

International Association of Drilling Contractors



AIP Committee Meeting

4 December 2014

2 – 4 pm

IADC

8th Floor Conference Room

10370 Richmond Ave.

Houston, TX 77042

Minutes

Agenda Item: Next meeting & Location

Richard Tatum, VP Controller, Pacific Drilling Services, Inc. has offered to host the next quarter's meeting on March 25, 2015 from 2 to 4 P.M. at 11700 Katy Freeway, Suite 175, Houston, TX 77079.

Note: Anti-Trust Statement

It is the policy of IADC committees that no discussion of any specific proprietary information will be exchanged. It is also strictly forbidden that any promotion of or solicitation for participation in agreements between IADC members be allowed.

Agenda Item: "Current Market Conditions Impairment Indicators and Impairment Evaluation"

There was a general discussion regarding the effect of impairment on the financial statements and the footnotes. Discussion continued regarding the expectation of additional indicators of impairment and a look at technological factors affecting a write-down. Committee members discussed a fourth quarter pressure to recognize impairment.

Agenda Item: "Revenue Recognition"

The committee discussed the reasoning for recognizing revenue. Some of the topics were as follows:

- The contract had officially started.
- A day rate had begun even during the mobilization period.
- The rig had been accepted in the ship yard as a new build.

Committee members expressed general consensus that revenue recognition commences only once rig is on location to ready to drill.

Agenda Item: "Revenue Recognition

Prep for New Standards" – Perhaps there will be another delay in the acceptance of the new standards by the Board. Uncertainty continues regarding the implementation of the standards if they become retroactive. The comment was made that there would a greater impact for longer term drilling contracts.

Agenda Item: "Election of 2015 Accounting Issues/Procedures Committee Chairperson"

David Meliza of Transocean stepped down as Chairman and Phil Rider of Sidewinder Drilling stepped down as Vice-Chairman. The committee elected Richard Tatum of Pacific Drilling Services, Inc. to serve as the 2015 Chairman and Kelly Bludau of Parker Drilling Company as the 2015 Vice-Chairwoman.

Agenda Item: "Request for participation in the IADC investment committee"

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Phil Rider of Sidewinder Drilling agreed to take Beth Gordon's position on the committee.

Agenda Item: "New Matters"

Discussed the upcoming revenue accounting pronouncement, its effect on 2015 reporting, and being Sarbanes-Oxley compliant. The committee discussed the idea of having a sub-committee for both onshore and offshore revenue accounting implementation. General discussion also included the topics of proposed lease standard status, internal accounting control, audit fees and segment accounting.

After a full discussion of the agenda topics the committee was adjourned.

Attendance:

Name		Company Name
Carrie	Cumming	ATWOOD OCEANICS
Janelle	Flores	DIAMOND OFFSHORE DRILLING, INC.
Beth	Gordon	DIAMOND OFFSHORE DRILLING, INC.
Melissa	Essary	DIAMOND OFFSHORE DRILLING, INC.
Dean	Gant	IADC
Richard	Tatum	PACIFIC DRILLING SERVICES, INC
Katie	Cunningham	PARAGON OFFSHORE
Miguel	Hull	PARAGON OFFSHORE
Kelly	Bludau	PARKER DRILLING COMPANY
Jessie	Satterwhite	PATTERSON
Jennifer	Slivensky	SEADRILL AMERICAS INC.
Pat	Gonzales	SEADRILL AMERICAS INC.
Philip	Rider	SIDEWINDER DRILLING INC
David	Meliza	TRANSOCEAN
Debbie	King	VANTAGE DRILLING COMPANY