

CONOCOPHILLIPS SNG PROJECT HOUSTON, TEXAS

Size Major Project	Client Contact Tom Hren
Target Completion Date 2012	ConocoPhillips Threadneedle 1074 Permian
Projected Project Cost \$x,xxx,xxx,xxx	600 N. Dairy Ashford Houston, TX 7707901175
Services	832-379-6082 (office) 281-917-0272 (cell)
<ul style="list-style-type: none">• Pre-Event• Function Analysis• Facilitated Value Engineering Workshop• Decision / Risk Analyses and Modeling• Organization Analyses coaching	



Pinnacle Results conducted a Value Engineering Study (VE) for ConocoPhillips to assess options and potential for improvement for a proposed major Synthetic Natural Gas (SNG) project. At the time of the studies, the project was still in the feasibility phase of development. The VE Study focused on working with the team to improve return on investment on the key components of this SNG Facility Development project. The Technology and Risk Analyses studies delivered Return on Investment modeling for the various major Technology Decision to be made in the Project, with cumulative probability curves for NPV and IRR%.

A multi-disciplinary team was organized and a Pre-Event was conducted to determine and clarify the highest project priorities for the team to focus on for value improvement during the remainder of the Value Engineering study. The Pre-Event also included work to identify functions of the project and build a FAST (Function Analysis System Technique) model.

The workshops were facilitated by Pinnacle Results and involved multiple teams of engineers and related experts. Team members were directed to focus on different aspects of the project, particularly to impact reduction of capital expense, shorter project schedule and throughput capacity of the facility. Each team was directed to creatively brainstorm ways to improve the project based on the function model. Hundreds of ideas were generated and captured during the Creativity phase of the workshop.

Once creativity was complete, the workshop entered the Evaluation phase of work and teams were directed to filter their ideas based on various criteria. This filtering involved multiple steps of evaluation and discussion until ideas were determined to be accepted for further study, accepted for use in the project, or not to be further discussed for the project.

Under direction of the project management, ideas were organized by potential reduction in capital expense along with associated value impact if accepted for implementation.

As a result of the facilitated Value Engineering workshop, team members reported to management their proposals and recommendations. Summary reports were created and ideas were assigned for further evaluation and study moving forward. The potential savings and improvements to the project as a result of the ideas generated during the study ranged from tens of thousands to hundreds of millions of dollars.

The management of the ideas and the study reports were conducted in the *VIPNOW™* software..