

NEWFIELD EXPLORATION COMPANY
2014 CORPORATE RESPONSIBILITY REPORT

BUILDING *the* BEST

OPERATIONS

CORPORATE GOVERNANCE

SAFETY &
ENVIRONMENTAL STEWARDSHIP

PEOPLE

COMMUNITY

CEO Letter

Several years ago when a few individuals from our Safety, Environmental & Regulatory Compliance and corporate communications departments approached me about developing a formal corporate responsibility team and report, I promptly asked “why?” Corporate responsibility was already a part of our DNA and something we did every day.

I quickly realized that although we knew about the good things we were doing, many of our stakeholders did not. It was time for us to acknowledge not only our collective accomplishments, but to share them with our stockholders, communities and other interested parties.

Since 1988, the year Newfield was established, our founders understood that corporate responsibility is central to our social license to operate. It was and continues to be a matter of course. We work hard to be good corporate citizens and to ensure our employees understand that we are committed to a culture of safety and responsible environmental stewardship.

When I joined Newfield some 16 years ago, I was hired by a founder and the top production manager who made it clear that safety and environmental responsibility were core to our operations. We were a top tier operator and we didn't cut corners. That same philosophy holds true today. We've earned the respect of the industry, marketplace, our communities and land and royalty owners for upholding high ethical standards, playing by the rules and doing the right thing consistently over time.

Throughout our 27 years, we've been committed to the communities where we operate. We've invested both our time and money when it's needed. When a bridge near our operations needed repairs, we worked with the local county officials to fix it. When the local volunteer fire department needed foam, we provided the funding. We've given almost \$7 million to non-profits since the inception of the Newfield Foundation, and our employees have a history of volunteering their time at organizations like *Habitat for Humanity*, the *Red Cross*, *Reading Partners* and *Environmental Learning for Kids*.

We have high standards for safety at all our locations and we establish goals to help us achieve them. Over the past year, we engaged with more than 3,000 contractors to make certain they were aligned with our safety goals and initiatives and it has paid off. Last year, our total recordable incident rate achieved record lows for both employees and contractors.

We believe we have the best people and talent in the business and we know they are committed to our success. Our employees recognize when it comes to corporate responsibility, it's about doing things that matter in the lives of real people. We operate with character and we do the right things even when no one is looking. That's the true definition of social responsibility, and that's the fabric of Newfield since day one!

Lee K. Boothby



Chairman, President and CEO



Lee K. Boothby
Chairman,
President & CEO

"As we look to the future, corporate responsibility at Newfield is not just a thought process but a continual and integral part of our planning process. We will constantly seek innovative approaches and technologies and set new standards to improve our use and protection of the environment."

Our Approach

Newfield Exploration Company (Newfield) produced its inaugural 2013 *Energy By People For People* Corporate Responsibility Report in a comprehensive print and online version. Our 2014 *Building the Best* Corporate Responsibility Report continues to reflect leading reporting practices and has evolved into an electronic summary.

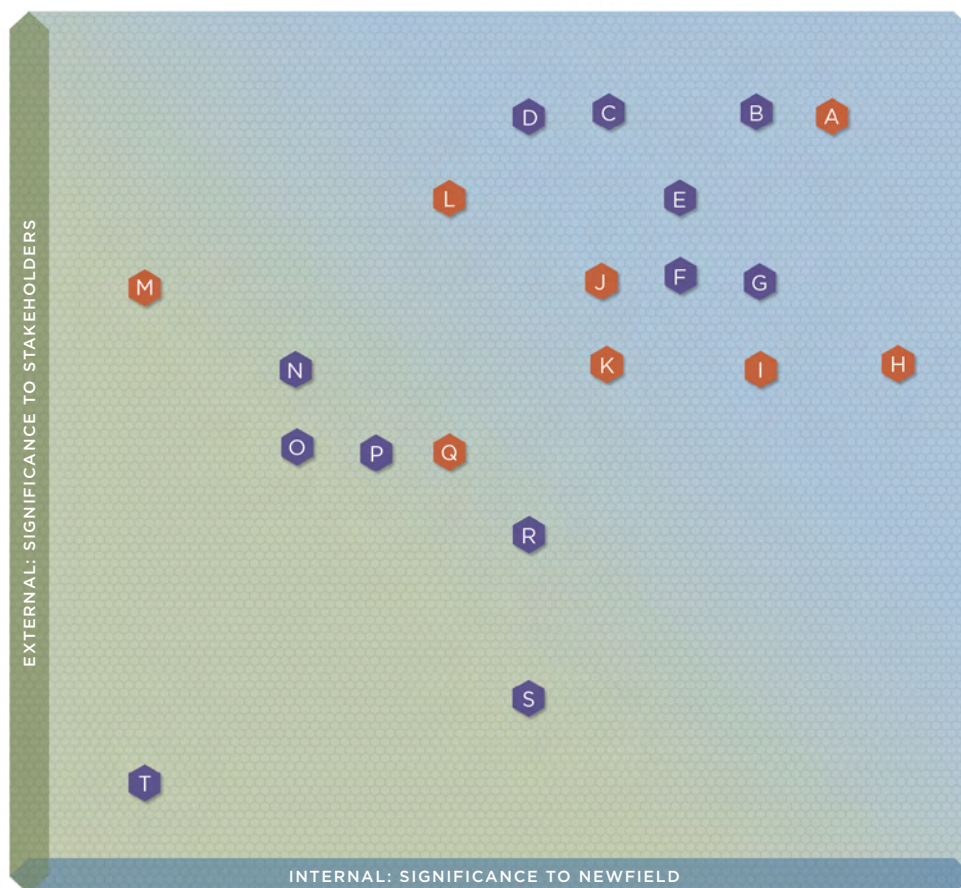
Our disclosures and performance data are cross-referenced with sector-specific reporting guidelines, based on IPIECA/API/IOGP Oil and Gas Industry Guidance on Voluntary Sustainability Reporting, and developed in accordance with the core level option of the Global Reporting Initiative (GRI) G4 Guidelines. A comprehensive index of reporting elements and environmental, social and governance (ESG) performance data is available online.

Our new approach to reporting addresses an increased demand for the *latest* online information. This advancement offers our key stakeholders immediate access to our up-to-date statistics and material information on any device. It also enables us to deliver expanded case studies, the latest research and news in the areas of environmental and social performance.

Although our materiality assessment contains information relating to Newfield's operational control, we hope to identify topics outside of our control in the future.

MATERIALITY MATRIX

- Corporate Managed Issue
- Regionally Managed
- A. Well Integrity
- B. Occupational Health and Safety
- C. Spills
- D. Hydraulic Fracturing
- E. Induced Seismicity
- F. Human Capital
- G. Contractor Safety
- H. GHG and Other Air Emissions
- I. Surface Use and Local Impacts
- J. Water Management
- K. Biodiversity
- L. Community Relations
- M. Product Transportation
- N. Public Policy and Advocacy
- O. Fluids Storage and Management
- P. Reserves
- Q. Tribal Rights
- R. Waste Generation and Management
- S. Code of Conduct
- T. Board of Directors



Operations

Find the 2014 Corporate Responsibility Report, the combined GRI G4 and IPIECA/API/IOGP Index and an overview of our stakeholder groups at www.newfield.com/CR.

BUILDING THE BEST-IN-CLASS

Our focus on delivering operational excellence, top tier business results and value to every stakeholder set a new standard in 2014. We received recognition as a leading performer among E&P companies in the S&P 500 Index and in the industry. This was an acknowledgement of our performance based on a number of key deliverables including:

- Captured and advanced responsible development of the SCOOP and STACK plays in the Anadarko Basin of Oklahoma
- A 14 percent increase in proved reserves and 16 percent growth in domestic pre-tax PV-10 value
- Reduced domestic lease operating expenses by seven percent on a per barrel basis
- Delivered improved efficiencies in our cost structure
- Production exceeded expectations in every focus area

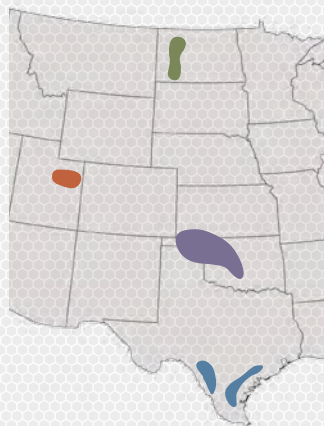
Our operational accomplishments are not autonomous from our commitment to corporate responsibility. We have a proven history of operating in a safe and environmentally-sound manner. This is a core value at Newfield.

OUR BUSINESS STRATEGY

Today, our primary growth area is the Anadarko Basin. Our long-term goal is to deliver stockholder value through consistent growth of cash flow, production and proved reserves. Additional components of our business plan include:

- Focus on organic opportunities through disciplined capital investments
- Continuously improve operations and returns
- Preserve a strong and flexible capital structure
- High-grade investments throughout our portfolio
- Execute select, strategic acquisitions and divestitures
- Attract and retain quality employees aligned with stockholders' interests

ACREAGE AND 2015 HIGHLIGHTS



ANADARKO BASIN

- >300,000 net acres
- Running a 13-rig program
- Investing \$900 million, 70 percent of total capital budget
- Good margins and returns at current costs and oil prices
- Proven operator
- Production expected to grow ~45 percent YOY

MAVERICK BASIN

- Reduce operating expenses and improve margins

UINTA BASIN

- Investing \$82 million
- Suspended drilling program temporarily
- Reduce operating costs and improve margins

WILLISTON BASIN

- Investing \$140 million
- High-grading drilling program
- Efficiency gains and learning curve allow for high number of wells to be drilled with fewer rigs

DOMESTIC OPERATIONAL STATISTICS

Years Ended December 31.

	2014	2013	2012
Crude oil and condensate production (MBbls)	18,547	14,200	11,988
Natural gas production* (Bcf)	118.2	116.1	143.5
NGLs production (MBbls)	8,207	5,163	2,608
Total production (MBOE)	46,448	38,706	38,521
Total Proved Reserves (MMBOE)	622	576	532

Bcf - Billion cubic feet

MBbls - Thousand barrels

MBOE - Thousand barrels of oil equivalent

MMBOE - Million barrels of oil equivalent

*Excludes natural gas produced and consumed in our operations. Excludes International operations.

SUMMARY FINANCIAL PERFORMANCE

Consolidated. In millions, except per share data. Years ended December 31.

	2014	2013	2012
Revenues (consolidated)	\$2,378	\$2,680	\$2,567
Net income (loss)	\$900	\$147	\$(1,184)
Diluted earnings (loss) per share	\$6.52	\$0.94	\$(8.80)
Net cash provided by operating activities	\$1,387	\$1,445	\$1,147
Total assets	\$9,598	\$9,321	\$7,912
Long-term debt	\$2,892	\$3,694	\$3,045
Stockholder equity	\$3,893	\$2,956	\$2,780
Weighted-average number of shares outstanding (diluted)	138	136	135

Corporate Governance

COMMITTEE SPOTLIGHT

The Operations & Reserves Committee is the governance body accountable for overseeing the Company's exploration and production operations. A member of the Committee serves as Board champion for the corporate responsibility initiative, ensuring its engagement throughout the Company.

TOPICS ADDRESSED BY THE OPERATIONS AND RESERVES COMMITTEE IN 2014:

- Business unit and Company operational performance against stated metrics and goals
- Annual reserves
- Safety Environmental & Regulatory Compliance (SERC) results
- Corporate responsibility
- Regulatory updates and concerns
- Technical play updates and opportunities
- Production measurement and reporting initiative
- Information technology integration into our operations

At Newfield, we define and uphold a high level of corporate governance principles that directly align with our Business Principles and Core Values. These principles infiltrate our organization and promote a culture of excellence, integrity, accountability, adaptability, safety, environmental awareness, innovation and collaboration. We are committed to the highest level of corporate governance, ethical standards and transparency that allows for stakeholder accountability. We believe every stakeholder we touch should be treated with respect and managed with the utmost integrity. We expect this same standard from our business partners, contractors and any other third party.

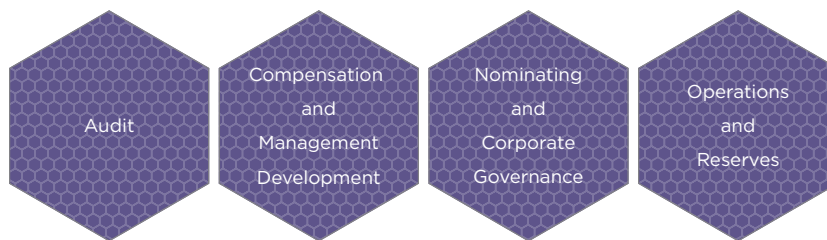
BOARD OVERSIGHT

Our Board of Directors (Board) plays an integral role in the leadership and governance of the Company. The Board is responsible for, and believes in overseeing our assets and business affairs in an honest, fair, diligent and ethical manner driven by sound corporate governance principles and a commitment to corporate responsibility. The Board's Corporate Governance guidelines are described in our annual proxy statement and available on our website. In general, these guidelines describe:

- Responsibilities of the chairman of the board, directors and lead director
- Proposed director qualifications and nomination process
- Expected director conduct
- Structure and functioning of the Board and its committees
- Director stock ownership guidelines
- Board communication with stockholders and other parties
- Management succession
- Annual self-evaluation of the Board and its committees

BOARD COMMITTEES

The Board has four standing committees:



24/7 ETHICS LINE

100 percent of our employees received Code of Conduct re-certification training in 2014.

ETHICS AND COMPLIANCE

We continue to demonstrate our commitment to ethical business practices. Although we've grown, we have not lost our reputation for conducting our business with honesty and integrity throughout our operating areas. Our Code of Business Conduct and Ethics (Code) confirms our dedication to these principles. Simply stated, we believe in playing by the rules and doing the right things in the course of our day-to-day business. The Code addresses these standards and provides guidance on the Company's expectations.

Over the past year, we re-emphasized the importance of ethics and compliance by conducting several company-wide awareness programs for our employees.

- We took our *Ethics and Compliance in Focus* sessions on the road nine times, offering training sessions to field employees covering conflicts of interest, gifts and entertainment, drugs and alcohol, respectful workplace and reporting procedures.
- We addressed eight topics, including reporting procedures, ethical issues, anti-trust, copyrights, respectful workplace, protecting confidential information and company reputation, and gifts and entertainment, through our activities observing *National Corporate Compliance and Ethics Week* and email campaigns during the year.

We also focus compliance activities on specific risk areas when relevant. For example, to emphasize our Code's prohibition of bribery and corruption, employees involved in our international operations take annual anti-bribery and corruption training, receive quarterly reminder communications and follow processes designed to prevent bribery and corruption.

We encourage our employees to report concerns about any possible violations of laws, rules, ethics or the Code to any manager, human resources representative or officer within the Company. We supplement this open door approach with our Ethics Line, which is operated by a third party and available 24 hours a day, seven days a week, for employees and others to report any suspected legal, regulatory and Code violations anonymously.

In 2015, we plan to increase our communication frequency from quarterly to monthly to enhance understanding and awareness.



OKLAHOMA LEGISLATIVE TOUR

(Left to right) Speaker Pro Tem of the House of Representatives Mike Jackson, State Representative John Trebilcock, Chair of the House Energy Committee and State Representative David Brumbaugh.



MEMBERSHIPS AND ASSOCIATIONS

We maintain active memberships with state and federal trade organizations and encourage our employees to actively engage or assume leadership roles. In 2014, we belonged to the following national, state and regional associations with our key executives serving on several as board members:

- American Exploration & Production Council
- America's Natural Gas Alliance
- Independent Petroleum Association of America
- North Dakota Petroleum Council
- Oklahoma Independent Petroleum Association
- Oklahoma Oil & Gas Association
- Oklahoma State Chamber of Commerce
- Royalty Owners & Producers Educational Coalition
- Texas Alliance of Energy Producers
- Texas Independent Producers & Royalty Owners Association
- Utah Petroleum Association
- Western Energy Alliance

GOVERNMENT AFFAIRS

Public policy decisions at the federal, state and local levels can impact our business. We work with government officials at all levels to ensure that legislative and regulatory proposals, affecting land and mineral owners, stockholder, employee and taxpayer interests, provide responsible and practical solutions for the certainty of our long-term operations.

In 2014, we were proactive on hydraulic fracturing regulations for public and Indian lands, air and water emissions, species protection and saltwater disposal well rules.

Our employee-driven Political Action Committee (PAC) complies with all U.S. campaign finance, lobbying, gift and entertainment laws and regulations at the local, state and federal levels. In the 2014 election cycle, our PAC contributed approximately \$300,000 to a bipartisan slate of candidates who supported the responsible production of America's oil and natural gas resources. We are active in every state where we work and in Washington, D.C.

In partnership with the American Exploration & Production Council, we again hosted congressional and executive agency personnel at an active Oklahoma drilling site to help them better understand all phases of our operations and the extensive federal and state regulations governing our business.

EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE

We are a voluntary participant in the Extractive Industries Transparency Initiative (EITI)—an effort to increase transparency, strengthen accountability and enhance the public trust in companies that operate on federal lands and produce oil, gas, coal, other leasable minerals, geothermal and renewable energy.

Administered through the Department of the Interior's Office of Natural Resources Revenue, the U.S. EITI program serves as a guidepost for resource-rich nations in the developing world seeking to maximize the social good that results from the responsible production of their own natural resources.

Royalties from onshore crude oil and natural gas production provided \$90.8 billion to federal and state governments between 2003 and 2013, and accounted for more than 70 percent of natural resources revenue on federal lands.

For every dollar the U.S. government spends administering the federal onshore oil and natural gas program, companies generate \$83.69 in royalties and leasing revenue to the American taxpayer.

Approximately 49 percent of these revenues flow directly to the states where the resources are located, 40 percent to the land reclamation fund, 11 percent to the U.S. Treasury and the remainder is allocated to the managing federal agency. On the Ute reservation, bonus payments, royalties, severance taxes and other fees are paid to the Tribes or individual Indian landowners.

Safety & Environmental Stewardship



A CORE VALUE

We are committed to a culture of safety and responsible environmental stewardship, and to the health and safety of everyone working with us.

10%
↑
6%

COMMITMENT TO SAFETY

To highlight the Board and management's commitment to safety and the environment in 2014, the Operations & Reserves Committee, along with the Compensation & Management Development Committee, approved an increase in the weighting of SERC results, tied to our annual incentive performance metrics, from six percent to 10 percent.

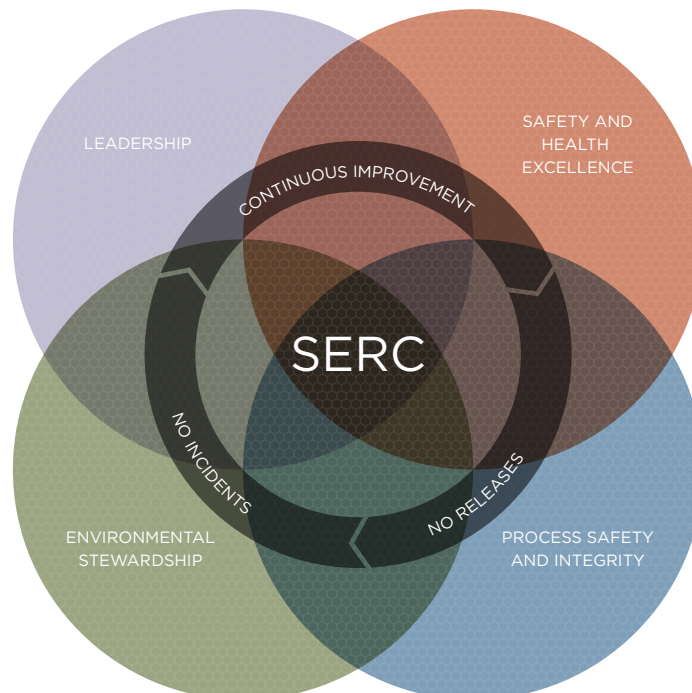


STOP WORK POLICY

Our Stop Work Responsibility Policy gives authority to any person to "stop work" on a location to prevent a safety or environmental incident. In 2014, employees stopped ~150 work-related events.

SERC MANAGEMENT APPROACH

To deliver systematic and repeatable Safety, Environmental and Regulatory Compliance (SERC) outcomes, we launched a comprehensive SERC Management System in 2014 to help us better manage risks and drive continuous performance improvements throughout the organization. Our goal: to achieve zero incidents and releases, and to minimize our operational impacts on the environment. Our new management system was designed to promote a positive SERC culture focused on identifying and communicating risks across the organization, and to look for ways to improve our processes. Our phased, multi-year roll-out of the management system continues across the Company in 2015 with an emphasis on both our contractors and business partners, and will include awareness, compliance and competency levels of training.





SERC POLICY

The new SERC policy, signed by Newfield's CEO, confirms the Company's commitment to safety, the environment and compliance.

We updated our SERC policy in 2015 to more accurately reflect our values and our ongoing commitment to SERC performance and reporting. This policy articulates our expectations for employees, contractors, partners and others who may be involved in our business or operations.

SAFETY AND HEALTH EXCELLENCE

We believe a culture of safety and continual performance improvement can only be realized through effective workforce engagement and with the active participation of employees and contractors, communities, regulators and advocacy groups. We utilize *NewTrack*, a custom incident management information system, to monitor and report our safety performance and incidents. This system enables us to communicate lessons learned to our workforce, senior leadership and Board of Directors. It also empowers us to take proactive prevention steps to improve future performance.

Our commitment to workforce engagement is demonstrated through regular safety meetings and focused training for our employees, contractors and emergency response teams. It is also reinforced through a periodic review of our SERC Management System programs and SERC policy. Examples in 2014 included life-critical task training and a behavior-based safety system pilot program.



A contractor monitors drilling parameters including bit weight, pump pressure and bit rotation speed.

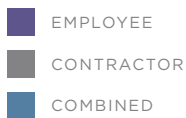
CONTRACTOR MANAGEMENT

Our contractors play an important role in our success. We use contractor selection criteria to ensure our partners share our safe operating philosophies.

Prior to renewing or being awarded a master services agreement, we evaluate and prequalify our contractors based on safety performance and risk factors using a third-party contractor management system. Once an initial review is completed, we monitor their performance throughout our operating regions.

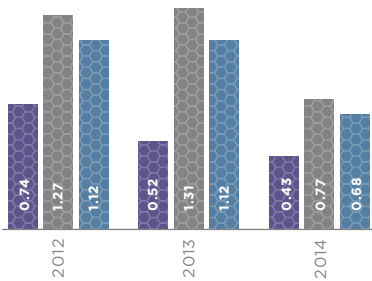
We currently screen 100 percent of new contractors that perform work on our field locations and track performance for more than 1,700 contractors. An independent review by a third party also helps us validate and grade performance to ensure that our contractors are following proper safety practices.

SAFETY

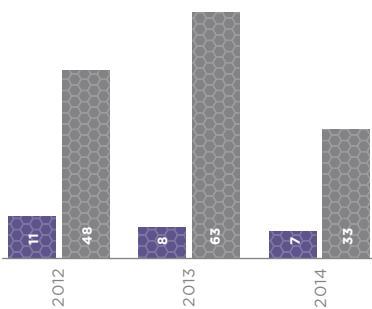


TOTAL RECORDABLE INCIDENT RATE (TRIR)

Per 200,000 Hours Worked

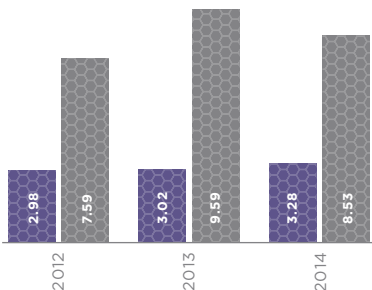


RECORDABLE INCIDENTS



TOTAL MAN-HOURS

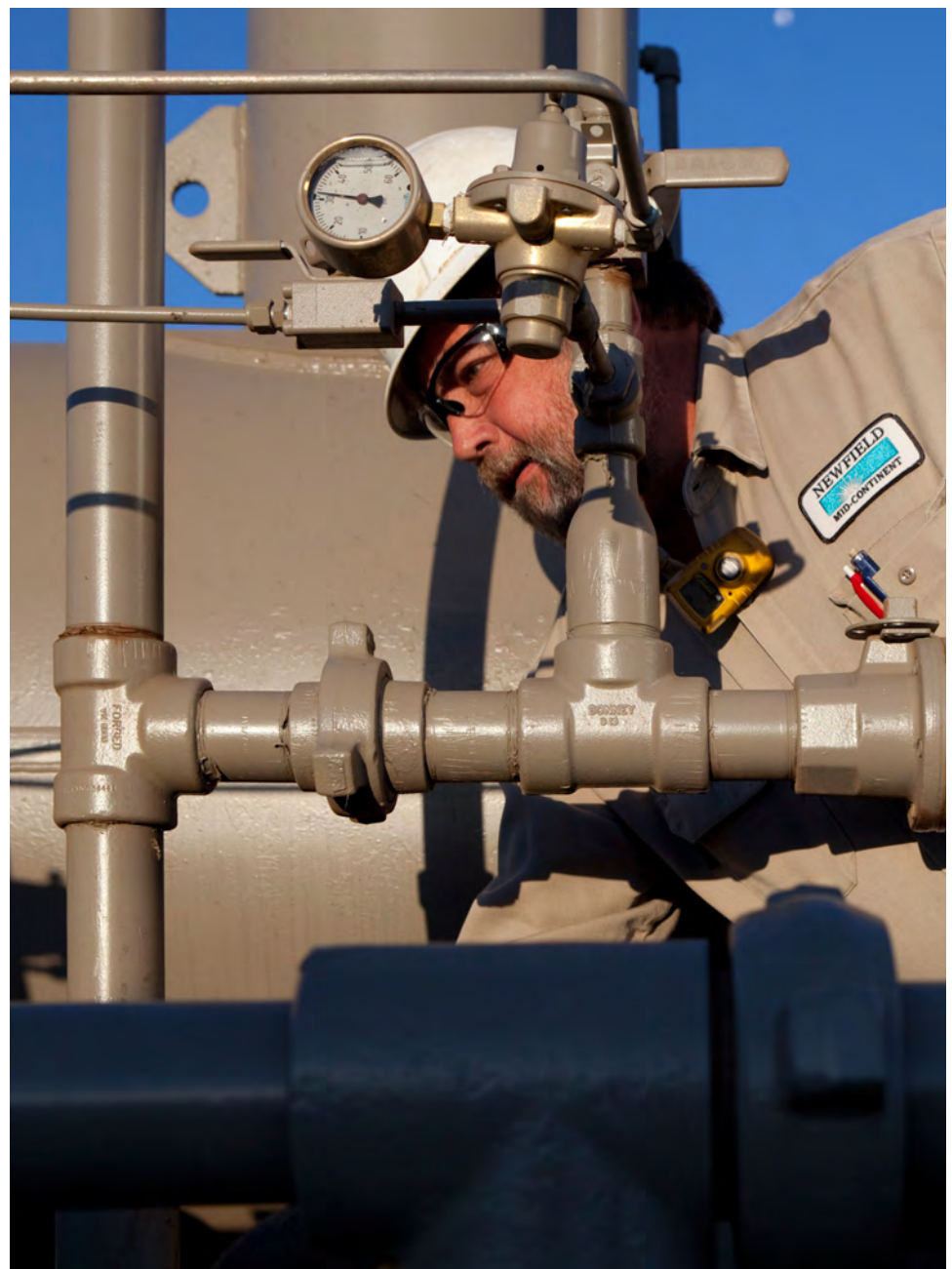
In Millions of Hours Worked



SAFETY PERFORMANCE

Safety is an integral part of our corporate culture and it permeates our daily actions. We use Total Recordable Incident Rate (TRIR) as an indicator of safety performance. Because we hold our contractors to the same standards as our employees, we include their performance in our safety statistics. In 2014, we improved combined safety performance by 40 percent compared to 2013, with a 42 percent improvement in our contractor TRIR.

Tragically, two contractor fatalities occurred on Newfield locations in 2014. We participated in the accident investigations and implemented proactive measures to reduce the risk of these events in the future. Newfield maintains a Zero Incidents safety goal and is committed to protecting the safety and well-being of its employees, contractors and local community.



WELL CASINGMULTIPLE
LAYERS OF
CEMENTMULTIPLE
LAYERS OF
STEEL PIPECONDUCTOR
CASING
CEMENTED
TO SURFACESURFACE
CASING
CEMENTED
TO SURFACEINTERMEDIATE
CASINGPRODUCTION
CASING

In most cases, Newfield has four layers of steel casing and cement to ensure well integrity and protect freshwater supplies.

ENVIRONMENTAL STEWARDSHIP

Affordable energy is fundamental to modern life. As we develop our oil and gas resources, we also strive to minimize our impacts on the environment. Innovations in drilling and completion technologies have enabled us to develop our natural resources both safely and economically. In addition, we have implemented policies that promote compliance with applicable laws and regulations, including a staff dedicated to continual performance improvements.

WELL CONSTRUCTION

Our wells are designed utilizing advanced planning and engineering and applying internal peer reviews and external benchmarking. Constructed with multiple layers of high strength and impermeable steel pipe, called casing, and cement to protect groundwater and freshwater zones, our wells are built for the life expectancy of the wells. During well construction, the casing and cement are tested to ensure that well integrity is established. Well integrity monitoring and appropriate maintenance is provided over the life of the producing well.

Newfield has a long record of drilling safe wells. Along with our emphasis on using advanced technology, we adhere to the following four priorities in our well integrity program:

- Protect and isolate sensitive formations and freshwater
- Ensure positive well control at all times
- Safeguard wellbore reliability as a conduit for hydrocarbons
- Regulatory compliance



MONITORING ACTIVITY TO ENSURE WELL INTEGRITY

**WELL INTEGRITY**

We follow a **FIVE-STEP** process to ensure well integrity. These steps include:

- STEP 1** Pre-drill planning
- STEP 2** Engineering and design
- STEP 3** Well construction
- STEP 4** Monitoring
- STEP 5** Abandonment and reclamation

WELL CONSTRUCTION ASSURANCES**WELL DRILLING**

- Pressures constantly monitored to assure well control
- Drilling fluids routinely checked for bacteria *that may cause corrosion/toxic gas* and treated preemptively

WELL CASING

- Designed for drilling, hydraulic fracturing and production scenarios
- Casing strings are tested to meet the highest demands of each scenario

CASING CEMENT

- Designed for drilling, hydraulic fracturing and production scenarios
- Cement is tested before pumping and after placement

WELLHEAD

- Designed for drilling, hydraulic fracturing and production scenarios
- Tested upon installation and maintained throughout production life

COMPLETION ASSURANCES**PRE-HYDRAULIC FRACTURING**

- New technologies and techniques routinely used to enhance safety and performance
- Pressure tests performed to ensure the stimulation impacts only the targeted reservoir

HYDRAULIC FRACTURING

- Monitor annular pressures to detect potential leaks during pressure pumping
- Treat freshwater and recycled produced water base fluids for formation compatibility

POST-HYDRAULIC FRACTURING

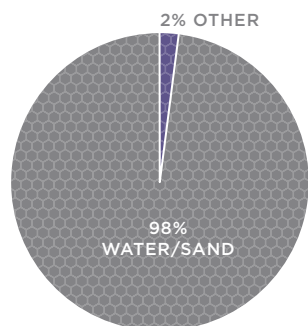
- Utilize chemical inhibitors to prevent scale deposits during flowback and production
- Employ steel tanks and lined storage pits for storage and trucks or pipelines for transportation to prevent produced water spills during flowback

PRODUCTION ASSURANCES

- Routinely conduct water analysis for iron and manganese levels, scaling and corrosion tendencies and toxic gas potential, then place identified wells on a chemical treatment program
- Use solar panels to provide power for chemical treating pumps and “SCADA” to communicate real-time data

HYDRAULIC FRACTURING FLUIDS

Fracturing fluids are comprised of approximately 98 percent water and sand and about two percent chemical additives, many of which are used in common household products.



2% Chemical Additives (other):

Acid <i>used in swimming pools</i>	Friction reducer <i>used in cosmetics</i>
Anti-bacterial agent <i>used in disinfectants</i>	Gelling agent <i>used in toothpaste</i>
Breaker <i>used in hair color</i>	Iron control <i>used in food additives</i>
Clay stabilizer <i>used in IV fluids</i>	pH adjusting agent <i>used in water softeners</i>
Corrosion inhibitor <i>used in plastics</i>	Scale inhibitor <i>used in household cleaners</i>
Crosslinker <i>used in laundry detergents</i>	Surfactant <i>used in deodorant</i>

Source:
Ground Water Protection Council (GWPC)

HYDRAULIC FRACTURING

Hydraulic fracturing is a safe and effective process that allows us to develop unconventional oil and gas resources safely and economically, and recover vast amounts of hydrocarbon deposits once considered unreachable. We drill thousands of feet below freshwater supplies and then turn horizontally into rock formations to recover oil and gas deposits. We comply with all regulations requiring operators to have redundant safeguards to ensure protection of freshwater supplies.

During the hydraulic fracturing process, we use a base fluid of mostly water mixed with sand and small quantities of chemical additives injected at high pressure to create cracks that form narrow pathways within targeted rock formations. The grains of sand keep the pathways open, releasing oil and natural gas to flow into the wellbore. The chemical additives each have a unique purpose and may be needed to help reduce friction, prevent bacterial formation and inhibit scale. Many of these very same additives are commonly found in household items.

EPA STUDY ON HYDRAULIC FRACTURING

A five-year study, released prior to our 2014 CR report, by the Environmental Protection Agency, found that "hydraulic fracturing activities have not led to widespread, systematic impacts to drinking water resources." The report is the most complete compilation of scientific data to date, including more than 950 sources of information, published papers, numerous technical reports, information from stakeholders and peer-reviewed EPA scientific reports.

For a complete copy of the EPA study, visit:

<http://cfpub.epa.gov/ncea/hfstudy/recorddisplay.cfm?deid=244651>

CHEMICAL DISCLOSURE

The chemicals used during hydraulic fracturing vary depending on geology and typically include very low concentrations of between three and 12 products. Each chemical added during the process serves an engineered purpose. We continue to share our hydraulically-fractured well data, including all of the ingredients we use, on FracFocus.org, a web-based repository for submittal of fluids pumped during hydraulic fracturing. (see graphic in sidebar).

As of June 2015, there were 1,225 individual companies participating in FracFocus, including more than 900 reporting companies that have disclosed information on more than 100,000 oil and gas wells since 2011. In less than four years, FracFocus has become the disclosure method for over 20 producing states.

Newfield was an early supporter of the FracFocus disclosure process and voluntarily submitted hundreds of wells before required by regulation. During 2014, we reported 100 percent of our newly completed wells or approximately 440, and have released data on more than 1,550 wells since our initial participation.



2014 WATER RESOURCE HIGHLIGHTS

1. Central Basin, Utah. Recycled approximately 1,000,000 Bbls of produced water for hydraulic fracturing operations.
2. Greater Monument Butte Unit, Utah. Recycled almost 14,000,000 Bbls for waterflood operations.
3. Eagle Ford, Texas. 100 percent non-freshwater sourcing for seven new wells or over 840,000 Bbls of brackish water.
4. Maverick County, Texas. Irrigated a 60-acre area of the Cage Ranch with treated produced water and promoted growth of native plants.
5. Anadarko Basin, Oklahoma. Performed eight produced water recycling pilot tests utilizing different technologies.

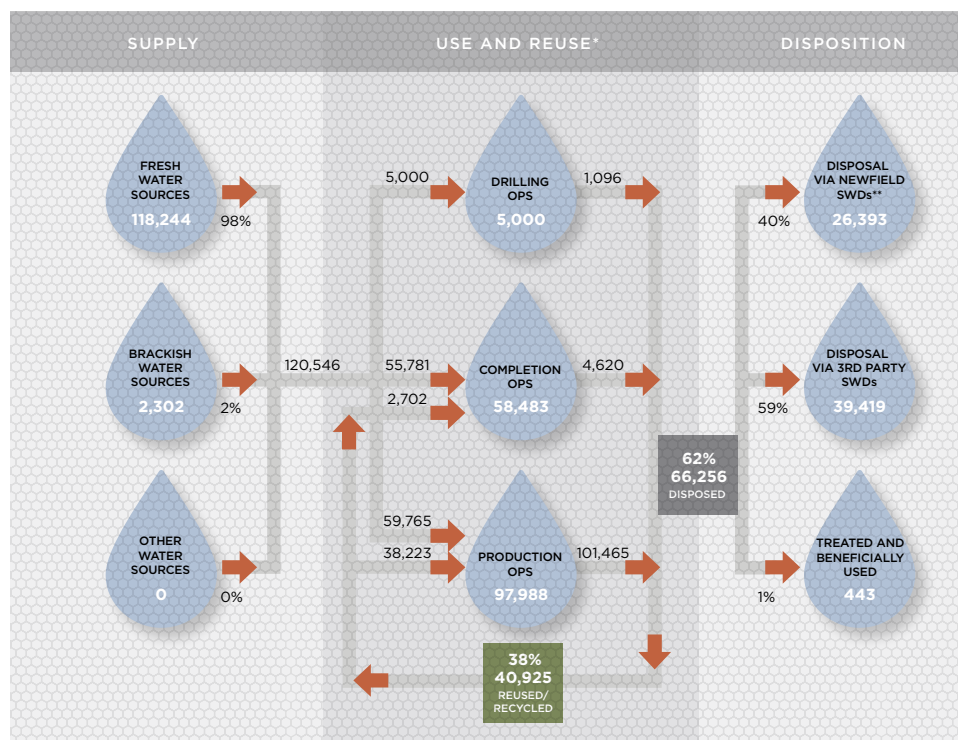
WATER RESOURCE MANAGEMENT

We use water in many aspects of our operations—throughout drilling and hydraulic fracturing and production and construction operations. As part of our business strategy and commitment to sustainability, we have developed local water management operating practices for our drilling and hydraulic fracturing programs that minimize freshwater use and our impact on the environment. We continuously evaluate innovative ways to reduce the use of freshwater in our operations.

During 2014, Newfield conducted water recycling pilot tests, full-scale recycling or used brackish water sources in support of hydraulic fracturing operations in most of our operating areas. Company-wide, we recycled 38 percent of our total produced water, beneficially used a small fraction for irrigation and disposed of the remaining amount.

2014 NEWFIELD OPERATIONAL WATER BALANCE FLOWCHART

Barrels of liquids per day (Bbl/d)



*A portion of the water used, permanently stays in the well after the construction and completion process.

**Saltwater disposal (SWD)

UINTA BASIN: 2014 PRODUCED WATER HANDLING

Barrels of liquids annually (Bbl)

Area	Recycled	Disposed
Greater Monument Butte Area	13,951,359 Bbls	89,267 Bbls
Central Basin	975,982 Bbls	539,193 Bbls
Total	14,927,341 Bbls	628,460 Bbls



**EARL RECYCLING FACILITY,
UINTA BASIN**



OKLAHOMA TRAFFIC LIGHT SYSTEM

Newfield supports the Oklahoma guidelines for an expanded traffic light system for induced seismicity. We encourage the Oklahoma Corporation Commission (OCC) to employ a process that allows experts, the public and industry adequate time to review and provide constructive comments and opinions on this proposal. We will continue to work with state regulators, industry and scientific research partners to investigate and understand the correlation between some saltwater disposal wells and seismic activity. We also will collaborate with the OCC to protect our communities, employees and contractors in a manner that advances the public interest and the economic and social well-being of the State of Oklahoma.

TRIGGERED AND INDUCED SEISMICITY

An increase in the frequency of seismic events in Oklahoma over the past five years has many responsible oil and gas operators working diligently to gain a better understanding of these events and how it might be related to industry activities.

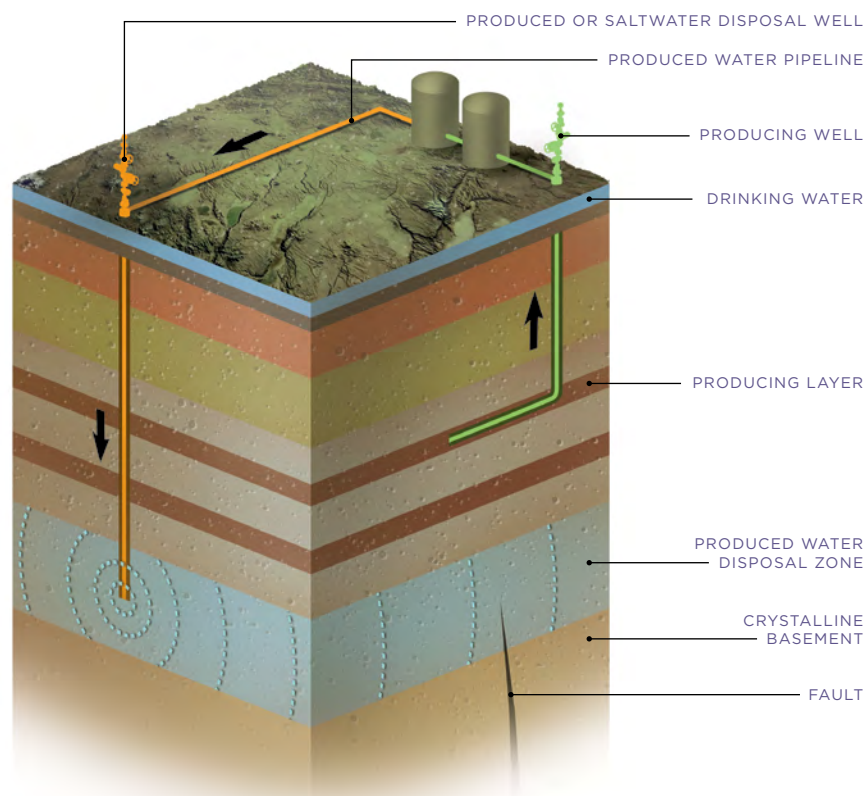
As a member of the Stanford Center for Induced and Triggered Seismicity (SCITS), we support its sound scientific approach and investigation into the causes of and consequences from induced and triggered seismicity. Our continued participation puts us at the forefront of academic research and enables us access to new studies that may demonstrate whether an increase in seismicity is attributable to E&P operations.

Based on recent findings, there appears to be a correlation between some saltwater disposal (SWD) wells and seismic activity. Produced water injection into crystalline basement near potentially active faults is the primary concern and has been addressed by the OCC through a traffic light system. None of our SWD wells are injecting into basement near potentially active faults.

We have taken a number of proactive steps including the traffic light criteria established by the OCC:

- Monitoring our existing SWD wells and documenting any increased seismic activity in the areas where these wells are located.
- Evaluating historical data and geologic formations to find the best sites when designing new SWD wells.
- Actively pursuing alternatives to SWD wells that include other water disposal and recycling options.

SALTWATER DISPOSAL WELL PROCESS



Data related to GHG emissions, including emissions by basin and activity type (e.g., combustion, venting, flaring), can be found by accessing the U.S. EPA Facility Level Information on Greenhouse Gases Tool (FLIGHT) at ghgdata.epa.gov.

Additional disclosures related to our strategy and management can be found by accessing the CDP website at cdp.net (registration required).



COMBATTING WINTER OZONE IN THE UINTA BASIN

We remain committed to the execution of our voluntary control measures to improve air quality and combat winter ozone in the Uinta Basin. This past year, we provided every field employee with awareness training on ozone. We continued to upgrade our existing pumpjack engines with cleaner burning, more efficient engines. We also maintained our program to replace methane and VOC emitting pneumatic controls at our injection wells with electric controllers powered by solar energy. In 2015, expect to receive data from the infrared camera technology we are using to detect and repair any methane and VOC leaks at any sites.

AIR AND GREENHOUSE EMISSIONS

There is nothing more important to us than the quality of the air we breathe. That's why we continue to pursue new technologies and methods to reduce our emission levels in the regions where we operate. Our air quality plan clearly stipulates our goals on compliance, data quality and emission reductions in accordance with federal and state regulations.



CAPTURING GAS VAPORS

In 2014, we invested in vapor recovery units (VRU) for 39 wells in our largest operating region, the Mid-Continent, for the purpose of recovering natural gas emissions, and delivering both economic and environmental benefits. VRUs can capture about 95 percent of gas vapors which then can be converted into a sellable product or used on-location as fuel. We recovered approximately 346 million standard cubic feet of gas, reducing flaring and our GHG footprint by an estimated 41,500 metric tons of CO₂e.

We continue to monitor our greenhouse gas (GHG) emissions, and voluntarily participated, for the second year, in the 2014 Investor Climate Disclosure Project (CDP) climate change information request. At the time of this report, CDP scores were still pending.

GHG EMISSIONS DATA*

Scope 1 (Direct) Emission (Metric tons CO₂e)

2012***	2013	2014**
665,772	674,837	982,304

*Newfield's Scope 1 (Direct) emissions data include only emissions applicable under the U.S. EPA GHG Mandatory Reporting Rule (40 CFR Part 98, Subpart W).

**The limited gas take-away infrastructure in the Williston Basin was the primary driver for the increase in GHG emissions in 2014. Flaring in the Williston Basin accounted for a full 35% of our total emissions in 2014 (343,355 mt CO₂e).

***Normalized to account for 2013 U.S. EPA revision of methane and nitrous oxide global warming potentials.



REDUCED TRUCK TRAFFIC

In 2014, utilizing third-party contractors, three oil gathering systems were constructed, one in the West Asherton Field of the Eagle Ford play and two in the Bakken, to connect to our production facilities. In the Eagle Ford, our oil now travels via pipeline to a barge terminal located in Corpus Christi, taking approximately 25 trucks per day off the road. In the Bakken, we expect to see a reduction in 80 trucks per day by the end of 2015.



THREE TRAILS RESERVE EARNS *WILDLIFE AT WORK* CERTIFICATION

We earned the *Wildlife at Work* conservation certification in 2014 from the Wildlife Habitat Council for restoration and enhancement of the native wildlife habitat at our Three Trails Reserve in Utah. Over the last year, we implemented a number of projects that included:

- Installation of bat houses to increase the area bat population
- Upgrading the existing water transfer system that supports the reserve's wetland complex and ponds
- Monitoring wildlife use of existing artificial habitats—osprey platforms and waterfowl nest sites
- Reducing invasive weeds along dams and waterways
- Removing garbage and arbitrary man-made structures

Plans are underway in 2015 to design a sustainable three-year program focused on maintaining our *Wildlife at Work* certification and educating the community and public officials on our conservation efforts at the reserve.

WASTE MANAGEMENT

We have made great strides in improving the storing, transporting and disposing of waste produced in our operations. We generate both drill cuttings and produced water, two primary by-products, from our processes. In 2014, we actively implemented additional waste minimization, produced water recycling and beneficial use projects.

- Constructively used 85,250 cubic yards of drill cuttings for well construction materials, a 47 percent increase from 2013.
- Finalized a company-wide Waste Management Program under the SERC Management System outlining our approach to managing waste.
- Executed a waste disposal audit protocol for various third-party facilities utilized in our operations.

We also apply treatment, recycling and reuse methods to manage our produced water captured during flowback from hydraulic fracturing operations and normal production. See page 15 for additional details.

BIODIVERSITY

Biodiversity plays an important role in proactive environmental stewardship. We incorporate measures into our development plans to conserve wildlife habitat. We employ safe and environmentally-sound energy development by preventing, minimizing or mitigating the adverse impacts of our operations on sensitive habitats. Our personnel engage with government, local communities and landowners to understand and address specific biodiversity issues in our focus areas.

In Utah, we operate on the largest federally managed unit in the lower 48 states. This is a contiguous 110,000-acre area with more than 1,600 producing wells. We partner with many federal agencies including the Department of the Interior, Bureau of Land Management, U.S. Environmental Protection Agency, U.S. Fish and Wildlife Service and Bureau of Indian Affairs.

Prior to initiating new operations on federally managed lands, regulations generally necessitate an environmental assessment to identify any potential impacts to biodiversity. These surveys enable us to design projects that avoid or minimize potential impact. We also conduct monitoring, based on state and federal requirements, to ensure that project designs are successful and ongoing operations continue to protect surrounding habitats. We follow these same guidelines throughout all our operating areas.



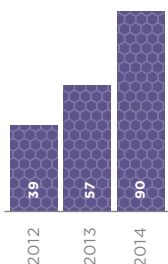
SMALLER FOOTPRINT

We continue to reduce our surface footprint, balancing responsible land use with the need for space to safely perform our work. By utilizing multi-well pads, we have reduced our land use by as much as 50 percent compared to single-well pads. This correlates to fewer roads, production facilities and gathering systems. Multi-well pads, plus the use of centralized processing facilities, also have reduced truck traffic and the accompanying public safety concerns. In Utah, the benefits of our centralized facilities equates to a reduction in about 16,100 truck loads over the course of 2014.

SPILL METRICS

(volumes based on agency reportable spills, except material: other)

U.S. REPORTABLE RELEASES



TOTAL VOLUME OF HYDROCARBONS RELEASED

Bbls—Barrels



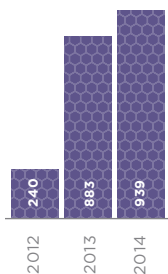
TOTAL VOLUME OF PRODUCED WATER RELEASED

Bbls—Barrels



TOTAL VOLUME OF OTHER RELEASED

(non-produced fluids such as drilling mud, diesel fuel and chemicals)



FLUIDS MANAGEMENT AND SPILLS

Newfield has controls and programs in place to prevent operational spills. To protect our employees, contractors, communities and the environment, we design our facilities and operate our sites with multiple systems of containment. Our fluids storage and handling procedures cover all operational fluids, including hydraulic fracturing fluid, produced water and chemical additives. When a spill occurs, our employees and contractors are trained to initiate emergency response procedures, mobilize appropriate equipment and adhere to regulatory reporting requirements. We ensure that necessary resources are mobilized to promptly respond to the incident, remediate the area and return the site to its original state.

Our Spill Prevention, Control and Countermeasure (SPCC) Plans and other contingency planning identify preventative measures to reduce spill risk. Beginning in 2014, we've followed an internal audit protocol of our facilities to ensure effective training and inspection processes for our SPCC program.

We track all spills internally and report any spill that meets minimum state and/or federal reporting thresholds. We closely monitor trends in our spill performance, including benchmarking with industry peers, and address issues to prevent reoccurrences.

REGULATORY COMPLIANCE

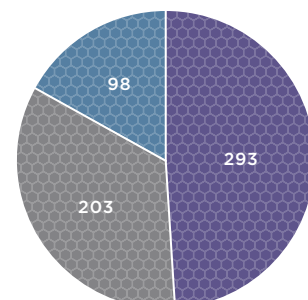
We strive to conduct our operations in compliance with applicable laws and regulations, and apply best practices that meet or exceed regulatory requirements. We've initiated proactive steps that identify, report and resolve potential incidents of non-compliance in cooperation with regulatory agencies. In 2014, Newfield paid civil fines from two violations totaling \$421,000. Both violations resulted from self-disclosure and voluntary environmental audits. The violations and settlements exceed \$100,000 each and are disclosed in our Form 10-K.

RECLAMATION STRATEGY

Decommissioning assets at the end of their operating lifecycle requires effective planning and management to identify and mitigate potential environmental impacts. We've pinpointed reclamation and remediation as one of our dedicated programs under the SERC Management System and have a documented management approach, including procedures, for restoring or remediating disturbed lands to pre-development condition.

RECLAMATION BY ASSET

Total Acres of Restored or Reclaimed Lands



- ROCKY MOUNTAINS
- MID-CONTINENT
- ONSHORE GULF COAST

Our People

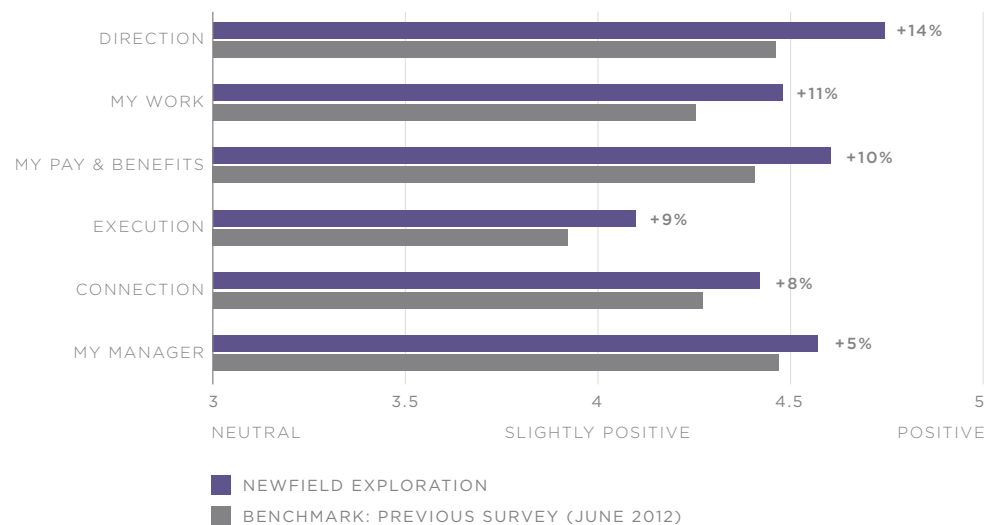
Our people are vital to our success. We believe that a continued investment in our employees helps ensure our future success and enables us to accelerate and execute our business objectives. When it comes to hard work, dedication and innovation, our employees deliver.

2014 WORKPLACE SURVEY

More than 86 percent of our employees responded to an independent 2014 work-force engagement survey—associated with the *Top Workplaces* list. Our team offered their views and comments on the direction of the Company, including opportunities for advancement, motivation, engagement, value of pay and benefits and manager leadership. The results were notable—with employees giving the Company higher marks in every category compared to previous survey results.

2014 WORKPLACE SURVEY

Average Factor Scores—May 2014



INVESTING IN OUR PEOPLE

When we started our company-wide college intern program 16 years ago, we knew that we would continually need to seek, recruit and develop exceptional talent to successfully drive our business into the future. Today, our college intern program is highly recognized by some of the top schools and graduating engineers and geoscientists. In 2014, we hired 16 summer interns and nine graduating students into full-time positions. A long-standing tradition, we also contributed \$112,500 to the universities where we have successfully recruited full-time employees and summer interns.

We continue to hire, develop and retain industry professionals who represent vast experiences, diverse backgrounds, and a passion to learn and deliver top tier performance. Our unique culture encourages an entrepreneurial spirit, open dialogue and a commitment to doing things the right way. This philosophy inspires innovation, a sense of ownership and a pursuit of excellence. Today, we employ approximately 1,200 men and women in our domestic operations.





TALENTED EMPLOYEES

Team Newfield is comprised of some of the best and the brightest in the business. Their creativity and commitment are key to our success.

WORKFORCE DIVERSITY

2013

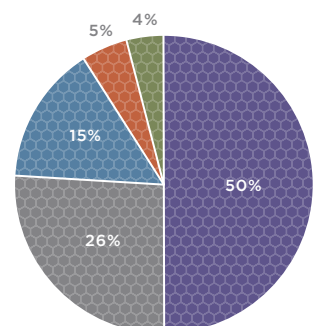
2014

All Employees				
% Employees Minorities	14%		14%	
% Employees Women	28%		27%	
Diversity by Job Category	% Minority	% Women	% Minority	% Women
Technical	2%	3%	2%	3%
Non-Technical	8%	24%	8%	22%
Field	4%	1%	4%	2%
Employee Age Profile				
Under 30	22%		21%	
Between 30 and 50	53%		53%	
Over 50	25%		26%	
Employee Headcount by Region				
Corporate	510		513	
Rockies	460		455	
Mid-Con	198		192	
Onshore Gulf Coast	156		146	
Newfield Drilling Services	147		168	
Total	1,471		1,474	

We emphasize the importance of hiring the most qualified candidate for every position. Our employment decisions are made without regard to sex, gender, race, color, religion, national origin, citizenship, age, disability, marital or veteran status, genetic information, sexual orientation, or any other legally protected status.

TRAINING

In 2014, more than 65 percent of our employees participated in formal training.



- BUSINESS AND PROFESSIONAL TRAINING
- TECHNICAL (ENGINEERING, GEOSCIENCE, LAND)
- LEADERSHIP CONCEPTS
- HS&E / SAFETY
- FIELD

NEW IN 2015

Our Leadership Development Program has been created in support of our strategic talent plan, and will provide select employees with essential skills to prepare them for key leadership positions.

COMPENSATION AND BENEFITS

Our compensation philosophy is tied to pay-for-performance.

Employee compensation includes a combination of base salary, annual cash incentives and long-term incentives which are historically awarded through restricted stock units. Annual cash and long-term incentives are tied to business and individual performance and are not guaranteed.

Our comprehensive benefits package includes health and wellness, income protection and retirement benefits; an employee stock purchase program; paid vacation and holidays; education reimbursement; fitness reimbursement; charitable matching gifts; and an employee discount program. Quality health and income protection coverage and retirement savings plans provide safe guards for employees and their families, and are the basis for retention of a top tier workforce.

We launched a company-wide wellness program at the end of 2014 with a mission to improve the health and happiness of our employees. The multi-faceted plan focuses on the physical, emotional, occupational financial and social well-being of every employee and their spouse, and empowers participants to take accountability for their own health and wellness. Some features of the plan include biometric health screenings, step challenges and blood drives. There will be many more aspects of this program to showcase for 2015.

DEVELOPING OUR WORKFORCE

We believe that our employees own their performance and development, but it is our job to provide the right resources and guidance to create the platform for their growth. In 2014, we provided a number of training solutions for our employees across the organization—from the field to the office and from professional to technical. Our curriculum allows us to align our human capital with our business strategy—enabling the company and the employee to define expectations for success.

We are continually evaluating our learning curriculum for effectiveness through course participation surveys to gather input that influences our future course offerings and programs. In 2014, we created an in-depth succession planning program to identify, develop and prepare members of our team for future leadership roles in the organization.

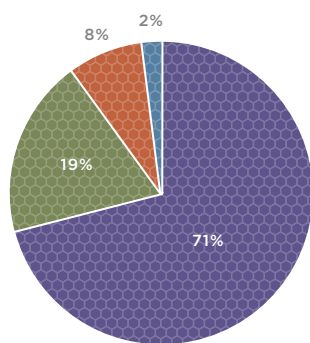
Citizenship

COMMUNITY OUTREACH

It's no coincidence that you'll find a team of Newfield employees engaged regularly in causes that are meaningful to them and our communities. This has been a standing tradition at Newfield. We believe it's important to give back to the communities where we operate, and both the Company and our employees continue to support a number of local charities and events with an investment of time and money.

In 2014, to ensure the greatest effectiveness and impact on our communities, we focused the majority of our efforts on community service charities, educational and cultural arts projects, medical organizations, and environmental and disaster relief causes. This approach enables us to target those organizations that provide vital services and address needs strategically and geographically.

THE 2014 NEWFIELD FOUNDATION FUND DISTRIBUTION



- COMMUNITY SERVICE
- MEDICAL
- ENVIRONMENTAL
- CULTURAL ARTS

THE NEWFIELD FOUNDATION

Established 14 years ago, The Newfield Foundation (Foundation) remains the cornerstone of our community investment program. Funded by the Company and employee-driven, the Foundation has given nearly \$7 million to non-profit organizations since inception.

EMPLOYEE PROFILE



RED CROSS ROOKIE OF THE YEAR

Laura Benedict, from our Mid-Continent region, received the 2014 Rookie of the Year-Southern Territory award, acknowledging her advocacy and 122 hours of volunteer work for the Red Cross disaster assistance program. Laura has assisted numerous families who have lost their homes to fires and participated in drills, preparedness activities and community events.

TEXAS

YMCA OF GREATER HOUSTON MIRACLE LEAGUE

State-of-the-art outdoor sports facility built for children with disabilities.



OKLAHOMA

READING PARTNERS

Volunteer tutoring program focused on increasing literacy.



UTAH

UINTA BASIN MEDICAL CENTER

Nurse simulator lab facility for a non-profit healthcare system.



COLORADO

DENVER RESCUE MISSION

Emergency care, rehabilitation, food, clothing and housing for people in need.



COLORADO

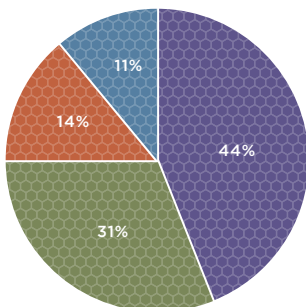
ENVIRONMENTAL LEARNING FOR KIDS (ELK)

Science education and outdoor experiences for underserved, urban youth.



TOTAL VOLUNTEER HOURS

by Region as of 2/2/2015
\$27,500 with 1,100 Qualified Hours



- COLORADO
\$12,000 / 480 qualified hours
- TEXAS
\$8,500 / 340 qualified hours
- OKLAHOMA
\$4,000 / 160 qualified hours
- UTAH
\$3,000 / 120 qualified hours

VOLUNTEER INCENTIVE PROGRAM

We launched the Volunteer Incentive Program (VIP) in 2014 with a goal of recognizing employees who volunteer at Newfield-sponsored charity events or independently to causes that are important to them. For every 20 hours of volunteer service to 501c3 charities of their choice, the Company agreed to donate \$500, and \$1,000 for 40 hours of service. The new program was a success with qualified volunteer hours exceeding 1,000 collectively and 99 percent of the volunteer hours meeting the maximum contribution of \$1,000.

At the end of 2014, Newfield announced that due to a dramatic drop in oil prices, the Company would be suspending its regional community investments and Volunteer Incentive Program for 2015. All community investments in 2015 will continue to be funded through the Foundation.



Newfield employees teamed up to donate baby supplies, time and money to help the Montgomery County Women's Center, an organization that provides safe shelter, crisis intervention, counseling, legal and support services to victims of family violence and sexual assault.

MATCHING GIFTS

We continue to support causes that our employees care about with a Matching Gifts program. Now 17 years in the making, our employees take advantage of the “double your money” initiative through donations they contribute to eligible non-profits. In 2014, we matched nearly \$235,000 in donations to 239 organizations. Newfield matches donations dollar-for-dollar up to \$2,500 per person annually. Topping the chart with the highest matched donations were the American Heart Association, Tulsa Advocates for the Protection of Children, Big Brothers Big Sisters, University of Oklahoma Foundation, Houston Collie Rescue and Ruby Habitat Foundation.

NEWFIELD COMMUNITY INVESTMENTS

	2014	2013	2012
Foundation Giving	\$942,000	\$855,100	\$759,600
Matching Gifts	\$233,503	\$250,362	\$218,006
Regional Contributions	\$144,883**	\$309,800	\$501,549*
University Rewards and Scholarships	\$112,500***	\$210,000	\$385,000
Total Annual Giving	\$1,432,886	\$1,625,262	\$1,864,155

* \$250,000 of total was donated to the Uintah Basin Applied Technology College.

** Based on budget reduction in G&A expenses.

*** Smaller number of fulltime student hires in 2014.

2014 TRIBAL OPERATIONAL HIGHLIGHTS

Wells	371
Acres	> 88,000
Tribal Mineral Payments	~ \$165 million
Allottee Payments	~ \$17 million

TRIBAL RELATIONS

We recognize the importance of building lasting relationships with Ute Indian Tribal stakeholders. We value transparency and as part of our long-term commitment we meet frequently with the Ute Tribe and individual American Indian mineral owners, and host periodic informational meetings on technical, operational and economic development topics. In 2014, Newfield presented at a local Bureau of Indian Affairs public workshop on the topic of hydraulic fracturing.

We work diligently with the Ute Tribe Business Council and other Tribal organizations to ensure we maintain the appropriate permits and licenses to protect Tribal surface rights while respecting cultural resources. Working in partnership with the Ute Tribe to safely and responsibly develop mineral resources advances our shared objectives of generating economic value for the community, creating employment opportunities in the oil and natural gas industry, and supporting Tribal community traditions and year-round events, including our sponsorship of the annual July 4th Pow-Wow Celebration, community cleanups and other cultural events.

While low commodity prices have impacted our energy development program on Tribal lands, increased efficiencies in our drilling and completion operations are factors that will contribute to improved margins and royalty payments when development resumes.

External Advisory Group Letter

EXTERNAL ADVISORY GROUP MEMBERS

Benedict Buckley

Research Associate,
Environmental, Social and
Governance (ESG) Investment
Program
ClearBridge Investments

Charlie Curlee

CSR Reporting Manager (2005–
2011) and Health, Environmental
and Safety Management
(1990–2005)
Marathon Oil Company
Chair, IPIECA Reporting Task
Force (2006–2010)
Society of Petroleum Engineers
Distinguished Lecturer
(2013–2014)

Maury Dobbie

Assistant Director, Center for the
New Energy Economy
Colorado State University

Mary Jane McQuillen

Head of the Environmental,
Social and Governance (ESG)
Investment Program
ClearBridge Investments

J.D. Strong

Executive Director
Oklahoma Water Resources
Board

NEWFIELD VIEWPOINT

Our 2014 *Building the Best* Corporate Responsibility Report demonstrates our continuing commitment to sustainable business practices, corporate citizenship and safety and environmental stewardship. Our Board and senior leadership are at the forefront—helping to guide and support our corporate responsibility program and initiatives throughout the company.

We are privileged to work again with an external advisory group (EAG) who, in reviewing our Report, offers an independent view of our corporate responsibility efforts and supporting content and data. Their contribution helps to strengthen the quality of our reporting and provides insight into areas where we can improve or enhance our methods or activities.

EXTERNAL ADVISORY GROUP VIEWPOINT

The External Advisory Group was engaged by Newfield Exploration Company to review and comment on the final drafts of the 2014 Corporate Responsibility Report (the 'Report'). The Group had the opportunity to review the drafts, submit comments and engage with the Newfield report writing team via conference call. The Group was not given any specific assignment for the review and was welcome to comment on any aspect of the Report.

We commend Newfield for continuing its commitment to reporting in the area of corporate responsibility despite recent economic challenges in the face of low oil prices and contraction of the industry. That said, the Report reflects performance and commitments through 2014, when the oil price was still over \$90/barrel. Today, the challenges in the industry are far greater and we encourage Newfield to continue its commitment to transparency following the 2015 calendar year when decisions and performance in corporate responsibility may be far more challenging.

We also note that Newfield has taken an approach to reporting that is far more streamlined than the 2013 inaugural report. Although this Report is much shorter, we understand that Newfield is committed to the same level of transparency as last year through materials to be updated on the Newfield website. On the whole, we feel that this shorter Report continues to reflect Newfield's corporate responsibility commitment and approach.

This statement expresses our views on Newfield's corporate responsibility disclosure. As members of the external advisory group, we have volunteered our time and expertise; our views are our own as individuals, rather than as representatives of our organizations.

ADDITIONAL NOTES

The external advisory group review has not verified any of the performance data presented in the report and we cannot confirm the accuracy or completeness of performance information, claims or initiatives described in the report. The external advisory group has not assessed the Report's adherence to the Global Reporting Initiative 'In Accordance—Core' requirements.

POSITIVE ATTRIBUTES

- Newfield continues to take a systematic approach to identifying material issues for reporting. We believe that the issues identified in the materiality matrix reflect the most significant issues for the company in corporate responsibility.
- Although the change in format to a shorter report this year will necessitate moving some information to the Newfield website, the group agrees that a shortened report allows the company to focus on major issues, continue its engagement with stakeholders, and demonstrate its continued commitment to reporting its environmental, safety and social performance.
- The group was impressed by the increased level of disclosure on water in this year's report. Water use, recycling and disposal continues to grow as a material issue to the sector and to stakeholder groups; we believe Newfield's efforts to proactively and transparently demonstrate its water management in quantitative terms is a significant hallmark of leadership.
- We were also pleased that Newfield provided information on Triggered and Induced Seismicity. Understanding of this issue continues to evolve and—in our view—Newfield is showing leadership through its proactive approach and engagement with regulators and academics.

OPPORTUNITIES FOR IMPROVEMENT

- Include more forward-looking information. The Report focuses on past performance, and while providing information on performance in the previous years is important, we urge Newfield to use subsequent corporate responsibility reports to discuss the future as well. This might include setting targets (as noted in last year's external advisory group letter), discussing strategic direction for corporate responsibility or simply describing key initiatives under the company's efforts toward continuous improvement. This suggestion seems particularly relevant given the difficult economic circumstances in which the sector currently finds itself.
- Better balance in the discussion of community engagement. Newfield has longstanding ties with the communities in which it operates. These ties go far beyond philanthropy and volunteer efforts. However, we feel that the Report emphasizes philanthropy over the impacts of the company's operations on communities, which is another important aspect of building and maintaining strong community relationships.
- Newfield should consider including additional climate- and energy-related key performance indicators in its written report. Considerable detail on this topic is already included in Newfield's response to CDP, but including a small number of key metrics in future reports could help highlight the company's progress over time.

Newfield External Advisory Group
August 17, 2015



About This Report

REPORT PROFILE

This is our second Corporate Responsibility Report cross-referenced with the oil and gas industry guidance on voluntary sustainability reporting developed by IPIECA, API and IOGP. This report also is our second report to be prepared in accordance with the Core level reporting option outlined by the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines and Oil and Gas Sector Supplement (Version 4.0, 2013), or “G4 Guidelines.” These guidelines are generally accepted frameworks for social, economic and environmental performance reporting. Our combined IPIECA/API/IOGP and GRI Index shows which indicators and guideline elements are included in our financial and non-financial reports. (Visit www.newfield.com/CR to view the IPIECA/API/IOGP and GRI Index.)

REPORT SCOPE

This report reflects our U.S. operational performance for the calendar year 2014 and excludes international operations reclassified as “continuing operations” in the fourth quarter of 2014. Our safety data captures contractor safety performance, but otherwise no data are presented for entities outside of our direct control.

To provide feedback and comments on this report, please contact: responsibility@newfield.com.

Environmental Resources Management Inc. (ERM), reviewed Newfield Exploration's 2014 Corporate Responsibility Report against the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines and found that the report contents, mandatory financial disclosures, index and omissions align with the company's self-declaration for a GRI G4 “core level” report. This review does not represent formal certification on behalf of GRI or third-party verification and assurance.

Profile

Newfield Exploration Company is an independent energy company engaged in the exploration, development and production of crude oil, natural gas and natural gas liquids. Newfield's principal domestic areas of operation include the Mid-Continent, the Rocky Mountains and onshore Texas. We also have offshore oil developments in China.

Information

For more information, please visit our website at www.newfield.com. Through our website, you may elect to receive news, S.E.C. filings and other information, including our @NFX publication, by e-mail distribution.

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