How China can Benefit from the American 21st Century Energy Renaissance

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America’s Oil and Gas Industry: Revitalized, Achieving World-Leading Production

**Million BOE per Day**

Peak U.S. Conventional Production

1972

Unconventional Reservoir Related Production Growth

2005

Source: BP Statistical Review of World Energy 2017; 2017 Production estimated from multiple sources
2016 Daily Production
(Million Barrels Oil Equivalent)

- United States: 25
- Russia: 20
- Saudi Arabia: 15
- Iran: 10
- China: 5
- Canada: 5
- All other countries produce 5 million BOE per day or less

U.S. without Unconventionals →
America’s Largest Unconventional Hydrocarbon Accumulations are World-Class Fields

- **Bakken**: 20 - 40 BBOE
- **Permian Basin**: 50 - 175 BBOE
- **Eagle Ford**: 20 - 60 BBOE
- **Marcellus/Utica**: 500 to 800 TCFE

Well locations from U.S. Geological Survey; resource estimates based upon publically available sources and ConocoPhillips estimates; BBOE = Billion barrels oil equivalent; TCFE = Trillion cubic feet gas
America’s E&P Industry can Achieve Production Growth Even at Low Prices

U.S. Unconventional Gas Production (billions of cubic feet per day)

U.S. Total Oil Production (million barrels per day)

Source: U.S. Energy Information Administration; Natural gas prices = Henry Hub price per mcf; Oil prices = West Texas Intermediate (WTI) price per barrel
America’s Energy Industry has Dramatically Reduced Cost of Supply*

**ConocoPhillips Cost of Supply (COS)**

- **15 BBOE RESOURCES**
- **$30/BBL AVERAGE COST OF SUPPLY**

**COS Improvement Drivers**

- Higher Recovery & Production Rates
- Lower Capital Cost
- Higher Operating Efficiency

**"Winning Formula"**

- Rapid, Low-Cost Experimentation
- Data Analytics
- High-Impact Technologies

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*Cost of Supply is the West Texas Intermediate (WTI) equivalent price that generates a 10 percent return on a point forward and fully-burdened basis.
ConocoPhillips High-Impact Technologies

- High Pressure, High Temperature Drilling
- Hydraulic Fracturing Completion Design
- Application of Data Analytics to E&P
- Optimized Cascade® Liquefaction (LNG)
- Advanced Plug & Abandonment
- Compressive Seismic Imaging
- Enhanced Oil Recovery

From ConocoPhillips paper “Sampling a Stimulated Rock Volume: An Eagle Ford Example” presented at the Unconventional Reservoir Technology Conference in July 2017 (URTeC: 2670034)
How China can Benefit from the American Energy Renaissance

- U.S. natural gas and oil abundance
- U.S. world-class innovation capabilities
- U.S. unconventional reservoir expertise
- Special relationship enabled by OGIF
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