LEADERS IN INDUSTRY LUNCH

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MAY 9, 2018
WPX Today

MARKET SNAPSHOT¹

NYSE SYMBOL: **WPX**
MARKET CAP: **$6.8B**
ENTERPRISE VALUE: **$9.1B**
SHARE COUNT: **400MM**

**DELAWARE BASIN**
- 131,000 net acres²
- 6,600+ gross locations³,⁴

**WILLISTON BASIN**
- ~85,000 net acres²
- ~465 gross locations⁴

**MIDSTREAM ASSETS**
- Delaware JV - gas processing/oil gathering
- 100% owned water and gas gathering
- Takeaway optionality and equity ownership

¹ As of May 1, 2018
² As of YE 2017
³ Primarily based on 1-mile laterals and does not include Taylor Ranch locations.
⁴ Includes non-op and operated locations.
Recent Highlights

**OPERATIONAL**
- Delaware oil grew 149% 1Q’17 to 1Q’18
- Arikara pad produced 329,000+ barrels of oil in first 30 days
- Guiding to 76 MBO/D in 2Q’18

**FINANCIAL**
- Renegotiated credit facility increasing capacity to $1.5B
- Annualized cash interest savings ~$35MM resulting from debt tender offer

**TRANSACTIONAL**
- Closed San Juan Gallup sale, $700MM
- Successfully tendered $500MM of debt
Less than **5%** exposed to Midland spot pricing in 2018.

**5%-10%** exposed to Midland spot pricing in 2019.

Brent, Gulf Coast, and WTI exposure consists of firm transport and firm sales commitments on BridgeTex, Cactus, and Basin pipelines.

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1. Gulf Coast pricing includes LLS and Magellan East Houston
2. Midland basis hedged @ ($0.83) for 2018 and ($0.93) for 2019
Gas Takeaway Creates Flow Assurance

**MAY-DEC 2018**
- Houston Ship Channel: 59%
- Houston Ship Channel: 41%

**FY 2019**
- Firm Sales/Hedged Volumes: 31%
- Houston Ship Channel: 69%
2018 Delaware Basin

- ~80% of drilling program focused on WC X/Y and WCA
- ~70% of Wolfcamp set up for extended lateral development
- Running 7 rigs & 3 frac crews
- Average lateral: ~7,500'
- Well Costs\(^1\)
  - 1-mile: $7.0MM
  - 1.5-mile: $8.7MM
  - 2-mile: $10.3MM

\(^1\) Assumes upper and lower Wolfcamp A wells.
2018 Williston Basin

Mandan North & Hidasta North
- Produced 685,000+ BOE in 180 days (81% oil)

Arikara pad results
- Pad produced 329,000+ barrels of oil after 30 days
- 30-day IP: 75,380 BOE (Arikara 15-22HD)
- 24hr-IP: 3,146 BOE/D (Pad Average)

Mandan North 13-24HA (4-well pad)
- Best 24hr-IP: 5,172 BOE/D (81% oil)

Added 3rd rig in April

Well costs: ~$6.3MM

Full-time frac and wireline crew
Portfolio Transformation Driving High Margins

Unhedged Adjusted **EBITDAX** Per BOE

*69% MARGIN INCREASE*

2017 1Q’17 to 1Q’18 Excluding San Juan

WTI Increased ~20% during this period

Unhedged Adj. EBITDAX per BOE With San Juan

Unhedged Adj. EBITDAX per BOE Without San Juan

**Shifting Commodity Mix**

69% liquids with SJ

80% liquids without SJ

2017 Commodity Mix Including San Juan

2017 Commodity Mix Excluding San Juan
WPX: Positioned for Long-Term Value Creation

**FINANCIAL STRENGTH**
Leverage of 1.5x during 2019

**OIL FOCUSED**
150 MBBL/D during 2022

**MIDSTREAM OPTIONALITY**
Value creation/flow assurance

**DEEP INVENTORY**
Of high returns