



Meeting Minutes
IADC Accounting Issues/Procedures Committee
20 June 2019, 10-noon, Central Time
International Association of Drilling Contractors
3657 Briarpark Drive, Ste. 200, Houston, TX 77042

Agenda Item: Next meeting & Location

The next meeting will be on September 26, 2019 at IADC from 9am to 11am central time at 3657 Briarpark, Ste 200, 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: Changes in impairment indicators related to the market forecast – Colleen Grable, Chairwoman, EnSCO, began a discussion of changes in impairment indicators and the precision level around impairment indicators reviewed in the context of the controls. The impact of the forward curve of Brent crude oil prices and expected utilization of the assets are the major factors but many companies do not specify thresholds in their controls to indicate an impairment trigger. It was discussed that the impact of various indicators is evaluated every quarter and the combination of factors determines whether an impairment trigger exists. Increased utilization of the assets is the key factor in the probability of limiting future impairment.

Agenda Item: Overhaul for thrusters – The committee discussed the use of monitoring sensors to evaluate the thrusters' operating efficiency and in determining the useful life over which those costs are amortized. The discussion included a general discussion of capitalization policies and the financial impact of repair vs. thruster overhaul amortization periods in relation to the useful lives of the underlying assets.

Agenda Item: ASU 2016-13 Financial Instruments – Credit losses (Topic 326) – The committee briefly discussed various methods for evaluating credit losses for loans and trade receivables. The committee discussed that the evaluation takes place quarterly. Payment history is a major factor in the evaluation. Some stated that a % of the total trade receivable balances due is established as an allowance in addition to evaluating each customer to estimate future credit losses while a majority only carried specific reserves.

Agenda Item: Other Discussion topics – The committee continued the discussion from the prior meeting regarding the topic of IFRS. They agreed that there is no need for a sub-committee. The committee also briefly discussed capital leases. The discussion included the incurrence of major maintenance costs which should not be capitalized. The committee decided to change the start time of future AIP committee meetings to 9am.

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

Attendees:

First Name	Last Name	Company Name
Sara	Momper	
Melissa	Barron	DIAMOND OFFSHORE DRILLING, INC.
Colleen	Grable	ENSCO ROWAN PLC
Robert	Mackey	HELMERICH & PAYNE
Dean C	Gant	IADC
Edward	Wong	PACIFIC DRILLING
Kelly S	Bludau	PARKER DRILLING
Asif	Minhas	PARKER DRILLING