



DRILL BITS



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Global HSE Case Guideline released for comments

Following formal endorsement by our Executive Committee, IADC recently issued a global version of the HSE Case Guideline for drilling contractors, in draft form for review and comment. The global guideline builds on drilling contractors' experiences with IADC's North West European Guideline and incorporates principles of other international standards.

The user-friendly document provides a Structured Hazard Identification and Control Process (SHIDAC), enabling contractors to develop an HSE Case to demonstrate internally the robustness of their management systems to control and man-

age risk. It also provides a basis to demonstrate similar controls to regulatory agencies and other external stakeholders. A unique feature of the document is that it provides a useful output for crews to benefit from the risk management process. It provides a graphical representation of the risk profile on the MODU, a Summary of Operation Boundaries (SOOB) to assist in work planning and a mechanism to effectively communicate the risk picture by means of a "Drilling Contractors Scope of Operations." Although designed for drilling contractors, the document structure can be used in other branches of the oil and gas industry.

The IADC HSE Case reference group is accepting comments on the document by drilling contractors worldwide and by other interested parties, including coastal state authorities, oil industry associations and classification societies. Deadline is 31 May.

The final version of the document is expected to be launched in early October.

The document is available at www.iadc.org/committees/offshore. All comments should be sent to both **Alan Spackman** (alan.spackman@iadc.org) and **Dominic Cattini** (dominic.cattini@iadc.org). For more information, please contact Dominic Cattini at (44) 1895 621889 or Alan Spackman at ext 207.

Service tax dispute roils Indian waters

IADC members working in India have been caught in an interpretive dilemma with the Indian government on whether and how taxes on drilling services are to be levied.

After the 2004 election of a new Indian government, the Service Tax was expanded to include various categories of extractive and mining services. Drilling contractors believe that the law doesn't and shouldn't include drilling services and that, if it does, all offshore operators in India are contractually obligated to cover the service tax. IADC has turned to the courts for a resolution.

The action is proceeding in the Mumbai High Court, which recently ruled that it accepts IADC's writ of petition, meaning that the court also accepts responsibility

for settling the dispute, including ruling on the meaning of the complex legislative language involved.

On a separate track, the government has proposed legislation in the 2006 Budget to amend the Service Tax to provide clarity. The legislation's current language, however, could leave primarily foreign offshore contractors subject to the tax. IADC is petitioning the Ministry of Finance for amendments to exempt all offshore contractors from the tax, regardless of nationality.

The legislation will not affect the accumulated service tax liability now being disputed in the courts.

For additional information, contact **Brian Petty** at 1/202 293 0670 (brian.petty@iadc.org).

Safety alerts issued

Alert 06-09: Fall while rigging down results in a dislocated shoulder (MTO);

Alert 06-10: Standing on casing results in an LTI;

Alert 06-11: Near miss — Equipment failure at 14,000 PSI;

Alert 06-12: Top drive impacts stabbing board.

www.iadc.org/alerts.htm

Reminder

IADC European Well Control & Exhibition, 4-5 April, Amsterdam, the Netherlands.

IADC Lifting and Mechanical Handling Conference & Exhibition, 11-12 April, Houston.

Iraqi delegation meeting set for 3 May

IADC will host a delegation of leaders from Iraq's **North Oil Company**, **South Oil Company**, **Iraq Drilling Company** and other segments of Iraq's resurging oil industry. The meeting will be conducted in cooperation with the US Department of State.

It is scheduled for 2pm on 3 May,

during the Offshore Technology Conference at Houston's Reliant Center. An OTC name badge is required to attend the meeting.

Members interested in attending should contact **Ken Fischer**, Vice President – Middle East & Asia, at ext 202 (ken.fischer@iadc.org).

Subcommittee begins MODU Code revisions

At its February meeting, the **IMO's Ship Design & Equipment Subcommittee** formed a correspondence group to draft amendments to the MODU Code for consideration at its March 2007 session.

The correspondence group was directed to base its work on a joint paper prepared by Liberia, the Marshall Islands, Vanuatu and IADC and to consider comments made at the meeting by South Korea and the International Association of Classification Societies.

IADC members were somewhat dis-

appointed by the subcommittee's decision to continue to include only non-mandatory language in the Code.

IADC was represented at the meeting by **John Palmer** of **Rowan Companies** and **Alan Spackman**, IADC Director – Offshore Technical and Regulatory Affairs. **Jim Gorman** of **Noble Corp** and **Warren Weaver** of **GlobalSantaFe** served as technical advisers to the delegations of Liberia and Vanuatu, respectively.

For more information, contact **Alan Spackman** at ext 207 (alan.spackman@iadc.org).

US onshore groups unite on EPA actions

Seven upstream trade associations, led by the Independent Petroleum Association of America, jointly filed comments on two EPA regulatory proposals that could have major impact on onshore E&P.

The first involves "Spill Prevention, Control, and Countermeasure (SPCC)" plan requirements. In 2002, EPA removed its historical categorization of produced water as "wastewater." That change left enormous potential for cost increases as thousands of well sites would be required to have an approved SPCC plan, which must demonstrate that discharged produced waters don't reach "navigable waters." Given the scope and potential costs, the associations are calling for

the EPA to suspend the rule until it conducts competent studies. They are also calling for the rule to be applicable to only the largest well sites.

The second involves the EPA proposal made after the agency was instructed by the US Congress to generally exempt E&P operations from the Clean Water Act where "uncontaminated" stormwater discharges are involved. On balance, the 7 associations support the proposal, but minor changes have been suggested prior to adoption, including making certain distinctions between "construction" (i.e. drilling) and "operational" activities.

For more information, contact **Brian Petty** at 1/202 293 0670 (brian.petty@iadc.org).

Accreditation updates

WellCAP

Accreditation awarded:

- **Petroleum College International Corp**, Victoria, Texas (full);
- **Nabors Offshore Corp**, Houston (introductory only).

HSE RIG PASS

Accreditation pending:

- **Ensign United States Drilling**, Denver, Colo. (renewal).
- **Randy Smith Training Solutions**, Lafayette, La. (renewal).
- **Instituto de Educacion Nautica y Portuaria**, Mexico (new).

Accreditation awarded:

- **Safe Martin**, Tabasco, Mexico (new).
- **Consulting & Safety Specialist**, Thibodaux, La. (renewal).
- **Well Control School WCS**, Houston (renewal).
- **Wyoming Contractors Association**, McMurry Training Center, Casper, Wyo. (new).
- **Saudi Aramco Training & Career Development Organization**, Saudi Arabia (renewal).
- **Rowan Companies**, Houston (renewal).
- **Surmar S A de C V**, Campeche, Mexico (new).
- **Scandrill Inc**, Tyler, Texas (renewal).
- **SW Jack Drilling Company**, Indiana, Pa. (renewal).

BALLAST CONTROL & STABILITY

Accreditation pending:

- **Aberdeen Skills and Enterprise Training Ltd**, Scotland. (new).

API internationalizes Spec 7

API has announced the publication of API Spec 7-1, Specification for Rotary Drill Stem Elements, 1st Edition. This edition of API Spec 7-1 is the identical national adoption of ISO 10424-1:2004, Petroleum and natural gas industries—Rotary drilling equipment—Part 1: Rotary drill stem elements, which was published by ISO in September 2004.

This standard adopts ISO 10424-1 and replaces in part API Spec 7, Specification for Rotary Drill Stem Elements, 40th Edition. API Spec 7 Addendum 2 removes the following products now covered by this standard: upper and lower kelly valves; square and hexagonal kellys; drill stem subs; drill collars; and drilling and coring bits. API Spec 7-1 specifies requirements for the following drill stem elements: upper and lower kelly valves; square and hexagonal kellys; drill stem subs; standard steel and non-magnetic drill collars; drilling and coring bits.

API indicates that tool joints, rotary-shouldered connections and gauging will remain in API Spec 7

until they are moved into ISO documents. Work is ongoing to cover Tool Joints in ISO 11961/API Spec 5D and to cover Rotary Shouldered Connections and Gauging in ISO 10424-2.

Copies of API Spec 7-1, 1st Edition, may be purchased from API. Copies of ISO 10424-1 may be purchased from ISO and from national standards organizations.

Additionally, API recently published addendums for Spec 7K/ISO 14693 and RP 7L, specifications for BOP hoisting equipment and recommended practice for its use. The standards were developed in meetings by an API work group that included many IADC members.

“This effort was a great success because we had motivated people and a unified purpose — safety,” said **Jeff Shepard** of **GlobalSantaFe**, one of the work group’s leaders.

The standards have also been submitted to ISO for its adoption.

For more information, contact **Alan Spackman** at ext 207 (alan.spackman@iadc.org).

MMS praised for scope of OCS 5-Year Plan

IADC joined the National Ocean Industries Association in applauding the scope of the US Minerals Management Service’s proposed 2007-2012 OCS leasing plan. In particular, the trades expressed support for including more of the Sale 181 area in the eastern Gulf of Mexico, which had been restricted to a narrow band in the current 5-year plan. This position was reinforced in separate testimony offered on behalf of the offshore industry, including IADC, by **Tim Parker** of **Dominion Exploration & Production** before the US Senate Committee on Energy and Natural Resources.

The comment to the MMS record also expressed support for more OCS leasing in Alaska but faulted the agency for deleting from consideration most of the Atlantic Planning Areas and the Eastern Gulf of Mexico adjacent to Florida.

For more information, contact **Brian Petty** at 1/202 293 0670 (brian.petty@iadc.org).

Rigs receive ASP certificates

For certificates received since last LTI (in years):

Bandera Drilling:

- Bandera Rig 9 (3), Bandera Rig 11 (3); Bandera Rig 1 (2), Bandera Rig 5/10 (2);

Boldon Drilling

- Rig 41/91 (4), Rig 41 (3);

Comanpa CA

- Rig Jagoven-100 (1);

Energy Drilling Company

- Rig 2 (6); Rig 8 (2);

ENSCO Offshore Company

- Rig 60 (5), Rig 82 (5);

ENSCO Offshore International Co

- Rig ENSCO 96 (6);

Frontier Drilling (Asia) Pte Ltd

- Rig Frontier Duchess #708809 (4);

Frontier Drilling Do Brasil Ltda

- Rig FPSO Seilgan (1);
- KCA-DEUTAG Oman**
- Base Office, Workshop & Warehouse (13);

KCA-DEUTAG Russia

- Rig T-390 (1), Rig T-391 (1);

Nabors Drilling International Ltd

- Rig 117 (8), Rig 867 (6), Rig 809 (4), Rig 827 (4), Rig 830 (4), Rig 834 (2), Rig 17 (1), Rig 115 (1), Rig 226 (1), Rig 718 (1), Rig 821 (1), Rig 826 (1);

Nabors Offshore Corp

- Rig Nabors BR-300 (5), Rig Nabors MODS 140 (4);

P.T. ENSCO Sarida Offshore

- Rig ENSCO 01 (3);

Parker Drilling Company

- Rig 257 (4);

Perforaciones Ecuatorianas SA

- Rig 56-Perforec (1), Rig 58-Perforec (1);

Precision Drilling International

- Rig 173 (5), Rig 732 (5), Rig 102 (4);
- Pride Forasol Chad**
- Rig 291 (4).

For certificates received since last recordable incident (in years):

ENSCO Offshore Company

- Rig ENSCO 60 (1);

ENSCO Offshore International Co

- Rig ENSCO 51 (3);

ENSCO Offshore UK Ltd

- Rig 80 (2);

Nabors Drilling International Ltd

- Rig 1 (1), Rig 70 (1), Rig 212 (1), Rig 240 (1), Rig 656 (1), Rig 803 (1), Rig 821 (1), Rig 827 (1), Rig SS18 (1);

Precision Drilling International

- Rig 150 (1), Rig 174 (1).

European work group, regulators to meet

Offshore members of the IADC European Working Group will meet with regulators from the region on 6 April in Amsterdam. Three new Steering Committee members will be introduced: **Chris Ness** of **GlobalSantaFe**, **Eelke Strikwerda** of **Noble Corp** and **Sveinung Lofthus** of **Smedvig**. The meeting will address regulatory initiatives cited by the North Sea Offshore Authorities Forum as key priorities

for the offshore oil and gas industry.

Oshore members of the IADC European Working Group will meet with regulators from the region on 2 May in Vienna. It will focus on the development of a European Land version of IADC's global HSE Case Guideline. Several oil company representatives will be in attendance.

For additional information, contact **Dominic Cattini** at (44) 1895 621889 (dominic.cattini@iadc.org).

IADC department up for ISO certification

IADC's Accreditation & Certification Department has taken a major step toward obtaining ISO 9001:2000 certification for Quality Management Systems. A lead auditor for **Det Norske Veritas** has recommended the department for certification following a pre-assessment and initial audit, conducted on 3 February and 1

March, respectively. The auditor's recommendation means that certification will be granted following a final review by DNV's technical division. Issuance of the official certificate is expected to take four to six weeks.

For more information, contact **Steve Kropla** at ext 211 (steve.kropla@iadc.org).

US OCS employment restriction reminder

The US Coast Guard is reminding employers of offshore workers that US law requires that, with limited exceptions, units operating on the US OCS must employ only US citizens or resident aliens as part of the "regular complement of crew." Implementing regulations are at 33 CFR 141, with additional guidance on obtaining exemptions provided by NVIC No.

4-87. These regulations are generally well understood by drilling contractors; however, there have been recurrent problems with contractors and third-party personnel whose employers may not be familiar with these requirements.

For more information, contact **Alan Spackman** at ext 207 (alan.spackman@iadc.org).

IADC welcomes 31 new members

- **Ad NIS-Naftagas**, Novi Sad, Serbia and Montenegro;
- **Alltex Drilling & Production Co Inc**, Houston;
- **Black Gold Drilling Inc**, San Clemente, Calif.;
- **Bureau Veritas Marine Inc**, Houston;
- **Cummins Inc**, Columbus, Ind.;
- **Dana Drilling Co**, Tehran, Iran;
- **E.B. Archbald & Assoc. Inc**, Oklahoma City, Okla.;
- **ETA Star Holdings Ltd**, Deira, Dubai, UAE;
- **EZ Hull LLC**, Oklahoma City, Okla.;
- **Fire & Safety Specialists Inc**, Lafayette, La.;
- **GE Transportation**, Houston;
- **Gulfstream Drilling LLC**, Dallas, Texas;
- **Higginbotham & Associates**, Fort Worth, Texas;
- **Holloway Houston Inc**, Houston;
- **IEV Global Inc**, Houston;
- **Intermoor Inc**, Amelia, La.;
- **MSP/DRILEX (Shanghai) Co Ltd**, Shanghai, China;
- **Myoilpatch.com Company**, Houston;
- **Oil Industry Safety Directorate Government of India**, New Delhi, India;
- **Oilfield Audit Services Inc**, San Leon, Texas;
- **Patriot Mechanical Handling Inc**, Houston;
- **Petris**, Houston;
- **Pioneer Drilling Company LLC**, Lawrenceville, Ill.;
- **Porta-Kamp International LP**, Houston;
- **Potencial, GP**, Kharkiv, Ukraine;
- **Purvashi Oil & Gas Ltd**, Guwahati, Assam, India;
- **R L Judge & Associates LLC**, Lafayette, La.;
- **Recs Inc**, Prosper, Texas;
- **Royal Norwegian Consulate General**, Houston;
- **Saxon Energy Services Inc**, Calgary, Alberta, Canada;
- **Wearsox LP**, Cleveland, Texas.

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