

Meeting Minutes
IADC Contracts Committee Meeting
July 27, 2023 - 0900 – 11:00 hours
Transocean Office & via Video Conference



In-Person attendance:

Tyler Smith – Nabors – Committee Chairman (TS) Presiding
John Kilburn – Transocean (JK) - Committee Vice Chair (Offshore)
Tom Bowes – Precision Drilling (TB) Committee Vice Chair (Land)
Sergio Alarcon – Transocean
Mike McLeod – Noble
Janet Resseguie – Transocean Presenter
Gerald Baca – Transocean Presenter
James McHugh – Noble
Mike DuBose – IADC Committee Liaison (MD)

Virtual Attendees

Dave Faure – Transocean (DF) Committee Advisor
Laurence Gerard – Transocean
Matheus Poubel – Transocean
Despoina Bouchli – Transocean
Michael Stein-Stewart – Transocean
Taylor Pritchett – Transocean
Carlos Ortizreguer – Transocean
Rodney Mallams – Valaris
Mark Holleman – Valaris
Erin Nix – PattersonUTI
Ted Gobillot – Diamond Offshore
Igor Brucher – Transocean

Welcome

TS (Committee Chair) opened the meeting at 0900, welcomed the group and thanked everyone for being available. JK offered brief housekeeping remarks for Transocean’s office.

General Antitrust Guidelines for IADC Members

TS reminded the attendees of the IADC General Antitrust Guidelines & Protocols for Q&A.

Safety Moment

MD reviewed IADC ISP 1st Qtr. 2023 Accident/Incident statistics. See attached.

Approval of the Proposed Meeting Agenda

TS proposed the members accept the meeting agenda as offered in the pre-read materials, motion seconded by JK. Agenda approved by acclamation.

Approval of the Minutes of the previous committee meeting.

TS proposed the members accept the minutes of the previous meeting of Dec. 15, 2022, as offered in the pre-read material. Motion was made by Tom B., seconded by JK, and the minutes approved by acclamation.

Update on Various IADC/Committee Initiatives

MD advised members of the work ongoing to revise the IADC HSE Guidelines for Land Drilling units. The workgroup has developed their final Draft of the document. IADC International Onshore Advisory Panel Chairman, Miguel Sanchez has been advised. Miguel asked IADC staff to liaise with our members in Australia to ensure we are aligned prior to public release of the final Draft. MD has liaised with our Australasia Chapter (AC) Officers regarding the pending release of the document. AC officers advised MD on his recent trip to Australia the Land Rig Safety Case regulations in Australia, were implemented Sept. 2022. The consultation phase is drawing to a close and members advise that the newly revised document work should proceed. MD to reassemble the Guidelines workgroup and move toward release of the document.

Agenda Item 4 – Guest Presentation from Janet Resseguie & Gerald Baca of Transocean – **Responsibility for Reporting of Emissions & Discharges under the Drilling Contract, the Customer or the Contractor.** Presentation attached.

Amicus Brief Reports

The Contracts Committee is currently engaged in 3 ongoing Amicus Brief projects for IADC Members.

- a) 3 separate Amicus Briefs that IADC are pursuing at the moment. They are as follows.

Case 1 - IADC has been approached by Micah Skidmore a partner at Haynes & Boone in Dallas seeking IADC's support. They have an insurance coverage case for which they are preparing to file a petition for review with the Texas Supreme Court. The case is on behalf of ExxonMobil and addresses the extent to which insurers are entitled to refer to extrinsic contracts (in this case an agreement obligating the insured to name ExxonMobil as an additional insured) in interpreting the

scope of coverage under an insurance policy. In accordance with the IADC Amicus Criteria, I informed the Contracts Committee Officers and the 3 attorneys amongst the officers were in unanimous agreement that this was a significant issue of potential consequence for IADC and our members. IADC has engaged Attorney Marvin Moos of the Horne Rota Moos law firm in Houston to represent IADC and our members in the matter. Marvin has filed the Amicus Briefs on May 9, 2022. Oral arguments were presented on Feb. 23, 2023. David Gunn of Beck Redden Law Firm presented. *ExxonMobil vs National Union Fire Insurance Corp.* on April 14th the Supreme Court of Texas ruled in favor of our industry as the court of appeals' judgment was reversed. This is of course welcome news, and we appreciate the efforts of our IADC Attorney Marvin Moos. However, on April 28th Starr Indemnity and National Union formally filed a motion for a re-hearing (attempt to convince the court to reconsider its initial ruling). IADC does not have specific recent stats from the Texas Supreme Court, but Marvin tells us that motions for a rehearing are successful less than 5% of the time. Update – On May 31, 2023, Starr Indemnity & Insurance filed a Motion for Rehearing with the Texas Supreme Court. On June 26, 2023, Exxon Mobil filed a response to Starr's Rehearing Motion. No decision from the Supreme Court currently on the Motion for Rehearing. Currently our attorney advises that no further action or payment is due from IADC. We anticipate a decision on the motion for rehearing within 90 days.

Case 2 -

Case 3) Donning & Doffing of work wear class action suit. This is a lawsuit against Precision Drlg. Workers seeking additional pay f/essentially getting dressed & undress for rig work. IADC Amicus filed by David Jordan & Sarah Miley of Littler Law Firm. Oral arguments took place on March 8th. Attorney Carter Crowe made the argument for industry. No indications as to how the court may rule. Decision anticipated with 90 days. No further action or payment is due or expected from IADC at this time.

Case 3

Brazil Chapter – The current government issued an executive order that imposed a tax of 9.2% on the exportation of oil from Brazil. In the opinion of the major oil producers, this tax can affect all oil exports in the country and the entire service provider value chain. For this reason, many oil producers filed claims in federal courts to discuss the tax and the ABEP (Brazilian Association of Companies for Oil and Gas Exploration and Production) filed a lawsuit in the Superior Court to discuss the constitutionality of this Executive Order. The request for an Amicus Brief was approved by the Officers of the IADC Contracts Committee. Brian Woodward then approved the expenditure of \$13,500 to fund the effort. The funds will come from the Offshore Advisory Panel discretionary fund. The fund renews annually and too date no previous expenditures have taken place.

Copyrights on various IADC Model Contracts

Several IADC Model Contracts hold Copyright dates that are over 10 years old. MD reports that the IADC Model Contracts have received new copyrights. The IADC model contracts (8) are now free to download in a PDF or Word editable version from the IADC Website. There is a legal notice posted on the website that has to be acknowledged by any potential user prior to download.

Subcommittees

Subcommittees – MD offered the following update on the IADC Standard Equipment Format list for Floating Units.

- a) “Interim Equipment List” is now finalized. IADC has received notice that the copyright for the document has been granted. Action - John Kilburn will develop a “smart comments” form to attach to the document. MD will coordinate with IADC’s webmaster to post the document for a +/- 30 day review period for comments from the IADC membership/industry. Once those comments are received, they will be reviewed for relevance and the document amended as required. The document will then be posted on the IADC Website and will stand as the new standard for industry and the old document will be removed.

Any Other Business

- a) **Reminded all delegates of the upcoming IADC Offshore Forum. The event is scheduled for Sept. 26th at Transocean’s Houston office. Registration is \$100.**
- b) **Washington DC IADC Fly In. This event is scheduled for delegates to arrive in WDC on Sept. 18th meetings with members of Congress scheduled for Sept. 19-20th. Delegates to depart WDC on Sept. 21.**
- c) **Joe Lockridge with ParkerWellBore is expected to join the IADC Contracts Committee for our next meeting.**
- d) **Reminded delegates of the IADC conference calendar for Fall 2023.**

Date for the next meeting will be Thursday October 12th, 2023, at 0900. The meeting is anticipated to be held in person for those who are comfortable to attend at a venue TBA. A virtual option is expected to be available as well.