IADC Initiatives and Strategy Update

SAPC Chapter Meeting
Dubai, Sept. 14, 2017
Hisham Zebian
Reg. Representative ME & Africa
IADC
Presentation Summary

- Active Chapters
- ME Drilling Conference
- IADC’s Objectives
- Global Membership Profile
- Focus for 2017
- IADC’s Safety Programs
- 2016 Conclusions
- Recap of what we did in 2016
- What’s coming in 2018
IADC’s Active Chapters

Middle East:

• SAPC (Southern Arabian Peninsula Chapter), includes the United Arab Emirates, Qatar & Oman.

• NAGC (Northern Arabian Gulf Chapter), includes the Kingdom of Saudi Arabia, Kuwait & Bahrain.

Africa:

• IADC Nigeria Chapter.
2017, 3rd & 4th of October, IADC Drilling Middle East Conference & Exhibition, Dubai, U.A.E

- 1 Exhibition stand is still available, please ask for more details
2017, 3rd & 4th of October, IADC Drilling Middle East Conference & Exhibition, Dubai, U.A.E

Exhibitors:
1. Derrick Equipment Company
2. Vallourec
3. Wild Well Control
4. IR & E Trading LLC
5. IR & E Trading LLC
6. Drilling Systems
8. Woodhouse International FZE
9. Gardner Denver

Note: All corner stands will have open sides marked in green on this floorplan
Objectives to achieving Vision & Mission

Catalyzing improved performance for the drilling industry

- **Advocacy**
  Championing better regulation

- **Accreditation & Credentialing**
  Enhancing workforce competence

- **Technical Resources**
  Providing print, electronic and multimedia tools

- **Conferences**
  Networking and sharing best practices

- **Committees**
  Collaborating and shaping the industry

- **Chapters**
  Connecting the global industry

- **Industry News**
  Communicating critical information
2017 IADC Global Membership Profile

Total IADC Membership: 1,189 Companies as of May 2017
Focus for 2017

• Strategic objectives driving IADC’s advocacy, strategy and programs:
  ➢ Continuous improvement in safety
  ➢ Driving out unnecessary cost in our industry
  ➢ Sustaining competency

• Four external priorities
  ➢ Offshore advocacy
  ➢ Onshore advocacy
  ➢ Well control
  ➢ Giving voice to our industry
Focus for 2017

Vision for IADC as an association

To be a relevant organization

✓ To matter to its Members
✓ To be impactful on behalf of its Members
✓ To make a positive difference for its Members

Member-driven…Member-focused
IADC Safety Programs
Since 1962, the IADC ISP has tracked safety and accident information for the drilling industry.

Records data reflecting accident experience; can be compared to other industries.

Identifies causes and trends of drilling industry injuries.

Provides a means of recognizing rig crews for outstanding safety performance.

Participation is voluntary and open to all Drilling Contractors.

- Must be a member and participate in ISP Program to qualify for rig/unit recognition.
Incident Statistics Program (ISP)

- 10 Reporting Regions (includes onshore and offshore operations worldwide)
- 103 Companies Participated in 2016

*Drilling Contractors only*

*Does not include 3rd Party Voluntary Participation*

- 2017 2nd Qtr. Statistics are now posted. [www.iadc.org](http://www.iadc.org) under HSE Heading
Has the O&G Industry Improved?

- Worldwide Lost Time Incident Rate improved 27.78% in 2016 with a rate of 0.13 compared to 0.18 in 2015.
- Total Recordable Incident Rate improved 23.33% in 2016 with a rate of 0.46 compared to 0.60 in 2015.
- When ISP began in 1962, the industry LTI rate was more than 14.00.
2016 Conclusions

- Activity in most sectors of the industry decreased in 2016.
- Overall, LTIR and TRIR rates improved in 2016 compared to 2015.
- 9 Fatalities were reported (1 more than in 2015).
- The total number of incidents decreased significantly from 1511 in 2015 to 909 in 2016.
- Although some regions did not see improvement in 2015, the overall incident and frequency rates are still trending downward.
Recap of 2016

• What we did…

  ➢ Drilling Matters
  ➢ Briefing Book
  ➢ BOP Reliability JIP
  ➢ WellSharp
  ➢ Well Control Institute
  ➢ Revamped Dues Models
  ➢ Advocacy Efforts
  ➢ Membership Database / ERP
Recap of 2016 – Drilling Matters

• Drilling Matters

➤ A new multimedia website launched by IADC that aims to inform, educate and dispel misconceptions about the oil and gas industry.
➤ Who Needs Us and Why: Energy poverty in the 21st Century and the role of the energy industry
➤ What We Do and How: Meet the drilling rig, rig systems and the people who operate them
➤ What We Provide: How oil and gas extend life expectancy and promote economic growth

To access Drilling Matters please visit www.DrillingMatters.org
Recap of 2016 – Briefing Book

• Briefing Book – Outlines IADC’s positions on topics and issues pertinent to the oil and gas industry and to drilling contractors

Table of Contents

• Access to Public Land and Water
• Arctic Drilling
• BLM Hydraulic Fracturing Rule
• BSEE Well Control Rule
• Crude Exports
• Cybersecurity
• Earthquakes
• Emissions
• Endangered Species
• Energy-Water Nexus
• EPA/BLM Emissions Rules
• Hydraulic Fracturing
• LNG Permitting
• Operations in Politically Unstable Countries
• Ozone
• Pipelines
• Renewable Fuel Standard
• Safety
• Silica
• Spills
• Venting & Flaring
• Water Contamination
• Water Usage
• Waters of the U.S. (WOTUS)
Recap of 2016 – BOP Reliability JIP

• BOP Reliability Joint Industry Program (JIP)

➢ The ultimate aim is to produce a single source of quality information on the performance of BOP systems.
➢ The JIP was initiated jointly by IADC and the International Association of Oil and Gas Producers (IOGP).
➢ “The JIP has been designed as a unique collaborative program with the objective of gathering high quality, industry-wide, statistically significant data to improve the industry’s approach to BOP maintenance and integrity management and to feed field experience back to designers,” says IOGP Safety Director.
Recap of 2016 - WellSharp

- WellSharp
  - A revolutionary well control training and assessment program.
  - Centralized electronic testing system, including random test generation.
  - Immediate test results
  - Independently proctored assessments
  - Strengthened instructor qualification requirements
Recap of 2016 – WellSharp By the Numbers

- 170 accredited Training Providers
- 680 approved Instructors
- 37 Countries in which WellSharp is given
- WellSharp available in English, Spanish, Portuguese, Mandarin & Arabic
## Recap of 2016 – WellSharp Assessment

<table>
<thead>
<tr>
<th>Assessment</th>
<th>Trainees Assessed</th>
<th># Passed</th>
<th># Failed</th>
<th>Passing Rate</th>
<th>Average Score</th>
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</thead>
<tbody>
<tr>
<td>Introduction to Oil and Gas</td>
<td>45</td>
<td>45</td>
<td>0</td>
<td>100%</td>
<td>100%</td>
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<tr>
<td>Drilling Operations, Introductory</td>
<td>10,885</td>
<td>10,372</td>
<td>513</td>
<td>95.3%</td>
<td>85%</td>
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<tr>
<td>Drilling Operations, Driller, Surface</td>
<td>7,812</td>
<td>6,675</td>
<td>1,137</td>
<td>85.4%</td>
<td>79%</td>
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<tr>
<td>Drilling Operations, Driller, Surface/Subsea</td>
<td>2,054</td>
<td>1,834</td>
<td>220</td>
<td>89.3%</td>
<td>81%</td>
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<tr>
<td>Drilling Operations, Driller, Subsea</td>
<td>7</td>
<td>4</td>
<td>3</td>
<td>57.1%</td>
<td>57%</td>
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<tr>
<td>Drilling Operations, Supervisor, Surface</td>
<td>31,987</td>
<td>29,408</td>
<td>2,579</td>
<td>91.9%</td>
<td>82%</td>
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<td>Drilling Operations, Supervisory, Surface/Subsea</td>
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<td>6,226</td>
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<td>85%</td>
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<tr>
<td>Drilling Operations, Supervisory, Subsea</td>
<td>108</td>
<td>101</td>
<td>7</td>
<td>93.5%</td>
<td>87%</td>
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<tr>
<td>Drilling Operations, Workover Completions, Driller</td>
<td>1,324</td>
<td>1,228</td>
<td>96</td>
<td>92.7%</td>
<td>83%</td>
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<tr>
<td>Drilling Operations, Workover Completions, Supervisor</td>
<td>8,580</td>
<td>8,345</td>
<td>235</td>
<td>97.3%</td>
<td>88%</td>
</tr>
<tr>
<td>Totals:</td>
<td>69,328</td>
<td>64,238</td>
<td>5,090</td>
<td>92.7%</td>
<td>83%</td>
</tr>
</tbody>
</table>
Recap of 2016 – Test Question Monitoring

Why kill the well at a reduced pump rate?

- To stop downhole mud motor rotating during a well kill operation: 1.7%
- To minimize the effects of annular pressure loss: 82.1%
- To prevent bursting the casing: 15.2%
- To determine pump rate to displace cement: 1%

IADC
2018 – Caspian Region

- We are currently in the process of Re-establishing the Caspian Regional Chapter in Baku, Azerbaijan.

- IADC considers the Caspian Region to be a very important oil and gas region.
Questions?