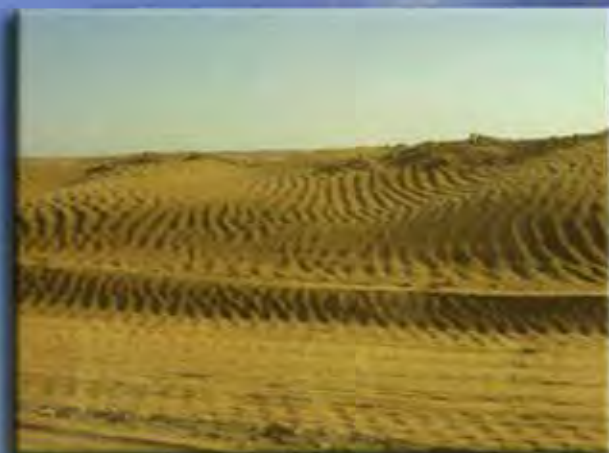


ENTERPRISE

Helmerich & Payne, Inc

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H&P's newest horizon is located in Tunisia amid the Sahara Desert.

Also Inside:

- FlexRig™ Project Sets Industry Benchmark
- H&PIDC's U.S. Land and Offshore Operations Managers
- H&PIDC Puts a New Face on Security
 - HSE Goals Meetings Renew Focus
 - TU Students Tour H&P Rig
 - 2006 Service Awards
 - "Lights On" Lives On



H&P's FlexRigs at the Greens Port Rig-up Yard in southeast Texas.



H&P employees at Greens Port, from left: Kathy Carpenter, repairs coordinator; Ed Bull, construction superintendent and HSE specialist; and Bob Blong, logistics supervisor.



From left, Barry Blades, CEO of SixthSense, Inc., Alan Orr, Executive Vice President, Engineering and Development of H&PIDC, and Corey Lawyer, project manager, gather along with others every Tuesday in Vidor, Texas, to be briefed and updated on the FlexRig project.

Corey Lawyer, project manager. "From the beginning, we knew ordering and receiving the equipment for the mixed rig types at this pace would be challenging, but all along, making sure our customers are fully satisfied has been our top priority."

Lawyer continues, "As the FlexRig project progressed, we have been faced with the added challenge of a tighter supply market. Other drilling contractors see our success and want to jump on the bandwagon; as

a result, rig parts are in higher demand and more difficult to acquire. But, thanks to the relationship we have developed with our suppliers and the lessons we've learned in terms of ordering as far in advance as possible, we've been able to manage this situation."

The Lean Push

"With the decision to increase the rig production cadence to four, came the realization that for rig cost targets to be achieved, maximized

productivity up and down the supply chain was essential" says Ed Bull.

Early on, H&P contracted the services of SixthSense, Inc., a management consulting company, to help with the multiple challenges the FlexRig project would present. Specializing in Lean Manufacturing, SixthSense, Inc. was key to the overall success of the project by providing a systematic, hands-on approach for planning, executing and sustaining process improvements. "The lean push began with the idea of doubling production with the same personnel and floor space in 2002," says Barry Blades, CEO of SixthSense, Inc. "The effort was so successful, H&P now seeks to double output once again."

During the past several years, SixthSense has worked closely with H&PIDC in eliminating waste in every area of production including supplier networks and factory management. Other lean principles instigated were business assessment; physical and logical process mapping; visual workplace/simple monitoring; and continuous improvement.

"The FlexRig lean production program has exceeded our expectations in many ways," says Lawyer. "We have achieved cost reductions in the program's assembly, start-up and daily operations. Once in the field, customers have been pleased with the rig's ability to lower their overall project costs with reduced drilling time and faster rig moves, all within an improved safety environment."

Collaborative Effort

In order to be successful, a project of this magnitude also requires the close collaboration of a number of supporting businesses and suppliers. A major player and the FlexRig project's principal steel