

**Callon Petroleum LandVantage Implementation**

**Project Charter  
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William Chen

Spring 2021

March 18, 2021

**Project Identification**

* Name: Optimizing Callon Petroleum with LandVantage Cloud-based Information System
* Project Identification Number: 18263

**Summary of Project Origin and Description**

Callon Petroleum (CP) is a 70-year-old public oil and gas exploration company. In 2019, CP acquired Carrizo Oil & Gas (COG) and had expanded to roughly 200,000 acres in the Permian Basin and Eagle Ford Shale. As stated in Callon Petroleum’s inaugural Sustainability Report, they acquired COG to advance their business through enhanced scale, asset diversity, and efficiency. It is evident that throughout the sustainability report, Callon Petroleum is dedicating a lot of resources to improve all aspects of how it does business. The report highlights Callon Petroleum’s reasons and goals for obtaining COG as “On July 15, 2019, Callon announced we had reached agreement to acquire Carrizo Oil & Gas, Inc., a combination that would accelerate key corporate goals of enhanced capital efficiency, free cash flow growth and a strengthened financial position. Importantly, the acquisition would also bring together two talented organizations grounded in strong values and similar cultures with a shared commitment to responsible operations, integrity, and a drive to deliver results.” Callon created a 30-member integration team whose membership included leaders from both organizations.

With the merge of people and systems, Callon Petroleum wants a seamless transition and combination of systems. Callon Petroleum has chosen Land Information Services, LLC (LIS)/LandVantage cloud-based system for their new system. LIS specializes in providing services to oil and gas well owners and mineral rights owners as they manage the acquisition. LIS focuses on streamlining data capture and simplifying information retrieval. They also provide training and support to ensure the data quality remains high.

**Project Business Case**

Callon Petroleum has been very successful with integrating COG into its organization but seeks to reduce its operating costs while continuing to grow at a rapid rate through acquisitions. CP is finding it difficult to get real-time product data and expenses on their oil and gas surrounding the real estate that they own. CP’s current system was not designed to scale to match the volume and speed of success. It is also challenging to keep up with the changing state and federal regulations regarding wells' maintenance. Callon Petroleum plans on moving its operations to the cloud or improving its system in-house. They need to find a solution to their sustainability issue by implementing a system that can process and analyze data to support decision needs in a timely fashion and allow for the ease of integrating new data into the system when they acquire another company. Although their technical team is very talented, they are looking to utilize and leverage their current technical team’s talents while catapulting the IT team into a mature cloud solution that provides them the ability to do more with fewer people. The target deadline is that all work is completed by the end of the 3rd quarter in 2021.

**Product Deliverables**

* (Customizable and scalable) LandVantage software
  + Real-time alerts and data on CP’s oil and gas wells
* Record of all transactions
  + Day to day business
  + Selling real estate
  + Audit trail
* Training for employees and end-users
* Implementation assistance (from LIS)
* Develop requirements document
* Replace existing system with new system
* Conversion of historical land transactional and document data
* Modify existing database to work with LandVantage

**Process Deliverables**

* Bi-weekly meetings with the team, stakeholders, and cross-impacted areas of the organization(s)
* Weekly status reports
* Maintain an issues log
* Risk assessment
* Develop and maintain a detailed project plan
* Final project report upon project completion
* Develop a work breakdown structure (WBS)

**Known Constraints**

* **Time**: There are currently no known time constraints, but some of these project times can be assumed.
  + Meeting with LIS to determine if LandVantage meets Callon Petroleum’s needs and requirements.
  + The target deadline is all work completed by the end of the 3rd quarter in 2021.
* **Cost**: There are currently no known costs, but some of these costs can be assumed and are typically expected.
  + One time cost of the LandVantage implementation (setup and integration)
    - Monthly subscription fee to LIS to use the system and upgrade, maintenance, and support of the system
  + Training is included in the implementation. However, travel costs could be compensated

**Out of Scope**

* No other systems will be replaced (besides the Land Information System)
* Real estate is found and examined by Callon Petroleum, not LIS

**Assumptions**

* Callon Petroleum understands that LandVantage software costs money
* Callon Petroleum has looked at real estate and determined which ones are doing the worst
* Testing will be done during each stage of implementation to ensure there are no problems
* The benefits of replacing the current information system outweigh the software cost
* Businesses that depend on the system will not be disrupted during the implementation of the new system
* Callon Petroleum employees will be trained by LIS staff
* LIS will provide at least a couple of weeks’ worth of support

**Project Team and Organizational Reporting Structure**

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| **Name** | **Project Role and Title** | **Reports To** |
| William Chen | Project Manager | Michol Ecklund |
| Mark Collier | Functional Lead, Land Admin Director | William Chen |
| Rebekeh Granbery | Subject Matter Expert (SME)/Land Division | Rex Bigler |
| TBD | Three Subject Matter Experts (SME) | Rebekeh Granbery |
| Farida Hussain | Technical Lead | William Chen |
| TBD | Six Technical Analysts | Farida Hussain |
| Cherise Johnson | Corporate Trainer and Change Management Support | Farida Hussain |

**High-level Phases and Milestones**

* Meet people to identify and analyze problems with the current information system, **March 4, 2021**
* Find alternative software if LandVantage doesn’t suffice. Otherwise, proceed with LandVantage (LIS), **March 6, 2021**
* Approval of Project charter from executives, followed by project charter submission, **March 8, 2021**
* LIS presents to key stakeholders, **March 17, 2021**
* Create a Statement of Work (SOW) and have it approved by executives and signed for by LIS, **March 19, 2021**
* Negotiate contract and have it signed by both Callon Petroleum and LIS, **March 20, 2021**
* Project starts on **March 22, 2021**
* Implementation of LandVantage cloud system by following the SOW that was finalized with the contract
* Functional testing of LandVantage
* Training CP employees for LandVantage
* Live implementation in CP

**Project Integration Plan**

To ensure a successful project and implementation of a new information system, Callon Petroleum will meet with Land Information Systems to determine whether the software/system meets their needs. Assuming LandVantage meets CP’s needs, we will meet with CP to facilitate the project and help develop a statement of work (after the meeting with LIS, but before contracts are negotiated and signed). The SOW will include the detailed scope, timeline, and budget. To ensure the project flows smoothly, we will meet with the project team every two weeks and give weekly status reports. We will also create a risk log to track and manage incidents. Along with this, we will meet with Callon Petroleum’s employees to inspire the team and monitor how they react to change. It is also important to receive feedback to discuss what should be changed and kept (these comments will be discussed during the weekly meetings and written in the status reports). After LandVantage is implemented, LIS will train CP employees. Shortly after, LandVantage will be fully implemented, and support should provide support for a couple of weeks if needed. Final reports will be made, and all activities come to a formal close.

**Initial Risks and Responses**

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| **#** | **Risk** | **Response** |
| 1 | The current information system isn’t compatible with LandVantage | Create a backup and manually input data |
| 2 | Keeping employees on board (could lose Callon Petroleum employees if we do not act fast enough) | Keep employees and key end users up to date with the project plan and progress. Ask for inputs and what needs improvements and what they like. Provide them with a business analyst that can grab information for them and allow key people to test the new system capabilities |
| 3 | Might lose people from project (LIS) team | The contract should include a clause that states that LIS needs to identify a replacement within one week of losing a team member |
| 4 | Falling behind schedule | Organize team meetings daily and create small goals to accomplish |
| 5 | Going over budget | Establish what CP hopes to spend and what they are willing to spend in case of going over the budget |

**Signatures**

Michol Ecklund 3/12/2021

**Michol Ecklund, Senior VP of General Council & Corporate Security, Executive Sponsor Date**

Jeff Balmer 3/12/2021

**Jeff Balmer, Senior VP and Chief Operating Officer, Technical Sponsor** **Date**

Rex Bigler 3/12/2021

**Rex Bigler, VP of Asset Development, Functional Sponsor** **Date**

William Chen 3/12/2021

**William Chen, Project Manager**  **Date**