

CAPITAL ONE SECURITIES 13<sup>th</sup> ANNUAL ENERGY

# CONFERENCE

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DECEMBER 6, 2018

**WPXENERGY®**



# 3Q Highlights



## DELIVERING RESULTS



### STRONG OIL PRICE REALIZATIONS

Delaware average realized price: 98% of WTI<sup>1</sup>



### 3<sup>rd</sup> BONE SPRING COMPARABLE TO WCA

Increases tier 1 inventory in Delaware



### PECOS STATE PROJECT UNDERWAY

Real-time information drives key development decisions in the Delaware Basin



### START-UP OF FIRST 200 MMCF/D TRAIN

JV processing plant came online September

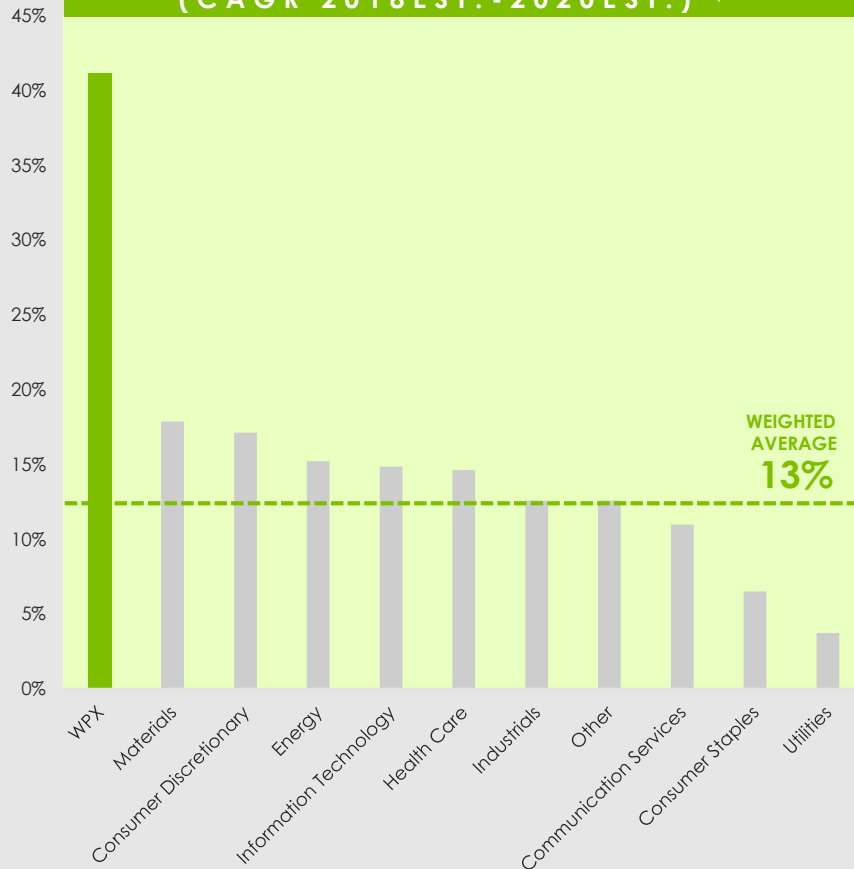


### EXERCISED EQUITY OPTION

Increased equity to 25% for Oryx II & 12.5% for Oryx New Mexico Gathering System

# WPX vs. S&P 500 Comparison

CASH FLOW PER SHARE GROWTH VS. S&P 500  
(CAGR 2018 EST. - 2020 EST.)<sup>1,2</sup>



## WPX GROWTH POTENTIAL



WPX delivering **40%+** cash flow per share growth which is over 3X the S&P 500



WPX generates **free cash flow** 2019-2020E<sup>3</sup>



WPX's cash flow per share growth potential is greater than any sector in the S&P 500

# 2019 Capital and Production Guidance

CAPITAL (\$ IN MILLIONS)	FY 2019
D&C / Facilities Capital	\$1,350 – \$1,450
D&C Non-Operated	50 – 100
Midstream Opportunities	50 – 100
<b>Base Capital Plan</b>	<b>\$1,450 – \$1,650</b>

## Discretionary Reinvestment Opportunities Funded With Sales Proceeds

*(Reinvestment opportunities include Rig Adds, Midstream Buildout, Non-Op and Land)*

**\$250 - \$350**

**FUNDED BY POTENTIAL MIDSTREAM SALES PROCEEDS**

PRODUCTION	FY 2019
Oil Mbbbl/d	100 – 105
Natural Gas MMcf/d	205 – 215
NGL Mbbbl/d	25 – 30
<b>Total MBOE/d</b>	<b>159 – 171</b>

## CAPITAL PLAN OUTLOOK

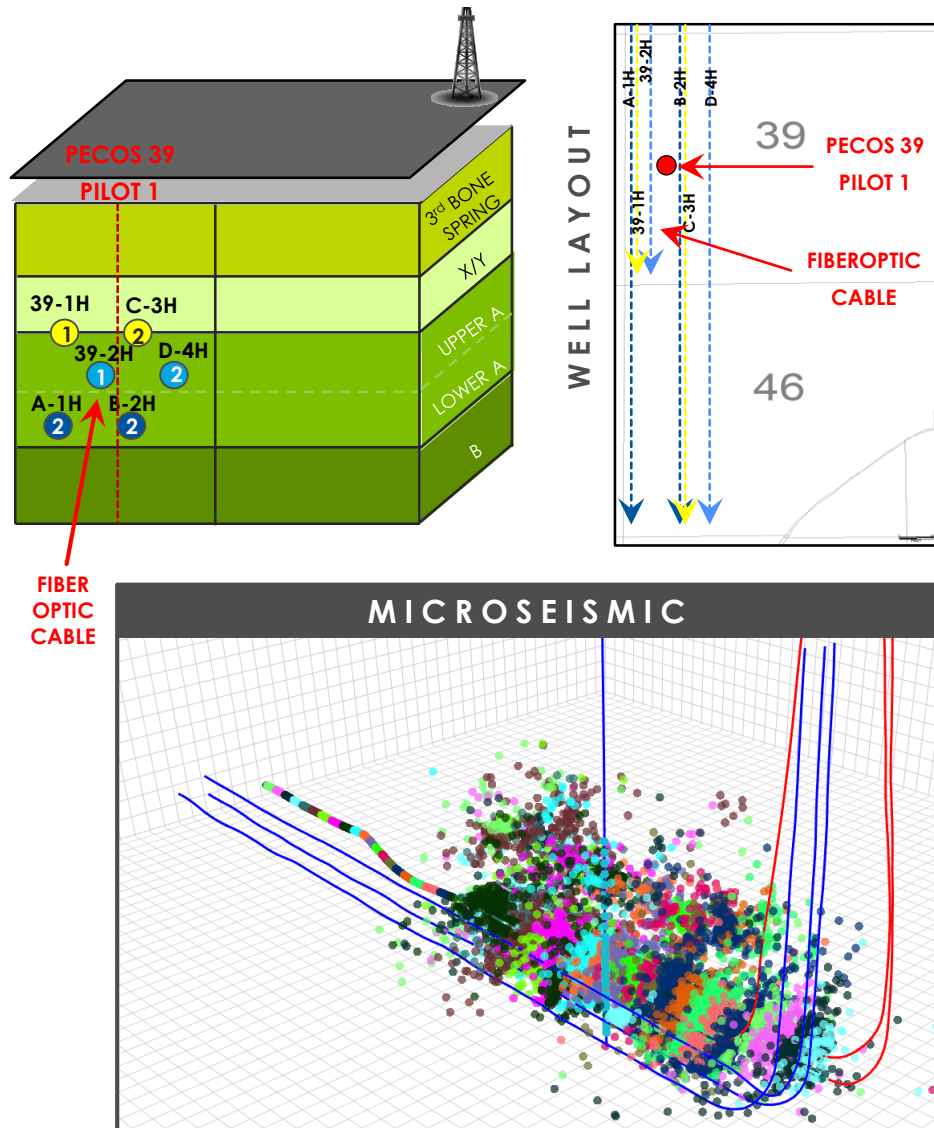
- 1 Base capital plan assumes- flat rig count (10), non-op and midstream capital
- 2 Capital plan free cashflow positive at strip pricing<sup>1</sup>
- 3 Discretionary reinvestment opportunities funded with proceeds
- 4 Expect proceeds in excess of reinvestment opportunities

## PRODUCTION PLAN OUTLOOK<sup>2</sup>

- 1 Oil growth 28%
- 2 Natural Gas growth 35%
- 3 NGL growth 38%



# Real-Time Analytics Driving Well Design



## PECOS STATE MONITORING PROJECT

### PILOT/MONITOR WELL

- Contiguous 806' core running from 3<sup>rd</sup> Bone Spring through Wolfcamp B
- Equipped with Microseismic geophones, permanent external pressure & temperature gauges
- Strategically placed to monitor fracs during completion, overall well performance and depletion through life of the well

### PERMANENT DAS-DTS FIBEROPTIC INSTALLATION

- Successfully installed in the Pecos State 39-2H well and completed all frac stages without damaging the fiber

### BENEFITS

- Optimize well spacing and landing targets
- Improve completion design
- Develop best practices for choke and flow management
- Optimize artificial lift

# Building Operational Momentum in Stateline

## THIRD BONE SPRING UPDATE



### CBR 11-2 1H

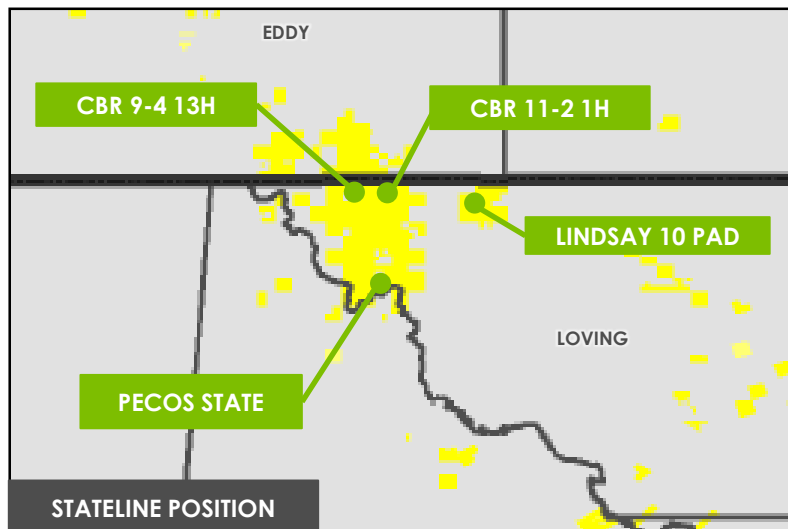
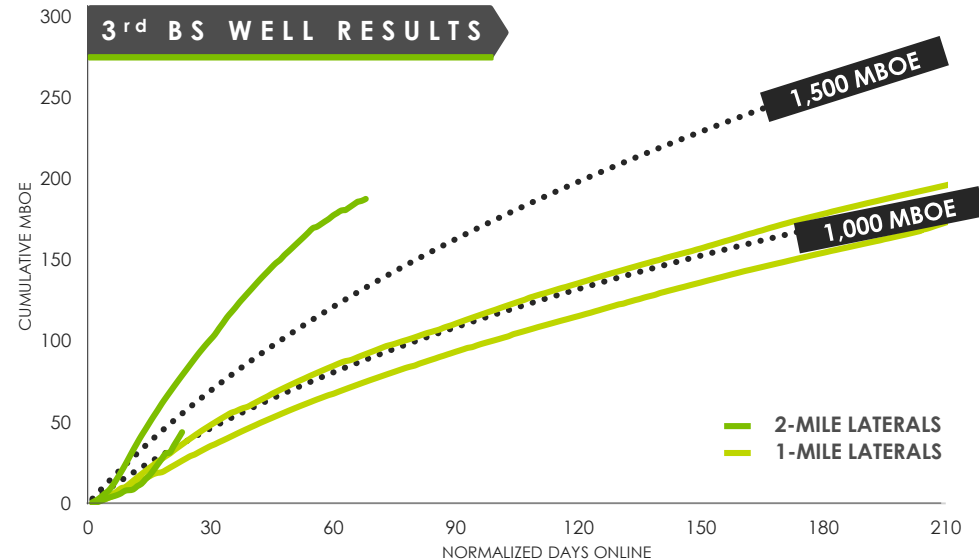
2-MILE LATERAL  
60-DAY AVG: 2,955 BOE/D (52% OIL)



### CBR 9-4-13H

2-MILE LATERAL  
PRODUCED ~44,000 BOE (54% OIL) AFTER 23 DAYS

- 3<sup>rd</sup> BS INCREASING TIER 1 INVENTORY
- UPCOMING STATELINE SPACING TEST IN 3<sup>rd</sup> BS
- 3<sup>rd</sup> BS INCLUDED IN FUTURE DEVELOPMENT



## DELAWARE 3Q HIGHLIGHTS



### LINDSAY 10-3B-2H (X/Y)

90-DAY AVG: 3,141 BOE/D (54% OIL)



### LINDSAY 10-3G-7H (UPPER WC A)

60-DAY AVG: 3,575 BOE/D (53% OIL)

- FIRST 200 MMCF/D TRAIN COMPLETED IN SEPTEMBER  
SECOND 200 MMCF/D TO BE COMPLETED MID-2019
- 3<sup>rd</sup> QUARTER AVERAGE REALIZED OIL PRICE 98% WTI<sup>1</sup>  
\$1.59 OFF WTI INCLUDING MIDLAND BASIS SWAPS

# Strong Williston Results Across Acreage Position

## OPERATIONAL EXCELLENCE



### BEHR PAD (3 WELLS)

90-DAY PAD AVG: 1,637 BOE/D  
24-HR IP: 3,585 BOE/D (BEHR 19-18HUL)



### OTTER WOMAN (5 WELLS)

60-DAY PAD AVG: 1,626 BOE/D  
24-HR IP: 4,567 BOE/D (OTTER WOMAN 34-27HG)



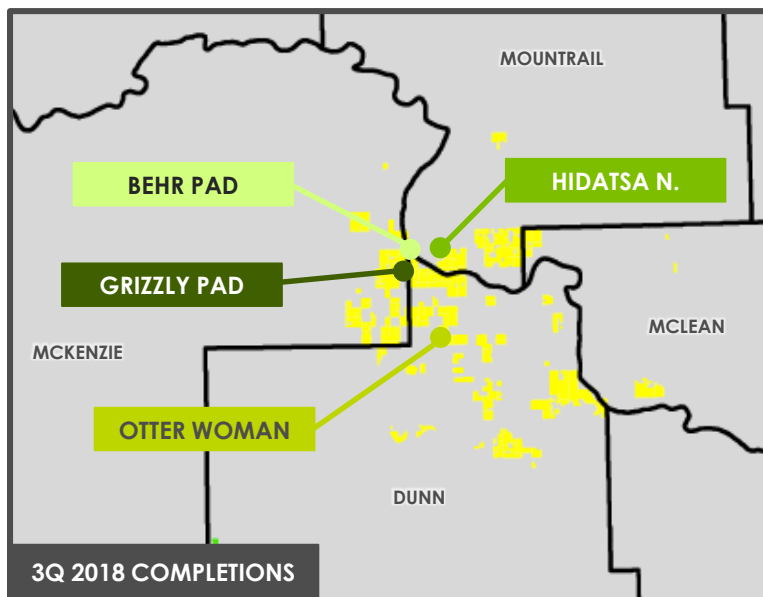
### HIDATSA NORTH (7 WELLS)

30-DAY PAD AVG: 2,442 BOE/D  
24-HR IP: 4,206 BOE/D (HIDATSA N. 14-23HD)

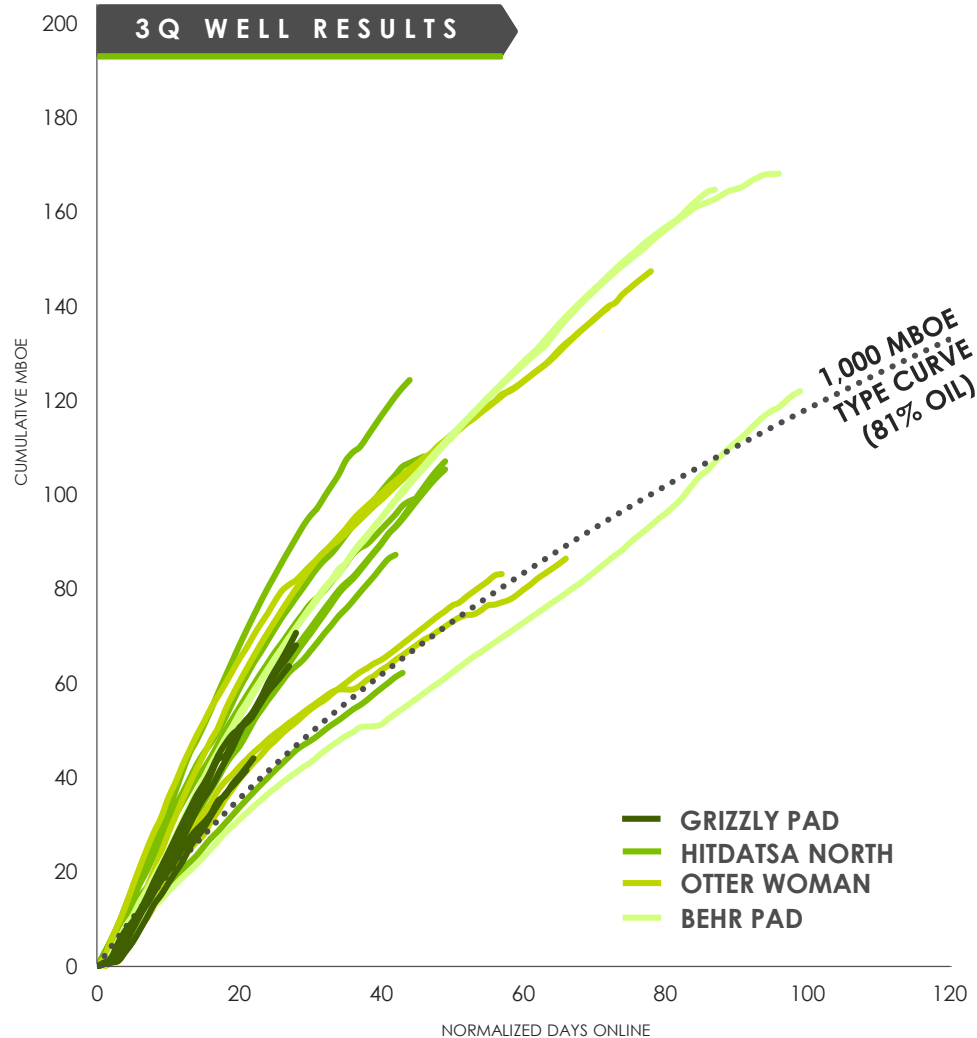


### GRIZZLY PAD (5 WELLS)

30-DAY PAD AVG: 2,245 BOE/D  
24-HR IP: 4,178 BOE/D (GRIZZLY 25-36HF)



## 3 Q WELL RESULTS



# Positioned for Long-term Value Creation





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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](http://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.

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