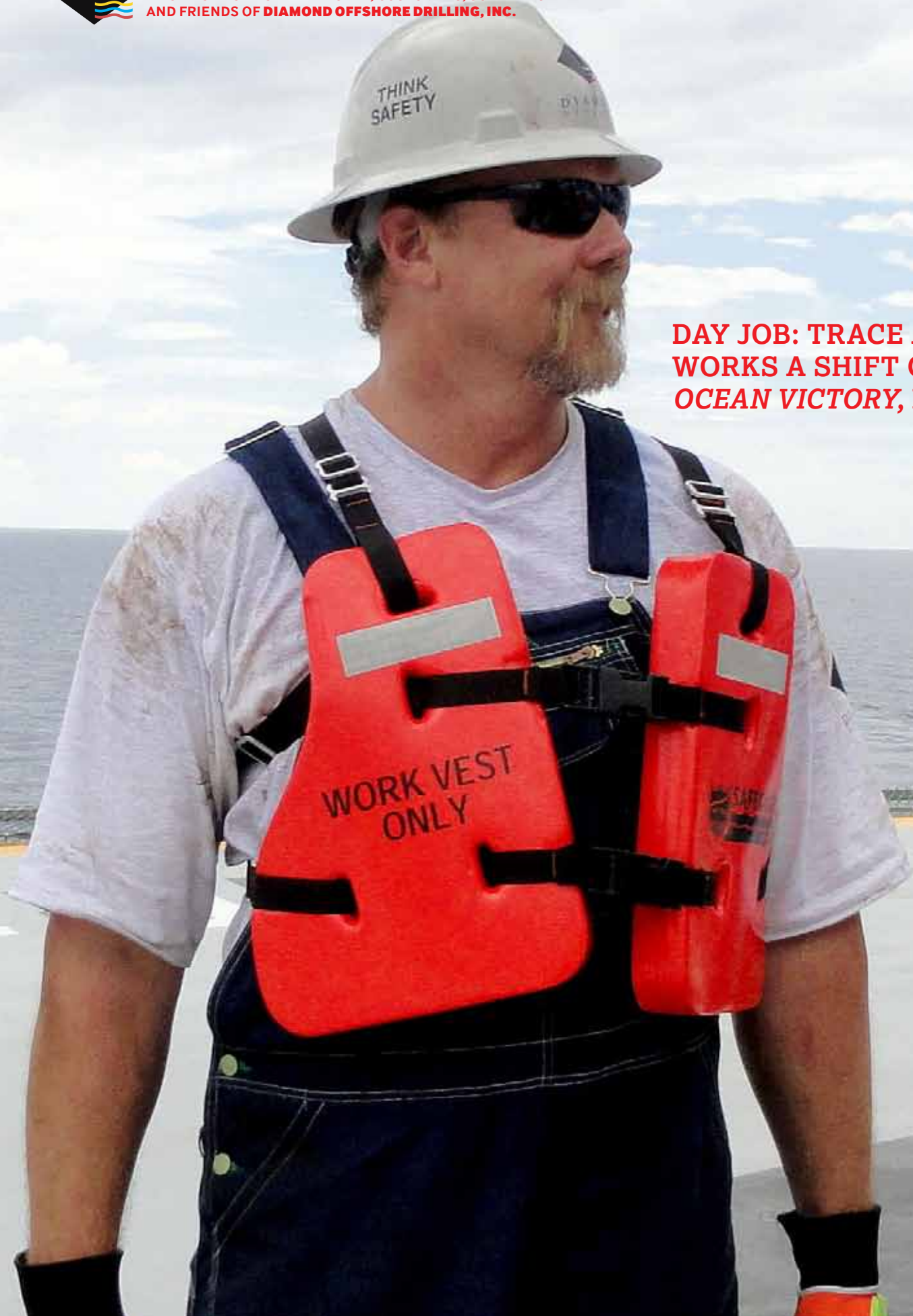


# rigamarole



FALL 2011, NO. 31  
A PUBLICATION FOR THE PEOPLE, CUSTOMERS, SUPPLIERS  
AND FRIENDS OF **DIAMOND OFFSHORE DRILLING, INC.**



**DAY JOB: TRACE ADKINS  
WORKS A SHIFT ON THE  
OCEAN VICTORY, P. 26**

# rigamarole

FALL 2011, NO. 31

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Investors know Exxon Mobil Corporation by its stock symbol, XOM. But inside the international oil and gas company, another mouthful of letters also holds weight: OIMS, an acronym for Operations Integrity Management System.

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Nineteen years ago, when Trace Adkins worked offshore for a living, he didn't have to wear safety glasses all day, didn't depend on an iron roughneck, and sure as heck didn't have to prove he could escape from a crashed, submerged helicopter. That's all changed, however, as the country superstar quickly learned in July during a two-day visit to Diamond Offshore and the *Ocean Victory*.

## 30 Hometowns of Diamond Offshore

Take an easy stroll down the quaint Spanish-colonial streets of downtown Ciudad del Carmen and it's hard to believe you're standing at the epicenter of Mexico's booming offshore oil industry. Under the insistent press of a fiery tropical sun, everything slows down.

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**rigamarole** is published for and about the people and customers of Diamond Offshore. For more info, write us, call or visit [www.diamondoffshore.com](http://www.diamondoffshore.com).

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**A Letter from Larry Dickerson, President and Chief Executive Officer**



**The *Ocean Monarch* was just loaded up on a heavy-lift vessel to depart the Gulf of Mexico for work in Vietnam. With the departure of this 10,000-foot rig, our active U.S. Gulf fleet is now just three units—the semis *Ocean Victory* and *Ocean Saratoga*, and the jack-up *Ocean Columbia*. As I write this, only the *Victory* is drilling under a term contract, while the *Saratoga* and *Columbia* work on one-well jobs as potential customers wait on permits.**

The post-Macondo drilling moratorium and the subsequent slow play of permits have been responsible for Diamond Offshore moving seven rigs from the Gulf to international locations. Just as important in the long-term trend of rigs moving abroad has been the refusal of the U.S. to allow drilling activity in the eastern Gulf, the Pacific or the Atlantic. Diamond Offshore now has more rigs working in each of the regions of Brazil, Mexico and the North Sea than in the U.S.

We have been forced to export significant employment opportunities and tax revenues to other countries, and at the same time we have had to eliminate approximately 700 jobs here in the U.S. Making the situation worse, without a large base of rigs in U.S. waters, we are unable to train employees domestically for the senior positions on our rigs around the world. As a result, the number of American employees will likely decline as future job openings will be staffed with replacements from the new markets in which we operate.

Meanwhile, the President of the United States is proposing a \$450 billion jobs program—to be financed with money we

don't really have for jobs that will likely be few in number and short in duration. The Oil & Gas industry stands ready to add American jobs today, without subsidies, if the current administration would only issue drilling permits at a reasonable and predictable pace. We can drill safely; we can create jobs; and we can decrease our country's dependence on foreign oil. The U.S. could learn from the success of Brazil in its offshore development.

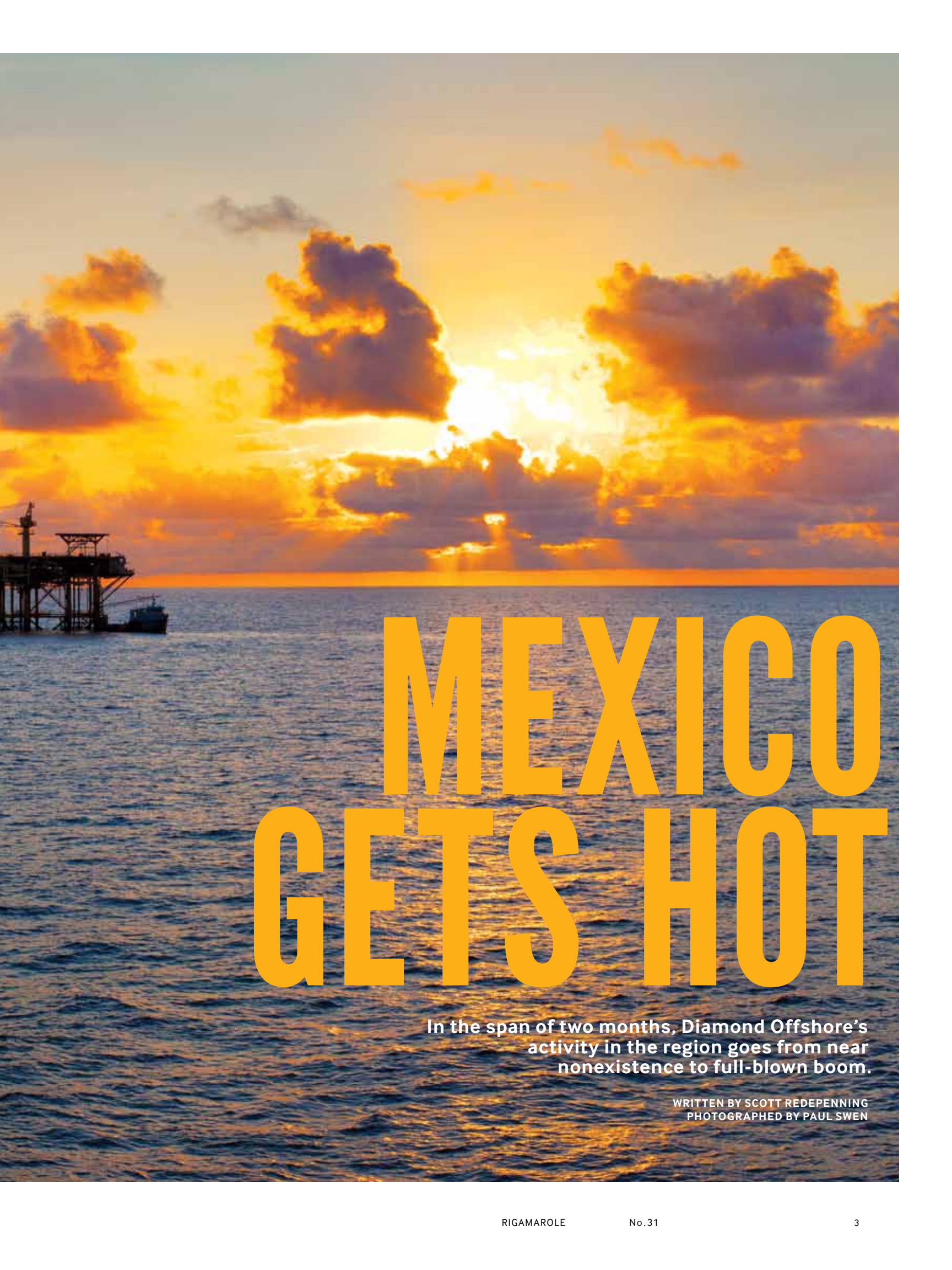
Although many of our rigs that have left for international locations are not likely to return, we have a deepwater semi in West Africa that is prepared to come back to the Gulf of Mexico when our customer can obtain multiple permits. Our three new-build drillships, *Ocean BlackHawk*, *BlackHornet* and *BlackRhino*, can all work in the productive ultra-deep waters of the Gulf of Mexico, but only if customers can count on permits.

If, however, the United States continues, alone among nations, to reject our industry, then our rigs and jobs will continue to go where we are able to work.









# MEXICO GETS HOT

In the span of two months, Diamond Offshore's activity in the region goes from near nonexistence to full-blown boom.

WRITTEN BY SCOTT REDEPENNING  
PHOTOGRAPHED BY PAUL SWEN







Demand for drilling units has spiked in Mexico, and Diamond Offshore is answering the call. Two of the Company's jack-ups, the *Ocean Nugget* and *Ocean Summit*, are currently drilling in Mexican waters. Three more units will arrive in late 2011, the jack-up *Ocean Titan*, semisubmersible *Ocean Yorktown* and ultra-premium jack-up *Ocean Scepter*. Indications are strong that up to five more Diamond Offshore rigs could be deployed to the area in 2012. Considering that as recently as August the Company was facing the real possibility of shutting down all Mexico operations, this new rig rush has the regional office looking at its prospects in an exhilarating new light.

Dave Deron, Operations Manager of the *Ocean Summit*, walks the pristine halls of Mexdrill, Diamond Offshore's operating company in Mexico. Mexdrill's headquarters occupy one of the newest and most striking office buildings in Ciudad del Carmen, the sprawling coastal city that is the seat of Mexico's offshore industry. Deron surveys his surroundings with satisfaction, musing about the office that almost got away.

"We moved into our new building in July of 2010, and practically before the paint was dry we were already thinking we might have to close it," he says. "When we planned this office, five rigs were here, so we designed three levels. But soon after we moved in, the rig count went down to two, and we ended up with a lot of vacant space. Over the summer we were thinking about selling the building, but within two months we went from that situation to not having enough space. I call that a fast transition. Now we're doubling, tripling, even quadrupling people in offices. But everyone around here would say that's a great problem to have."

## PRODUCTION DOWN, DRILLING UP

Mexico needs more oil, and fast. Thus the country is scrambling to find more rigs. According to government reports, Mexico's oil production peaked in 2004 at 3.4 million barrels a day and has been in sharp decline ever since, now standing at 2.6 million barrels a day. About 80% of the nation's oil comes from Cantarell and Ku-Maloob-Zaap, two adjacent shallow-water fields situated in the Gulf of Mexico's Bay of Campeche, about 65 miles from Ciudad del Carmen. Tapped in the mid-1970s, Cantarell was one of the world's largest oil discoveries ever.

Now the field's production is waning at an alarming rate, and state-owned oil company Pemex is taking action.

According to John Simon, Operations Manager of the *Ocean Nugget*, the first step is to punch more holes in the seafloor. "I think this is probably the biggest jack-up market in the world right now," he says. "By Mexican law Pemex is the only operator allowed in this country, and they are under pressure to get production numbers up, so the company is on a major drilling push. Even when our current contract is up in late 2012, I anticipate that the *Nugget* and Diamond Offshore in general will be around here for a good while."

The *Nugget* sits in 147 feet (45 meters) of water in the heart of the Cantarell complex. Stand on the rig's deck, turn in any direction, and a skyline of rigs and production platforms illuminated by roaring gas flares fills every vista. There seems to be little room for more structures in this waterborne city, yet new rigs are arriving as fast as they can be transported here. In October 2011 Pemex had 61 rigs working under contract, 30 of those being jack-ups. By the end of 2011 the company's stated goal is to double the jack-up count to 60 and boost the total rig count to 85. Between current contracts and pending bids, Diamond Offshore stands to have 10 rigs working for Pemex in 2012—two floaters and eight jack-ups.

## PREPARE FOR SUCCESS

In October about 30 people worked in the Mexdrill office. Since then that number has grown almost daily. By February 2012, the shore-based staff will swell to 66, and several hundred more offshore personnel will be arriving with the newly contracted rigs. Preparation for this kind of influx is typically a year's task, yet the Mexdrill office has a third of that time to pull it off. Regional Administrator Seth Tidwell takes the intimidating challenge in stride.

"Pre-planning is all that is required," he says. "You simply have to know what is going to happen, and then plan for it. I believe we are much busier now than we will be when the rigs get here and things are steady. We just have to get over the hump of hiring a lot of new people and training them. That can take a lot of time, but a lot of time is something we don't have. Fortunately many of us have already been here for years, and that experience is making this a lot easier than it would be if we were coming into the country for the first time."

“Starting or stopping any rig operation has many complications,” Tidwell continues. “All of the dominos have to fall in order at the right time, and you have to be very careful setting up those dominos perfectly. Personnel, documentation, training, housing, supplies, coordination with the home office, coordination with the client—the preparation list goes on and on. It’s kind of like driving a manual car. It takes a lot of work and energy to get the car going through the lower gears, but once you’re in fifth gear, you’re cruising along smoothly. It’s a little crazed right now, but we will get the job done, no doubt.”

**“PEMEX HAS A LOT OF RESPECT FOR DIAMOND OFFSHORE. THEY REGARD US AS A PREMIER COMPANY WITH WORLDWIDE EXPERIENCE THAT CAN BENEFIT THEM.”**

Mark Keener, Area Business Manager for Mexico, says that the current growing pains are well worth it. “A month ago every person here enjoyed the luxury of having an office to themselves. Now we will have four in an office in some instances. We are building a row of new offices out in the warehouse, and it looks as if we may have to bring in a temporary portable office building too. But no one here seems to be grumbling about lack of space. We are all pretty excited about having so much new work for Mexdrill. The large majority of our staff is made up of Mexican nationals, and we are happy to keep our people working and to have the opportunity to hire more.”

Keener adds that the burst of activity also helps Diamond Offshore as a whole. “This boom helps the Company in terms of balance. Last year we had about a third of our rigs in Brazil, which is a lot of eggs in one basket. Brazil is still the major region for Diamond Offshore, especially in deepwater. But having some rigs transfer here diversifies our fleet nicely. Balance is very important to us. Plus this new rush gets our workhorse jack-ups active on good contracts.”

There are few drilling companies in the world equipped to work for Pemex. The government-run company sets stringent requirements for contractors. Compromise is not in the Pemex vocabulary, which makes for a working relationship that suits Dave Deron just fine.

“I can say in my 41 years with Diamond Offshore, this is probably the most difficult job I’ve had to do. Working within the structure of a national oil company’s regulations presents a special set of challenges. It can be stressful at times, but the challenge is why I really like it.” Deron says that Diamond Offshore’s ability to deliver on promises has solidified the client relationship. “Pemex has numerous strict requirements for rigs, and many contractors around the world simply can’t meet them. We have the right rigs for Pemex, and we are willing to make the upgrades to serve this client and keep our presence here where other companies are staying away or pulling out.”

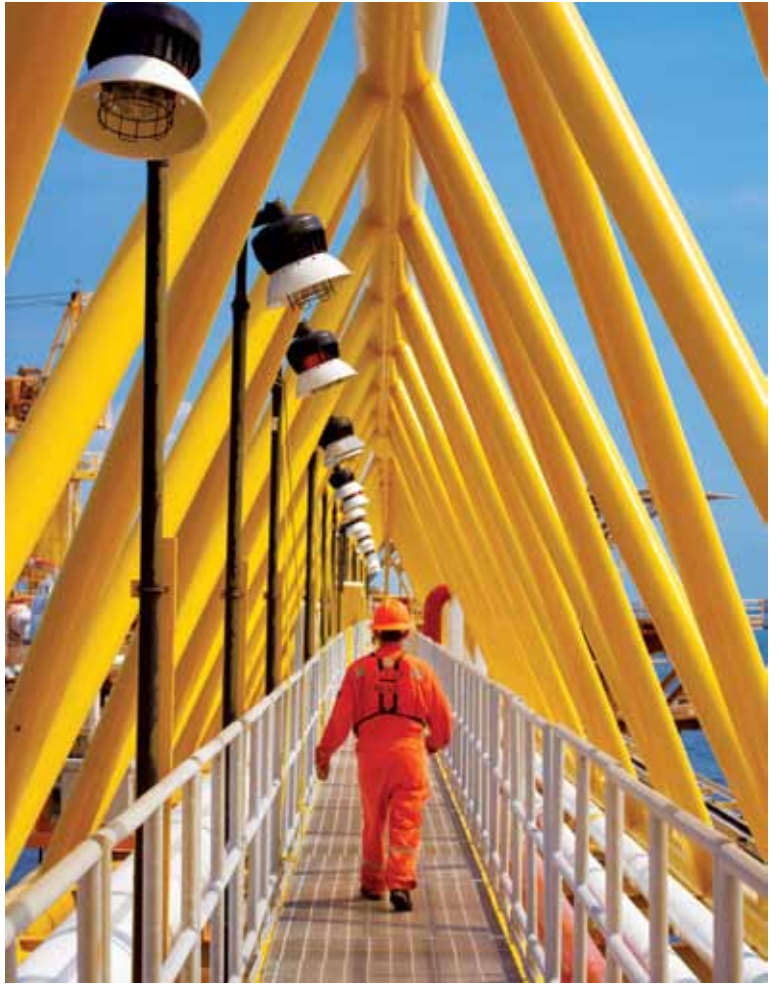
Deron says that trust has become the most valuable currency exchanged between Diamond Offshore and Pemex. “Other companies in the past have bid fictitious rigs that were not equipped as stated in the proposal. Pemex is wary of that now, and they are very thorough in verifying that they are getting what is promised,” he says. “We have a great track record in this regard, and I feel they trust us for being straightforward with them more than anyone else. Pemex has a lot of respect for Diamond Offshore. They regard us as a premier company with worldwide experience that can benefit them. They have come to our offices for meetings and asked us for advice on how they can improve their operations.”

Knowledge sharing plays a particularly important role in the area of safety, according to Jose Manuel Uscanga, Safety Engineer for Pemex. Uscanga rotates among several rigs in the Cantarell field, verifying that Pemex safety programs are being properly executed. He says his ultimate job description is making sure workers can all go back home from the rig “100% in one piece,” adding that Diamond Offshore is a strong partner in meeting this goal.



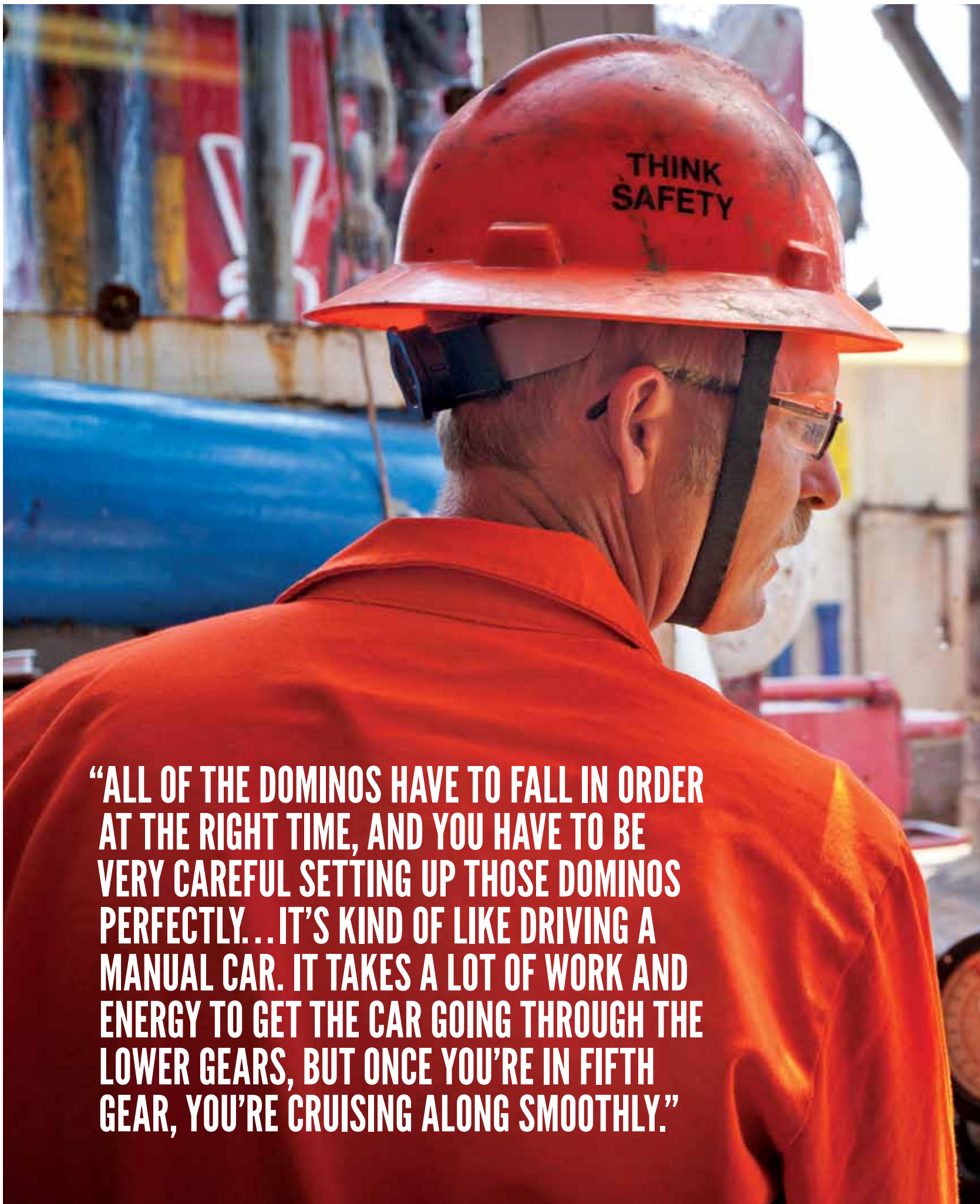


▶ **Dave Deron,**  
Operations Manager, *Ocean Summit*



▶ **John Simon,**  
Operations Manager, *Ocean Nugget*





**“ALL OF THE DOMINOS HAVE TO FALL IN ORDER AT THE RIGHT TIME, AND YOU HAVE TO BE VERY CAREFUL SETTING UP THOSE DOMINOS PERFECTLY...IT’S KIND OF LIKE DRIVING A MANUAL CAR. IT TAKES A LOT OF WORK AND ENERGY TO GET THE CAR GOING THROUGH THE LOWER GEARS, BUT ONCE YOU’RE IN FIFTH GEAR, YOU’RE CRUISING ALONG SMOOTHLY.”**







▶ **Bernardo Cuervo,**  
Drilling Superintendent

"In my job I go to rigs from a number of different drilling contractors," Uscanga says. "Honestly, when comparing companies I can say that Mexdrill is the best when it comes to safety programs and procedures. My first mission when I start with a new contractor is to become a team with their safety people. Teamwork can be difficult sometimes between two companies, but the people at Mexdrill have made the process much easier. On safety, we speak the same language."

John Simon says he hears the same feedback from other Pemex personnel. "We offer a safety culture that is well known throughout the drilling industry, and I think we are a model for what Pemex wants to be, so they have displayed a preference for working with us. It also helps that we make ourselves available around the clock to serve our clients in any way needed. They expect a lot, and we take a lot of pride in coming through for them."

Drilling Superintendent Bernardo Cuervo looks at the client relationship from the familiar perspective of a Mexican national. "We've been putting in a lot of long hours to meet Pemex requirements, but it's nothing that we can't handle," he says. "Some say Pemex is a unique client, but honestly I think work is work no matter where you are."

You will always have challenges and have to find a way to work with clients so they can succeed. You have to learn the culture and how to operate within it. If you work with a good ethic and are honest with clients, you will be fine. I think Pemex thinks highly of Mexdrill because we have this attitude."

## CLIENT CONFIDENCE

As the staff expands at Mexdrill, so does the prosperity of the Mexican people. Nearly all of the new hires will be Mexican nationals, and Diamond Offshore's policy is to afford every opportunity possible to citizens of its host country. Salvador Carrillo Palmer started as a roustabout on the *Nugget* and has moved up through the ranks as floorhand, derrickman and now assistant driller. Melissa Cortes has been promoted four times and is now Crew Change Coordinator, in charge of the complex logistics of getting hundreds of workers from various parts of the world to and from the rigs.









▶ *Ocean Summit*





“When I came here, I didn’t know anything about crew change logistics,” says Cortes. “I had to learn a complicated job very fast. The managers convinced me that I could do it, which really increased my confidence. Since I got here at the age of 23, they have given me a lot of opportunity, and I really appreciate that. I think this industry is amazing, and I’m excited about the future.”

John Simon says these examples are becoming the norm. “When we got here, there was a shortage of assistant drillers, but now we have nationals at the AD positions, and some may be ready for drilling positions. We’ve also sent

**“WE OFFER A SAFETY CULTURE THAT IS WELL KNOWN THROUGHOUT THE DRILLING INDUSTRY, AND I THINK WE ARE A MODEL FOR WHAT PEMEX WANTS TO BE, SO THEY HAVE DISPLAYED A PREFERENCE FOR WORKING WITH US.”**

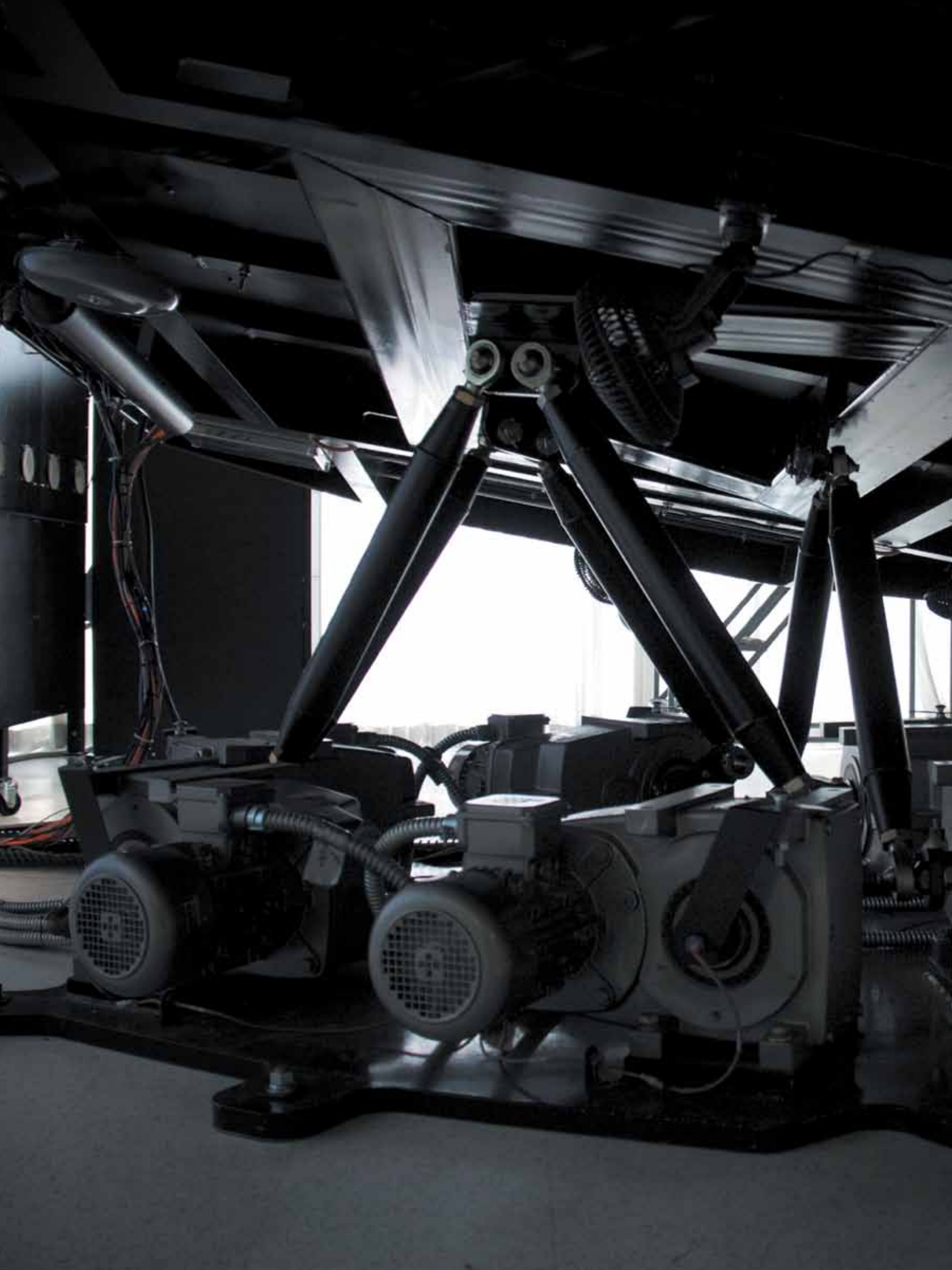
some nationals to our ballast control school in Houston, and they have done quite well. We are guests of the people in this country, and they really deserve the work. So if we can help them improve their careers, that is our intent. We are always looking for opportunities to provide opportunities.”

Bernardo Cuervo is a case in point. He was recently promoted to Drilling Superintendent and has entered the Offshore Drilling Trainee (ODT) program to become an Operations Manager. Cuervo played nine years of professional baseball in Mexico before entering the petroleum industry. Prior to making the transition, Cuervo jokes that his only exposure to the industry was filling up at Pemex gas stations.

“I’ve learned a lot since then,” he says. “I feel the Company is showing a lot of trust in me, because they are training me to move up. I don’t have to stay in Mexico just because I am from here. I would go anywhere in the world that Diamond Offshore would like me to go. For now the hot spot is Mexico. In the future it will be somewhere else.” ■

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**SCOTT REDEPENNING** IS AN INTERNATIONALLY EXPERIENCED FREELANCE WRITER, COMMUNICATIONS CONSULTANT AND UNIVERSITY LECTURER.







**DIAMOND OFFSHORE ADDS A  
LARGE DOSE OF REALITY TO  
TRAINING PROGRAMS WITH  
THE WORLD'S MOST ADVANCED  
BALLAST CONTROL SIMULATOR.**

In January Diamond Offshore crews embarked on the maiden voyage of the latest addition to the Company's fleet—a \$1.6 million simulator that replicates rig operations like no other training tool in the world. The new system can simulate virtually any combination of conditions pertaining to rig buoyancy and position, from wave action and weather to operational issues to emergency situations.

By Scott Redepenning  
Photographed by Thomas Hull

Personnel are realistically trained in keeping their rigs properly balanced in the water and properly situated over the well. Furthermore, the simulator can accurately replicate the behavior of any unit in the Diamond Offshore fleet, as well as any rigs the Company may acquire or build in the future. In essence, the system allows crews to climb aboard and operate the same rigs they have been assigned to, yet they're sitting in a 16 x 18-foot moving box 75 miles from the nearest shoreline, at Diamond Offshore's Houston headquarters, home of the Company's safety and technical training schools.

Training & Development Manager A.J. Guiteau is clearly proud of this new addition to his educational arsenal. "This is the only system in the world that is not a fixed console design. That lets it replicate more than one kind of rig," he says. "This is all touch screen, so we can simulate anything in our fleet, as well as rigs that will someday be in our fleet. Right now we have it programmed to four of our hulls, but that's just the starting point. We have complete flexibility to add anything we want down the road."

This flexibility applies to more than just floating rigs, says Guiteau. "You generally think of ballast control only for semisubmersibles, but we can do big jack-ups as well. We will be able to simulate a punch through, where one of the legs suddenly breaks through a soft spot in the seafloor under the rig's weight. This is about the most jarring thing that can happen on a rig, and now we can simulate it. This is groundbreaking stuff, and our customers who have seen what we can now do have been really pleased. I'd say we've made a pretty smart investment."

### **PERCEPTION IS REALITY**

The rig you're in charge of is bucking ten-foot seas. She's suddenly listing to starboard. Yet there's no sensor indicating a breach in the hull. Are you taking on water in a void space? Is there an anchor tensioner malfunction? The 140 crew members on board are counting on you to solve this problem fast. The rig motion and psychological pressure you're feeling are both very real. The scenario is real, too. But this time, thankfully, the offshore setting is not.

Guiteau explains that many of the simulator sessions come from real rig situations. "This is an incredibly flexible teaching tool, because we can replicate problems straight out of the field. We make it real by practically demonstrating technical and theoretical information. If there's an episode on a rig, we can input the data into the system and work the problem different ways to find the best methods for

handling similar issues if they come up again anywhere in our fleet. We can even solve problems in the field as they are happening," he adds. "We can get data from an issue that's going on right now and throw it at our training class in the simulator and say, 'OK guys, how would you solve this?'" The simulator is our real-world working laboratory."

Diamond's simulator is purposefully designed to teach trainees the importance of operating within the GEMS parameters established for safe drilling over the "bull's eye." This function is unique to Diamond Offshore, strongly emphasizing the need for critical communication between the driller and his ballast control operator.

The primary goal in designing this simulator was to "recreate reality," according to Angel Owens, Professional Trainer in Nautical Science. "We were successful in our re-creation with motion felt from the environment: true-to-life list and trim angles, complications resulting from hull damage, including experiencing negative metacentric



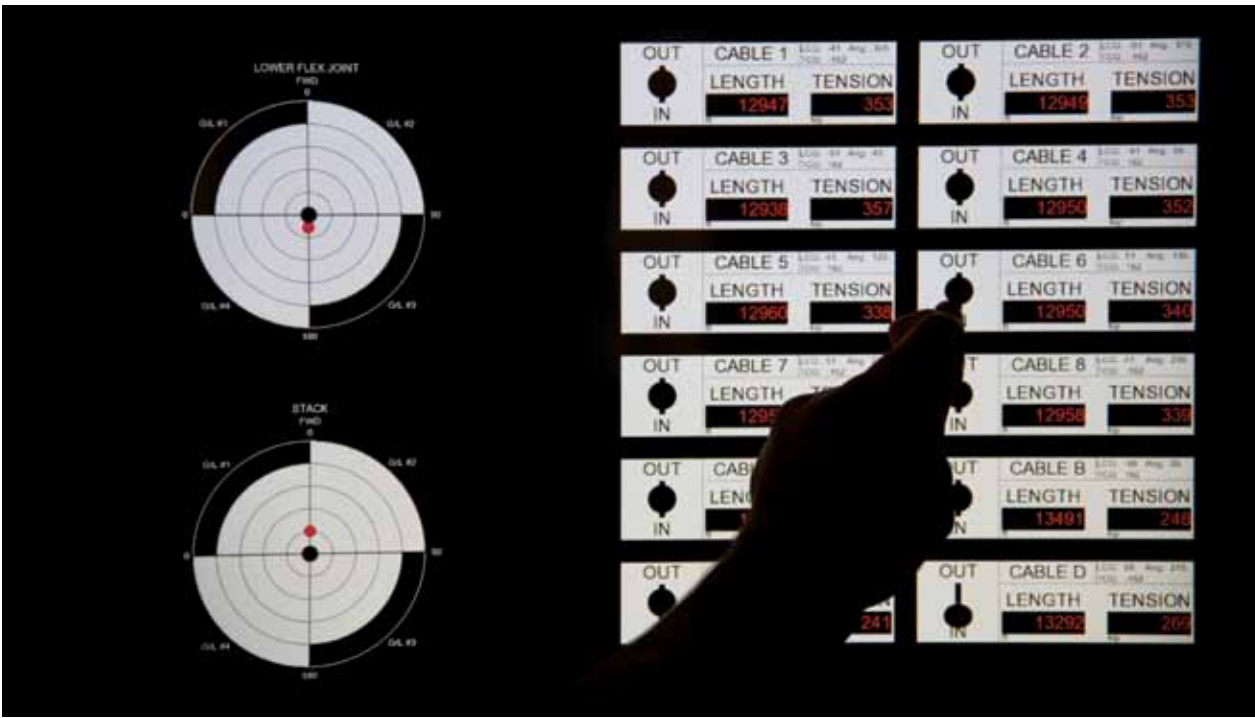
## **IN ESSENCE, THE SYSTEM ALLOWS CREWS TO CLIMB ABOARD AND OPERATE THE SAME RIGS THEY HAVE BEEN ASSIGNED TO, YET THEY'RE SITTING IN A 16 x 18-FOOT MOVING BOX 75 MILES FROM THE NEAREST SHORELINE.**

height, and many different day-to-day operational stability issues and concerns. This unit can replicate surge, heave and sway as well as replicate a punch through on a jack-up. We have gained a very valuable piece of equipment that illustrates and reinforces material taught in class. As a trainer delivering a lecture, I see the material starting to imprint on the student's brain based on questions asked, facial expressions, etc. But once I take the student out onto the simulator with a complicating scenario, that is when he or she is able to make knowledge part of their skills through doing. This experience enables not only the brain to know the steps but also the body to know how to follow through, and the gaps found in the pure lectured training are thereby filled in. This unit is a powerful learning tool."

Earl Williams, Professional Trainer in Nautical Science/Well Control, says the goal is to fully utilize the realism of the simulator by designing the scenarios to be as authentic as possible. This means every session isn't necessarily an edge-of-your-seat nail-biter. "We simulate the everyday tasks that go with ballast control, such as taking on drill water or moving loads around the rig," Williams says. "We also simulate subtle issues, such as a valve not shutting all the way, to make sure our crews can detect the small stuff. But we certainly do the dramatic things as well, like breaking anchors in high seas or having a supply ship hit the rig and causing a leak in the hull."







**THE CREW MEMBERS ARE COUNTING ON YOU TO SOLVE THE PROBLEM FAST. THE RIG MOTION AND PSYCHOLOGICAL PRESSURE YOU'RE FEELING ARE BOTH VERY REAL. THE SCENARIO IS REAL, TOO. BUT THIS TIME, THANKFULLY, THE OFFSHORE SETTING IS NOT.**

Typically, two or three trainees work a session inside the simulator while the rest of the class watches their performance just outside. The observation area is equipped with seven monitors that display a live camera feed of the trainees and all relevant operational data. This setup allows for continuous learning, where the outside group is assessing the actions of those inside the simulator. Both groups are working to solve the problem, but Guiteau says the situation is deliberately more intense for those inside.

"Our simulator is completely closed in," he says. "We decided to go this route because of what we learned from NASA regarding the simulation of inner-ear environments. Other systems are open, so you can fixate on the corners of the room and steady yourself. But when you close the door on our system and simulate wave motion, you get the true feeling of being at sea. We can also control temperature. We can heat up the room and create a more tense environment. Plus there are speakers





piping in real rig noise. On most of our rigs, the ballast control room is closed off anyway, so the simulation is very real.” Delvin Jefferson, Rig Mover and 16-year Diamond Offshore veteran, verifies the claim. “You can’t beat hands-on rig training, and this definitely qualifies. Working offshore day to day, you get a real sixth sense in your bones for what every motion feels like, such as taking on water. Being in the simulator feels just like that. Believe me, I know.”

George Patterson, an Offshore Installation Manager (OIM) who has worked on multiple Diamond Offshore rigs, concurs. “It’s pretty startling,” he says. “We’re in the middle of Houston, but it feels like we are at sea. There’s only so much you can learn from a book. But getting on a simulator and feeling the real thing is so valuable.

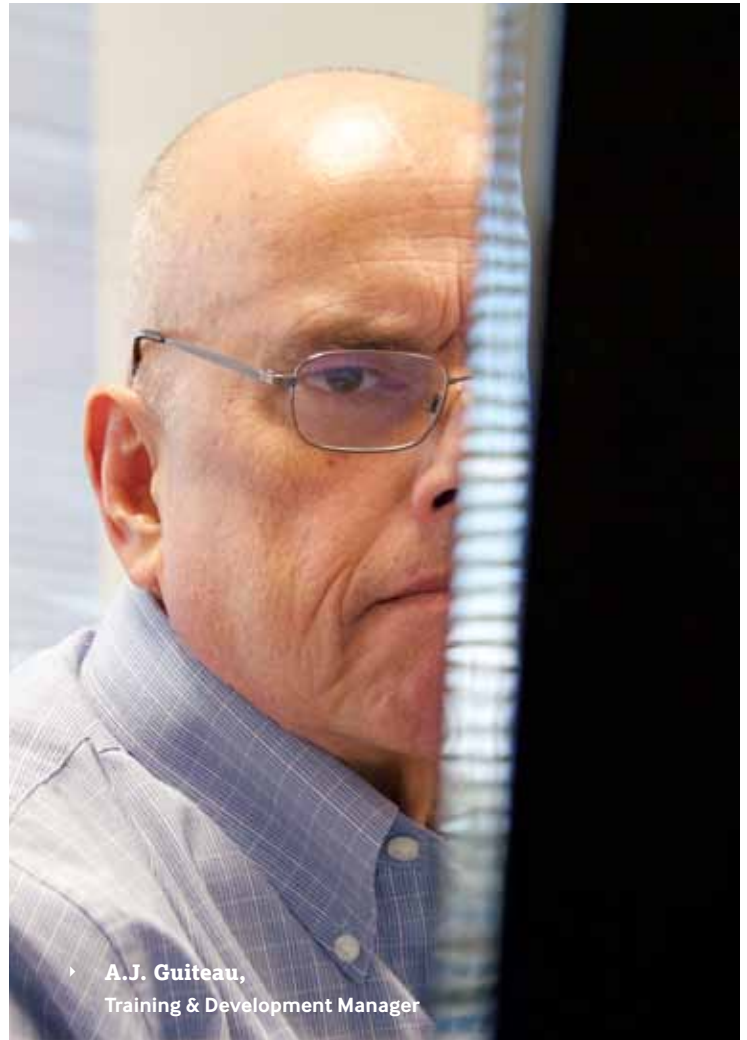
“Everyone is challenged the whole time,” adds Patterson. “We can talk freely on the outside, and the guys on the inside can’t hear us. We’re able to see what kind

of predicament the trainees are getting into, and we brainstorm on how best to tackle the problem. We can also raise questions with the trainer, who is sitting right there near us. We learn from mistakes the trainees on the inside make, and the other way around when we go in.”

Patterson is moving from the *Ocean Sovereign* to the *Ocean Monarch*. Reassignment is a common practice at Diamond Offshore, which makes the multiple-rig flexibility of the simulator even more valuable. Personnel can be rounded out in their training to be ready for any rig in the fleet.

### **FROM FLIERS TO FLOATERS**

The new ballast control simulator was designed, built and installed by Fidelity Flight Simulation, a Pittsburgh-based company that until now has only built aircraft simulators.





This is Fidelity's first foray into offshore, yet when company engineers examined Diamond Offshore's requirements, they immediately saw parallels to aircraft simulation.

Earl Williams says Fidelity's lack of experience in rig simulation actually turned out to be a plus. "They had mastered full motion, which was much more important than having offshore experience. We found Fidelity to be the most innovative company of those who bid. We actually liked that they would have to design an offshore system from scratch, rather than sell us something they had already developed for someone else before."

The simulator module sits atop Fidelity's patented Motus system, a 3,200-pound base that delivers all motions via six diminutive electric motors. Each motor puts out only 3.5 horsepower yet wields a powerful 13,000 foot-pounds of torque. The system is more than capable of providing ocean-force movements—such that after a few training sessions Diamond Offshore decided to install handrails for the crews inside. The entire system is driven by an 11-server computer bank, with a spare in reserve that can be swapped out on the fly. When Diamond Offshore wants to add a hull to the training repertoire, the data is sent to Fidelity engineers who write the software for the new rig type. According to Williams, all this technology allows for a higher level of training capability.

"This kind of sophistication provides a rich experience for the trainees. While we've got them away from their rigs, we can show them something new. In fact we can show them several new things while they're here to really augment their training. But having a smart system also makes us more effective as instructors. We can preprogram the complete session and stack up problems at preset times. In the past we had to manually initiate every issue, which kept us pretty busy. Now we just set the scenario in motion, and we can really concentrate on observing and evaluating trainee performance. Everything is also digitally recorded, so we can always go back and review what happened."

## TALL TRAINING TASK

Beginning in 2013 Diamond Offshore will take delivery of three 12,000-foot water-depth rated drillships currently under construction in Korea. Before they can be commissioned, hundreds of new crew members need to be located, evaluated, hired and trained. "We will staff the drillships with qualified Diamond personnel first, then recruit outside the Company for the positions that are left unfilled," says Lynn Charles, Vice President of Human Resources. In addition to drawing on existing experienced crew members throughout Diamond Offshore's current fleet, the search for qualified and skilled personnel will span the globe. According to Guiteau, this makes having tools like the new ballast control simulator even more imperative.

"Job candidates may present their credentials, but you never know for sure what kind of experience or skill they really have. The simulator gives us a way to check out new hires quickly to make sure we've got the real thing," he says. "As sad as it sounds, there are parts of the world where academic fraud is prevalent. People are not always completely truthful about what they know. So our training is a very quick way to screen and determine the viability of a candidate. The training we do here is the first step in

## DIAMOND OFFSHORE'S SAFETY PROGRAM RESTS ON THREE PILLARS. KEEP THE POINTY END UP. KEEP THE HYDROCARBONS DOWNHOLE. AND THE RIG IS YOUR BEST LIFEBOAT.

quality control throughout the fleet. A student's performance in this school directly affects what kinds of opportunities he or she is offered in the Company. The top students tend to get the assignments on the newer, more complicated rigs." Williams adds, "Everyone we hire will have to go through our course, whether they have 20 years of experience or they've just come out of a maritime academy. We have a tremendous amount of training to accomplish to be ready for our new drillships, and we want to go in with the best people we can get. This will be one more assurance for us and our customers we have the very best people."

Those who do make the cut will go to work offshore, but they can count on being back in Houston at the training school four years down the road. Diamond Offshore is the only drilling contractor that requires retraining this often. In fact, industry standards require only onetime certification, but Guiteau says this isn't acceptable for Diamond Offshore.

"We handle initial certification, and then require our people to come back every four years to refresh their training," he says. "We tried going to five years, but we found that the degradation of knowledge was too great. If you work for Diamond Offshore, you will be in here getting your training on our schedule, without exception."

## SAFETY THROUGH OPERATIONS COMPETENCE

Diamond Offshore's safety program rests on three pillars. Keep the pointy end up. Keep the hydrocarbons downhole. And the rig is your best lifeboat. The Company's new ballast control simulator directly addresses the use of best knowledge and skills to keep the pointy end (derrick) up. The key connection between operational and vessel safety is constantly being driven home in this training.

"This is why the investment was such an easy sell to upper management," says Williams. "Our safety culture starts at the top, and they immediately saw the value. This puts Diamond Offshore at the forefront in ballast control training. The next best system in the world is about eight years old and is fixed to one kind of hull. We can create any kind of training on any kind of rig. It's completely and infinitely flexible and upgradable.

"Our rigs are becoming more technologically advanced and complex, and everything we build in the future will be more complicated than what we have today. Technology just works that way. We will be ready." ■



# A WORLD WITHOUT HURT

Investors know ExxonMobil Corporation by its stock symbol, XOM. But inside the international oil and gas company, another mouthful of letters also holds weight: OIMS, an acronym for Operations Integrity Management System.

Initiated almost 20 years ago, OIMS sets high standards at every level of the company's Drilling organization. "Safety is a core value at ExxonMobil, and operating where 'Nobody Gets Hurt' is always our top priority. Environmental responsibility is our second key license to operate, and the third is business controls," explained Joel Kiker, Vice President Drilling. "If we can't do it safely, with environmental sensitivity and with full business controls, we won't do it."

Beside him sat Harry Newman, Global Drilling Manager, and Greg Browning, Global Drilling SSH&E Manager. The three have a collective 95 years of ExxonMobil experience among them. Kiker arrived as a civil engineer from Texas A&M in 1976, Browning in 1980 as a mechanical engineer from the University of Tennessee and Newman in 1982 as a petroleum engineer from Penn State.

A massive map hung behind them in a conference room at the North Houston headquarters of ExxonMobil Development Company. (In a few years, they'll be moving to a planned 385-acre, energy-efficient campus with the rest of ExxonMobil's Houston business units.)

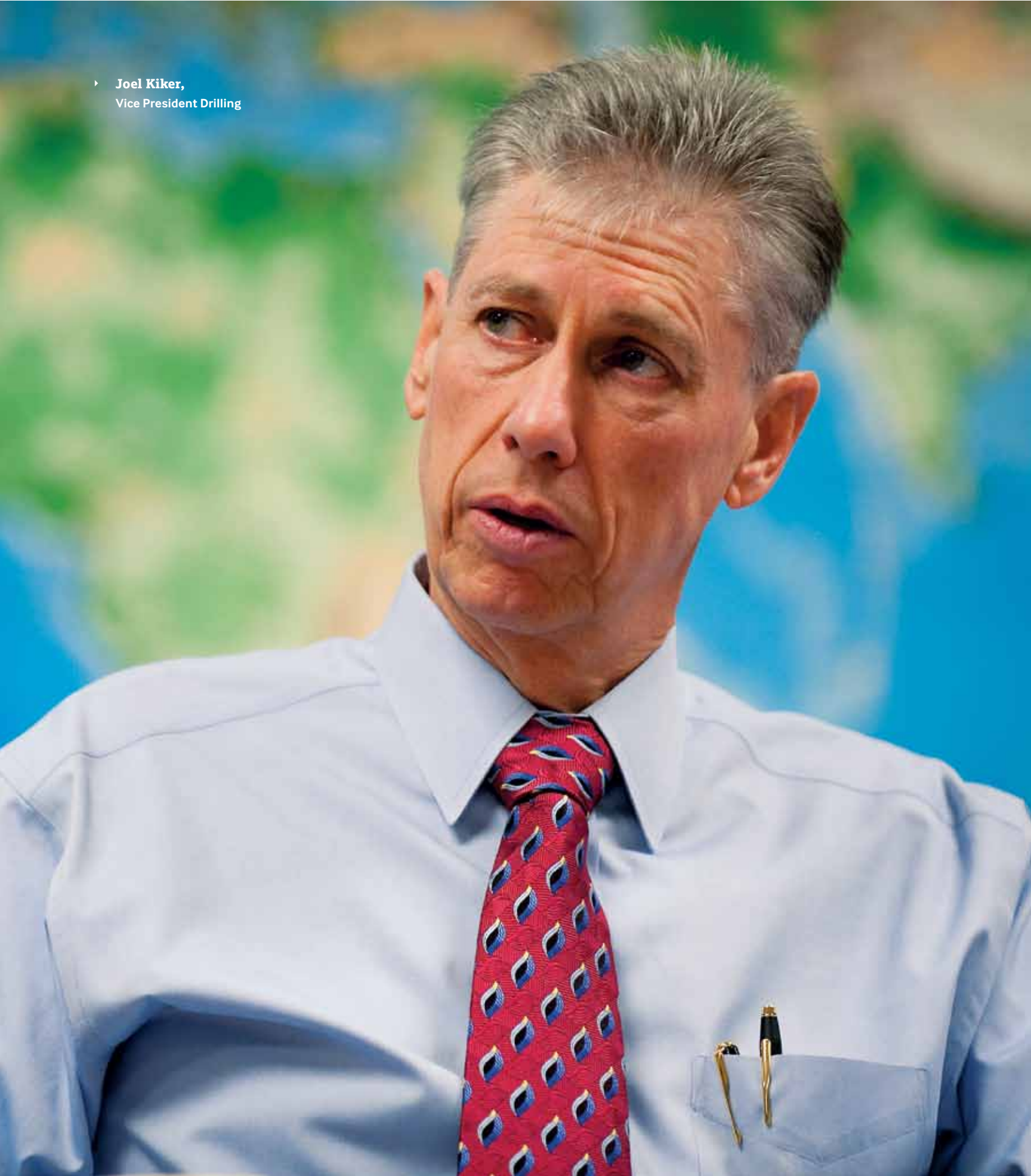
ExxonMobil grew in 1999 from the merger of Exxon and Mobil, two companies that evolved from Standard Oil, founded in 1870 by John D. Rockefeller and his partners. Today the corporation employs 84,000 people, including 900 in the Drilling organization.

ExxonMobil's Drilling organization delivered about 500 wells last year, averaging about 40 rigs a day. "Those range from small land rigs to state-of-the-art drillships and semisubmersibles," Newman said. "In the last year and a half, we've drilled in 24 countries. We've got 18 drill teams across the globe supported by a central technical and planning team here."

In the last year, ExxonMobil has started land operations in Poland and Iraq, returned to Turkey and Vietnam, and added new projects in West Africa, the North Sea and the Caspian Sea. But no one area dominates. "Our portfolio is balanced," Browning said. "The rig population shows the same thing: it's offshore and onshore, high pressure and low pressure, heavy oil, light oil, gas, carbonates, arctic, desert—we drill the full spectrum."



▶ **Joel Kiker,**  
Vice President Drilling



▶ **Greg Browning,**  
Global Drilling SSH&E Manager



▶ **Harry Newman,**  
Global Drilling Manager



ExxonMobil's tag line reads, "Taking on the world's toughest energy challenges," but the global scale intensifies the imperatives of their "Nobody Gets Hurt" objective. That safety value has been a key part of the company's culture.

"In the past, people have said, 'We're just in a risky business. People get hurt.' We don't think that has to be the case," Kiker said. "We recently went three months throughout our global Drilling organization without a recordable injury and three weeks without a single scratch or bruise.

"We stay focused every day on managing risk. You've got to recognize the range of potential outcomes and plan for that. If wells are designed properly, you've got the

right equipment and it's maintained, and if you've hired and trained the right people, you can drill safely. We want everybody going home the same way they came to work."

With drilling environments full of moving steel and iron, high pressures and hazardous materials, contractors must have similar value systems. "Companies like Diamond Offshore, with its Global Excellence Management System (GEMS), integrate well with ExxonMobil," Kiker said. "We want contractors to have their own systems."

The *Ocean Patriot*, the *Ocean Endeavor* and the *Ocean Valiant* achieved stellar safety records when ExxonMobil utilized them in 2009-2010. "With more than 1.1 million exposure hours, they recorded only two low-level



medical treatment incidents—about half the average of all rigs,” Newman said. “And their overall Total Hurt Incident Rate (THIR) was below 4.80, which is a good performance among ExxonMobil new rig start-ups.”

Diamond also has scored high in ExxonMobil Drilling’s Catch of the Week program, which recognizes exceptional observation and intervention on the job. Last year, Diamond submitted more than 200 catches and won 16 global Catch of the Week awards.

ExxonMobil Drilling now rewards and recognizes off-the-job safety catches, too. “You can’t have a culture where you just check safety in at the gate and take it off when you leave,” Kiker explained.

That message resonates strongly with crews because it encompasses more than mandates. “Looking strictly at compliance can lead to complacency,” Newman suggested. “It’s getting the crews engaged 24-7-365, on the job and off the job.”

Younger employees get it immediately, Browning said. “They’re starting day one with a good mindset about how to run an operation, and they’re moving into safety leadership very early in their careers.”

Even so, convincing young talent to build their careers within a single organization presents a challenge. “Many believe that you’ve got to bounce around to move ahead,” Kiker said, “but here you can do your bouncing around within the company.”

That’s certainly been the case for these three executives. “Nothing ever gets stale. There’s always another type of challenge, another type of well, another country,” Browning said. He spent his early years in the company’s East Texas fields, as did Kiker and Newman. They have another thing in common, too: each is the father of twins. “We believe in ‘design one, build multiple,’” Browning quipped.

Kiker, who has held his current position since January 2007, progressed over the years through technical,

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“We start with our credo: We believe all injuries are preventable,” Browning said. “And caring about people is a key element. People have families, and they don’t want to sit around on their couches in pain on their days off.”

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“We start with our credo: We believe all injuries are preventable,” Browning said. “And caring about people is a key element. People have families, and they don’t want to sit around on their couches in pain on their days off. We want people to return safely to their families without any injuries.”

Including contractors, ExxonMobil relies on 6,000 to 7,000 people daily to work safely on their rigs. But the safety culture starts at the top, a philosophy shared with Diamond—whose President and CEO Larry Dickerson participated in ExxonMobil Drilling’s annual safety forum.

One of the first rig operators to return to the Gulf of Mexico after last year’s drilling moratorium, ExxonMobil recently completed an exploration well there and will employ a Diamond rig in the region next year.

Kiker believes the Macondo blowout demonstrated the critical importance of risk management. “Eleven people lost their lives; that’s the number one tragedy. The impact to the environment is another, along with a host of additional issues. As an industry, you’ve got to focus on safety and environmental and business controls every day to manage that risk. It’s incumbent on us to do that,” he said.

ExxonMobil’s operations integrity vision grew from its own highly publicized experience after the 1989 Valdez spill at Alaska’s Prince William Sound. “You’ve got to have an organization that’s tied together from top to bottom,” Kiker said. “That’s one of the key lessons that we learned from Valdez. It’s what created this set of systems. OIMS is not a ‘thing’—it’s the way we work.”

operational, planning and managerial jobs from South Asia to Alaska. Newman, who assumed his current assignment last year, has held many of the jobs in the Drilling organization through assignments in West Africa, Turkey, the North Sea, Trinidad, Brazil, Kuwait, China and around the U.S. Browning, who accepted ExxonMobil Drilling’s top safety job this year, has worked in Scotland, Nova Scotia, Nigeria, Equatorial Guinea and the Caspian Sea.

They continue to log plenty of frequent-flyer miles. “When you consider ExxonMobil’s worldwide operation and believe leadership is a key value, we spend as much time as we can visiting our operations, trying to understand our people’s issues and concerns, and carrying the message,” said Browning.

His last vacation took him back to Tennessee with his wife, Bettie. Kiker relaxes when he can at his place on Lake Conroe and takes dance classes with his wife, Karen. Newman and his wife, Nathalie, are planning a Caribbean cruise and college visits, since their twin sons graduate from high school next year.

But all three keep work in mind continuously, ever mindful of another ExxonMobil value: taking a long-term view.

“The world continues to consume energy. Those economies that are growing are growing as a result of using energy,” Kiker said. “So what we do is important. How we do it is important. Our organization continues to deliver results around the world, in the right way.” ■

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FREELANCE WRITER MOLLY GLENTZER IS BASED IN HOUSTON, TEXAS.







Written by Molly Glentzer

# One More Hitch

**On this *Day Job*, it's safety first for C&W superstar Trace Adkins**

Nineteen years ago, when Trace Adkins worked offshore for a living, he didn't have to wear safety glasses all day, didn't depend on an iron roughneck and sure as heck didn't have to prove he could escape from a crashed, submerged helicopter.

That's all changed, however, as the country music superstar quickly learned in July during a two-day visit to Diamond Offshore and the *Ocean Victory*, where a film crew captured his experience for Great American Country's new reality TV show *Day Jobs*, premiering this fall. The show takes country artists back to work for a day at jobs they held before they hit the big time.

Adkins, who grew up 40 miles southeast of Shreveport in Sarepta, Louisiana, played football and sang in a gospel group during high school, then attended Louisiana Tech for two years. He first worked offshore in the early 1980s, leaving for a few years of hard living on the Texas-Louisiana honky-tonk circuit. A divorce forced him back to "real" work, and he progressed to derrickman at Global Marine before moving to Nashville in 1992 to give his music one last shot.

Interviewers often ask Adkins what he'd be doing if his country career hadn't finally taken off. "I always answer the same," he said. "I'd still be working in the oil field. I identify myself more as a roughneck than I do as a singer or an entertainer or a songwriter. I'm a roughneck that does those things. Really. My mentality and my temperament is roughneck."

At six-foot-six and 250 well-distributed pounds, his body looks the part, too—even at 49. Famously no-nonsense, Adkins staunchly advocated for the offshore industry during the recent drilling moratorium in the Gulf of Mexico. He considers roughnecks American heroes.



"I knew I wanted to be on the drill crew because that's where the cowboys were," he wrote in his 2007 memoir, *A Personal Stand: Observations and Opinions from a Freethinking Roughneck*. "High intensity. Loyal teamwork. Fast connections and hard honest work."

He couldn't wait to return. "When that helicopter gets over the water, it's going to feel like I'm coming home," he said.

Of course, the rigs, equipment, roughnecking and overall offshore culture have evolved since Adkins' days in the field, with safety even more of a top priority. And Adkins quickly focused in as he prepared once again to trip pipe, make up chiksans, change shaker screens and work on mud pumps—the tasks Lyndol Dew, Senior Vice President Worldwide Operations, had arranged for him to tackle.

"For the next two days, you're going to be on an E-ticket ride at Disney World," Dew told Adkins; his manager, J.W. Williams; and the seven-person video crew. Diamond Offshore

had two objectives, Dew added: "1) To get the video footage you need to do your job; and 2) To make sure nobody gets hurt."

After weeks of communication with *Day Jobs* producer Jeanette Jolley, Dew had the logistics planned almost to the minute. He compressed the required safety indoctrinations a full-time new hire would experience, which usually occupies four to six hours offshore, into a morning of presentations; he also condensed the required one-day off-site helicopter underwater escape training (HUET) into six hours.

Safety Supervisor Daniel Ziglar and Well Control Instructor Karl Shearer, helped bring Adkins up to speed on rig operations and Diamond Offshore's safety policies.

Today's highly automated semisubmersibles, jack-ups and drillships operate safer and drill faster than the rigs Adkins knew. But with the *Victory* in completion mode for ATP Oil & Gas Corp. at the time, Dew said Adkins might still have to handle caustic substances. Adkins knew what that meant.



**Interviewers often ask Adkins what he'd be doing if his country career hadn't finally taken off.**

**"I'd still be working in the oil field. I identify myself more as a roughneck than I do as a singer or an entertainer or a songwriter. I'm a roughneck that does those things."**

"I hate calcium bromide," he said, pointing to a spot on one of his palms that resulted from early contact with the chemical.

"And you're going to hate the protective equipment you've got to wear when you trip pipe," Dew warned.

Diamond Offshore provided all the visitors with new work clothes, neoprene-soled boots, hard hats and padded gloves in Day-Glo colors.

Adkins especially appreciated the new glove technology. He nearly severed a pinkie finger in the early 1990s while opening a bucket of pipe dope with a Buck knife—once a standard tool. The reattached finger remains curved; Adkins had it stitched up that way so he could still play a "D" chord on his guitar.

Clippers long ago replaced knives, Dew said. "We've got all these tools now because people kept hurting their hands. We have really tried hard to eliminate any type of injury. We don't want anyone hurt at all, and neither do our customers. That's really, from a moral perspective, how we should operate."

Even the transportation side of offshore work demands another level of safety now, as Adkins and the TV crew learned firsthand in their HUET course.

Adkins kept his classmates entertained through about three hours of classroom work at Occupational Safety Training, Inc. in Brookshire, TX. He'd wear a Will Ferrell Speedo in the pool, he joked. (Actually, everyone wore company-issued coveralls over their swimsuits.) He also proved to

be an astute student, attentive as the instructor went through the escape drill steps—how to brace for impact, have a reference point, wait for the cabin to fill with water, knock out the window or move hand-over-hand to an exit and swim to the surface—and acing the written exam.

As Adkins recounts in his book, he nearly died a few times in onshore accidents of various types. Once in the HUET pool, he didn't joke around as he practiced climbing aboard a raft and floating without a life jacket. And he remained mostly silent as he braced for the finale—five simulated crash escapes, each one more harrowing than the next, underwater.

"In the very beginning, I felt just a little panic. Right when they turn you over, it freaks you out," he said afterward, looking tired.

He'd come to the training with no preconceived idea of what it would be like, he said. "I didn't expect this," he added. "I'm proud to see that they require this kind of training now."

Jolley sounded like a winner on *Survivor* as she emerged dripping from the pool. "I've delivered pig babies. I've had production shut down in a hostage takeover. But this tops all the things I've done," she said.

The next morning, they headed offshore early. Adkins did an onboard induction, visited a lifeboat station and attended a pre-tower safety meeting with the *Victory* crew before finally getting in a few hours of work, with Lawrence Franklin Bonner as a safety buddy. (Each member of the video crew had a safety buddy, too.)

Adkins helped pull slips and run the iron roughneck, inspected swivel packing about 30 feet up in a riding belt, assembled and tightened steel line pipe, helped install a mud pump liner, learned how to install new-style shaker screens, rode a personnel basket to the work boat to hook on a couple of loads, and even did some production riser strapping—quickly verifying that the numbers on the pipe were not accurate—before it was time to head back home.

Not a bad half-day's work.

"He knew what he was supposed to do and had a good command of technical details," Dew said.

How is Adkins as a roughneck?

"Due to his age, he has to ease into it a bit," Dew admitted. "But I was impressed with the amount of knowledge he had retained."

The *Day Jobs* episode with Adkins premiered on the Great American Country cable channel Wednesday, September 14, at 8:00 p.m. Eastern and aired again Sunday, October 2, at 8:00 p.m. Eastern. Other episodes of the series will feature country stars Craig Morgan, who revisits the Army for a day, Eddie Montgomery as a butcher, Rodney Atkins as a landscaper and David Nail as a Dairy Queen staffer, and many more.

In the past, Adkins never boarded a rig without his guitar. "I really thought I'd be working in the oilfield the rest of my life. I think I probably would have been content with that," he said. "But I had to go to Nashville; I had to go try." ■



# Hometowns

## OF DIAMOND OFFSHORE

FISHING FOR PETROLEUM,  
AND FISHING FOR FISH

### Cuidad del Carmen, Mexico

Take an easy stroll down the quaint Spanish-colonial streets of downtown Cuidad del Carmen and it's hard to believe you're standing at the epicenter of Mexico's booming offshore oil industry. Under the insistent press of a fiery tropical sun, everything slows down.

By Scott Redepinning, *Photographs by Paul Swen*









▶ Jose Luis Leon Hidalgo,  
Roustabout, Ocean Nugget





The pace of life feels as if you're in some remote, forgotten Mexican village, and as long as you can find a nice, shady spot to sit, that speed suits you just fine. But then you take a sip of ice-cold coconut milk (a legendary local treat), and your mind begins to wake from the blissful daze. You see sudden snarls of traffic, new hotels and office buildings climbing skyward—and orange people.

Orange people? Is heatstroke setting in? No, what you're seeing are locals, affectionately known as Carmelitas, clad in the obligatory attire of the offshore worker—brilliant safety-orange coveralls. They're on every street, in the stores and cafes, crossing the city's plentiful pretty parks, en route either to or from their jobs. The profusion of orange people makes it clear that another city lies nearby, an enormous aquatic city of rigs, platforms and gainful employment.

Jose Luis Leon Hidalgo is one who happily dons his offshore uniform. He's a roustabout on the *Ocean Nugget*, which is drilling in the Cantarell field about 65 miles from Ciudad del Carmen. Hidalgo has worked offshore for seven

years, and he, his wife and four daughters have never been more content. "I used to drive buses, but my wife wanted me to stop because it is too dangerous," he says. "A friend told me about a job offshore and said it was good money and actually very safe." Nodding tenderly to his beaming family of females, Hidalgo says, "I really like it, and my wife and daughters do too. Life is good. My kids are in good schools. Everyone is healthy. Everything that is important to me is right here."

When Hidalgo is not working offshore, he likes to play offshore. "I love to fish. Give me a pole or even just a reel of line and I will catch some good fish," he says. This kind of angling talent is not uncommon in Ciudad del Carmen. Before oil was discovered in the 1970s, commercial fishing and shrimping drove the economy. An early morning visit to the fish market reveals that this industry is still alive and kicking. Boat after boat pulls up behind the row of booths, offloading the pre-dawn catch. Piles of *pargo*, *pámpano* and *pulpo* (octopus) are stacked high next to bundles of *jaiba* (crab),



bowls of *calamar* (squid) and neat rows of *cazón* (baby shark). Several merchants engage in a bidding war over the morning's prize, a sizable *huachinango* (red snapper), the winner gleefully readying his fillet knife.

Ciudad del Carmen citizens exist on seafood because the sea is everywhere. The city is squeezed onto the western end of a 22-mile by 3-mile sliver of an island in the southern Gulf of Mexico. The Bay of Campeche and oilfields are to the north, the enormous Laguna de Términos to the south. In the 17th century, the city was inhabited by pirates planning attacks against Spanish ships on their trade routes to and from the New World. In ensuing centuries riches came in the form of fish, shrimp and ultimately oil. Now, in contrast to Mexico's more populated urban centers, Carmelitas enjoy the relative prosperity and tranquility of their island town. They relax at home with their families on days off. They go to the beach. And according to Nerio Miguel Vásquez Lopez, "Some of us like to drink a little beer!"

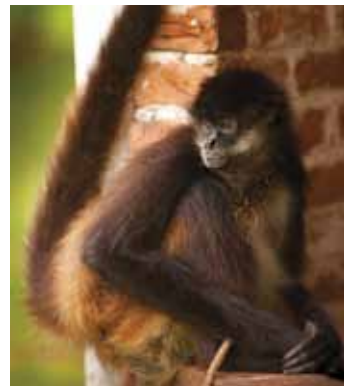
Lopez is a floorhand on the *Ocean Nugget*. He spends his shifts moving and connecting endless strings of heavy drill pipe. No wonder that on his time off he prefers to lift

nothing heavier than a 12-ounce Modelo Especial. "Actually I spend my time very well when I'm off the rig," he says. "I like to watch movies with my wife and work on improving my house. Maybe a *cerveza* or two is mixed in there, but mainly I just really enjoy being home and making it a better place."

Lopez proudly appraises his cheerful patio, which is freshly painted in a sumptuous shade suggestive of ripe mango. He says working for Mexdrill, Diamond Offshore's operating company in Mexico, has given him the means to improve his surroundings. "I've worked 22 years in the petroleum business, and this company is by far the best. I am really excited to be doing this job. There are good opportunities to make good money." Lopez's enterprising spirit is infectious. One daughter runs a family-owned clothing boutique, while the other is sales manager at a cellular company, and his son owns a convenience store. "My kids don't want to get married right now," he says. "They want to make money so they can build a good life too."

If you were to dig deep into Ciudad del Carmen's municipal law books, you might expect to find an ordinance that says, "Every house must be covered in a strikingly vivid



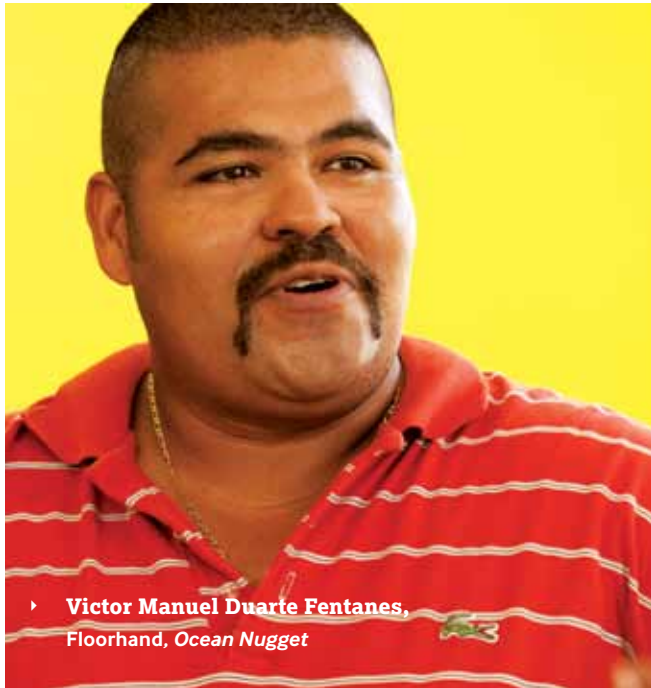






▶ Salvador Carrillo Palmer,  
Derrickhand, Ocean Nugget





shade of paint. But no two houses can be the same color." The dwellings are a delightful patchwork that matches the fruits, flowers and seascapes that abound around the island.

Enter another bright patio, this one painted canary yellow, and you are at the home of Victor Manuel Duarte Fentanes, floorhand on the *Ocean Nugget*. Fentanes enjoys his work, but he says he would also like to try to become a *chango* (monkey), the local job title for the derrickhand who climbs high up into the derrick to handle drill pipe from above. "Up there you cannot be afraid of heights, and I really like adrenalin," he says. "I love the thrill of working offshore; it is amazing out there. You could say I am an adventurer. I like to travel with my wife and son and see new things. But I also like being home. We have a nice peaceful life here."

Fentanes moved to Ciudad del Carmen 10 years ago and has no intention of leaving. "I came here because I heard there was a lot of work. I've been offshore the whole time. The opportunities are great, and it is very easy and safe to live in this city."

Salvador Carrillo Palmer, derrickhand on the *Ocean Nugget*, agrees with his coworker. He thinks the good life in Carmen is like a great secret, although one that hasn't been very well kept. A native Carmelita, Palmer has seen his city's population swell to nearly a quarter million, but he welcomes all newcomers with open arms. "All people who come here to work end up staying here," he says. "They come here to have a better life, and we welcome them. I believe now there are more people from other places than from here."



Palmer wasn't seeking adrenalin when he took the derrick job, just a chance to move up in the Company. "The first time I had to go up in the derrick, I was very nervous. On just my second step during the climb, my legs started to shake. I said to myself, don't be afraid, just breathe and keep going. Now it doesn't bother me at all." Palmer has recently been promoted, working part of his shifts as an assistant driller. "Mexdrill is great because they teach me something new every day," he says. "That rig is a school to me. I'm always learning. There are many drilling companies, but I only want to work for Mexdrill because they give me a future."

Palmer's work attitude is reflected in his personal life. A devoted husband and father of three, he also organized and coaches a soccer team for unsettled young men. "I formed this team to get people playing sports instead of getting into trouble. I saw too many friends who were getting hooked on drugs and going the wrong way, and I wanted to give them something good and positive in their lives."

Neighborly spirit seems to be the pervading attitude here. Large corporate buildings are growing in numbers, a Walmart and Applebee's have recently opened, a huge new Hampton Inn with a Chili's is going in, but Ciudad del Carmen still feels like a small fishing community where no one is a stranger and everyone is welcome. Perhaps the answer is in the aforementioned tropical treat. Carmelita legend holds that if you drink the coconut milk, you will never want to leave Ciudad del Carmen. Judging by the countless contented smiles around town, it's working. ■

# ***Ocean Star*** **Rescue at Sea**



**Offshore Brazil: Two fishermen were rescued by the *Ocean Star* off the coast of Brazil after bad weather separated them from their mother ship, the *M/V Ganessa*. Their small 10-foot fishing boat had been launched from the *Ganessa*, along with six similar vessels, earlier in the day to fish a wider area around the larger ship.**

As night approached, the *Ganessa* recovered four of the small rowboats, but three remained in the water in deteriorating weather. The three boats stayed together as long as possible during the night, but eventually rain, wind and rough seas forced one boat to drift away. As morning broke, the two fishermen in the wayward boat saw the *Star* on the distant horizon and began rowing toward the rig against the wind and seas.

10:15 hours: The laundry man on the *Star* spotted the small boat with two men aboard. Members of the rig crew mobilized down the port/aft stairway to the sea and were able to throw a line to the men, pull the boat alongside and bring the two fishermen on board.

After being given a medical check, food, water and warm clothes, the men reported that they believed there was one more small rowboat still at sea (one of the boats had capsized during the night; however, the man on board had climbed into the remaining vessel).

11:05 hours: The *Star* made an emergency radio announcement to the helicopter that was about to land on the rig, notifying the chopper crew to watch for the boat on landing and takeoff, and a VHF/UHF general announcement was sent to all vessels in the area. The Brazilian Navy and Search and Rescue (SAR) were also notified of the situation and activated their emergency response plans.

11:15 hours: An electrician on the rig spotted “something orange” off the starboard side. A nearby workboat, the *M/V Campos*, was dispatched and found the remaining small boat and men seven nautical miles from the *Star*.

11:40 hours: The Brazilian Navy and SAR were notified that all fishermen were safe.



**Ocean Endeavor—  
Utmost Professionalism**

This is just a short note to thank you for your help and input to our drilling operations with the *Ocean Endeavor*. We appreciate that it was a very difficult time in Egypt due to the revolution and lingering civil unrest. All the team enjoyed working with you, and your input certainly enhanced our operations. During that time, we encountered a well control incident, which was managed with the utmost professionalism by your teams on and offshore.

We wish you all the best for your future and thanks again.

**David Millar**  
Drilling Superintendent  
Burullus Gas Company

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**Ocean Princess—Top Quartile  
Performance**

Further to Halley and Auk North N3a, TR1 is the third consecutive well that we have benchmarked as being top quartile performance for the *Ocean Princess* Team.

Achieving this level of performance on one well is an accomplishment; achieving it on three consecutive wells is a truly excellent result, especially when two of the three wells could be considered as complex. This has only been achieved through excellent teamwork, attention to detail and commitment to flawless execution.

Well done to everyone involved in planning and coordinating onshore, and to the offshore execution team for an excellent effort all round.

**Paul Rankin**  
Well Construction Superintendent  
Talisman Energy (UK) Limited

**Ocean Endeavor—Culture of Safety; Care for the Environment**

I spent one whole day visiting the large new natural gas onshore facility run by British Gas in partnership with Egypt Gas, the West Nile Delta Project at Idku to the east of the city. The visit included going by helicopter to one of British Gas's offshore exploration rigs, 100 km north of the coast. The scale of the operation is huge: 35% of Egypt's gas production, with some going to the domestic market and the rest to export. But I was even more impressed by the professional excellence in everything, including the culture of safety and training, both onshore and offshore (*Ocean Endeavor*), and the care taken to preserve the natural environment. The standards applied are on a level with the highest in the world and are derived from Britain's own well-developed offshore oil and gas industry. The visit made me reflect on the vital role the hydrocarbons industry is playing in Egypt's economy, providing large revenues to the government and making oil and gas available for economic activity of all kinds. Egypt faces the need to grow its economy fast over the next ten years, in order to provide employment and decent lives for its people. The large new investments being brought by British Gas, BP and Shell will make that growth possible.

The future of Alexandria, and we hope of Egypt, will indeed be golden.

**James Watt**  
UK Ambassador to Egypt

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**Ocean Victory/Houston—Generous Hospitality**

Gentlemen,

I'm remiss in sending you this note of our gratitude and appreciation for the incredible experience and your generous hospitality in Houston and on the *Ocean Victory* a few weeks ago. Our world has been a solid blur since we left you guys with the release of Trace's new album and all the media that comes with that. I've seen a small bit of the footage from our time with you, and must say we are all very excited at the prospects of the final outcome. The episode in the Gulf will serve as the pilot for the entire season, and we're as proud of it as anything we've ever been associated with, including our USO tours. Trace is so proud to speak out for the oil and gas industry and the fine people involved at every level. You and your team truly made this an experience we will never forget.

I'm sending you a box of his new albums to the Houston HQ and ask that you make sure everyone involved in the show, especially the men on the rig, receive a copy of the new album. There were so many of you that made this possible, I hope a box will cover everyone. If not, please let me know and I'll send more.

As I said before we left, if we can ever be of service to you or Diamond in the future, it will be our pleasure. Please stay in touch!

Respectfully Yours,  
**J.W. Williams**  
Vector Management

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**Ocean Guardian—Quality of Work; Efficient, Safe Drilling**

On behalf of Rockhopper, I would like to express our appreciation for the quality of work that the *Ocean Guardian* has achieved throughout our current program. The wells have been drilled efficiently and safely. The rig's overall safety performance is something everyone involved should feel very proud of.

We are all aware of the logistical difficulties associated with the operation, and we will continue to do whatever we can to improve the situation. I am sure we will all see a great improvement as our new helicopters are deployed.

Please can you pass on my personal thanks to Geoff Kell and Randy Jolet for hosting us on the rig. I was impressed by the friendly and professional way the rig crew and service personnel are working together.

With very best wishes,  
**Andy Morrison**  
Rockhopper Exploration PLC

# RIGS & LOCATIONS

DIAMOND OFFSHORE RIGS BY TYPE AND LOCATION



## SEMISUBMERSIBLES

AUSTRALIA	DEPTH	EQUIPMENT
OCEAN AMERICA	5,500	SP; 15K; 3M; 4R
OCEAN PATRIOT	3,000	15K; 3M; 4R
<b>BRAZIL</b>		
OCEAN COURAGE	10,000	DP; 15K; 4M; 6R
OCEAN VALOR	10,000	DP; 15K; 4M; 6R
OCEAN BARONESS	8,000	VC; 15K; 4M; 4R
OCEAN STAR	5,500	VC; 15K; 3M; 4R
OCEAN ALLIANCE	5,250	DP; 15K; 3M; 4R
OCEAN QUEST	4,000	VC; 15K; 3M; 4R
OCEAN WINNER	4,000	3M
OCEAN WORKER	4,000	3M
OCEAN YATZY	3,300	DP
OCEAN CONCORD	2,300	3M
OCEAN LEXINGTON	2,200	3M
OCEAN WHITTINGTON	1,500	3M
OCEAN AMBASSADOR	1,100	3M
<b>ANGOLA</b>		
OCEAN CONFIDENCE	10,000	DP; 15K; 4M; 6R
<b>EGYPT</b>		
OCEAN ENDEAVOR	10,000	VC; 15K; 4M; 5R
<b>EQUATORIAL GUINEA</b>		
OCEAN VALIANT	5,500	SP; 15K; 3M; 4R
<b>FALKLAND ISLANDS</b>		
OCEAN GUARDIAN	1,500	15K; 3M; 4R
<b>GOM-US</b>		
OCEAN VICTORY	6,000	VC; 15K; 3M; 4R
OCEAN YORKTOWN	2,850	3M
OCEAN SARATOGA	2,200	3M
<b>INDONESIA</b>		
OCEAN ROVER	8,000+	VC; 15K; 4M; 4R
<b>MALAYSIA</b>		
OCEAN GENERAL	3,000	3M; 4R
<b>NORWAY</b>		
OCEAN VANGUARD	1,500	15K; 3M; 4R
<b>UNITED KINGDOM</b>		
OCEAN PRINCESS	1,500	15K; 3M; 4R
OCEAN NOMAD	1,200	3M; 4R
<b>VIETNAM</b>		
OCEAN MONARCH	10,000	VC; 15K; 4M; 5R

## JACK-UPS

BRAZIL	DEPTH	EQUIPMENT
OCEAN SCEPTER	350	IC; 3-4M
<b>MONTENEGRO</b>		
OCEAN KING	300	IC; 3M
<b>EGYPT</b>		
OCEAN SPUR	300	IC
OCEAN HERITAGE	300	IC
<b>GOM-US</b>		
OCEAN COLUMBIA	250	IC
<b>MEXICO</b>		
OCEAN TITAN	350	1C; 15K; 3M
OCEAN NUGGET	300	IC
OCEAN SUMMIT	300	IC

## INTERNATIONAL DRILLSHIPS

BRAZIL	DEPTH	EQUIPMENT
OCEAN CLIPPER	7,875	DP; 15K; 3M; 5R
<b>SOUTH KOREA</b>		
OCEAN BLACKHAWK	10-12,000	DP; 15K; 5M; UC; 7R
OCEAN BLACKHORNET	10-12,000	DP; 15K; 5M; UC; 7R
OCEAN BLACKRHINO	10-12,000	DP; 15K; 5M; UC; 7R

## COLD STACKED

### SEMISUBMERSIBLES

MALAYSIA	DEPTH	EQUIPMENT
OCEAN BOUNTY	1,500	VC; 3M; 4R
OCEAN EPOCH	3,000	3M; 4R
<b>GOM-US</b>		
OCEAN VOYAGER	3,200	VC; 4R
OCEAN NEW ERA	1,500	3M; 4R

### JACK-UPS

GOM-US	DEPTH	EQUIPMENT
OCEAN SPARTAN	300	IC
OCEAN CHAMPION	250	MS
OCEAN CRUSADER	200	MC
OCEAN DRAKE	200	MC
<b>MALAYSIA</b>		
OCEAN SOVEREIGN	300	IC

## MAP LOCATIONS

- 1 Gulf of Mexico**  
5 Semisubmersibles  
8 Jack-ups
- 2 Brazil / Falkland Islands**  
4 Semisubmersibles  
1 Drillship  
1 Jack-up
- 3 North Sea**  
3 Semisubmersibles
- 4 Mid-East / Mediterranean / Africa**  
3 Semisubmersibles  
3 Jack-ups
- 5 Asia Pacific / South Korea**  
6 Semisubmersibles  
1 Jack-up  
3 Drillships (under construction)

### Key

- ▶ **DP** Dynamically Positioned / (SP)
- ▶ **IC** Independent-leg Cantilevered Rig
- ▶ **MC** Mat-supported Cantilevered Rig
- ▶ **MS** Mat-supported Slot Rig
- ▶ **SP** Self-Propelled
- ▶ **UC** Under Construction
- ▶ **VC** Victory Class
- ▶ **3M** Three Mud Pumps
- ▶ **4M** Four Mud Pumps
- ▶ **5M** Five Mud Pumps
- ▶ **4R** Four Ram BOP
- ▶ **5R** Five Ram BOP
- ▶ **6R** Six Ram BOP
- ▶ **7R** Seven Ram BOP
- ▶ **15K** 15,000-psi Well Control System





**Diamond Offshore Drilling** is committed to operating at the highest possible level of operational integrity and quality, while emphasizing exemplary performance in the areas of health, safety, environmental protection and regulatory compliance. Diamond Offshore's mission is to exceed customer expectations and continually set the standard of excellence as we assist our customers in their worldwide efforts to discover and produce offshore petroleum resources.



