

10370 Richmond Ave., Suite 760; Houston, TX 77042 713-292-1945; Fax, 713-292-1946 scott.maddox@iadc.org

IADC Coil Tubing Subcommittee Meeting 11:30 – 1:00 September 26, 2013 IADC Headquarters

Participants

David Poirier - Baker Hughes Trampas Poldrack – Basic Energy Services Shane Madden – Basic Energy Services Ron Clark – Coiled Tube Gervais Dzudie – Great White Pressure Control Scott Maddox - IADC Roderic Stanley – ITRobotics Troy Dickenson - IPS Bill McKee – IPS Ed Liegis – Key Energy Services John Lemmons – Legend Energy Services Lawson Farrar – Occidental Oil and Gas Brett Witte - Premier Coil Solutions Rair Barraez - Sanjel Robin Mallalieu - Schlumberger Lucas Mezzano - Tenaris Ryan Addison – Tenaris Thu-Ha Nguyen – Tenaris David Egbert - Well Control School Charlie Proulx – Xtreme Drilling and Coil Services

Introductions

Scott Maddox welcomed the group and asked that everyone introduce themselves.

SM went over the building fire exits, restroom locations and the IADC Anti-Trust Guidelines.

SM also directed the group to the IADC Committees page to review the Antitrust guidelines in their entirety. The anti-trust guidelines can be viewed at: <u>http://www.iadc.org/committees/IADC-Antitrust-Guidelines-Rev-6.pdf</u>

Trampas Poldrack (TP) introduced himself as the Well Servicing Committee Chairman and thanked everyone for participating in the "kick off" meeting.

Previous Committee Meeting Minutes

As this was the "kick off" meeting, there are no previous minutes to discuss or approve.

Safety Moment

As this was the "kick off" meeting, there was not a safety presentation.

Agenda Items

Purpose

SM indicated to the group that members of IADC feel that with the level of coiled tubing activity in the shale plays throughout the lower 48, it will be beneficial to create a Coiled Tubing Subcommittee which will fall under the Well Servicing Committee.

It is anticipated that such a group will review, create and/or recommend industry recognized best practices, safety alerts, preventive maintenance, education and training, conduct workshops or conferences regarding coil tubing.

In addition, it will be very beneficial for the industry to have a network to share lessons learned that may prevent an injury or worse, a fatality.

Current standards are being utilized in the offshore market and a few of the major producers are enforcing the same standard onshore.

Challenges for Coil Tubing

A discussion was held about the possibility of real time monitoring for fatigue however, the group indicated that this is not being performed due to the cost.

There is currently a proposal in Maryland regarding the use of non-destructive testing as a way to measure fatigue.

It was also discussed that the reduction in coil tubing cycles is due to old processes being used.

It was noted that coil tubing was developed as "ad hoc" and that coil tubing is a "brownfield" operation that has been increased due to fracking technology.

The subcommittee feels that operators need to be brought into the group to help facilitate conversation regarding the use of coil.

A recent study was conducted by a group in Tulsa, Oklahoma regarding Coil Tubing breaking off in wells. SM asked for a copy of this document and if it is approved by the author of the document, SM will distribute the document to all subcommittee members.

Best Practices / Recommended Practices

The subcommittee identified 2 current standards regarding coil tubing, API 16st and API 5st. There is a third document titled API 58C that needs to be reviewed by the subcommittee for content. This document has been or will be turned back over to API as work has stopped on the document. The subcommittee discussed the possibility of reviewing and revising the document.

Another issue of concern was the lack of a recommended practice regarding Hydrogen Sulfide (H2S). SM informed the task group that the Well Servicing Committee is currently reviewing the API documents 49 and 68. These documents pertain to H2S operations and the group may want to consider providing input for coil tubing or create a new recommended Practice.

Discussion was held around needing an industry recognized way to increase the life of the coil tubing.

Discussion was held around needing an industry recognized way to measure fatigue.

It was also stated that there is a limited supply of carbon steel for coil tubing and do to the current depth levels, it is not possible to put that much coil tubing on an offshore rig.

It was also mentioned that due to the heavy loads in the industry, roadways are being converted back to gravel.

Preventive Maintenance

Internal corrosion was another hot topic. The subcommittee noted that there needs to be a process to examine why this is happening and determine if anything can be done to prevent this from happening.

Safety Alerts and Lesson Learned

SM informed the group that IADC has a safety alert program and requested safety alerts to be sent in. SM informed the group that all company information would be removed from the alerts along with any identifying marks such as logos. The group indicated that sharing safety alerts is a good idea.

SM also mentioned the possibility of having a subcommittee member participate on the review team for safety alerts.

Concern was raised regarding HSE and how they are addressed for coil tubing operations.

Training Needs

During the meeting training needs were discussed. The subcommittee identified the need to develop Knowledge, Skills and Abilities (KSAs) for coil tubing operations.

It is also felt that the HSE Rig Pass needs to have an endorsement attached to it for Coil Tubing operations. The Subcommittee feels that the current Rig Pass program is geared to Drilling operations and Coil Tubing operations are completely different. SM indicated to the group that adding an endorsement to the current Rig Pass program was feasible but would like to defer this to the Accreditation Department within IADC.

OGP has released a Barrier Philosophy and the subcommittee was not familiar with this new training initiative. However, the subcommittee is open to learning more about the barrier philosophy and will consider creating a training program if needed.

Closing Items

SM informed the group that there needs to be a chairman and vice chairman of the Coil Tubing subcommittee. SM asked for individuals to consider volunteering for the position.

SM will send out the committee chair responsibilities to individuals that request the information and that are interested in volunteering for the chair and vice chair position.

SM asked the subcommittee for additional names to invite to the next meeting.

The subcommittee decided that the next subcommittee meeting will be conducted on December 10, 2013 from 11:30 am to 1:00 pm with Ron Clark from Coiled Tube sponsoring lunch.

The location for the meeting will be at the IADC offices. The address is 10370 Richmond Avenue Suite 760 Houston, Texas 77042

SM asked the group if they felt that having this subcommittee with in IADC was needed and it was unanimously decided that this subcommittee is needed and will be beneficial to the Coil Tubing industry.

SM thanked the attendees and the meeting was adjourned at 12:55 pm.