons in onshore and offshore arctic regions and other locations characterized by low ambient temperatures and the presence of ice, snow and/or permafrost.

The following ISO member bodies have expressed their intention to actively participate in the work of the subcommittee: Canada, France, the Netherlands, Norway, the Russian Federation and the US. IADC is requesting that it be granted liaison status with the new subcommittee. The first meeting is provisionally scheduled for April 2012 in Moscow. Companies interested in participating should contact their national standards organization.

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

UK review panel highlights 6 focus areas to improve post-Macondo

In a report released in December on the Macondo incident, a UK review panel has identified six main areas where improvements should be made in the UK regulatory regime:

- Assured implementation of safety and environmental management systems;
- Improvements in the learning culture and processes for spreading best practice;
- A more integrated regulatory system, where relevant regulators engage in closer collaboration with each other;
- A clearer command and control structure in the event of a spill;

- Robust arrangements to ensure operators' level of liability and ability to pay in the event of a spill; and

- Intensified R&D to develop improved avoidance, capping, containment, clean-up and impact monitoring of major offshore oil spill incidents.

Led by **Geoffrey Maitland**, professor of energy engineering at Imperial College London, the panel included representatives of three UK regulatory bodies – the Department of Energy and Climate Change, the Health and Safety Executive, and the Maritime and Coastguard Agency.

The panel noted that significant steps

have already been taken to respond to lessons learned from Macondo. Positive features of the UK regime also were pointed out, including a goal-setting safety regime, strong mechanisms for independent verification of well design and integrity of safety-critical equipment, and a detailed and comprehensive emergency response framework.

Capping and containment of free-flowing deepwater wells and the development of fail-safe flow barriers remain key challenges, however, according to the panel.

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

Continued from Page 1

- Amending the Environmental Liability would unnecessarily increase the legal uncertainty while the commission is conducting a review of risk and liability.

- Mandating independent verification by a third party would not necessarily lead to an increase in safety standards. Second-party verification is acceptable and effective in many circumstances.

- The industry is in favor of continuous improvement and believes the ordinary legislative procedure, which allows for engagement of all stakeholders, is more effective than delegated powers.

- MODU 2009 is effective for rigs constructed after 1 January 2012. However, existing rigs would not be in compliance

and would be excluded from use in the EU. The proposal should allow for the use of rigs in accordance with earlier revision versions of the code, as long as all remaining requirements of this regulation are met.

The European Commission is planning to convene a meeting in late January to discuss the proposed safety initiative; IADC executive VP – government affairs **Brian Petty** and regional VP of European operations **Jens Hoffmark** will participate on behalf of the association.

For more information, contact Mr Petty at +1/202-293-0670 (brian.petty@iadc.org) or Mr Hoffmark at jens.hoffmark@iadc.org.

Geer named IADC regional director – ME & Africa

Dave Geer has joined IADC as regional director for the Middle East & Africa, responsible for coordinating and promoting the association's activities in those regions.

Mr Geer has more than 34 years of experience in the drilling industry, including 15-plus years working offshore in several positions, including OIM, and 19 years in management positions in sales, project management and marine opera-

tions. He has expertise in MODU operations, risk management, safety and loss control, regulations and contracts.

Mr Geer holds a bachelor of science degree in marine transportation from the Massachusetts Maritime Academy and previously held a Master Unlimited license from the US Coast Guard. He is fluent in English and Portuguese.

Dave Geer can be reached at dave.geer@iadc.org.

Accreditation updates

Competence Assurance Program

- **Baker Hughes Inc**, Houston Texas.

HSE Rig Pass (revoked)

- **American Marine Corp & Pacific Environmental Corp**, Anchorage, Alaska;

- **Cameron Process Systems**, Midland, Texas;

- **Fishbone Safety Solutions**, Deer Park, Texas;

- **SAFETEX USA LLC**, Beeville, Texas.

Rigs receive ISP certificates:

For certificates received since last LTI (in years):

Justiss Oil Co Inc: Rig 61 (2);

Nabors Offshore Corp: Nabors SSD-21 (5);

Noble International Ltd: Noble Dhabi II (6);

Northern Offshore: Energy Searcher (2).

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

Justiss Oil Co Inc: Rig 61 (1);

Northern Offshore: Energy Enhancer (1).

Denkowski is IADC VP accreditation/certification

IADC's **Mark Denkowski** has been promoted to vice president of accreditation and certification programs. He joined IADC in April 2011 as managing director.

Mr Denkowski will remain in charge of all accreditation and certification activities, including researching and developing market opportunities and products. He continues to direct the operations of IADC accreditation programs, program development and implementation, general communications, administration and quality control. IADC's Accreditation and Certification Programs department is ISO 9001-certified and is involved in the National STEPS Network.

"Mark brings a wealth of practical,

drilling industry experience," said **Dr Lee Hunt**, president of IADC. "His extensive background in drilling industry training will serve him well in leading our skilled accreditation team to provide ever-better services and programs for our members."

Mr Denkowski has over 30 years of industry experience. Offshore he has worked in Southeast Asia, the Middle East and West Africa and onshore he has worked as international employment manager, North American employment manager and training & development manager.

Mark Denkowski can be reached at ext 229 (mark.denkowski@iadc.org).

2012 Drilling Conference set for 6-8 March

The 2012 IADC/SPE Drilling Conference & Exhibition will be held on 6-8 March in San Diego, Calif. Eighteen technical sessions and 13 e-poster sessions will encompass case studies and innovations in topics such as rig automation, directional drilling, managed pressure drilling, fluids, down-hole tools and zonal isolation. Plenary sessions will feature industry leaders discussing the sustainable evolution of this industry, how the business can adapt in a changing world, and how to establish trust in the oil and gas industry. For details or to register for the event, go to www.iadc.org.

IADC welcomes 27 new members

- **Aberdeen Drilling Consultants Ltd**, Aberdeen, United Kingdom;
- **ADIX Communications**, Mexico DF, Mexico;
- **Adrian Burke and Associates**, Dublin, Ireland
- **Al Mazroui Engineering Co LLC**, Abu Dhabi, United Arab Emirates;
- **AMRTUR Corp Sdn Bhd**, Seria, Belait, Brunei;
- **Atlantic Mediterranean Oilfield Services Co Ltd**, Eastleigh, United Kingdom;
- **Bordrill Drilling Contractor and Trade Corp**, Anarka, Turkey;
- **CAM Oilserv Advisors LLC**, Frisco, Texas;
- **Columbia Industries**, Hillsboro, Ore.;
- **Global Energy Products**, Dunfermline, Fife, United Kingdom;
- **Global Safety Labs**, Nashville, Tenn.;
- **International Oilfield Training Solutions Ltd**, Calgary, Alberta, Canada;
- **Landmark Safety LLC**, Lafayette, La.;
- **M.E.L. Valuations Inc**, Ben Wheeler, Texas;
- **Magnaflux**, Glenview, Ill.;
- **Miller & Chevalier Chartered**, Washington, DC;
- **NASCO Industries Inc**, Washington, Ind.;
- **Nickcery Group International Services PLC**, Douala, Littoral, Cameroon;
- **Nova Safety and Health Consulting Inc**, North East, Pa.;
- **Ruff Equipment Co**, Magnolia, Texas;
- **SBM Atlantia**, Houston, Texas;
- **SDF Oilwell Technology**, Giza, Egypt;
- **Serck Services Gulf Ltd**, Sharjah, United Arab Emirates;
- **Suarez Bros Crane and Heavy Haul LLC**, San Antonio, Texas;
- **Suriname Petroleum & Gas Company NV**, Plantage Concordia, Para, Suriname;
- **Thermaprime Well Services Inc**, Pasig City, Metro Manila, Philippines;
- **TLC International LLC**, Houston, Texas.

Volume 22, Number 2

Dan Rabun, 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.