



Tale of the Tape for Drilling-related Services

DRILLING FLUIDS

SATISFACTION LEVEL: HIGH

TOP-RATED SUPPLIER: M-I SWACO

RUNNER UP: NEWPARK RESOURCES

FISHING

SATISFACTION LEVEL: MEDIUM

TOP-RATED SUPPLIER: SMITH INTERNATIONAL

RUNNER UP: BAKER HUGHES

CEMENTING

SATISFACTION LEVEL: MEDIUM

TOP-RATED SUPPLIER: BJ SERVICES

RUNNER UP: HALLIBURTON

DIRECTIONAL DRILLING

SATISFACTION LEVEL: MED/LOW

TOP-RATED SUPPLIER: SMITH INTERNATIONAL

RUNNER UP: SCHLUMBERGER

MEASUREMENT-WHILE-DRILLING

SATISFACTION LEVEL: LOW

TOP-RATED SUPPLIER: SCHLUMBERGER

RUNNER UP: SCIENTIFIC DRILLING

THE OTHER DRILLING GUYS

Considerable attention has been given to the role drilling contractors play in executing today's increasingly complex wells. Yet, there exist other related services traditionally not provided by drilling contractors that play equally impactful roles in determining the quality, and ultimate profitability, of a well. For the purposes of EnergyPoint Research's independent surveys, these other "drilling-related services" consist of five separate offerings: drilling fluids, fishing, cementing, directional drilling, and measurement-while-drilling (MWD). From a high-level perspective, our survey results suggest drilling-related services as a whole are generally well-regarded by customers. In fact, since 2004, the category's customer satisfaction scores have outperformed those of both contract drillers and EnergyPoint's broader index of oilfield products and services. It's when one drills down further into the details that ratings disparities emerge across service types and suppliers.

LOW RATINGS FOR SOME...

Looking at customer satisfaction ratings for each of the five offerings comprising drilling-related services, we note that directional drilling and measurement-while-drilling services place at the bottom of the group. While numerous factors likely explain this, we believe a couple of issues in particular are at work here. First is the fact that both directional drilling and measurement-while-drilling have undergone relatively rapid uptake as of late. This is the result of several trends, including: the need for greater productivity in the drilling phase to offset the shrinking size of wells; the industry's ability to pinpoint and exploit smaller, but still commercially viable, pockets of hydrocarbons, and; the increased use of horizontal drilling for unconventional wells. Unfortunately, this rapid growth has hurt service quality, especially compared to more staid segments like drilling fluids, fishing and cementing services. Our second observation is that both directional drilling and measurement-while-drilling are drilling related services. This means greater interaction with, and dependence upon, third-parties and external factors such as drilling contractors, rigs, and bottom-hole assemblies. In other words, multiple inputs must be in sync for these services to achieve top performance. The good news is today's suppliers are continually improving their abilities to integrate their products with others' offerings to improve overall performance.

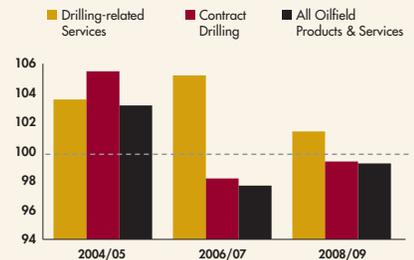
...OTHERS FIND THEIR GROOVE

Predictably, suppliers with little or no exposure to directional drilling and measurement-while-drilling segments tend to rate higher within the category. To wit, M-I SWACO, one of the industry's more dominant and focused suppliers of drilling and completion fluids and services, has rated first in drilling-related services since 2006. And pressure pumping specialist BJ Services rated second. But it's a different story for the integrated players. Although Halliburton rates near the average, Schlumberger, Baker Hughes and Weatherford all fall below the mean. In terms of the offerings themselves, drilling fluids and fishing services, two relatively mature segments, score highest with customers overall.

ABOUT THE DATA

This report is derived from 12,000+ customer evaluations of oilfield product and service suppliers collected via EnergyPoint Research's independent surveys since 2004. In exchange for participating, respondents were provided survey results in the form of our MarketPartners® Reports and Updates, past versions of which may be found at www.energypointresearch.com. To learn more about EnergyPoint Research and our surveys, contact us at info@epresearch.com or +1.713.529.9450.

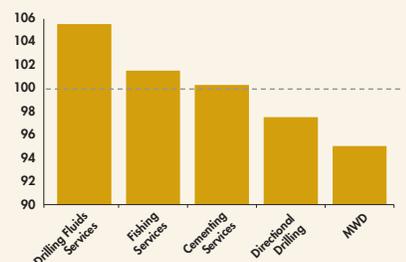
Drilling-related Services Scores Have Remained Robust Over the Years...
2008 - 09 Category Ratings as a % of Long-term Industry-wide Average



... As Drilling Fluid Leaders Show the Greatest Buoyancy
Category Ratings as a % of Industry-wide Average Since 2004



Directional Drilling & Measurement-While Drilling Rate Lower than Other Service Types
Category Ratings Since 2008 as % of Long-term Industry-wide Average



* Note - Based on 2008 - 09 Rankings.

ABOUT ENERGYPOINT RESEARCH

EnergyPoint Research provides independent research regarding the oil and gas industry's satisfaction with the products and services it purchases and utilizes. The firm offers industry professionals and their employers opportunities to provide comprehensive and confidential feedback to suppliers through objective and independent evaluation processes. In return for participating in surveys, respondents and their employers receive complimentary survey results in the form of EnergyPoint's *MarketPartners*® Reports and Updates. Through the *MarketPartners*® Program, EnergyPoint regularly surveys significant cross-sections of experienced industry participants involved in the selection and utilization of oilfield products and service providers. Survey participants range from managers at some of the world's largest energy companies to field personnel at independents and regionals. To learn more about EnergyPoint Research and our benchmark surveys, go to www.energypointresearch.com or call the company in Houston at +1.713.529.9450.

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