

AIGC Solutions – Blockchain

Case Study: An Oil and Gas Company shifted to use Smart Contracts

The Opportunity



An Oil and gas company realized that contracts are complicated and time-intensive with lengthy clauses, terms, and conditions and the approval process and payments of invoices. Change orders are another challenge with its hectic and lengthy process.

The Approach

The company adopted smart contracts that are self-executing contracts based on agreed criteria and written in code, removing the ambiguity of terms and reducing the requirement for lawyers to draft and interpret. When the needs of the contract are fulfilled, ownership or payment, for example, will be automatically transferred. Contracts amendment is an integral part of the

smart contract where it will maintain a record of all versions and modifications to the agreement. It then would automatically complete once the criteria of the most up to date version are satisfied. Payment and even government approval for the transaction are included as part of the smart contract. This may save time and costs for interpreting legal terms and tracking records, and government authorities could potentially access relevant features of arrangements to audit or pre-approve the taxation treatment.

The Benefits

- Lower cost. New processes enabled by smart contracts require less human intervention and fewer intermediaries and will reduce costs.
- Speeds up real-time updates because smart contracts use software code to automate tasks that are typically accomplished through manual means, they can increase the speed of a wide variety of business processes.
- Accuracy. Automated transactions are not only faster but less prone to manual error.

AIGC Solutions – Blockchain

Case Study: An Oil and Gas Company shifted to use Smart Contracts

- Lower execution risk. The decentralized execution process virtually eliminates the risk of manipulation, nonperformance, or errors, since execution is managed automatically by the network rather than an individual party.
- Fewer intermediaries. Smart contracts can reduce or eliminate reliance on third-party intermediaries that provide "trust" services such as escrow between counterparties.