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## Leading Weatherford Into the Next Era of Oilfield Services

**Mark A. McCollum**  
President and CEO

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# Leading Weatherford Into the Next Era of Oilfield Services

The oil and gas industry of today is not the same as it was 10 years ago, five years ago, or even one year ago. From an engineering perspective, the push into deepwater and high-pressure, high-temperature fields has introduced new technical challenges. Additionally, changes in the supply-demand equation have driven the industry to look at risk and rewards differently, and to re-examine the balance between short-term gains and longer-term strategic objectives.

As one of the largest international oilfield services companies, Weatherford was challenged to transform and adapt to what is now the new normal. In order to navigate these seismic shifts while staying true to our identity as a company, we needed to revisit our mission and core values — who we are and what we stand for.

## Mission and Core Values

At the most basic level, Weatherford provides technologies and services to help exploration and production companies develop the energy resources that power the world around us. That is, in itself, a hugely important task. Yet perhaps the most critical element—especially during this transformational moment—is how we deliver these technologies and services.

We are committed to operating in a safe, ethical, and sustainable manner. This mission drives our actions at every level of the company. Weatherford has many stakeholders, from our employees and customers to our investors, and we aim to be a trusted business partner to each and every one of them. Maintaining this trust involves treating people, communities, and the environment with respect. Additionally, we maintain an awareness of the impact our actions today have on the future.





We value discipline and accountability and believe that these are the keys to maintaining a high level of service quality. When we make a commitment to our customers, we work diligently to deliver maximum value and to further our shared goals. This focus on solving customer challenges with innovative solutions is one of the things that sets Weatherford apart from other oilfield services companies.

## Technologies and Innovations

While Weatherford's portfolio of products and services spans the entire upstream lifecycle, our strengths are centered in two areas: well construction and production optimization.

We take pride in our ability to build world-class wells. The process starts with formation evaluation tools that determine the location, quantity, and quality of hydrocarbons in any given reservoir. From there, our engineers develop a plan for the optimal recovery of hydrocarbons. This involves designing the wellbore path, angle, and placement; establishing safe drilling parameters; and selecting the best-fit equipment for the job at hand.

Next, a variety of drilling technologies and services enable real-time control of rig-floor equipment as well as the drill string and bottomhole assembly — the tools closest to the bit. The drilling process generally involves several trips in and out of the well to drill the well and to establish the integrity and stability of the hole. There are many complex tools for drilling, cleaning out, casing, and completing different types of boreholes. Weatherford is the only company that offers the option to control downhole tools electronically from the surface, using radio-frequency-identification (RFID) technology. Our portfolio of RFID-enabled solutions includes drilling, cementing, completion, and stimulation tools. These innovative technologies help to reduce the number of trips downhole as well as the amount of risk involved with each trip.

In addition to safeguarding the integrity of the well and reservoir during the well construction





process, we work to protect our people and the environment. Drilling involves many moving parts and often requires fast decision-making, so safety and training are especially important in this area. Weatherford has invested in a number of programs that help ensure everyone gets home safely at the end of the day. Our Eight GEMS (Getting Everyone Managing Safety) program is designed to educate employees and empower them to intervene when they see unsafe acts. In 2016, our Hand and Finger Injury Prevention Program won the Hart's E&P Meritorious Award for Engineering Innovation.

All of the steps involved in well construction are done with one goal in mind: to efficiently recover the hydrocarbons from the reservoir to the surface, where they can be processed and used by society. Some wells start off free-flowing, but nearly all will eventually need an artificial-lift system to continue producing. Weatherford has long been a leader in artificial-lift systems as well as the sensors and controllers used to measure the rate at which oil and gas are pumped to the surface. A combination of hardware and software makes up our portfolio of production optimization solutions, which help our customers to efficiently produce oil and gas.

The next generation of technologies for well construction and production optimization will combine traditional oilfield expertise with digital concepts and infrastructure. Weatherford has already introduced integrated software solutions for drilling and production optimization, and has also formed partnerships with major information technology companies including IBM. As the industry moves further down the path toward the digital oil field, the role of digital natives — the next generation of engineers — will continue to grow.

## Recent Successes

As the industry has changed over the past few years, partnerships and collaboration among different companies have become more and more vital. Weatherford is actively pursuing alliances with organizations in different areas of the industry, with the goal of creating greater efficiencies and delivering greater value to our customers.







A prime example is the OneStim<sup>SM</sup> joint venture, which following the closing of the transaction will bring together the North America land hydraulic fracturing pressure pumping assets, multistage completions, and pump-down perforating businesses of both Weatherford and Schlumberger. The joint venture will provide operators in the United States and Canada land markets with leading operational efficiency and best-in-class hydraulic fracturing and completions technologies. We believe our customers will benefit from having a strong new service provider in this competitive market.

Another common goal that Weatherford shares with its peers is the desire to create new jobs and to bring new talent into our industry. In May, Weatherford signed a memorandum of understanding with Saudi Aramco that will create over 900 jobs, as well as support suppliers with significant funding. We have reached out to young engineers across the world through our NextGen program, which is now in its second year (See next page).

We also maintain close relationships with professional societies, including the Society of Petroleum Engineers and the International Association of Drilling Contractors. Participation in industry organizations and events is one way that we encourage our people to continue developing their technical expertise, and the innovations they inspire have been recognized by our peers. At the 2017 Offshore Technology Conference, Weatherford won a prestigious Spotlight on New Technology Award for the AutoFrac<sup>®</sup> RFID-enabled stimulation system.

## Looking Ahead

The oil and gas industry may not be new, but it is a highly dynamic and innovative sector with many interesting questions left for engineers to answer. The landscape has become more varied and complex over the past few years, and companies like Weatherford are looking for new ideas and fresh perspectives. For young engineers, that means plenty of opportunities to be creative, and to help define the next era of the oil field.



## What does sustainability mean to Weatherford?

We help to provide energy to the world for today and tomorrow while ensuring benefits for all of our stakeholders through responsible operations, sustainable performance, world-class people, and global citizenship. We understand the impact our actions today have on the future for our stakeholders, communities, and environment, and that sustainability is an integral part of good business. In late 2016, Weatherford launched a formal Sustainability Committee comprised of leaders from a cross-section of our organization who are committed to advancing our sustainability agenda and further weaving its values into the fabric of our organization.

We are also firmly committed to the development of our people and have several programs in place to ensure they feel comfortable, challenged, and supported at work. One of our programs, NextGen, is designed to identify the next generation of Weatherford leadership. We are proud to say that in our first year of the program, we hired approximately 200 graduates to participate in the five-year structured rotational program. We have identified a goal to hire 400 graduates in 2017, and as a demonstration of our commitment to diversity and inclusiveness have pledged that 30% of those hires will be women.

Our people are passionate about giving back. As an organization, we seek to make a measurable impact by volunteering, donating resources, and getting creative. In 2015, we launched the Weatherford Worldwide Initiative Supporting Education (WISE), a branded education program that promotes science, technology, engineering, and mathematics (STEM), with a special focus on educating women and underprivileged youth about the energy industry. In 2016, we provided approximately 2,220 students with STEM mentorship.













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I am honored to have the opportunity to lead Weatherford, an organization with a reputation for exceptional technologies and collaborative customer relationships, a strong global market presence and a high-caliber, diverse workforce. Building on a rich base of opportunities, I look forward to guiding our Company to reach its full potential. ”

– Mark A. McCollum, President and CEO, Weatherford

Meet

## Mark A. McCollum

President and CEO

Mr. McCollum has over 36 years of leadership experience in the energy sector. Prior to joining Weatherford in April 2017, he served as Chief Financial Officer of Halliburton Company, a position he started in 2008 and resumed in July of 2016 following an interim role as Chief Integration Officer during the pendency of Halliburton's proposed acquisition of Baker Hughes Incorporated.

Prior to joining Halliburton, Mr. McCollum held a number of senior positions at Tenneco, Inc., including Chief Financial Officer, and served as an Audit and Advisory Partner in Arthur Andersen's Energy Division, where he began his career. He is also a registered CPA in the State of Texas.

Mr. McCollum is a member of the Board of Directors and the Audit and Compensation Committees at Archrock, Inc., previously known as Exterran Holdings. He is also a Regent at Baylor University and on the Baylor College of Medicine Board of Trustees.