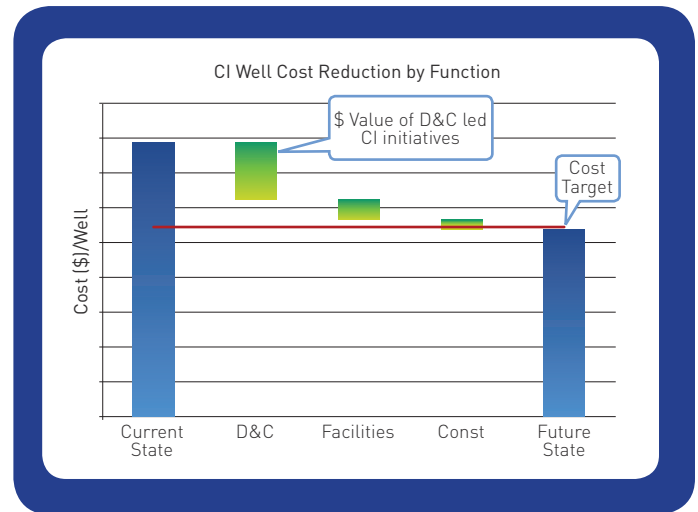


Continuous Improvement Effort Drives Top Quartile Performance

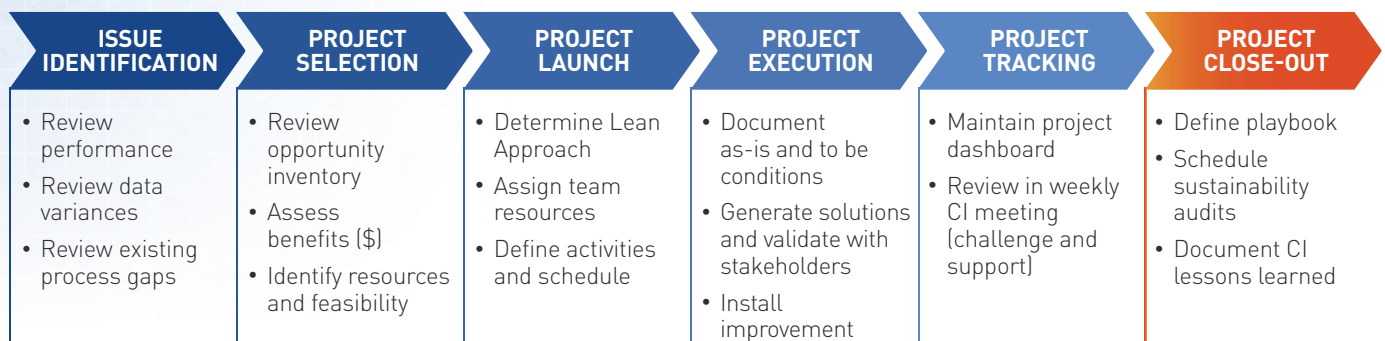
An oil and gas major was starting up the development of a new asset and was challenged by Executive Leadership to develop a roadmap for first quartile performance. This meant well development costs and cycle times needed to be reduced significantly. In the development of this roadmap they identified the need for a robust Continuous Improvement (CI) Process that would engage each function and drive performance across the organization.



Creating a Fit-For-Purpose Approach

The various functional teams had many great ideas to improve the process, cycle times and cost of delivering wells. However, there was no effective or systematic way to determine which ideas were resourced, how they got prioritized or when they got implemented. The challenge was to design a fit-for-purpose approach to identify, select, prioritize and implement Continuous Improvement projects with clear significant impact on business performance.

CI Process Flow



Results Tracking

Each functional area tracked how their CI initiatives contributed to the overall cost goals. It was important to establish momentum with each of the functional groups in the execution of some far-reaching improvements to current business practices and establish a culture of continuously challenging the status quo. The CI activity needed to be visible and contagious. To be sustainable it needed to be part of the overall business's management system with clear metrics, including CI project value, progress toward completion and ultimately whether they achieved their business case.



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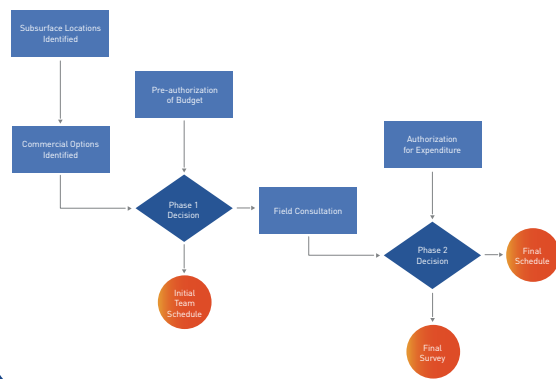
A cross-functional team was set up to design and implement a CI process that would drive the team to meet its immediate well cost targets as well as enable the organization to overcome future business challenges. The team soon realized that there was no shortage of improvement ideas. However, if they only worked on this list of issues, they would not necessarily be maximizing the improvement benefits nor would it be continuous or sustainable. They needed a systematic process.

Criteria were defined for project selection, with a series of projects launched even while the process was still being worked out in detail. A dashboard was prepared to track the progress of

each project as it advanced through the planned stages. The project database also enabled tracking of individual project benefits, such as direct well cost-reduction, cost-avoidance and production enhancements.



Leaning out Field Access process saves over \$2.1M



- Reduced process steps by 66% (reduced complexity)
- Reduced work hours by 25%
- Reduced rework due to process simplification and clarity of roles
- Reduced rig standby charges and lost production due to lease delays
- Reduced overall cycle time due to quicker field access
- Reduced stop work and fines due to improved quality
- Improved relationship with stakeholders and regulatory agencies

The CI process brought structure and visibility to the team's power to drive improvements in business performance. Technical functions which had operated in silos were now integrated in their efforts to improve. Cost targets that seemed unattainable became concrete, familiar and achievable. Equipped with this knowledge and capability, the team was now in a position to achieve first quartile performance.

"This was probably one of the best team projects I've participated on in my career...the real success of this project was the people. The people were looking to deliver results the right way, through collaboration on a specific purpose."

Oil & Gas Upstream Land Manager

This case study is one in a series of four themes delivered for a transformational change program for a Western Canadian Oil and Gas Major.

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