

International Association of Drilling Contractors



**DEC Q4 Tech Forum
“Contractor Integration – Status and Future of
the Integration of Services Provided by the
Drilling Contractor”**

8 am – 1 pm

**National Oilwell Varco
10353 Richmond Ave
Houston, TX 77042**

Minutes

- 08.00-08.20** Refreshments and networking
- 08.20-08.25** Welcome, review agenda and JIP updates (handouts) – Dennis Moore, Marathon Oil, Chairman
- 08.25-08.30** Introduction to event – Robert Urbanowski, Precision Drilling, and Sarah Kern, H&P IDC
- 08.30-08.50** [Operator’s Perspective on Contractor Integrated Services](#): Matt Isbell, Hess

The success of operators’ drilling programs can be tied to three basic categories: commercial terms, well design, and operational execution. These three categories determine results in terms of safety, quality, delivery, and cost. Meanwhile, using automation to enable performance improvement by improving the well design is leading to an integrated service discussion since the automation is occurring in collaboration with a single rig contractor. The operator’s commercial investment is in future capabilities through reduction in variation and improvement in well delivery cycle time. Although the benefits of this approach are hard to quantify at the level of individual technologies, it is a valuable part of a comprehensive program to improve drilling performance.

- 08.50-09.10** [Drilling Contractors Consideration – Insourcing BOP Pressure Testing Services](#): Sean Halloran, Ensign Energy Services

Except for onshore North American operations, BOP testing is typically performed with a drilling contractor-provided high-pressure/low-volume pump or a cementing unit. In onshore North America, typically the operator contracts a third party to perform BOP tests. Drilling contractors have the opportunity to insource BOP testing services, which provides both more revenue to the drilling

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contractor and, with the advent of digital and automated BOP testing technologies, a lower cost to operator. Building on Ensign's recent experience of answering an RFQ issued by a major operator, this presentation will cover the considerations for a drilling contractor wishing to insource BOP testing services.

09.10-09.30 It's About Time: Assaad Mohanna, National Oilwell Varco

Over decades, drillers have delivered higher-quality wellbores, improved ROP and reduced NPT, yet it takes less time to drill a well, which puts the current dayrate business model at a disadvantage. Today's drillers are drilling 400% more than in 1980, and almost 4 decades later, we are still charging by the day. Have commercial models kept up? The big prize of a fully integrated drilling rig is digital unification. This interconnected structure allows for well delivery optimization and performance consistency, making the drilling contractor the essential driver of the well placement process.

09.30-09.50 Performance Improvements and Process Efficiencies from Consolidated Service Offerings: Trey Adams, Helmerich & Payne IDC

In a cyclical industry, maintaining standardized technology and automation quality among a constantly changing fleet environment is maximized by a consolidated service provider offering. Efficiencies are spearheaded from the drilling contractor, supported by additional services, aligned in purpose and support. This presentation will describe in detail a holistic deployment process involving multiple services under a common contractor: the benefits, potential issues, lessons learned, and best practices utilized to provide a valuable partnership with the operator. Varied offering examples, and the benefits of centralizing decision making through integration and automation will also be discussed.

09.50-10.05 Break

10.05-10.25 Modernizing Rig Equipment Interfaces: Tracy Cummins, Weatherford

Iron Roughneck positioning systems on the rig floor are the foundation for efficient tubular operations. However, implementing third-party equipment into the positioning systems can be challenging, costly and time consuming. A few new key technologies have been developed that enable the positioning systems to progress toward a "common interface" when connecting any third-party roughnecks or casing tongs. All that remains in making "plug and play" a reality is a strong collaboration between the rig contractors and the relevant equipment providers.

10.25-10.45 [Changing the Way Wells are Drilled:](#) Subodh Saxena, Nabors Drilling Solutions

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As an integrated service provider using the Nabors SmartRig platform, Nabors is “changing the way wells are drilled through design, automation and analytics.” Nabors Automated Wellbore Placement and Integrated Tubular Running Services are well construction activities that are powered by our RigTelligent Control system. The integration is allowing Nabors to provide value to our customers through repeatable and consistent performance with reduced HSE exposure. This approach provides the ability to scale-up on our rig platform leveraging our automation and analytics efforts.

10.45-11.05 [Amazon Rig – A New Buying Center for Integrated Well Delivery?](#): Blaine Dow, Schlumberger

The current downturn has been unique on two fronts. First, the duration of the decline has been longer than expected. The challenge has been resource management, turning on and turning off, but “returning” to known business models. Second, efficiency in North American shale drilling has reshaped how the industry now view all projects. The rebound back to “business as usual” is instead pushing limits on all fronts – technical, commercial, and human. Drilling Service Consolidation currently represents a new wave opportunity. Critical questions need to be addressed as this wave breaks in a cash strapped service industry. This presentation assesses opportunities and missteps of the Integrated Services experience.

11.05-12.00 **Panel moderated by Robert Urbanowski, Precision Drilling, and Sarah Kern, H&P IDC**

Our speakers will convene in a panel discussion with the audience to address the questions at the core of this event: Are we seeing the creation of a new business model with drilling contractors offering more “integrated” services to operators, such as casing running, cementing and directional drilling? Or is this just a repackaging of turnkey drilling? Can operators improve performance with these added services provided by the drilling contractor? Does this shift risk and responsibilities to the contractor but with limited reward? Does the daywork contract fit such business arrangements? If not, what are the options to consider?

12.00 Adjournment and lunch (sponsored by National Oilwell Varco)