



**Meeting Minutes**  
**IADC Accounting Issues/Procedures Committee**  
**AIP Revenue Recognition Sub-Committee**  
**22 September 2015, 2-4pm**  
**Parker Drilling**  
5 Greenway Plaza, Suite 100, Houston, TX 77046

**Attendance:**

In-Person:

1. Dean Gant (IADC)
2. Janelle Flores (Diamond Offshore)
3. Jacob Campbell (Ensco)
4. Melissa Essary (Diamond Offshore)
5. Scott Lyon (Ensco)
6. Ken Smith (Ensco)
7. Kelly Bludau (Parker Drilling)
8. Brandili Dehls (Parker Drilling)
9. Leslie Nagy (Parker Drilling)
10. Scott Davis (Noble)
11. David Meliza (Transocean)
12. Debbie King (Vantage Drilling)

**Agenda Item: Next meeting & Location**

Ken Smith, Director – Financial Reporting, of Ensco has offered to host the next meeting on Tuesday, Nov. 17, 2015 from 2 to 4 P.M. at 5847 San Felipe, Ste. 3300, Houston, TX 77057.

**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: “Developing Consensus Regarding Implementing New Revenue Standard”**

The committee discussed the following topics:

1. Providers of contract drilling services consider the service of drilling a hole in the ground for a well a single performance obligation.
2. Revenue is to be recognized evenly as earned based on estimates which are later subject to true-up. This would include any projected earned bonuses. Revenue is determined by a blended rate based on the estimate of available days to drill and utilization history. Day rate revenues would be supported by daily rig reports/invoices agreed with the customer.
3. The committee discussed Steps 4 and 5 of the model. No further consideration of Step 4 was required as all contract consideration is allocated to the single performance obligation of drilling the well. The committee further concluded that our drilling performance obligation is satisfied over time, with progress to be measured based on “available drilling days.”
4. Contract fulfilment costs are to be addressed during the November committee meeting.
5. The whitepaper documentation is to be drafted during the time before the next committee meeting. Brandili Dehls (Parker Drilling), Maria Liapina (Weatherford) and Ken Smith (Ensco) will perform the write-up of the draft.
6. Outside auditors will be asked to comment on the whitepaper and provide guidance.
7. The subcommittee stated that they would continue to disclose that the effect of

ASU2014-09 is still being evaluated for third and fourth quarter reporting purposes.

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

For further information regarding this committee please contact Dean Gant, IADC Senior Finance Director at 713-292-1945, ext. 213.