

The balanced plug:

Quality Improvement Project

October 2019



Cautionary Statement

The following presentation includes forward-looking statements. These statements relate to future events, such as anticipated revenues, earnings, business strategies, competitive position or other aspects of our operations, operating results or the industries or markets in which we operate or participate in general. Actual outcomes and results may differ materially from what is expressed or forecast in such forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that may prove to be incorrect and are difficult to predict such as oil and gas prices; operational hazards and drilling risks; potential failure to achieve, and potential delays in achieving expected reserves or production levels from existing and future oil and gas development projects; unsuccessful exploratory activities; unexpected cost increases or technical difficulties in constructing, maintaining or modifying company facilities; international monetary conditions and exchange controls; potential liability for remedial actions under existing or future environmental regulations or from pending or future litigation; limited access to capital or significantly higher cost of capital related to illiquidity or uncertainty in the domestic or international financial markets; general domestic and international economic and political conditions, as well as changes in tax, environmental and other laws applicable to ConocoPhillips' business and other economic, business, competitive and/or regulatory factors affecting ConocoPhillips' business generally as set forth in ConocoPhillips' filings with the Securities and Exchange Commission (SEC). We caution you not to place undue reliance on our forward-looking statements, which are only as of the date of this presentation or as otherwise indicated, and we expressly disclaim any responsibility for updating such information.

Use of non-GAAP financial information – This presentation may include non-GAAP financial measures, which help facilitate comparison of company operating performance across periods and with peer companies. Any non-GAAP measures included herein will be accompanied by a reconciliation to the nearest corresponding GAAP measure on our website at www.conocophillips.com/nongAAP.

Cautionary Note to U.S. Investors – The SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable and possible reserves. We use the term "resource" in this presentation that the SEC's guidelines prohibit us from including in filings with the SEC. U.S. investors are urged to consider closely the oil and gas disclosures in our Form 10-K and other reports and filings with the SEC. Copies are available from the SEC and from the ConocoPhillips website.

Agenda

- Use of balanced plugs in drilling and P&A operations
- Refresher
 - CFD work
 - Rheology models
- Overview of ongoing improvement project
 - CFD model for the balanced plug
 - Fluids work
 - Potential field routine
- What we need
 - BHA

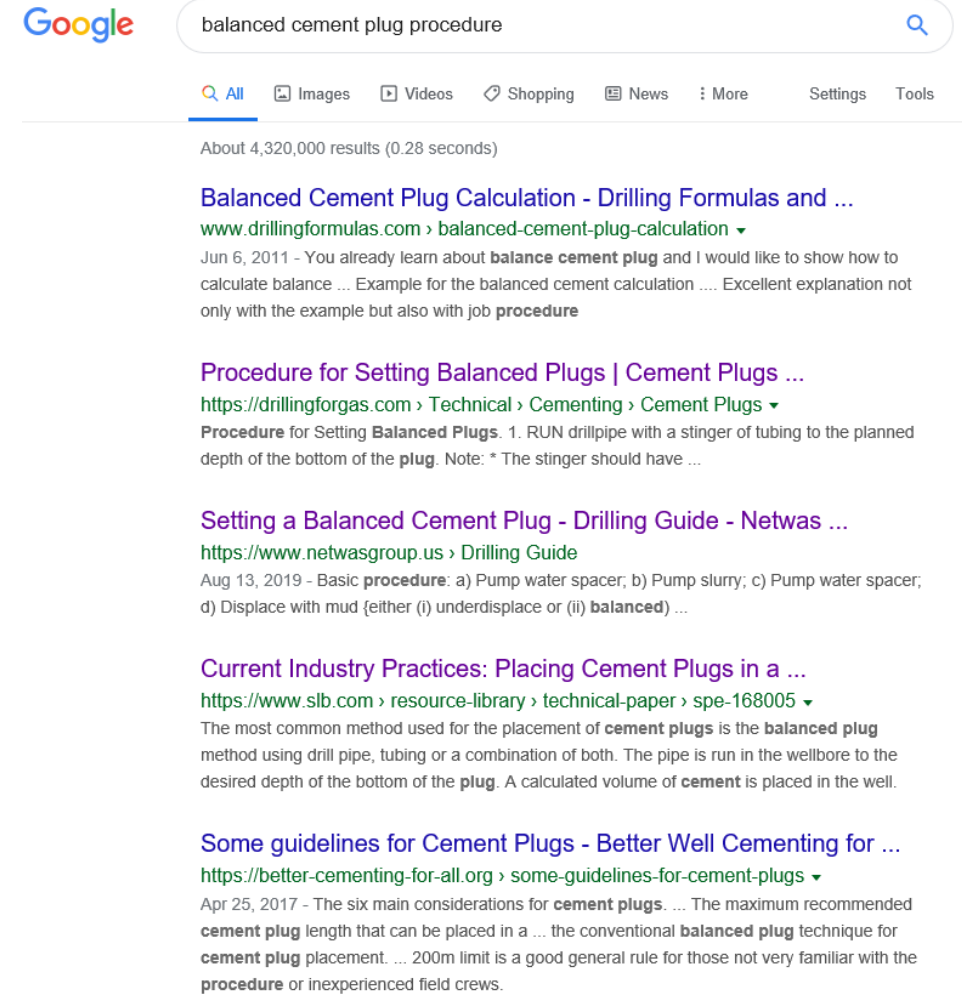
Introduction and refresher

October 2019



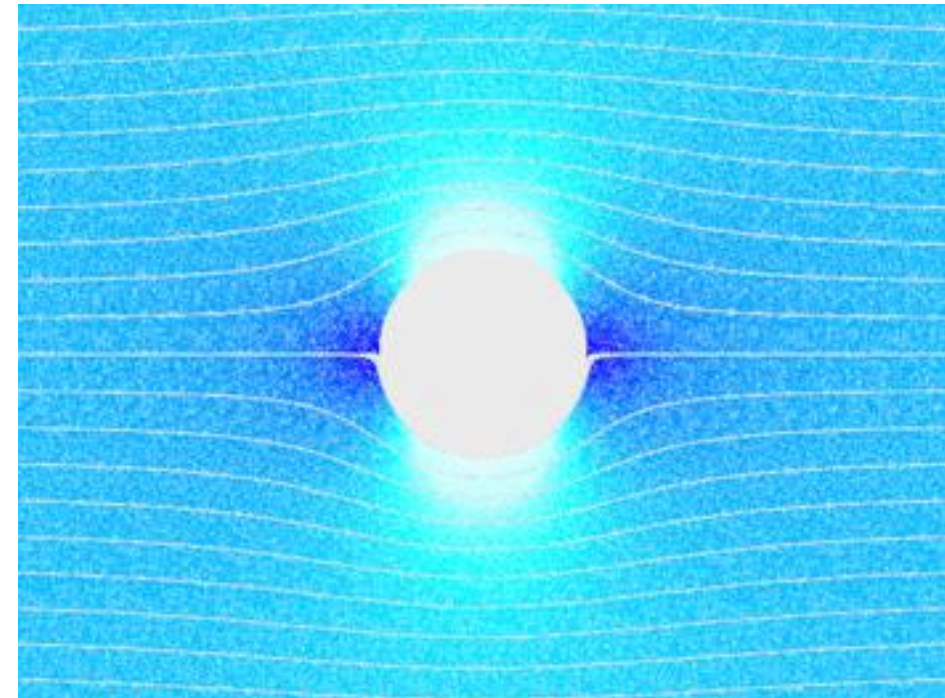
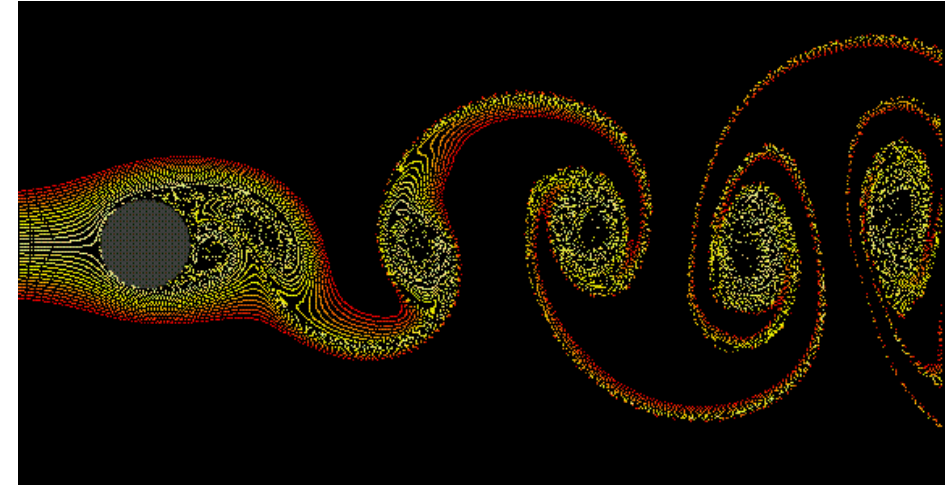
Use of balanced plugs

- Fill a dry hole
- Set a kick off plug
- Fundament (for something else)
- P&A of a casing where the casing by open hole has a existing Well Barrier Element
- Well known technique in the industry (illustrated right)
- **Project goal:** Set kick off plugs which require +/- 15 klbs average weight on bit to drill out (top part)



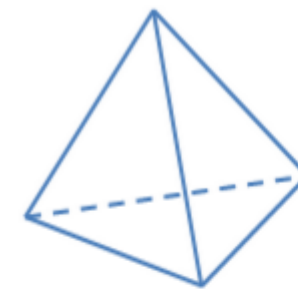
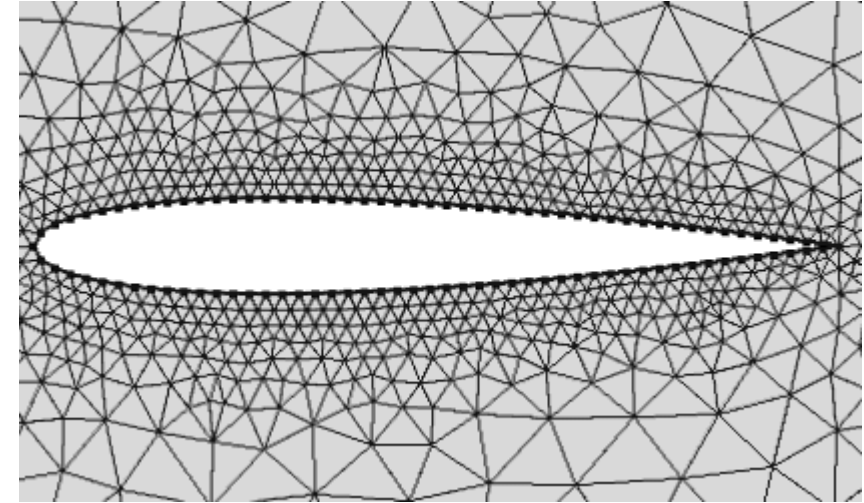
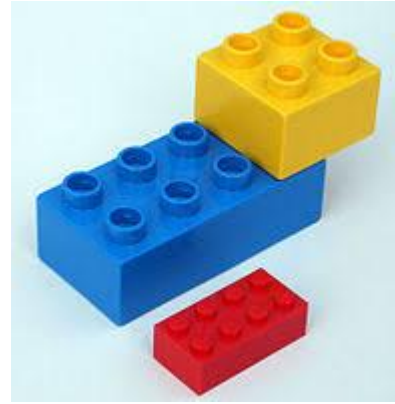
Refresher – intro to CFD

- Computational Fluid Dynamics = Numerical solution of fundamental equations of fluid motion to calculate velocity, pressure and other flow parameters of interest
- It is possible to consider multiple phases (e.g. gas and liquid), compressibility, non-Newtonian fluids, and other complex fluid properties
- Fundamental equations that CFD solves:
 - Continuity Equation (Conservation of Mass)
 - Navier-Stokes Equation (Conservation of Momentum)
 - Equation of State (Conservation of Energy)

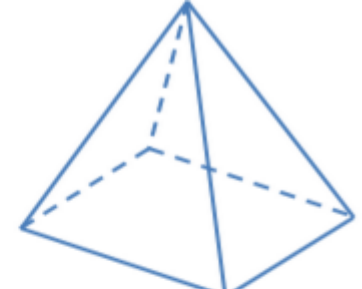


Refresher: Discretization Methods and Meshing used in CFD

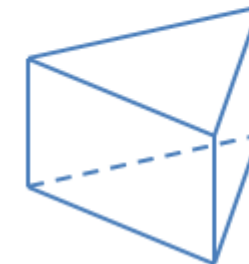
- Domain Discretization: Fluid domain is divided into a number of “cells” like pieces of Lego. They could range from thousands of cells to millions
- Finer mesh (cells) in critical areas and coarser mesh in non-critical areas greatly improve computational efficiency
- There several discretization methods available
 - Finite Volume Method
 - Finite Element Method
 - Boundary element Method
 - Finite Difference Method
- Finite Volume Method is commonly used in CFD
 - Popular cell shapes are tetrahedron, hexahedron, Pyramid or similar



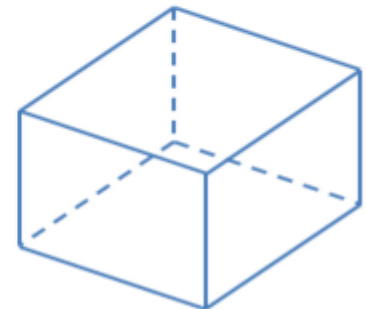
Tetrahedron



Pyramid

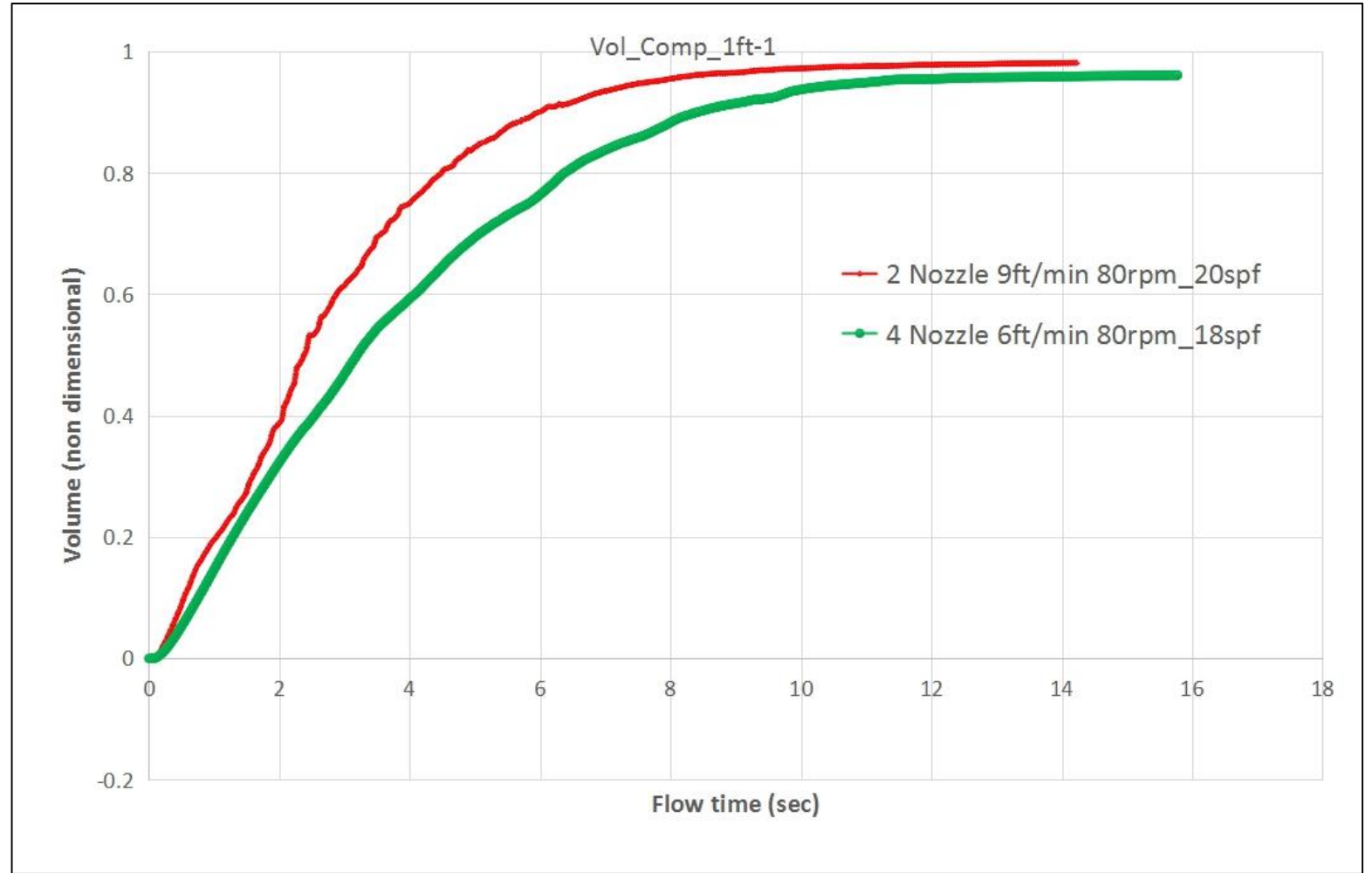
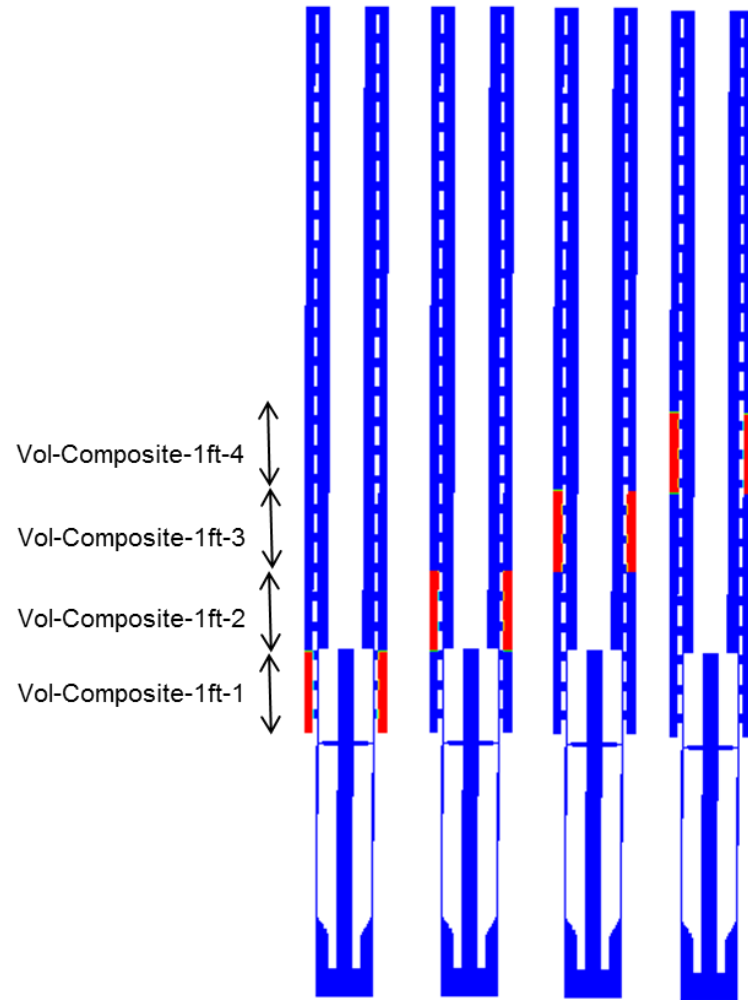


Triangular Prism

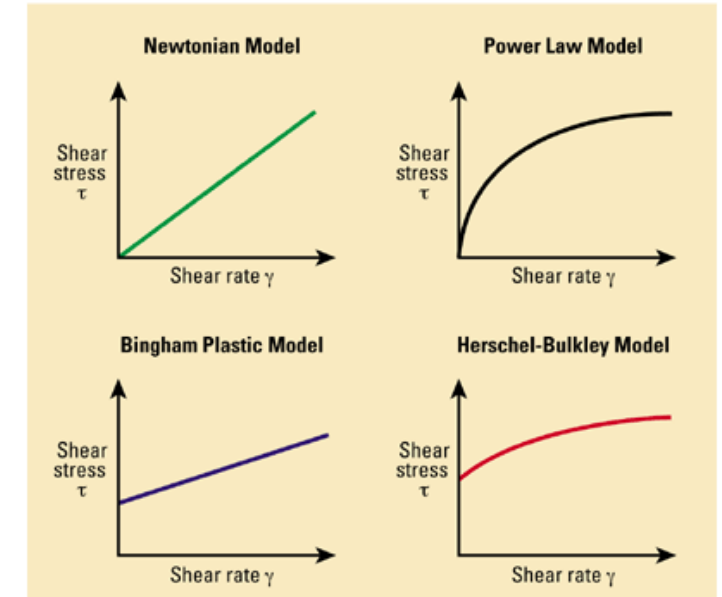
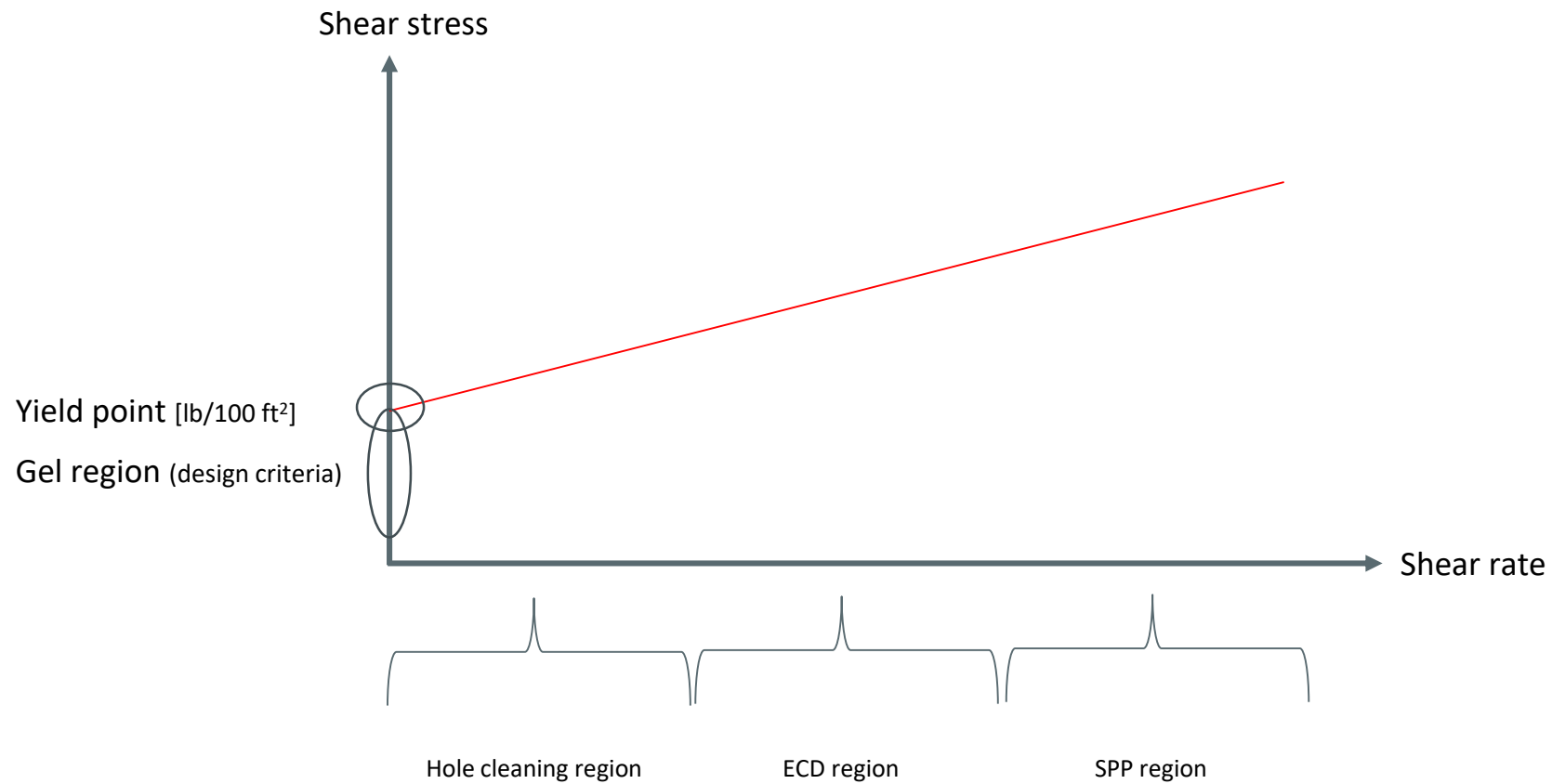


Hexahedron

Refresher: Cementing in a P/W/C operation, pump/pull/rotate



Refresher – rheology models



https://www.glossary.oilfield.slb.com/en/Terms/h/herschel-bulkley_fluid.aspx

Ongoing project

October 2019

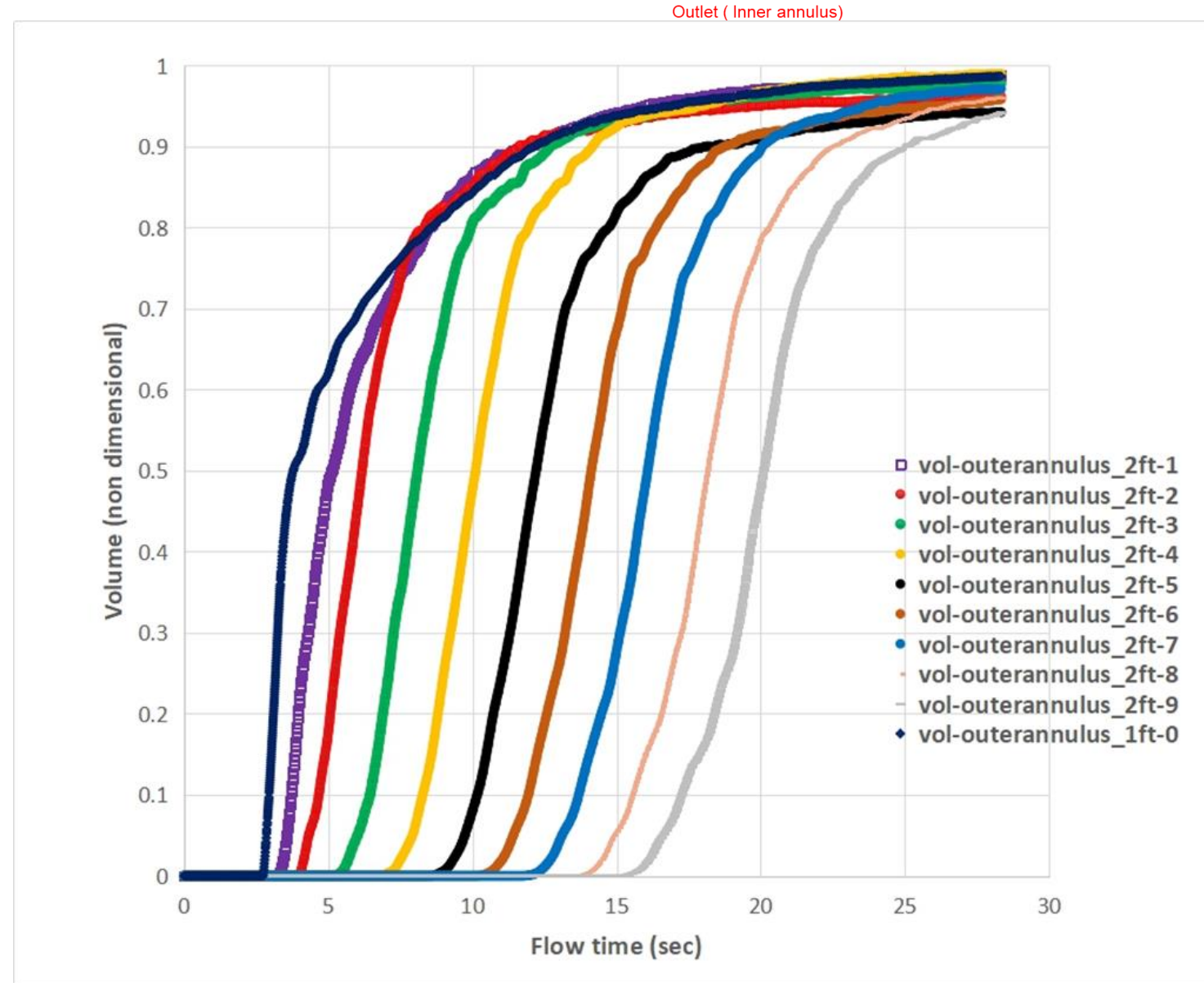


Project outline

- Done:
 - Pull and review best practice from COP globally
 - Ensured we worked accordingly and mapped GEA balanced plug operations from mid 2018
 - Outlined CFD model
 - Done initial CFD work
 - Modified CFD model – fluids input
 - Done a cross check to drilling based hole cleaning models
- Ongoing or to do
 - CFD based parametric optimization with open ended drillpipe
 - Select BHA
 - Input BHA into CFD model and do final parametric optimization

First case which was modelled in CFD

- 20 ft long
- Investigated first 18 ft, segmented into 9 x 2 ft
- Fluids:
 - 15 ppg water based spacer
 - 14.5 ppg OBM
- Displacement rate
 - 420 gpm
- 5 7/8" pipe, static and low side, inside a 14 2/9" slick hole
- **Conclusion:**
 - Simulation result or experience data is wrong



Balanced Plug CFD model – introduced intermix viscosity (WBM vs cmt)

Bingham Plastic model - Baroid 14,5 ppg

Bingham Plastic model - MI 14,5 ppg

Bingham Plastic model - MI 12.0 ppg

PV value of intermix

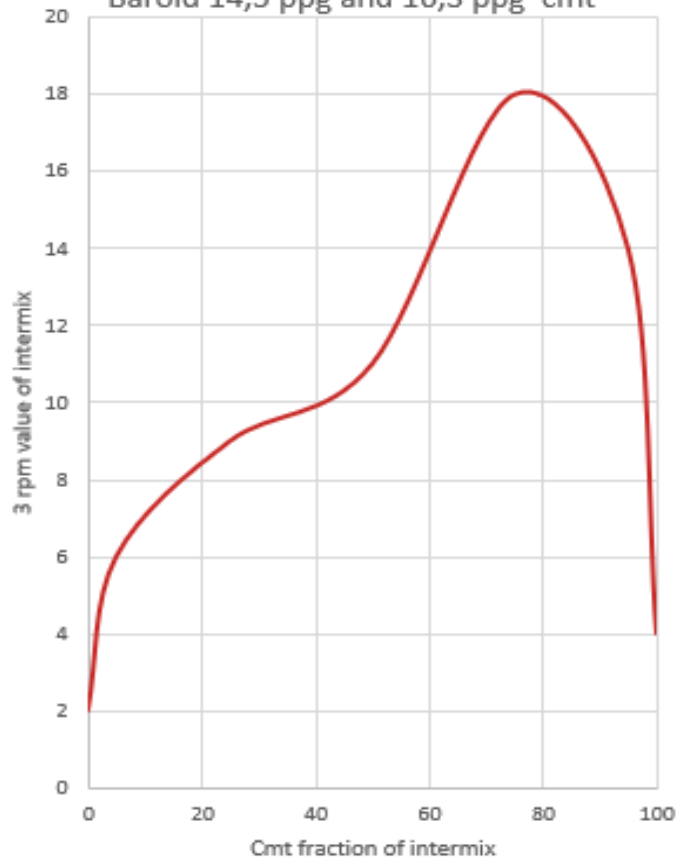
PV value of intermix

Curve fit software - Baroid 14.45 ppg

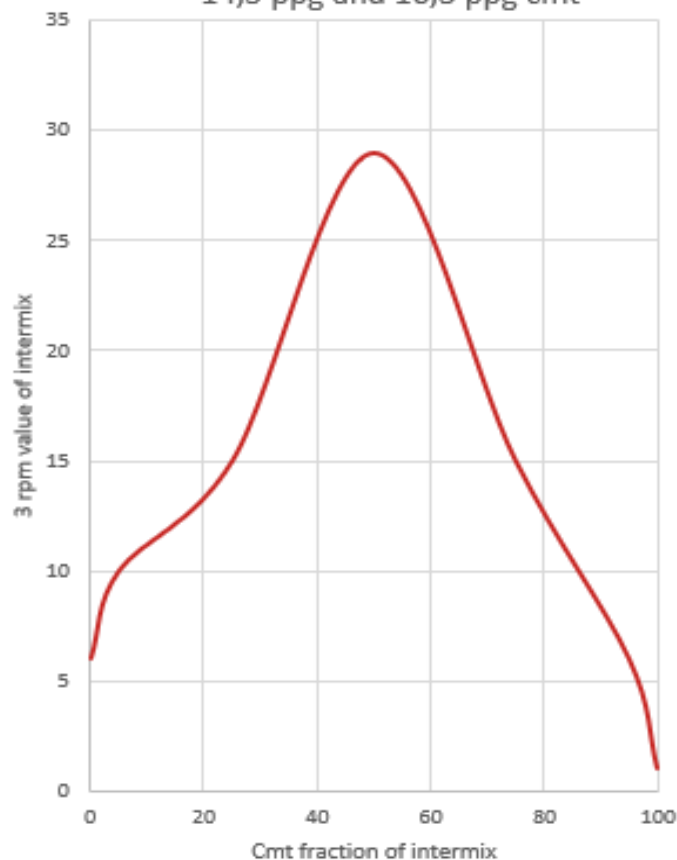
Curve fit software - MI 14.5 ppg

Curve fit software - MI 12.0 ppg

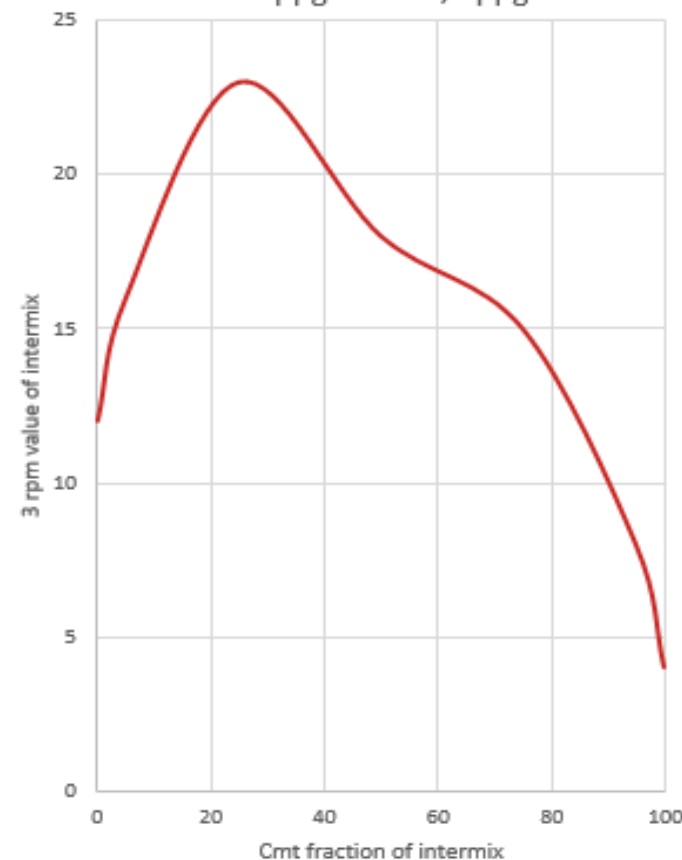
Low end rheology reading of intermix
Baroid 14,5 ppg and 16,3 ppg cmt



Low end rheology reading of intermix MI
14,5 ppg and 16,3 ppg cmt

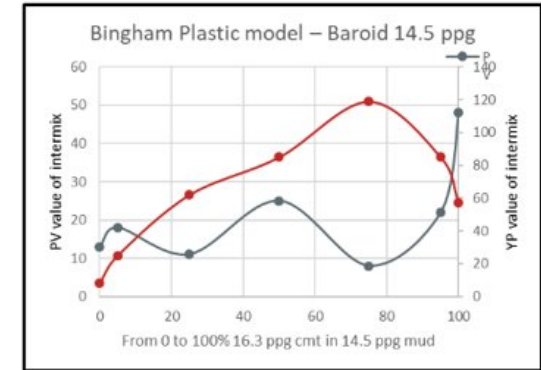
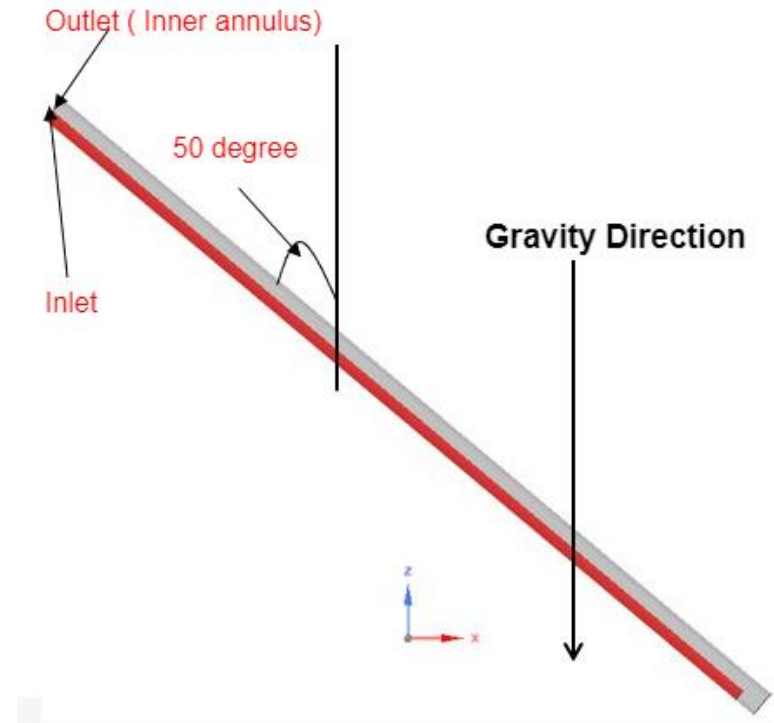


Low end rheology reading of intermix MI
12.0 ppg and 16,3 ppg cmt

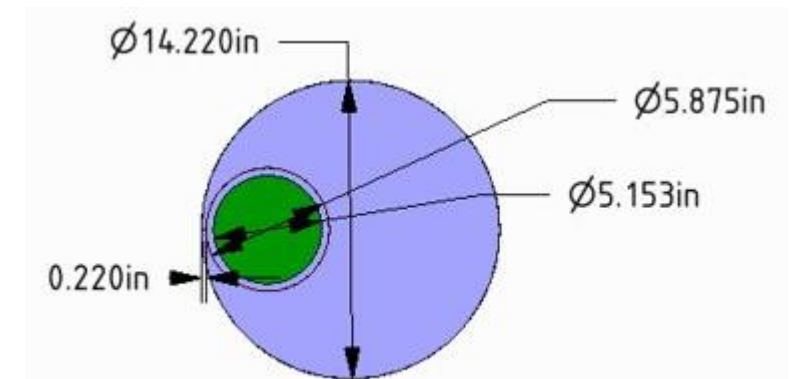


Input cmt/WBM intermix YP

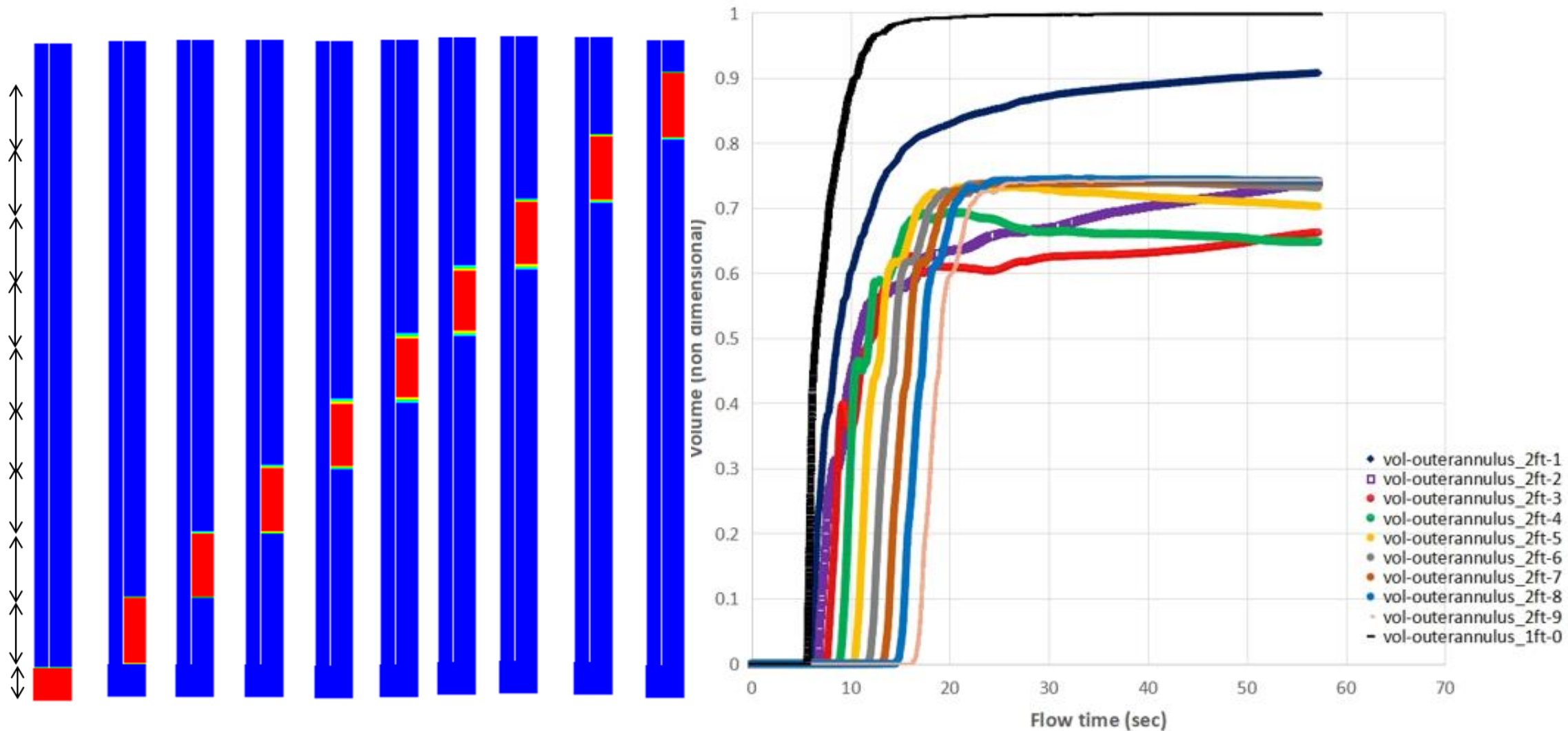
- Model is 60 ft long
- Investigated first 40 ft, segmented into 20 x 2 ft
- Starting point: pipe static and low side
- Hole
 - 13 ½" washed out to 14 2/9" (reflects 30% excess)
- Fluids:
 - 16.1 ppg cement
 - 14.5 ppg WBM
 - Intermix of cmt and WBM
- Displacement rate
 - 420 gpm



Fluids	MW	Viscosity (Bingham Plastic)	
	Density (ppg)	PV (cp)	YP (lbs/100ft ²)
Cement	16.30	48.00	59.00
High viscosity intermix (75%C and 25%M)	15.85	9.00	119.00



Use of cmt/WBM intermix YP in the CFD model changed the picture



5 7/8" DP, 1 ft standoff, looking at first 9 x 2 ft – which indicates 420 gpm is sub optimal, we get channeling

Time out:

- Decided to do a “drilling check”
- Does current model reflect drilling experience?

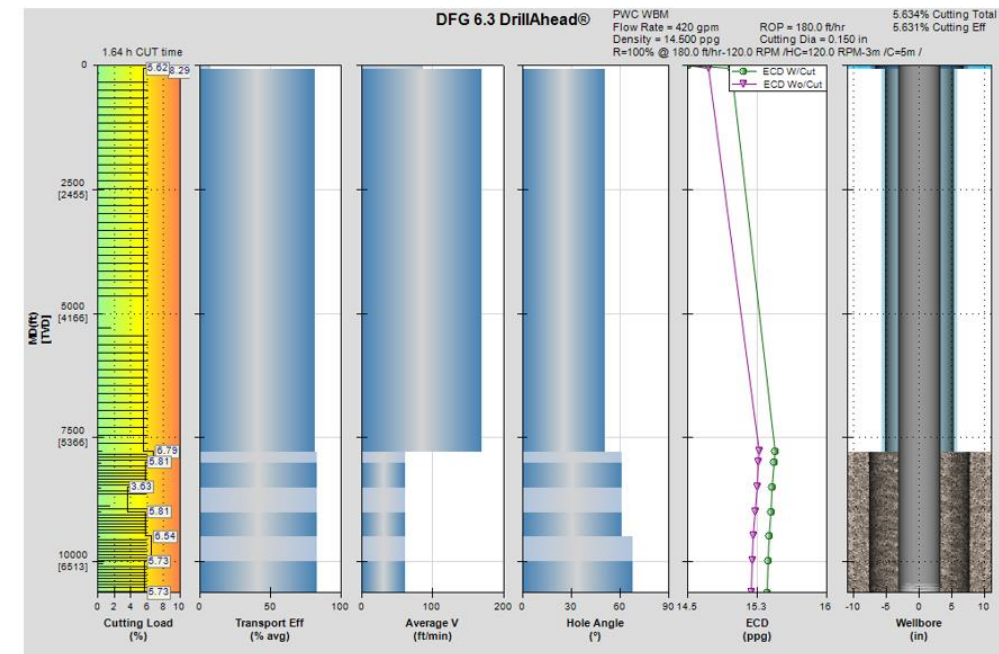
October 2019



The Drilling Check, standard hole cleaning simulation

- Case – September 2019 drilling operation
 - Drilling 9 1/2" x 10 3/4 hole under 10 3/4" liner
 - Assumed hole size 10 8/9" (reflects 30% excess cmt) to cover for washout
 - Assumed 180 ft/hr ROP
 - Used standard P&A WBM (this is what we have intermix data on)
 - Assumed no chemical interaction (viscosity effects) between mud and cuttings
 - Cuttings density set to 2.1 SG, for reference cmt is +/- 1,9 SG
 - Checked w/ various DP sizes, open ended
- Output
 - Illustrations
 - "Transport efficiency" (TE) and annular velocity
 - Selected a target criteria
 - Transport efficiency > 80%
 - Annular velocity > 180 ft/min
- Conclusion from "hole cleaning simulation"
 - We should challenge the use of stinger in our parametric optimization work
- CFD model indicates string out/channeling
 - Observed? (yes)
- Discussed gels
 - model? (not)
- Discussed based on reference operations
 - Reference operation 1 in a 7,25" hole, 850 ft long
 - Reference operation 2 in a 13 1/2" open hole and into 13 5/8 csg, 1160 ft long
 - Required plug length?
 - Maximum cement volume?

Flow rate 420, RPM 120



DP size	Transport efficiency criteria	Annular velocity criteria, flow rates < 170 – 420> gpm
6 5/8"	OK for > 120 rpm	Approach criteria for 420 gpm
5 7/8"	OK for > 120 rpm	Below criteria
5"	OK for > 120 rpm	Significantly below criteria
3 1/2"	OK for > 120 rpm	Significantly below criteria

Time in:

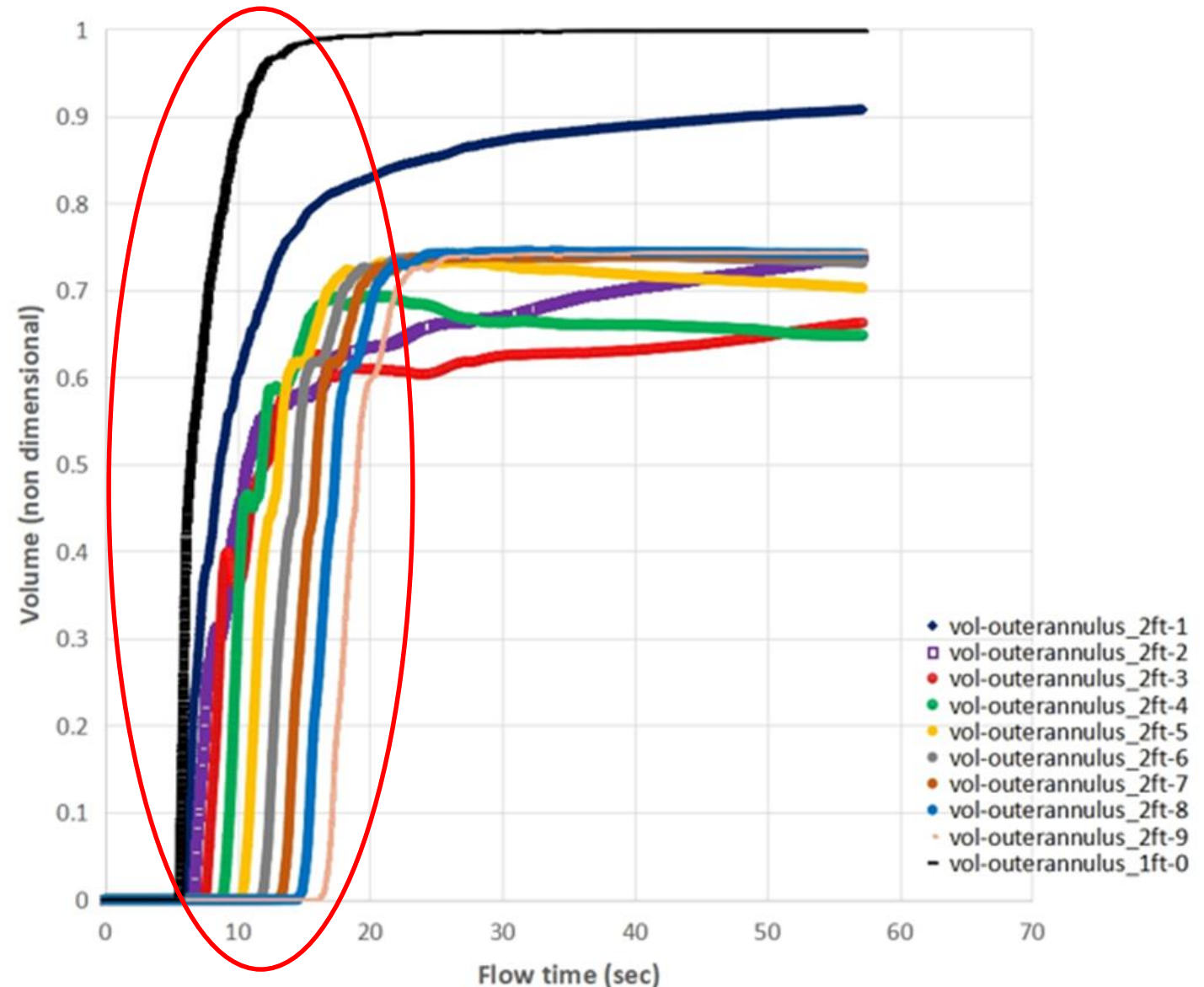
- What can we do?

October 2019



Potential field routine

- Pump, pull and rotate
- Parametric optimization ongoing
 - Fluids
 - WBM case
 - OBM case
 - Pump rates
 - String rotation
 - Cmt volume/translation speed
 - String size
 - Use of string mill/centralizer/similar
- Need displacement rate in the outlet region to be $>$ pulling rate for this to be successful
- Hope to try this sometime 2020



Need

October 2019



Need

- BHA
 - Bull nose
 - Spring loaded float (anti U-tube)
 - Float
 - Stabilizer/centralizer/scrape
- Practical
 - BHA is plug and play and will go offshore in 1 basket
 - Most likely assembled from existing components
 - Standard DP connection
 - On stand by, or stored offshore
 - Sturdy
 - Re-dress routine/service
- Suggested reading
 - Published Best Practice for balanced plug (google it)
 - SPE 184702 (cmt displacement and CFD work)
 - COP 2014/2017 presentation (P/W/C)
 - Halliburton/Baroid 2018 PAF presentation (cmt vs WBM)



<http://www.aarbakeinnovation.com/home>



<http://www.mustang-oil-services.com/produit/>



<https://www.sub-drill.com/>

Q&A

