

EDITORIALS

From the Chairman

THINK SMART ABOUT TECHNOLOGY

ATTENDING IADC WORLD DRILLING 2005 in Rome during June brought home to me the sweeping extent of technology available to the industry today. When I started in this business, drilling deviated holes was grounds for a reprimand. We have long since routinely pushed the bit along tortuous paths to hit narrow targets far distant from the drilling platform, and in all manner of hostile environments at the rig floor.

Presentations ran the gamut of critical challenges, from drill pipe and equipment to well delivery and HSE. Many reported on truly game-changing developments. For example, **Hugh Elkins** and **Rod Vogel** of **National Oilwell Varco** discussed the fruit of a joint industry project that enables drillers to maintain continuous down-hole circulation while making connections. This JIP was backed by **BG Group**, **BP**, **Eni**, **Shell**, **Statoil** and **TOTAL**. This incredible development was fascinating to learn about.



Edward D. Kautz, Chairman

Similarly bold was a discussion by **Robin Hartmann** of **Norske Shell** on Shell and **Norsk Hydro's** plan to drill in Norway's Ormen Lange field the world's largest deepwater wells. With 9-5/8-in. tubing, these eight wells will realize the production of 14 conventional 7-in. wells, resulting in a pre-drill savings of US\$ 300 million. You will find more on this project elsewhere in this issue.

High on my high-interest hit list were descriptions of new, purpose-built rigs. **Thor Noevig** of **ITAG** shared some comprehensive and very interesting information about his company's new-generation, lightweight, AC-driven land rig. Details on this unit were provided in a recent edition of **DRILLING CONTRACTOR**. In addition, **Joep Beyer** of **KCA DEUTAG** provided some captivating insights into the demands of land drilling in Russia and how **KCA DEUTAG** met the challenge through the design, manufacture and operation of the T-2000 arctic rig.

I was honored to moderate a panel discussion on "Global Land Drilling: Maintaining Standards and Sustaining Profits". This panel really featured an all-star cast—**Renzo Cesaroni**, Senior VP-Business Unit Drilling Operation, **Saipem**; **George S. Dotson**, President/COO of **Helmerich & Payne International Drilling Co.**; **Michael Simpson**, Vice President-Eastern Hemisphere, **Precision Drilling International**; **Siggi Meissner**, President, **Nabors Drilling International**; and **Claus Chur**, Director, **KCA DEUTAG**.

These 5 heavyweights insightfully explored virtually every issue near and dear to the hearts of land contractors—market outlook, high cost of capital and labor, personnel recruitment and development, safety, equipment availability, dayrates and more. It was an in-depth discussion of critical issues. I tip my hat to the participants, and particularly to **Claus Chur**, whose brain child this panel was.

There were many other fine papers presented at World

Drilling. Unfortunately, space precludes my listing and discussing each one. Nonetheless, on behalf of IADC, I thank all who participated and attended.

In particular, I applaud our Gold Sponsor, **KCA Deutag**, and our several Silver Sponsors—**Shell**, **GlobalSantaFe**, **Eurasia**, **Grant Prideco**, and **MedServ**. Thanks also are due to our event sponsors, **Crosco**, **Eni**, **Helmerich & Payne IDC**, **Nabors International**, **Saipem** and **Ava**.

In the drilling business, it pays to think smart. Technology is thinking smart, if we think smart about technology. No forum helps us think smart about technology better than IADC World Drilling. I hope you will join us for World Drilling 2006.

IADC ANNUAL MEETING

Mark your calendar for the IADC Annual Meeting, 28-30 Sept at Moody Gardens Hotel in Galveston, Texas. This event will be packed with topnotch speakers and opportunities for productive and enjoyable networking. It's not just for drilling contractors, so I hope our operator and service company friends will join us. Watch for more details soon! ■

From the President

COLLECTIVE EFFICIENCY

WHEN THE FOUNDING MEMBERS of IADC met in 1940, they agreed that one benefit of an association would be economy achieved by "working together to solve problems common to all". Back then there were no public corporations among the drilling contractors. Either an entrepreneurial individual or a partnership of like-minded businessmen owned each company. They could, for example, use the association as a vehicle to develop, publish and distribute standard forms for reporting drilling activity, basic contracts and safety information. No one company could truly afford this undertaking in those days and the industry was not of sufficient size to interest commercial concerns to provide these services. But, an association of drilling contractors could do these, and other things, for their own members.

Today, many drilling contractors, and especially the large, international and multinational corporations, can afford to do such things on their own. The original purpose in forming the association has been superseded by advances in both industry economics and technology. But, the need for an association of drilling contractors endures.

One reason is summed up in a phrase I heard during an IADC committee meeting recently. In discussing the development of a "global health, safety and environment safety case" being proposed by IADC, the drilling contractor lauded the benefits achieved by the "collective efficiency" for everyone agreeing to a common solution to this particular issue. A little give and take by each company from their own proprietary methodology would save, literally, millions of dollars over several years. Additionally, it will improve the overall level of safety in drilling operations.

"Achieving collective efficiency", this member said, "is a primary benefit of working in IADC for our company". Indeed, it is. The founding fathers, I am sure, would be pleased. ■



Lee Hunt, President