



Meeting Minutes
IADC Accounting Issues/Procedures Committee
22 June 2011, 2-4pm
IADC International Headquarters
10370 Richmond Avenue, Suite 760, Houston, TX 77042

Agenda Item: Next meeting & Location

David Meliza of Transocean has offered to host the next quarter's meeting on September 22, 2011 from 2 to 4 P.M. at 4 Greenway Plaza, Houston, TX 77046.

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: "Capitalization policies that are non-GAAP; What are our respective capitalization policies?" – The committee members shared their respective capitalization policies and their thresholds for capitalization. The non-GAAP part of capitalization policies are considered to be immaterial by all attendees. Only one company in attendance had been required to prove to auditors that amounts below their capitalization threshold were in fact immaterial.

Agenda Item: "Update on Status of FASB Project on Lease Accounting" – The discussion began with Beth Gordon giving the committee a recap of the history of the topic. She discussed how several members submitted Comment letters to the FASB explaining why our industry should not be in the scope of the new lease standard from the lessor's point of view. Based on discussion by the FASB in April, 2011, it appears that most of our dayrate drilling contracts will be scoped out of the lease accounting for revenue recognition.

Agenda Item: "Update on the Status of IFRS Adoption" – A brief discussion by the committee concluded with the statement that it will be some time before we will see IFRS fully incorporated into GAAP.

Agenda Item: "Use of the Percentage of Completion Accounting for New Build Rigs" – The committee discussed the appropriateness of using the percentage of completion method of accounting for construction of new build rigs and concluded that it would depend upon the terms of each contract.

Agenda Item: "SEC Comment Letters in Quarter Two 2011" – The committee discussed who had received a comment letter from the SEC and also the topic of those letters. Most of the committee members had received letters regarding the same topics. The disclosure regarding asset write-downs and impairment analysis was the most discussed topic. Other topics discussed were foreign earnings invested abroad and its impact on liquidity and insurance coverage regarding oil spills.

Agenda Item: "Election of New Officers to be planned for the Third Quarter 2011 Meeting" – Beth Gordon announced that she would not be Chairwoman after September, 2011. She nominated David Meliza of Transocean to be the new Chairman.

Agenda Item: “New Matters from the floor” – General discussion took place regarding everyone’s status on XBRL. As this is the second year of tagging of financial statement footnotes for some of the committee members, their experience was shared with first timers and vendor performance for those outsourcing the task was also shared. Vendors’ response time in meeting reporting deadlines was problematic for many. The committee concluded by stating that they would not want their outside CPA firms overseeing or involved with the tagging exercise.

Attendance:

Name		Company Name
Beth	Gordon	Diamond Offshore
Janelle M	Flores	Diamond Offshore
Mai	Duong	Ensco plc
Dean	Gant	IADC
Yvette	Urteaga	Nabors Corporate Services
Kristen	Alexander	Nabors Industries
Anne	Spyhalski	Noble Drilling Corporation
Scott	Davis	Noble Drilling Corporation
Richard	Tatum	Pacific Drilling Services Inc.
Brian	Watkins	Pacific Drilling Services Inc.
Irene	Schaffer	Precision Drilling Oilfield Services Corporation
Nick	Postolos	Rowan Companies
Philip	Rider	Sidewinder Drilling Inc.