

# IADC's 2003 Chairman ready to meet challenges

**HAVING WORKED IN** the offshore drilling industry for the past 24 years, **Lawrence R Dickerson**, IADC's 2003 Chairman, has been around long enough to experience its highs and lows.

He began working for what was then Diamond M Company in 1979, "which was the kick-off of a big boom that we thought we would never see again."

Mr Dickerson points out that these dramatic shifts in industry fortunes have provided valuable lessons for the future of the industry.

While the contract drilling business has learned the lessons from the peaks and valleys, it continues to face challenges.

Among those are safety and environmental issues, the industry's image and its ability to deliver its message, IADC's role in the industry and attracting newer, younger members to participate in the Association.

He admires **Teddy Roosevelt**, whose philosophy appears to have worked well with Mr Dickerson's endeavors.

"He favored freedom, and part of his philosophy was that it is far better to have tried something even if you fail than to sit back and not take risks," . Mr Dickerson explained.

Mr Dickerson began his career in 1976 after receiving a Bachelor of Business Administration degree with honors from the University of Texas.

He went to work at the Houston office of the public accounting firm **Ernst & Young LLP**, specializing in the broadcast and energy industries.

He became a Certified Public Accountant in 1978 before joining Diamond M in 1979.

After working for Ernst & Young for three years, Mr Dickerson's plan was to go to graduate school.

Part of that plan included leaving public accounting and going to work in the energy industry to make additional money for school.

But as anyone who has been in the energy industry for any amount of time knows, flexibility is key.

"Just six months exposure to this business convinced me this is where I'd like to make my career," Mr Dickerson explained.

Joining Diamond M as Assistant Controller, he held various management and financial positions with the company. In 1998 he was named President and COO in 1998 of Diamond Offshore, which succeeded Diamond M. He previously was Senior Vice President and CFO.

"The thing I like about this company and



**2003 IADC Chairman-elect Lawrence R. Dickerson makes a shipyard inspection of one of Diamond Offshore's rig upgrade projects.**

this industry is that because operations are conducted worldwide 24 hours a day, the people on site are empowered to make the decisions necessary to safely conduct those operations," Mr Dickerson said.

"Check with your supervisor if you can, but if you can't, go ahead.

"In my early days when there weren't cell phones and faxes it was even more important to let people make the proper decisions," he continued.

"That same ethos and standard carries through this office. That's why I've always found this industry to be particularly appealing."

Mr Dickerson met his wife **Marcela**, a native of Panama, while they were working at Ernst & Young.

She is still employed there as an energy partner.

They were married in 1980, and have two sons, **Stuart**, 11, and **Steven**, 14, who are both involved in Little League baseball.

He is an avid skier and he particularly likes to ski with his sons, hitting the slopes whenever possible. And how good of a skier is he?

"Our logo is a black diamond," he says with a smile.

Another way he relaxes is cooking. "You don't have to think about it a lot, you just do it and you get immediate and positive feedback if you've done a good job."

"I hope to one day get a catering job offshore," he jokes.

## GROWTH OF DIAMOND OFFSHORE

Diamond Offshore is the result of a combination of a number of companies, **ODECO**, **Arethusa** (formerly **Zapata**) and Diamond M Company.

Loews Corporation bought Diamond M in 1989 as a base for consolidation. "Diamond Offshore was one of the first contractors which grew through mergers in the early 1990s as new capital came into the industry," Mr Dickerson said.

"This consolidation continues to this day."

In the mid 1990s, the company decided that rig acquisition prices had reached the point where the purchase of existing companies or rigs wasn't the best use of capital.

"Diamond Offshore had internally developed plans to take the Victory class rigs into deepwater," Mr Dickerson said.

"With eight rigs in this class we believed that we would have the opportunity to perform many upgrades."

Diamond Offshore committed to the first deepwater upgrades in the industry with the Ocean Quest and Ocean Star units in 1995.

The Ocean Victory continued the semi-submersible upgrades, while the Ocean Clipper was an early drillship upgrade.

As dayrates for all rigs climbed higher, Diamond next converted the Ocean Confidence. Only later when the boom subsided did the company return to further Victory upgrades.

"Our current configuration is aiming deeper and with an emphasis on development drilling capabilities," relates Mr Dickerson.

The Ocean Baroness, which has been working in Malaysia, is equipped for 7,000 ft of water. The Ocean Rover will follow in mid-2003.

"This makes our seventh major upgrade and reflects our confidence in our customer's prospects in deep water," Mr Dickerson said.

"We look forward to utilizing our dual activity, subsea tree handling and large capacity equipment in bringing on line the large fields of tomorrow."

## TEAMWORK

"I know that I'm not alone in crediting our company's success to our dedicated teams," he said.

"Everyday I'm kept on my toes by the dedicated men and women who go above and beyond the ordinary."

"Whether it's heading offshore for their regular shift, or operations personnel working through a crisis on the weekend, or accountants staying with an SEC filing to insure a deadline is met, I can't think of an industry that employs more dedicated people."

## INDUSTRY CHALLENGES

In 2001, Mr Dickerson was appointed by **President Bush** to serve on the US Commission on Ocean Policy, a 16-member body charged with reviewing and recommending changes to the way this country governs and protects our ocean resources.

"It is very interesting to see how other industries deal with marine challenges," Mr Dickerson commented.



Larry with his wife Marcela and their sons Stuart, center, and Steven enjoying a family vacation.

"I think much could be learned by the way the offshore drilling contractors get the job done while still protecting the environment."

On the other hand, Mr Dickerson has been exposed to the negative reputation our industry has, not only in California and Florida, but within most coastal communities.

He notes that the energy industry and the contract drilling business has responded to challenges such as safety and environment issues.

"Our track record is excellent, but our reputation has not kept pace."

However, he also notes that the industry still needs to do a better job of telling its story and representing its environmental track record.

"Somehow the derrick has been transformed from a symbol of prosperity to representing environmental peril," he said.

"This is false, but widely believed."

The economic benefits of the industry are tremendous as is its environmental record – high paying jobs while producing energy without harm to the seas.

The challenge of getting this message out is one of the biggest facing the industry, Mr Dickerson said.

## IADC'S ROLE

"IADC has one of the best reputations of any trade group and it serves an extremely valuable function to advance the political interests of our organization," Mr Dickerson said.

He says it's important for IADC members to see who they have participating in the association, and that they should encourage their newer, younger employees to become involved with IADC.

"When I joined IADC one generation had retired but I don't see the generation below mine fully participating."

"It is a time commitment for anybody to become involved with IADC," he says, "but it pays off for their company and for them personally and it certainly pays off for our industry."

The industry has continued to lose access fights in both Alaska and Florida and OCS Lease Sale #181 offshore Florida.

"It may be that it's time to try a different approach," Mr Dickerson opines.

"We are not getting anywhere emphasizing energy security and avoiding gasoline lines. That should be no surprise since gas lines haven't been around for 25 years."

"I think the industry needs to emphasize



Pictured from left are Ed Presley, Toolpusher, Larry, Norman Reid, Operations Manager and Red Holley, OIM, during a recent visit to Diamond Offshore's semisubmersible Ocean Quest.

the high paying jobs we provide and the economic benefits of the royalties and lease payments we deliver.

"It's an uphill battle for sure," Mr Dickerson added. "but if we can work at building a coalition of supporters, we might finally achieve increased access."

"It's at least worth a try," said a determined Mr Dickerson. ■

## You never know where somebody might end up

Mr Dickerson was drafted in 1972, mere months before the Selective Service was ended.

"I endured the Army and didn't much like it at the time," said our future Chairman.

Assigned to a post in Germany, he worked for **CPT Michael Lee Lanning**, who later became a noted writer of military history.

Included in Mr Lanning's memoirs was a paragraph about Larry in the 1992 book, *The Battles of Peace*.

"The second enlisted clerk in the office did his best to emulate **Mort Walker's** cartoon character, **Beetle Bailey**. PFC Larry Dickerson had attended the University of Texas, but he came to the unwanted attention of his local selective-service board. Although he had a good sense of humor and was generally respectful to those who outranked him, Dickerson was convinced that the only way to strike back at the draft was to do the minimum work necessary to stay out of major trouble. Larry yearned to return to the Austin campus life, and he was quick to tell anyone, whether we had heard it many times before or not, that 'the army will never be all volunteer until they let me out.'"

"My Army career provided valuable experience and motivation to do well in school," Mr Dickerson said.

Obviously that's paid off as he's moved to become President of one of the largest deepwater drilling contractors. ■