rigamarole

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A Letter from Larry Dickerson,

President and Chief Operating Officer

Welcome to our special Jack-up issue! Although the majority of our fleet is made up of floaters, and we have intense interest in deepwater endeavors, we've long prided ourselves on being a full-service contractor—and our jack-up units are an important part of that.

Our new build 350-ft. jack-ups, the *Ocean Shield* and *Ocean Scepter,* are being delivered in May, 2008, and will be joining our thirteen other jack-ups at work in the immediate coastal waters of eight countries around the globe. These products of the Keppel-FELS yards in Singapore and Brownsville, Texas are designed with the same 2,000,000-lb. hook loads and automated pipe handling equipment found on our newer deepwater semis. These rigs will enable our jack-up fleet to search for hydrocarbons in wells drilled in the same 33,000-ft. range that we have been exploring with the deepwater *Ocean Confidence*, *Ocean Baroness*, *Ocean Endeavor* and *Ocean Valiant*.

Our existing fleet continues to post some amazing results as well. The fall 2007 issue noted the achievements of the *Ocean Heritage* in extended-reach drilling in Qatar. This issue features the use of the *Ocean Tower* on Chevron's important post-Katrina/Rita restoration work. Our customer was recently recognized for the safe execution of this multi-year project with the Safety at Seas Award given in Washington, DC. We were pleased that Chevron thanked Diamond Offshore and the crews of the *Tower* at the time of their award.

For a long time our jack-up fleet was primarily located in the Gulf of Mexico, but just as we have diversified our semi fleet internationally, over the past couple of years we've moved jack-ups to Mexico, Croatia, and Egypt. The *Shield* will head first for Malaysia and then to the West Coast of Australia, while the *Scepter* is destined for an international location not yet disclosed, at our customer's request. With the new rigs coming on line we will then have just over half of our jack-up fleet located outside the U.S!

We are excited about all of the new areas around the world where we are providing crews and rigs to help our customers explore for oil and gas. However, it is unfortunate that the United States chooses to keep the majority of its coasts off limits to exploration. This has and will continue to drive rigs overseas. The jobs, taxes and energy supplies that our industry provides will also unfortunately go to the new locations.

Beyond the Twilight

AN INTERVIEW WITH MATTHEW R. SIMMONS

The growing global demand for hydrocarbons in the face of virtually flat-out oil production and declining reserves is driving oil prices to record highs and creating unprecedented offshore drilling activity. Short of a macro event that sharply drives down worldwide demand for crude oil, most analysts see no near-term end to the current cycle. Matthew Simmons, Chairman and Chief Executive Officer of Simmons & Company International and author of the widely acclaimed book Twilight in the Desert—The Coming Saudi Oil Shock and the World Economy, offers his views in a thought provoking conversation with Larry Dickerson, President and Chief Operating Officer of Diamond Offshore.

Photography by David Mark

Larry Dickerson, President & Chief Operating Officer of Diamond Offshore

Larry Dickerson: If I could recap your oil production theory, you focus a lot on the supply side and the fact that the supply of oil comes from a limited number of super major fields that are very old and can't keep up with growing demand. Making matters worse, we are either not finding replacement fields or they are coming on very, very slowly in small numbers. As a result, in essence we are going to hit a wall at some point in time. Is this how you see it?

Matt Simmons: I have focused a lot on supply, and that is a significant issue. But so is demand. Oil prices are where they are today because major new fields are hard to find and take a long time to develop after discovery, yet we are doing little if anything to reduce our global dependence on hydrocarbons. In fact, demand keeps growing and is projected to do so at least until 2030 as developing nations such as China and India expand their economies. I did a slide for a presentation in the mid-1990s showing the unbelievable difference between the per capita energy oil consumption of a person in the United States versus a person in China. The slide highlighted the tremendous growth potential of developing nations like China, but people were slow to accept that prospect. So I would say that in the 1990s I started having a concern that we were grossly underestimating how strong the worldwide growth in demand could be and that we weren't going to be prepared for it.

And on the supply side?

Well, just look at depletion. We are depleting our older fields at a very rapid rate. I remember a conference in 2001 at which people forecasted worldwide production out to 2004. When it came to China, one person forecast 2.317 million bbl/day and another forecast 3.229 million. When it was my turn I said, "I don't have a model, but do any of you guys know the names of the four largest oil fields in China?" None did, so I wondered how they could forecast down to the decimal point. I asked if anybody had any idea whether those oilfields in China were declining or when they were discovered. Again, none did. The answer was that they were discovered in the early 1960s and that they were declining at an accelerating rate. The second year we got together, the differences in expectations among the group were enormous–several million barrels a day from country to country in many cases. I thought, surely there must be spare capacity somewhere in some of these large older fields like Ghawar in Saudi Arabia (once the world's largest) and Cantarell in Mexico.

To find out, I began tackling the job of determining the life expectancy of the world's largest oilfields. I define the world's largest oilfields as any giant oilfield that was producing over 100,000 bbls per day. The report I came up with said that the 14 largest producing oilfields in world are still providing 20% of our supply. And they are 51 years old on average. The top 110 oilfields in the world provide the next 49% of our supply. But they have been getting smaller and smaller each generation. By the 1990s there were only two or three oilfields that met the 100,000 bbls per day criteria (back in the 1970s there were quite a few more than that producing up to 200,000 bbls per day). This is when I started to understand what people meant when they talked about "peak oil production" and that the world could soon reach a point at which we no longer have the ability to keep increasing our global daily production of crude oil–the point at which we can no longer keep up with growing demand. We are applying more recovery technology in the mature fields than ever before to combat things such as rising water, increasingly complex tight rock formations, and corrosion. And we are utilizing more drilling rigs, especially offshore, than ever before in the past in the search for new reserves, and still we are having trouble keeping up with demand. Even through some very large new fields are being found, for the most part they are simply not in the same category as the old giants of the past.

Of course, this is not "Oilfield 101."

The problem with a lot of the forecasts is that they are demand driven. People are just assuming that somehow supply will keep up with demand. They go country by country assuming each can double its production and then they assume that the Middle East will make up any shortfall, no matter how large.

Let me turn the topic to the global rig fleet. You often hear about the rise of the National Oil Companies (NOC) and it leads you to believe that all of the deepwater rigs are going to the NOCs rather than the majors and large independents. Yet statistically I don't think that is true and that most of the deepwater units are working for the majors.

Countries are finding that they can be effective in developing their reserves working through their own NOCs. That trend is growing and I think will continue to grow because there isn't any technology the major oil companies have that can't be hired by the NOCs through the service industry. But at the same time, most of the national oil companies don't have any deepwater acreage about which they have much knowledge, other than Petronas and Petrobras. Petrobras in particular. But if there was ever a deepwater discovery

in the Red Sea, then you would see the Egyptian oil company and Saudi Aramco come sign up as many of your rigs as you could ever assign to them.

Let's get back to price. Have you been surprised that $90 or $100 oil has not had a greater negative impact on the market?

I'm probably the only person in the world that hasn't been surprised by that. I recently gave a talk about how ridiculously cheap a barrel of oil really is...about 15 cents a cup. Let's see what happens if we get to $200 a barrel.

So to follow all of this through—that demand is insatiable and supply is constrained. You're saying $100 oil is actually helping, and that the price of oil has to go to a market clearing level to clear demand be it $100, $150 or $200?

I'll tell you it is none of the above. It's actually $378 a barrel.

That's awfully precise. Have you been using those lap top models?

No. I was in London late last year for the Oil Money Conference. Traffic congestion was horrible in spite of new programs to eliminate it, and I asked the cab driver what he paid for petrol?" He said something in pounds, and it took the two of us with my calculator to do the conversion. Turned out to be $9 a gallon.

So you work $9 back....

And it's $378 a barrel. And it sure didn't dent traffic congestion going from London to Gatwick. In reality, oil is so cheap. My other favorite example is $3.20 gas, adjusted down, because a few places today it's above $4. I say give me a break...that is $0.20 a cup, and that cup will likely move a couple-ton car one to two miles down the road.

I also find it amazing, as I travel around giving energy talks, that people keep asking me when the next downturn is going to come, given that this is a cyclical business. And I'll say that unless I'm totally wrong, if oil production has peaked, and demand is just going to try anyway possible to keep pushing up, there isn't the scenario under which we go into another big slump.

Until another alternative is found in sufficient quantity to replace oil.

Yes, but that not going to happen for at least another 25 years, and probably much longer. I have seen several major studies that say the world will still be dependent on hydrocarbons for up to 80% of its energy needs in the year 2030, with all of the various alternative sources combined amounting to the remaining 20%.

Matthew Simmons, Chief Executive Officer of Simmons & Company

Let me ask as you as a past Chairman of NOIA, access in the US almost seems to me to be a mute issue because with so many areas around the world demanding rigs, the Gulf of Mexico is depopulating. At one time we viewed our industry as primarily US based, and therefore we needed broad access to our offshore waters. But today it's just not that big of an issue to us. How do you see it? Is there a big potential there or don't we know?

No, we don't have a clue about U.S. waters outside the Gulf, and the rig shortage is going to be so acute that we won't know. There's a fabulously poignant term that you hear at the end of a championship game. Looks like the games not over yet, but we've clearly run out the clock.

And it's clear that expanded offshore access is not going to happen until the American public says it should happen. And, I'm not sure that they are going to be induced by tax money, or even retention of jobs. More likely, a tremendous oil shortage will be required with prices that make today's look cheap, and maybe not even then.

Well, that's going to happen. Have you ever run out of gas when you've been driving down the highway?

I just ran out of gas of Saturday night. I had a hole in my gas tank.

How much lead time did you have?

Not very much!

If you had lead time you would never run out of gas, you would prepare ahead of time.

The shortage is going to be so acute that it could turn the country upside down and the lead time we'll have to fix the problem will be the same amount of time as you had on Saturday. And then we'll wake up and say "what happened?" And of course we will blame the oil companies, even though it is not their fault. ◆

MATTHEW R. SIMMONS IS CHAIRMAN AND CHIEF EXECUTIVE OFFICER OF SIMMONS & COMPANY INTERNATIONAL, A HOUSTON-BASED INVESTMENT BANK THAT SPECIALIZES IN THE ENERGY INDUSTRY. MR. SIMMONS SERVES ON THE BOARDS OF BROWN-FORMAN CORPORATION AND THE ATLANTIC COUNCIL OF THE UNITED STATES. HE IS ALSO A PAST CHAIRMAN OF THE NATIONAL OIL INDUSTRIES ASSOCIATION, A MEMBER OF THE NATIONAL PETROLEUM COUNCIL AND THE COUNCIL ON FOREIGN RELATIONS. HE HAS AN MBA FROM HARVARD UNIVERSITY.

A Never-ending Job

AROUND THE CLOCK, DIAMOND OFFSHORE'S OPERATIONS MANAGERS TAKE GOOD CARE OF THEIR RIGS.

Keeping an offshore drilling rig running 24/7 requires not only a highly skilled rig crew, but a large shore-based support group. Helping to coordinate all of the myriad activities is the job of the Operations Manager—and it is no small task.

By Denise Allen Zwicker *Photography by* Nichole Sloan


THE WORLD

Jon Richards is facing a challenge. The pipe-racking system on the semisubmersible rig *Ocean Confidence* won't power up after undergoing preventive maintenance while the rig is moving to a new drillsite. The maintenance team is working to identify the electrical problem, but the clock is ticking as the rig approaches its new location. Richards knows that, if the crew can't get the racker running soon, the operator won't be able to start work on the well on time, disappointing the customer. That also means delayed revenue for Diamond Offshore. He calls the racker's manufacturer and asks them to send a service rep to the rig. Then he heads out of his office to talk with Diamond Offshore Technical Services.

Issues like this are part and parcel of the life of an operations manager at a offshore-drilling-company. At Diamond Offshore, a total of 45 "ops managers" worldwide are on call 24/7, largely to help ensure that their assigned rig, or rigs, runs smoothly, and also to help deal with any problems that may arise.

"Our operations managers are the backbone of the Company," say Steve Nelson and Lyndol Dew, who supervise this position and who both worked at one time as operations managers themselves. "Information about our rigs flows to and from this position. Very little should go on that they don't know about, whether it's engineering, payroll, catering, customer relations, budget or internal communication. They're empowered to run that rig, and we have excellent support departments and highly competent rig crews that help the operations managers perform their job."

Clearly, this is very much a team effort, rather than a case of some superhero "Ops Man" flying in to save the day. "We 'ops managers' are on the front line of the corporate side, and the rig crew is on the front line of the operations side," says Mick Laing, operations manager for the *Ocean Tower*. An ops manager acts as a funnel point between the two sides of the business–offshore and office. We take the rigs' issues to the Company and the Company's issues to the rigs."

Floyd Daley, who's been an operations manager for 26 years and in the offshore drilling business since he was 19, agrees. "When I started out as a roustabout in 1969 the culture in the industry was very raw. A new hand pretty much got thrown to the dogs back then. But when I came into the Diamond Offshore fold my career changed for the better. We have great support groups here, good people with good attitudes. The difference in the safety culture alone was enough to make a believer out of me. And Diamond also has a friendly, 'family' atmosphere. People go out of their way to help each other, to tell a new hand they are doing a good job–they seem to care personally about you."

Gordon Powell, who is still fairly new to the job of operations manager, has seen that attitude firsthand. Powell, who worked as an offshore installation manager before moving to operations manager last April, laughs, "On the rig, I wondered, 'What in the world does the office do?' But, once you come to work here in the office, you find out real fast."

Powell enjoys the constant temperature of about 72 degrees in Diamond Offshore's Houston headquarters–compared to the ever changing environment on the rigs. But he is quick to say that his new job is just as taxing, in its own way, as were his jobs in 20 years on the rigs. "I get up at 4 a.m. to be on the road by 4:30 and in the office by 5 or 5:15 to take care of anything that's come up in the night. At 6:15 or so, I call the rig and get an oral update to the report that they sent at midnight. Then I update the report we'll hand out to all the rig managers at our daily meeting at 8 a.m. We cover safety, operations, weather and what's going on in the shipyard."

The meeting, which takes place every weekday, fills a room with 50-plus people. Attendees include operations managers for rigs in the Gulf of Mexico; Steve Nelson, vice president of North American

"Our managers have to be able to communicate well. They have to be safety leaders. They have to stay calm under stress. Their day can change quickly, and they're often dealing with emergencies that affect people's lives."

operations, who runs the meeting; Moe Plaisance, vice president of international operations; Lyndol Dew, senior vice president of worldwide operations; and representatives from Health, Safety and Environment (HSE), Human Resources, Marine, Technical Services, and Operations Support/Subsea. Although it's fast moving and serious, the meeting always begins with a "Thought for the Day." Today, "If ignorance is bliss, why aren't more people happy?" starts off the meeting.

"We start the meeting with a fleetwide HSE update," says Richards. "We want to hear about HSE issues on other rigs because all of us have the same exposures. We can learn from each other. Sometimes an HSE incident on one rig will spur us to send a 'flash' safety alert to all the other rigs."

Everyone has a copy of the daily Domestic Operations Executive Summary, and each manager speaks in turn, briefly updating the group on the status of each rig's operations. Peter Bamber, director of Marine Operations, gives a weather report for the Gulf of Mexico. He notes any weather patterns that may affect the rigs. After a report on the status of rigs that are in shipyards for surveys, maintenance, upgrading or construction, the meeting ends with an update on contracts. All of this takes place in about 20 minutes.

Similar meetings on Mondays and Thursdays update senior managers about the operations of rigs working internationally.

Today's domestic-operations meeting ends with an appeal for drillers to fill work slots on a Mexico rotation.

Jon Richards gets word on his BlackBerry: The *Confidence* crew, working with Technical Services, has narrowed the problem to a variable-frequency-drive card. After conferring by telephone, they jointly decide to ask the electrical supervisor who's assigned to the *Confidence* to travel to the rig. Richards hurries to make the call.

01 Floyd Daley
02 Jon Richards
03 Mick Laing
04 Gordon Powell

Mick Laing, like Powell, has been a rig manager for just over a year. "I still find the job a little daunting. Fortunately, all the other managers once were new to the job, too, so they try to help."

Laing laughs, "When I took this position, I hadn't had a '9 to 5' job for 26 years. Come to think of it, I guess I still don't. And I'm Australian, so coming here to live was a big change. This is the first time I've actually lived where my job is. And this is the first time that my promotion has involved my family: They had to move, too. So, in a way, they also 'work' for the Company." Laing's Scottish wife and his two daughters moved to Houston in December.

Floyd Daley, on the other hand, has been a rig manager for the entire time that Laing worked offshore. Since becoming an operations manager, Daley has had charge of the *Ocean Crusader*, *Ocean Champion*, *Ocean Columbia*, *Ocean Titan*, *Ocean Tower*, and the *Ocean Concord*. Today, he's in charge of the *Ocean Star*, drilling for Anadarko Petroleum in the Gulf of Mexico.

"Once a week, I meet with my customer, Choney Lasage; we have lunch together," Daley says. "I'm Anadarko's contact on anything pertaining to the rig. Marketing makes the contract and I work by the contract. The customers plan their own wells, but we put the plan into action and have our own input. I'm part of the package—part of what the customer is paying for. That's my favorite part of the job—dealing with the people. And the hardest part of the job? Well, that's also dealing with the people. And working within my budget. We try to plan two to three years in advance, because of equipment shortages due to the high level of drilling activity. And I try hard to stay within what I tell the Company I need, dollarwise, to run my rig."

In fact, planning is a pivotal part of the rig manager's job. "We're assessed on key performance indicators: KPIs," says Richards. "That includes our rig's safety record, environmental performance, percent uptime versus percent downtime, and of course, cost control. Cost control involves labor, supply and repair budgets, capital expenditures, equipment upgrades and maintenance. At the end of the day, the buck stops here. Our customers grade us, too, when they fill out our rating questionnaire at the end of the well."

To keep up with everything, Richards and most rig managers schedule daily calls to the rigs. "We start by talking about any HSE issues during the past 24 hours," he explains. "We forecast our operations for the next 24 hours. The crew notes any issues or help they need from me. We talk about equipment issues so I can stay 'in the loop.' I may get involved if we need to contact a vendor.

"My main function is to see that the department heads on the rig have what they need to do their jobs," Richards adds. "They're drilling the well. They're keeping the rig afloat. They're keeping up with maintenance. And they're making sure everyone does all of that safely. I'm just here to support them—to make sure that they have the people and equipment to keep the rig performing at a high level. If I disappeared tomorrow, they'd keep working. There's only so much I can do, 500 miles away."

In fact, distance poses an extra problem today, when Richards learns that electrical supervisor Rene Benavides is on the *Ocean America*, wrapping up an electrical audit. Richards decides this is important enough to schedule the Company's charter helicopter, the Diamond 71, to pick up Benavides and fly him to the *Confidence*. He picks up the phone again.

These days, with the surge in drilling activity, Diamond Offshore's employees are spread pretty thin. "People" issues, always a big part of the rig manager's job, loom even larger. Training people. Promoting them. Keeping up with their skills so they can move up the ladder into open positions.

And there's the "soft" side of "people issues," too," says Daley. "For example, there's a man on my rig with health issues. He needs to take some time off," says Daley. "One of my assistant drillers has a daughter who had a car wreck, and he needs some time off to be with her. Part of my job is to talk with Human Resources and get the crew members the time they need."

Another issue is finding the parts the rigs need to do their jobs. "With the industry operating at near full utilization, there's so much demand for equipment that we have a hard time getting what we need," says Powell. "Things can get hectic as we try to get equipment rebuilt and inspected and back out to the rig. But dayrates are so high these days that we feel a strong obligation to do whatever it takes to perform as expected for our customers."

Drilling is a risky business, replete with spectacular successes... and spectacular failures. "The operators are taking huge financial risks when they drill, often spending $400,000 or $500,000 a day for a deepwater floater," Richards notes. "As a contractor, we can't control a lot of the downhole issues. But we want to do our best to meet our customer's expectations. We can do that by working safely and efficiently—and by planning our jobs and keeping them on track."

Planning, though crucial, isn't very glamorous. Each manager spends large parts of his day reading and writing reports and e-mails, making phone calls, approving expenditures, budgeting, tracking KPIs, and coordinating with the various support groups at Diamond Offshore's headquarters. The job goes on 24 hours a day, 365 days a year.

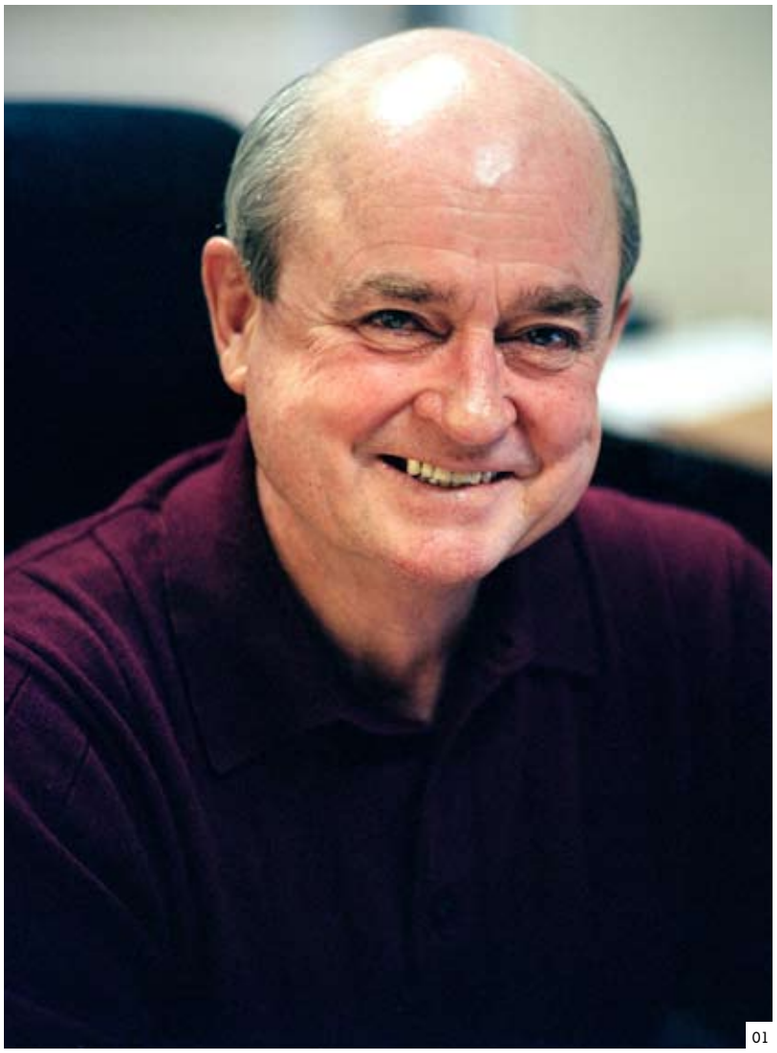
"I may get a call in the middle of the night. But I always try to keep in mind that the people who are calling have been up all night trying to fix the problem," says Powell. "I try hard not to be grouchy when they wake me up. I was in their place once, and I know that's a hard call for an OIM to make. I also don't ever want to take credit for the rig's success. After all, the crew is doing all the hard work."

Senior managers might beg to differ: "We expect our operations managers to do whatever is required to get the job done. That may include bringing in extra people, hiring experts or taking on special projects," says Lyndol Dew. "Our managers have no greater duty than to ensure the safety of the people on the rig. Their first choice will always be for safety. After that, they're charged with keeping the derrick pointed up. No fires. No explosions. They make sure that our people are competent and can carry out the job in an environmentally sensitive manner. This is crucial, because our ability to work in the world rests on our record in these areas and our ability to meet the needs of our customers."

Steve Nelson adds, "Our managers have to be able to communicate well. They have to be safety leaders. They have to be able to juggle a lot of balls. They have BlackBerrys welded to their waists. They get calls in the middle of the night, and, as a rule, that's not a good call. They have to stay calm under stress. Their day can change quickly, and they're often dealing with emergencies that affect people's lives. They have to really know their rigs so when people call, they can picture what's happening on the rig. They have to be able to decide what's important and to hold the line on company policies. These are multitalented people, working a never-ending job for which not everyone is suited."

Fortunately, the stress for Richards is over—at least for the moment. Shortly after electrical supervisor Benavides arrives on the *Confidence*, the crew solves the problem. The racker starts up just in time to begin the next well. Richards takes a moment for a sigh of relief. Then he tackles the next item on his never-ending list. ◆

DENISE ALLEN ZWICKER HAS BEEN A FREELANCE WRITER SINCE 1977, COVERING VIRTUALLY EVERY ASPECT OF THE ENERGY INDUSTRY.



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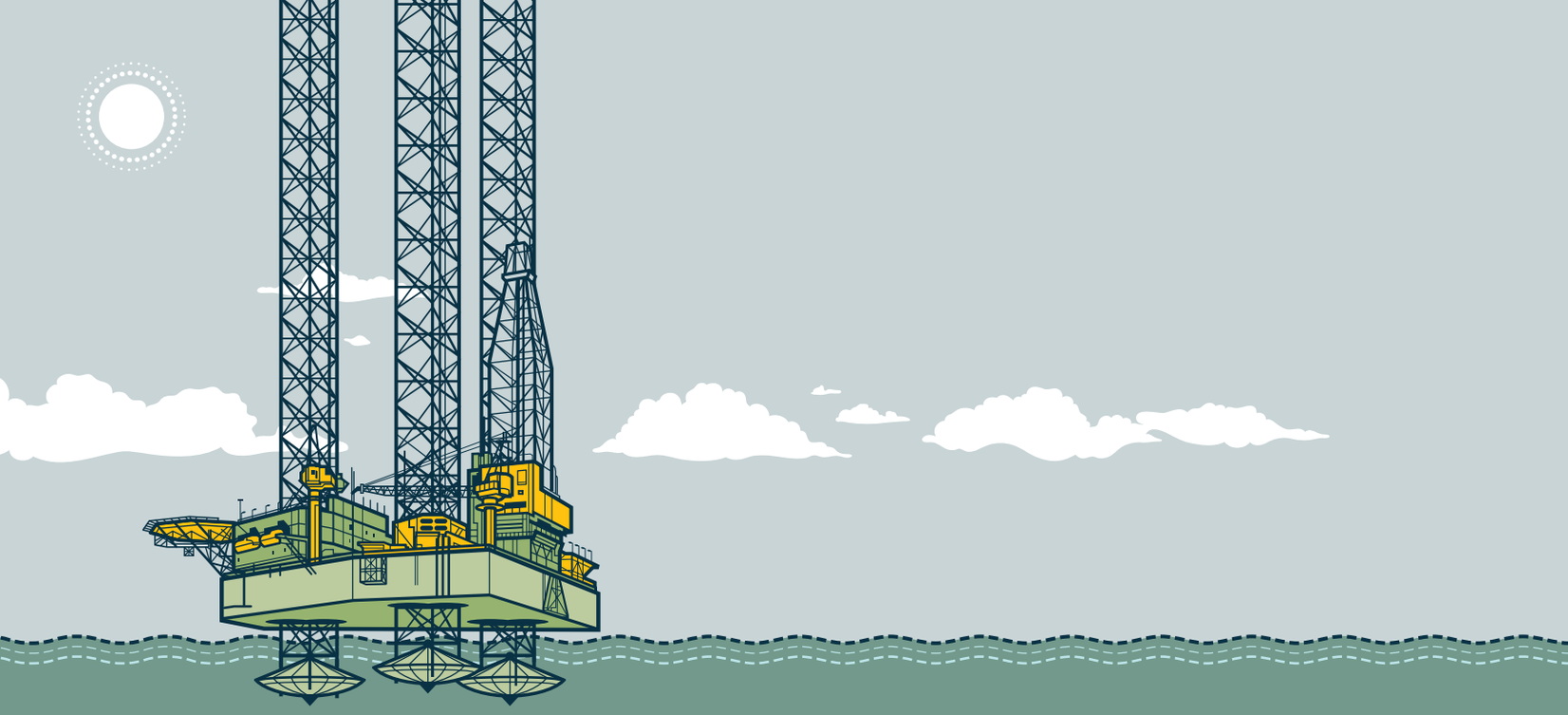
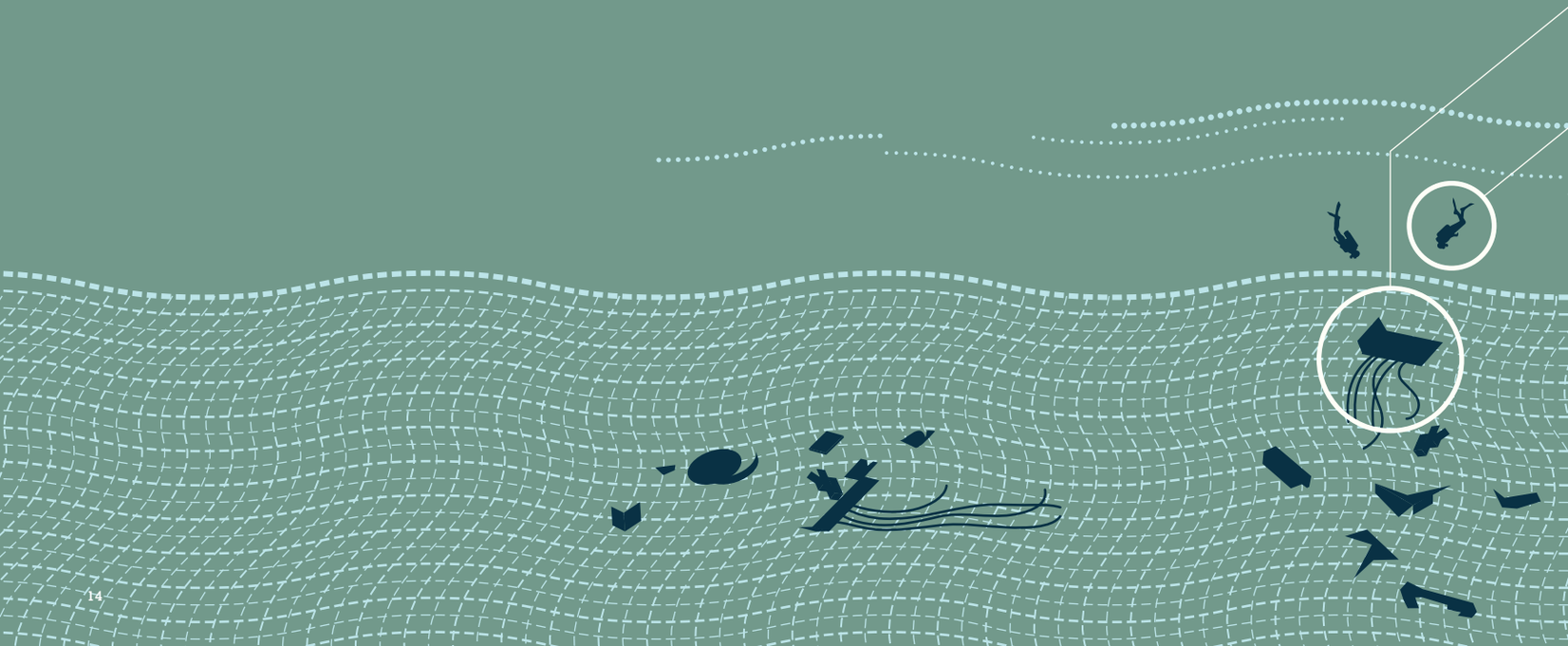


By Beverly Freeman *Illustrations by* Jameson Simpson

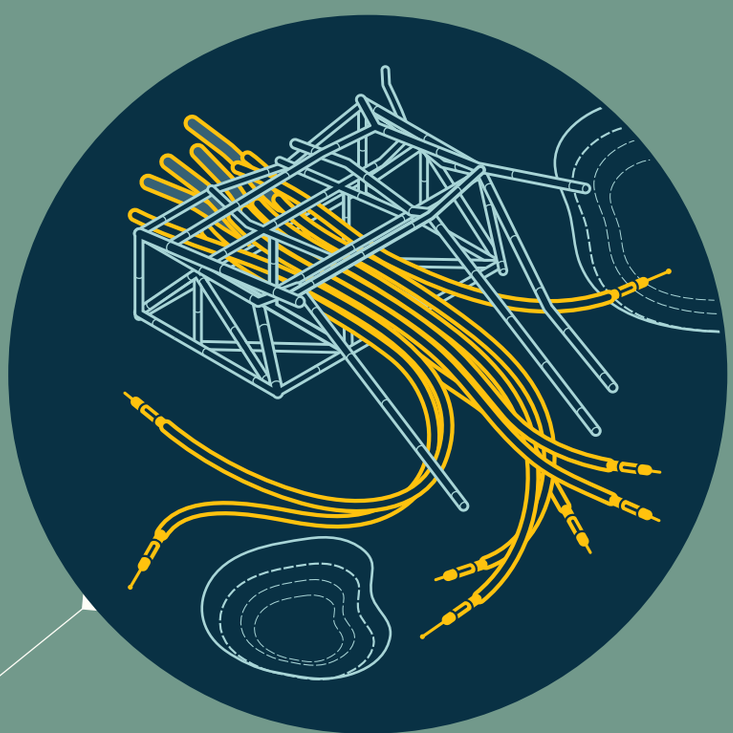
The Work Goes On

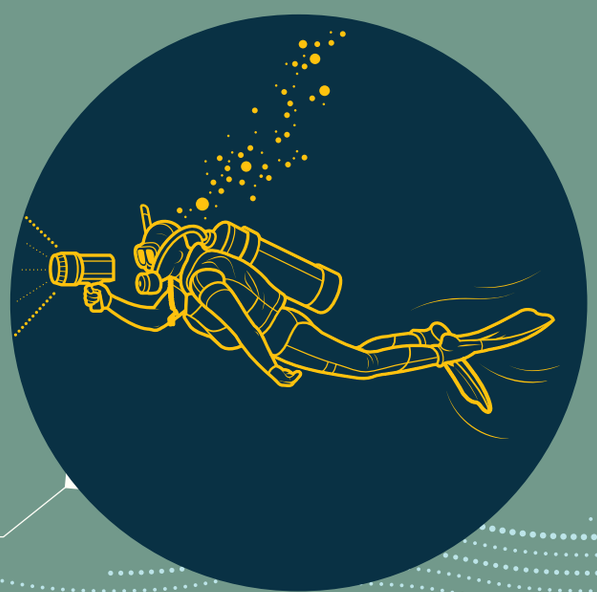
IN THE AFTERMATH OF THE HURRICANES KATRINA AND RITA, THE *OCEAN TOWER* IS STILL WORKING TO PLUG AND ABANDON CHEVRON'S DAMAGED OFFSHORE WELLS.

More than two years after Hurricanes Katrina and Rita battered the petroleum rich waters of the Gulf of Mexico, Diamond Offshore's *Ocean Tower* is among the vessels still working to repair the damage. For the past 18 months, the *Tower* has been at work exclusively for Chevron as the nation's second largest oil company plugs and abandons 222 of its offshore wells that will not return to production following the storms.



- **Before the *Ocean Tower* can begin work, the damage must be assessed and wreckage cleared. To initiate the effort, a survey of the ocean floor is conducted to create a 3D model revealing the damage, the location of each well bore and wellhead, and location of debris to be cleared. With a work plan in place, an offshore construction vessel equipped with saturation diving equipment joins the effort to clear debris, secure the wells and cut back the platform so the well bores can be accessed and the wells secured.**





According to the Minerals Management Service (MMS), Hurricanes Katrina and Rita were the greatest natural disasters to befall oil and gas development in the history of the Gulf of Mexico. Over 3,050 of the Gulf's 4,000 offshore platforms and 22,000 of its 33,000 miles of underwater pipelines were in the path of the two storms.

On August 28-29, 2005, Katrina blew through the Gulf with Category 5 winds of 175 mph, destroying 46 platforms and damaging 20 more before making landfall east of New Orleans. Less than a month later, Rita ripped through the high-density production areas of the West-Central Gulf with Category 4 wind speeds of 140 mph. Rita destroyed 69 platforms and damaged 32 others before slamming into Southeast Texas. While much of the Gulf's energy infrastructure survived, the two storms destroyed 114 platforms and damaged 183 pipelines and 20 drilling rigs, some permanently. Although precise numbers of damaged wells in the Gulf are unavailable, industry estimates are that more than 1,000 wells will be plugged and abandoned as a result of the two hurricanes.

For weeks following the storms, news cameras recorded dramatic images of rigs adrift and mangled platforms. But what was left above the surface was only part of the picture. Surging currents and shifting sea floors twisted pipes and scattered wreckage across the ocean bottom.

At Chevron facilities, the damage was significant. The storms toppled 13 production platforms and 11 caissons, which are used to develop reserves in shallow-water areas. In addition, six structures were leaning. Over 200 of the company's offshore wells were damaged beyond repair.

"While that sounds like a lot of wells, most were low pressure and were nearing the end of their productive life," says Kyle Harrelson, rig superintendent for Chevron's Operations Hurricane Restoration team.

THE *OCEAN TOWER* PLAYS AN INTEGRAL ROLE

The *Tower* has played an integral role in that effort. The *Tower* was chosen based on its flexibility and water depth capacity. With legs measuring 466 feet, the *Tower* can work in water depths up to 350 ft., one of the deepest in the Gulf. The LeTourneau 53-slot rig, which has been converted to a cantilever unit, has a reach of up to 65 ft. when beam extensions are added, which allows it to skid 15 ft. to port or starboard.

Jim Burdette, superintendent of Marine Operations for Diamond Offshore, says the *Tower* is particularly well suited to this work: "It has a big deck and the equipment needed to do the job. Plus, it's manned with some of our very best people. They've been with the company a long time and understand all of Diamond's policies, rules and regulations. In fact, the rig has won the Diamond Offshore President's Award two years running."

"We use the *Tower* on our most difficult wells and its size and cantilever reach have been critical to our operations," says Kyle. "Its ability to skid up to 15 feet means that all of the underwater wells can be reached without having to reposition the rig, which saves time and money."

But in spite of the rig's capabilities, the work has required novel approaches to perform the difficult task of reaching damaged wells far below the ocean's surface. "The *Tower* was designed to be a drilling rig, but it is now being used as a work platform," says Mick Laing, Diamond Offshore's Operations manager. "In order to accommodate this work, modifications were made to the rig, including cutting the under side flat to facilitate diving operations. Chevron also obtained permission from the MMS to work with a 30-ft. air gap between the bottom of the barge and the water rather than the usual 62-ft. gap. This reduces the pendulum effect as divers and equipment are lowered into the water."

UNBELIEVABLY DIFFICULT WORK

"It is unbelievably difficult to work on any of these wells," Kyle says. "The wreckage underneath the water is tremendous with mangled structures and debris everywhere. Every well is different and some of these wells are 20-25 years old so the information is sketchy at best. You also have no idea what happened to the wellbores or their condition due to the hurricanes. We are very dependent upon 3D modeling and the divers to investigate what is down there and provide the information we need to develop a work plan."

Before the *Tower* can begin work, the damage must be assessed and the wreckage cleared. To initiate the effort, a survey of the ocean floor is conducted to create a 3D model revealing the damage to the well conductors and the location of each well bore and wellhead. It also shows the location of debris that must be cleared. In addition, the surveyor conducts a soil penetration analysis that tells the *Tower*'s team how far its legs may sink into the ocean floor—critical information that can prevent rapid leg penetration which can damage the rig. All of these details are used to create a work plan for that specific location.

Once the work plan is in place, an offshore construction vessel equipped with saturation diving equipment comes on location to secure the wells and cut back the platform so the wellbores can be accessed and the wells secured. When the well is secured and the debris is cleared, the *Tower* moves into position.

"There is nothing there but open water so we use a satellite-based positioning (GPS) system and sonar to get an underwater "picture" of what's down there so that we can place the rig at the right position," says Jim. "It's like playing a video game because we are watching the bottom on a computer screen as we maneuver the rig to the correct spot and lower the legs."

Approaching a platform location requires several steps since there are no visible guidelines on the surface. As the process begins, the rig's legs are gently rested on the sea floor and the underwater side-scanning sonar (Mesotech) provides an image of the ocean floor and measures the distance from the rig to the wellhead. The process is repeated until the rig is correctly positioned over the wellheads. This allows the crew to ensure that all of the subsea wells can be reached from one position before the legs are allowed to sink into the mud. It is only then that the legs are allowed to penetrate the ocean floor.

"The water at our deepest location was 260 ft. and the legs penetrated 81 ft. into the mud," says Mick. "That means we had the legs extended 341 ft."

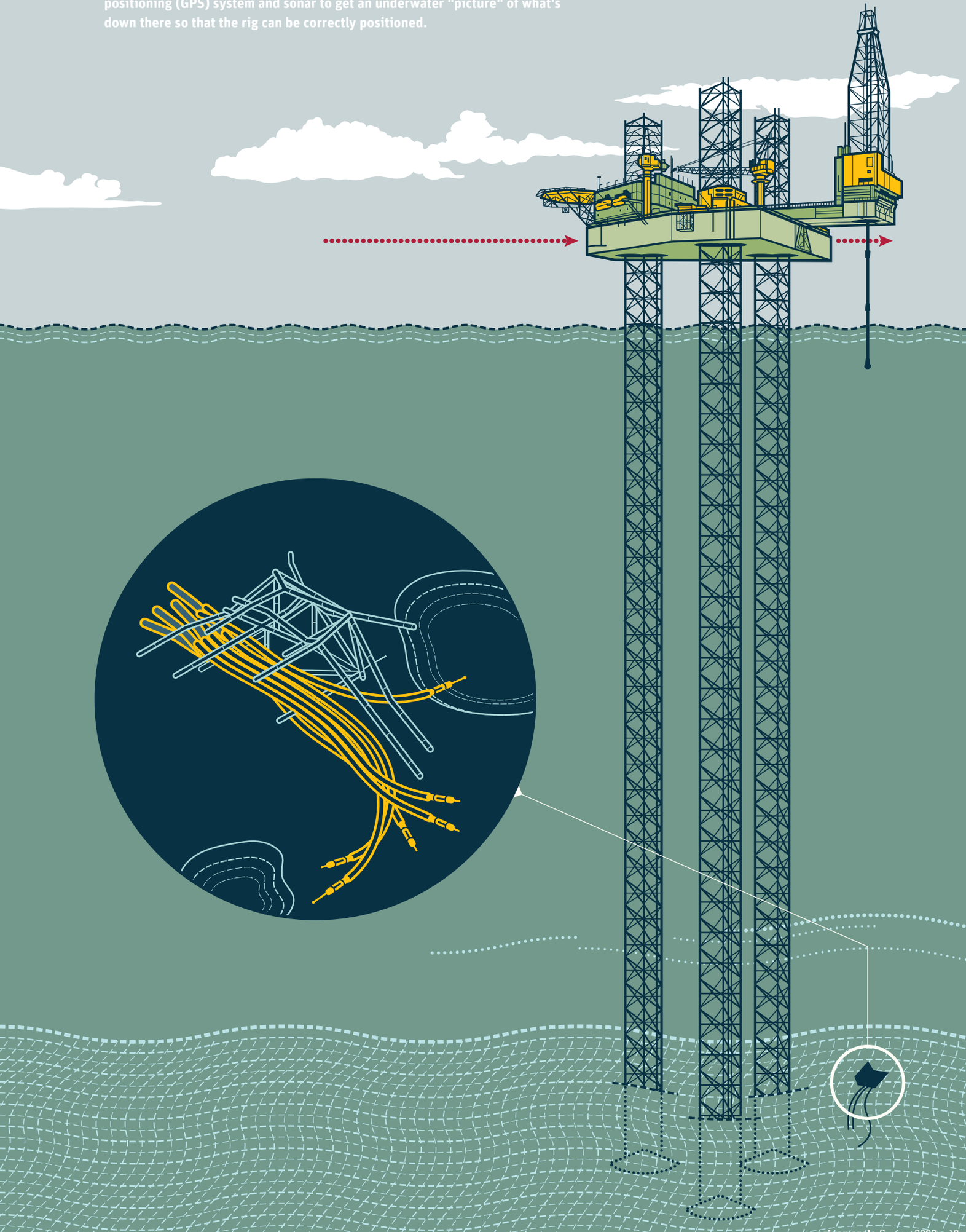
Once everything is in position, the well is plugged, sealed and pressure tested. Then, a remotely operated underwater vehicle conducts a survey to make sure no wells are leaking. It is only then that the *Tower* can move on to the next location.

Knowledge gained as the crews became familiar with the process has allowed the *Tower* of reduce the average number of days required to complete a well to three or four. Initially, that process required seven to 10 days per well. With more than 200 wells secured, it is anticipated that the work will be completed in 2008.

"We've improved our efficiencies tremendously," Kyle says. "That's a tribute to the communication, teamwork and experience of everyone on the team." ◆

BEVERLY FREEMAN HAS WORKED IN COMMUNICATIONS FOR THE ENERGY INDUSTRY SINCE THE 1970S.

- When the well is secured and the debris is cleared, the *Ocean Tower* moves into position. There is nothing visible but open water so we use a satellite-based positioning (GPS) system and sonar to get an underwater "picture" of what's down there so that the rig can be correctly positioned.



Guiding Chevron's Future in the Gulf of Mexico

Sometimes the greatest challenges bring out the best in a company.

Melody Boone Meyer, Vice President of the Gulf of Mexico strategic business unit for Chevron North American Upstream, knows this from experience. Experienced in start-ups, she's spent many of her 29 years with Chevron developing major projects in Angola, West Africa; Papua, New Guinea; and Tengiz, Kazakhstan. But until 2005, she said recently, she'd never overseen a "start-over" such as the one necessitated by Hurricanes Katrina and Rita.

By Molly Glentzer *Photography by* Drew Donovan

Meyer spoke from a corner meeting room of Chevron's sleek new complex in Covington, Louisiana. (In this serene, "collaborate and concentrate" environment, her desk—like those of her staff—resides in a large, open workstation.) Nestled into a wooded business park on the North Shore of Lake Pontchartrain, the 300,000-square ft., low-rise building is awash with natural light and beautiful views. It replaces the company's former offices in downtown New Orleans.

From here, Meyer directs business in Louisiana, Mississippi and Alabama as well as shelf and deepwater operations in the offshore Gulf of Mexico. Chevron is the largest producer in the Gulf of Mexico shelf and has a growing deepwater operation.

Meyer, who was previously vice-president of Chevron's onshore U.S. business, took the helm in New Orleans in 2004—just a week before that year's largest storm, Hurricane Ivan, forced the evacuation of GOM facilities. Back then, she knew plenty about operations but admittedly little about hurricanes.

"The timing was pretty good or pretty bad, depending on how you look at it," she said. "It prepared me for the next year, although we'd never seen anything like Katrina and Rita."

While Hurricane Katrina interrupted production in the Gulf, it wrought most of its devastation onshore. Flooding at Chevron's downtown New Orleans offices displaced more than 500 of the unit's 1,500 employees, many of whom also suffered heartbreaking personal losses.

Then, a few weeks later, Hurricane Rita roared catastrophically into the Gulf, adding to the total damage, destroying 30 Chevron offshore structures and more than 200 wells. Offshore teams responded immediately to safely repair and restore production.

For more than six months, Chevron onshore employees worked long hours from offices dispersed across southern Louisiana. "And that was just our onshore staff," Meyer said. Engineers and earth scientists hunkered in a bullpen-like environment, in a temporary office that was quickly constructed inside a North Shore gymnasium. "We had to take the basketball goals down and put in 250 workstations," Meyer recalled. "It was quite an adventure."

But the trials proved the strength of the "Chevron Way," the company's core values statement. Among those principles, Meyer explained, are "all the soft things that are most important"—ideals about caring for people, protecting the environment, upholding integrity, being innovative and above all, performing safely.

"We set the bar high and drive ourselves to high levels of performance," Meyer said.

"The whole industry performed extremely well in 2005," she added. "People in this industry across the Gulf Coast are very prepared to evacuate safely and ready their equipment to mitigate any adverse impact to the environment."

That performance continues today with longer-term restoration projects. Meyer praised Diamond Offshore's "outstanding" *Ocean Tower* crew, which should wrap up the plugging and abandonment of Chevron wells by the third quarter of this year. "They're providing a very unique service. And they're versatile, also handling leaning platforms and cantilevers," she said.

Chevron considers safety a core value, and Meyer especially appreciates DO's diligence. "They really excel in safe operations," she said. "Rarely—maybe never—does a rig get a perfect assessment from our drilling and completions compliance team. But this one did. They had about 470 days injury-free and about 168 days in IFO—meaning they had no safety incidents. That's reason to celebrate!"

In March, Chevron's hurricane restoration team received the National Ocean Industries Association's prestigious Safety in Seas award, which recognizes outstanding contributions to the safety of life offshore for energy workers. The NOIA press release cited Chevron's "relentless pursuit of improved processes and tools to safely remove debris and regain access to wellheads."

March also brought the move into the new Northpark office, which Meyer said is Chevron's first fully "green" facility. Northpark recently received gold certification in LEED (Leadership in Energy and Environmental Design), which is Louisiana's first commercial LEED building, and Chevron's first LEED building, recognizing the building's eco-friendly construction and operation. While smart architectural features abound in the complex, the intelligent design involves usability, too.

"You rarely get a chance to build a building around the way you work," Meyer explained. She's excited about team rooms enabled with Chevron's i-Field technology. "It is transforming the way we operate," she said. "We'll have the ability to link the offshore and onshore in real time, and monitor core operations offshore from here and centralize some of our core processes."

These kinds of initiatives don't stop with the oil and gas industry, she noted. Also one of the largest providers of alternative energy, Chevron already operates two geothermal projects in Indonesia. "We need all the energy sources we can develop to meet the needs of the future," Meyer said. Meyer was recently appointed the President of Chevron's Energy Technology Company, and while very difficult to leave the Gulf of Mexico team, she looks forward to leading Chevron's worldwide technology efforts.

What else looms large, looking ahead? For the oil and gas industry, Meyer said, human resource issues, given the rapidly-maturing workforce. After downsizing more than a decade ago, university petroleum engineering and geology programs can't rebuild fast enough, she said. "We're bringing in a lot of talented people who are going to have to take big leadership roles very early in their careers."

Chevron recently donated $4.75 million to Louisiana State University's engineering school. "We're a direct beneficiary," Meyer explained. For similar reasons, she serves on an engineering advisory board at the University of Texas.

Younger students benefit from Chevron's philanthropy, too. The company's Energy for Learning program is channeling $18 million into Louisiana schools. "Right after Katrina, we were looking for ways we could help. Education was so hard hit," Meyer said. "We assessed the condition of all the schools and awarded the funds based on the needs in each parish. They provide money for laboratory equipment and PCs—whatever the schools need to mature their science and math programs."

Two of Meyer's three children have followed her into the industry. While her younger son is a college freshman, her eldest works as an electrical engineer and her daughter is an oil and gas consultant.

Meyer had oil and gas in her genes, too. She was born in an oil camp and lived in energy centers including Houston, where her father worked in the industry. And her husband, Kim Meyer, contributed indirectly, supporting her rotational assignments and managing his career around supporting their children so that Melody could build her career.

"Our kids were really young—three, six and eight—when I was working 28-day rotations in Kazakhstan and Angola," she explained. Kim and the kids often joined her for vacations.

Today, Meyer relishes time with her family, either at their lake house in Texas or when they visit in New Orleans. "The French Quarter is terrific right now," she said. "It's clean and pretty, a great place to visit." She enjoys New Orleans, and feels fortunate to be in Louisiana and part of the Gulf of Mexico team during unprecedented challenges and significant accomplishments. ◆

FREELANCE WRITER **MOLLY GLENTZER** IS BASED IN HOUSTON, TEXAS.

NEW BUILDS ABOUT TO MAKE A BIG SPLASH

By Scott Redepenning *Photography by* Drew Donovan

Back in 2005, Diamond Offshore's two new ultra-premium jack-up rigs were represented by budget figures on a piece of paper. Two and a half years, $310 million and 34,000 tons later, the *Ocean Scepter* and *Ocean Shield* are something a bit more substantial.

Both rigs stand only weeks away from casting off from their respective shipyards and dropping their first drillstring on a dayrate. A good 95% of the work on these hulking monsters had been completed by late February. But the 5% that remains represents a challenge of its own.

"All we have left to do here at the shipyard are a few mechanical completions and commissioning of the equipment, which in many ways is the hardest part," says Steve Sheek, Project Manager of the *Scepter*. "There is just so much detail that goes into putting on the final touches. When you're knocking out the finishing punch list, you can spend a lot of time dealing with some of the smallest parts of the job."

Small parts is a far cry from the spectacle Sheek first witnessed on November 15, 2005, when the *Scepter* job "struck steel" and the first enormous plates of the superstructure began to come together. Diamond Offshore had made him an offer he couldn't resist—the chance to orchestrate the building of a rig from scratch, something the Company had not done since 1988. He packed his bags for Brownsville, Texas, home of Keppel AmFELS shipyard, arriving as the first member of the site team and the project manager at the start of construction. His primary job then was to carry out inspections and to add personnel as the construction continued.

"**This rig is a Cadillac.** Far from your average jack-up. This is a real fifth-generation new-build with all the bells and whistles. It has a **fully automated drilling system** and many other features that you would normally only find on our high-spec floaters. The rig is **very high-tech, user friendly** and **safe**."

One of those people is *Scepter* Operations Manager Jonathan Wilson, the man who will have oversight of all activities once the jack-up is delivered by the shipyard as ready and operational. Wilson doesn't even attempt to contain his pride and enthusiasm for the vessel he will soon helm.

"This rig is a Cadillac. Far from your average jack-up. This is a real fifth-generation new-build with all the bells and whistles. It has a fully automated drilling system and many other features that you would normally only find on our high-spec floaters. The rig is very high-tech, user friendly and safe. And it's huge, even bigger than some of our semis."

Indeed both the *Scepter* and the *Shield,* which is being built in Singapore, are each a surprising hybrid of technological intelligence and brute strength (the *Shield* was delivered by the shipyard in late April). Each will readily handle 2 million pounds of hook load and nearly 7.3 million pounds of variable deck load. They will be able to cantilever the enormous derrick and drill floor 70 feet out from the hull and run the pumping system to 7,500 psi. They will have the ability to put their legs down in 350 feet of water and drill wells up to 35,000 feet deep. But we're getting ahead of ourselves.

THE HOME STRETCH

With construction close to completion, the *Scepter* is a busy place. "Everything is on board," says Sheek. "Now there's just the matter of final hook up, testing, cleaning, paint touchups and shipping out." Wilson adds that the only really big job left to complete is the drilling system, and that job is progressing rapidly. "National Oilwell Varco is well along on installation of the top drive, crown block, draw works—all the big tools for drilling the well. This is all state-of-the-art robotic, computerized equipment, so they have to get everything put together and working perfectly." The onboard cranes will also be refurbished to like-new condition since the shipyard has been using them heavily to speed construction.

THE HUMAN FACTOR

One of the most critical steps in rig construction is building the expertise of the crew who will ultimately work the decks at sea. As the project has progressed, Wilson has ramped up the presence of his rig crew on site. "At the end of the day, the rig is really just a big expensive paperweight without the crew," he says. "The crew completely makes the rig, so we bring these guys in months early so they can see the construction and help us spot problems. Having the rig crews here helps us make tweaks that will make us much more efficient out there."

On any given day you may see the *Scepter's* future offshore installation managers, maintenance supervisors, mechanics, electricians and tool pushers roaming the decks as observers. Soaking up every detail of the construction is giving them a priceless knowledge base. By time the rig mobilizes en route to its first job they will know every feature inside and out. Yet there are other parts of their preparation that are far from priceless. "We are also sending our crews to specialized schools," says Wilson. "Diamond Offshore is spending approximately $45,000 per man on outside training to ensure we are operating to Company standards." Flashing a fleeting grin that betrays his competitive spirit, Wilson adds that a new rig such as the *Scepter* attracts some of the best and brightest personnel in the company.

"At the end of the day, the rig is really just a big expensive paperweight without **the crew...**"

MAKING THE GRADE

Every piece of equipment on the *Shield* and *Scepter* is considered a component, which is part of a subsystem, which is part of a system that combines with other systems to make the total rig. Every element in this intricate hierarchy has to be tested and then commissioned for real-world operations. This process has taken place throughout construction as the various components, subsystems and systems have been completed.

After yard delivery, the *Scepter* will begin a three-week to one-month test period during which final testing, commissioning, and additional crew training and familiarization takes place. Included in this phase is the total integration test. Sheek runs through the test list, pausing to catch his breath halfway through the litany. "Everything has to work together perfectly. The fluid moving system, solids control system, hoisting system, rotating system, BOP control, monitoring systems, living systems, safety systems, gas detection, firefighting, escape system," he says. "In the total integration test, the whole rig is run at full bore for 24 hours to make sure all systems perform as designed."

During testing, real-world operations are simulated at the dock-side. For example, drilling forces are replicated by installing large paddles on a string of drill pipe, lowering the apparatus into the water and rotating the top drive. The resistance of the paddles simulates the torque that will be on the top drive during actual drilling. To test total hook load capacity, the cantilever is moved out to maximum reach, and the rig is required to lift a 2-million-pound water-filled barge out of the water.

"One of the last things we do is the incline test," Wilson adds. "We jack the legs up until the entire structure is floating. We then move a known weight a known distance and measure the tilt. This tells us exactly where the center of gravity is, so we know how to balance the rig during transport and during operations. Rule number one around here is to keep the pointy end up."

GO TIME

This May, Keppel AmFELS is scheduled to finish all contracted tasks and pass the "keys" to the *Scepter* over to Sheek. With an air of ceremony, he then will turn them over to Wilson and watch his shiny new 35-month project ride off into the sunset.

"I am proud that we are going to have a state-of-the-art quality rig to deliver," Sheek says. "The *Scepter* and *Shield* will be the largest jack-ups in our fleet. This *Scepter's* a real thoroughbred, and building the rig has been a great experience."

Wilson punctuates the thought. "I feel very fortunate that Diamond Offshore has given me the opportunity to manage one of our new machines. I couldn't be more proud of this rig, and I can't wait to get started out there with the crew." ◆

SCOTT REDEPENNING IS AN INTERNATIONALLY EXPERIENCED FREELANCE WRITER, ENTHUSIASTIC SOCCER COACH TO 5-YEAR-OLDS, AND A HIGHLY QUALIFIED BEACH BUM.


DIAMOND
STEVE SHEEK

JENNINGS, LOUISIANA

Hometowns *of* Diamond Offshore

The cultural heritage of Diamond Offshore employees is rich and varied. In many cases, the men and women who crew our rigs come from the small towns and villages that help make up the heartland of the countries they represent. In this issue, we take a look at Jennings, LA, and some of our employees who call Jennings home.

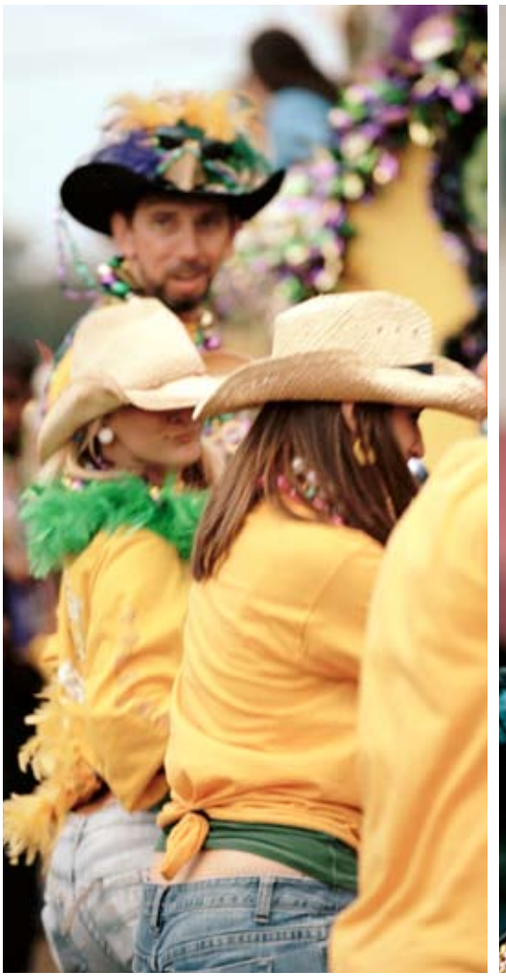
By Molly Glentzer *Photography by* Nichole Sloan

On the Saturday before Mardi Gras, the sleepy town of Jennings, Louisiana, jumped to life hours before the official parade.

Wildly-decorated flatbed trailers loaded with costumed revelers rumbled over prairie roads, past rice fields and crawfish farms, into the city's streets. Jaunty Cajun and Zydeco tunes blared from their loudspeakers, spreading the spirit: Laissez les bon temps rollez! (Let the good times roll!) Jennings' old Main Street vibrated with green, gold and purple. This stretch of town has seen better days, but a few shops remain, and "Christmas" trees dripping in Mardi Gras colors beckoned from their windows. At the corner known as Founders Park, folks downed rich jambalaya and crispy shrimp on a stick, chugged beer (or something stiffer from their coolers) and checked out the craft tables. Some danced, despite the early afternoon hour, to the rock music by a local band.

On stage in the historic Strand Theater, contestants in the annual Squeezebox Shootout—The World Cajun Accordion Championship—revved up the full house with traditional-style waltzes and two-steps. Thomas Cormier, a crane operator on the *Ocean Titan*, clapped along in the balcony with his wife, Faye, and a passel of kids and grandkids. They know many of the performers, some of whom were taught by Faye's 86-year old father, virtuoso William La Bouve, a Cajun Hall of Famer.

By 4 p.m., parade goers lined the street, plastic bags in hand for the baubles soon to be tossed their way. The Cormiers joined Rose and Graling Mouton, a crane operator on the *Ocean America*, for the fun. "Everybody's family here. Everybody is kin to someone," Faye said cheerfully. "And even our friends are like family."



The Cormiers and Moutons have been tight since about 1974, when Thomas and Graling shared some early hitches. Thomas, who grew up with Rose, had just started on the cranes. Graling, who spent four years in the Navy during the Vietnam War era, was roughnecking.

"Back then, you put together your own crew, hiring people from your own town," Graling explained.

Their children—the Cormier's three and the Mouton's two—went to school and grew up together. Today, they have 17 grandkids between them. Both couples still live in Lake Arthur, a bucolic lakeside town about 11 miles south of Jennings. Like other area Diamond Offshore families, they cherish home.

"Maybe it's our culture," said Faye, who's owned Family Video in Lake Arthur for 27 years. "We were raised this way and don't want to leave it."

They savor traditions as unique and ingrained as the local patois of their ancestors, the Acadians who settled the area in the 18th century. Family comes first, and life revolves around food—especially delicacies from the wild, dense swamps and marshes.

"Like the signs say, this is a sportsman's paradise," quipped Thomas. "Why would you ever want to leave?"

"Everybody's family here. Everybody is kin to someone."

Thomas Cormier

Todd Miller

He owns five boats—including bass boats, mud boats for duck hunting, and a 30-foot shrimper. "We catch all our own seafood," he said.

His large hunting camp out in the marsh often serves as party central. (Although parties can roll now, too: after Hurricanes Katrina and Rita, the Cormiers and Moutons prepared for future emergencies by buying campers which they now use to caravan to festivals and bass fishing tournaments.)

For more than 100 years, the oil industry has given many residents here reason to celebrate. Louisiana's first oil well, Jennings Oil Co. No. 1 Jules Clement, was completed about five miles north, in Evangeline, in 1901 and sits today at Louisiana Oil and Gas Park just across I-10 from Jennings. (The park also features a small lake and the Chateaux des Cocodies, where visitors can hold baby alligators and observe full-size Boudreaux, Thibodeaux and Clotilde alongside a 118-year old alligator snapping turtle named Rambeaux.)

Todd Miller, a deck coordinator on the *Ocean Valiant*, recommends the park to visitors, along with the quaint Country Store museum and the Strand Theater, where his father-in-law sings and helps stage the occasional play.

"A lot of it you take for granted because you've been here your whole life," he says, admitting that for him, "the big attraction is Wal-Mart."

He's not complaining. "It's simple here," he says. "I don't like a lot of complications."

Todd joined Diamond Offshore seven years ago, shortly before marrying his wife, Maria. "It's an interesting field of work for a Christian," he says. "I've never had a drop of alcohol in my life. But the guys I work with are great; they say that's kind of cool."

The Millers' house, on the road to Hathaway, is two doors from the house where Todd grew up, in a row of four Miller family homes.

Maria teaches second grade in the nearby town of Iowa. Although their lively three-year-old son, Caleb, keeps them hopping, the Millers also lead youth groups at the First Church of Christ, travel some (they hope to see Wrestlemania in Florida this year) and stay current with movies and video games—lots of them. A 65-inch flat-screen TV dominates their living room, and their collection of about 400 movies fills another room. Among Todd's favorites: Passion of the Christ, Braveheart, the Lord of the Rings trilogy and Star Wars. "Anything kind of geeky is right up my alley," he says.

James Guidry, who retired as a rig superintendent last September after more than 40 years in the business, watches a lot of movies, too—although classic Westerns are his thing. Originally from nearby Petit Mamou, he's lived most of his adult life two houses away from where his wife, Corieta, grew up.

Graling Mouton

James Guidry

They shared a stint in Japan in the early 1970s, when James worked on the *Ocean Prospect* with ODCO. His career also took him offshore to Newfoundland, Mexico, and most recently, Brazil—where he was an inspection manager on the *Ocean Whittington*. "Diamond Offshore gave me a good living all those years," he says.

But there's nowhere he'd rather be than at home in Cajun country. (For him, even the town of Jennings is a stretch.) Maybe that's why he's transitioned so easily to retirement. "There's always something to do around home—painting, raking," he says.

Corieta chimes in, chuckling. "He retired in September. Hunting season started in October. Need I say more?"

A member of the R. H. Miller Hunting Club, James hunts the Whiskey Bay area for deer, rabbit and squirrel—which he says makes great pot roast, gumbo or gravy. He and Corieta fish often on the Mermentau River from their 21-foot Nitro boat. A perfect day yields a haul of bass, white perch or catfish to cook on their "year-round outdoor kitchen"—a computerized stainless steel beauty with a rotisserie and grill that James received as his 30-year award from the company.

One of their sons lives next door, and the whole family—including two other grown children, five grandchildren and James' parents—typically shares the bounty.

Corieta decorated the house for Mardi Gras, but the Guidrys didn't join the public festivities. As dusk fell, they settled in for a night at home.

A few miles north on the prairie, cars and flatbeds jammed the parking lot at D.I.'s, a hugely popular Cajun eatery. Revelers (called Mardi Gras) in masks and pointy hats formed a circle, sang in French and staged some rowdy shenanigans for the crowd.

Back on Jennings' Main Street, dancers jammed to the washboard beats of T. Broussard and the Zydeco Steppers until nearly midnight. Thomas and Faye Cormier boogied with the best of them.

During a break, they fondly recalled dancing nights at Lake Arthur's now-defunct Lakeshore Club as well as their teen years, when "everybody came to Jennings to go to the bowling alley or the theater." The towns have changed, they said.

Come Sunday, except for the cleanup crews, Jennings' Main Street would be quiet again. But the fun wouldn't be over. The Cormiers were boiling crawfish out at their place. The family's musicians would be there, which also meant there'd be dancing—a real fais do-do—and new friends were welcome. ◆

FREELANCE WRITER **MOLLY GLENTZER** IS BASED IN HOUSTON, TEXAS.

Ocean Voyager/Mexdrill Del Carmen Warehouse

Night of the Iguana (OK, Actually Daytime)

Unlike the 1948 Tennessee Williams short story (turned play and movie) there is no intrigue surrounding these critters that regularly visit our Del Carmen, Mexico, warehouse. Perhaps Steven King or Alfred Hitchcock could make something out of it, but for now about the most excitement the iguanas cause is when they suddenly dart between the legs of a worker or an unsuspecting visitor. The iguanas range in size up to about 4½ feet and like to populate the trees, walls and equipment on the warehouse grounds. The wall in particular appears to be a community center where they like to line up displaying a rainbow of colors and sun themselves.

Photos Courtesy of **David Deron**
Operations Manager, *Ocean Voyager*

Ocean Victory

Professional, Courteous, Conscientious Flight Deck Crew

For the past year, I have been flying an Air Logistics S-76 helicopter from Galliano, LA, to the *Ocean Victory*. During my years visiting almost every rig operating in the oil field, I have never worked with a more professional, courteous, and conscientious group of flight deck personnel than those currently assigned to the Victory.

We routinely operate in one of the most hazardous environments imaginable to a helicopter pilot. Managing every variable over which we have control, we achieve our goal of providing our passengers the greatest margin of safety in helicopter travel. An offshore rig, however, while we are engaged on the deck, is an environment over which we have very little control. Three of your employees, Robert Taylor, Max Dixon and Wayman Taylor have served in the role of HLO during my time serving the Victory. I cannot overstate to you the pleasure it has been to work alongside each of them.

Robert, Max and Wayman always maintain constant vigilance while overseeing the landing, refueling, reloading and take-off phases of flight operations on the Victory. I can tell that they were not only well selected for their job, but that they are well and thoroughly trained, and that expectations of them are rightfully high. Furthermore, during more than 250 visits to the Victory during the past year, I have never left the rig without receiving at least a bite to eat and drink of juice or water. These tokens help keep our attention sharp, and if nothing else, they show sincere kindness and consideration in an often harsh industry.

Mr. Holly, (Richard Holley is Rig Manager on the Victory) you should be proud of the way these three men represent Diamond Offshore. They and their flight deck teams are the model for all rigs to follow in the Gulf of Mexico. Robert, Max and Wayman not only make a very positive impact on the safety margin I am able to provide my passengers; they just plain make my life more safe. For that, my own family is grateful.

Very Sincerely,

Jim O'Brien, Captain
AIR LOGISTICS, A BRISTOW COMPANY

Ocean Princess

Keeping a Grip on Things for Safety

Talisman Energy (UK) Ltd recently instituted a dropped object reduction programme for all of their (owned and contracted) UKCS facilities. Specialist inspection teams from Can Offshore Ltd have been visiting all Talisman installations and conducting derrick inspections with the intention of accomplishing the following goals;

- Removal of loose objects and debris
- Removal of redundant and / or potential dropped objects
- Compiling an overall inspection summary of findings

Extracts from the Can Offshore Ltd report, for their visit to *Ocean Princess* include the following comments:

Dropped Objects: *An extensive dropped object sweep of the derrick was performed and no potential dropped objects were found.*

Overall: *The derrick is in good condition due to the high standards of repair and maintenance and, as a result, the Can Offshore team did not find any dropped or potential dropped objects."*

This is the first time that any installation, covered by the programme, has had a "clean sweep", according to Talisman Energy's Well Construction Superintendent, Steve McAllister, and can be taken as "proof positive" that Diamond Offshore's industry leading **Global Excellence Management System—Derrick Management Plan** is a supremely effective tool in the hands of the highly committed and safety conscious management and crew of the *Ocean Princess*.

My thanks and congratulations to all involved,

Brian McGrath, Operations Manager, *Ocean Princess*

Ocean Princess
Hand Safety Awareness

In the offshore drilling business, hand safety is a critical issue. To help heighten awareness among our rig crews, HSE/QA manager David Johnson encouraged Diamond Offshore rig workers in Europe and North Africa to design a logo that would remind crews of the importance of safe hand and finger placement when working around their rigs.

In all, 110 entries were received from seven different rigs. A nine-member panel including Moe Plaisance, vice president, international operations, judged the entries. Prizes were awarded to all entrants, and a winning logo was selected for each rig. A grand prize winner was also announced.

The grand prize, which is pictured here, went to Gordon Allardyce, rig medic, on the *Ocean Princess*.

Bill Long
Magna Stella Award

Diamond Offshore Senior Vice President and General Counsel, Bill Long, has received a prestigious Magna Stella award for 2007 in recognition of his achievements as one of the top general counsels in the State of Texas. The award, which recognizes excellence for in-house leadership, was presented at the 9th Annual Texas General Counsel Forum, whose membership consists of general counsel and senior level managing counsel from hundreds of companies throughout the state.

The finalists and winners were selected by an independent panel of judges comprised of Mike Godfrey, General Counsel for Texas A&M University System; Charles Lotter, retired General Counsel of J.C. Penney; Keith McDole, former General Counsel of Occidental Chemical Co. and partner at Jones Day; Anne McNamara, retired General Counsel of AMR Corporation and its subsidiary, American Airlines; and Buck Smith, retired General Counsel of 7-Eleven, Inc.

Ocean Patriot
Wallaby Rescue

A wallaby that was washed down the Fawthrop river in Portland, Australia, managed to climb aboard a pontoon on the *Ocean Patriot*, which was dockside for a survey. Our divers who were working around the rig spotted the soaked macropod and took him to a makeshift radio room on the dock where Jay Crocker, safety man, provided care. A local wildlife and fisheries agency was called and they transported him back to the wild.

Ocean Epoch
Louis Scavone, a Job Well Done

With the *Ocean Epoch* having ended her time with Shell I think it appropriate to commend to you Louis Scavone for an excellent effort in 2007.

Louis always has Diamond's best interests in the forefront of his mind, but this has never prevented him from working very hard to address many issues on the Epoch throughout the year. His safety commitment is beyond question and he is always determined to get to the root cause of incidents and take the necessary corrective action to make the rig a safer place to work. He has been willing (and done a good job) to make presentations to Shell management and to service company groups whenever requested.

His efforts to improve performance, support Shell's objectives, encourage his team and hold accountable those who need it, is commendable.

Many thanks and regards,

Vince Tilley, Drilling Superintendent
SHELL DEVELOPMENT (AUSTRALIA) PROPRIETARY LIMITED

BRITISH SAFETY COUNCIL

Ocean Princess

The Pinnacle of Safety Achievement

Diamond Offshore Drilling UK Ltd and the *Ocean Princess* have won the British Safety Council's coveted Sword of Honour award for 2007. Diamond Offshore was one of only 40 organisations worldwide presented with a Sword of Honour, which is widely recognised as the pinnacle of safety achievement in the UK.

The Sword of Honour scheme, now in its 28th year, recognises organisations that have implemented safety systems that are among the best in the world. Only organisations that achieve the maximum rating of five stars in the Council's Five Star Health and Safety Management System Audit are eligible to apply. Organisations also have to prove they have a culture of aiming for best practice, promoted from the boardroom to the shop floor. The application form covers key areas of safety activity. All applications are independently adjudicated and standards this year were the highest yet.

In congratulating the Company, B. Nimick, Chief Executive of the British Safety Council, said: "Everyone winning a Sword of Honour this year has demonstrated that in addition to ensuring extremely high standards of Health and Safety in the workplace, they have also considered how their business impacts on others. Being a winner of a Sword this year is an exceptional achievement, something that everyone in your company can be proud of." The HSC Commissioner, Professor Sayeed Khan, was the guest speaker at the luncheon and added his congratulations.

A message of congratulations was also sent by Prime Minister Gordon Brown, who said: "I send my congratulations to all of those organisations being presented with a Sword of Honour by the British Safety Council. These awards recognise the crucial success that these organisations and their employees have achieved in their pursuit of excellence in the management of health, safety and environmental matters."

Ocean Yatzy

Accident Assistance

We herein express the US-SS/SC gratitude to all *Ocean Yatzy* crew at the time of the aerial accident (offshore Brazil) with the BHS craft "Super Puma," (helicopter... which had to force land onto the sea when taking off (from) the P-18 in the afternoon of 28 February, 2008 (the Yatzy was operating nearby the incident). Particular (thanks goes to) those... who were participating in the emergency duties... directly giving support to the survivors...

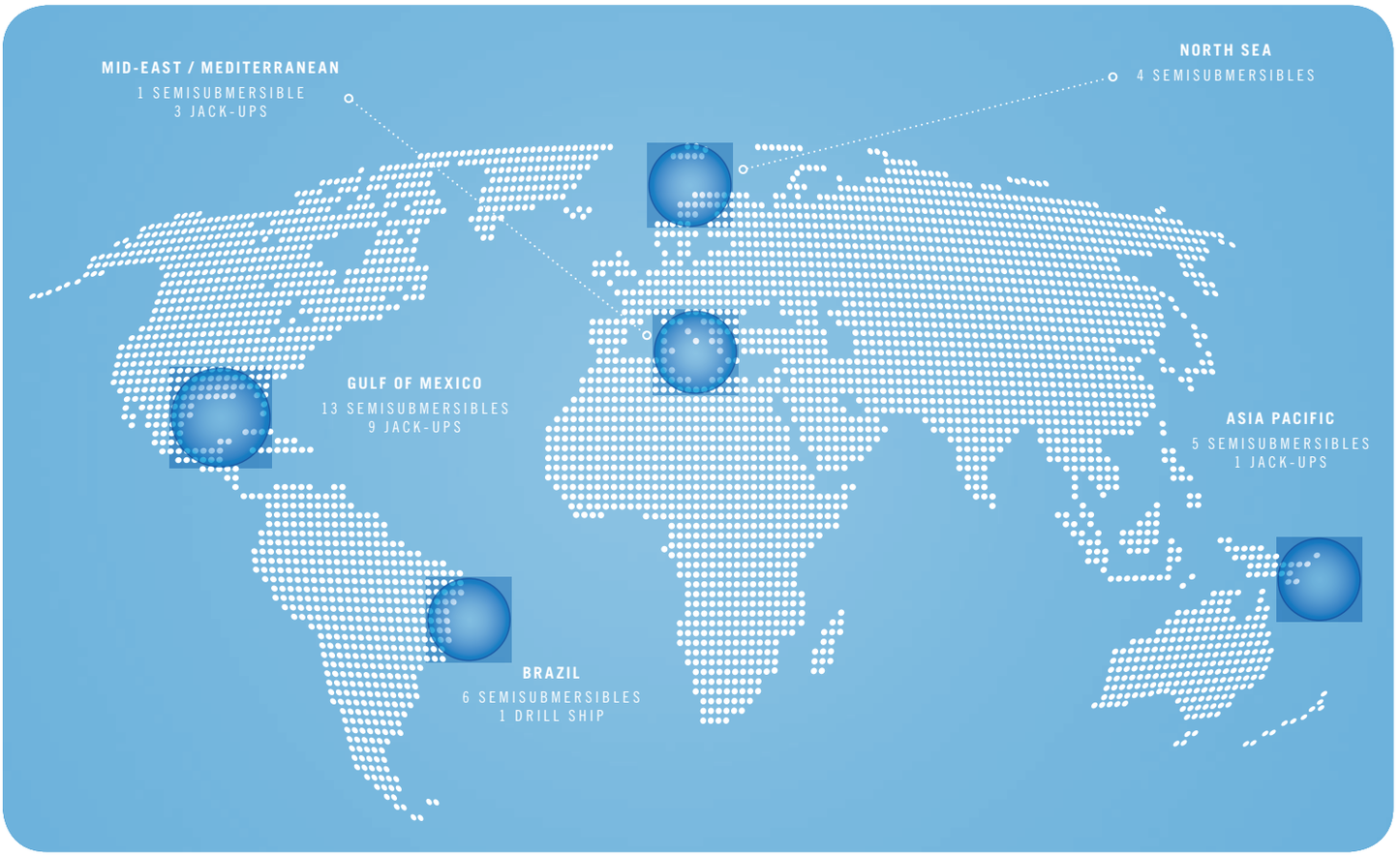
Regards,

Ricardo de Oliveira Faria
Contract Coordinator III

Petrobras held a ceremony on the P-18 on 3 April, 2008, in recognition of everyone's performance.

RIGS & LOCATIONS

DIAMOND OFFSHORE RIGS BY TYPE AND LOCATION



SEMISUBMERSIBLES			
OCEAN ENDEAVOR	10,000	VC; 15K; 4M	GOM–US
OCEAN CONFIDENCE	7,500	DP; 15K; 4M	GOM–US
OCEAN BARONESS	7,000+	VC; 15K; 4M	GOM–US
OCEAN AMERICA	5,500	SP; 15K; 3M	GOM–US
OCEAN STAR	5,500	VC; 15K; 3M	GOM–US
OCEAN VALIANT	5,500	SP; 15K; 3M	GOM–US
OCEAN VICTORY	5,500	VC; 15K; 3M	GOM–US
OCEAN QUEST	3,500	VC; 15K; 3M	GOM–US
OCEAN VOYAGER	3,200	VC	MEXICO
OCEAN CONCORD	2,200	3M	BRAZIL
OCEAN SARATOGA	2,200	3M	GOM–US
OCEAN NEW ERA	1,500	3M	MEXICO
OCEAN WORKER	3,500	3M	TRINIDAD
OCEAN YORKTOWN	2,850	3M	GOM–US
OCEAN AMBASSADOR	1,100	3M	GOM–US
OCEAN GUARDIAN	1,500	15K; 3M	NORTH SEA–UK
OCEAN PRINCESS	1,500	15K; 3M	NORTH SEA–UK
OCEAN VANGUARD	1,500	15K; 3M	NORTH SEA–NORWAY
OCEAN NOMAD	1,200	3M	NORTH SEA–UK
OCEAN ROVER	7,000+	VC; 15K; 4M	MALAYSIA
OCEAN EPOCH	1,640	3M	AUSTRALIA
OCEAN GENERAL	1,640	3M	INDONESIA
OCEAN BOUNTY	1,500	VC; 3M	AUSTRALIA
OCEAN PATRIOT	1,500	15K; 3M	AUSTRALIA
OCEAN ALLIANCE	5,000	DP; 15K; 3M	BRAZIL
OCEAN WHITTINGTON	1,500	3M	BRAZIL
OCEAN WINNER	4,000	3M	BRAZIL
OCEAN YATZY	3,300	DP	BRAZIL
OCEAN LEXINGTON	2,200	3M	EGYPT

JACK-UPS			
OCEAN TITAN	350	IC; 15K; 3	GOM–US
OCEAN TOWER	350	IC; 3M	GOM–US
OCEAN KING	300	IC; 3M	CROATIA
OCEAN SPARTAN	300	IC	GOM–US
OCEAN SUMMIT	300	IC	GOM–US
OCEAN COLUMBIA	250	IC	MEXICO
OCEAN CHAMPION	250	MS	GOM–US
OCEAN CRUSADER	200	MC	GOM–US
OCEAN DRAKE	200	MC	GOM–US
OCEAN HERITAGE	300	IC	U.A.E.
OCEAN SOVEREIGN	300	IC	INDONESIA
OCEAN SPUR	300	IC	EGYPT
OCEAN NUGGET	300	IC	MEXICO

INTERNATIONAL DRILLSHIP			
OCEAN CLIPPER	7,500	DP; 15K; 3M	BRAZIL

UPGRADING			
OCEAN MONARCH	10,000	VC; 15K; 4M	SINGAPORE

UNDER CONSTRUCTION			
OCEAN SHIELD	350	IC; 3-4M	SINGAPORE
OCEAN SCEPTER	350	IC; 3-4M	GOM–US

KEY
DP = DYNAMICALLY POSITIONED/SELF-PROPELLED
IC = INDEPENDENT-LEG CANTILEVERED RIG
MC = MAT-SUPPORTED CANTILEVERED RIG
MS = MAT-SUPPORTED SLOT RIG
VC = VICTORY-CLASS
SP = SELF-PROPELLED
3M = THREE MUD PUMPS
4M = FOUR MUD PUMPS
15K = 15,000 PSI WELL-CONTROL SYSTEM

ruminations

"I am Safety Man." That's what his self-manufactured hatband is telling us—over and over. And over. But is that what he's thinking? How can we see into the mind beneath the impenetrable plastic of his hardhat? And even if we could, the hardhat is just the first of many protective layers keeping us from solving the mystery of the man. Dark glasses, with a backup safety pair riding standby on his neck say that he can see out but we can't see in. Bright, yield-sign-yellow ear buds, reassuringly tethered to one another, tell us that he's only listening to the outside world on his terms.

Head, eyes, ears, even his tightly measured smile and crossed arms telegraph the message that he's all about safety and caution. He even seems to be avoiding the perils that a Gillette Mach3 can wreak when pulled across a bristly jowl. But being safety conscious to a fault is a common trait for Diamond Offshore people—not offering us any windows into this particular person's psyche.

So, let's take it from the top. We at least can see that his name is Chris Corbell. We also know that he wants us to know him as Safety Man. The rest will just have to be our best guess.

DIAMOND
OFFSHORE