McCombs Spring Case Competition 2014

Open Q &A with Josh Pratt

April 9th 2014

1. Question: Who do you consider to be your largest competitors in the South American Market

Answer: Big integrated big oil companies around the world. For example Exon and Shells. It is mostly the integrated majors.

1. Question: Do you have bulk shipping rates of crude? Could you obtain the number of barrels of crude spilt within the last 5 years?

Answer: Don’t have the actual answer. Please google it.

1. Question: Do you think that Conoco Philips has the infrastructure for deep water exploration?

Answer: We are right on the leading edge of technology. However we are challenged by the technology available. We do have the ability to do it.

1. Question: Artic drilling? Is there any efficient method of oil spilling recovery that Conoco Philips has?

Answer: Our ability to go up into the artic is not impaired in anyway.

1. Question: I have a question in regards to the cooper basin. Does the company have any influence in that area or is it mostly focused on the coast.

Answer: Yes we have influence there.

1. Questions: In the Harvard case it states that we can drill without an environmental impact. Is this still accurate?

Answer: We are an industry leader for recovery in a low water environment. We are a leader in our ability to work in a hostile or unfriendly technology environment. We have the technology to minimize our foot print in all of these areas. In 1992 the standard of care in the world of care is a little bit lower than it is today. Now we are very focused in on the environmental issues and community care and is now a standard for the industry.

1. Question: Did any of the numbers from the case stay the same? Is it better to just get general information from the case?

Answer: It is better to use general information from the case. Feel free to research. In the last few years costs and numbers and technology has accelerated a great deal.

1. Question: As far as it goes to drilling in a salt dome. How secure does Conoco Phillips feel doing this?

Answer: We feel very secure in doing this. It isn’t unusual for us. We have long been proficient in this area including underwater. Off shore drilling always causes complications but we still can do it.

1. Question: After what happen with Venezula with the government is it possible for Conoco Phillips to make an attempt to form another relationship?

Answer: If you have watched the news it has fallen in our favor. We have gotten more favorable support from the government. It is amazing how government and energy companies are to forgive and start forming relationships again despite the fact that things happen again and again. Both side seem to be pretty quick to forgive and understand we are just doing business. I do believe that we can work together in the future.

1. Questions: In terms of length of time how long does it take to set up infrastructure? In terms of on shore and off shore.

Answer: On shore it is surprisingly quick. It depends on how far you are away from the market and also what is coming from that area. Gas would be not as viable and something liquid. For example in Denver it take several months to get connected with the broader infrastructure. There is less infrastructure need but there is a lot of thought put into what we do need later on.

Off shore takes a lot longer. It takes several weeks to get a drilling rig to say south East Asia just because of travel time. Every deep water area is like a completely new play.

1. Question: In oil rich area how many rigs do you expect to put up?

Answer: In the two biggest play areas we have rigs in the low teens. In US based rigs we have them in the 30s and 50s.

1. Questions: In the case it said is there any alternative besides Ecuador?

Answer: We can’t tell you to go with Ecuador or not. Do some creative thinking. There is plenty of freedom in this case. You have judges from all over and they won’t have the expertise that you would have. Don’t try and figure out what I am thinking.

1. Question: Horizontal drilling is it feasible in this area? What type of field is okay for horizontal drilling?

Answer: It may seem optimal in the US but Poland and Russia are looking into it. This technology is portable in this area. I think it’s still really early on. I am not an expert geologist and I am not the best to tell you about what type of drilling to use.

1. Questions: Has it ever been the case or would it be held against Conoco Philips that they are an American company?

Answer: There is definitely a case where American companies can be harmed due to the fact that there is political tension. For example UK took a harsh response on BP for trying to enter into Russia.