



Meeting Minutes
IADC Accounting Issues/Procedures Committee
22 March 2018, 2-4pm
International Association of Drilling Contractors
10370 Richmond Ave., Ste., Houston, TX 77042

Agenda Item: Next meeting & Location

The next meeting date will be on June 14, 2018 at the IADC from 2 to 4pm, 10370 Richmond Ave., Houston, TX 77042.

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: “Update from the Revenue Recognition and Lease Subcommittee” – Colleen Grable (EnSCO), subcommittee Chair, discussed the latest developments regarding the drilling industry’s direction for applying the new lease and revenue standards. During the meeting, all representative members confirmed that their respective Company is adopting the new lease standard effective January 1, 2019, thus not electing early adoption. Various committee members discussed topics they are working through in the application of the revenue and lease standard including mobilization and de-mobilization revenue and costs.

Agenda Item: “Reactivation Cost – Capital vs. Expense” – The committee discussed what expenditures should be capitalized versus expensed while reactivating a cold stacked rig. The consensus of the committee was that members should be looking at their respective capitalization policies to determine the appropriate classification of expenditures.

Agenda Item: “New Matters” – The committee discussed accounting for equity method investment income/(loss) with respect of whether or not it could be included within operating gross margin as it relates to the guidance that if deemed integral to the operations of the investor it could be included and what would constitute “integral.” No conclusion was reached.

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

Attendance:

Name		Company Name
Sumeet	Sahnan	ABSG CONSULTING INC
Melissa	Essary	DIAMOND OFFSHORE DRILLING, INC.
Janelle	Flores	DIAMOND OFFSHORE DRILLING, INC.
Colleen	Grable	ENSCO PLC
Derek	Sample	ENSCO PLC
Kristen	Nunez	ENSCO PLC

Tracy	Zhang	HELIX ENERGY SOLUTIONS GROUP
Dean	Gant	IADC
Eddie	Wong	PACIFIC DRILLING
Katie	Cunningham	PARAGON OFFSHORE
Kelly	Bludau	PARKER DRILLING
Wayne	Fox	PARKER DRILLING
Andrew	Wood	TRANSOCEAN