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| Meeting Minutes  IADC Contracts Committee Meeting  March 28, 2024 - 0900 – 11:00 hours  Transocean Office & via Video Conference | IADC_Logo_V_Full_CMYK_R |

**In-Person attendance:**

Tyler Smith – Nabors Drilling (TS) Chairman

Tom Bowes – Precision Drilling (TB) Committee Vice Chair (Land)

John Kilburn – Transocean (JK) Vice Chair (Offshore)

David Faure – Transocean (DF) Committee Advisor

Stacey Earley – Transocean

Michael Stein-Stewart – Transocean

Mike Stich – Noble Corp.

Erique Garza Jr. – Clyde & Co. (Houston, TX) – Guest Presenter

Mike DuBose – IADC Committee Liaison (MD)

Virtual Attendees

Ana Forman – Transocean (Brazil)

Islam Abdelraouf – Transocean

Laurence Gerard – Transocean

Ahmed Younes – Transocean (Cairo)

Despoina Bouchli – Transocean

Michael McDaniel – Transocean

Taylor Pritchett – Transocean

Carlos Ortizreguer – 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 and played the Safety Video.

**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 full year 2023 Accident/Incident statistics. See attached. MD advised on recent technological upgrades to the IADC Incident Statistics Program.

**Approval of the Proposed Meeting Agenda**

TS proposed the members accept the meeting agenda as offered in the pre-read materials, motion seconded by DF. 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 October 12, 2023, as offered in the pre-read material. Motion was made by TB., seconded by DF, 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. The new Int’l Onshore Advisory Panel Chairman Jim Nowotny of HP has been advised. MD to reassemble the Guidelines workgroup and move toward release of the document.

**Agenda Item 4** – Guest Presentation from Erique Garza Jr. of Clyde & Co. **“Update on the Proposed Bill to Amend the Mexican Navigation Law”.** Presentation attached.

**Amicus Brief Reports**

The Contracts Committee is currently engaged in 1 ongoing Amicus Brief projects for IADC Members. One of the previous cases has now been resolved.

**Case 1** - 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. IADC 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). 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. Marvin has spoken to Exxon’s counsel: Starr’s motion for rehearing was denied, the Supreme Court sent the case back to the court of appeals, and the carriers settled the case with Exxon.  So, the matter is closed. Court documents are attached. The contracts committee officers and members thank the various Advisory Panel Chairman for their patience and financial support through this extensive court process.

**Case 2 -** Donning & Doffing of work wear class action suit. This is a lawsuit against Precision Drlg. Workers seeking additional pay for essentially getting dressed & undressed 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 Precision Drlg. On August 16, 2023, three judges from the Third Circuit Court of Appeals issued their opinion in the case.  The judges reversed Judge Brann’s decision to grant Precision Drilling’s Motion for Summary Judgment and remanded the case back to Judge Brann for further proceedings.  Precision Drilling has requested that the Third Circuit’s opinion be reviewed “en banc”, which means that the three judges’ opinion will be reviewed by all of the Third Circuit Judges. IADC has agreed to fund a second Amicus Brief for the” en banc” rehearing request. On October 6, the brief was filed by Sarah Miley of Littler & Co. IADC has arranged payment for the 2nd Amicus Brief on a 50/50 basis from the discretionary fund for the North American Onshore Advisory Panel and the Int’l Onshore Advisory Panel.

US Supreme Court - Precision Drilling has elected to petition for writ of certiorari to the Supreme Court. Tyger received an extension to file the opposition brief, so the opposition is due on May 1, 2024. The Supreme Court typically takes about a month to determine whether it will grant certiorari and review a case, so it is likely that we will know whether or not the case will be heard by the Supreme Court prior to their June recess, but also possible that they could defer their decision until the fall.

As you noted, there is no guarantee that the court will take the case and review the Third Circuit’s decision. The Supreme Court will grant review and hear oral argument if at least four of the nine justices vote to do so. If the court announces that it has granted review, the briefing process starts again (and we will then have the option to file another amicus brief arguing how the Court should rule, rather than just arguing that the Court take the case); it is usually at least three months before a case is ready to be argued, and then some time after that before the justices issue their ruling.

If the Supreme Court does not take the case, the Third Circuit’s ambiguous decision will stand, and the case will be remanded back down to the District Court for trial.

Additionally, the National Association of Manufacturers filed their amicus brief in support of Precision. Documents attached.

**IADC Model Contracts**

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 must 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.

1. “Interim Equipment List” is now finalized. IADC has received notice that the copyright for the document has been granted. John Kilburn has developed a “smart comments” form to attach in the PDF document. MD has coordinated with IADC’s webmaster to post the document for a review period for comments from the IADC membership/industry. The review period will be open until April 30, 2024. Once the 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. The document will be offered free of charge to members as a member service.

**Any Other Business**

1. **IADC’s DrillerPAC – Political Action Committee hosted Congressman Wesley Hunt for a town hall meeting at Patterson-UTI on March 25, 2024.**
2. **IADC’s Drilling Onshore Conference will be taking place in Houston on May 16, 2024 at the Hyatt Regency I-10 West.**
3. **IADC’s Contracts & Risk Management conference will take place in Houston on Oct. 8-9th at the Norris Center. The IADC AGM will be held in Austin TX on Nov. 8th-10th.**

**The Committee Officers announced the next two Committee meeting dates at i) Thursday August 15, 2024 and ii) October 3, 2024 both will be held at Transocean’s office. Meetings will be in person for those who are comfortable to attend. A virtual option is expected to be available as well.**