



**Meeting Minutes**  
**IADC Accounting Issues/Procedures Committee**  
**13 December 2012, 2-4pm**  
**International Association of Drilling Contractors Headquarters**  
**10370 Richmond Avenue, Suite 760, Houston, TX 77042**

**Agenda Item: Next meeting date and location**

Beth Gordon, Controller, Diamond Offshore, has offered to host the next quarterly meeting on March 21, 2013 from 2 to 5 p.m. at 15415 Katy Freeway, Houston, TX 77094.

**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: Presentation and Continuing Education – Update on Lease Accounting Exposure Draft**

Steve Moore from Ernst & Young presented an hour and a half of continuing education, accompanied by Elaine Pickle and Felissa Dotson, also with Ernst & Young. Steve presented the current expectations for the exposure draft, including accounting and reporting requirements and scope that may require a lease component to be assigned to drilling contracts. The exposure draft is expected to be released in the first quarter of 2013 with an expected effective date in 2016 and retrospective application. We discussed various aspects of the expected exposure draft, including the definition of a lease, presentation and classification in the financial statements, and accounting for lessees and lessors. The committee agreed to discuss the topic in the next meeting and determine whether to form a subcommittee at that time for developing responses to the FASB.

**Agenda Item: Deferred Revenue**

As a follow up item from the previous meeting, the committee discussed revenue recognition policies, specifically commenting on triggering events for recognition and amortization. Generally, members agreed that policies were consistent.

**Agenda Item: Critical Accounting Policies and Estimates**

Various committee members discussed their annual evaluation of accounting policies and presentation to audit committees. All members agreed that the accounting policies remained relatively stable year to year with exceptions in years of major transactions.

**Agenda Item: Accounting Close Schedule**

Attendees discussed day counts for accounting close and developing reporting timelines. The committee members discussed various cut-off dates and many stated that they followed an eight-day accounting close schedule.

**Agenda Item: Nomination of 2013 Chairperson and Vice Chairperson**

Members unanimously appointed David Meliza and Phil Rider to the committee positions as Chairperson and Vice Chairperson for the 2013 calendar year. Nominations were accepted by the appointees.

**The remainder of the agenda topics were reserved for the next meeting in March 2013. The committee was adjourned.**

**Attendance:**

Name		Company Name
Janelle	Flores	Diamond Offshore

Beth	Gordon	<b>Diamond Offshore</b>
Kevin	Smith	<b>Ensco plc</b>
Kristin	Wadsworth	<b>Ensco plc</b>
Dean	Gant	<b>IADC</b>
Bob	Warren	<b>IADC</b>
Scott	Davis	<b>Noble Drilling</b>
Anne	Spyhalski	<b>Noble Drilling</b>
Shaun	Land	<b>Pacific Drilling</b>
Paul	Reese	<b>Pacific Drilling</b>
Nick	Postolos	<b>Rowan Companies</b>
Scott	McReaken	<b>Seadrill Americas</b>
Phillip	Rider	<b>Sidewinder Drilling</b>
David	Meliza	<b>Transocean</b>