

Annual IADC ASP report indicates drilling industry's LTI rate reached record low in 2006

HERE'S THE GOOD news: The drilling industry's worldwide lost-time incidence (LTI) rate reached a record low in 2006 to 0.56, a 7% improvement over 2005's 0.60. But here's the bad news: The industry's fatalities rose by 6 for a total of 29 lives lost.

This report was compiled from data provided voluntarily by drilling contractors to the IADC ASP Program. During 2006, 125 contractors representing about 78% of the worldwide drilling rig fleet participated in the ASP program, with a total of 418.95 million manhours worked. A total of 4,547 recordable incidents were reported, along with 1,139 LTIs and 29 fatalities.

Incidence rates are calculated on incidents per 200,000 manhours. Data is compiled separately for land and offshore operations and for 7 geographic regions — US, Europe, Canada, Central & South America, Africa, Middle East and Asia Pacific.

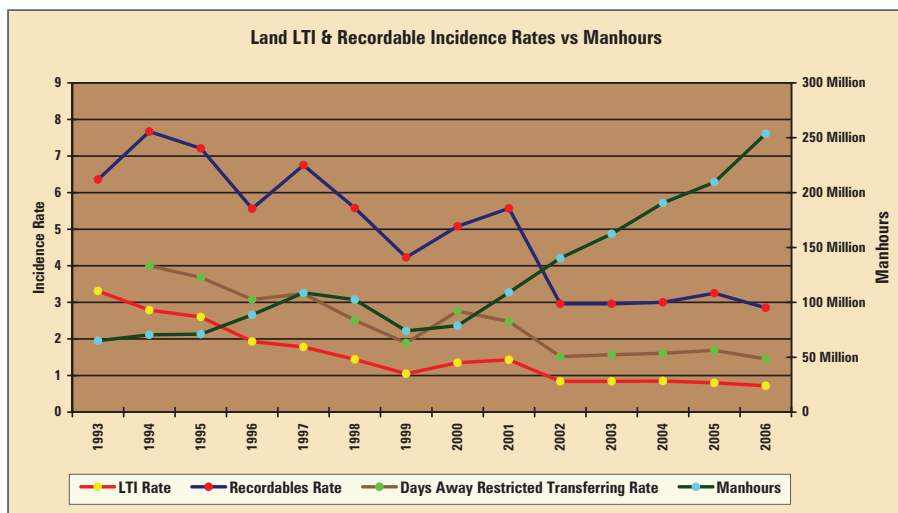
FATALITIES

The most alarming finding in the 2006 report is the increase in fatalities. The 2006 fatality incidence rate was 0.013, compared with 0.011 in 2005. Data shows that 14 fatalities, the largest percentage, occurred to employees with less than one year of experience with the company. Eight of the victims had worked for the company 1-5 years, and 4 had worked for the company for more than 5 years. Six fatalities occurred during tripping operations. Eight occurred to floormen; 6 were supervisors of driller or above; 6 were derrickmen.

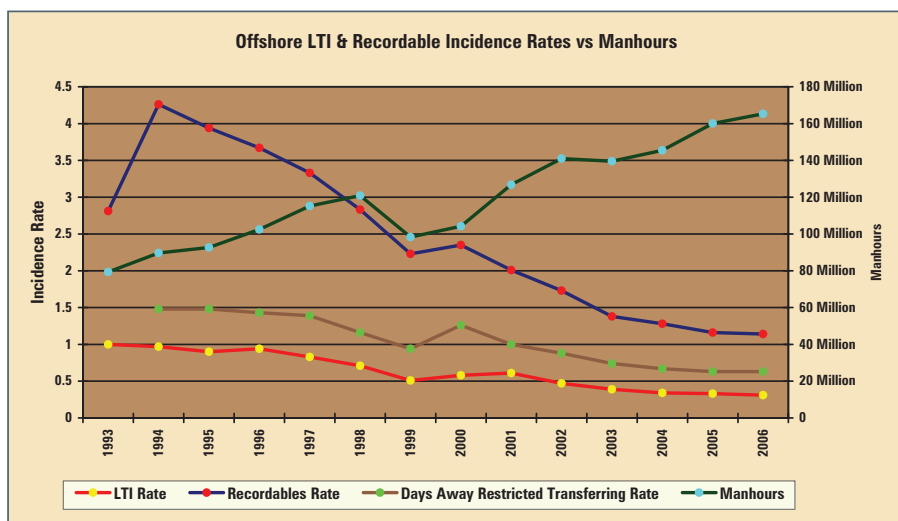
REGIONAL SUMMARIES

For land operations, Central/South America had the lowest LTI rate (0.32), and Middle East had the lowest recordable incidence rate (0.97). Offshore, Middle East had both the lowest LTI rate (0.14) and recordable incidence rate (0.78).

Europe: Contractors, both land and offshore, in this region worked more than 38.18 million manhours in 2006. Offshore accounted for 32.76 million manhours with one fatality, and land worked 5.42 million manhours.

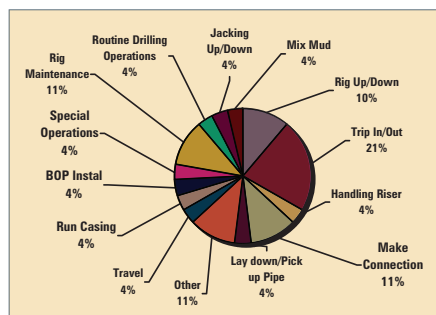


For the land drilling industry, which clocked more than 253 million manhours in 2006, there were 3,608 recordables, 888 lost-time incidents and 21 fatalities.

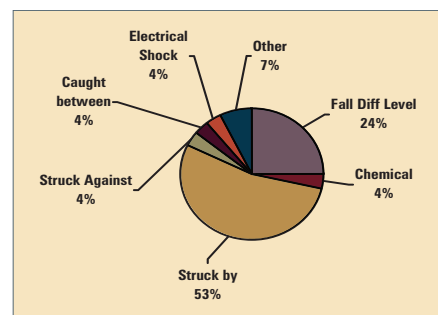


The offshore drilling industry worked more than 165 million manhours in 2006, with 939 recordables, 251 lost-time incidents and 8 fatalities. Combined, the land and offshore drilling sectors worked nearly 419 million manhours, with 4,547 recordables, 1,139 lost-time incidents and 29 fatalities.

Fatalities by Activity



Fatalities by Type



The biggest percentage (21%) of fatalities occurred while tripping in/out, and the biggest percentage (53%) of fatal incidents were "struck by" incidents.

Land workers saw their LTI rate worsen 67% from 0.32 in 2005 to 0.96 for 2006. Their recordable incidence rate worsened as well, 143% from 1.00 in 2005 to 2.43 in 2006.

Offshore workers' LTI rate improved 11%, from 0.45 in 2005 to 0.40 in 2006, while their recordable incidence rate remained unchanged at 1.25.

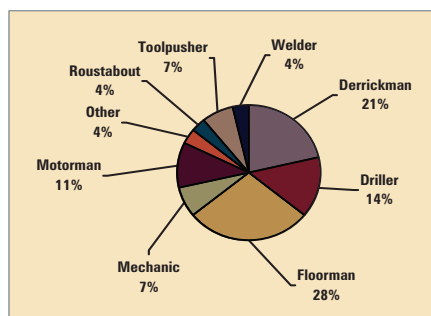
US: More than 133.34 million manhours were worked offshore and on land. Land contractors reported 93.84 million manhours with 15 fatalities, and offshore contractors reported 39.50 million manhours with 4 fatalities.

LTIs among US offshore workers worsened 7%, from 0.29 in 2005 to 0.31 in 2006. Their total recordable incidence rate improved 6% from 1.46 in 2005 to 1.37 in 2006.

US land workers saw their LTI incidence rate improve 20% from 1.60 in 2005 to 1.28 in 2006, and their recordable incidence rate improved 18% from 6.64 in 2005 to 5.46 in 2006.

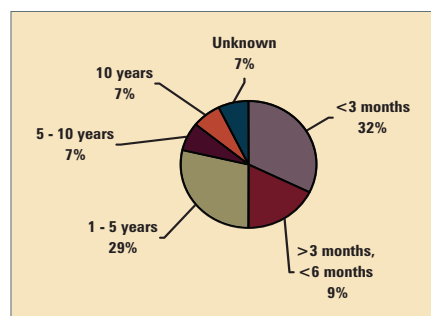
Canada: No fatalities were reported for the 5.31 million manhours worked. Land operations accounted for 3.70 million of

Fatalities by Position

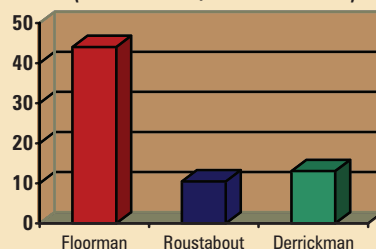


A total 28% of fatalities in 2006 occurred to employees in the floorman position, while employees who had less than 3 months of service with the company had the biggest percentage of fatalities, followed by those with 1-5 years of service (29%).

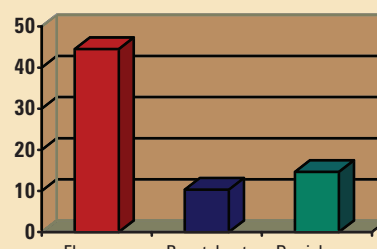
Fatalities by Time in Service



LTI by Occupation (Based on 1,049 incidents)



Recordables by Occupation (Based on 4,360 incidents)



Data show that of all occupational categories, as with previous years, the floorman position suffers the largest percentage of LTI and recordable injuries.

those, and offshore made up the remaining 1.61 million manhours.

Land workers' 2005 LTI rate of 1.21 improved 14% to 1.03 in 2006. Their recordable incidence rate improved 9%, from 3.98 in 2005 to 3.62 in 2006.

Offshore workers' 2005 LTI rate of 0.67 improved by 63% to 0.25 for 2006. Their recordable incidence rate improved 33% from 2.02 in 2005 to 1.36 in 2006.

Central/South America: A total of 73.69 million manhours were worked, including 53.43 million manhours and 4 fatal incidents on land, and 20.26 million manhours and one fatality offshore.

On land, the LTI rate of 0.20 in 2005 worsened 60% to 0.32 in 2006, while the recordable incidence rate improved 4% from 1.15 in 2005 to 1.10 in 2006.

Offshore, the LTI rate of 0.37 from 2005 improved 3% to 0.36 in 2006. Their recordable incidence rate improved 9% from 1.51 in 2005 to 1.38 in 2006.

Africa: This region accounted for 41.26 million manhours. On land, 16.72 million manhours and one fatality occurred. Offshore, there were 24.54 million manhours.

Land workers' LTI rate of 1.07 in 2005 improved 20% to 0.86 in 2006 while their recordable incidence rate improved by 8% from 2.68 in 2005 to 2.46 in 2006.

Offshore workers' LTI rate of 0.33 in 2005 worsened 30% to 0.23 in 2006, while their recordable incidence rate improved 17% from 0.98 in 2005 to 0.81 in 2006.

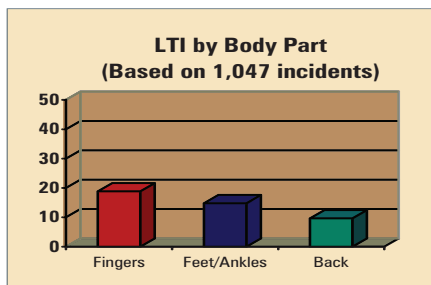
Middle East: Contractors here worked 84.35 million manhours. The land division had 63.52 million manhours and one fatality, compared with 20.83 million manhours and one fatality offshore.

On land, the 2005 LTI rate of 0.26 improved 7% to 0.24 in 2006, and the 2005 recordable incidence rate of 1.07 improved 9% to 0.97 in 2006.

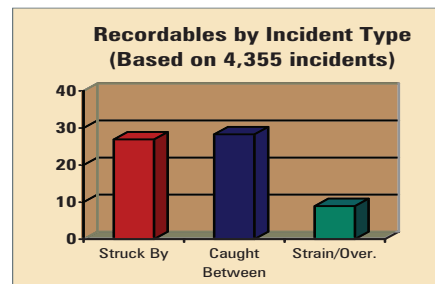
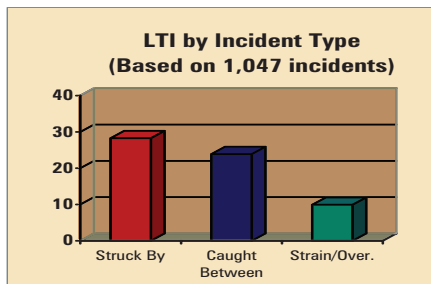
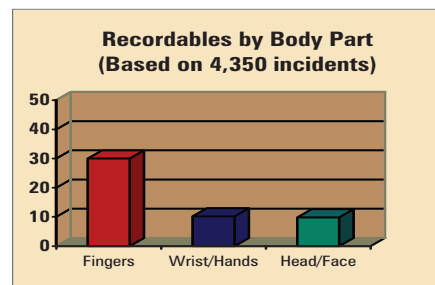
The LTI rate offshore improved 33% from 0.21 in 2005 to 0.14 in 2006; recordable incidence rate improved 1% from 0.79 in 2005 to 0.78 in 2006.

Asia Pacific: A total of 42.82 million manhours were worked. Offshore had 25.83 million manhours and one fatality. Land had 16.99 million manhours and no fatality.

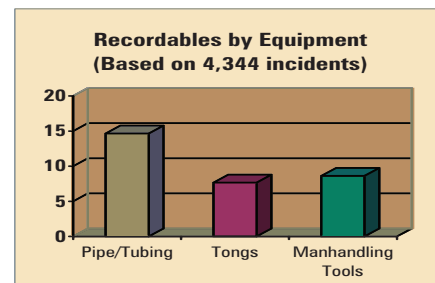
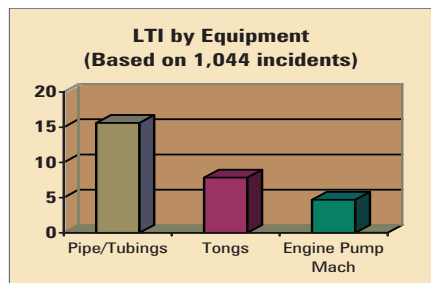
Land workers' 2005 LTI rate of 0.34 worsened 15% to 0.39 in 2006, while their recordable incidence rate improved 2% from 1.24 in 2005 to 1.22 in 2006.



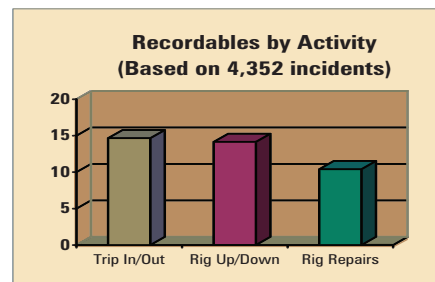
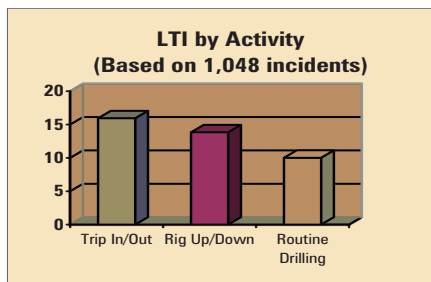
Fingers remained the most vulnerable part of the body.



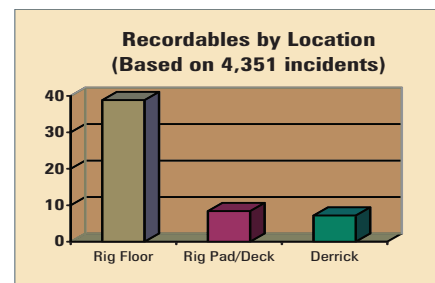
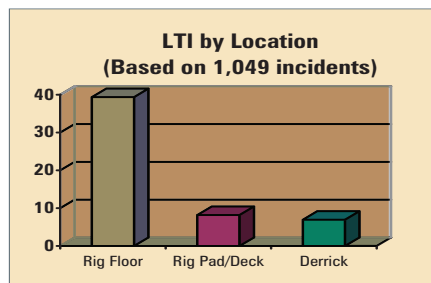
"Struck by" and "caught between" accounted for 52.15% of the LTIs and 55.2% of recordable injuries.



Pipes/collars/tubulars is the equipment category with the most LTIs and recordables.



Tripping in/out is the operation that involves the most LTIs and recordables.



It's no surprise that by far the most injuries in drilling operations occur on the rig floor.

Offshore workers' 2005 LTI rate of 0.30 worsened 33% to 0.40 in 2006, and their recordable incidence rate improved 29% from 0.80 in 2005 to 1.03 in 2006.

GREATEST RISKS

IADC ASP data show that, as with previous years, the floorman position suffered the largest percentage of LTI and

RIGHT (from top): LTIs and recordables based on time in service were led by employees who had less than 3 months of service, followed by those with 1-5 years of service. The most LTI incidents occurred between 09:00 and 16:00 hours. March accounted for the most LTIs, and July for recordables.

recordable injuries. Additionally, fingers remained the most vulnerable part of the body. "Struck by" and "Caught Between" accounted for 52.15% of lost-time injuries and 55.2% of recordable injuries to drilling personnel in 2006.

"Pipes/collars/tubulars" is the equipment category responsible for the most LTIs and recordables. "Tripping in/out" is the operation that involves the most lost-time and recordable injuries. It is no surprise that by far the most injuries in drilling operations occur on the rig floor.

LTIs and recordables based on time in service were led by employees who had less than 3 months of service, followed closely by those with 1-5 years' service.

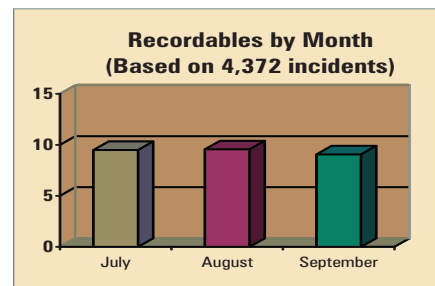
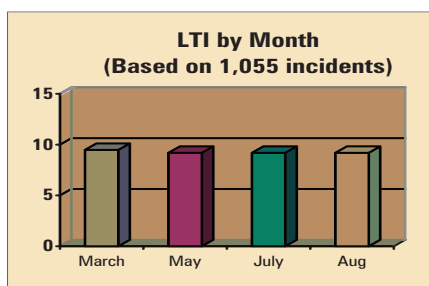
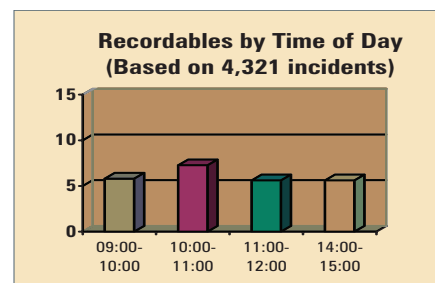
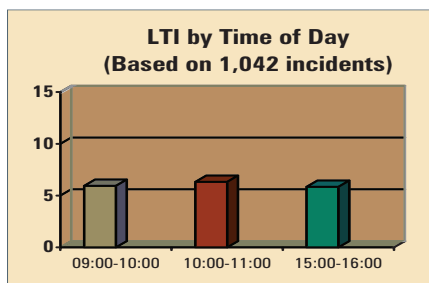
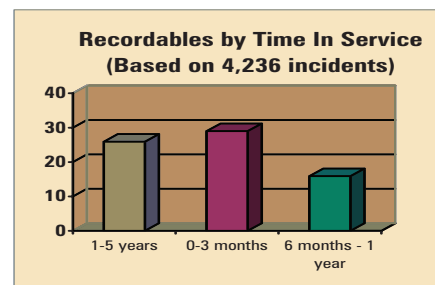
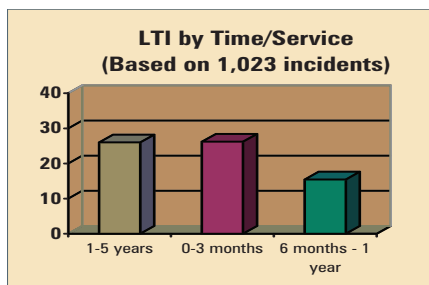
The most LTI incidents occurred between 09:00 and 16:00 hours, and March was the month with the highest number of LTIs.

CONCLUSION

Pressure on personnel escalates as the rig fleet continues to grow. While the increase in active rig counts adds to safety concerns, it also appears to be bringing sustained improvement in the industry's overall safety record. Finally, although the industry saw a reduction in the number of recordable and lost-time incidents, the number of fatal incidents should serve as a reminder to the entire industry that HSE demands our continued focus and effort. 💧

IADC ASP

Since 1962, the IADC ASP Program has tracked safety and accident information for the drilling industry. Objectives are to record data reflecting accident experience, which can be compared with other industries; to identify causes and trends of drilling industry injuries; and to provide a means of recognizing rig crews for outstanding safety performance. Everyone's participation is encouraged.



Note: All graphics based on ASP data submitted with Supplemental Incident Reports only.