



DRILLING AHEAD

OTC '02: Phantom of the Astrohall

Mike Killalea, Editor & Publisher

ANOTHER YEAR AND we are again well met at the Offshore Technology Conference, that cornucopia of E&P technology and achievement, gadgets and gizmos, and people, people, people.

But OTC 2002 marked a sea change. After 31 years in Houston's Astrohall and Astroarena (and a couple boom years in the 'Dome itself), OTC has a new home, albeit within the familiar confines of the same tarmac preserve, Reliant Park (formerly the Astrodomain). The spanking new Reliant Center, which opened in April, spans the north side of the site, soon also to be home to an enormous new football (American-style) stadium.

I recently had the privilege of attending a press briefing on OTC and the new Reliant Center. This event featured remarks by Houston Mayor **Lee Brown**, County Judge **Bob Eckels** (not a judicial position, but a uniquely Texan title for a county's chief executive, in this case for Harris County) and OTC Chairman **Charlie Richards** of **C A Richards & Associates**. OTC and Reliant Park staff also gave detailed presentations on the facility and how the event will play out in its new surroundings.

(For all that, the major interest of the attending press, as evidenced by the preponderance of the questions, was: (a) complimentary press parking and (b) press room location and amenities.)

I attended wearing two hats—as DC editor (And yes, in the interests of full disclosure, I secured a press parking pass. Why not?), the other as official representative of IADC, OTC Endorsing Organization.

IADC SUPPORTS OTC

Now a number of professional and trade organizations participate in OTC. There are 11 "Sponsoring" (the event's institutional founders), 4 "Endorsing" and 5 "Supporting" organizations. Of those 20, representatives of just 4 attended the briefing—Society of Petroleum En-

gineers, which manages the event; Marine Technology Society, represented by OTC Chairman Charlie Richards; American Society of Mechanical Engineers-Petroleum Division; and IADC (yours truly).

But then OTC is important to IADC and to our members offshore and, to a great extent, onshore, as well. After all, unless specifically adapted for marine environments, drilling technology is not limited to the sea.

The support of IADC members for OTC is pretty impressive. OTC studies showed that in 2001, 10.6% of all registrants declared themselves members of IADC. Only two of the 20 OTC organizations were cited more frequently—SPE, with 29.2%, and ASME-PD, less than a percentage point ahead at 11.3%.

AN IMPRESSIVE FACILITY

So OTC is important to IADC, and we strongly support it. It was therefore with great interest that I toured the new facility. Reliant Center is an impressive edifice, much longer than wide. Its 1,532-ft extent bridges nearly the entire block between Kirby Dr on the west and Fannin on the east. If upended, the centre would stand taller than the Petronas Towers in Kuala Lumpur.

The loading docks behind the building can accommodate 118 exhibit-laden 18-wheeled vehicles. At 706,000 sq ft total indoor area (half of which is consumed by aisles, registration areas, etc), Reliant Center is slightly less roomy than the old Astrohall/Astroarena combo.

On the other hand, the centre's rectangular layout is far more amenable to exhibitors and exhibit viewers alike. Many were the booths in the old hall/arena doomed to the limbo of untrod-den corridors. IADC's exhibit, in fact, sometimes dwelt in such obscurity. One year, I joked to friends that we offered a prize to any who could actually *find* our booth.

Such complaints should largely evapo-



CAPITAL WIRELINES

Drillers face new anti-dumping threat by US OCTG manufacturers

Brian T Petty, Senior Vice President-Government Affairs

OCTG Anti-Dumping Case Filed (Washington) – After having just won a crucial victory in the fight to exclude drill pipe components from the scope of penalties recently imposed by **President Bush** against foreign steel and steel products, the drilling industry faces a new threat posed by the filing of an “anti-dumping” case by domestic manufacturers of OCTG. In response, IADC Senior Vice President-Government Affairs **Brian T Petty** sent the following letter to the International Trade Commission:

“I understand that there will be a preliminary hearing at the International Trade Commission that takes place on April 19, 2002, and that the purpose of the hearing will be to address recently filed anti-dumping and countervailing duty cases against a wide variety of countries. I also understand that these cases will include unfinished drill pipe imported by U.S. drill pipe manufacturers.

“I will not be able to attend this important hearing. However, I wanted to express the International Association of Drilling Contractors’ (IADC) opposition to these cases as they apply to drill pipe. The ability of U.S. drill pipe manufacturers to have access to the drill pipe tubes necessary to meet the contract drilling industry’s increasing specifications is of vital importance to IADC. At least two of the three principal U.S. drill pipe manufacturers obtain their green drill pipe tubes from foreign sources and I do not believe there is any evidence that either one of these companies are utilizing imports to undersell or underprice their competition. They utilize these foreign sources in order to ensure the quality of finished drill pipe.

“I also understand that the petition as filed would combine drill pipe with tubing and casing as a single like product. IADC believes this would be a significant mistake and contrary to every other decision the ITC has made in this regard. Indeed, as recently as the OCTG sunset reviews completed in 2001, the ITC differentiated imports of unfinished drill pipe from Mexico and Argentina from tubing and casing from those same countries. Drill pipe is separate and distinct from tubing and casing, and the performance characteristics, quality and specifications for drill pipe tubes are very different from tubing and casing.

“Drill pipe is used over and over again while tubing and casing is not. Drill pipe is subject to extreme forces while drilling a well, as it is continually rotated and inserted and reinserted in the well. The growing prevalence of top drive rigs also places extreme forces on drill pipe. It is for these reasons that drilling contractors have continually increased the standards and specifications of the drill pipe they require. Today, the vast majority of drill pipe purchased by IADC members must meet standards above minimum American Petroleum Institute (API) specifications. These increased standards are absolutely necessary so that the drill pipe tubes comprising part of the finished drill pipe do not fail due to metal fatigue or other reasons, which are of utmost concern as the wells being drilled become more complicated and potentially hazardous.

“In summary, IADC strongly urges the Commission to analyze drill pipe tubes as a separate like product and remove it from the current investigation.”

IADC and dominant domestic drill pipe fabricator **Grant Prideco** are hopeful that this request for exclusion from this latest protectionist effort by the domestic OCTG industry will be granted. ■

rate thanks to the new, more rational layout and a generous outdoor exhibit area. For the foot-weary visitor, ever-thoughtful OTC management is providing trams.

REAL WORK GOES ON!

OTC and such events are red-letter days to those of us working the communications tour, not to mention our redoubtable friends in marketing and sales. That’s important work, for, as a wise man once told me, nothing happens until something sells. Therefore, events like OTC are critical to the our industry’s commercial interests.

Let’s not forget, though, in the real world outside OTC, our industry’s real work continues to turn to the right, oblivious of high-profile conferences and exhibitions.

In my past life as nose-to-the-grindstone petroleum engineer doing “real work”, it was the treat of treats to attend OTC or (even better!) an out-of-Houston boondoggle. There was a long line of us lowly Dilberts hoping the boss would dole out the requisite approval for our ultimate edification, education—and, yes, enjoyment.

Many readers of this magazine are loyal subscribers who couldn’t make OTC. They are in the real world doing real work. And even as I write this, many are wearing two hats (or more!). They are hustling with OTC preparations, but still managing regular work—not a trivial combination!

CENTER OF THE UNIVERSE

As one friend said, “The regular work goes on. OTC is just another little something to deal with.

“But for the first 15 minutes on the first day [of OTC], all our executives come to the booth, and it is the center of the universe. They might admire this or that, or just nod and say, that’s nice. Or they might question why something is a certain way, or it’s not another way. At that moment, you can feel real small if everything’s not exactly right.”

ADIOS ‘HALL, HELLO CENTRE!

Even as OTC transpires, the old Astrohalla will be transformed into a pile of rubble. Bid it *adios*. We saw a lot of technology there and made lots of friends. But I’m shedding no tears at the ‘Hall’s destruction. The place served its purpose and it’s time to move on. The phantoms of OTCs past can live in memory. I sure won’t miss the leaky roof! ■