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PRESENTATION

Operator

Welcome to the First Quarter 2023 ConocoPhillips Earnings Conference Call. My name is Michelle, and I will be your operator for today's call. (Operator Instructions). I will now turn the call over to Phil Gresh, Vice President, Investor Relations. Sir, you may begin.

Philip Gresh ***ConocoPhillips - VP, Investor Relations***

Thank you, Michelle, and welcome to everyone to our first quarter 2023 earnings conference call. On the call today are several members of the ConocoPhillips leadership team, including Ryan Lance, Chairman and CEO; Bill Bullock, Executive Vice President and Chief Financial Officer; Dominic Macklon, Executive Vice President of Strategy, Sustainability and Technology; Nick Olds, Executive President of Lower 48; Andy O'Brien, Senior Vice President of Global Operations; and Tim Leach, advisor to the CEO.

Ryan and Bill will kick off the call with opening remarks, after which the team will be available for your questions. A few quick reminders. First, along with today's release, we published supplemental financial materials and a slide presentation, which you can find on the Investor Relations website; second, during this call, we will be making forward-looking statements based on current expectations.

Actual results may differ due to factors noted in today's release and in our periodic SEC filings. Finally, we will make reference to some non-GAAP financial measures. Reconciliations to the nearest corresponding GAAP measure can be found in today's release and on our website. With that, I will turn the call over to Ryan.

Ryan M. Lance ***ConocoPhillips - Chairman & CEO***

Thanks, Phil, and thank you to everyone for joining our first quarter 2023 earnings conference call. Since we just hosted our analyst day and investor meeting in New York a few weeks ago, we are going to keep our prepared remarks fairly brief today.

ConocoPhillips delivered a strong first quarter result, setting a new production record for the company as well as in the Lower 48.

Underlying production growth was 4% year-on-year, including 8% year-on-year growth in the Lower 48. We are confident in our outlook for the rest of the year, and we are increasing the midpoint of our full year production guidance. We're keeping our full year capital and

operating guidance unchanged.

Shifting to returns on and of enough capital, we continue to demonstrate our returns-focused value proposition in the first quarter. Our return on capital employed once again exceeded our goal of being top quartile in the S&P 500. And as we highlighted at the recent Analyst and Investor Meeting, we remain confident in our ability to achieve this objective in a mid-cycle price environment over the course of our 10-year plan. On return of capital, we are on track to deliver on our planned $11 billion for 2023, which represents greater than 50% of our projected CFO and is highly competitive with peers. And we are able to achieve all of this while investing in our attractive mid- and long-term opportunities.

Our first quarter was also quite busy from a strategic perspective. At Port Arthur LNG, we acquired a 30% equity interest in the joint venture upon final investment decision on Phase 1. At Willow, we are pleased to receive a positive record of decision and began road construction. And at APLNG, we announced plans to become upstream operator following the closing of EIG's transaction with Origin and to purchase up to an additional 2.49% in the project.

We also accelerated our 2030 greenhouse gas emissions intensity reduction target to 50% to 60% versus a 2016 baseline as we further advance our net-zero operational emissions ambition.

I know everyone has the question on Surmont, so let me address that right now. We acknowledge that we received our right of first refusal notice, and we're certainly reviewing it carefully.

Now in conclusion, as we shared at our Analyst and Investor Meeting last month, our deep, durable and diversified asset base is well positioned to generate solid returns in cash flow for decades to come. And as I said then, we challenge any other E&P company to show you a plan with this kind of duration.

Now let me turn the call over to Bill to cover our first quarter performance in more detail.

William L. Bullock ***ConocoPhillips - Executive VP & CFO***

Well, thanks, Ryan. In the first quarter of 2023, we generated $2.38 per share in adjusted earnings. First quarter production was a record for the company at 1,792,000 barrels of oil equivalent per day, driven by solid execution across the entire portfolio. The Eagle Ford stabilizer expansion and Qatargas 3 planned turnarounds were both successfully completed. And Lower 48 production was also a record, averaging 1,036,000 barrels of oil equivalent a day, including 694,000 from the Permian; 227,000 from the Eagle Ford; 98,000 from the Bakken.

And Lower 48 underlying production grew 8% year-on-year with new wells online and strong well performance relative to our expectations across our asset base.

Now moving to cash flows. First quarter CFO was $5.7 billion, excluding working capital at an average WTI price of $76 per barrel. This included APLNG distributions of $764 million. Now first quarter capital expenditures were $2.9 billion, including $400 million for Port Arthur Phase 1 and $100 million in Lower 48 acquisitions.

Regarding Port Arthur, as you will recall from our fourth quarter call, we said we plan to spend about $1.1 billion in 2023. So first quarter spending was fairly front-end loaded relative to the full year. In the first quarter, we also received $200 million in disposition proceeds. And regarding capital allocation, we returned $3.2 billion back to shareholders. And this was via $1.7 billion in share buybacks and $1.5 billion in ordinary dividends and VROC payments.

Turning to guidance. We forecast second quarter production to be in a range of 1.77 million to 1.81 million barrels of oil equivalent per day. This includes 10,000 to 15,000 of planned seasonal turnarounds. We have also increased the midpoint of our full year production guidance by 10,000 barrels a day. Our new range is 1.78 million to 1.8 million barrels of oil equivalent, up from [1.76 million] (corrected by company after the call) to 1.8 million previously. For APLNG, we expect distributions of $350 million to $400 million in the second quarter. And for the full year, we expect APLNG distributions of $1.8 billion. All other guidance items remain unchanged.

So to wrap up, we had a strong first quarter. We remain confident in our outlook, leading to our increase in full year production guidance. And we expect to return $11 billion to our shareholders this year. And we're well positioned to deliver on our commitments throughout this year. So that concludes our prepared remarks. And now I'll turn the call back over to Phil.

Philip Gresh ***ConocoPhillips - VP, Investor Relations***

Great. Thanks, Bill. Before we move to Q&A, just a quick reminder that we are sticking to one question per caller this quarter, since we just hosted the analyst day a few weeks ago and it is obviously quite a busy earnings day for everybody. So with that, Michelle, let's move to the Q&A.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions). The first question comes from Stephen Richardson with Evercore.

Stephen I. Richardson ***Evercore ISI Institutional Equities, Research Division - Senior MD and Head of Oil and Gas & Exploration and Production Research***

Ryan, I was wondering if you could talk, I mean, on the return of capital, obviously, outperforming 50% of cash flow from ops and setting up really strongly versus the $11 billion target. Just wondering if you could address -- the environment is not straightforward. There's a lot of volatility out there. And just from a shareholders' perspective, how do you think about balancing VROC buyback and just the general flexibility as people consider kind of the volatility in the commodity environment?

Ryan M. Lance ***ConocoPhillips - Chairman & CEO***

Yes. Thanks, Stephen. I think let me just start by recognizing the volatility that's currently in the market. But even with that, as we look at the first quarter, average prices were in the mid-$70s, WTI quarter-to-date in the second quarter in the high $70s. So that's close enough to our planning framework that we set out early in the year that, close enough to $80 and delivering the $22 billion in cash for the year. So we're not going to overreact to kind of what we're seeing in the volatility right now. So we're on track, and hopefully, you see that with the VROC that we set for the third quarter, on track to deliver the $11 billion distributions that we set out at the beginning of the year. We're comfortable with that. We have the balance sheet to support it if prices turn out a little bit lower, as well.

So, it would take a structural change, and we certainly don't view this volatility that we're seeing right now as a structural change in the marketplace. In terms of the mix and the balance, we said we'd do about 50% shares. We leaned in a little bit in the first quarter on the shares. But through the year, we expect to be about 50-50 between our VROC and the shares to deliver the $11 billion of returns back to the shareholder. Hopefully, you see that with the third quarter setting of the VROC at $0.60 a share. That should give you comfort that we're on track to deliver that.

Operator

The next question comes from Neil Mehta with Goldman Sachs.

Neil Singhvi Mehta ***Goldman Sachs Group, Inc., Research Division - VP and Integrated Oil & Refining Analyst***

Yes. Congrats on a really good Lower 48 quarter in particular. Ryan, I think you sort of cut -- headed this question off, but I'd love you to comment to the extent you can on Surmont, recognizing it's an active situation. And as you think about that asset, first of all, it seems from the analyst day that it is a core position for you guys. And just any thoughts on whether it makes sense to be a bigger part of the portfolio to the extent you can comment at all?

Ryan M. Lance ***ConocoPhillips - Chairman & CEO***

Yes, Neil, thanks. I can let Andy maybe make a few comments about the assets, which would be kind of reiterating what we said at the analyst meeting. But, yes, we're in receipt of the notice on the transaction between Total and Suncor. We have a right on the Surmont asset, which we know really well because we own 50% and operate it. So we're in the process of taking a pretty serious look at that. I can maybe have Andy reiterate some of our thoughts about the asset that we described in the analyst meeting.

Andrew M. O'Brien ***ConocoPhillips - SVP of Global Operations***

Neil, yes, as we said in the analyst meeting, we do like Surmont as the nice sort of long-life, low capital-intensity asset for us. As we covered in the analyst meeting, that low capital intensity is an important part of our portfolio. And just to sort of reiterate that, the maintenance capital on Surmont -- I'm referring now to our 50% share of Surmont, has been in the $20 million to $30 million a year range for the last four or five years.

And you'll recall, I mentioned that we're drilling our first new pad since 2016. That pad, for example, will be in the $40 million to $50 million. So it's a very low capital-intensity asset for us with that sort of basically flat production profile. And as you know, sort of -- pretty much all of our other driver information we disclose in terms of our production data, our bitumen realizations, our operating costs, that's all out there. So you can form your own view on the asset, but it's an asset that is a core asset in our portfolio. I'll probably just stop there.

Operator

The next question comes from Roger Read with Wells Fargo.

Roger David Read ***Wells Fargo Securities, LLC, Research Division - MD & Senior Equity Research Analyst***

I guess I'd like to follow up on Port Arthur LNG. Obviously, the Phase 1 was covered. There's always a possibility of greater expansion in LNG. Just what would be the things we would watch coming up in terms of the second phase?

William L. Bullock ***ConocoPhillips - Executive VP & CFO***

Yes. Sure, Roger. This is Bill. As we talked about at the Analyst and Investor Meeting, we're currently really satisfied with 30% for Phase 1 and our 5 million ton equity offtake, and we're prioritizing market development over any additional offtake in equity right now. We really think we've got sufficient capital allocation to Port Arthur, and we're looking for ways to optimize our current investment. So our plate's pretty full, and we don't need, see need to allocate significant additional capital in the near term. And so there need to be some pretty unique reasons to make it attractive.

Operator

The next question comes from Doug Leggate with Bank of America.

Kaleinoheaokealaula Scott Akamine ***BofA Securities, Research Division - VP in US Oil Equity Research***

This is actually Kalei on for Doug. My question is a follow-up on Surmont. So our understanding is that Suncor could receive certain tax benefits as part of their deal. And I'm wondering if those tax benefits would be available to you if you exercise your right of first refusal? And I'm asking the question because I think yours would look more like an asset deal, while there's is more of a corporate deal.

Ryan M. Lance ***ConocoPhillips - Chairman & CEO***

Well, as we said, Kalei, that we're currently reviewing the proposal that we got and the terms and the conditions. So it's a bit early to comment on tax pools.

Operator

The next question comes from Sam Margolin with Wolfe Research.

Sam Jeffrey Margolin ***Wolfe Research, LLC - MD of Equity Research & Senior Analyst***

The capital efficiency looks like it's going in the right direction with the production guidance and the capital plan in line. At the analyst day, you made some comments where you thought it was at least possible that you could start to see inflation ease, if not reverse. And the question is just as you think about this production results, is that an outcome of maybe an opportunity to press activity a little bit as costs are easing? Or is this -- is it more of a well results-driven outcome?

Dominic E. Macklon ***ConocoPhillips - EVP of Strategy, Sustainability & Technology***

It's Dominic here. Just to talk to inflation a little bit first. I think overall, our capital inflation for the company, we still expect to be in the mid-single digits year-over-year. So we certainly see that all leveling off. As you mentioned before, we've certainly seen deflationary trends in steel tubulars, oil price-related commodities such as fuel and chemicals. Beyond that, on the rig frac and other services, they've

certainly leveled off. We may be trending towards some reductions. We have seen rig counts peak and begin to decline. That's led by the gas basins. So our teams are very focused on costs, and they're working with our many service providers on that. But we still expect around the mid-single digits at this stage on inflation. Having said that, we certainly see capital efficiency coming through. I think that's really on an execution front.

So we've had a strong start, particularly in the Lower 48. Our full year production guidance, as we've said, is up at the midpoint. We do expect low to mid-single digits growth for the year, and that's pretty consistent with the long-term 4% to 5% CAGR we presented at our investor meeting. And yet we're holding our capital range the same with $11 billion at the midpoint. So we're definitely seeing some execution efficiency. We're pleased about that. Nick, you may want to talk a little bit more about the Lower 48 on that.

Nicholas G. Olds ***ConocoPhillips - EVP of Lower 48***

All right. Thanks, Dom. Yes, Sam, just to take you back to the analyst call when we talked about drilling and completions efficiency. If you recall, we had from 2019 to 2022, we had a 50% improvement in drilling, 60% improvement in completion at stages per day. We continue to see that in Q1. Very promising results, and that's the use of technology like simulfrac, e-frac. We're testing out some remote frac as well where we keep a frac spread on pad 1, and then we frac pad 2, pad 3, pad 4. So very promising results there, as well. On the drilling front, we continue to use data analytics and rig automation, but all that's coming together, so really promising. That did lead to some accelerated places on production of wells in Q1 driving some of the overperformance.

Operator

The next question comes from John Royall with JPMorgan.

John Macalister Royall ***JPMorgan Chase & Co, Research Division - Analyst***

So my question is just on Willow. Are there any updates there to how the lawsuits are progressing? And are you any closer to a resolution there and getting to FID then when we last saw you a few weeks ago with the AIM?

Andrew M. O'Brien ***ConocoPhillips - SVP of Global Operations***

John, this is Andy. Yes, there's really not too much new to comment on over the last few weeks. So the only incremental news we've had has all been positive. The 9th Circuit Court of Appeals denied motions attempting to stop our construction work. So we've been progressing with the winter season, and we've had gravel extraction and road construction underway. It's pretty much going as we expected it would in the last two, three weeks, not much more to add than we talked about at the analyst and investor day.

Operator

The next question comes from Ryan Todd with Piper Sandler.

Ryan M. Todd ***Piper Sandler & Co., Research Division - MD & Senior Research Analyst***

Ryan, and -- maybe one for you, following up on the analyst day. But what impact, if any, does -- you increased your view of the mid-cycle oil price from 50% to 60%. What impact, if any, does that have on the way in which you think about the business? I mean you're still focused on low cost of supply assets well below this price. Does the view that oil prices would be structural to have over time have any impact on the way you think about managing the business over the long term, your balance sheet, allocation of capital or anything else?

Ryan M. Lance ***ConocoPhillips - Chairman & CEO***

No. Thanks, Ryan. In terms of how we're running the company day to day and the allocation of capital that we put in each year, it really doesn't. We're only investing in things that have a cost of supply less than $40 WTI in the portfolio. So what a mid-cycle price change, our chief economist office, our commercial team, we go through a process every year where we take a current view of the macro and have a long-range view of what we think is happening. And as we've gone through a lot of turmoil in the business -- the Russian invasion of Ukraine, just the lack of investment going into the business these days -- we stepped back and did our own bottoms up, which we do every year. But important this year, we did our own bottoms-up work to try to understand where we think the mid-cycle price is moving to, and what it was at -- staying at kind of that $50 level. Our assessment of the price required to generate that incremental barrel to meet that incremental demand, our assessment put it at around $60 today.

And so that -- so the implications of that are really just how much cash flow we think we're going to be generating as we interrogate the portfolio, as we invest in the growth and development of the company, and we put capital into the company. The way it manifests itself is just how much cash flow we can deliver at that kind of mid-cycle price, which is obviously a little bit more than what we would deliver at the lower price. So it goes to sort of how we think about cash in the balance sheet, how we think about the debt that we're carrying, how we think about distributions and how much capacity there is to distribute a bunch of our cash, which our commitment is about 30%. And when we get above mid-cycle price in our case like we are today, obviously, we're generating a lot more cash, and we're returning a lot more cash to the shareholder, now something in excess of 50% today. But that's driven by the reinvestment rate that we have in the company, our commitment to only invest in the lowest cost of supply things we have in the portfolio.

Operator

The next question comes from Devin McDermott with Morgan Stanley.

Devin J. McDermott ***Morgan Stanley, Research Division - VP, Commodity Strategist for Power Markets & Equity Analyst of Power and Utilities Research Team***

So I wanted to go back to the Lower 48. It was helpful detail before on some of the efficiencies that you're seeing there. I think one of the other drivers of the strength in production that you called out in the prepared remarks was well performance beating your expectations. Can you talk a little bit more explicitly about what you're seeing there, and if there's any development changes that you've made driving that uplift?

Nicholas G. Olds ***ConocoPhillips - EVP of Lower 48***

Yes. Devin, this is Nick. You're right. Strong well performance was definitely a contributing factor for Q1. If I take you back to the Q4 call, I had mentioned that our well performance was meeting or exceeding type-curve expectations, and we continue to see that trend in Q1. So that's very encouraging. No overall development changes. We're just seeing very promising results across all assets, it is just not the Permian, as well.

And as I mentioned earlier, the completion and drilling efficiency has allowed us to accelerate some wells earlier into Q1, and so we're seeing that production come into play. And then on the Eagle Ford stabilization plant that we've upgraded, the team just did a remarkable job in sheltering the amount of downtime in Q1. So we had less DT, but overall, a very strong quarter.

Operator

The next question comes from Josh Silverstein with UBS.

Joshua Ian Silverstein ***UBS Investment Bank, Research Division - Analyst***

Just some questions around potential LNG opportunities in the future. You mentioned at the analyst day that you have options around Port Arthur Phase 2, 3 and 4 and even at Costa Azul as well. Can you just give us some more details around the options? Does it need to be at the 30% like you did in Phase I for Port Arthur? Or could it be 10% or some other agreement there? Could it be before or after FID as well? And then just along the same lines because there will already be some infrastructure in the ground for Phase 1, will the capital outlay for Phase 2 or 3 be less because of that?

William L. Bullock ***ConocoPhillips - Executive VP & CFO***

Yes. So I think we laid this out pretty well at our analyst meeting. So for Port Arthur, we've got options on both equity and offtake for future phases. Those can be executed either for equity offtake or both as they present themselves through time. We also have some options on the West Coast of Mexico at Energia Costa Azul on Phase 2. And so those are long-dated options that we continue to look at.

I talked a bit about Phase 2 earlier in the call. And so there need to be some pretty unique opportunities on that as we think about that right now. Now as we think about future phases we have structured our investment in Phase 1, such that we benefit from the economies of scale for future phases on our Phase 1 investment. So future phases actually benefit Phase 1.

Operator

The next question comes from Paul Cheng with Scotiabank.

Paul Cheng ***Scotiabank Global Banking and Markets, Research Division - Analyst***

Maybe this is for Nick. Nick in the investor day, (inaudible) you are talking about 2023, the shale oil production of 1 million barrels per day. And in the first quarter, you're already there. Does that mean that for the rest of the year that the Lower 48 shale oil and Montney together will be pretty stretched? Or that, that number is somewhat conservative now?

Nicholas G. Olds ***ConocoPhillips - EVP of Lower 48***

Yes, Paul, this is Nick. You're right. I mean, we had a very strong performance in Q1, as we just described. As you look at the future quarters of this year, we've got some larger pad projects, longer horizontal wells. And to kind of put that in context, we've got 80% of our 2023 Permian wells are 2 miles or greater. We've got a fairly large portion that are of the 3 miles. But you're going to see kind of small variations. But overall, that's going to be relatively flat. But I'll leave you with this, Paul. Our plan will deliver at least mid-single digits for Lower 48.

Operator

The next question comes from Scott Hanold with RBC Capital Markets.

Scott Michael Hanold ***RBC Capital Markets, Research Division - MD of Energy Research & Analyst***

I just wonder if you could provide some updated commentary if you have any on Venezuela. About a month ago, there was some talks about kind of easing oil sanctions there. And you all have a potential big asset or at least valued that at one point in time, were looking to extract. Is there any update on that? Or is there any kind of color you can talk about like the progress and remind us of the value there?

Ryan M. Lance ***ConocoPhillips - Chairman & CEO***

Yes, Scott, yes, we're right in the middle of all those conversations, as you might imagine, including the most recent conversations around the CITGO refining assets. We're in the queue, we're in the -- right in the middle of anything that would happen there. We have -- as a reminder, an ICC judgment of $2 billion. We've collected about $700 million on that judgment to date. So we have an outstanding -- what they owe us on that particular judgment.

We're in an appeal process with ICSID which is the other tribunal, and that's an $8 billion potential award coming. Now there's some overlap between the two, so you can't necessarily add the two together. But I guess the point is that they owe us a lot of money. And we're hard at trying to get some resolution of that.

And the recent news out of the judge and the U.S. government around CITGO is certainly helpful in that regard. It looks like despite the sanctions that are on the Venezuelans and on U.S. companies for doing work in Venezuela, there's a little bit of -- some light developing at the end of that tunnel, and we're right in the middle of it all.

Operator

The next question comes from Alastair Syme with Citi.

Alastair Roderick Syme ***Citigroup Inc., Research Division - MD & Global Head of Oil and Gas Research***

In your remarks, beginning on the Lower 48, you mentioned about infrastructure build. And I was really just interested to try and understand across the Lower 48, but I guess, especially in the Permian, what's the sort of ratio of capital that's going into infrastructure versus drilling? I guess, it changes over the life of the assets. So I'm just kind of intrigued what's the point of asset life are we in terms of that ratio?

Ryan M. Lance ***ConocoPhillips - Chairman & CEO***

Yes. I'm not sure the exact ratio. Maybe Nick might have some numbers, but I think most of what we're doing is large pad development with you know, not single well facilities, but central facilities supporting those large pads. I don't know what the split between drilling and infrastructure spend is. I can let Nick have a comment, but I don't think it's much different than what we've been doing for the past few years.

Nicholas G. Olds ***ConocoPhillips - EVP of Lower 48***

Yes, Alastair, it's very limited as far as on the infrastructure spend. Most of your expenditures is on drilling and completions in the Permian as an example.

Operator

The next question comes from Raphael DuBois with Societe Generale.

Raphaël DuBois ***Societe Generale Cross Asset Research - Equity Analyst***

I just have one question about the working capital deterioration in 1Q. I was wondering if you could tell us how much of it is due to some Norwegian cash tax catch-up? And what is it to expect for the rest of the year?

William L. Bullock ***ConocoPhillips - Executive VP & CFO***

Yes, sure. Happy to talk about working capital. So if you look at working capital for Q1, you can see that in the supplementary documents we put out on our website, Q1 was about a $100 million use of working capital. For Q2, we'd expect that to be just over $1 billion. And as you rightly noted, that's associated with Norwegian tax payments, which is normal for operators in Norway. We accrued those in 2022. They're payable in the second quarter of 2023. And then looking for the rest of the year, assuming we don't see FX rates move materially for the remainder of the year, we'd expect -- we wouldn't really expect any material working capital movements across Q3 or Q4. So I hope that helps for kind of full year view.

Operator

The next question comes from Neal Dingmann with Truist Securities.

Neal David Dingmann ***Truist Securities, Inc., Research Division - MD***

My question is on shareholder return plans. Specifically, what do you all view sort of in broad terms as an optimal quarterly payout given, I guess, now how even more volatile the commodity market continues to be and looking at your most recent, I guess, the payout was a bit over 100%?

Ryan M. Lance ***ConocoPhillips - Chairman & CEO***

Yes. Well, I think, Neil, you have to kind of go back to how we set the VROC in the first quarter. That was actually set in the third quarter of last year at a $100 price environment. So we probably had -- a ratable-- a little bit higher distribution in this quarter and then it gets more ratable as we go through second, third and fourth quarter as we deliver the $11 billion that we've targeted for this year. And that's evidenced by how we set the VROC for the third quarter at $0.60 a share.

Operator

Our last question comes from Leo Mariani with ROTH MKM.

Leo Paul Mariani ***ROTH MKM Partners, LLC, Research Division - MD***

Obviously, strong results out of COP today, you enumerated a couple of reasons the first quarter production beat. It sounds like some wells came on early, and well results continue to be very strong. But just wanted to dive in a little bit on the maintenance side. I know you guys kind of talked about 35,000 BOE per day of maintenance in the quarter that actually come to fruition. Maybe that number was a bit different. And then can you talk about maintenance rest of the year. I see you had 10,000 to 15,000 expected in 2Q, but any expectations for 3Q or 4Q?

Dominic E. Macklon ***ConocoPhillips - EVP of Strategy, Sustainability & Technology***

Yes. Thanks. It's Dominic here. So you're right. We did anticipate about 35,000 barrels a day of turnaround and maintenance impact in the first quarter. That actually came in at 25,000, so 10,000 lower. That was partly because of the efficiency that Nick talked about at the Lower 48. The Eagle Ford Sugarloaf stabilized expansion went really well, and the team did a great job sheltering some of that. Then there was a little bit of timing there around Qatar turnarounds as well.

So we had 25,000 barrels a day impact in the first quarter. We still expect a full-year average impact from our turnarounds of about

15,000 barrels a day equivalent. Bill said, second quarter, I think, as he mentioned, we expect to be 10,000 to 15,000. And there will also be some standard sort of seasonal downtime in the second and third quarter we typically see in Norway and Alaska and APLNG. But all of that's reflected in our new guidance, 1.78 million to 1.8 million barrels a day for the full year.

Operator

We have no...

Philip Gresh ***ConocoPhillips - VP, Investor Relations***

Thank you, everyone for being here today. We appreciate it...

Operator

Thank you, ladies and gentlemen. This concludes today's conference. Thank you for participating. You may now disconnect.