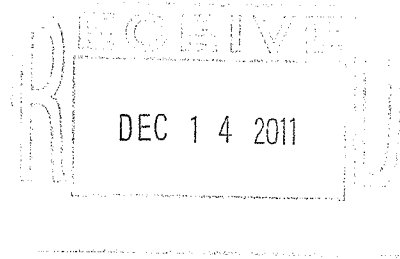




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December 13, 2011

Mr. J. Gordon Seymour
Secretary
Public Company Accounting Oversight Board
1666 K Street, N.W.
Washington, D.C. 20006-2003



PCAOB Rulemaking Docket Matter N. 37 Concept Release on Auditor Independence and Audit Firm Rotation

Dear Mr. Seymour:

The Audit Committee of Oil States International, Inc. (Oil States) is pleased to submit comments to the Public Company Accounting Oversight Board (PCAOB) on its concept release on auditor independence and audit firm rotation (the Concept Release).

Summary of Our Views

From our perspective, Oil States' auditors continue to maintain an independent attitude and a healthy degree of skepticism in conducting their work with us because of their professionalism and tone and expectations set by this audit committee and the auditors' direct and effective communications with us. We do not believe that auditor independence would be improved by mandatory auditor rotation. We strongly believe that our shareholder interests would be harmed by the distractions and additional costs that will result if there is a mandatory requirement to rotate audit firms. We are concerned that there is no evidence to support that mandatory auditor rotation will improve audit quality. We have read and agree with Ernst & Young LLP's November 18, 2011 response letter to you concerning the above captioned Concept Release.

Comments on Auditor Independence and Audit Firm Rotation

1. We believe that independence and professional skepticism is at the core of our relationship with our auditor. Not only are there rules governing this relationship but there is a "tone at the top" with our committee and management supporting independence with our auditors. We view the audit committee of a registrant as the primary group responsible for oversight of a Company's relationship with its independent auditor. We would support additional disclosure



requirements in a Company's annual proxy or elsewhere requiring registrants to discuss processes in place to ensure audits are conducted independently and with a healthy degree of professional skepticism.

2. We believe a comprehensive analysis of mandatory auditor rotation would highlight the fallacy of auditor rotation increasing independence and professional skepticism. First, given the low number of audit firms truly capable of managing and completing an audit of a global company like Oil States and the number of registrants required to switch auditors each year, we believe audit firms would be overwhelmed with "getting up to speed" on new clients and transitioning former clients to new firms. This situation will reduce audit quality and timeliness of registrants' reporting in our opinion. We believe mandatory rotation of audit partners in an audit firm assigned to an engagement provides a "fresh look" at a registrant's financial statements without most of the cost and disruption.
3. We believe that the PCAOB inspection process has demonstrated what a degree of professional skepticism looks like for the accounting firms. We believe progressively more serious steps can and should be taken by the PCAOB to sanction auditors if firms fail to meet the independence and auditing standards.
4. Any potential rulemaking action by the PCAOB needs to carefully consider the existing requirements placed upon registrants to report timely, accurately and completely. Additionally, from a practical standpoint the PCAOB needs to reflect on the additional burdens on registrants and auditors expected as a result of significant expected changes to FASB standards and potential International Financial Reporting Standards (IFRS) convergence issues.

We thank the PCAOB for the opportunity to comment on Concept Release No. 37 and would be happy to answer any questions regarding our response.

Yours very truly,

Oil States International, Inc. Audit Committee
William T. Van Kleef
S. James Nelson
Christopher T. Seaver