



# NORTH SLOPE RENAISSANCE: Taking Shape

Resource Development Council  
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SCOTT JEPSEN, VICE PRESIDENT  
EXTERNAL AFFAIRS & TRANSPORTATION  
CONOCOPHILLIPS ALASKA



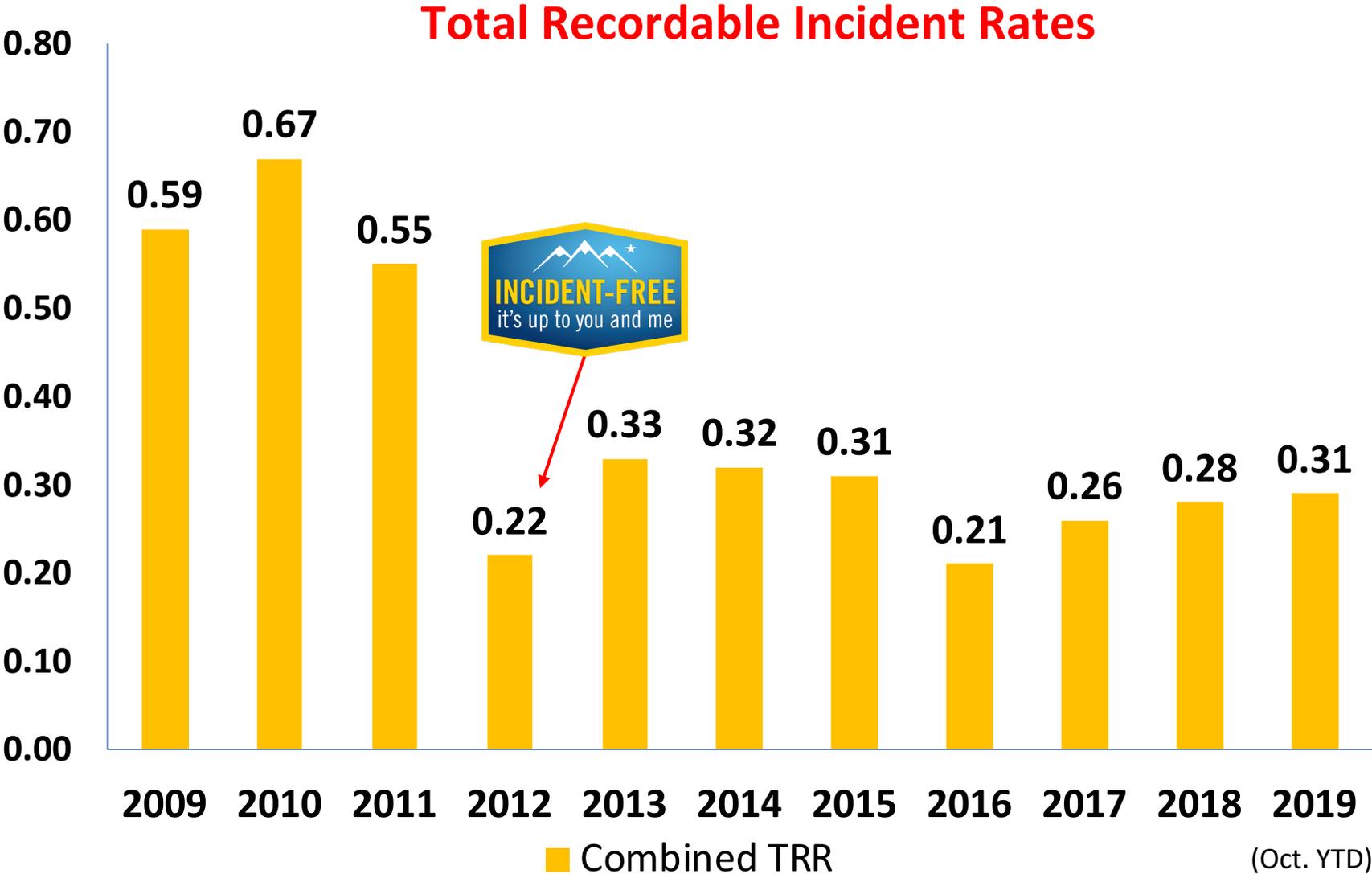
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# But First – Safety: Making the Next Step-Change



Advancing Our Culture: Focus On Learning

# Greater Mooses Tooth 2 First Oil in 2021; Nuna in 2022

## GMT2 KEY STATISTICS

- 35,000-40,000 BOPD\*
- Up to 48 wells
- ~\$1+ billion gross capex
- ~700 winter construction jobs
- First oil planned late 2021

## SCHEDULE

### 2020

- Pipeline installation
- Complete module and fabrication
- Begin heavy haul

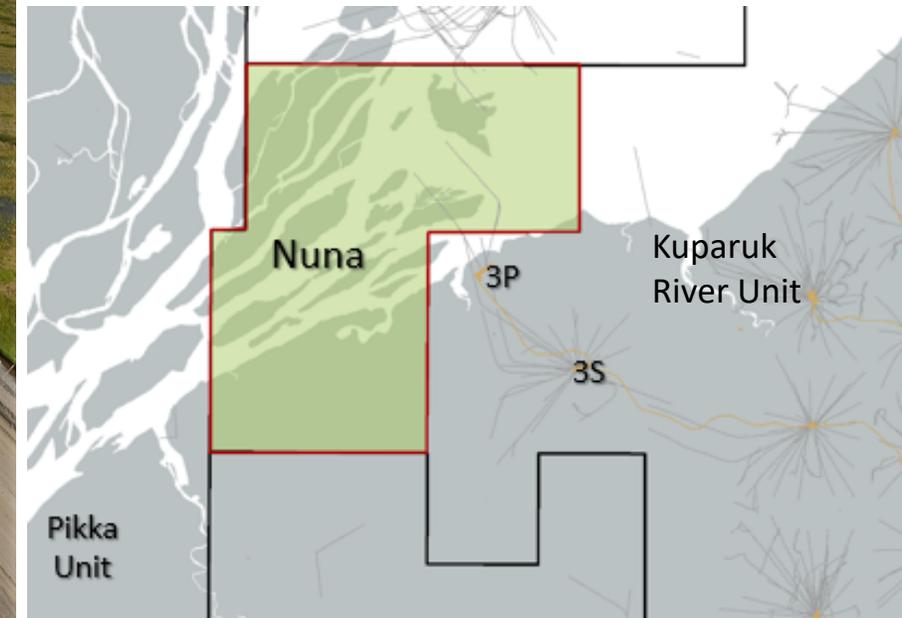
### 2021

- Finish pipeline installation
- Install production facilities
- Drilling begins
- Commission and startup



## NUNA KEY STATISTICS

- Purchased from Caelus
- Expanded the Kuparuk River Unit; plan to process through existing Kuparuk facilities
- Utilizing existing drill sites
- ~400 winter construction jobs over a single winter construction season
- First oil planned 2022



# Progressing Drilling Technology

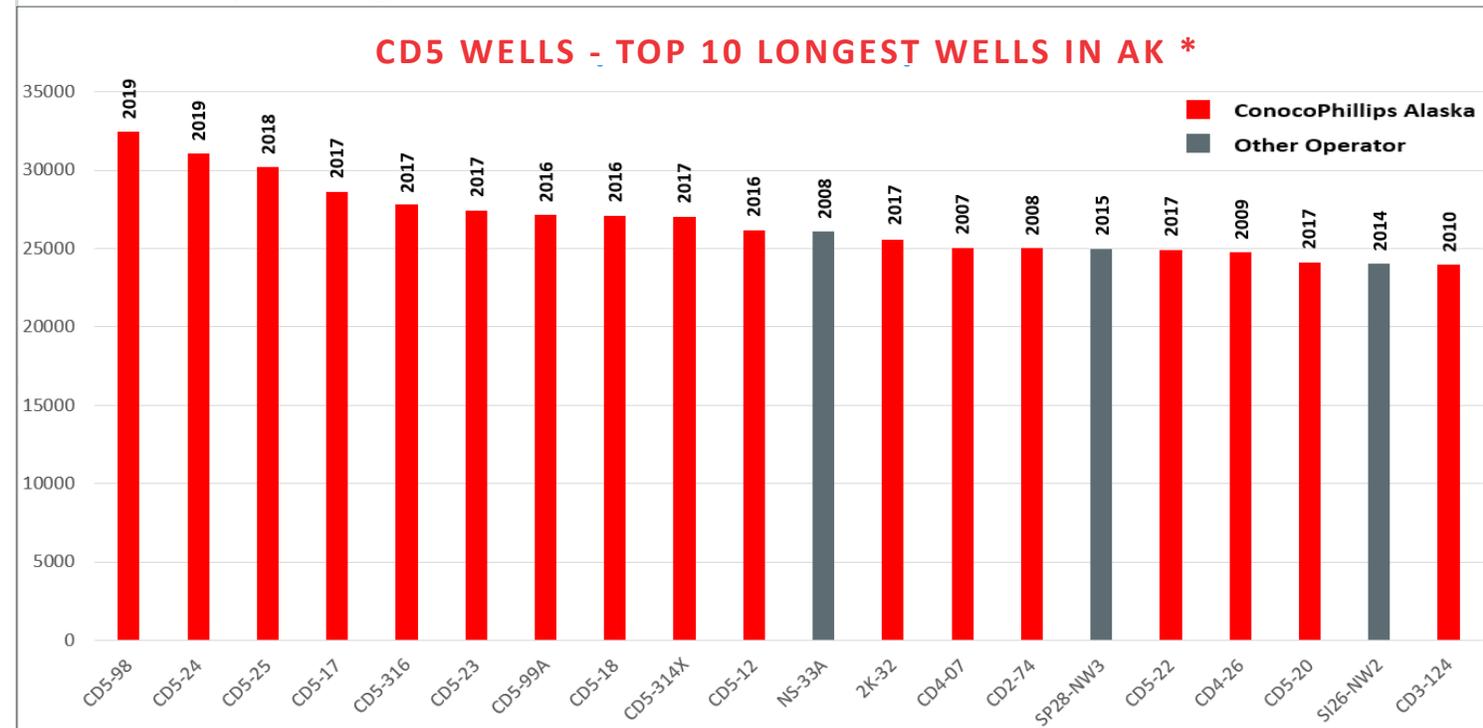
## Coiled tubing drilling record well in West Sak

- Drilled longest CTD well to date, 8,183 feet
- A first application of CTD in West Sak



## Onshore North American rotary record for combined footage on two laterals

- In July, CD5-98 record well
  - Total combined footage for a well and laterals – 47,828 feet, onshore North American record
  - Longest single well – 32,468 feet, Alaska record
- CD5-25 longest lateral onshore North American record, 21,748 feet, May 2018
- The top 10 longest wells in Alaska were drilled at CD5



\* Based on public AOGCC data

# Extended Reach Drilling Rig - Largest Mobile Land Rig in North America

- 9.5 million pounds
- Announced 2016 – arrives at the North Slope 4Q 2019 from Nisku, Canada, in 267 truck loads
- Begins drilling Fiord West in the Colville River Unit 2Q 2020 - *Est. 20,000 BOPD gross at peak*
- Extends ability to access resources and minimize footprint
- From a 12-acre pad, able to develop 154 sq. miles of reservoir versus 55 sq. miles today



# Willow Update

## WILLOW



Note: not to scale

## WILLOW DESCRIPTION

- **Location:** 30 miles west of Alpine
- **NEW Resource Estimate:** 450-800 MMBOE gross
- **Estimated cost:** \$4B - \$6B gross
- **Jobs:** 2,000+ construction jobs, and 300 permanent positions
- **Production:** Est. peak rate greater than 100,000 BOPD gross; first oil 2025/26
- **NEW 2019 Horizontal Well Tests:** Exceeded expectations with test rates >2500 BOPD
- **New Revenue:** Significant revenue for the State, North Slope Borough and federal government. BLM est. \$10B over the life of the project.

## DRAFT EIS

- Draft EIS published August 29; public comment period closed October 29
- **NEW:** Addressing stakeholder concern by proposing an option to transport modules overland rather than from a new offshore gravel island.

# Exploration - 2020+ Program Focuses on Remaining Potential

## LATE 2018-2019 EXPLORATION RECAP

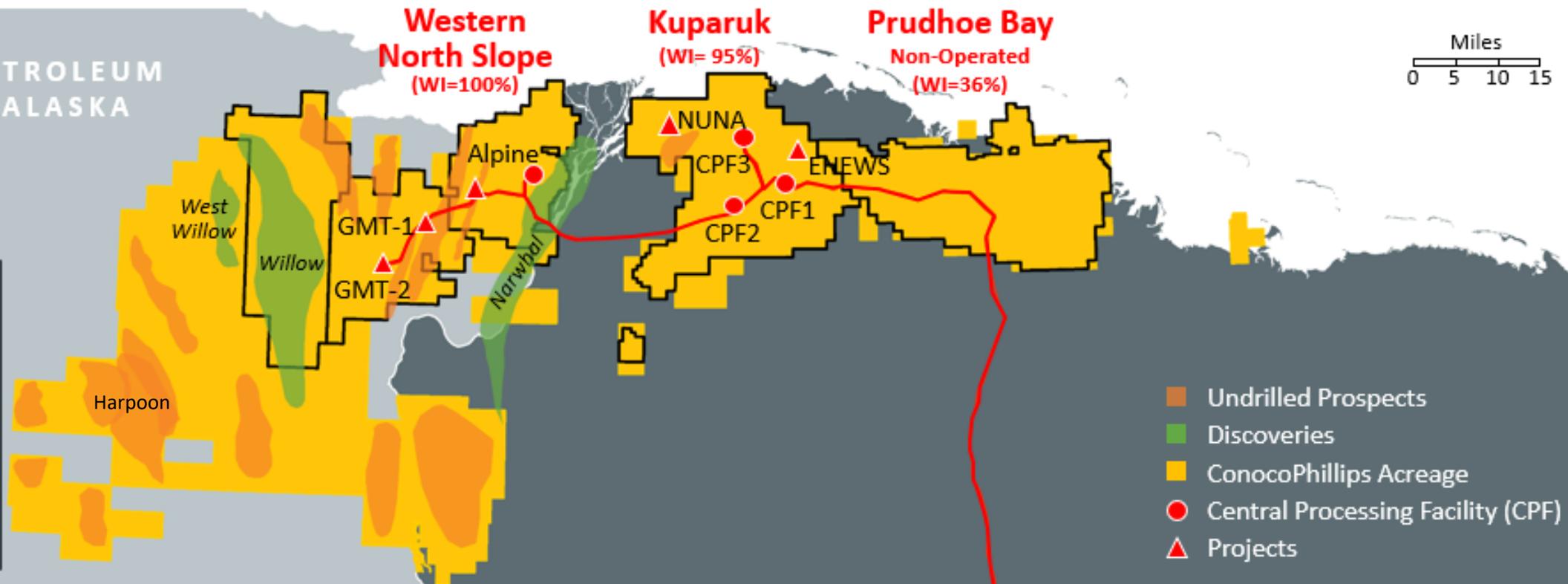
- Eight wells
- Eight well tests
- Two rigs
- 54 miles of ice roads (147 miles total for all work)
- ~400 jobs

75%  
of Prospect Inventory  
Untested

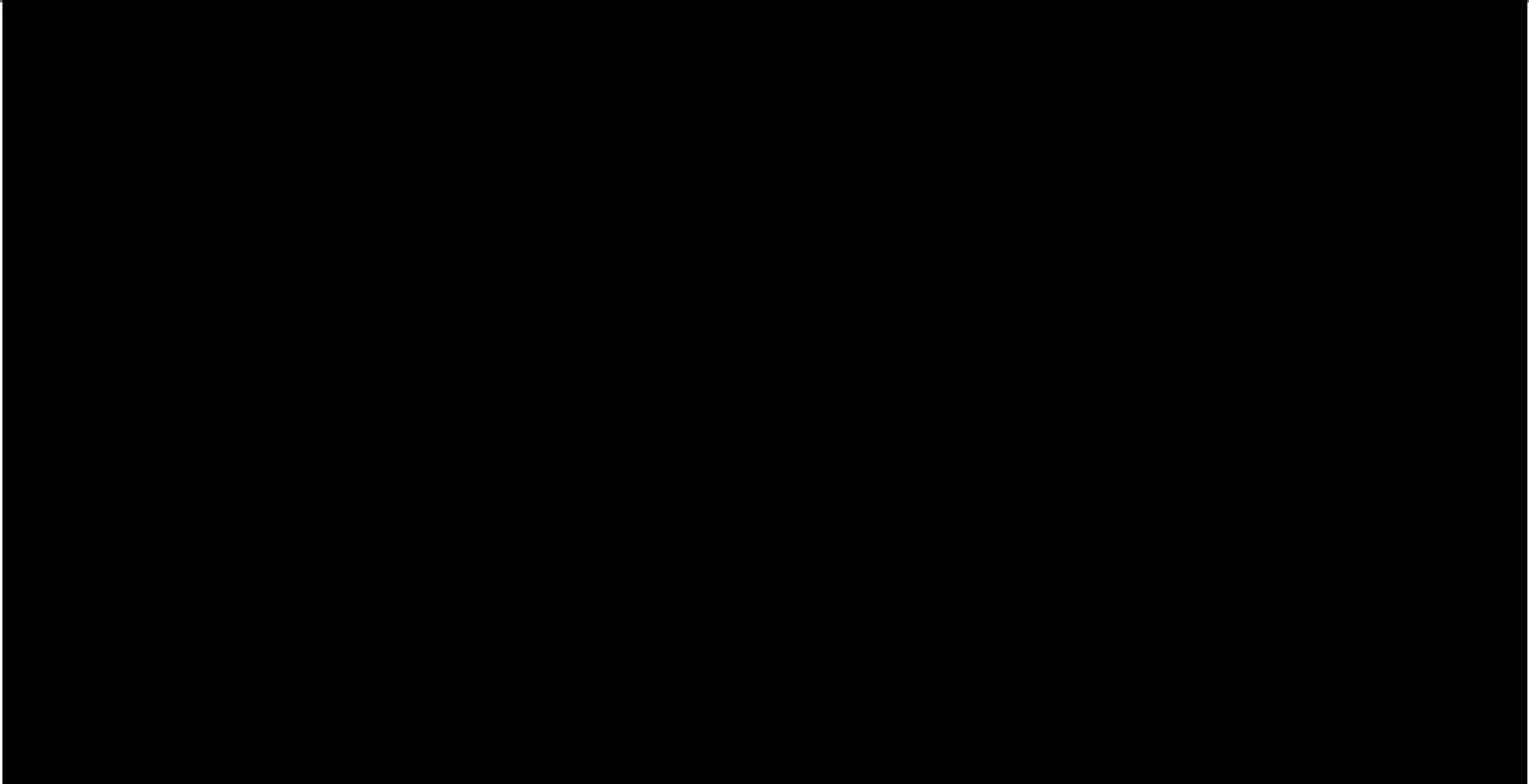
## 2020 EXPLORATION PLANS

- Plan - up to seven wells
- Production tests
- ~74 miles of ice roads for exploration, 165 miles total

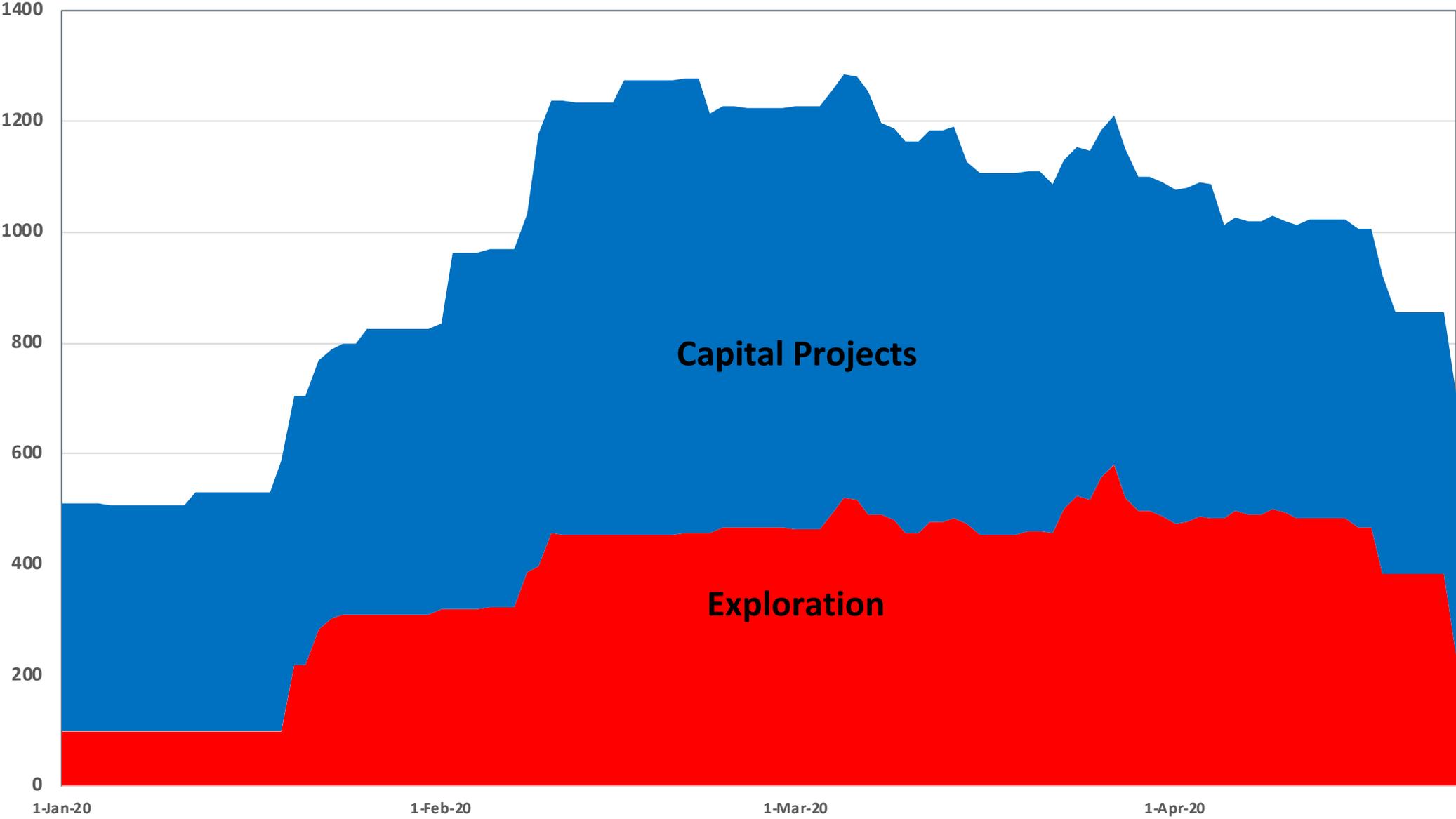
NATIONAL PETROLEUM  
RESERVE - ALASKA



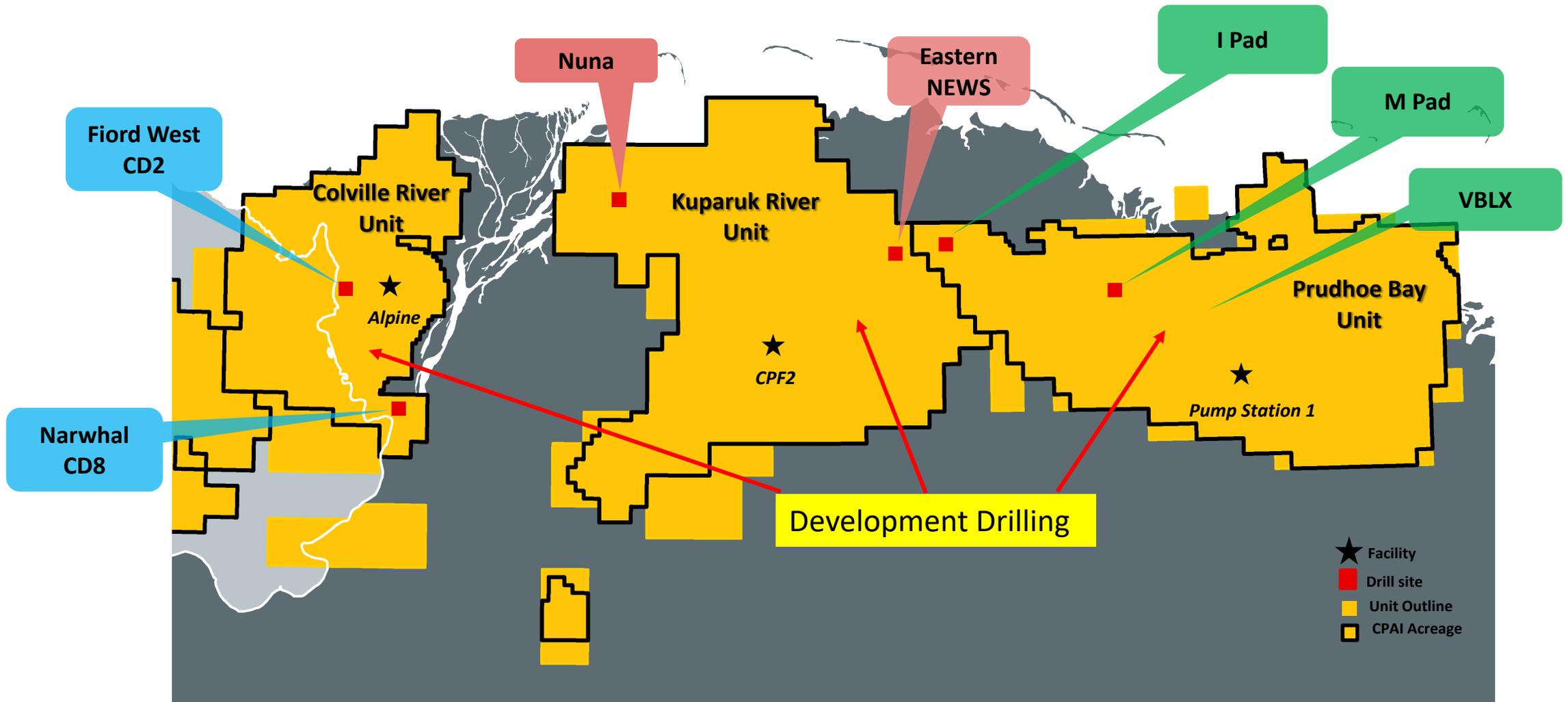
# Winter 2019 Exploration/Appraisal Season—From the Air



# Putting Alaskans to Work – Winter 2020 Workforce

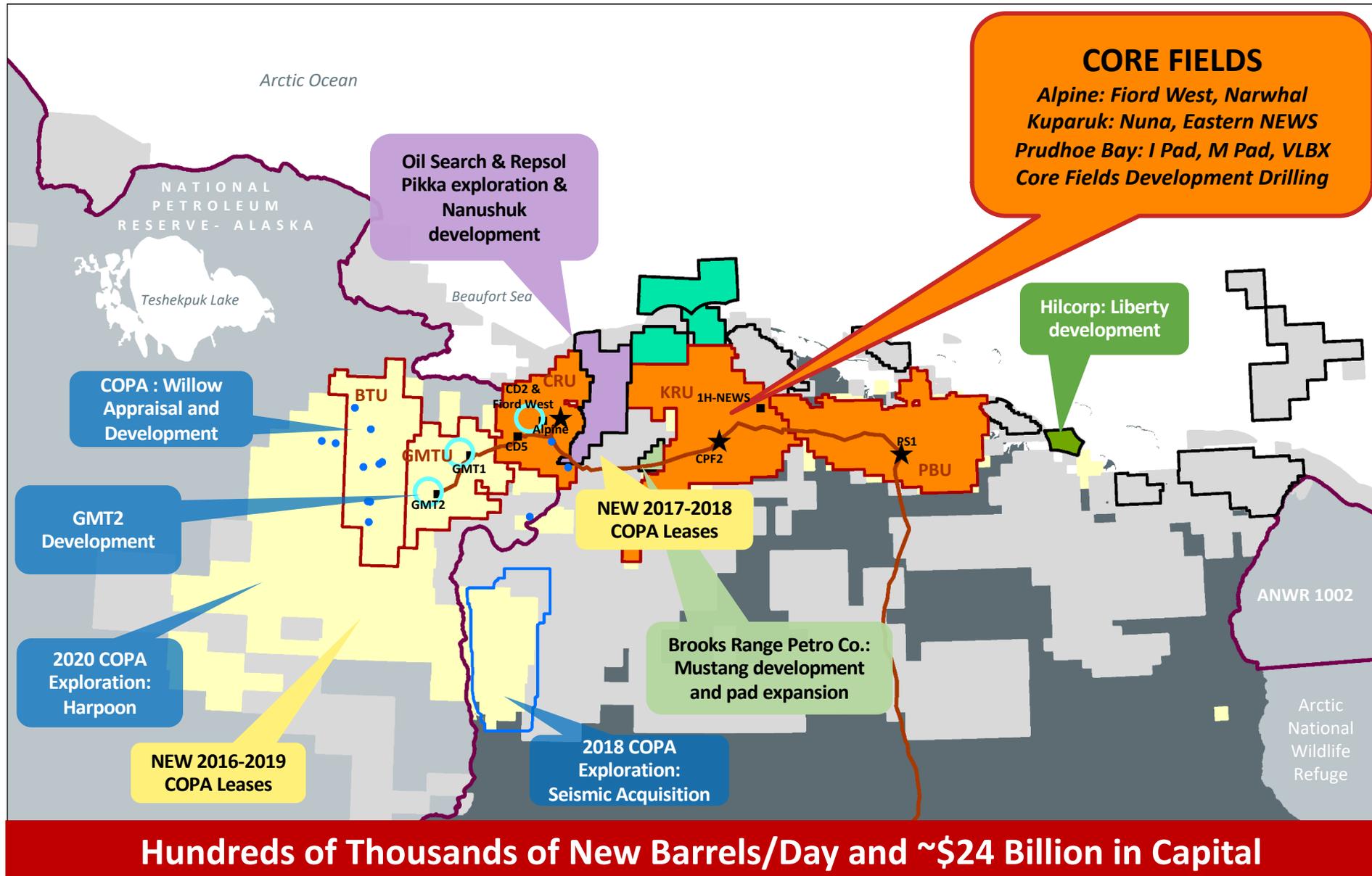


# Investing in Core Fields: Prudhoe, Kuparuk River, Colville River (Alpine)



**Prudhoe Bay, Kuparuk River and Colville River Units thru 2029 (estimated\*) : \$11B capital  
380 MM Bbls produced peaking at ~150,000 BOPD**

# North Slope Renaissance – Updated



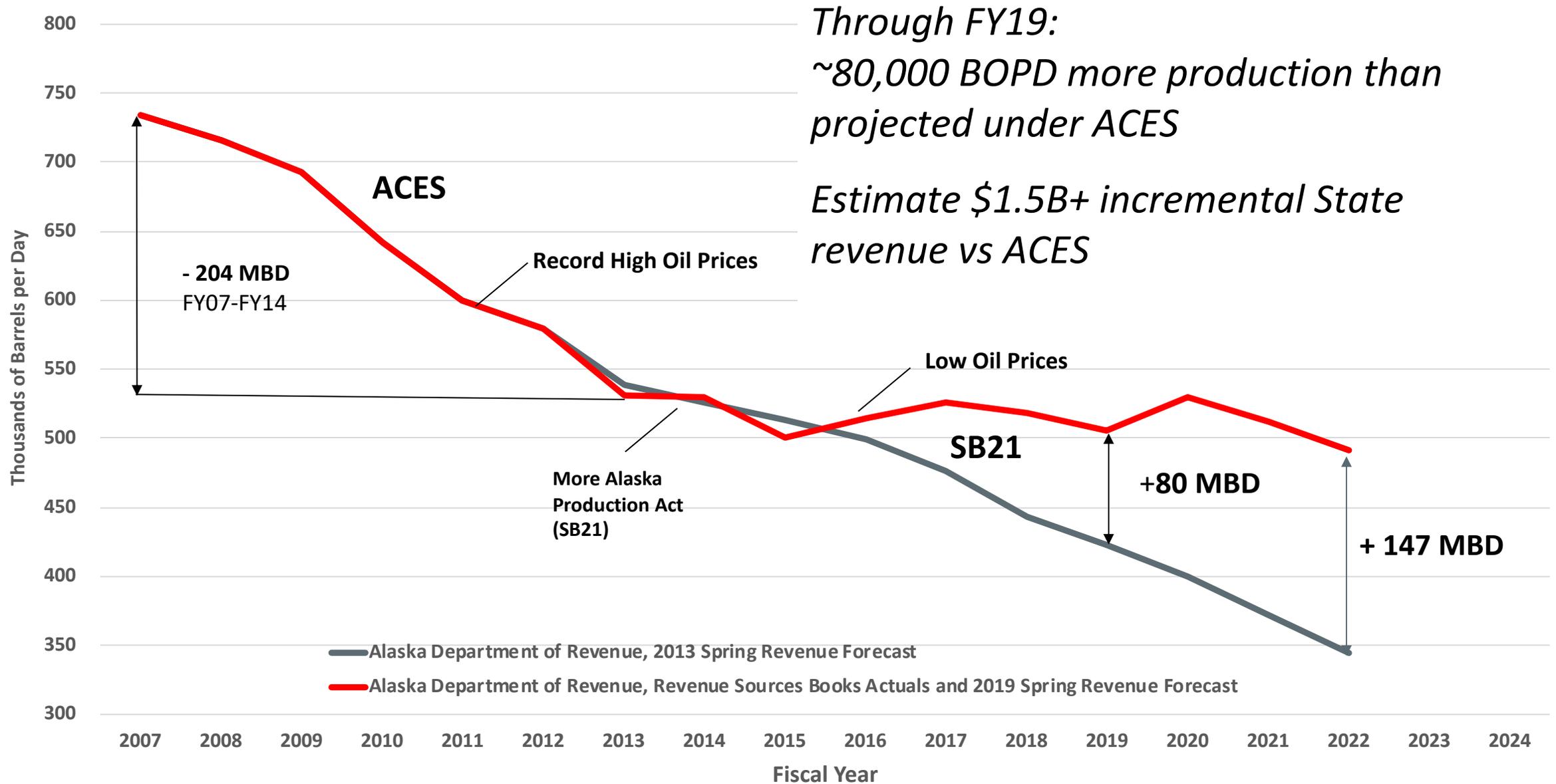
# Tax Initiative – A Serious Threat to Future Investment

- Initiative makes key changes to SB21
- Significant production tax increase on Prudhoe Bay, Kuparuk River and Colville River Units – targeting \$1B+/year increased take
- Puts planned investment for drilling and new field development in targeted units at risk – Nuna, Eastern NEWS, I-pad, M-Pad, VBLX, Narwhal – all subject to higher tax rate



**Jobs, long term revenue, and production at risk**

# Tax Policy Matters



# The Oil and Gas Industry is Foundational to Alaska's Economy

- Alaska's North Slope oil and gas business drives about a third of the economy
- Focus on costs has kept Alaska competitive
- ConocoPhillips continuing to invest in new field and core field development
- Drilling technology leveraging to maximize oil recovery
- Another year of significant appraisal and exploration drilling planned for 2020
- Willow Draft EIS – we appreciate your support for the ConocoPhillips/BLM preferred Alternative B
- North Slope investment jeopardized by potential tax initiative
  - Adds to Alaska legacy of unstable fiscal environment



Caribou at Alpine