05.20.15

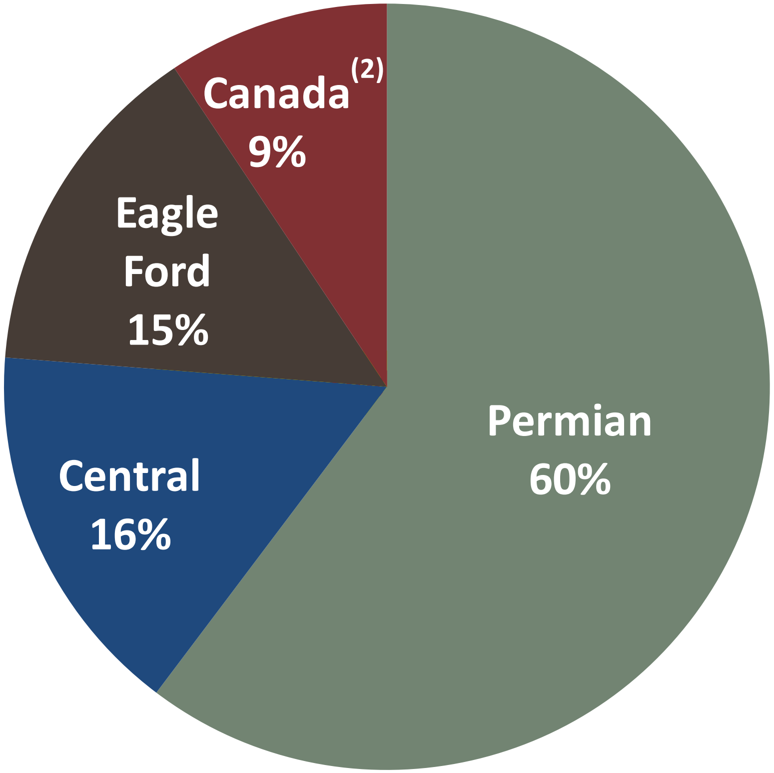
DUG PERMIAN CONFERENCE

FARON THIBODEAUX, RVP - PERMIAN REGION

2015 NORTH AMERICAN CAPITAL PLAN

Permian Focus

Capex(1): $2.1 – 2.3 Bn



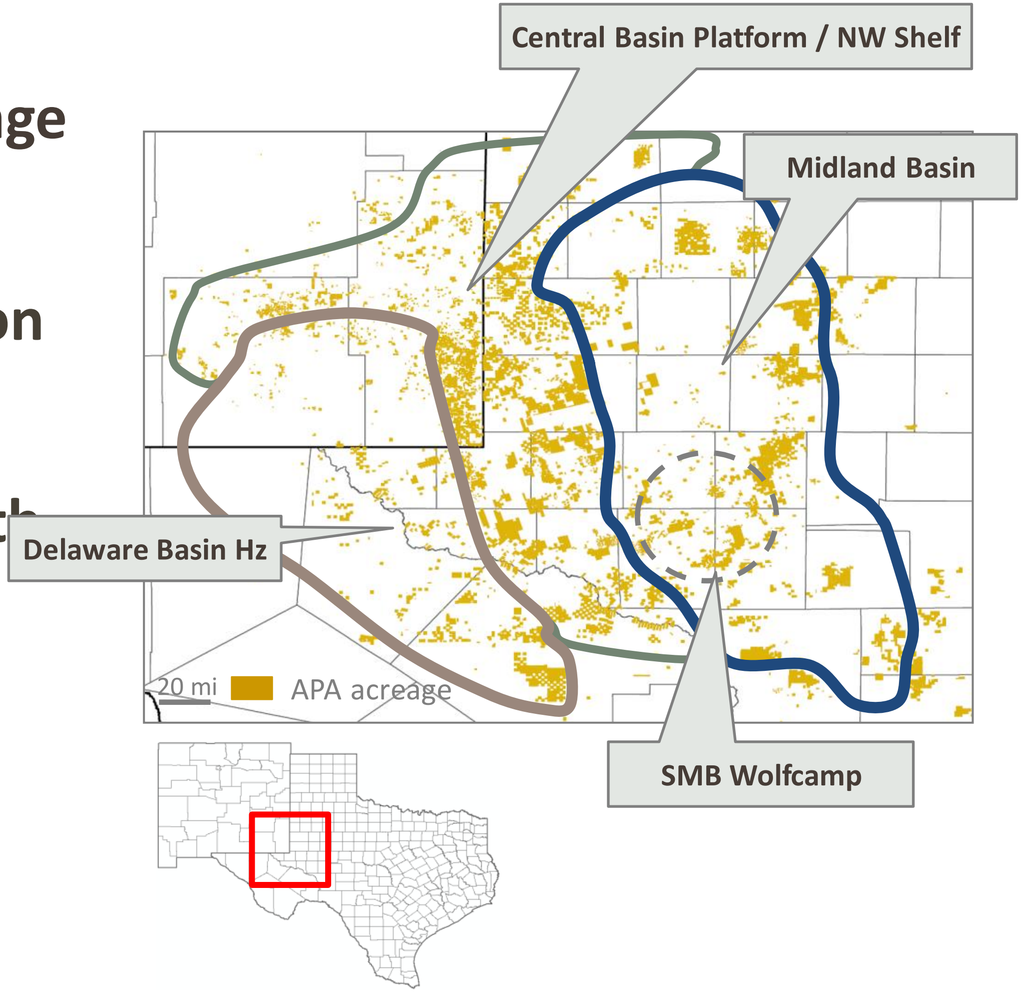
9 Primary Plays	2015 AVG RIGS
Delaware Basin Horizontals	4-5
Southern Midland Basin	2-4
CBP/NW Shelf Horizontals	2-3
Eagle Ford (Area B)	1
Canyon Lime	1
CBP/NW Shelf Verticals	1
Barnhart Wolfcamp	<1
Duvernay	<1
Montney	<1
Eagle Ford (Area A)	<1
TOTAL	**15-20**

Investing ~85% of drilling capital in nine primary plays.

(1) Capex includes drilling and completion, leasehold, overhead, seismic and gathering, transportation and processing.
(2) Canada drilling capital predominately in the Duvernay and Montney plays .

PERMIAN REGION OVERVIEW

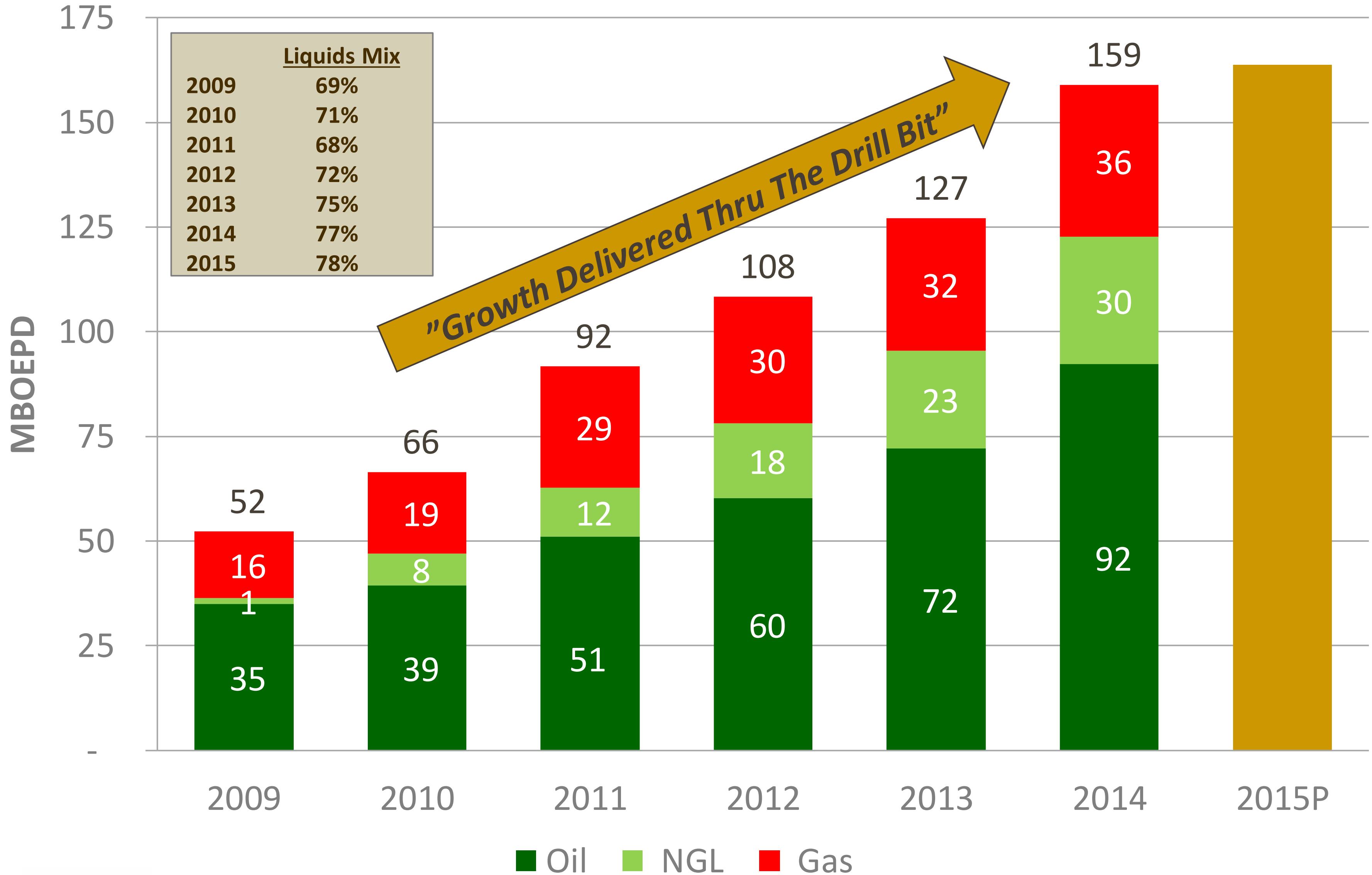
- Industry's 3rd largest acreage position (3.2 MM gross)
- Achieved record production of 169 MBOE/D in 4Q '14
- 25% YoY production growth
- Averaged 40 rigs (26 horizontal) in 2014



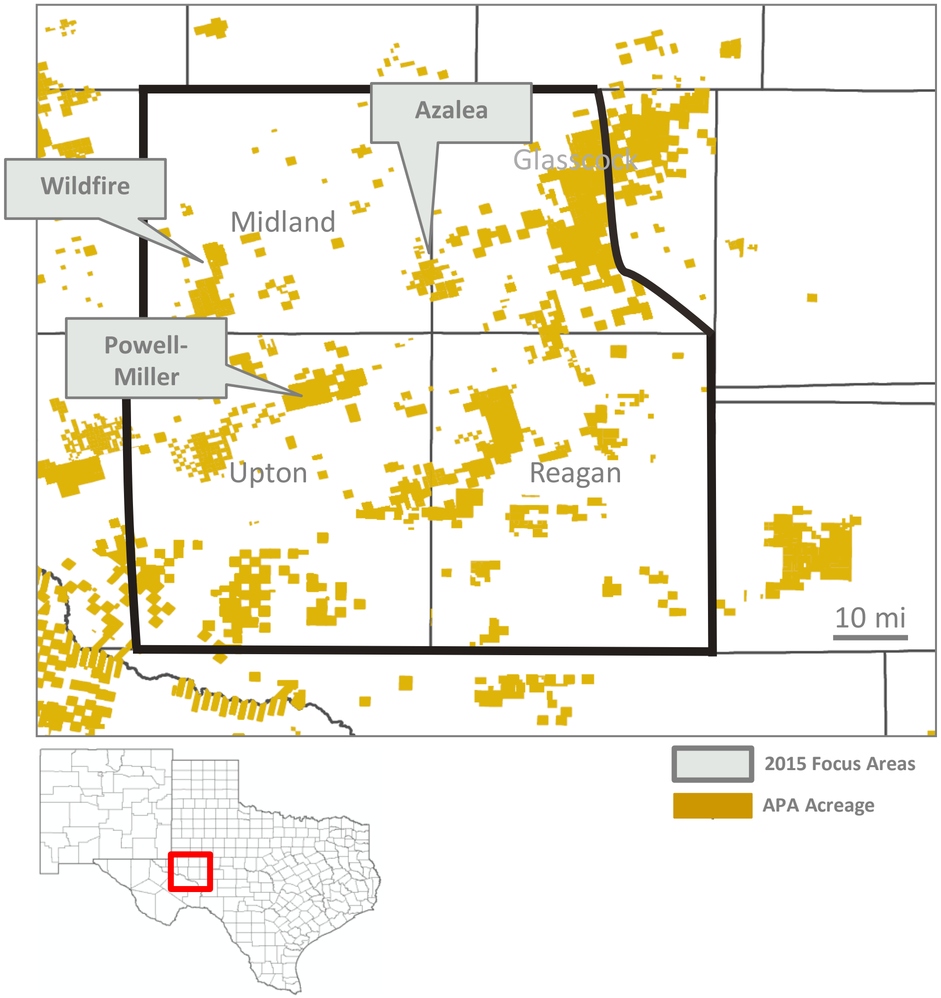
Expect modest 2015 production growth despite a reduced 10-15 rig program.

PERMIAN: OVER 250% LIQUIDS GROWTH IN 6 YEARS

	Liquids Mix
2009	69%
2010	71%
2011	68%
2012	72%
2013	75%
2014	77%
2015	78%



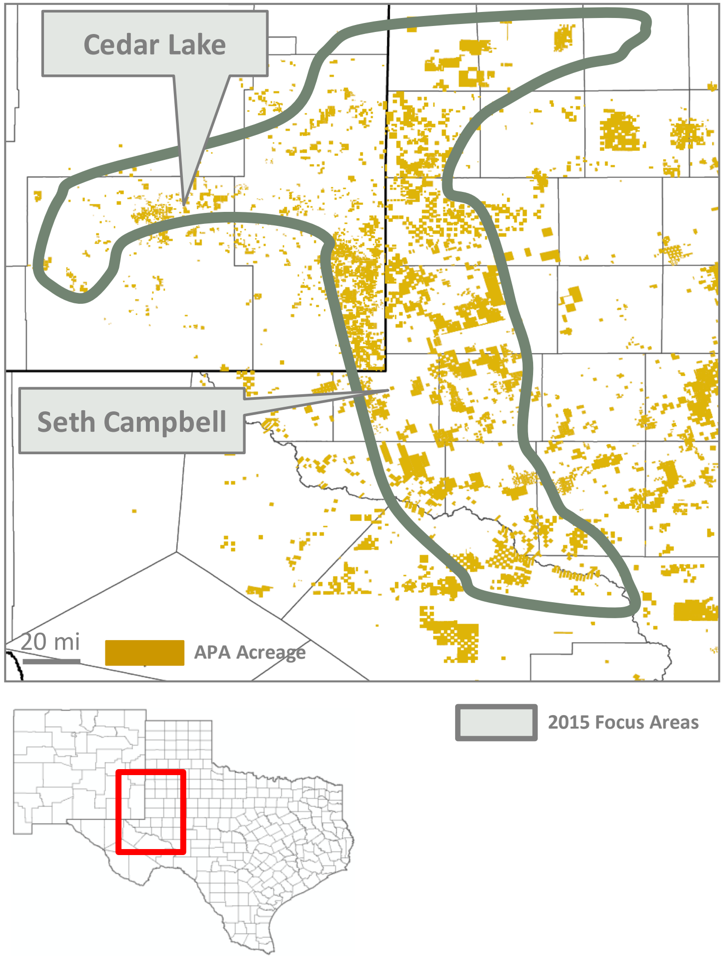
SOUTHERN MIDLAND BASIN WOLFCAMP



Acres	~200,000 net
Planned 2015 Rigs	2-4 rigs
Inventory	> 2,900 locations

- Drilling first horizontal pad in Midland County
- Multiple landing zones
- Realizing >20% well cost reduction from 2014

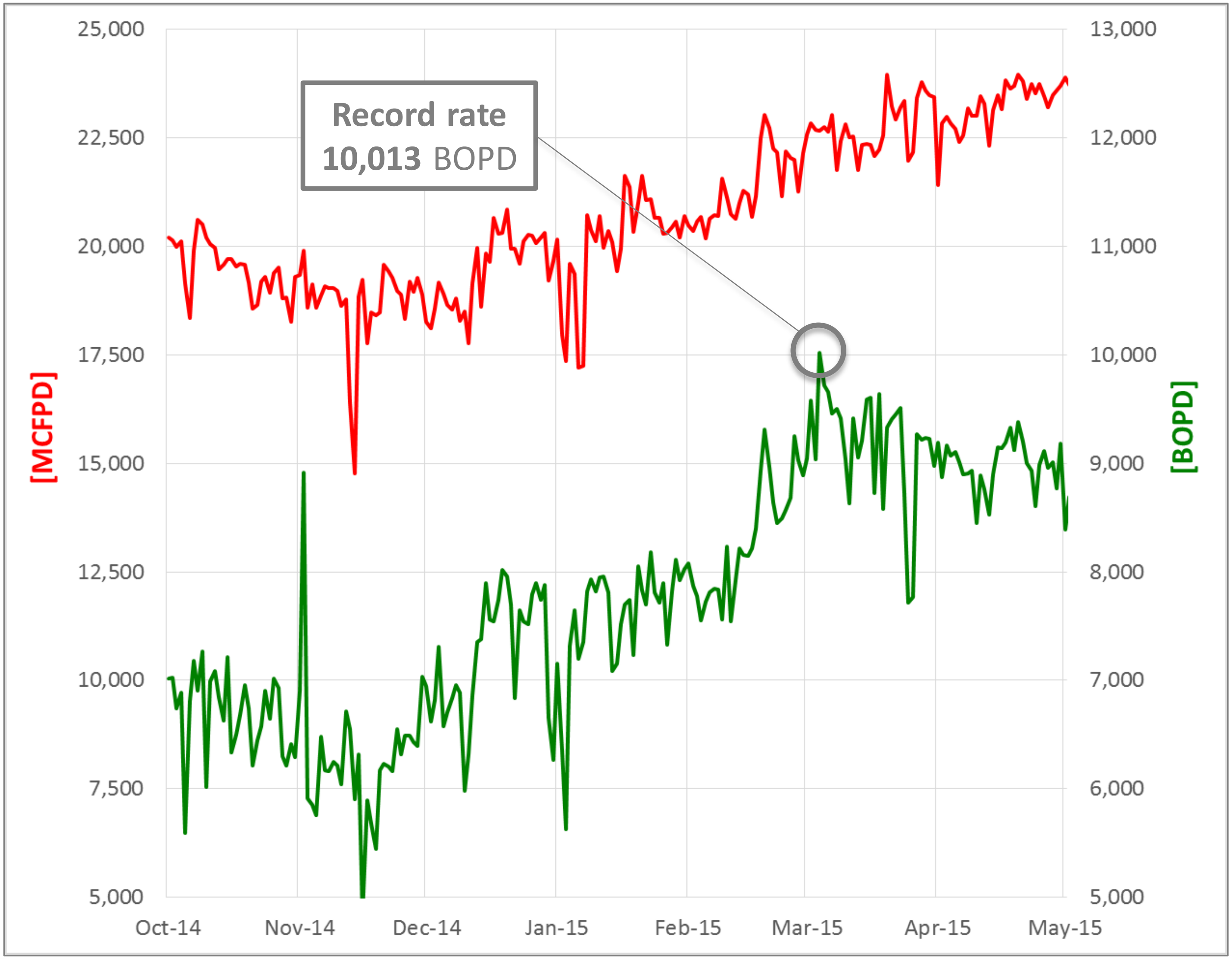
CENTRAL BASIN PLATFORM / NORTHWEST SHELF



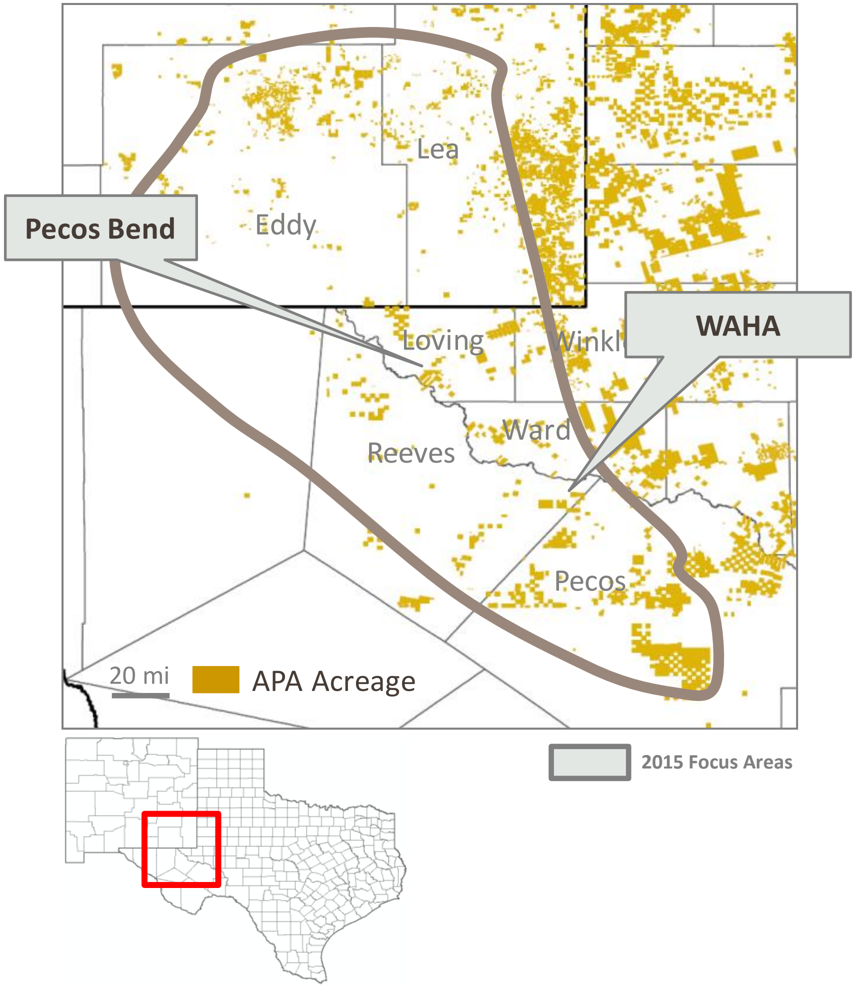
Acres	865,000 net
Planned 2015 Rigs	2-3 rigs
Inventory	~1,000 Hz locations ~4,500 Vt locations

- >100,000 Boe/d of gross production
- Low base decline rate (~10%)
- Running 1 hz rig in Yeso (Cedar Lake) and 1 vertical rig in Seth Campbell area
- Resilient economics at low oil prices
- >40% cost reduction achieved since November 2014

CEDAR LAKE 2014-2015 PRODUCTION



DELAWARE BASIN

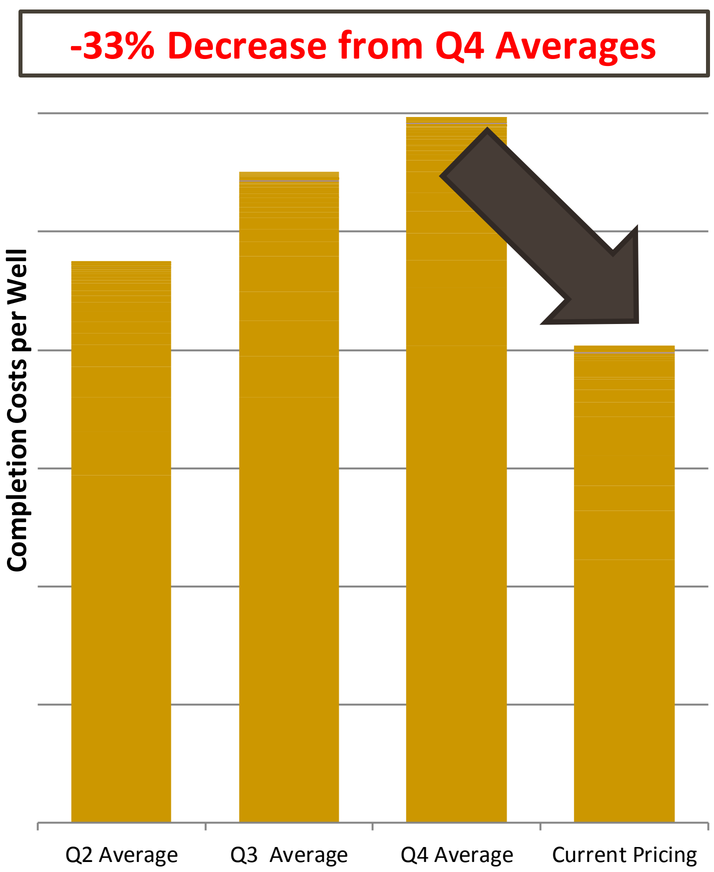


Acres	230,000 net
Planned 2015 Rigs	4-5 rigs
Inventory	>1,400 Hz locations

- Focusing primarily on Bone Springs
- Testing additional targets and well designs
- Optimizing completion

PERMIAN: COMPLETION COSTS REDUCTIONS

Completion Costs Trend
Barnhart Example

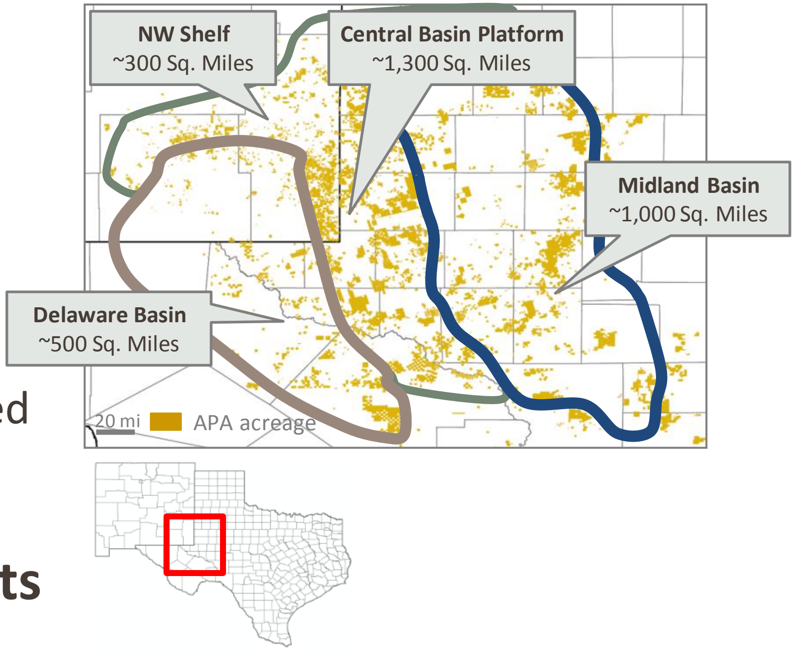


- **Significant Cost Reductions**
  - Hydraulic Horsepower
  - Proppant
  - Wireline
  - Water Transfer
  - Chemicals
- **Improved Vendor Flexibility**

PERMIAN: ENHANCING OUR SEISMIC COVERAGE

- **Permian region has access to over 12,500 sq. miles of 3D seismic data**
- **Extensive acquisition and reprocessing program in 2015**
  - ~2,600 sq. miles reprocessed
  - ~500 sq. miles acquired or licensed
- **Seeing ~20% reduction in acquisition and processing costs**

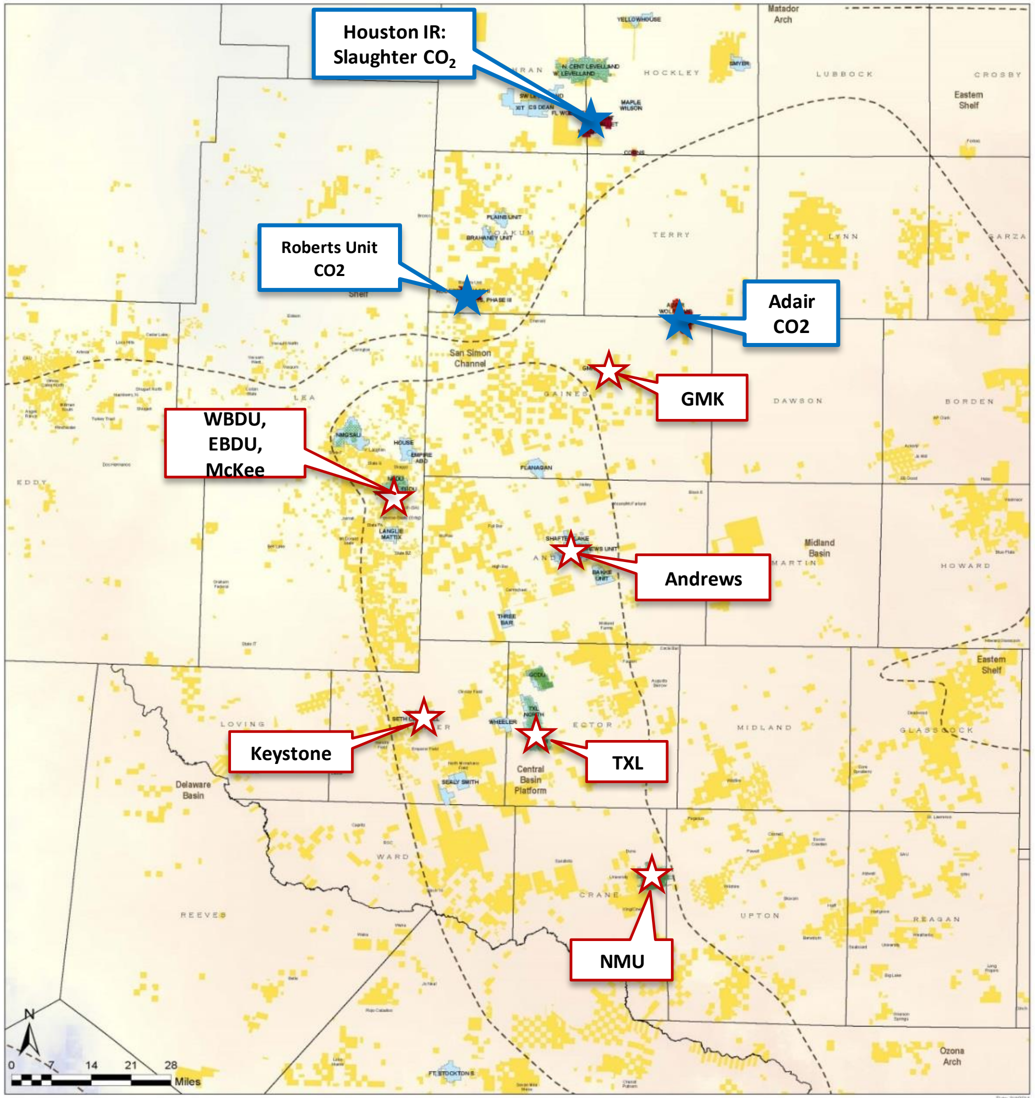
2015 Seismic Program by Basin (3D)



Gathering high-quality data while costs are low.

PERMIAN: PROTECTING THE BASE WITH TERTIARY RECOVERY

- Extensive CO2 and water flood opportunities
- Assessing and expanding programs in 2015 and 2016
- Assigning additional resources to work the fields



★ Existing CO2 flood projects

☆ Existing water flood projects