IODP EXP 358 Daily Geomechanics Report

Report #006 20181115 Final 4867

RTG Team

| RTG Supervisor(s) | David Castillo / Thomas Finkbeiner / Demian Saffer |
|------------------------------|--|
| RTG Watch Lead (00:00-12:00) | Kan Aoike |
| RTG Watch Lead (12:00-24:00) | Emily Wisbey |
| RTG Office Support | N/A |

Well Status (as of 06:00 on 16 Nov. 2018)

| Site Name: | C0002 | r. | Hole Name: | Q | |
|----------------------------------|--|--------------|-------------------|----------------------|--------------|
| Water Depth: | 1,939.0 | m | RT-MSL: | 28.5 | m |
| Current Depth: | 4,867.2 (4,865.3) | mBRT mTVD | Section TD: | 4,867.2 (4,865.3) | mBRT mTVD |
| Section #: | 0 | | CSG Depth / Size: | - | mBRT |
| Static MW: | 1.37 | sg | Current ECD: | - | sg |
| Current formation/ lithology: | Shale | | | | |
| Sensor Offsets: | - | | | | |
| Current Operations: | Continued RIH Milling BHA. Performed BOP test at 3175 mBRT from 08:30 to 13:30. Resumed RIH at 13:30 and reached 4850 mBRT at 20:20. Finished dressing the window at 23:40 and then performed circulation and bottoms-up. POOH Milling BHA from 03:40 Nov.16. 4144.5 mBRT as of 06:00. | | | | |

Geomechanics Alert

| GREEN | Green = Projected model remains accurate White = Unanticipated deviation from model which <i>should not</i> affect drilling Yellow = Unanticipated deviation from model which <i>may</i> affect drilling Red = Imminent requirement to stop drilling |
|---|---|
| Basis for Alert Level + Recommendations | No issue to use 1.37 sg MW as of this moment. |

Principal Findings

N/A

Observations Summary

Use this space to discuss any observations while drilling, running casing etc.

| Fracture Gradient | |
|-------------------|--|
| Pore Pressure | |
| Wellbore Breakout | |
| Tensile Failure | |
| Drilling | |
| Parameters | |
| Other | |

Analysis LWD Log Analysis N/A

Drilling Experience Analysis N/A

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Cuttings Analysis N/A

Cavings Analysis N/A

SFIB Analysis

Geomechanical Model Review (a review of the FIT results)

Potentially no changes to the pre-drill geomechanical model because FIT (Formation Integrity Test) does not directly contribute sufficient information for constraining or refining subsurface earth stresses. By design, FIT is intended to determine whether the planned mud weight can be supported by the formation.

The planned mud weight of 1.37 sg with an operational safety upper margin of +0.06 sg (surge pressure), required a formation pressure integrity up to 1.43 sg. The FIT in the C0002Q rat-hole achieved that objective. It is possible that a leak-off pressure of 1.43 sg may have occurred, but a maximum pressure of 1.45 sg was achieved before the pumps were shut-in. If a leak-off pressure of 1.43 sg did occur, this implies a leak-off-test (LOT) had occurred (no longer a FIT). A leak-off-pressure of 1.43 sg may be interpreted as a possible approximation of S3 or Shmin stress magnitudes.

This interpretation would require a pass of the LWD image log across the rat-hole section to identify whether a new tensile was created, or drilling fluids leaked into a pre-existing bedding plane or natural fracture. The former would have direct implications of S3, while the latter would require further information such as bedding plane orientation.

Therefore, for now we will continue to call this test a FIT until we learn more from the LWD image data after it passes through the rat-hole.

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