EDITORIALS

From the Chairman

THE YEAR GONE BY

IT HAS BEEN an honor serving as IADC Chairman this year. I have had the opportunity to meet and become better acquainted with many fellow drilling contractors around the globe. It has been a rewarding experience. Meeting with my fellow drilling contractors around the world underscores to me how much we share, despite geography, whether land or offshore, and so on.

It brings home to me one of IADC’s key values—that in diversity, our association finds strength. We see this demonstrated by the myriad of IADC activities around the globe. Some differ significantly when viewed in isolation, but all have the same ultimate goal—ensuring safer, more efficient drilling operations.

REGULATION

IADC steadily works to promote the best interests of the industry. Currently, we are working on a number of diverse issues. We saved a tax exemption for users of self-propelled land rigs and are working other tax issues in India and Equatorial Guinea, as well as advising the UK government on tax policy.

On the offshore front, IADC has made progress in dealing with the US Environmental Protection Agency on issues including discharge of materials related to structural maintenance of offshore rigs and on cooling water intake.

Now that the International Maritime Organization is scheduled to review its MODU Code, we have organized a Work Group to develop IADC’s input. A recent IADC workshop on the issue brought together offshore drilling contractors, classification societies, designers, shipyards and government officials to discuss the topic.

DRILLING TECHNOLOGY

IADC leads in developing guidelines and specifications to help commercialize new technology. 2005 marked a milestone: A manufacturing specification drafted entirely by an IADC committee has been adopted by the American Petroleum Institute (API). The new document, designated API Specification 16RCD, covers the manufacture of rotating control devices used in underbalanced operations and managed pressure drilling. The document was expected to be in print by the end of 2005.

Similarly, the IADC Underbalanced Operations and Managed Pressure Drilling Committee drafted revisions to the IADC Classification System for Underbalanced Wells earlier this year.

HEALTH, SAFETY & THE ENVIRONMENT

IADC has convened numerous regional HSE Committee meetings around the US, as well as in Houston. These are a distinct forum for land-based contractors to share HSE experiences.

We recently updated IADC’s useful Weekly Safety Meeting Topics and Safety Meeting books. The updates incorporate new technology and operations, as well as bringing the books into alignment with current standards.

Check our website for the latest industry safety alerts and safety statistics from around the world.

LAND OPERATIONS

IADC’s Rig Moving Committee is developing guidelines for rig-up trucks and rigging equipment. It is also exploring topics such as securing loads, commercial drivers license requirements and background checks, as well as the design of rig-up trucks and more.

2005 will be a year long remembered in our industry. I will remember it as one of my most rewarding. However, the work that IADC members and staff conduct on industry’s behalf is memorable year after year.

From the President

RUNNING FROM RITA

JUST AS IADC was set to celebrate our 65th Anniversary at the Annual Meeting in Galveston an uninvited lady crashed our party! Hard on the heels of Hurricane Katrina the US Gulf Coast was set upon a few weeks later by Hurricane Rita. By now just about everyone knows the story: massive evacuation from the Texas Gulf Coast which, in the end, received a glancing blow. The storm’s devastating impact was felt instead along the eastern border of Texas and across south Louisiana.

For the first time in our history, we had to cancel an Annual Meeting due to a hurricane. The Annual Directors Meeting was rescheduled for late October and our usual business of electing officers and other priorities taken care of in a proper fashion.

For two days in advance of predicted landfall, two million people took to the road, evacuating coastal areas, running from Rita. Compared to the chaotic, clogged arteries that were once superhighways leading out of Houston, the performance of the offshore industry was a stellar example of good planning and delivery. All offshore production facilities and mobile drilling units were safely and successfully evacuated prior to the arrival of Hurricane Rita. We can take great pride in our efficiency and preparedness in offshore evacuation.

Of course the rigs themselves had to remain on location and endure the brunt of what was, for a time, the third largest, most powerful hurricane in recorded weather history. Most fared well. Some did not. There were mooring failures reported. Some rigs drifted off location. Others, jack-ups, were knocked off location and suffered severe damage.

Needless to say there will be inquiries, investigations and studies of the failures. That is as it should be. We learn from experience. But, there were more successful station keeping circumstances than failures. These too will offer lessons. It is a time to be analytical, not critical. Overall the industry’s demonstration of preparation, planning and performance indicates the strength of our commitment to sound principles of engineering, science and safety. Let’s keep it that way.

Edward D Kautz, Chairman