



July 14th, 2014

Legislative Education Study Committee

Workforce Readiness

Randy VanDenBerg
District Operations Manager



Evolution of WPX

Established January 1, 2012 – Williams spin-off of Exploration & Production assets

Entirely separate company from Williams – Trade as WPX on NYSE

- ▶ Williston Basin (Bakken Shale)
- ▶ Piceance Basin
- ▶ Appalachian Basin (Marcellus Shale)
- ▶ San Juan Basin
- ▶ Powder River Basin

San Juan Basin presence for 30+ years

14th largest producer of natural gas in U.S.

Largest producer of natural gas in Colorado in 2012

- ▶ 315.2 BCF from Piceance
- ▶ 5.5 BCF from San Juan

8th largest producer of natural gas in New Mexico in 2011

- ▶ 50.0 BCF from San Juan

Operate 872 wells in San Juan Basin on 160,000 acres

48,600 Acre position in Lybrook (Chaco) area

Non-operated interests in an additional 2,460 wells

economic impact

\$160 million

2014 planned investment in local drilling and development

\$6 million

Royalties received by private landowners in 2013

\$18.4 million

Royalties for our wells on federal, state and Indian lands in 2013

\$5 million

Statewide payroll in 2013

\$9.5 million

Severance and ad valorem taxes paid in 2013

200+

Vendors and service providers we've used in New Mexico

Our Values

Every company needs words to live by and rally around. These are ours. They reflect the heart of who we are, what we want to achieve and the resolve that we share. At WPX, we're:

Inspired.

We're optimistic about our company's potential and the importance of energy in everyday life. That's why we're compelled to seize opportunities, explore new areas and find ways to make our business safer, stronger and more efficient. We won't settle for status quo.

Involved.

We want to be difference-makers in our communities and in our industry – people who support worthy causes, openly engage with our stakeholders and are active in the arenas that shape our ability to do business. Reaching out to build relationships and trust is important to us.

Determined.

We are driven by our desire to be excellent operators. Safety must be second nature to us – part of our DNA. We will champion a pro-active safety culture and work to continuously improve the structure that helps make it happen. Our personal safety and the public's safety depend on it.

Disciplined.

Our financial position is the foundation of our ability to execute our objectives and produce desirable results and returns. We will watch our cash, costs, capital expenses and commodity prices closely – being agile enough to adjust our plans accordingly.

Committed.

We're passionate about what we do and how we do it. Our can-do attitude comes from our integrity and work ethic. We embrace the need to work hard, to follow the rules that govern our business and to protect the environment. If we should miss the mark, we'll learn from it.

Connected.

We're a part of something here. We want WPX to be a fun place to work, where it feels like family. We believe in each other and we enjoy working together. We recognize, respect and value the variety of talent, background and experience that each person brings to the table.



San Juan Basin WPX growth 2012 to date

January 2012

- 26 – Production Tech's
- 6 – Automation Tech's
- 4 – Permitting & Regulatory
- 19 – Supervisors, EH&S, Office Staff

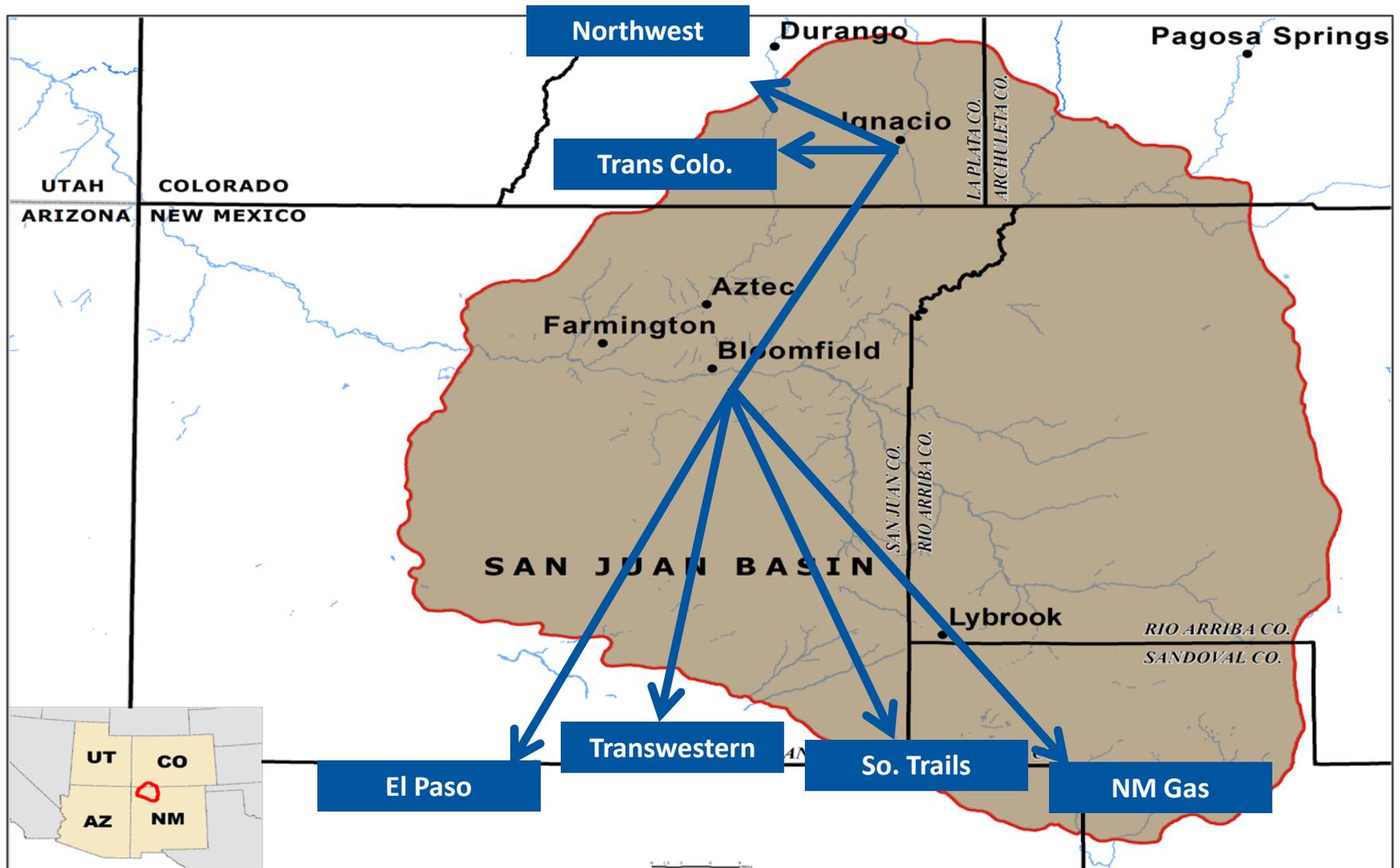
• **Total 55 employee's**

July 2014

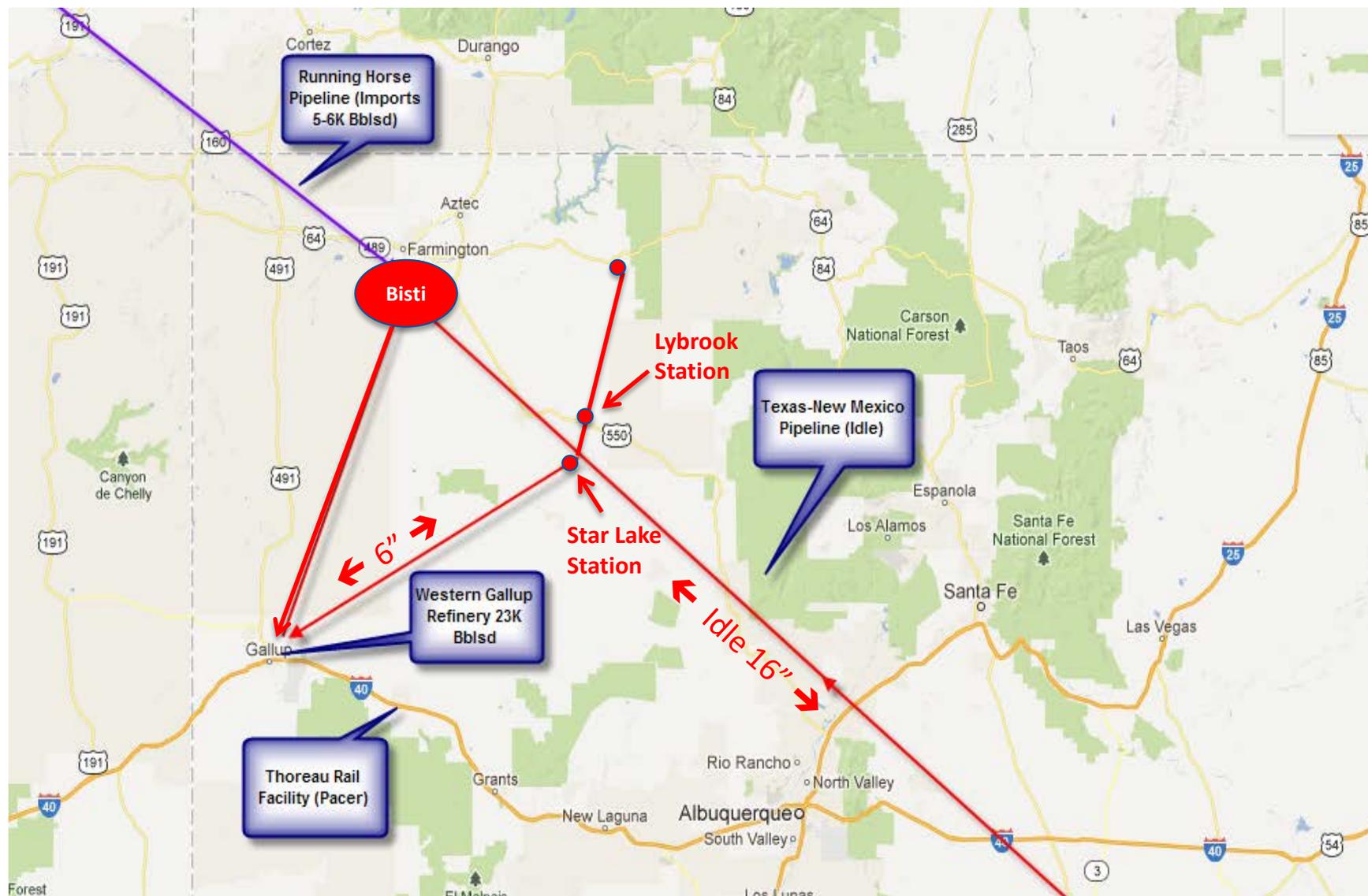
- **31** – Production Tech's (**+5**) (estimated +4 by years end)
- **3** – Construction (**+3**)
- **8** – Automation Tech's (**+2**)
- **5** – Permitting & Regulatory (**+1**)
- 19 – Supervisors, EH&S, Office Staff

• **Total 66 employee's** (estimated 70 by year end 2014)

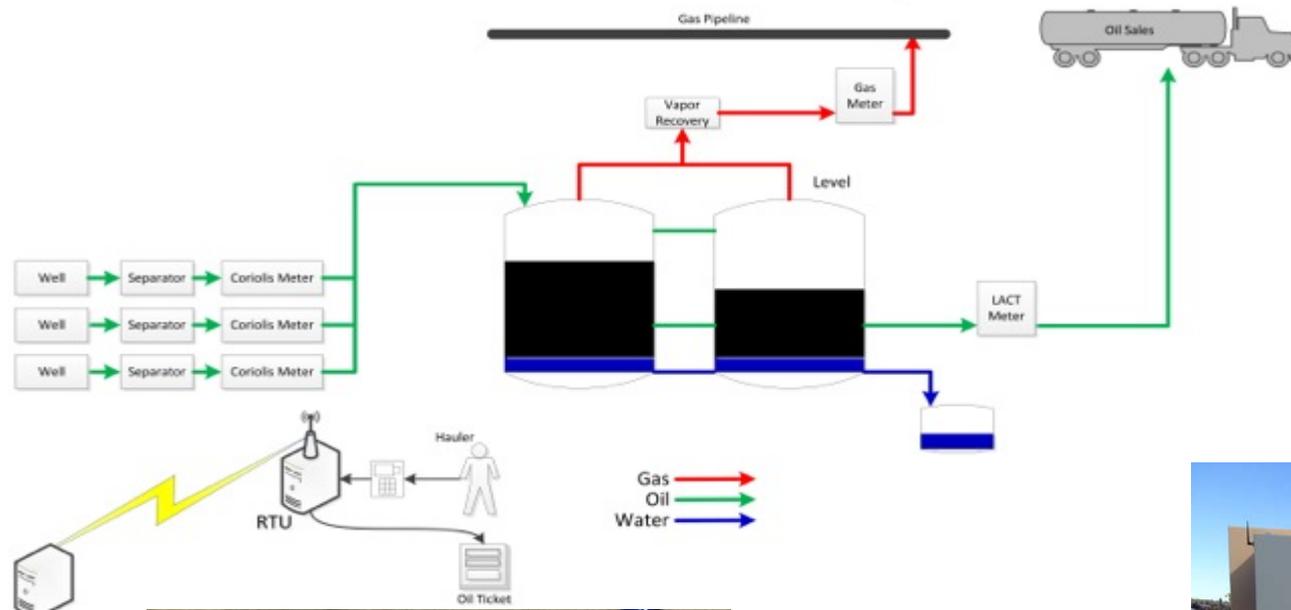
San Juan Basin Gas Transportation Infrastructure



Chaco Slope Oil Transportation System



San Juan Oil Measurement Pilot Project



WPX Community Partnerships

**WPX is committed to making a difference in the communities we work within:
2014 Contributions Include:**

~San Juan College Foundation

- United Way
- IGW Pediatric Cancer Foundation, Inc
- Drug Free San Juan County
- Farmington Museum Foundation
- Aztec Baseball Association
- La Plata County 4-H Council
- La Plata County Energy Council Scholarship
- Piedra Vista High School Volleyball Booster
- Lybrook Elementary
- New Mexico Sportsmen for Fish and Wildlife



WPX Energy San Juan College Scholarship

WPX Energy established an annual scholarships for:

- **Two full-time students who have been accepted to one of the SJC Energy programs.**
- **Recipients must have a 2.5 minimum GPA**
- **Must be a member of one of the Navajo Nation Chapters near Lybrook, NM**



The Generational Reshuffle

According to Ernst & Young, as high as 50% of Oil and Gas workers will retire in 5-7 years.

- A substantial demand for professionals in the coming years is largely due to an aging workforce.
- Planning for a sustained availability of a competent workforce is essential for the industry.



Average Salary for Oil and Gas Employee: \$92,160

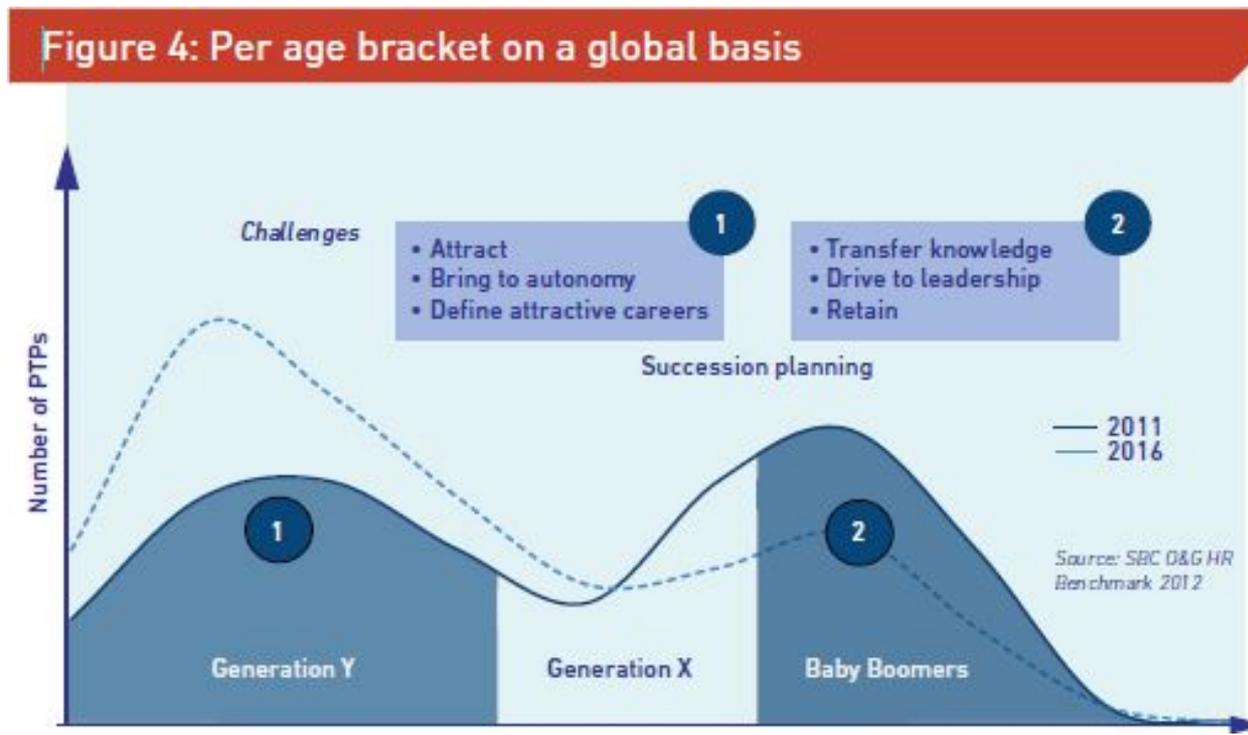
Industry salaries are based on:

- Skill set/Education
- Experience
- Demand for skill set



Aging Workforce

Chart demonstrating generational reshuffle of Petro technical Professionals:



Scope of Industry Jobs

The oil and gas industry provides jobs to a large variety of education levels and skill sets.

The following are a few of the skill sets within the industry:

Drilling

Construction

Design Engineer

Maintenance

Regulatory

Legal

Production

Procurement

General Engineer

Health & Safety

Administrative

Gov. Affairs

Oilfield Services

Petroleum Engineering

Geosciences

Environmental

Human Resources

External Affairs

Disclaimer

The information contained in this summary has been prepared to assist you in making your own evaluation of the Company and does not purport to contain all of the information you may consider important in deciding whether to invest in shares of the Company's common stock. In all cases, it is your obligation to conduct your own due diligence. All information contained herein, including any estimates or projections, is based upon information provided by the Company. Any estimates or projections with respect to future performance have been provided to assist you in your evaluation but should not be relied upon as an accurate representation of future results. No persons have been authorized to make any representations other than those contained in this summary, and if given or made, such representations should not be considered as authorized.

Certain statements, estimates and financial information contained in this summary constitute forward-looking statements or information. Such forward-looking statements or information involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from the results implied or expressed in such forward-looking statements or information. While presented with numerical specificity, certain forward-looking statements or information are based (1) upon assumptions that are inherently subject to significant business, economic, regulatory, environmental, seasonal, competitive uncertainties, contingencies and risks including, without limitation, the ability to obtain debt and equity financings, capital costs, construction costs, well production performance, operating costs, commodity pricing, differentials, royalty structures, field upgrading technology, and other known and unknown risks, all of which are difficult to predict and many of which are beyond the Company's control, and (2) upon assumptions with respect to future business decisions that are subject to change.

There can be no assurance that the results implied or expressed in such forward-looking statements or information or the underlying assumptions will be realized and that actual results of operations or future events will not be materially different from the results implied or expressed in such forward-looking statements or information. Under no circumstances should the inclusion of the forward-looking statements or information be regarded as a representation, undertaking, warranty or prediction by the Company or any other person with respect to the accuracy thereof or the accuracy of the underlying assumptions, or that the Company will achieve or is likely to achieve any particular results. The forward-looking statements or information are made as of the date hereof and the Company disclaims any intent or obligation to update publicly or to revise any of the forward-looking statements or information, whether as a result of new information, future events or otherwise. Recipients are cautioned that forward-looking statements or information are not guarantees of future performance and, accordingly, recipients are expressly cautioned not to put undue reliance on forward-looking statements or information due to the inherent uncertainty therein.

Reserves Disclaimer

The SEC requires oil and gas companies, in filings made with the SEC, to disclose proved reserves, which are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible — from a given date forward, from known reservoirs, under existing economic conditions, operating methods, and governmental regulations. The SEC permits the optional disclosure of probable and possible reserves. We have elected to use in this presentation “probable” reserves and “possible” reserves, excluding their valuation. The SEC defines “probable” reserves as “those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.” The SEC defines “possible” reserves as “those additional reserves that are less certain to be recovered than probable reserves.” The Company has applied these definitions in estimating probable and possible reserves. Statements of reserves are only estimates and may not correspond to the ultimate quantities of oil and gas recovered. Any reserve estimates provided in this presentation that are not specifically designated as being estimates of proved reserves may include estimated reserves not necessarily calculated in accordance with, or contemplated by, the SEC’s reserves reporting guidelines. Investors are urged to consider closely the disclosure regarding our business that may be accessed through the SEC’s website at www.sec.gov.

The SEC’s rules prohibit us from filing resource estimates. Our resource estimations include estimates of hydrocarbon quantities for (i) new areas for which we do not have sufficient information to date to classify as proved, probable or even possible reserves, (ii) other areas to take into account the low level of certainty of recovery of the resources and (iii) uneconomic proved, probable or possible reserves. Resource estimates do not take into account the certainty of resource recovery and are therefore not indicative of the expected future recovery and should not be relied upon. Resource estimates might never be recovered and are contingent on exploration success, technical improvements in drilling access, commerciality and other factors.

Thank You!

