

“The ‘people’ issue is, in my view, the biggest challenge we have to tackle.”

– Claus Chur

2006 Chairman looks to membership diversity to further empower IADC

VIEWING A TELEVISION report about the drilling industry when he was 21 led **Claus Chur** on a career path that ultimately led to him becoming a director of **KCA DEUTAG** and IADC’s 2006 Chairman. He took his first job as a roughneck on a drilling rig working in a small oil field close to the Alps. He quickly found the technology itself and the adventurous working environment so fascinating that he decided to make his career in the oil and gas industry.

“For me, it was really something special,” Mr Chur explained. “It was my first experience, and it stayed throughout my whole career.”

After working on the rig for a few months, he attended the University of Clausthal-Zellerfeld, one of the very few European universities at the time that specialized in petroleum and drilling engineering. In Clausthal he also met his wife, Beate, whom he married when he earned his Masters degree in Petroleum and Drilling Engineering in 1979. Beate was studying at the University of Hamburg to become a librarian. Claus and Beate eventually had two children, Florian and Maria.

“I suppose this is a very typical start in the oil and gas industry which needs full dedication and commitment to the profession and the family from both partners.”

BEGINNING A CAREER

Upon graduation from the university, Mr Chur began his professional career with a **Shell Exxon** affiliate, working in the drilling department as a Drilling Engineer in the office and as a company man at the rig site.

Five years later he was offered the position of Operations Manager and later Technical Director for the Continental Deep Drilling Program of the Federal Republic of Germany (KTB), a



Claus Chur, right, with Gerrit Meijvogel, Toolpusher on KCA DEUTAG’s Rig T-75 in Pakistan. The rig was marking 1,890 days without a lost time incident as of 26 July, 2005.

basic geoscientific research project to investigate the physical and chemical processes in the deeper continental crust. As a supplement to the Ocean Drilling Program, the KTB targeted the continental crust on a depth range with temperatures beyond 250° C to investigate the composition and dynamics of fluids, the distribution of rock stresses and the understanding of geophysical structures and heterogeneities in the continental crust.

To achieve the targets, two wells were drilled in crystalline rock — a 4,000 m

continuously cored pilot hole and a main hole with a final depth of 9,101 m.

“Numerous innovative solutions had to be found to overcome the huge technical challenges,” Mr Chur explained. “A stationary drilling rig with a hookload capacity of 8,000 kN with the first gear driven quad drawworks was built, and the first pipe handler to handle 40 m long stands was installed.”

Other technologies resulted from these wells, including one that many consider a very recent innovation.

"Downhole, the technology highlight certainly was the development of the first automated rotary steerable drilling system," Mr Chur said, "a technology today widely used to increase efficiency of directional wells."

In 1995 he joined DEUTAG, the company that performed the drilling operations on the Continental Deep Drilling Project. Serving in different functions of increasing responsibility, such as General Manager for Equipment and Engineering, he became more and more involved in operational management responsibilities in Europe and DEUTAG's international activities in Africa and the Middle East.

Importantly, he was among the first who realized the potential and challenge of the Russian market and directed the company's focus on this strategic target.

"We became aware of the huge potential and the production Russia already had at that time," he explained, "which was not so well known publicly, so it was determined that it would be a good market especially for DEUTAG as a European contractor."

DEUTAG had already been involved in the region with the manufacture and delivery of a couple of workover rigs and operating them while training local crews. By the end of the 1990s, Mr Chur said, Russia was open to international drilling contractors, their technology and their business. As a result of that acceptance, KCA DEUTAG resumed operations in 1999 with its first rig and now operates five land rigs and three platforms in the country today. In mid October 2005, KCA DEUTAG opened its new Russian regional office in Tyumen to support the further growth of the business.

After the merger of KCA and DEUTAG in 2001, he became a member of the KCA DEUTAG Board. As Business Unit Director, his day-to-day duties include responsibility for all operations in Europe, the Middle East and Russia.

He has published numerous articles on all aspects of the industry and serves on several industry and government advisory committees.

In his free time he plays golf (he requested that his handicap remain confidential, although he noted that it was improving with the patient support of his colleagues). During the winter season, he enjoys skiing in the French Alps with his family and friends and mountain hiking in the summer. As a matter of fact, upon



Claus and his wife, Beate, with their children, Florian and Maria. The Churs enjoy skiing during the winter and mountain hiking in the warmer months. Mr Chur's most recent hike was through Austria in October.

completion of the interview for this article, he was headed to Austria for several days of hiking.

During weekends at home, he enjoys cooking Italian menus and traditional dishes from his Bavarian home as a highlight for a social gathering or just relaxing with Beate while listening to classical or rock music.

GROWTH OF KCA DEUTAG

When KCA and DEUTAG merged in 2001, the company made a significant step towards becoming a global international player. KCA DEUTAG invested \$200 million during the last two years to expand its land rig fleet via newbuilds, refurbishments and acquisitions.

This successful development of the drilling business was possible with the strong commitment of **ABBOT GROUP** to develop its subsidiary KCA DEUTAG as a major player in the global land and platform drilling business and will further continue.

KCA DEUTAG now operates 38 platform rigs and 56 land rigs, some presently under construction. The assets are located in strategic markets with future growth potential, including West and North Africa, the Middle East, the Caspian Sea area and Russia for the interna-

tional growth, and the North Sea and Continental Europe as its home market.

Important aspects of KCA DEUTAG's business are the engineering capabilities for well design and the construction of complete rig packages for on- and offshore projects.

The pool of drilling engineers is core to achieve the company's vision "to become the preferred drilling contractor through measurable performance improvement," Mr Chur noted. The engineering and project management competency for the execution of major engineering, procurement and construction (EPC) projects has been successfully demonstrated, delivering state-of-the-art rig packages for recent projects in Angola and Azerbaijan.

The company's unconditional commitment to safety and quality of all its employees forms the basis for its economic success.

"At KCA DEUTAG our firm belief is that an incident- and accident-free environment is possible, every day, 365 days a year, in all our activities worldwide," Mr Chur explained.

INDUSTRY OUTLOOK

"The perspective for our industry is extremely positive," Mr Chur said. "This optimism is not a result of wishful thinking but is based on a thorough analysis of the fundamentals."

He noted that there is continuous growth in demand of primary energy driven by the growth in world population and the fast growing economies in China and in India. Oil and gas will keep their dominant roles for the world's energy supply for decades.

Parallel to that, the natural decline in the production of existing oil and gas fields can be observed year by year. As a result, he continued, there is a need of additional production of approximately 100 MM bbl of oil equivalent/day within the next 10 years.

"In my view this only can be achieved with intensified exploration activities, enforced application of advanced production technologies, and drilling, drilling, drilling."

During this year's IADC World Drilling Conference in Rome, it became obvious in numerous discussions that the demand for additional new rigs will increase significantly.

“Actual numbers will depend on how many non-utilized rigs can be refurbished and reactivated,” Mr Chur said.

“What is the magnitude of the necessary renovation of the huge fleets in Russia and China? And finally, how many rigs in what time can be delivered by the rig manufacturers?”

“These questions alone show the enormous challenge our industry is facing to maintain and to further improve our high standards in safety and quality.”

He also emphasized that at the end it comes down to the industry’s most valuable resource — people.

“There is certainly a shortage of skilled personnel in the market and attracting and training of young professionals either working at the rig floor or in the office becomes more and more difficult.

“The ‘people’ issue is in my view the biggest challenge we have to tackle during the coming years.”

Mr Chur said he would like to begin a discussion concerning what IADC and its members can do to communicate a better image of the contract drilling industry to

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the young generation at high schools and universities, to inform them about the important role the industry plays in securing the future energy supply.

“Career opportunities for the young generation in our industry are tremendous,” he continued. “It is probably one of the best times in at least 20 years.

IADC’S ROLE

Among the core values IADC has given itself, it is stated that IADC’s greatest strength is its diversity of membership, land and offshore, large and small, whether operating multinationally or in a single market.

“It is my intention to take this as a guideline for my term as 2006 Chairman of IADC,” Mr Chur said. “It describes very well the risks and opportunities the organization is facing in an industry

landscape where in parts of the market consolidation is progressing and in other parts new drilling contractors play a more and more active role.

“I believe it is worth approaching these newcomers and to convince them to become part of this great organization,” he continued.

“This would not only increase IADC’s reputation as the only trade association representing the contract drilling industry worldwide but also be in line with our strategic vision that IADC must take the lead in setting standards for the industry, developing guidelines and recommended practices.

“It is a high expectation for a one-year term,” he said. “I certainly need and expect the support from the whole of IADC, and I know I will receive it from the IADC staff, some of whom I already know and others whom I will know.”

When asked how he would like his chairmanship to be remembered, he said, “I would be satisfied if a lot of our members and the people would remember the guy and say, ‘He did a good job.’ ” ■