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June 4, 2010

Honorable Ken Salazar
Secretary of the Interior
1849 C Street NW, Room 6156
Washington, DC 20240

Dear Mr. Secretary,

The International Association of Drilling Contractors recognizes value in numerous recommendations outlined in DOI's "Increased Safety Measures for Energy Development on the Outer Continental Shelf," including more rigorous requirements for well design, enhanced training and adoption of safety case requirements based on the 2009 "IADC Health, Safety and Environmental Case Guidelines for Mobile Offshore Drilling Units."

At the same time, IADC is dismayed to see a blanket suspension of deepwater drilling in the US Gulf of Mexico. This will lay waste to tens of thousands of jobs, not only in the deepwater industry itself, but also in their neighborhoods and communities.

The federally ordered drilling suspension will idle approximately 33 deepwater mobile offshore drilling units not involved in the Macondo relief-well effort, each employing 180-280 workers, according to the Louisiana Mid-Continent Oil and Gas Association. In addition, according to LMOGA, each of these jobs supports four other industry employees. This represents 900-1,400 jobs impact per rig, or an aggregate 29,700-46,200 jobs total. LMOGA puts the direct wages lost as high as \$330 million per month. These figures exclude job and income losses within these workers' communities.

The Macondo is a tragic accident. However, shutting down an entire industry is overreaction. The 30 deepwater rigs in the Gulf of Mexico are operating according to established industry best practices and emphasize the best possible safety and environmental practices.

A better solution is to validate the fitness of current deepwater drilling operations, and allow these to continue, even as industry and government work together to ensure more robust performance moving forward.

To validate fitness of existing deepwater rigs, IADC suggests the following steps:

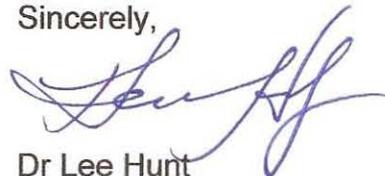
- Re-certify all BOP equipment used in floating drilling operations and ensure their suitability for the rig and well design. This suggestion combines Recommendations 1 and 2 of the Department of Interior's 27 May document "Increased Safety Measures for Energy Development on the Outer Continental Shelf;"
- Ensure rig personnel are trained to industry- and government-accepted standards for well-control procedures;
- Review operator well plans, with particular emphasis on casing and cementing designs to ensure sufficient pressure barriers and that designs are fit for purpose;

After confirming the correctness and preparedness of each rig and well design, these deepwater rigs should be permitted to resume work, and the DOI should resume issuing permits for new deepwater work. Meanwhile, industry and government can work through additional recommendations outlined in DOI's Increased Safety Measures for Energy Development on the Outer Continental Shelf".

IADC is an active participant in the Joint Industry Task Force organized at the Secretary's behest. Accordingly, IADC would welcome a meeting with the Secretary and members of his staff to discuss means of expediting lifting the deepwater-drilling suspension.

Thank you for your attention and consideration.

Sincerely,



Dr Lee Hunt
President