Technology delivers a competitive advantage

New directions in deepwater Gulf of Mexico

The power of collaboration elevates performance
In places like Celina, Texas, men and women of the energy industry are using hydraulic fracturing, a time-tested technology, coupled with horizontal drilling to unlock the energy reserves right here at home. To protect their hometowns and the environment, these energy workers adhere to strict safety standards. They design and construct oil and natural gas wells with multiple barriers of steel and cement to isolate and protect freshwater resources. These individuals, many of whom live in the same towns where they work, know that prosperity without protection isn’t prosperity at all. And that the job at hand, securing America’s energy future, is simply too important not to get right.

To learn more about how we’re working with communities across the country, visit ENERGYFROMSHALE.ORG

CHAD DEAN SEEKS HIS HOMETOWN’S WELL-BEING.

Chad Dean, Project Supervisor
and Manuel Sanchez, Multi-Skilled Operator
Celina, Texas

SHALE.
THE ENERGY TO DO IT RIGHT.
As energy resources become more complex to access, develop and produce, technology plays an increasingly pivotal role in our future new growth and competitive position. Over the next several years, ConocoPhillips’ biggest new growth areas will be unconventional reservoirs and deepwater, complementing our existing growth plans in oil sands and LNG. To ensure we unlock maximum value and optimize our efforts in these areas, we will need strong technological innovation and collaboration across the organization. Leading the way is new Chief Technology Officer Ram Shenoy, who is applying a strategic management approach to technology with a clear line of sight to corporate strategy. In this issue of spirit Magazine, we take a close look at how Ram and the Technology organization are defining our future of Smart Growth and Superior Returns.

The Technology cover story (Page 10) examines how we are creating a new culture of technological innovation and creativity and how we are identifying and pursuing future growth opportunities. Ultimately, it’s about “doing the right technology projects” and “doing our technology projects right.” We also profile Technology employees who are leading the way through patents that improve heavy oil recovery, pilot programs that support and optimize field development and simulations that identify problems before they occur. These exciting profiles reveal people with a true passion for innovation and excellence with the common thread of collaboration, integration and teamwork.

Appropriately, that same thread weaves through each of the articles in this issue, from the dramatically photographed look at offshore assets in the Gulf of Mexico to the detailed description of our state-of-the-art virtual training program. Collaboration, integration and teamwork are hallmarks of the “new” ConocoPhillips and critical to our success. Perhaps nowhere is this made more obvious than in the article Unlocking value through the power of collaboration on Page 28. Case studies from Norway, Eagle Ford, Western Canada, Alaska and Australia answer the question of how our people can make better and faster decisions to deliver Smart Growth and Superior Returns while living the SPIRIT Values.

We are closing out arguably one of the most intense and historic years in ConocoPhillips history. We started out focused on the nuts and bolts of repositioning into an independent E&P company. On May 1, we celebrated Day One as a new company. In the months that followed, we published a concise treatise that defined our unique organization and quickly settled into the business of building our new culture of enduring success.

It is my pleasure to use the forum of spirit Magazine to recognize the outstanding efforts of employees around the world. On behalf of the entire ConocoPhillips Executive Leadership Team, I wish everyone Happy Holidays and best wishes for a safe and productive 2013.
The Big Picture
Oh Canada, Room with a view, Shipshape

Technology’s role | Jan Hester
Technology and the innovative people who develop it are pivotal to the company’s delivery of margin growth and long-term production.

Virtual training delivers global learning | Lawrence Stevens
A set of interactive tools helps create rich, engaging and effective learning experiences.

The power of collaboration | Lauren Blake
By forming networks and building relationships across operating communities, employees are able to quickly share and apply knowledge.

The Gulf of Mexico assets | Renee Griffin
ConocoPhillips’ strong position in the Gulf of Mexico includes the Magnolia tension-leg platform and working interest in the Ursa-Princess and K2 assets.
Investor Relations & Communications | Ray Scipps
ConocoPhillips’ communications function has new leadership, a new intranet site, a new corporate approvals process, even a new name.

Faces of ConocoPhillips
Kate Hoback: East Coast girl becomes Oklahoma personality

In the News
A compilation of news from around ConocoPhillips’ world

On the Cover | photography by Patrick Curley
Yaqin Wu, senior engineer, Production Technology, Global Production Excellence works to address issues that may directly impact production, such as wax precipitation at the Eagle Ford Field.

eStream OnDemand featured videos
ConocoPhillips’ intranet channel eStream OnDemand featured the following videos since the last issue of spirit Magazine.

Operations in Poland
ConocoPhillips is pursuing a shale gas exploration program in Poland, which is the first of its kind for the country. Sit in on a one-on-one conversation with Laurie St. Aubin, Poland country manager, as she discusses her experiences setting up operations and an office in a new location.

Leading Edge Earnings Edition with Chief Financial Officer Jeff Sheets
The Leading Edge: Earnings Edition features CFO Jeff Sheets discussing the company’s first full quarter as an independent exploration and production (E&P) company.

It’s What We Do: Theddlethorpe and the Southern North Sea
Theddlethorpe Terminal Manager Connor Dunn leads a tour of the gas terminal in Lincolnshire on England’s east coast where ConocoPhillips processes 5 to 10 percent of the United Kingdom’s daily gas demand. Satellite Team Lead Kevin Hohberr introduces the company’s Southern North Sea assets, including three manned and 29 unmanned satellite installations that deliver natural gas to the Theddlethorpe Terminal.

Global IMAT completes inaugural training event
While prevention of major accidents is the company’s primary focus, ConocoPhillips also places importance on the value of trained and capable emergency responders. This video chronicles the August 2012 event at which 125 employees from across the company gathered in The Woodlands, Texas, to participate in global Incident Management Assist Team (IMAT) training.

Leading Edge – Perry Berkenpas and Ken Lueers discuss the Collaboration Playbook
Four pages in “Defining the ‘New’ ConocoPhillips” entitled Ushering in an Environment of Collaboration introduce the guiding principles that describe how the business units, technical functions and staff functions work together. Watch this segment of Leading Edge to hear Global Production Excellence Vice President Perry Berkenpas and ConocoPhillips Canada President Ken Lueers discuss how, under the direction of the Asset Integration Leadership Team (AILT), the Collaboration Playbook will help to fundamentally transform the way ConocoPhillips works together.

IT mobility choices are coming soon: Smart devices will be available at an IT store near you!
Starting mid-October, Apple iPhones and iPads were added to the company’s mobility choices. The rollout began in the U.S. and will continue around the globe as we make progress with infrastructure and carrier contracts. Watch this short video with Chief Information Officer Mike Pfister – created and edited on his iPad.

Ryan visits Bartlesville
Chairman and CEO Ryan Lance held a town hall meeting in Bartlesville, Okla., on Sept. 13. Some 400 local employees filled the auditorium, while 670 followed the proceedings via webcast. Ryan used the opportunity to further describe what it means to be an independent E&P company and how Smart Growth, Superior Returns and SPIRIT Values will differentiate ConocoPhillips.

Rising stars from Rice
On June 13, 2012, ConocoPhillips hosted 40 ambitious high-school students from low- and moderate-income communities interested in learning more about career options in the energy industry. Sponsored by the Jones Graduate School of Business at Rice University, the program was launched in 2005 with the support of ConocoPhillips Treasurer Fran Vallejo.

Fire in the ice
Since 2003, ConocoPhillips has been conducting laboratory experimentation to produce natural gas from methane hydrates found under arctic permafrost in regions like Alaska’s North Slope. Ignik Sikumi No. 1, a project with the U.S. Department of Energy and Japan Oil, is the first experiment of this production technology outside of a laboratory. Put simply, they are testing whether carbon dioxide injected into the hydrate structure will allow production of natural gas.

ConocoPhillips employees can watch, rate and comment on these videos as well as past video features at mystream.ConocoPhillips.net. Many company videos also are available on the ConocoPhillips YouTube Channel.

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Oh Canada | Living in parts of the world that have four distinct seasons does have its benefits. These aspen poplar trees surrounding the Surmont Phase II project near Fort McMurray proudly show off their fall colors in October, enhanced only slightly by High Dynamic Range (HDR) processing.

Photograph by Garth Hannum
Room with a view | It’s another day at the office for Cook Inlet Operations Support Manager Charlie Roubidoux. In the six months since joining the Alaska Business Unit from the Ferndale Refinery, Roubidoux has made the journey by chopper to the remote Beluga Gas Field and the Tyonik Platform dozens of times. The 30-minute trip back to the Kenai Peninsula provides time to study the production numbers, but there’s always a moment to savor the view.

Photograph by Patrick Currey
Shipshape | Finding time to exercise and stay fit during a two-week shift offshore takes determination and self-discipline. Adam Reid, an electrical and instrument technician for Clough AMEC, performs his fitness regimen one evening on the deck of the *FSO Liberade* in the Timor Sea. “There is a great culture of fitness amongst my colleagues which makes keeping fit even easier,” said Reid.

Photograph by Garth Hannum
Technology will play a pivotal role as ConocoPhillips works to establish and maintain the competitive advantage necessary to deliver 3 to 5 percent growth in margins and production long term. “The Executive Leadership Team (ELT) has chosen to pursue an organic growth strategy, emphasizing investments in unconventional reservoirs, deepwater exploration, oil sands and liquefied natural gas (LNG),” said Ram Shenoy, chief technology officer, Technology & Projects.
‘Superior Returns’

by Jan Hester, photography by Patrick Currey and Hall Puckett

“These choices drive the ELT’s efforts to evolve the company culture, using the SPIRIT Values as the basis, by emphasizing empowerment, collaboration and integration.

“Within that context, our role in the Technology Development group is to ensure that decisions taken to identify and deliver technologies support the corporate strategy. Growing production organically requires us to strengthen our technological capabilities: we need to become even better at inventing, adopting and exploiting technologies across the reservoir life cycle in order to achieve our growth targets and beat the competition.”

Ram envisions a strategic approach to technology innovation, development and deployment, with a clear line of sight to corporate strategy. “We want to ensure the company gets the best technologies for the money and that technologies we develop or acquire are what we need to achieve our corporate goals. In the next two to three years we will develop and implement specific recommendations on technology strategy and governance at two distinct levels: ‘doing the right technology projects’ and ‘doing technology projects right.’”

“Doing the right technology projects” means ensuring that the company’s research and development investments align with corporate priorities for the near, medium and long term. “Hockey star Wayne Gretzky, when asked how he became such a great player, used to say, ‘I play to where the puck will be, not where it is now.’ Doing the right projects is about anticipating the future needs of the business so that we work on and deliver the appropriate technology when Exploration &

Production (E&P) needs it. An example is laying out a road map for deepwater technology development over the next five years, knowing that we are

Distinguishing technology: A view from the top

ConocoPhillips Executive Vice President for Technology & Projects Al Hirshberg began his career as a cloistered researcher. “I wasn’t exposed to the business lines in my early years, so going out into the real world revolutionized my thinking. I believe it is critical for our future as a leading energy company to connect our research and development as tightly as possible to our assets and business units. It’s a different philosophy.”

From a technology standpoint the company’s biggest growth areas over the next several years will be unconventional reservoirs and deepwater. Heavy oil and gas solutions also will play a vital role. “With unconventional reservoirs, heavy oil and gas solutions, we will work to develop our own proprietary technologies. The deepwater is different. Instead of creating our own technology we will primarily aim to become a ‘fast follower’ by studying cutting-edge industry technology developments and qualifying those products to fit our operations. We will distinguish ourselves in deepwater by utilizing technology developed by others more efficiently than our competitors.

“Our goal is to develop distinguishing technology that gives us a competitive advantage over our peer group.”
ramping up exploration in the Gulf of Mexico and Angola. This will ensure we have the right technical capabilities when we are ready to develop discoveries that come from exploration success.”

“‘Doing technology projects right’ is about applying greater discipline to our execution of technology projects, particularly the industrialization, qualification and deployment of technology in ConocoPhillips operations. There’s no shortage of fantastic technical ideas within our organization, but we can do a better job of taking a technology from concept to successful deployment and thus dramatically improve the economic impact of our technology spend. We can be more rigorous, without introducing bureaucracy, in the way we qualify and deploy technology within the business units. We can also ensure that resources dispersed across E&P (Exploration and Production), T&P (Technology & Projects) and BD&C (Business Development and Commercial) are well aligned and that efforts are not being diluted or duplicated.

“Finally, if we are taking the appropriate level of risk, it is inevitable that not everything we undertake will be technically successful or economic. Successful innovation is about rapidly learning from what’s not working and coming to quick conclusions about moving in more promising directions. Taking timely decisions to shelve or terminate projects should be viewed as successful project completion, just as essential to successful technology innovation and development as is incorporating winning technologies into field operations. We’ve taken steps in this direction in 2012, where we shelved and redirected about 30 percent of the corporate technology spend to better align with corporate goals. Ultimately we should balance the cost of developing the technology, against time to deployment and whether the performance is sufficiently better to warrant the cost of adopting it.”

Ram clarifies the relationship between ConocoPhillips’ technology goals and corporate strategic initiatives in unconventional reservoirs, deepwater, oil sands and LNG. “No one company has the available resources to have an edge in every technology. People often tell me we should aim to lead or we should aim to only be a fast follower. I say it depends on what’s the best route to achieve the strategic goal of organic production and net

New kid in town

Ya Qin Wu, senior engineer in Production Technology, Global Production Excellence, joined ConocoPhillips on Feb. 1 of this year. Based in Bartlesville, Okla., she is working to address issues that may directly impact production, such as wax precipitation at Eagle Ford.

“In our Fluids Technology and Scale and Water Treatment Laboratories, we study field samples to determine whether deposition of wax or other solids is likely to become an issue. We want to learn what mitigation methods will most effectively address such problems, with the goal of maximizing field production.”

Originally from the Chinese city of Suzhou, near Shanghai, Ya Qin received her undergraduate degree in materials engineering from the Nanjing University of Technology in China. She earned a master’s degree in chemical engineering from the Rose-Hulman Institute of Technology in Terre Haute, Ind., and a Ph.D. in chemical and petroleum engineering at the University of Kansas in Lawrence.
Fluid science

The E&P business depends on fluids, all kinds of them. The company’s Bartlesville-based Fluids Technology group tests fluids used in drilling, completions and hydraulic fracturing. Supervisor Steve Appleyard notes that their objective is to provide company engineers with the data and interpretation they need to make informed decisions about fluids they use in well construction. “The Global Wells group in Houston originally set up our Drilling & Completion lab and continues to closely support its operation.”

One of the group’s key strengths is rheology, the study of viscous fluid flow. “Our aim is to replicate thermal pressure and shear conditions experienced by a fluid in the field with equipment in the lab.” The shear history simulator created by Kevin Bjornen, drilling and completion fluids specialist, and Richard Hodge, principal scientist completions, is an example of lab equipment built specifically to realistically test hydraulic fracturing fluids.

“We have a high-temperature, extreme-high-pressure rheometer that exceeds what our vendors generally have available. This equipment, which can heat to 500 degrees Fahrenheit and withstand pressures of up to 30,000 psi, allows us to see how our vendors’ products perform at extreme conditions.” Kevin points out that the rheometer can also simulate deepwater conditions. “At 5,000 feet of depth the sea floor can be near freezing. We can mimic these conditions in our lab, also a special capability.”

Identifying fluid systems that are compatible with varied water sources is another key priority for the group. “Sourcing the volumes of water required to successfully exploit unconventionals is a huge logistical issue for the company. Competing with municipalities for potable fresh water is impractical, so we increasingly rely on water from deep wells, which tends to have high pH, hardness and salinity.”

“We’ve had some real successes. In the Eagle Ford and the Bakken Fields, we identified formulations that allow for consistent fluid performance with even low-quality waters. This expands our array of viable water sources for consideration.”

Another hot-button aspect of the group’s work is drilling fluid filtration. “When you drill through a formation you can lose fluids to the reservoir and potentially impact well productivity. We have special capabilities in our labs for characterizing filtration rates of drilling fluids at simulated downhole conditions. Again, this capability is not routine for our suppliers.”

Steve emphasizes the close collaboration with business units and vendors. “We evaluate fluid systems and make recommendations on whether a product is suitable for field trial or if we should first request modifications from the vendor. We’re here to help the BU teams do their jobs and optimize performance.”
Corrosion cops

When a section of pipeline corrodes, bad things can happen, including leaks, spills and failures resulting in severe injury or worse, while imposing huge damage to the company’s financial well-being and reputation.

Mohsen Achour explains the corrosion management triangle. “We start by assessing how corrosive a given environment might be. Then we look for methods of mitigating the corrosion. And finally, in order to determine if we are using the right approach, we monitor and inspect the pipe. If the results aren’t satisfactory, we might go around the triangle again.”

Mohsen serves as corrosion management supervisor in Global Production Excellence, Production Technology (PT). He and his team inspect the pipe. If the results aren’t satisfactory, we might go around the triangle again.

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Mohsen Achour serves as corrosion management supervisor in Global Production Excellence, Production Technology (PT). He and his team provide business units with a wide range of corrosion management support and services, including assisting in product selection and addressing corrosion-related issues that occur in the field.

First, Mohsen and other members of the Production Technology team determine whether the right pipe material is being used. Carbon steel, the least-costly and most readily available, requires the addition of corrosion inhibitors. After the team has assessed the corrosive environment, they look for the mitigation method that is most effective, economical and practical. “We review our lab data for similar situations we’ve handled in the past to assess any similarities. If it’s a new issue we perform tests to generate necessary data.”

Mohsen notes that the PT labs are state of the art. “The more accurate we are at simulating field conditions, the better we’ll be at designing solutions.” For example, the team’s rotating cylinder autoclave (RCA) evaluates the chemical performance of corrosion inhibitors by simulating the field’s production system. “We can test for the performance of a given material or chemical, as well as assess the validity of a corrosion mitigation method we’re going to recommend for field trial or application.”

Finally, the business unit conducts a thorough analysis, including field testing, and makes the final decision on which corrosion inhibitor to use. “After we’ve field tested the corrosion inhibitor and optimized the dosage, we continue to share data to show any anomalies, so there is a constant flow of information among us and with the business unit. Finally, we rely on the inspection and monitoring team to see how well the mitigation methods are working.”

As the corrosion management triangle indicates, inspection also can be the starting point in the process. Chris Dash, inspection technology and failure analysis supervisor in Global Production Excellence, Production Technology, and his team are developing cutting-edge tools to identify pipeline issues before they become dangerous situations.

“The Bartlesville inspection lab is likely unique within the oil industry. We’re trying to mimic what is happening in the field to determine the long-term effects of mitigation methods.”

Using long-range ultrasonic testing to inspect for damage is usually the first step in the process. “A collar placed around the pipe produces ultrasound similar to that used in medical technology, so we can actually ‘image’ it. This inspection tool is used primarily for above-ground pipe, but we have used it on the North Slope to prioritize where we needed to dig to get a closer look.”

Another monitoring technique involves inserting coupons, three-inch strips of metal that are susceptible to the presence of corrosive conditions, into the pipe at various points. “If we run the tests for a long period – seven days plus – we can create localized corrosion, or pitting. Once we have material from the RCA with pitting corrosion, we quantify and evaluate it using white-light profilometry. The process produces 3-D images of the corrosion and statistics, such as how rough the surface is, the number of holes, and their size and dimensions.”

Nano ultrasonic testing is one of the monitoring systems currently being studied at the Bartlesville Technology Center. The technology can measure changes to the pipe wall much smaller than the width of a human hair in almost real time. “We can detect changes within a week that might not show up on coupons for three to six months. The technology has been around for a while but needs more development work. That’s what we’re doing in the inspection lab. Our goal is to fully understand the limitations of inspection technologies and overcome some that exist right now. We want these techniques to work properly so they’re most helpful to the business units.”

These technologies can save the company by reducing costs associated with investigating potential damage. The Australia Business Unit is currently using nano ultrasonic testing to monitor corrosion in a vessel that all of the produced liquefied natural gas has to pass through. “We’re monitoring how nonintrusive techniques, such as changing the inhibitors, impact the corrosion rate on the vessel wall without having to shut down the vessel to monitor corrosion rates. This can help the business units save millions of dollars in downtime.”

Case Study: Norpipe

The 357-kilometer Norpipe pipeline transports oil between Greater Ekofisk and the Teesside Oil Terminal. The pipeline has been in service since 1974 and transports around 300,000 barrels of oil per day.

Internal inspection of the pipeline has been regularly undertaken since 1988 using intelligent pigs. Significant corrosion was first detected in 2002 in the first 45-kilometer section of the pipeline. Readings taken in 2007 showed that corrosion had increased in this section, and replacement of the section was considered.

This critical situation on Norway’s only oil export route from Ekofisk drove a multinational ConocoPhillips team of experts to develop innovative solutions for bringing the corrosion under control. Cleaning techniques were developed to remove scale build up from the line. Extensive chemical testing in Norway and Bartlesville led to development of a system to manage produced fluids in the line. At the same time a parallel cutting-edge pipeline inspection analysis was developed to establish the severity of the corrosion and assure integrity of the damaged pipeline.

This work brought the corrosion under control and eliminated the need to replace the damaged pipeline – an undertaking that would have cost ConocoPhillips more than $150 million.
In the face of limited rock samples, Helen Farrell's hiking trips provided her with a unique approach to collecting rock samples. "I was impressed I could dislodge a big chunk of rock with minimal effort. I exploited a plane of weakness. When the plane failed, I'd get a good-sized sample and put it into his rucksack."

To some degree, hydraulic fracturing also exploits planes of weakness. "All shale is not created equal. Some is squishy. Some is brittle, and some has natural fractures. The way we develop fields can be quite different, so understanding the physics of shale is important."

Helen joined ConocoPhillips in 1980 and has spent much of her career in reservoir characterization. Since 2008, she has focused her energies on unconventional reservoirs and now manages pilot projects for the Geosciences and Reservoir Engineering (GRE) group in Technology & Projects. The new group was formed after repositioning to execute projects in conjunction with E&P business units.

"Our ultimate goal is to optimize field development, and effective teamwork is critical. The thinking was that a dedicated group would facilitate integration and collaboration between the functions and business units – as well as among functional groups. It’s all about joint planning, funding, execution and decision making."

Helen points out that collaboration begins with aligning goals between the business unit and Technology. "The next challenge is balancing and allocating resources. Since pilot projects take three to five years to get from conception through interpretation, maintaining real collaboration requires a focused effort. It’s critical to build a team of people with the right skills because we’re doing things we haven’t done before. This usually involves cross-discipline problem solving."

"It’s important to call our work a joint Technology/E&P pilot. A business unit can perform a pilot to optimize field development without input from Technology. We want to demonstrate that by collecting additional, non-standard data we can get to a better solution sooner. Then, because we understand the physics of the process, we can extrapolate the results to other areas."

Helen’s previous experience with the company includes technical and supervisory positions in fractured reservoir characterization, exploration, heavy oil and geo-modeling. She holds a Bachelor of Science degree in geology from Exeter University, England, and a Master of Science and Ph.D. in structural geology from Imperial College, London.

The Koopmann project at Eagle Ford is first in a series of planned confined pilots scheduled for the Gulf Coast Business Unit. Planning for the project began in February 2011 and is now in the first phase of data analysis. The pilot team shared early learnings with other business units at the October 2012 Eagle Ford knowledge-share event.

"The team wants to determine optimum well spacing. Our group is gathering data to learn how the shale and the wellbore are connected. When production data becomes available, projected for first quarter 2013, we’ll be able to see the full integrated picture. We’re planning two cycles of production analysis, after three and 18 months. We want to understand the physics of what is happening – the why, not just the what. The more we know the more effective we’ll be at field development. And that will benefit the bottom line."
It’s counterproductive for us to work in directions which do not reinforce each other.”

Ram emphasizes the critical need for better collaboration and integration across the company, something strongly advocated by the ELT in defining the new ConocoPhillips culture, overarching other efforts such as in technology. “Technology pervades ConocoPhillips. It’s driven by the entire technical population in the company whether they are in E&P, BD&C or in T&P. Just look at some of the technical innovation taking place – advances in coiled tubing drilling and enhanced oil recovery in Alaska, improvements in development time and rock physics characterization for unconventional reservoirs development in Lower 48, the growth in Optimized Cascade® installations driven by the LNG licensing group in BD&C, the impact of intelligent wells in the U.K., Norway and in Asia, not to mention the myriad advances in subsurface characterization, drilling and production led by the T&P functions.

“We could be even more successful with greater alignment of our activities. It’s counterproductive for us to work in directions which do not reinforce each other. As I examine the past history, we have succeeded when diverse groups across the company come together, at their initiative. And where we didn’t succeed was because we weren’t well aligned. Unless people who hold decision-making
Fighting boiler buildup at Surmont

Ed Latimer is passionate about gunk, most notably the kind produced by steam boilers used in oil sands recovery.

Steam injected into a well using the SAGD (steam-assisted gravity drainage) production method condenses to water and along its path picks up impurities. While treatment removes some of them, continued accumulation leads to fouling downstream in the steam boilers.

Ed is lead principal engineer of the Novel Processes team in Production Technology, Global Production Excellence. “We’re trying to figure out what causes the fouling so we can figure out how to slow down or prevent the buildup. At Surmont I the deposits are accumulating more rapidly than we anticipated, requiring more frequent boiler outages to clean the tubes. This downtime results in lost-profit opportunity for the company, so it’s critical to resolve the boiler issues at Surmont I before going into production at II.”

Phase I of the Surmont oil sands project in Alberta, Canada, has been in production since 2007. Phase II, which is approximately three times as large, is now under construction and is expected to begin production in 2015.

To study the problem using boiler feedwater samples, Ed and his team in Bartlesville, Okla. created a 1/1000th-scale replica that simulates actual boiler conditions. The equipment reduces thousands of feet of tubing to just 22 feet, generating 20,000 watts of electrical heat. Thermocouples placed along the pipe length indicate areas where higher temperature may reflect a deposit buildup inside.

“The test unit is designed to accelerate fouling, allowing us to run a test more quickly here than in the field. We run four gallons of water an hour, about 100 per day. After fouling material has built up, we cut up the pipe, scrape out the deposited material and send it out for chemical analysis.”

What does the future hold for Ed and his team? “Right now we’re trying to understand what specific impurities in the water are responsible and what the mechanism is for laying deposits down on the wall. Once we achieve that, hopefully in early 2013, we’ll start testing mitigation methods.”
eSAGD inventor moves technology forward

Tawfik Nasr holds an impressive eight patents for in-situ oil recovery technology. He’s also a world-renowned expert in the use of steam and solvent for heavy oil recovery. But it’s another achievement that speaks volumes about his value to the industry, especially to expats who are familiar with the challenge of obtaining a U.S. visa. A native Egyptian, he went from application to green card in under two months.

For three decades Tawfik has been a driving force in in-situ heavy oil and bitumen recovery technology development. Currently director of solvent processes for heavy oil recovery in the Geosciences and Reservoir Engineering (GRE) group, he is an internationally recognized expert in steam-assisted gravity drainage (SAGD). This technology, used commercially by ConocoPhillips in its Canadian oil sands operations, is used to inject steam into a reservoir, creating heat that lowers the viscosity of heavy oil so that it can flow through the well.

“When companies started using SAGD I became aware of how much energy – in the form of natural gas – was required to produce the oil,” said Tawfik. “That inspired me to look for ways to improve the technology.”

Viscosity can also be lowered by diluting oil with solvent, so Tawfik tackled the problem using the combined benefits of steam and solvent. The enhanced technology invented and patented by Tawfik – expanding solvent-steam assisted gravity drainage, ES-SAGD or eSAGD – increases the oil production rate by 25 to 30 percent using 25 percent less water and 25 percent less energy and reducing greenhouse gas emissions by 25 percent. “With SAGD we need about 2.5 barrels of water to produce a barrel of oil. With eSAGD we use only 1.9 barrels of water per barrel of oil. And because we can inject both steam and solvent into the same SAGD parallel wells, only minor retrofitting is required.”

Raised in the ancient city of Alexandria, Egypt, Tawfik studied engineering at the University of Alexandria and completed his master’s degree in engineering and Ph.D. in physics at the University of Manitoba. He was recruited by the University of Alberta to develop a laboratory to study geothermal energy. He then joined the Alberta Research Council (ARC), now Alberta Innovates Technology Futures (AITF), where he established a state-of-the-art laboratory for SAGD and SAGD-solvent development, as well as mentored many teams. He also designed a system for displaying and analyzing SAGD project field data from the Underground Test Facility (UTF) in Canada to support licensing to SAGD operators.

In 2008, Tawfik headed for warmer climes when he joined ConocoPhillips in Houston. The company currently co-operates an eSAGD pilot at Surmont with Total, as well as joint pilots with Cenovus at Christina Lake. Large-scale field testing of the technology is planned in a pad at Narrows Lake in partnership with Cenovus.

Tawfik continues to focus on improving and expanding eSAGD. He looks forward to building an intellectual property portfolio for technology improvements for ConocoPhillips and expanding the technology application on a larger scale.

“If we can produce heavy oil with less steam, the company will benefit from reduced production costs for oil and bitumen. We would also minimize the financial costs and environmental impact associated with water disposal while reducing greenhouse gas emissions.”
power align, people who disagree may drive resources in different directions.

“It’s about collaboration, not consensus. We’re not a democracy. Reasonable people can disagree, but the company only succeeds when we align around common decisions and common goals. Collaboration among appropriate stakeholders ensures we articulate the right tradeoffs to make the best decisions possible. The good thing is that people in ConocoPhillips have already demonstrated this. If we can replicate this approach across the entire company, we can achieve smart growth and superior returns, and truly lead the industry. We’re setting up each technology program with a program council comprising the appropriate stakeholders for each program with this end in mind.”

Ram sees a bright future, with a culture of innovation that aligns with the company’s SPIRIT Values. “Technology is innovation. It’s proactive and responsive, not reactive. Since joining ConocoPhillips, I’ve been truly awed by the creativity of the technical people I’ve met in all parts of the company. It’s our responsibility to create and nurture an environment where we can unleash their potential.”

“Technology is innovation. It’s proactive and responsive, not reactive.”
2012 Technology Awards

Individual Awards

**Technology Innovation**
The Technology Innovation Award recognizes an individual or individuals who demonstrate outstanding innovation in any technical field in an area of interest to ConocoPhillips. This award recognizes outstanding innovators who have advanced the state of technology in a given field by a single, inspired, major breakthrough.

- Mohsen Achour, Global Production Excellence
- Doug Goda, E&P Canada, Oil Sands Completions

**Outstanding Young Technologist**
The Outstanding Young Technologist Award recognizes a young technical professional at an early stage in his/her career who has demonstrated a superior ability to develop innovative technology.

- Jennifer Harris, Global Production Excellence

**Outstanding Mentor**
The Outstanding Mentor Award recognizes an individual who has demonstrated a superior ability to recognize and nurture talent, to help expand the potential of young technical professionals, and to foster an environment of creativity and enthusiasm for technological innovation.

- Jenny Thompson, Geosciences and Reservoir Engineering

**Intellectual Property**
The Intellectual Property Award recognizes an individual or group who has significantly contributed to the ability of ConocoPhillips to capture or protect technology through the patent process.

- David Blumer, Global Production Excellence

**Lifetime Technology**
The Lifetime Technology Award recognizes an individual who has demonstrated an extended career of outstanding contributions in the areas of technology that are of importance to ConocoPhillips. This award recognizes outstanding contributors who have advanced the state of technology in one or more fields, impacting ConocoPhillips’ commercial businesses.

- Richard Hodge, Global Production Excellence

Team Awards

**Technology Achievement**
The Technology Achievement Award recognizes an individual or team who has taken an innovative idea and implemented it in a business unit, resulting in either a measurable technology improvement with significant impact on the company’s business or an outstanding achievement of technological significance.

- *Selective Zonal Isolation with an Uncemented Liner*
  - Norway Business Unit, Global Wells Operations
  - Steve Actis
  - David Burkhead
  - Jesse Constantine
  - Jon Arne Ellingsen
  - Anthony Kent
  - Lewis Ledlow
  - Beth Mathis
  - Tao Zhang

- *Methane Hydrate CO2 Exchange Pilot Well*
  - E&P Alaska, Geosciences & Reservoir Engineering, Global Wells & Marine
  - Curtis Blount
  - Keith Hester
  - James Howard
  - Perry Klein
  - Kenneth Lloyd Martin
  - Kevin Raterman
  - David Schoderbek
  - Suntichai Silpngamlert

**Technology Sharing**
The Technology Sharing Award recognizes an individual or small team who is responsible for a specific event or series of events where technology (processes, techniques, lessons learned, etc.) is shared and/or transferred to another project or ongoing operation, resulting in a significant improvement on the project’s or operation’s outcome.

- *Bayu Undan Corrosion Control*
  - ConocoPhillips Australia, Global Production Excellence
  - Virgilio Bonardi
  - Bob Bray
  - Mark Leigh
  - Sabari Meenakshisundaram
  - Chien Pan
  - Allen Petree
  - Dale Rasche
  - Mark Roberts

**Special Lifetime Achievement (posthumous)**

- Steve McCoy, Global Wells and Marine
Technology Champion
The Technology Champion Award recognizes an individual or business unit team outside of the technology organizations that promotes the use of technology in business decisions and projects or advocates for and supports the development and application of new technology to meet business needs, resulting in a measurable impact on the company’s business.

Intelligent Well System Completions
ConocoPhillips Indonesia, Global Wells & Marine
Kurt Alexa
Kyle Fontenot
Trey Gilbert
Indra Gunawan
John Leitch
Ricky Manalu
Erick Peterson
Leon Zhou

Information Technology Exploitation
The Information Technology Exploitation Award recognizes innovators who have creatively exploited information technology-related capabilities to make a material, positive contribution to the technical, commercial, strategic or financial aspects of the company.

Plunger Lift Optimization Tool
San Juan Business Unit, Global Production Excellence, Information Technology
Pat Bergman
E.J. Brasset
Matt Dutko
Jeff Engman
Bill Hearn
Manish Pradhan
Rob Stanfield
Ryan Sustakoski

Live Business Planning Tool
Corporate Planning & Development, Information Technology
Bill Corbridge
Vincent Lelarge
Jeff Steltzlen

Individual and team winners gather in Houston for the 2012 ConocoPhillips Technology Awards presentation ceremony.
In reality, virtual training is much more. It has the ability to transcend the commonly perceived limitations of the computer medium and open up new possibilities by providing a set of tools to create rich, engaging and effective learning experiences. Virtual training moves beyond traditional classroom limitations and incorporates techniques that are not possible with face-to-face training, more commonly referred to as instructor-led training (ILT).

What unique features does the virtual training option bring? How about the ability for instructors to ask their virtual learners what they would like to study at the start of a training session? That’s now possible with advanced interactive tools like real-time, multiple-choice polls. Based on poll answers, an instructor can decide which key topics to focus on. Maybe they would like to engage learners halfway across the world by asking them to fill in missing pieces of a technical diagram. They can now do this with virtual whiteboards, giving them the ability to draw on PowerPoint slides, PDF files and even video clips. Or perhaps they would like to assign virtual learners a team project as part of a training class. Instructors can create virtual breakout rooms, automatically re-routing participant audio and webcams and providing teams with private collaboration tools. The instructor can visit each virtual breakout room and provide assistance as needed.

With all these capabilities, virtual training makes a good case for addressing each of ConocoPhillips’ SPIRIT Values but aligns favorably with one in particular – Innovation.

**VIRTUAL TRAINING SUCCESS STORY:**

**Global Wells Symposium**

ConocoPhillips subject-matter experts shared 192 hours of global expertise in up to 12 rooms simultaneously across four days at the Global Wells Symposium, providing an ideal opportunity to capture a large amount of proprietary knowledge. The event was a great example of how virtual training coupled with cross-discipline collaboration and integration can result in the successful capture of this knowledge. Using Adobe Connect, a virtual recording tool for content, significantly reduced costs by requiring only a small team to record, edit and then publish and accurately categorize the content. The content is currently being uploaded to the new Show and Share platform, which will facilitate global access to this extensive knowledge resource.
VIRTUAL TRAINING SUCCESS STORY:

Unconventional Resources

“Both the Unconventional Resources (UR) Excellence Network of Excellence (NoE) and Eagle Ford have benefited from access to virtual training tools and technology,” said Susan Young, network coordinator, Unconventional Resources. The “Operations Geology in Unconventional Reservoirs” forum was broadcast live, allowing remote participation from Calgary, Anchorage and Aberdeen, as well as Farmington, N.M., and Midland, Texas. This one-day event instilled broader understanding of the process difference associated with UR and how different business units have approached UR-specific subjects. It also has stimulated increased networking across the company. Recordings of the event are accessible through the Subsurface Excellence and Unconventional Reservoirs Excellence NoEs. They are still being viewed by people well after the event.

Virtual training classes allow for truly global inclusiveness and have already saved ConocoPhillips hundreds of thousands of dollars as a result of reduced:

• International travel.
• Time away from job responsibilities.
• Delivery costs associated with traditional ILT courses.

The exciting toolset being created for instructors provides an opportunity for learners to experience rich, engaging training classes regardless of their location. With ConocoPhillips’ large, globally dispersed workforce, the company’s organizational structure can leverage these tools for the benefit of learning across all areas of the business.

The Importance of Course Design

Evidence reveals that having the virtual toolset at an instructor’s disposal is immensely beneficial for enhancing teaching. However it is critical to keep in mind that many of the same ILT course design principles also apply to the virtual training format. In fact the most important consideration for any learning to be successful, including distance learning via virtual technology, is the course design. It is
important to engage instructors early in the virtual course design process, especially those who are intimidated by the technology. The course design process is more frequently referred to in the learning industry as Instructional Systems Design, or ISD. The most commonly accepted industry ISD methodology is the ADDIE model, and it revolves around five stages of development:

- Analysis.
- Design.
- Development.
- Implementation.
- Evaluation.

The Technical Training & Development team has adapted the ADDIE model to meet the unique business needs of ConocoPhillips and has created a process that delivers:

- Increased quality of the course design.
- Consistency of course design and implemented standards.
- Reduced course development time, resulting in reduced development costs.

Inez Vivar, computer-based training (CBT) developer, collaborates with instructors and subject-matter experts (SMEs) to apply industry-recognized best ISD practices in the development of courses using ConocoPhillips’ adapted ADDIE model. She is particularly excited about the possibilities that virtual training brings to course design. “The virtual classroom setup allows you to take a creative approach to meeting the course learning objectives,” Vivar said. “This unique approach results in a distinctive way of creating engaging training for our remote learners. The value this brings to the company is vast, as we are able to deliver training and transfer knowledge to a global audience.”

Once a virtual course request has been approved, the next step is to train the instructor(s). This training provides an awareness of the virtual tools by encouraging creative and unique ways of integrating these features into the course design. The Technical Training & Development group runs a curriculum called the Technical Instructor Program, which teaches instructors better course design and delivery techniques. Once instructors have received training and are ready to deliver their course, it is important to create an environment where the instructor can focus more on teaching and less on facilitating the technology. To ensure a successful virtual delivery, the Technical Training & Development team recommends having a dedicated facilitator to assist with the virtual class and act as the link between the instructor and the technology.

**In search of the appropriate tools to deliver virtual training**

ConocoPhillips has access to a broad set of tools: advanced web-based collaboration tools; real-time video conferencing; the capability to deliver blended-training curriculums; and the ability to

**Finance new hire training**

Finance approached the Technical Training & Development team for help with reaching a wider audience: “Virtual training has helped the Finance function expand our training audience to include new employees who start their careers in locations other than Houston and Bartlesville,” said Vanessa Green, Finance Excellence-Recruiting. New employees starting in Anchorage, Midland or Farmington, who did not have access to new-hire training in the past, now get to participate. Finance plans to expand the use of virtual training to different levels of the organization. “Training offerings that were exclusively available to Houston and Bartlesville will become available to other locations, and we will be looking for additional avenues to take advantage of virtual-training opportunities,” said Katie Ruddick, coordinator, Finance Process & Controls.
build advanced software simulations and CBT modules.

The four main tools currently in use at ConocoPhillips to enable the advancement of virtual training are:

**Microsoft Lync 2010** – The newly released standard instant messaging client that allows instant video chat, screen sharing and use of collaborative whiteboards.

**Adobe Connect** – Successfully piloted by the Technical Training & Development group, Adobe Connect builds on the features of Lync and offers real-time collaborative virtual training through a web-driven interface.

**Blackboard Learn** – With the ability to deliver blended-training curriculums, Blackboard Learn combines CBTs, assessments, team-based projects, discussion forums and much more through a platform that tracks participant progress in real-time.

**Virtual Training Studio** – The studio is used to broadcast virtual training classes and webinars, as well as record content for e-learning modules.

“The advance of virtual training technology has provided much improved global access to training content and, as a result, has opened greater collaboration opportunities across ConocoPhillips,” said Knowledge Sharing Director Dan Ranta. “As we move forward with improved ways to collaborate and learn virtually, we will have the opportunity to transform the way we connect at ConocoPhillips. Tools like Adobe Connect and Microsoft Lync have enhanced our ability as a company to integrate our teams, collaborate and share knowledge globally. From building OneWiki articles based on SME-instructed virtual sessions to providing virtual attendance capabilities to global knowledge-sharing and training conferences and many more opportunities, we are in the midst of very exciting times for collaboration and virtual training at ConocoPhillips.”

**The affordability of virtual training**

With the ability to cut the cost of running a training conference or symposium from hundreds of thousands of dollars to just a few thousand, suddenly all options are on the table for groups and budgets that previously couldn’t consider traditional solutions. This has been a successful pilot year for virtual training at ConocoPhillips. With 41 virtual classes run so far in 2012, the company has saved more than $200,000 in costs which would have previously been spent on travel to the training venue. 2013 will offer more virtual training classes to more groups and save even more money. When it comes to calculating cost savings, it is also important to consider travel time. When an employee is working on a time-pressured project, a common question is, “Can I afford to take this many days away from my responsibilities to attend this training or event?”

“The availability of virtual training resources per person for the entire program. Five virtual iterations of the EA have trained 307 new hire engineers since the format was introduced in 2009. By utilizing tools such as Adobe Connect, Blackboard Learn, video conferencing and Learning Express, the EA is continuing to transform the way globally dispersed participants learn. The EA’s course ratings continue to improve year after year, and organizers anticipate more than 130 participants in the 2013 EA program.
VIRTUAL TRAINING SUCCESS STORY:

has allowed ConocoPhillips employees to access training previously unavailable to them due to budget constraints, travel restrictions or limited awareness,” said Engineering Training Director Adrian Angove-Rogers. “In addition virtual training allows those not located in Houston more effective access to the company’s experts, the real knowledge base, and the opportunity to feel a connection with key decision-makers. The technology lets learners see the SMEs in person while the SMEs get to interact with the business unit engineers directly. Learners also can receive immediate feedback on case studies or particular topics they are covering, allowing both the instructor and learner to exchange information in a more time-efficient manner.”

BLEND TRAINING: INTEGRATING VIRTUAL TRAINING INTO A CURRICULUM

Blended training integrates a combination of ILT and virtual training. It is common for a blended-training course to replace 25 to 50 percent of classroom time with online activities through a combination of the technologies highlighted previously. Blended-training courses and curriculums allow for interactive learning and flexible scheduling, while maintaining the face-to-face characteristic of the classroom.

The ConocoPhillips Engineering Academy, the early-career engineer training program, uses a blended-training approach. The course time commitment is the equivalent of four weeks of full-time training over a flexible 12-week period, allowing participants to work for much of that time at their own pace. During the virtual portion of the curriculum, participants study CBT modules, complete assessments and connect to one another using video conferences, webcams and virtual meeting rooms. They use collaborative discussion boards to solve problems in teams.

Early-career engineers benefit by interacting with the instructor via chat sessions during virtual sessions, which increases engagement and retention of class material. These tools allow for more meaningful conversations during the class, ensuring participants are engaged with the material. By being in their home or office location, learners can apply the new material in a more efficient and timely manner with colleagues within their own business unit.

“We have made several improvements along the way to the software and technology we apply during our virtual training sessions, as well as the quality and level of the actual instruction,” said Angove-Rogers. “Only through thorough preparation will a class increase its effectiveness. Thus, we attempt to cover as many aspects of our best-practices manual as possible, incorporating virtual training technologies and best practices into our Technical Instructor Program to share our experiences as well as to train our SMEs to become much better instructors.”

THE CHALLENGES OF VIRTUAL TRAINING

Since Day One of the independent ConocoPhillips, continuous upgrades have been made to existing technology and infrastructure. Microsoft Lync has been rolled out, and Windows 7 is
Virtual technology has allowed the Technical Instructor Program, led by Martha Apodaca, to build upon its instructor-led training classes. With the option to attend virtually, training personnel from as far away as Indonesia and Dubai benefit from this program, designed to improve the teaching skills of global, technical subject-matter experts with training responsibilities.

Virtual Technology: The Next Steps

Although ConocoPhillips has made great progress in a short time, there is still much work to do. A prototype virtual training room being built will allow remote participants to engage in Houston-based training classes with video cameras, virtual learner “presence” and interactive Smartboards, and it will be flexible to accommodate different styles of training.

The recent mobility announcement of the availability of iPhones and iPads with smart “Apps” installed provides greater access to training, even from field locations. These devices will make it possible to participate in real-time classroom chat, collaborate via virtual whiteboards and interact by using the devices’ integrated cameras.

Extensive research has shown that much learning happens outside the classroom and in the field. The problem is that when in the field, people often cannot recall the specifics of what they learned in a previous training class. A technology known as Electronic Performance Support Systems (EPSS) allows people to access job-specific training and reference material on demand and in real-time as needed. This ability to browse through and refer to previously learned content, using devices such as iPads, iPhones or computers, is an immensely powerful tool, as it goes a long way to address another challenge of learning in general. It is one that has plagued the training world and learners since inception – that of knowledge retention.

The key is to encourage instructors to put time into class preparation,” said Angove-Rogers, “and for those who already know and have experienced the very real benefits to share that knowledge. This way the skeptics can feel more confident in embracing the virtual approach and take full advantage of the feature set available. Of course that leads to a question of resources – having enough people with the time to help, support, train and share knowledge with those who are willing to learn and embrace the virtual medium.”
Unlocking value through the power of collaboration

How does an operation make better and faster decisions to deliver Smart Growth and Superior Returns while living its SPIRIT Values?

Employees within ConocoPhillips operations are finding that the answer lies in integration, collaboration and a strong desire to continuously improve. Through the formation of networks and formal and informal relationships at various levels across operating communities, employees are able to quickly share and apply knowledge.

Various forums supported by Operations Excellence, such as Networks of Excellence, Functional Excellence Teams, Operations Excellence Regional Leadership Teams and the Operations Excellence Leadership Team all contribute to making connections that facilitate collective learning and enhance capabilities.

This is the first in a series of articles that will highlight examples of how ConocoPhillips operations have elevated performance through knowledge sharing and application of Operations Excellence principles, supporting the guiding principles outlined in the Collaboration Playbook.

Norway’s ‘Good to Great’ legacy

In 2002, Norway undertook an effort to assess the way it was conducting business. With the understanding that the Ekofisk fields had another 40 years of economic life remaining, it was an opportune time to invest in a long-term vision for the future – a fundamental redesign in the way the business unit operated.

“There was no big case for change, no crisis, no big moment,” said Integrated Operations Manager Ole Klingsheim. “We just knew we wanted to be better than we were and that it is always smart to mend the roof while the sun is still shining.”

Based on these aspirations, Norway began the “Good to Great” improvement program, a systematic assessment and evaluation of its performance and key business processes. The program prompted the question of “How can we improve our business from within?” The response was the identification of 12 to 15 large improvements, leading to a concept that would change their entire mindset – Integrated Operations.

IO is the process of bringing people and information together from various functions to collaborate and work together to optimize business outcomes. The power of integration is through people; bringing together diverse perspectives and
The recently opened Conoco Phillips Poland office occupies a small space in a modern building in the heart of Warsaw, the history-rich capital city. A small Conoco Phillips team is exploring for shale gas in the northern part of the country.

Real Estate & Facilities Services skill sets creates better, more well-rounded solutions and eliminates waste and inefficiency. Simply stated, IO is about bringing people together with the right information at the right time to enable quick, high-quality decisions.

“IO is a philosophy to be embraced rather than simply implemented,” said Manager Brage Sandstad. The integrated model brings information to the expert rather than sending experts into the field. “We also see improvements in other areas such as communication and collaboration, quality of decisions, and an increased knowledge and capacity in the organization. As a result of successful application Norway has been able to reduce operating costs.”

Embracing this new culture, Norway began to see value in promoting IO across the company. Hosting more than 300 ConocoPhillips visitors in 2011 and more than 150 in 2012, the Norway team has engaged in the true spirit of collaboration. By openly welcoming other business units to learn from their successes and failures, they have found their program continues to grow and improve.

“They’re taking inspiration from us, and we’re taking inspiration from them,” Klingsheim said. “Our model is continuously changing and improving.”

In the recently launched Collaboration Playbook, Technology & Projects Executive Vice President Al Hirshberg wrote: “Done well, collaboration eliminates silos, reinforces accountabilities and enables people to call upon each other’s strengths. We aim to make collaboration fundamental to our culture.”

The following stories are just a few of many examples illustrating how operating efficiency can be improved and waste reduced through the power of collaboration.

**A blueprint for the 21st century**

As a new growth area for the company, Eagle Ford has the unique opportunity of installing an operations design that will be the model for future onshore North American developments. Incorporating best practices from across the globe, the business unit spent time researching and assessing designs that would enable it to meet its goal of optimum operability and efficiency.

San Juan Business Unit General Manager Terri King, who was Eagle Ford’s manager at the time, had just returned from an assignment in Norway where she worked first hand implementing the Norwegian IO model. King challenged her team to take a look at Norway’s model and determine whether or not there were aspects that could be
Collaboration

leveraged to help achieve their vision of enabling faster and smarter decisions. Beginning in the third quarter of 2011, they chose to incorporate IO throughout their new and growing business, branding the program as Integrated Operations of the Future (iOF).

Consistent with Eagle Ford’s fast-paced development, it was necessary to implement the model as early as possible to maximize its benefits. “We were determined to not suffer paralysis from analysis,” said Eagle Ford Operations Advisor Craig Moody. “No matter how much time we spent discussing and revising the model before implementation, it was going to look different down the road, so we opted to get started and evaluate and adjust after we had experienced program successes and opportunities.”

At the heart of the Eagle Ford design is the production optimization center, which ensures that wells and facilities are operating at full potential. This initial center will lead to development of future collaboration centers.

Although the program has been in place for only a short time, with implementation still underway, it has accomplished several big wins in the coordination of condensate hauling and the reduction of well downtime. Such enhancements will help Eagle Ford fulfill its outstanding long-term production growth potential.

Uniquely in the position to build in the right solutions from the beginning instead of facing a later retrofit, the Eagle Ford iOF program has contributed to a culture of innovation and continuous improvement, and has created an environment for learning opportunities and empowered collaboration.

**Integrated Operations fit for purpose**

The **Western Canada Business Unit’s (WCBU) Production and Optimization Cost (PaCO) process** incorporates many key aspects of Norway’s IO philosophy.

Using these principles as a guideline, WCBU IO Manager Russell Borgman, Leader Garry Lightbown and their team developed the PaCO process, which fosters collaboration, goal alignment and accountability between operations and production engineering.

Focused on field operations, PaCO is a systematic and continuous improvement approach to managing and prioritizing opportunities, increasing production and/or reducing costs.

With aligned goals and a clearly articulated plan WCBU has been able to reduce its production and lease operating expense (LOE).

“The PaCO process proves you can create significant value without large investments in new technologies,” said Borgman. “PaCO’s success can be attributed to the purposeful collaboration of people; the tools are merely enablers.”

**Start small to win big**

After participating in an Operations Excellence assessment, Alaska realized it had a significant opportunity for operational improvement. Based on the results, North Slope Integrated Operations and Projects Manager Bill Arnold took a team of Alaska employees to Norway to explore the IO model and discuss the practicality of implementing a similar model in Alaska.

They returned from the trip inspired. “While we
were in Norway, I saw an exciting prospect for the future of our business. Two things resonated with me that have centered our approach – start small to win big, and staff for success,” said Arnold.

The North Slope IO strategy model developed into a two-phased approach. Phase I was based on the “start small to win big” concept. Greg Ashby, superintendent, Operations/Projects, was tasked with establishing a team and developing a continuous improvement management system for “put on production” (POP) wells that had undergone well work and work-over operations in the Kuparuk Field.

The POP activities represented a microcosm of work that involved several key operating functions in which coordination and collaboration of activities were paramount. Adapting prioritization, planning and coordination of the POP activities to a larger scale set the basis for the North Slope IO model.

For Phase II – staff for success – Arnold chose Wayne Fletcher as North Slope Integrated Operations manager. “Wayne is energetic and highly respected in our organization, a great leader for the effort,” said Arnold. Fletcher hand-picked a team of professionals who could work North Slope integrated processes. The group has three main focus areas: production optimization, small project management and integrated planning.

The North Slope IO organization is currently focused on building governance protocols (management systems) and an integrated master schedule to facilitate improved collaboration and decision making, while also developing key performance indicators (KPI) to monitor business performance. In addition, plans are being developed to build a fit-for-purpose IO Center. Early wins in 2012 for the IO efforts tallied more than 300,000 barrels of oil and $500,000 in initial cost savings to the Alaska region.

MOVING AND IMPROVING

Australia’s Darwin Operations Center (DOC) has incorporated many features of an IO model since its inception. The use of multidisciplinary support groups has enabled many years of success.

The Australian Business Unit West recently decided to move some of its operations support positions from Darwin to establish an IO support center in Perth. Implementation of a formal IO model will enable the transition and growth of support capabilities for Bayu-Undan, Darwin LNG and future developments.

“We will further refine and enhance a highly collaborative, predictable, operations-supported culture,” said Integrated Operations Manager Neville Carrington. “Our goal is to capture even greater IO opportunities in the future.”

As Carrington and the IO team begin by placing emphasis on the creation of collaborative centers, they will be looking to Norway’s experience for guidance.

CONCLUSION

The ability to share best practices and lessons learned is a critical factor in accelerating the successful implementation of new ideas. As illustrated by the highlighted businesses, integration, collaboration and the motivation to improve will enable ConocoPhillips to deliver Smart Growth and Superior Returns.

“We were determined to not suffer paralysis from analysis.” – Craig Moody
The Gulf of Mexico assets: a legacy of innovation in deepwater exploration and production
When ConocoPhillips entered the challenging deepwater of the Gulf of Mexico in the late 1980s, it did not tread lightly. After numerous exploration wells were drilled with various partners to determine the production potential, the company navigated strategic agreements in the late 1990s for working interests in the Ursa-Princess and K2 assets and then took a big plunge in 2004 with the startup of Magnolia, which was at that time the world’s deepest tension-leg platform (TLP).
“The company has built a strong position in the Gulf of Mexico,” said Don Hrap, president, ConocoPhillips Americas. “Between the current drilling by co-owners and the prospects we have, I’m very encouraged about long-term development.”

**EXPLORATION AND BUSINESS DEVELOPMENT**

With interest in 365 lease blocks totaling approximately 1.6 million net acres, ConocoPhillips ranks as the sixth largest acreage holder in the Gulf of Mexico. ConocoPhillips is the apparent high bidder on an additional 62 deepwater blocks covering 347,571 net acres from the Western Gulf of Mexico OCS Sale 229 held Nov. 28, 2012. The company continues to appraise several deepwater discoveries and plans to start an operated exploration program in 2013.

“Experience gained from ConocoPhillips in Gulf of Mexico assets has provided a strong knowledge base for success in global deepwater exploration and production,” said Helene Harding, general manager, ConocoPhillips Gulf Coast Business Unit.

ConocoPhillips’ existing assets in the Gulf of Mexico represent a distinctive portfolio of outstanding employees, leading-edge technologies and commitment to best practices in health, safety and environment.

**MAGNOLIA**

Located 165 miles south of the Louisiana coastline in the Gulf of Mexico’s Garden Banks, the Magnolia TLP operates in 4,673 feet of water. First production began in 2004, and initial development was completed in 2006. ConocoPhillips operates the platform and has a 75 percent working interest.

Many of the technologies in the design of Magnolia were firsts for the industry. For example, real-time monitoring devices track temperature, pressure and other parameters that are significant...
Many of the technologies in the design of Magnolia were a first for the industry.
for well-performance optimization. And a state-of-the-art distributive control instrumentation system enables technical personnel to operate, monitor and maintain stability of the platform remotely from anywhere in the world.

Complexity is a key characteristic of Magnolia’s well designs, according to Steve Bolt, GCBU offshore drilling manager. “The wells are difficult to drill because of the well-bore trajectories, and their completions are even more complex and offer unique engineering and operational challenges.”

Despite these factors, crews over the years have kept the platform operating safely and efficiently 96.2 percent of the time without unplanned interruptions. That level of direct operating efficiency is considered industry-leading.

Currently, three of the eight wells beneath the Magnolia TLP produce a gross daily average of 1,600 barrels of oil equivalent (BOE) and 3 million cubic (MMCF) of gas (1.3 MBOED net). That performance is expected to get a boost from the third and final phase redevelopment program that began in September. A drilling rig installed on the platform in July is performing work-over and side-track operations to tap into additional productive reservoirs beneath the Magnolia Field. Subsurface valves are being upgraded to safely extend the production life of these wells. Two depleted wellbores are scheduled for plug-and-abandonment.
operations and two wells will be re-completed using coil tubing following rig demobilization to complete this final development phase.

**Ursa-Princess**

Ursa-Princess is a world-class production asset that encompasses seven lease blocks in the Gulf of Mexico’s Mississippi Canyon. ConocoPhillips has a 15.9 percent working interest as one of four co-venturers in the asset.

The Ursa Field development started in 1998 with the placement of a TLP in water 3,970 feet deep. Its processing capacity is 176,000 barrels of oil per day (MBOD) and 110 million cubic feet per day (MMCFD) of natural gas, and current production from Ursa-Princess is 67 MBOPD and 87 MMSCFD of gas (12.7 MBOED net). Primary field development on Ursa was completed in 2004 with significant recompletion and sidetrack programs completed since then.

The Princess Area, a northern subsalt extension of the Ursa Field, was discovered in 2000 and achieved first production in 2002 via an extended-reach well from the Ursa TLP. A three-well subsea tieback to Ursa was completed in 2003, and additional subsea wells have been drilled and produced since then.
K2

ConocoPhillips is one of six co-owners of the K2 field, which is located in the Gulf of Mexico’s Green Canyon. Named for the world’s second highest mountain after Mount Everest, K2 was discovered by ConocoPhillips in 1999 and sanctioned for development in 2004. Production began in 2005.

K2 produces 2,000 barrels of oil equivalent per day (BOED) net and is estimated to have greater than a billion barrels of oil in place. However, the field’s complex stratigraphy and geology present serious challenges for maximizing reservoir production and recovery, according to Chris Alonzo, manager, Conventional Development. “There’s a prize out there, and we’re continuing to evaluate how we capture it.”

According to Alonzo, one way to maximize recovery is to lower wellhead pressure by reducing the weight of the oil in the steel risers connected from the ocean floor to the TLP. This is being done by injecting natural gas into the risers to lighten the liquid column. “This is quite unique for the Gulf of Mexico,” he said.

COMMITMENT TO REGULATORY COMPLIANCE

By the time the U.S. government began requiring oil and gas companies to implement safety and
The Magnolia TLP is towed in 2004 to its final location in the Gulf of Mexico’s Garden Banks sector.

Left: Ongoing subsurface inspections are conducted from inside the Magnolia TLP’s remote-operated vehicle (ROV) operational center.
“… Our way of doing business with a steadfast commitment to safety and the environment has not changed.”

— Kevin Berry
environmental management systems (SEMS) at their offshore platforms, ConocoPhillips had already established its own voluntary health, safety and environment (HSE) systems that met most of the requirements.

“We already had systems for conducting inspections and managing the integrity of our offshore assets,” said Kevin Berry, superintendent, Magnolia Offshore Operations and Maintenance. “While SEMS has added some layers to the permitting, documentation and record-keeping processes, our way of doing business with a steadfast commitment to safety and the environment has not changed.”

The stepped-up documentation and reporting control requirements have had some impact on project approvals, permitting and execution timelines, according to Chris White, supervisor, Facilities Engineering, and Asset and Operating Integrity. “We are adapting to the changes, and we recognize these are good things that we should be doing as a responsible leader in offshore oil and gas operations,” White said.

“We move a lot of heavy equipment safely every day, and that requires teamwork and communication between production and drilling.” – Paxton McCoy
Sandra Harthoorn came a day early to get some face time with the many headquarters employees who help her in her role as Communications and Public Affairs specialist in Doha, Qatar.

Andrew Roberts flew in that evening from Perth for what would be his first communicator’s conference as general manager of Communications, Sustainable Development and Public Affairs for ConocoPhillips Australia West.

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“This is a seminal event at a pivotal moment in our company’s history,” said IR&C Vice President Ellen DeSanctis, who joined the company in February 2012 and became a member of CEO Ryan Lance’s Executive Leadership Team on May 1.

“Communicators serve as the face and voice of the company. It is a great responsibility, but also an incredible challenge, to help set the course for the new, independent E&P company.”

The first day of the Summit began with a

by Ray Scippa, photography by Hall Puckett

Below: Participants at the 2012 Global Communications Summit

Investor Relations & Communications enters a ‘new’ era

They arrived from around the world: internal and external communicators joined by practitioners of government affairs, community relations, human resources and other related disciplines.

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The first day of the Summit began with a
network mapping exercise designed to foster better understanding of the group’s global connections. The next two days would be devoted to strengthening old ties and creating new ones, not simply introducing oneself, but finding meaningful opportunities to share and collaborate.

“For me the Summit was about meeting my colleagues,” said Human Resources & External Affairs Manager Anwar Yusoff from Kuala Lumpur. “I knew maybe five people when I arrived here; by the time the summit ended, I knew at least 25.”

During breaks, attendees gathered around a massive chart in the hotel lobby, adding new connections. On the last day, Knowledge Sharing Director Dan Ranta, who facilitated the analysis, revealed a web-like sociogram, indicating a “density” for the group of .59, with “cohesion” of 1.56, up from .39 and 1.36 at the start of the conference.
The group felt a new sense of union, as Ranta summed it up: “Who you know has a profound impact on what you come to know.”

**Defining the ‘new’ IR&C**

The ConocoPhillips communications function has changed. It has new leadership, a new intranet site, a new corporate approvals process, even a new name. Over the decade since Conoco and Phillips merged, the department was mixed and matched with other functions, including Planning & Strategy and Government Affairs. Today, Investor Relations & Communications is poised to establish deep roots in a world where the traditional lines between internal and external audiences have blurred.

With the Day One reorganization, Corporate Communications retained best practices such as dedicated business unit support, dynamic philanthropic programs and *spirit* Magazine. Creative Services, with its graphic design and video production expertise, returned to the fold, strengthening the department’s ability to serve clients and shape a new brand identity.

“We started with a clean slate and developed a new look and feel that has been widely embraced by the organization,” said Ed Burke, manager, Brand & Community Relations. “Now our challenge is to carry that forward to align the company’s brand, charitable investments and community engagement.”

The group is off to a great start, having played a key role in designing the widely popular “Defining the ‘New’ ConocoPhillips” booklet and associated collateral materials, rebranding intranet websites, producing a choice of five new company ID badge selections, producing numerous new videos and launching a dynamic new Brand Resource Center on eStream.

Now IR&C is driving new and improved high-tech communications strategies for digital redesign and social media initiatives led by Strategic Issues & Initiatives Manager Cathy Cram.

“The time is right to redevelop our Internet and intranet websites and social media presence, creating a digital ecosystem that allows our stakeholders quick and easy access to the information they need,” said Cram.

Closely linked to the company’s commitment to improved digital technologies, the intranet
ConocoPhillips’ brand is a valuable global asset. ConocoPhillips employees are all champions of the corporate identity. Each is a member of the company’s brand-building team, improving the recognition, reputation and competitive advantage for ConocoPhillips worldwide.
internal and external communications. Other new department leaders include External Communications & Media Relations Director Daren Beaudo, who reports to Sousa and previously worked with BP as a prominent member of its crisis communications team responding to the 2010 Macondo incident in the Gulf of Mexico. During the summit, Beaudo delivered an update on crisis communications.

“Our key focus near term will be updating and improving our functional crisis response plans and capabilities,” he said. “This work will bring our crisis communications up to date and ensure that recent industry lessons are incorporated into our planning. An important new part of success in this will be strategic use of social media channels.”

Contributing to ConocoPhillips, crisis response is implementation of a new communications web-based platform called the Public Information Emergency Response (PIER) System, a standard used by the U.S. government. PIER will enable ConocoPhillips to create situational websites, facilitating communication flow with a variety of stakeholders.

Beaudo also reinforced the networking theme, pledging that his external communications team’s focus would remain on relationship building even after the Summit ended. “We will build relationships with business unit communicators around the world, ensuring that we have the right contacts and access to support BU goals.”

Internal and external communicators in Houston are assigned to the Americas (Andrea Urbanek and Davy Kong), Europe, Asia and the Middle East (Sharon Rode and John McLemore), as well as one senior advisor dedicated to crisis communications (Bill Stephens).

“The connection with our colleagues in Houston is vital to us,” said Jacob Kastanja, manager, Corporate & Media Communications, ConocoPhillips Indonesia. “We rely on the attention and support of John McLemore (senior advisor, External Communications, Asia/Middle East) and the entire corporate team. And, in turn, they rely on us to provide insight into the unique cultural, political and demographic issues our company faces in Indonesia every day.”

International Government Affairs Vice President Bill Ichord added a compelling observation on the importance of close collaboration: “There is a lasting effect to our communications as a company. An informed and unified approach to communications can greatly enhance our reputation with the leaders of countries where we do business,” he said. “With operations and activities in 30 countries, this is critically important.”

**Electronic approvals are coming soon**

The new IR&C intranet site takes a user-friendly approach. Its theme is “How can we help? How can we support a culture of empowerment and collaboration, reduce redundancy and improve message delivery?” In support of those objectives, IR&C designed new policies and quality-control...
Global Communicators get into the spirit of the jam

To keep the momentum going following the Global Communications Summit, and to encourage an interactive dialogue with the entire Global Communications Network, Investor Relations & Communications (IR&C) held its first jam on Nov. 15. After two successful companywide jams, the company’s communicators decided it was their turn to try out this innovative communication tool.

In conjunction with the Knowledge Sharing (K.S.) team, IR&C chose five focus areas based around its strategic initiatives: high-performing team, powerful brand, integrated process and planning, client engagement and program delivery, and technology and innovation.

With a Global Communications Network of approximately 200 employees, the team held a 14-hour jam, with three dedicated time slots, to follow the sun. The IR&C Leadership Team met in the group’s collaboration room to weigh in on topics and threads from communicators around the world.

The most popular threads included topics on branding, career mobility, the new Communications Policy, the Global Communications Summit, internal communications channels, social media, supervisor communications and technology. The jam had almost 400 comments from participants representing 15 business units, functional groups and staff groups around the world. The team is in the process of mining through the threads to pull key action items which will be discussed with the IR&C Leadership Team and used to further develop key initiatives and focus areas for 2013.

processes, not least of which is an automated application for corporate approvals.

“To ensure correct and consistent messages, all communications require some level of review and approval, depending on the subject matter and level of risk,” said Financial Communications & QC Processes Director Aftab Ahmed. “We want to make determining that risk and moving the process forward as painless and efficient as possible. The new risk-focused approvals system is already in place and the electronic system is coming soon.”

Ahmed and Communications Processes Analyst Emma Duffin also led a cross-functional team effort to revise the company’s communications policy. The team participated in a series of meetings that culminated in announcement of the new policy to all employees on Oct. 1:

As part of our collective ongoing efforts to define the ‘New’ ConocoPhillips, Investor Relations & Communications has developed a new Communications Policy, designed to achieve several objectives, including supporting our empowered culture, adopting a risk-based approach to approvals, reducing bureaucracy and driving collaboration.

“The new communications policy and expedited approvals process will be essential tools for us as we step up our public policy advocacy efforts

Summit attendees map their connections on the first day (from left) Internal Communications Advisor Sharon Rode, Corporate Public Policy Senior Analyst Jaclyn Popeil, Federal and State Government Affairs Vice President Jim Ford, ConocoPhillips China Communications & CSR Specialist Olivia Yan and ConocoPhillips Canada Communications Director Rob Evans.

Corporate Communications is responsible for managing the company’s reputation through timely, accurate and strategic communications of the company’s messages to internal and external audiences. The company’s Communications Policy and associated Communications Approval Guidelines have been designed to ensure that correct and consistent communications are provided to all audiences.
Q&A with Investor Relations & Communications (IR&C) Vice President Ellen DeSanctis

When Ryan first called upon you to consider leading ConocoPhillips Investor Relations, what was your initial reaction to the company’s new pure-play model and to the challenges of the job?

My first reaction was that this position represented the opportunity of a lifetime! I did not know the company very well, but I knew that Ryan would do the right things to build a very successful company. I understood that it might take time for the marketplace to understand and support our story, but I was confident that the basics were in place – great people, growth assets, technical capability and financial strength. These are the ingredients for a high-performing E&P company, so I fully believed that ConocoPhillips could be a winner.

How did you prepare to deal with analyst and investor concerns about the new independent company?

One of my first priorities was to conduct a “listening tour.” Reaching out to key analysts and investors was essential. It was important to establish relationships with both critics and supporters as early as possible. Over the course of a few weeks, I formed a clear view of the market’s perception of the independent ConocoPhillips. This view informed the way we launched our messaging to the marketplace and set our investor relations priorities for the year.

Have you been surprised in any way by the reaction of analysts and investors?

Our business model doesn’t fit neatly into either the integrated or independent company model, so I expected a mixed reaction to our story. And of course, I also wondered about how much churn the spin event would generate among investors, especially our top shareholders. Since the spin, we have been very active in communicating to the marketplace, our story has been consistent and we are executing well from a business standpoint. The result is that the analysts seem to be coming around to the story and investors have generally held their shares.

Why does it make sense to combine Investor Relations with Communications in the new company?

Our vision is to be the company of choice for all stakeholders. One of the keys to achieving this vision is to have clear, authentic and compelling messages about our company. These messages might be nuanced for different stakeholders, but must be consistent. Combining the investor relations and communications functions, as well as working collaboratively with many other functions in the company, gives us the opportunity to speak with a more consistent voice to all our stakeholders.

Six months along, how are we doing in both arenas (Investor Relations and Communications)?

We have had a very busy, but successful, year since the repositioning. The IR&C team has been busy on many important tasks: re-branding the independent ConocoPhillips, driving culture change, working across the business units and functions, building capability for the future and communicating our story. This is an exciting time for ConocoPhillips, and I believe the IR&C functions will play a key role in our success as a company.

What are the biggest challenges ahead in 2013?

It is important that we stay focused on the factors we can control and continue to execute our business plans. Delivering on our commitments is how we will build lasting credibility with our stakeholders. This is a perennial challenge for the E&P industry. But while we are executing our plans, we must also have fun and stay safe.
in the months ahead,” said Sarah Edman, manager, Public Policy. “Effective use of such tools helps empower employees to be ConocoPhillips ambassadors in their communities.”

**IC equals internal collaboration**

All 75 attendees at the 2012 Global Communications Summit have a hand in internal communications, regardless of title or function. In fact, in its strictest sense, internal communications involves all 16,700 employees. The core IR&C team in Houston and Bartlesville is dedicated to supporting the company’s business units, functions and staffs. They work closely with all levels of the organization to develop annual communications plans that provide bottom-up and top-down news and information both within the business unit or function and to the entire company. The ultimate goal of collaborative internal communications is to drive engagement and business literacy across the organization, making every employee feel like an integral part of the greater enterprise.

“It’s all about supporting and recognizing people. Everyone has a role in our success, from the chief executive and his team to the engineers, geologists, file clerks and administrative assistants,” said Bob Henegar, senior advisor, Internal Communications Human Resources. “Effective internal communications is not just about telling stories, but about giving managers and individuals the strategic insight and tools they need to keep growing with the company.”

ConocoPhillips employee communications channels continue to evolve with new technology. eStream site owners are cleaning house in preparation for the intranet’s extreme makeover. The recent launch of Show and Share, a new internal YouTube program, is delivering enhanced, high-definition video content. Increasing online readership of *spirit Magazine*’s ZMag has dramatically reduced the number of hard copies printed. New media options such as audio and video blogs are coming soon.

On Oct. 1, the team launched a Defining ConocoPhillips microsite to provide easy downloading of all “Defining the ‘New’ ConocoPhillips” booklet components, including the Collaboration Playbook Guiding Principles. An open forum on the site encourages discussions on culture, brand and strategy.

**Connection, content, collaboration**

As the Summit drew to a close, Ellen DeSanctis issued a final call to action, encouraging those in attendance to live the empowerment culture.

“If you’re waiting for someone to tell you it’s OK to act, consider it done. Go! You have your permission. We know there will be mistakes and false starts. It won’t always be perfect. Ask questions and own every task; create energy and have fun.

“The purpose of communications can be summed up in three simple words,” DeSanctis said. “To create understanding.”
Kate Hoback

East Coast girl becomes Oklahoma personality by Natasha Mitchell

Global Staff Advisor Kate Hoback grew up on the East Coast, but when the time came to choose where she would further her education her godfather’s cowboy pride lured her to Oklahoma State University.

“My godfather lives outside of Tahlequah, and he has one of the biggest personalities you will ever meet,” Kate said.

She visited several small East Coast schools, but decided on Oklahoma State in 2002 without ever visiting the campus.

“The wonderful culture made the reward well worth the risk. After graduation in 2007, I worked for a boutique staffing firm. One of our clients was ConocoPhillips, so I discovered what an incredible organization it is. When I had the opportunity in 2010, I jumped on board as a contractor and converted to an employee a few months later.”

Kate joined the business recruiting team. After the company’s repositioning, she moved into the global staff advisor role for the Talent Planning and Acquisition Centers of Excellence.

Kate incorporates principles she learned as a recruiter into her community roles. She is the 2012 chair of Tulsa’s Young Professionals (TYPros), whose mission is “to attract and retain young professionals to the region while establishing Tulsa’s next generation of business and community leaders.”

“I’ve been involved with TYPros since 2005,” she said. “It’s an amazing way to get civic engagement, develop leadership skills and build relationships. When the opportunity came to interview for the chair position, I was drawn by the chance to better collaborate with leaders and push myself to properly represent this demographic. It is unbelievably challenging and fulfilling.”

As TYPros chair, Kate sits on five nonprofit Tulsa-area boards. Under her leadership, young professionals expand their experiences and spread their passion through volunteer organizations.

“Building a platform for my year as chair was overwhelming initially. I didn’t know how I was going to break my overarching priorities into manageable chunks for others to rally behind. My work at ConocoPhillips helped me to understand the importance of goal-setting, so I went through the process of developing SMART goals for myself and the organization around recognition, technology and leadership development.”

Kate’s initiatives as TYPros chair include enhancing Web technology, which involved creating a new website to better track members and adapt their feedback. She also created a leadership development program, collaborative crew events and various volunteer recognition initiatives.

Her diligence and passion have translated into local recognition. In March 2012, she was named to the “Tulsa 40,” the annual Tulsa Business Journal list of up-and-coming leaders under the age of 40. In September, she was named one of the Journal’s 2012 Women of Distinction, honoring local businesswomen who have made a significant impact on Tulsa.

“Making this region a place to attract and retain young professionals benefits ConocoPhillips,” she said. “And pushing myself out of my comfort zone to serve the community in which we operate has certainly benefited me.”

Kate’s mom, Gina, is a retired schoolteacher. Her father, Richard, a longtime nurseryman, is now in the financial industry. She has two older sisters, Joanne and Lisa, and a twin, Lindsay.

“Lindsay and I are as different as night and day. I had to figure out how to communicate with her and find the win-win. She trained me to listen to other people and decipher their position and motivators.”
Integration jam reveals new hot spots

Strong collaboration and integration are vital to the success of an organization as large and complex as ConocoPhillips. Leading the way is the Asset Integration Leadership Team (AILT). The AILT created the Collaboration Playbook with guiding principles describing how the business units, technical functions and staff functions interconnect.

Recently, the AILT held an online collaborative jam session to identify opportunities to improve integration across the company. More than 3,600 employees were invited to share their ideas for aligning goals and improving efficiencies in seven areas, including leadership, governance and planning. During the 48-hour session, the site received nearly 100,000 hits, and more than 1,600 comments were posted.

“It’s a big task to put the Playbook’s principles into action,” said David Chenier, AILT member and president, ConocoPhillips U.K. “The candid feedback from this jam helps us establish a pathway forward for effective integration across the organization.”

A multidisciplinary team representing key business units and corporate functions analyzed input to identify “hot spots,” areas where opportunities exist for better engagement between the business units and function groups. For each hot spot, the jam analysis team developed recommendations for consideration by the AILT.

Top suggestions include goal sharing and clarity around corporate strategic priorities and the Collaboration Playbook’s guiding principles. Other recommendations included: better criteria and transparency for decision-making processes, systems for long-term integrated planning, consistent data processes and architecture so information is more accessible, better utilization of multidisciplinary teams and resourcing and constructive conflict resolution.

“These suggestions will help us drive actions, behaviors and accountabilities that will shape our company’s future,” said Ken Tubman, AILT member and vice president, Geosciences and Reservoir Engineering.

The AILT reviewed the recommendations and prioritized areas to pursue. The team is working to develop clear goals and establish a path forward for 2013 and beyond. To measure progress, the AILT plans to host another jam session next year.

Brian Widdoes, manager, Business Improvement, participated in the analysis team and declared the jam a success. “It was an amazing event. We tapped into the thoughts of more than a thousand key leaders globally on top issues and translated them into action all within a couple of weeks.”

In the News

When was a jam session first used by ConocoPhillips?
April 10 for the Information Technology group featured in the second-quarter spirit Magazine.

How many have been held to date?
Three, including the IR&C (Investor Relations & Communications) Jam (see Page 47).

Date of the Integration event?
Sept. 18-19.

Participants?
More than 3,600 employees were invited.

Hits?
100,000.

Comments?
1,680.

Analysis team time?
Four days.

Popular topics?
Leadership, governance and planning with 77 threads and 500-plus replies.

Phrase commonly used with jams at ConocoPhillips?
Every idea counts.
Leadership comes to life at ConocoPhillips

As part of the company repositioning, it was important to establish expectations for leadership in the new ConocoPhillips. With support from senior leaders, six key Leadership Behaviors were identified and introduced globally in the “Defining the ‘New’ ConocoPhillips” booklet distributed in July. These behaviors set the expectation for how leaders interact with each other and when leading.

From behaviors to competencies
Leadership excellence requires more than just behaviors. To set us apart, we all must also demonstrate competencies and skills to drive success.

To that end, the Talent Development team in Human Resources led an effort to build a broad set of competencies that define the way we view leadership in our organization.

“It was critical to seek input from employees globally to build this competency model. In our new culture, everyone is encouraged to develop leadership skills pertinent to them, so we wanted to be sure the concepts would resonate broadly and fit well across our global business,” said Jennifer Sefton, director, Leadership Development.

And so in July and into August, HR formed a global project team. Team members formed twelve cross-functional focus groups around the world, representing Indonesia, Malaysia, Norway, the U.K., Canada, the U.S., and Australia. Members from the People & Culture team, which had been instrumental in developing the original set of Leadership Behaviors, also participated in the focus groups.

There was a great deal of passion and enthusiasm around the topic of their teams. They also apply to everyone because in the new culture, we are all asked to step up and be leaders.

A shared understanding

“We are so pleased with the thoughtful work and time that went into crafting these competencies,” said Laura Wang, manager, Talent Development. “This undertaking was an excellent example of collaboration and the kind of empowered culture we seek to encourage at ConocoPhillips.”

For HRBPs and supervisors, training on the new competencies will take place in late 2012 and into early 2013, with plans to share them with all employees throughout 2013. The introduction of the competencies will include a video featuring Ryan Lance, a desktop display sent to all employees, and ongoing communications to introduce the new competency model and how it will be used.

“The Leadership Competencies are critical to developing a common language for discussing performance and development,” said Sheila Feldman, vice president, Human Resources. “We are each responsible for identifying those competencies that are most important for success in our respective jobs. We will be integrating them into our various people processes – most notably, performance management, personal and career development, skill-based training, recruiting and candidate assessment.”

Employees take part in a focus group on Leadership Competencies in Indonesia.
At a national news conference in Qatar on Sept. 12, Gary Sykes, president, ConocoPhillips Qatar, helped launch a health and safety campaign titled “Kulluna” (translation: All of us) in collaboration with Hamad Medical Corporation (HMC). ConocoPhillips is a proud contributor to the campaign, which aims to raise public awareness and educate the community about preventable health and safety issues in Qatar.

“On behalf of ConocoPhillips, I would like to express our happiness at joining hands with the Hamad Medical Corporation and the Hamad International Training Center to launch the ‘Kulluna’ for health and safety in Qatar campaign,” said Skyes. “At ConocoPhillips, health and safety are two core commitments. It is our collective goal to eliminate all injuries, occupational illnesses, unsafe practices and incidents of environmental harm from our activities. We strongly believe that our work is never so urgent or important that we cannot take the time to do it safely and in an environmentally responsible manner. The ConocoPhillips SPIRIT Values – Safety, People, Integrity, Responsibility, Innovation and Teamwork – that inspire all our actions also confirm that wellness and safety are at the head of our corporate priorities. It is those values that we hope to spread and foster through the Kulluna campaign.

“We are also particularly proud of the...
Qatargas 3 signs LNG purchase and sales agreement

A new long-term Liquefied Natural Gas (LNG) Sales and Purchase Agreement (SPA) was made Oct. 11 between Qatargas 3 and Chubu Electric. Under the terms of the agreement, Qatargas 3 will deliver to Chubu Electric 1 million tonnes of LNG per year for five years beginning in 2013 and 0.7 million tonnes of LNG per year in the remaining 10 years.

Qatargas 3 is an integrated joint venture owned by Qatar Petroleum, ConocoPhillips and Mitsui.

This new SPA is the third contract concluded between Qatargas 3 and Japanese buyers in 2012. Qatargas 3 signed a mid-term SPA with Tokyo Electric Power Company in June followed by a mid-term agreement and a long-term agreement with Kansai Electric Power Company last September.

Japan is the largest LNG importer in the world. This agreement expands the continued partnership between Qatar and Japan and reinforces Qatar’s role as a secure and reliable supplier of LNG to Japan.

Learn more. Visit the Qatargas website at: http://www.qatargas.com.qa/English/AboutUs/Pages/default.aspx.

Below: Qatargas 3 Project facility build-out in 2007, Ras Laffan City, Qatar.

Poster created as the “face” of the Kulluna campaign in Qatar appears in print, billboard media and online.

“The contributions made by international corporate entities operating in Qatar, such as ConocoPhillips, are a cornerstone in the development of the Qatar community – both nationals and expats. We praise ConocoPhillips’ initiative in this regard. We certainly believe that the health and safety of every individual living in Qatar is a joint responsibility that should bring us all together as individuals and as communities; the name Kulluna – ‘All of us’ – is very fitting.”

The first Kulluna community road show, focusing on water and child safety, kicked off Oct. 18 in the local Qatar shopping malls.

fact that the kickoff phase of ‘Kulluna’ addresses child safety at home, on the road and in public places. As a parent, I can vouch that nothing comes before my children’s welfare and safety; as a business leader and representative, I can assert that all economic development is rooted in the wellness and safety of the country’s future generations.”

Ali Al Janahi, chief of business services and senior representative of Hamad Medical Corporation, echoed Skyes’ sentiment. “HMC is proud of its cooperation with ConocoPhillips to launch the ‘Kulluna’ for health and safety campaign.

Qatargas 3 LNG (liquefied natural gas) tankers in Ras Laffan City, Qatar.
2012 Global Wells Symposium: Creating value through collaboration and technology

More than 450 participants from across the company met in September in The Woodlands, Texas, to share best practices and lessons learned, and further explore ways to improve operations. The 2012 Global Wells Symposium featured 175 technical presentations, a poster session, insight from leaders, as well as networking opportunities.

“Our last symposium was held in 2008, so this gave us a chance to bring together many employees who are integral to ConocoPhillips’ drilling, completion and production areas,” said Debbie Stuart, wells training coordinator and symposium planning co-lead. “The symposium offered a perfect opportunity to collaborate, learn and discover new ways to create value.”

From discussions on the software tool Spotfire to sharing best safety practices in Alaska, breakout sessions featured presentations by business units such as Norway and Indonesia as well as corporate functions including Health, Safety &

“The symposium offered a perfect opportunity to collaborate, learn and discover new ways to create value.”
– Debbie Stuart
ConocoPhillips named Global MAKE winner

ConocoPhillips has been named a Global Most Admired Knowledge Enterprise (MAKE) winner. This is the second year for this achievement. Other Global winners included companies such as Fluor, Apple, Schlumberger, IBM and Google. Additionally, ConocoPhillips was recognized as 2012 Americas MAKE winner for the fourth year in a row.

Widely recognized as one of the most prestigious knowledge management awards globally, the MAKE award recognizes companies that outperform their peers by above-average growth in intellectual capital and wealth creation. The MAKE award is the culmination of a research study by the Telos organization.

“The MAKE Award is a testament to our company’s investment in and focus on knowledge sharing across our global operations and business units,” said Al Hirshberg, executive vice president, Technology & Projects. “It also recognizes our employees’ commitment to learn from each other, exchange best practices and collaborate around initiatives as we strive to be the company of choice for all stakeholders by pioneering a new standard of excellence.”

Recognized for creating a knowledge-driven organizational culture, ConocoPhillips since 2004 has documented hundreds of millions of dollars in year-over-year value from knowledge sharing. Knowledge-sharing Network of Excellence sites receive more than a million hits monthly, an indication of employees on a daily basis sharing and learning deep within the business to support effective, safe operations and environmental performance.

To learn more about knowledge sharing, visit the Knowledge Sharing home page. The link is located in the quick picks section of eStream.

Environment and Project Development & Procurement.

Attendees participated in technical sessions and were able to meet and hear firsthand from company leaders. Al Hirshberg, executive vice president, Technology & Projects, shared his enthusiasm for how ConocoPhillips is moving forward as an independent exploration and production company. Greg Leveille, technology program manager, Unconventional Reservoirs, shared his thoughts on change in the energy industry. And global wells leaders discussed the importance of effective talent management.

Glenn Schaab, vice president, Wells & Marine, closed the symposium on a positive note. “The Global Wells Symposium provided an outstanding venue to demonstrate the true meaning of collaboration. Engineers, geoscientists, safety professionals and personnel from disciplines and locations across the globe came together and experienced the power of the collective mind. The learnings exchanged will pay for the cost of this conference many times over as the participants return to the business units armed with the knowledge that was shared.”

“The MAKE Award is a testament to our company’s investment in and focus on knowledge sharing across our global operations and business units.” – Al Hirshberg
The first intelligent well in the Greater Ekofisk Area entered production last spring, with the second coming online several months later. These are the first in a series of intelligent production and water injection wells to apply recognized technology in a new way, adapted to the chalk reservoirs in the Greater Ekofisk area.

Intelligent Well Systems (IWS) enable production engineers to optimize production by manipulating downhole valves from the surface, allowing hydrocarbon-producing zones to remain open while water-producing zones are closed. This improves oil production, reduces costs, decreases risk, and allows engineers to adjust the wells to adapt to changes in the reservoir. This will have a significant impact on long, horizontal wells, as many produce from reservoir compartments with different reservoir pressures and fluids. The IWS valves can also be closed during field maintenance periods, preventing flow between formations, further ensuring well reliability.

“The use of intelligent wells will help us manage the reservoir better so we can produce from the best oil pockets,” said Per Pedersen, director, well planning in Norway’s Subsurface group. “This ensures a high production level and improved reservoir utilization.”

IWS equipment can be used in water injection wells in the same fashion. “Controlling the water flood from the water injection wells will improve oil production, better control reservoir pressures and reduce water production,” Pedersen said.

At startup, the first well produced around 4,000 barrels of oil per day, with the second well producing 4,500 barrels of oil per day. The valves were installed between depths of 3,400 and 4,200 meters and were successfully opened and closed to verify the production rate from each zone.

Testing

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Left: IWS equipment occupies most of the available deck space on the Maersk Innovator, one of the world’s largest jack-up rigs. Above: Tao Zhang (left) verifies that the pressure and temperature gauges are functioning properly.

A closer look at the intelligent well systems (IWS)

The IWS technology utilizes downhole valves controlled via hydraulic lines from the surface. This enables control of the amount of water produced in production wells as well as where water injection into the reservoir occurs. IWS also incorporates pressure and temperature sensors at each downhole valve to monitor the flow of each zone.

This improves our understanding of fluid inflow in production wells and outflow in injection wells during the various modes of stimulation, production or injection. Having reliable downhole data will ultimately improve overall knowledge of the reservoir.

IWS completions are typically used in sandstone reservoirs. Applying this technology to the chalk reservoirs in the Greater Ekofisk area adds an extra layer of complexity. As many as eight valves are needed to accommodate long horizontal wells. The valves and well system have been successfully tested to a maximum of 60 barrels per minute, demonstrating the strength of the system in stimulation, production or injection modes.
We can now operate these wells from the surface both to achieve the desired oil production and isolate water production from each zone individually," said Jon Arne Ellingsen, Completion Engineering supervisor. "There is also a great opportunity to better understand reservoir performance by the data received from downhole pressure and temperature measuring in each individual zone."

The first well provided a field test of the IWS completion technology in a completion with a cemented liner. The second applied the same technology in a new uncemented reservoir liner utilizing an open hole packer concept. The packers protect producing zones by isolating areas known to contain water.

Strategically important
Ekofisk has produced for more than 40 years and is expected to continue for decades to come. “Technologies such as IWS completions that increase oil recovery will add significant value to ConocoPhillips and other Greater Ekofisk owners given the extensive continued developments of these fields,” said Pedersen.

Wells in the Ekofisk area, characterized by low-permeability fractured chalk formations, require effective stimulations to achieve desired production rates. IWS technology enables selective stimulation of each zone separate from normal rig activities, saving valuable time and costs.

ConocoPhillips has also developed a new concept intended to eliminate the need to perforate the reservoir liner. The technology uses pre-installed acid-soluble aluminium plugs within the reservoir liner, effectively isolating the reservoir. This helps control the well and addresses fluid loss concerns normally associated with perforated wells. This technology was recently tested on two water injection wells and also in the uncemented liner of the second IWS completion system.

A collaborative effort
ConocoPhillips Norway is developing a strong IWS technology knowledge base, not just within the Completion Engineering group, but also among the rig operations, production engineering, reservoir engineering, production operations and instrumentation groups. A series of training sessions have begun and will continue to support these projects.

“This IWS program is a world-class initiative. We can all be proud to be part of a very exciting phase in the history of the Ekofisk legacy asset,” said Jesse Constantine, staff completion engineer in Houston.

The project team hopes continued application of the IWS technology and increased knowledge sharing will open the door for future opportunities.

“We will continue to optimize IWS,” said Ellingsen. “Not only do we learn how the IWS equipment can be utilized in Ekofisk wells, but also the technology continues to provide opportunities for improved reservoir management, reservoir modelling and production optimization as we implement this completion strategy. We believe this is the future of well design and will use this equipment in many wells going forward to keep production levels high and manage reservoirs in the best possible manner.”
Dianne Underwood, supervisor of training and development for Project Development, received the Construction Industry Institute’s (CII) 2012 Outstanding Instructor Award at the CII Annual Conference in Baltimore, Md. The award recognizes Underwood’s contributions in developing and implementing learning activities that incorporate CII educational materials. This includes incorporating CII best practices into classroom, simulation and online training programs within Project Development as well as developing and delivering external training as part of CII’s best-practices lecture series. Through the series, Underwood provided change management instruction to approximately 500 graduate-level engineering and construction management students representing approximately 12 national universities. She is pictured with (from left) Wayne Crew, CII’s ex officio, and Glenn Doran, CII’s executive committee chair and ConocoPhillips’ general manager, Projects Asia Pacific.

ConocoPhillips wins Young Professional Company Award

Six ConocoPhillips employees earned the Young Professional Company Award for their presentation at the 2012 Offshore Northern Seas oil exhibition in Stavanger, Norway. Tasked with tackling a topic that aligned with the conference theme of “confronting energy paradoxes,” the team delivered a presentation that touted the benefits of natural gas versus coal.

The participants had 15 minutes to present to key players in the international oil and gas industry. This gave the young decision-makers of the future an opportunity to speak directly to today’s leaders.

“We are both proud and honored to receive this award. Behind this presentation is a lot of work by very enthusiastic and dedicated colleagues, and we have worked incredibly well together over several months. This was great,” said Jacob Taylor, contract specialist. The team also included Alciades Velasquez, Sergio Velasquez, Julia Straathof, Maren Kjøstvedt Brandsvoll and Matteo Gennaro. Half of the team members are graduates of the company’s Summit Engineering Program.

It was important that the teams consist of multidisciplinary and multinational participants. The ConocoPhillips team included employees from around the globe representing Procurement, Subsurface and Technology & Projects.

Executives speak at China Forum

Matt Fox, executive vice president, Exploration & Production, and Greg Leveille, manager, Unconventional Reservoirs Technology Development, were featured speakers at the 12th U.S.-China Oil & Gas Industry Forum Sept. 10-12 in San Antonio, Texas. A public-private partnership that includes government and industry representatives from the United States and China, the forum enables the two countries to meet around common goals, including development of secure, reliable and economic sources of oil and natural gas.

Fox opened the forum on the first day, speaking on How Unconventional Gas Revolutionized the U.S. Market. The combination of two innovations developed in the U.S. – extended-reach horizontal drilling and multi-stage hydraulic fracturing – transformed the world energy outlook. ConocoPhillips is among the largest energy producers in North America and a leader in unconventional oil and natural gas production and technology. The company also has a strong presence in China and is regarded as one of that nation’s leading foreign investors with about $4 billion invested.

Leveille’s presentation – Successfully Operating Unconventional Reservoirs – focused on unconventional play valuation and next steps, which include proving commerciality, optimizing the development plan and managing the field.

ConocoPhillips also hosted a conference table with information and materials translated in Chinese.

Following the forum, ConocoPhillips provided a group of Chinese delegates a tour of its Eagle Ford Shale property.

Underwood receives Outstanding Instructor Award

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ConocoPhillips Indonesia (COPI) recently tested its capability to respond to a complex and dynamic emergency event, requiring the team to adapt to rapidly changing circumstances including weather, product behavior, stakeholder concerns and government agency needs.

The exercise simulated a 600-barrel Belida Crude spill resulting from the impact of an out-of-control bunkering vessel colliding with the FSO Intan in the Belida Field. Beginning Oct. 1, the exercise was conducted over five days and included the engagement of the entire COPI Incident Management and Business Continuity Teams.

Although the scenario likelihood is very low, the exercise was designed and executed as a realistic representation of potential consequences. To create realism, facilitators provided a constant flow of circumstances into the role play that ensured the complexities of an incident of this type were imposed on the Incident Management Team (IMT).

The team managed the event using a comprehensive emergency management process that includes not only the immediate reactive response needs of an oil spill, but also manages the proactive phase of consequence management and the subsequent recovery of operations through the business continuity team. The exercise included liaison and engagement with industry regulator BPMIGAS, the Department of Sea Transportation and neighboring partners, and it addressed the need for legal analysis and comprehensive community relations. The team assessed insurance and loss, as well as lost production opportunities, while fielding a constant barrage of media inquiries. The COPI IMT successfully responded to all manner of challenges imposed upon it and managed the oil spill event to a successful conclusion, resulting in safely minimizing environmental impact and returning operations to normal production status.

The Corporate Crisis Management and Emergency Response (CM&ER) group and the Global Incident Management Assist Team collaborated with COPI to help drive integration and consistency in the company’s emergency response capabilities. New members of COPI IMT benefited from an experiential learning environment through focused coaching that aided in accelerating their response skills. Congratulations to all exercise participants and particularly to COPI Emergency Response Manager Jana Kusuma, COPI Offshore Emergency Response Coordinator Amalia Rais and COPI BCP Coordinator Craig Binks for an extremely well developed and executed exercise.

“COPI can be proud of the emergency management capability it has developed and demonstrated throughout this exercise,” said Josh Soybel, manager, CM&ER. “To ensure we are truly prepared to handle any emergency, we must continually train with exercises like this one that maintain and enhance our emergency response capabilities.”
News Briefs

ConocoPhillips contributes $500,000 to victims of Hurricane Sandy

ConocoPhillips contributed $500,000 to the American Red Cross to assist in disaster relief efforts for those impacted by Hurricane Sandy. Community and corporations are working together to help rebuild homes and businesses affected by this terrible event.

“ConocoPhillips and its employees send their deepest sympathies to those affected during these difficult times,” said Ed Burke, manager, Brand and Community Relations. “We hope that this contribution will help those most affected begin rebuilding their lives and communities.”

Employees who have contributed or plan to contribute to Sandy relief efforts can apply for a company match of their individual contributions through the Matching Gift Program, which applies to all U.S. dollar payroll employees. By utilizing the match program, employees can double the impact of their contribution.

Malaysia business unit achieves first oil production

First oil from the Gumusut Field came online Nov. 17 at 7:30 p.m. local time, when well P505 was opened to surface facilities. The second well, P606, was placed on production on Nov. 20. Gumusut’s full development is planned for the fourth quarter of 2013 and will comprise up to 19 subsea wells tied back to a semi-submersible floating production system. This marks a key growth milestone for the Malaysia Business Unit.

Jim Iijima retires after 51 years of service

Effective Dec. 31, 2012, Jim Iijima, manager, Japan LNG, will retire after 51 years of service to the company. Jim joined Phillips Petroleum Company in May 1961 and held various leadership positions in Japan and the U.S. A few of Jim’s major accomplishments include his responsibility for and involvement in obtaining several major long-term sales and purchase agreements for liquefied natural gas (LNG) shipments into Japan, including the Kenai LNG agreement in 1969, with a 20-year extension to follow, the Darwin LNG agreement in 2006 and the APLNG agreement in 2012. Jim’s commercial abilities in addition to his diligence bridging the cultural and language differences between the U.S. and Japan have been key success factors in establishing and maintaining these long-term LNG sales agreements over the years and have proven pivotal to the success of the business. Upon Jim’s retirement, Hiroshi Imura, currently manager, LNG Marketing, will become manager, Japan LNG.

ConocoPhillips Alaska continues support for local university

In late 2012, ConocoPhillips Alaska donated $200,000 to the University of Fairbanks for its petroleum engineering studies. Bij Agarwal, vice president, Commercial Assets, ConocoPhillips Alaska, presented the check. In 2011, the company donated $500,000 to the university.

Poland presence is on the rise

ConocoPhillips began investing in shale gas exploration in Poland in 2009 when the company signed an agreement with Lane Energy Poland. The agreement called for ConocoPhillips to fund limited seismic and drilling activity on 1 million acres of land upon which Lane had obtained exploration rights. In return, ConocoPhillips received an option to acquire 70 percent ownership of Lane Energy Poland – an option it exercised in March 2012. As part of this transaction, in September 2012 ConocoPhillips assumed operatorship of three Poland concessions. The company established an office in Warsaw and is currently drilling a new shale gas exploration well, testing some earlier wells and planning for an active drilling and seismic campaign in 2013 and 2014.

ConocoPhillips supports Arctic Winter Games

In March 2014, Fairbanks, Alaska will host the Arctic Winter Games, a week-long celebration of mostly youth sports and culture featuring 21 sporting events and numerous cultural activities. More than 2,500 athletes, coaches and staff members from nine northern delegations will participate in the event. ConocoPhillips Alaska President Trond-Erik Johansen recently presented a $100,000 check to the organizing committee.

“Taking part in this inspiring event is an honor for us, and we are excited to help bring circumpolar youth athletes and Alaskans together for what will be a memorable event,” Johansen said.

While the event is more than a year away, the organizing committee is about a third of the way toward reaching its goal of raising $1.3 million from the corporate and private sector.

“This early commitment helps us get off to a great start,” said Jeff Jacobson, Alaska host society chairman. “We are thrilled to have ConocoPhillips join us as presenting sponsor of the opening ceremony. ConocoPhillips’ affiliation with the Arctic Winter Games demonstrates its commitment to Alaska’s youth and culture. We look forward to working with ConocoPhillips to produce an opening ceremony that will make Alaska proud.”

ConocoPhillips announces its intent to sell interest in Kashagan

In November, ConocoPhillips announced that it had notified government authorities in Kazakhstan and its co-venturers of the company’s intent to sell its 8.4 percent interest in the North Caspian Sea Production Sharing Agreement (Kashagan) to ONGC Videsh Limited.

Subject to various government approvals, Kazakhstan state preemption rights and co-venturers’ preemption rights, ONGC Videsh Limited, the international arm of Oil and Natural Gas Corporation Limited, India, would acquire ConocoPhillips’ interest in Kashagan, which is located in the Kazakh sector of the Caspian Sea.

The transaction is expected to close in the first half of 2013. Expected proceeds are approximately $5 billion, which represents the purchase price plus expected working capital and customary adjustments at closing.

The proposed sale of its Kashagan interest is part of ConocoPhillips’ plan to increase value for shareholders through focused capital investments and a commitment to deliver growth in production and cash margins, improved returns on capital and sector-leading shareholder distributions.
Mid-Continent Business Unit honors military family members

The company’s Mid-Continent Business Unit is proudly honoring military family members with a series of 24-hour flag-flying salutes at its Midland, Texas, office. After each flag is flown, it is lowered and presented to a military family member.

Jim Freeman, who recently retired from the Panhandle/Anadarko/Barnett Operations, was deeply moved by the salute to his daughter-in-law, Jennifer Freeman. She recently was honorably discharged from the U.S. Navy after eight years of distinguished service, including deployments aboard the USS Emory S. Land and the USS Theodore Roosevelt.

“I just thought this was a great effort by ConocoPhillips,” said Jim Freeman. “Our family is really as proud as can be.”

A flag presented to U.S. Air Force Senior Airman Mark Willis, Jr., son of Multi-Skill Operator Mark Willis, was placed aboard a C-130 aircraft during a successful rescue mission that flew from Kandahar Air Base in Afghanistan. Mission pilots autographed the certificate that came with the flag and sent it to the company’s Midland office for display.

Above: Mark Willis, Jr. (right) displays his flag while standing atop a C-130 cargo plane in Afghanistan. Top: Jennifer Freeman (second from right) holds her flag with family members (inside, from left to right) Jim Freeman, father-in-law; Ginger Freeman, mother-in-law; Gavin Freeman, son; and Gracee Freeman, daughter. They are flanked by Panhandle Production Supervisor Randy Campbell (left) and Production Foreman Lanny Nelson (right).

John Patterson honored by the Society of Petroleum Engineers

The Society of Petroleum Engineers (SPE) recently presented its SPE Production and Operations Award to John Patterson, global production engineering chief. The award recognizes outstanding achievements in or contributions to the advancement of petroleum engineering in the area of production operations technology. Patterson was recognized for his tremendous contributions to the industry, including his work in production optimization, artificial lift and gas separation, which resulted in new industry and academic standards, as well as effective tools for operating companies.

“It is an honor to recognize John for his commitment and dedication to the oil and gas industry,” said Ganesh Thakur, 2012 SPE president. “SPE international award winners were nominated by their colleagues and selected by their peers for their achievement and contributions, and it’s my pleasure to congratulate them on receiving this prestigious international award.”
On Assignment

Lawrence Stevens (Virtual training delivers, Page 22) is virtual training coordinator for ConocoPhillips. He joined the Technical Training and Development group, which supports the training of engineers and geoscientists, in February of 2010. Lawrence currently leads the virtual training initiatives of the group and coordinates the Engineering Academy, ConocoPhillips' new-hire engineer training program. He has more than 10 years of experience in the fields of training, information technology and media, and graduated from the University of Southampton in the United Kingdom with a degree in philosophy. Outside of work, Lawrence lives an active lifestyle. He is a strong tennis player and an avid movie watcher, and he enjoys traveling the world.

Lauren Blake (The power of collaboration, Page 28) is the network and communication coordinator for Operations Excellence located in Houston, Texas. Supporting 15 Knowledge Sharing networks of excellence through the management of content, technology and people resources, she ensures that network goals and strategies are being met to increase the effectiveness of sharing knowledge across business units. Lauren began working as a full-time contractor in May 2012 after spending two summers as a corporate shared services intern in Bartlesville, Okla. She is a graduate of Texas A&M University with a degree in communications and a minor in English. Being a new resident to Houston, Lauren is enjoying exploring the city’s culture and culinary offerings.

Renee Griffin (The Gulf of Mexico assets, Page 32) joined ConocoPhillips in July 2012 as communications advisor, Lower 48. She is responsible for writing and editing the Lower 48 Reporter employee newsletter, developing content for the Lower 48 website and coordinating creative services for Internal Communications projects and materials. Renee’s experience includes corporate communications for the Motiva Port Arthur Refinery Crude Expansion Project. She also was a television news reporter and anchor and has appeared as an on-camera spokesperson and as voice-over talent in numerous commercial and industrial film and video productions. Renee earned a Bachelor of Science degree in broadcast journalism from Syracuse University, Master of Business Administration from the University of Houston and Accreditation in Public Relations (APR) from the Public Relations Society of America. She is also a graduate of Leadership Houston Class XXIX. In her free time, Renee enjoys spending time with family and friends, recreational sailing and motorboating, skiing, tennis, diverse fitness activities, cooking, traveling, wine tasting, cultural arts and classic films.

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Address mail to spirit Magazine, ConocoPhillips, MA3132, P.O. Box 2197, Houston, TX 77252-2197, or send email to the editor at ray.scippa@ConocoPhillips.com.

Ray Scippa
Executive Editor

Michelle Gunnett, Designer

Contributing Editor: Andrea Urbanek, In the News

Internal Communications: David Austin, Whitney Burton, Kathryn Donelson, Bob Henegar, Jan Hester, Janice Leonard, Natasha Mitchell, Kristi Richardson and Sharon Rode

Creative Services: Kevin Bonny, Linda Boulton, Ed Burke, Carmelo de Guzman, Darcy De Leon, Dave Duncan, Toni Garrett, Garth Hannum, Larry Jones, Rich Ostrem, Jim Spanos, Holly Strope, Sara Wise and Chris Young


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For requests related to the spirit Magazine mailing list, please contact Beth Foster at beth.foster@p66.com or call 918-661-0428.

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Our Mission

Provide global access to high-quality learning and development opportunities in the field of engineering and geoscience to ConocoPhillips employees worldwide, using a variety of delivery methods and innovative training solutions.

Our Goals

• Develop targeted technical skills to achieve global competency excellence.
• Improve the quality and reduce the overall cost of technical work through continuous skills training.
• Utilize technology to reduce the cycle time of skills development and increase global accessibility to technical training.
• Provide comprehensive, customized, and effective course design, development and delivery strategies.

We support your technical learning needs. Find us on eStream or send us an email to see how we can help:

Intranet: Type “Technical Training” or “TTD” on eStream search.
Email: learning@conocophillips.com
Life has a way of stretching us to our limits.

People who are resilient make a conscious effort to be positive, proactive, focused and flexible.

The ConocoPhillips Employee Assistance Program (EAP) can help you strengthen your resilience and achieve balance so you can think, feel and be your best. Support is available 24 hours a day, seven days a week.

Learn more by visiting the EAP website on eStream under QuickPicks.