

Meeting Minutes  
IADC Contracts Committee Meeting  
31 January 2020 - 0900 – 1130 hours  
IADC Houston, Briarpark Office



**In attendance:**

Tyler Smith – Nabors (TS) – (Interim) Chairman  
Mike McLeod – Noble Drilling, Vice Chairman (Offshore) (MM)  
David Odom-Harris – Patterson-UTI – Vice Chairman (Land) (DOH)  
Tom Bowes – Precision Drilling (TB)  
Ted Gobillot – ARO Drilling (TG)  
Dave Faure – Transocean (DF)  
Theodore Sangalis – Valaris (TS)  
James Metcalf – Intrepid Directional Drilling Services  
Andrew Bruce – Data Gumbo  
Fred Taylor – Data Gumbo  
William Fox – Data Gumbo  
Michael Matthews – Data Gumbo  
Mike DuBose – IADC Committee Liaison (MD)

Via Conference phone in:  
Cary Moomjiam – CAMOilServ  
John Kilburn – Transocean

**Welcome**

Tyler Smith (TS), Committee Chair - Nabors opened the meeting at 0900, welcomed the group and thanked everyone for being available.

**General Antitrust Guidelines for IADC Members**

TS & Mike DuBose (MD) reminded the attendees of the IADC General Antitrust Guidelines. Reviewed the housekeeping information and offered a Safety Moment for the group.

**Approval of the Proposed Meeting Agenda**

TS proposed the members accept the meeting agenda as offered in the pre-read materials, motion seconded by DOH. Agenda approved by acclamation.

## **Approval of the Minutes of the previous committee meeting on 11 October 2019.**

TS proposed the members accept the minutes of the previous meeting of 11 October 2019 as offered in the pre-read material. Motion was made by DOH, seconded by MM, and the minutes approved by acclamation.

## **Status of a Voting Quorum**

MD advises the Chair (TS) that the committee does have a quorum of members present to hold a binding vote on pending matters, should the need arise.

## **Update on Various IADC/Committee Initiatives**

MD advised members of the work ongoing to revise the IADC HSE Guidelines for Land Drilling units. **Initial draft of Part 4, Rev 2 issued for review amongst workgroup members. Revision 2 expected to be finalized +/- March 1 for further review. Member Comments will be due by April 1, 2020.**

## **Amicus Brief Reports**

The Contracts Committee has received 1 request from IADC membership for an Amicus Brief.

- a) Our Brazilian Chapter has advised they are seeking approval and consent to proceed with an Amicus Brief regarding the reapportionment of royalties from oil & gas offshore resources to inland states vs. current distribution only amongst coastal states. A proposal for the Amicus was put forward by Brazilian Chapter Secretary – Attorney Leandro Luzone. Following the Amicus Brief Criteria, the proposal was reviewed and approved to proceed by TS – Contracts Committee Chair, Roddie MacKenzie – Transocean Offshore Advisory Panel Chair, Jason McFarland – IADC President. Initial due diligence is underway in Brazil, case is anticipated to be heard before the Brazilian Superior Court late April/early May 2020.

## **Status of Revision to IADC Model Offshore Daywork Contract.**

Model Contracts: Update of IADC Model Contract – Offshore International

- Ron Potter (Lead) has worked with Haynes & Boone counsel to develop changes to the model contract to reflect
  - i) Revision will be under English Law.
- Ron has a first draft and review is underway. Ron will work with Dave Faure (Co-Lead) for review and content contribution, afterwards Ron and Dave will pass the draft to Stacey for her review to establish a Second Draft. Mike McLeod has volunteered to aid in the review.
- It was expected that the Association of International Petroleum Negotiators (AIPN) would release their revised Model Contract after their meeting in Dubai Oct. 6-9,

2019. The IADC contract revision group has made numerous inquiries and to date no AIPN model contract draft has been released.

Action – Ron Potter, Dave Faure, Stacey Early and Mike McLeod to scrutinize the first draft. Same group will attempt to secure latest revision to the AIPN contract, upon release

## **Subcommittees**

Subcommittees –

- a) The Chair has established the IADC Offshore Equipment List sub-committee and she has identified John Kilburn of Transocean as Sub-Committee Chair. The Chair proposed that the committee establish the IADC Onshore Equipment List sub-committee, MD to investigate interested parties to populate the sub-committee. Action – MD to liaise with the Faculty Advisor for the Student Chapters at Texas A&M and the University of Louisiana – Lafayette to gauge their interest in assisting in the revision.

Notes on Subcommittees:

- ii) Are open to any committee member (both as Co-Chair and/or as member)
- iii) With the following exceptions, which are open to Employees of Drilling Contractors only:
  - (1) Model Contract subcommittees,
  - (2) Amicus Brief subcommittee

**Guest Oral Presentation by Mr. Andrew Bruce, Fred Taylor of Data Gumbo on the various uses of Blockchain Technology with the Upstream Oil & Gas Industry, opportunities for faster payment transfers, contract data/input approval. A number of IADC Members are currently utilizing this technology and more are expected to join.**

**Second Guest Oral Presentation by Mr. James Metcalf, Senior VP of Operations, Intrepid Directional Drilling. Several Directional Drillers have sought to have a separate IADC Committee set up to serve their needs. Motion was approved and the Committee has been established. Directional Drillers have struggled to have a unified, collective voice to seek solutions to critical issues affecting their provision of services to the industry. JM give a brief history of previous trade associations and the alignment under IADC. IADC welcomes the Directional Drilling Committee and we look forward to a close collaboration with them.**

**Any Other Business.**

- 1. SG suggests the Contracts Committee review the Chapter Charter of the IADC Houston Chapter to see if a bespoke Committee Charter could be helpful. A copy of the charter has been distributed to the members. Action – Upon further review Scott Gordon has recommended that the Contracts Committee’s current Mission statement defines the objective of the committee and there is no requirement for a Committee Charter. SG has recommended to Chairman TS that this request be withdrawn, and no further action is required. The Contracts Committee Officers concur with the recommendation.**
- 2. MD advises that during the Australasia Chapter meeting in Brisbane, Australia, the officers advised that the government of Queensland state is developing an Industrial Manslaughter Discussion Paper that the committee should review. DF advises that Barry Cameron in Perth should be contacted to investigate the matter further. Barry Cameron offered an overview of the issue and it has been distributed to the officers. No further action required at this time by the Committee. Our IADC Australian Regional Representative Martin Flojgaard to continue to monitor the issue.**
- 3. MD advised the group about the upcoming IADC Contracts and Risk Management Conference in Houston TX Oct.6-7<sup>th</sup>. Members are encouraged to submit abstracts as the closing date is Feb. 21. A paper selection meeting will be held in late March/early April exact date to be advised. Paper selection meeting has been announced as Wednesday April 1<sup>st</sup> from 0900 - 1100 at IADC Offices.**

**Meeting was adjourned at 11:00 pm.**

**Date and venue for the next meeting will be Friday May 15, 2020 at the IADC Offices.**