

Meeting Minutes
IADC Contracts Committee Meeting
1 February 2019 - 0900 – 1030 hours
IADC Houston, Briarpark Office



In attendance:

Stacey Earley, Chair – Transocean (SE)
Ernie Nelson, Vice Chair Land – Nabors (EN)
Tyler Smith – Nabors (TS)
Ted Gobillot – Rowan Companies – Vice Chair Offshore (TG)
Ron Potter – Transocean – Vice Chair (RP)
Scott Gordon – H&P - (SG)
Mike McLeod – Noble Corporate Services (MM)
David Odom-Harris – Patterson-UTI (DOH)
John Kilburne – Transocean (JK)
Tom Bowes – Precision Drilling (TB)
Mike DuBose – IADC Committee Liaison (MD)

Via Conference phone in:

Dave Faure – Transocean, Vice Chair Program Development (DF)
Kwesi Baiden – Ensco (KB)
Terence W. Waldorf – Diamond (TW)
Mark Spansel – Adams & Reese LLP (MS)

Welcome

Stacey Earley, Committee Chair -Transocean, opened the meeting at 0900, welcomed the group and thanked everyone for being available.

General Antitrust Guidelines for IADC Members

Mike DuBose reminded the attendees of the General Antitrust Guidelines. Reviewed the housekeeping information and offered a Safety Moment for the group.

Approval of the Proposed Meeting Agenda

SE proposed the members accept the meeting agenda as offer, motion seconded by SG. Agenda approved by acclamation.

Status of a Voting Quorum

MD advises the Chair (SE) that the committee does have a quorum of members present to hold a binding vote on the pending matters.

Several important issues are before the committee including the nomination/election of new officers. The Chair acknowledged, and the members present agreed to proceed.

Changing Roles for 2019

- a) Roles of current officers and expansion of roles
 - a) The officers agree that the current role of International should be changed. Going forward, the roles of Land and Offshore will serve both domestic US and International.
 - b) **Drilling Contractors** - Officers must currently be representatives of a Drilling Contractor. Consider a By-laws Change. Change current “representatives of” to “employees of” to avoid confusion regarding outside counsel, board members, or consultants.
 - c) **Diversity** – Going forward, it is suggested: At least one officer must be legal, and one must be commercial. Each officer must be employed by a different Drilling Contractor. If duplicates arise as a result of mergers or changes in employer, only one of the duplicate officers may remain. To avoid conflict, the officer who becomes a duplicate is the one who must resign, except by agreement.
 - d) **Tenure** - Going forward, it is suggested: Officers may hold their position for no more than 3 years. An officer who has reached their term limit may move to another officer position. However, no person shall hold a position of officer, in any combination, more than 6 years in 10.

Amicus Brief Reports

The Contracts Committee has received two requests from IADC membership for Amicus Briefs.

- a) One Offshore item – regarding General Maritime Punitive Damages Case. RP gave an overview of the Amicus Brief prepared by the HFW law firm. The Amicus was filed with the US Supreme Court on Jan. 29, 2019. A copy of RP’s report and a copy of the Amicus Brief are attached for committee members’ perusal.
- b) One Onshore Item – regarding a court ruling related to oil-based mud compensation/bonuses.

Note – IADC Staff members met with the member company’s senior management recently on Item B. Instructions from the member company is no action required at this time.

Status of Revision to IADC Model Offshore Daywork Contract.

Model Contracts: Update of IADC Model Contract – Offshore International

- RP (Lead) has worked with Haynes & Boone counsel to develop changes to the model contract to reflect
 - i) English Law * Officers discussed the revision of the contract under UK Law versus the current US Maritime Law.
- Ron has a first draft and review is underway. Ron will work with Dave Faure (Co-Lead) for review and content contribution, afterwards Ron and Dave will pass the draft to Stacey for her review to establish a Second Draft.
- It is expected that the Association of International Petroleum Negotiators (AIPN) are due to release their revised Model Contract circa May 2019. The IADC contract revision group will take the AIPN model contract into consideration as it pertains to the IADC contract.
- A larger group will review the Second Draft. Officers have recruited Contracts Committee members now to assist with the review of the Second Draft

Officer Roles:

- a) Going forward, it is suggested that each Committee Officer take the lead in the following Projects and Objectives, either directly or by establishing a Sub-committee:

Projects & Objectives	Chair	Land	Offshore	Programs	Industry Outreach
Model Contracts	Approve final for publication	Land Models	Offshore Models		
Equipment Lists	Approve final for publication	Land Equip. List	Offshore Equip List		
Amicus Briefs	Approve undertaking of AB	In support of Land model contracts	In support of Offshore model contracts		
Programs/ Conference	Conference: Approve final agenda			Quarterly/ Semi-annual	
Cross Committee Liaison					Coord. w/ programs
Young Professionals					TBD
Regulatory					Inform Committee Officers

- b) Subcommittees –.

- a) Like other IADC committees, the members officially recognize sub-committee tasks
- b) Nominate or Elect a “Co-Chair” of the subcommittee

- c) Co-Chair position is not limited by “Diversity” considerations, and can be filled by persons from duplicate drilling contractors
- d) The Chair has established the IADC Offshore Equipment List sub-committee and she has identified John Kilburne of Transocean as Sub-Committee Chair.
- e) The Chair proposed that the committee establish the IADC Onshore Equipment List sub-committee, MD to investigate interested parties to populate the sub-committee.
- f) Subcommittees:
 - i) Are open to any committee member (both as Co-Chair and/or as member)
 - ii) With the following exceptions, which are open to Employees of Drilling Contractors only:
 - (1) Model Contract subcommittees,
 - (2) Amicus Brief subcommittee
- g) Establish current team that is updating the IADC Offshore Model Contract as a Sub-Committee:
 - i) IADC Offshore Model Contract Sub-Committee established by the Chair with Ron Potter identified as the Sub-Committee Chair
 - ii) Proposed: Name Members – Dave Faure, Stacey Earley, Mike McLeod, +1 TBA

Nominations for New Officers

The committee received the following new officer nominees.

- Tyler Smith of Nabors was nominated by Ernie Nelson for the Vice Chair – Land position. Nomination seconded by SE, candidate is confirmed by members unanimously to fill the role.
- Ted Gobillot of Rowan was nominated by Dave Faure for the Chairman’s position. Nomination seconded by SE, candidate is confirmed by members unanimous vote to fill the role.
- Scott Gordon of H&P was nominated by SE for the position of Vice Chair Industry Outreach. Nomination seconded by EN, candidate is confirmed by members unanimous vote to fill the role.
- The role of Vice Chairman – Offshore – nominations are open until COB Feb. 28, 2019. **Update – Mike McLeod of Noble has been nominated by TG for the role.**

Subcommittee Roles

- Ron Potter will continue in the role as chair of the IADC Model International Daywork Contract revision.
- John Kilburne will fill the subcommittee chairman’s role for the IADC Standard Equipment list revision.
- Tyler Smith will fill the subcommittee chairman’s role for the exploratory review of the need/feasibility of an IADC Standard Equipment list for Land Drilling Units.

Any Other Business;

- 1. SG suggests the Contracts Committee review the Chapter Charter of the IADC Houston Chapter to see if a bespoke Committee Charter could be helpful. SG will forward to MD the Chapter Charter for distribution amongst committee members for review. A copy of the charter is attached.**
- 2. MS advises members he will be speaking at the IRMI Energy Risk & Insurance Conference (ERIC) in Houston February 25 – 27 in case anyone is interested in attending. He will be joined by three partners in a 3 ½ hour session entitled:**

Job-Related Injuries and Illnesses: The Interplay of Workers Comp and Maritime Laws.

Next Meeting – TBA – Venue - IADC Offices Houston 9-11 am.

Meeting adjourned at 10:35 am