Digital Transformation Journey with Reservoir Engineering Modelling Tools and Capabilities

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Leverage external expertise by developing a long-term strategic partnership with a reliable commercial third-party

OUR APPROACH

- Select third-party partner(s) who can
  - Deliver best integrated reservoir modelling solutions and services
  - Maintain and develop ConocoPhillips’ differential IPs and workflows
- Engage and support Business Units (BUs) during planning and transition phases

RE TOOLS:

- Simulation Suite
- Advanced Workflows
- Appraisal Assessment

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1Pre-processor, Simulation engine, Post-processor, Geomechanics
Outline

- Transition Strategy
- Strategic Plan
- Learnings
- Implementation
- Governance
Strategic Plan (Roadmap)

1. DEFINITION
   - Project Scope and Governance
   - Global Communication
   - Requirements for Vendor Selection

2. PLANNING
   - Project Schedule and Milestones
   - Qualified Vendor Assessment
   - Learnings From Past Experiences

3. VENDOR DECISION
   - Strategic Fit and Value Proposition
   - Reliability and Feasibility
   - Finalize Agreements

4. IMPLEMENTATION
   - Pilot and Launch a Phased Transition Program
   - Establish Integrated Governance
   - Define Success Criteria

5. SUPPORT
   - Training and Mentoring
   - Establish a Community of Practice
   - Operational Support Post-Transition

CONTINUOUSLY SUPPORT BU's DURING TRANSITION AND IMPLEMENTATION PHASES

In close collaboration with BU's and selected vendor.
Four-Step Commercial Vendor Selection Process

1. Define Decision Criteria
   - Strategic fit
   - Value proposition
   - Reliability
   - Feasibility

2. Define Requirements
   - RE modelling features (standard and advanced)
   - Training and mentoring
   - Digital information technology
   - Supply chain

3. Analyze and Prioritize
   - Use a weighting system to define importance of each decision criteria
   - Use scoring system to define level of maturity of each decision criteria

4. Select Vendor
   - Select the vendor who best meets requirements

MARCH – APRIL 2021

MAY – SEPT. 2021
Strategic Partnership with Schlumberger

DELFI provides reliable and sustainable solutions

Schlumberger Advantages

EFFICIENCY
COST SAVING
IMPROVEMENT
COMPETENCY
PARTNERSHIP
TECHNOLOGY

Courtesy of Schlumberger
Outline

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- Implementation
- Learnings
Governance

**Integrated Structure**
- Executive Committee
- Steering Committee
- Technical Committee

**Communication Cadence**
- Executive Committee: Every Quarter
- Steering Committee: Every Quarter
- Technical Committee: Every Month

**INTEGRATED CORE TECHNICAL TEAM (COP & SLB)**
- ORGANIZATION CHANGE MANAGEMENT
- DELFI ENVIRONMENT
- DATA STORAGE AND INTEGRATION
- MODEL MIGRATION
- ECOSYSTEM
- IP CO-DEVELOPMENT

Follows An Agile Approach
Four-Step Implementation Plan

Q3 2021 – Q4 2022
1. Start to Implement
   - Ensure vision, objectives, assignments, communication; risks and performance expectations clearly understood
   - Design, build, pilot and implement a phased transition program

Q1 – Q4 2022
2. Monitor
   - Monitor program plan and performance
   - Monitor ecosystem integration
   - Monitor BU feedback
   - Identify necessary changes
   - Provide stakeholder updates

Q1 – Q4 2022
3. Modify
   - Review and prioritize challenges/issues
   - Understand the impact of threats and opportunities
   - Plan for required adjustments
   - Communicate changes to stakeholders

Q4 2022
4. Close out and evaluate
   - Review success against objectives and lessons learned
   - Document program summary
   - Develop support model post-transition
   - Communicate program ending

Q3 2021 – Q4 2022
Q1 – Q4 2022
Q1 – Q4 2022
Q4 2022
## Integrated Core Team

<table>
<thead>
<tr>
<th>MEMBERS</th>
<th>Diverse membership includes ConocoPhillips’ functional team and BU champions, and Schlumberger’s technical team</th>
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<tbody>
<tr>
<td>INCLUSIVE</td>
<td>Promote an environment that reflects different backgrounds, experiences, ideas and perspectives</td>
</tr>
<tr>
<td>TEAMWORK</td>
<td>Promote a collaborative environment that fosters open communication to achieve a common goal</td>
</tr>
<tr>
<td>RESPONSIBILITY</td>
<td>Accountable for our actions and partner to meet our business needs in support of business continuity</td>
</tr>
<tr>
<td>ADAPTIVE</td>
<td>Help REs adapt to new integrated modelling environment</td>
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BU Champion Program

OUR BU CHAMPIONS

- Serve as ambassadors in the BU
- Collaborate and drive key actions
- Provide weekly progress updates to integrated core team
- Elevate barriers and work with integrated core team to resolve
- Coordinate implementation efforts between different work groups

A person who takes extraordinary interest in the adoption, implementation and success of a cause or project. He or she will typically drive the idea through entrenched internal resistance to change and will evangelize it throughout the organization.

*BusinessDictionary.com*
Define and align on success criteria, measures and targets for each pillar.

Assign one owner from ConocoPhillips and Schlumberger to each pillar.
Outline

- Strategic Plan
- Governance
- Transition Strategy
- Implementation
- Learnings
## Learnings

### GOING WELL

- **Organization Change Management** - Virtual training of 90% of domain REs; mentoring program; proactive risk management

- **DELFI Environment** – DELFI configuration and management; bubble support post-onboarding

- **Data Storage and Integration** – Common Global File System (GFS) folder structure configuration

- **Model Migration and Ecosystem** – Intersect performance; partnering to provide sustainable integrated solutions

- **IP Co-Development** – Well-defined development plan and team structure; strong collaboration

### CHALLENGES

- **Organization Change Management** – Resource planning and underestimating required skills to support execution

- **DELFI Environment** – Robust large-scale DELFI deployment experience and guidance

- **Data Storage and Integration** – Delay in initial engagement to explore data integration options

- **Model Migration and Ecosystem** – Complexity of model migration needed alignment upfront for smoother transition

- **IP Co-Development** – Balancing project tactical needs with strategic objectives to meet timely project deliverables