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Diamond Offshore Drilling

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Introduction

Diamond Offshore Drilling: The Story of An American Company chronicles the remarkable journey of one of the United States' most enduring and influential offshore drilling contractors. From its humble roots in the Texas oilfields to its rise as a global leader in deepwater drilling, this book explores the evolution of Diamond Offshore Drilling against the backdrop of an ever-changing energy landscape. Over six decades, Diamond Offshore has navigated cycles of boom and bust, periods of intense innovation, and transformative shifts within the oil and gas industry—all while maintaining a distinctive presence in the complex world of offshore energy services.

The company's story begins in the early 1960s, arising from Brewster-Bartle, an onshore drilling firm rescued from bankruptcy by Texas oilman Don McMahon. Renamed Diamond M Drilling Company, after McMahon's very own ranch, the business soon ventured into the offshore sector as America's hunger for energy—and the need to extract hydrocarbons from ever-more challenging environments—grew. Diamond M Drilling's expansion mirrored the broader narrative of American oil: bold entrepreneurship, rapid growth during booms, and resilience in the face of adversity.

Through a series of strategic acquisitions and transformative mergers—including the purchase of ODECO, once a pioneer in submersible rig design, and the absorption of Arethusa and Zapata—Diamond Offshore continually reinvented itself. By embracing technological advances and expanding its fleet, the company cemented its reputation for operational excellence and innovation, serving both major integrated oil companies and ambitious independents across the globe. Its fleet, comprising state-of-the-art semi-submersibles and drillships, became a symbol of American ingenuity and capability beneath the seas.

Yet the company's journey has not been without hardship. Like much of the offshore drilling sector, Diamond Offshore has weathered turbulent market cycles, including the oil bust of the 1980s, the 2014–2016 price collapse, and the seismic disruptions of the COVID-19 pandemic. The 2020 downturn forced a critical reckoning, leading to Chapter 11 bankruptcy and a subsequent, hard-fought corporate renewal. Emerging from restructuring, Diamond Offshore not only survived but showed signs of renewed vigor—winning major contracts, modernizing its technology, and capitalizing on a rebound in offshore demand.

In recent years, the story reached a new turning point with the company's acquisition by Noble Corporation in 2024. This merger, emblematic of ongoing industry consolidation, integrated Diamond Offshore's specialized fleet and storied expertise into a newly expanded global drilling giant. The move hints at profound changes yet to

shape the offshore drilling world, raising questions about legacy, innovation, and the future of American offshore contractors in an environment increasingly shaped by geopolitical, environmental, and market forces.

This book reveals the full arc of Diamond Offshore Drilling's history—its pioneering spirit, its setbacks and triumphs, and the leadership decisions that shaped its destiny. Through stories of people, platforms, and pivotal moments, it also opens a window onto the wider saga of American offshore drilling and its evolving role in the world's search for energy. Whether you come as an industry professional, historian, or simply a reader captivated by tales of business transformation on the high seas, this is a true account of resilience, reinvention, and legacy in the oil patch and beyond.

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CHAPTER ONE: The Origins: Brewster-Bartle and the Texas Oil Patch

The story of Diamond Offshore Drilling, Inc. isn't one that began with a grand vision of conquering the high seas. Instead, its roots were firmly planted in the dusty, sun-baked landscape of the Texas oil patch, a realm dominated by onshore drilling operations in the mid-20th century. To truly understand Diamond Offshore's genesis, we must first delve into the narrative of Brewster-Bartle, the company from which it sprang.

In the early 1960s, the oil and gas industry in Texas, while still robust, was also undergoing shifts. The state had long been the epicenter of American oil production, with legendary fields like Spindletop igniting booms that transformed its economy and landscape. However, by the 1960s, much of onshore Texas was considered "mature" in terms of geological exploration, leading producers to increasingly focus on more costly secondary and tertiary recovery methods to extract oil from known fields. This period also saw a decline in the number of independent producers, as larger firms acquired smaller ones.

Brewster-Bartle was one such onshore drilling company operating within this dynamic environment. While details of its early operations are sparse, it was clearly a player in the Texas drilling scene, owning rigs and engaging in the demanding work of punching holes into the earth to find and extract hydrocarbons. In 1956, for instance, Brewster-Bartle Drilling Company, Inc. was involved in operations where a crane, used during the original drilling of wells offshore from Mustang Island, experienced a bolt failure. The company later sold this crane to Gulf Oil Corporation in 1957. This incident, while minor in the grand scheme of the oil industry, provides a glimpse into the company's activities and the inherent risks of drilling operations, even onshore or in shallow waters.

The early 1960s proved to be a challenging time for Brewster-Bartle. The oil and gas industry, like any commodity-driven business, experienced its share of cycles, and while Texas remained a vital production hub, economic pressures and shifting market dynamics could quickly impact individual companies. For Brewster-Bartle, these pressures culminated in a significant setback: bankruptcy. This turn of events left the company's assets, including its drilling rigs, in the hands of its bank creditors.

The fate of a bankrupt drilling company and its idle rigs might seem like a somber end to a business venture. However, in the world of Texas oil, a setback for one could often be an opportunity for another. The very nature of the industry fostered a spirit of

resilience and a keen eye for potential, even in distressed assets. It was into this scene that a figure named Don McMahon would step, forever changing the trajectory of Brewster-Bartle and laying the groundwork for what would become Diamond Offshore Drilling.

McMahon was a Texas rancher and oilman, a combination that spoke volumes about his connection to the land and the industry that defined much of the state's economy. He was the kind of individual who understood the inherent risks and potential rewards of the oil business, someone who wasn't afraid to take a gamble when he saw an opening. His background as a rancher also suggested a certain pragmatism and a willingness to get his hands dirty, qualities essential for success in the rugged world of oil drilling. While the specific details of his previous ventures are not extensively documented, it's clear he had established himself as a shrewd operator within the Texas energy landscape.

The banks, now holding the assets of the bankrupt Brewster-Bartle, recognized McMahon's reputation and acumen. They approached him with a proposition: to take over the failed company. It was a bold move, considering the circumstances, but one that presented McMahon with a chance to acquire drilling assets at what were likely favorable terms. For McMahon, it was an opportunity to expand his footprint in the energy sector, leveraging existing equipment rather than starting entirely from scratch. The year was 1964, a pivotal moment that marked the true beginning of Diamond Offshore's lineage.

McMahon accepted the challenge, breathing new life into the remnants of Brewster-Bartle. His first significant act was to rename the company, imbuing it with a personal touch that would stick for decades. He christened it Diamond M Drilling Company. The "Diamond M" was not a random choice; it was a nod to his own ranch, Diamond M Acres, located near Simonton, Texas. This naming convention reflected a common practice among early oil entrepreneurs, who often stamped their businesses with a personal brand, linking their identity directly to their enterprise. It also grounded the new company in its Texan origins, emphasizing its connection to the very land that had produced so much wealth and opportunity.

Under McMahon's leadership, Diamond M Drilling Company began its journey, initially focusing on the onshore drilling operations that had been Brewster-Bartle's bread and butter. The Texas oil patch, while mature, still offered ample opportunities for skilled and efficient drilling contractors. The 1960s saw continued development drilling in South Texas, with significant programs undertaken by companies like Continental Oil Company in the Sacatosa field and intense activity in the Person field of Karnes County. This environment provided a fertile ground for Diamond M to re-establish itself and build a solid foundation.

However, McMahon, with his entrepreneurial spirit, was not content to simply remain

an onshore driller. The energy landscape was evolving, and the whispers of a new frontier were growing louder: offshore drilling. The vast expanses of the Gulf of Mexico, just a stone's throw from the Texas coast, held untold reserves, and the technology to access them was rapidly advancing. This emerging market presented a tantalizing prospect for expansion and growth, promising greater rewards for those willing to brave the unique challenges of operating at sea.

The transition from onshore to offshore drilling was not a simple one. It required different equipment, specialized expertise, and a far greater tolerance for risk and logistical complexity. Onshore rigs, while robust, were designed for stable ground, not the unpredictable movements of ocean swells. The infrastructure needed to support offshore operations—supply vessels, helicopters, subsea equipment—was also vastly different. Yet, the potential rewards were immense. The promise of vast, untapped reservoirs beneath the waves beckoned, drawing forward-thinking companies and individuals who were willing to invest in the future of energy extraction.

Don McMahon, with his newly christened Diamond M Drilling Company, would soon answer that call. While the immediate focus was on consolidating and revitalizing the onshore business inherited from Brewster-Bartle, the horizon was already shifting towards the shimmering expanse of the open ocean. The stage was being set for a transformation, from a grounded Texas oil company to a player in the exciting and challenging world of offshore exploration. This initial chapter, born from the ashes of a bankruptcy and fueled by the ambition of a Texas oilman, would prove to be just the first step in a much larger and more complex narrative. The foundations were laid, not with grand pronouncements, but with the quiet, determined work of recovering from a setback and recognizing the shifting currents of an industry poised for its next big leap.

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