



CONTRACTOR NEWS

Helmerich & Payne building more FlexRigs

With the 25th and final FlexRig under its latest newbuild program delivered in June, **Helmerich & Payne** announced construction of an additional seven FlexRig3 rigs. Beginning in July, the company intends to complete one rig every 30-45 days at an average cost of approximately \$10,750,000 each. By spring 2004, the company will have built a total of 50 FlexRigs since 1998.

Noble option for jackups

Noble Corp has option agreements with **A P Moellor** to purchase the **Maersk Viking** and **Maersk Valiant** jack-up rigs, 300 ft independent cantilever units presently working offshore Iran. Noble paid an aggregate of \$28.2 million in cash for the two options. If the options are exercised, Noble would pay an exercise price not to exceed \$65.8 million for both units. Noble's right to purchase the rigs occurs when the contracts have ended in 2004.

Grey Wolf purchases two rigs from El Paso

Grey Wolf signed a definitive agreement to buy two rigs from a subsidiary of **El Paso Corp** for \$9 million, which will be paid in cash on closing, which was expected in early June. One of the rigs was operating under a management contract with Grey Wolf and the other unit was operating under a management agreement with another drilling contractor. Both management agreements were terminated upon closing the

Patterson acquires driller

Patterson-UTI Energy acquired **TMBR/Sharp Drilling** by purchasing the shares of the company that it did not already own. Prior to the transaction, Patterson owned approximately 20% of the outstanding common shares of TMBR/Sharp. The acquisition will increase Patterson's fleet of rigs to 358 units.

"The FlexRig 3 program has exceeded our expectations in many ways," said **Hans Helmerich**, the company's President and CEO. "Even in a soft market each of the 25 new rigs has experienced full utilization at premium dayrates. We have achieved cost reductions in the program's assembly, start-up and daily operations."

GlobalSantaFe rig delivery

GlobalSantaFe took delivery of its new jackup **Constellation I**. The rig is equipped with a dual activity pipe handling system, features a 75 ft cantilever reach and a combined drilling load capacity of 2.6 million lbs. The rig is contracted for a three-well program off Myanmar that is estimated to take four months to complete. The contract is valued at \$8.8 million. The **Constellation II**, an identical rig, is scheduled for delivery in the first quarter 2004.

transaction. Concurrently, Grey Wolf signed a term contract totaling 1,460 days for both rigs to provide drilling services for subsidiaries of El Paso. Dayrates under the term contracts will be determined quarterly and will be based upon the average market dayrate of the company's same size rigs working in the same market area. Grey Wolf's fleet totals 117 units with the addition of these two rigs.

Transocean buys rig share

Transocean bought **ConocoPhillips'** 40% interest in the Deepwater Frontier joint venture, Deepwater Drilling II LLC. Transocean owned the other 60% interest in the joint venture, which is party to a lease-financing arrangement for the drillship. Transocean reportedly bought the remaining interest for about \$4.5 million in cash and will assume \$80 million of debt.

ENSCO earns SAFE Award

ENSCO International was awarded the Minerals Management Service's (MMS) 2002 National Safety Award for Excellence (SAFE) in the drilling contractor category. The SAFE Award recognizes and commends companies that expend extra effort to conduct operations in a safe and pollution free manner by adhering to all regulations, employing trained and motivated personnel and going the extra mile to enhance safety and environmental protection. ENSCO also was awarded the National SAFE Award in 2002 and was one of the three finalists in 1999.

PT Apexindo drill barge

Indonesian drilling contractor **PT Apexindo Pratama Duta Tbk** took delivery of the **Yani Rig 104** posted inland water drill barge from **Keppel Offshore & Marine**. The rig was delivered to PT Apexindo within 7.5 months and is the third such unit delivered to the company by Keppel. The rig is contracted to **TotalFinaElf Indonesia** in the Tunu field, where two of PT Apexindo's inland drill barges are already working.

KCA awarded contracts

KCA DEUTAG was awarded a contract valued at \$120 million from **Cabinda Gulf Oil Company** for the design, engineering, procurement, construction, commissioning and operation of a high specification platform rig for the Benguela Belize field. Installation of the rig will be followed by a five-year operation and maintenance period. Approximately \$60 million of the contract value relates to KCA's selected contractor **National Oilwell**.

In the Caspian Sea, KCA was awarded a further interim arrangement by **BP** that will lead to contracts for platform drilling services on the West Azeri and East Azeri platforms. Estimated value of the contracts is \$150 million and will be a duration of five years from commencement of drilling operations in 2005 and 2006. KCA was previously awarded an interim arrangement by **BP** that will lead to a formal five-year contract to carry out platform drilling services on the Central Azeri platform under a contract valued at \$75 million with drilling operations to commence in 2004.