

9.5.2 How Much of Your Expertise Belongs to Your Employer?

Employees are to act in "professional matters for each employer or client as faithful agents or trustees disclosing nothing of a proprietary or confidential nature concerning the business affairs or technical processes of any present or former client or employer without the necessary consent." Exactly what knowledge of business affairs or technical processes belong to the employer and what is the knowledge and experience of the engineer? Consider the following illustrations.

Acquisition Expertise Walks out the Door?

- Engineer Lisa heads the M&A group for Buy-um-up Oil & Gas. As such, she has studied essentially all of the small independent oil and gas operators in North America. She knows their assets, production, and potential. Her bosses rely on her analysis to negotiate deals and have given her increasingly responsible roles. She has built an amazing database but no one else but Lisa can really navigate it. Her contact list includes all of the top managers of the large independents.
- At the SPEE Conference, Lisa met the President of BigAcqPetro. They are very interested in hiring her and Lisa is ready to make the move which allows her to relocate to a very desirable location and make a lot more money. BAP has made it clear that they want her to do "essentially the same things" she is doing at BOG but on "a larger scale." Her boss at BOG went ballistic when she tendered her resignation as they were in the middle of an acquisition project. Lisa points out that they are always in the middle of such a project and that the projects take months to complete. Her boss takes some time and comes back with the following list of things Lisa cannot do at her new employer and he wants her to agree to them in writing. These include:
 - She cannot take her database or any information from the database with her.

Larry and Chuck got on the plane and they made their presentations. Larry made a strong point that there were major risks in the project and they could not be certain of being able to successfully rejuvenate the field and that exploration was intrinsically risky. One investor asked Larry how many times he had been involved in rejuvenating fields and he honestly answered "more than a dozen." The next question was "how many of them were unsuccessful?" to which he honestly answered "none of them." He wanted to point out the differences but the investors only asked about the success cases. They asked how much "turning room" these opportunities had and Bob produced a map neither Larry or Chuck had ever seen before showing five more fields with "rejuvenation potential."

Larry and Chuck got down payments of more than \$200,000 each on their success bonuses when the deal closed. The total success fee would be tied to results but Bob reminded them that "It should have two commas in it!" They got little further consulting work until something went awry and Bob occasionally paid them for their time. He made it clear that he thought they should be working "like he was" to capture the potential of the project and earn the rest of the success bonuses. A year later when the project had become a money sinkhole, the first workover produced over 98% water from a zone that had no record of injection or production and was up dip to most of the estimated incremental oil. Larry was dispatched to the field and uncovered most of the bad news. Paulo had basically been dishonest from day one, holding back records with potentially damaging news. Paulo was fired and Bob hired a less optimistic operations guy. An excellent study was unearthed just after Paulo was fired showing very small opportunities for rejuvenation. Even these turned out to be optimistic. Bob was fired by the investor group when Chuck finished remapping the deep prospect. It had disappeared. What should have been done differently and when?