

Helmerich & Payne's Orr is Contractor of the Year

WHEN ALAN ORR returned home to Lindsay, Oklahoma in 1974 after leaving the Army, he didn't have a job, but he did have a car payment. He proceeded to spend most of his savings purchasing land with his father and improving the property.



John Deane, left, President of ReedHycalog, presents Alan Orr, Helmerich & Payne IDC, with the 2005 Contractor of the Year award.

After loaning the jobless Alan money to make a couple car payments on his '73 Corvette, Alan's dad, whose wisdom belied his 6th grade education, advised his son to seek gainful employment.

Specifically, Alan's dad steered him to roughnecking.

"He suggested that with my 'alleged education' and some 'actual field experience' in the oilfield on a drilling rig, possibilities such as making one's own car payment not to mention one's half of the land payment were not out of the question," recalled Alan wryly.

Alan's "alleged education" was a degree from the US Military Academy.

Alan posted a note advertising his availability on the cluttered bulletin board at the pool hall and domino parlor in downtown Lindsay.

"Within 24 hours, **Cotton Burnett**, the daylight driller on Rig 8—as he introduced himself—called me and inquired if I could throw a chain," Alan said. "I had no idea exactly what he meant, but having had aspirations of a baseball career, I responded, 'Yes, I have a good arm.'

"Cotton was obviously impressed and said he would pick me up at six in the

morning. I went to work, as it turned out, on what was H&P Rig 8."

His father's advice, Cotton's instincts and Alan's arm proved sound. 30 years later, Alan, now Vice President and Chief Engineer for **Helmerich & Payne International Drilling Co.**, was named 2005 IADC Contractor of the Year. The award was bestowed during the IADC Spring Directors Luncheon, 9 March, at the Houstonian Hotel in Houston, Texas.

The Contractor of the Year Award recognized Mr Orr for a career-long stream of innovations and improvements that have raised the level of safety, drilling productivity, rig moving enhancements and value for contractors and operators. In particular, Mr Orr pioneered "Safety by Design," a philosophy and practice whereby safety is intrinsic to rig design and operation.

He also broke new ground by designing fit-for-purpose rigs and equipment including highly successful TLP platform rigs for the Gulf of Mexico and H&P's renowned series of "FlexRigs". His work has had a tremendous impact on improving the drilling workplace and, through original thinking and innovation, has challenged current industry practices.

Mr Orr was born in Oklahoma in 1951 and graduated from the United States Military Academy at West Point in 1973. As described above, Mr Orr began working on a rig as a crewman, derrickman and then driller in the US. He served as a toolpusher, superintendent and operations manager in international operations. He has been in his current position since January of 1992.

Mr Orr's focus has been to improve the overall working environment of the drilling rig personnel, including safety, environmental issues and job satisfaction, among other things, while creating value for both the contractor and the customer.

As a result, the aforementioned **Shell** TLP platform rigs pioneered improved tubular handling equipment and achieved dramatic results. Three H&P owned and operated TLP rigs have operated for 22 rig years and 4.3 million man hours without a lost time incident (LTI). These three rigs have total recordable incident rate (TRIR) of 0.5, 83% below the IADC average.

Mr Orr's innovative thinking later led to the FlexRig concept that resulted in eight patents issued or pending for him and other co-inventors. Fifty FlexRigs have been built thus far since 1997, including 32 FlexRig3 units. These 50 FlexRigs have logged 8.4 million man hours of operation. Their current safety statistics are a 0.29 LTI and a TRIR of 1.91, 85% and 75%, respectively, lower than today's IADC averages.

The safety and drilling efficiency of the FlexRigs are perhaps most significantly reflected by H&P recently having been awarded long-term contracts for 10 more new FlexRigs to drill for Williams Production on their Piceance Creek acreage in Colorado.

"I feel blessed that I have been able to work at H&P," said Alan, noting that he was accepting the award on behalf of the H&P organization and his wife, **Karen**.

"H&P has been consistent and steadfast in its values and vision for technology, innovation, differentiation and safety.

"We hear repeatedly over the years that it is difficult to attract people to this industry. I suggest that the industry needs to provide a better and safer working environment to attract new personnel. I challenge the industry to think differently about that problem."

**Alan Orr,
Contractor of the Year**

"I want to thank [H&P IDC President & COO] **George Dotson**, to whom I have reported directly since 1982 for his leadership and guidance, as well as [H&P President/CEO] **Hans Helmerich** and his late father **Walt Helmerich** for their corporate stewardship."

Mr Orr also thanked several H&P employees attending the award ceremony: **Clint Whisenhunt**, H&P IDC VP for International Operations; **Rob Stauder**, H&P IDC Engineering Manager, whom Alan described as his "right hand for the last 20 years"; **Jim Bishop**, VP for Administration; **Mike Fisk**, Construction Superintendent; **Corey Lawyer**,

Assistant Project Manager for Flex3 and **Bernie Cook**, Special Project Engineer.

Mr Orr paid special thanks to **Karen**, his wife of more than 24 years whom he met while she worked at H&P. "I would not be here today, were it not for her. She's truly an angel from God."

"I want to say thanks to the IADC and **ReedHycalog** for this prestigious award and the scholarship."

Mr Orr noted that safety is still the number one challenge going forward for the drilling industry.

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"Innovation and technology are going to make this a better business going forward. The dramatic gains we have seen in the last 30 years will pale compared to what see going forward," Mr Orr said.

"One of the significant advancements over the last decades has been the professionalization of the business. We have progressed well beyond the "good ol' boy adventure."

Mr Orr also expressed his appreciation to "all the people at H&P that make the rigs perform and the company great—the late **Carl Young, Ray Marsh, Felix Holmes, Jerry Day**, the late **Cotton Burnett**, the late **Henry Lemp, Winfred Coon, Leroy Tinsley, George Boyadjieff** (without whose support I would not have pursued my vision for the PLC controlled electronic driller), **Mark Trevithick**, the late **Donnie Tresner, Rome Gonzalez, Greg Hottle** and my brother **David Orr**."

The annual Contractor of the Year award, sponsored by ReedHycalog, was established in 1988 to recognize an individual drilling contractor representative's outstanding lifetime achievements in technical innovation, safety and economic efficiency in the drilling industry.

It is the only industry award that exclusively honors drilling contractors. ReedHycalog contributes a \$2,500 scholarship in the recipient's name to the institution of his choice.

Mr Orr has designated the University of Tulsa to receive the ReedHycalog scholarship. ■

US onshore drilling activity level, dayrates nearing their 2001 peak



Grey Wolf's Rig 558 is drilling for Burlington Resources in Wyoming on the Deep Madden Prospect.

DOMESTIC ONSHORE DRILLING contractors are in high cotton these days as demand in virtually every basin is at peak activity and dayrates are approaching levels not seen since 2001. Business is so good that some contractors have programs calling for rigs to be reactivated every quarter according to a schedule. Dayrates have apparently increased enough that some operators are asking for term contracts rather than keeping a rig on the traditional well-to-well basis. Virtually every drilling contractor is optimistic that the market and dayrates will continue to strengthen as long as commodity prices remain high, but there is always the thought that it could turn around as quickly as it did a few years ago.

On the other hand, not all is as rosy as a significantly improved drilling market could be. The industry faces the constant challenge of finding and training qualified personnel in the face of increased rig demand. Cost of equipment and expendables has increased dramatically during the past year, and equipment deliveries, according to many contractors, have stretched to as long as 6-9 months for certain equipment and tubulars. This forces the contractors to be better planners, knowing exactly when equipment and supplies will be needed. For some contractors, while they are experiencing significantly higher dayrates than a year

ago, profitability has only recently occurred as the industry's costs have increased as it geared back up to meet higher demand.

ACTIVITY HIGH IN ALL AREAS

US onshore drilling activity is high in virtually every region these days, with some areas experiencing much more activity than others. Perhaps the area posting the largest activity increase is the Rocky Mountains, helped along with the construction of much needed additional natural gas pipeline capacity.

Nabors Industries is active in nearly every area with the exception of the northeastern US. The company has seen its largest activity increase in the Rocky Mountains.

"The Rockies is the most active," said **Denny Smith**, Director of Corporate Development for Nabors Industries. "It has ramped up sharply now that there is incremental pipeline capacity that can handle more gas than is produced."

"The price of transporting gas has settled to a more normal cost," he continued. "That is what set off the boom in the Rockies, plus the overall rise in gas prices."

Mr Smith noted that prior to additional pipeline capacity, the difference in Henry