NEWFIELD EXPLORATION COMPANY (NYSE:NFX) is an independent crude oil and natural gas exploration and production company. We rely on a proven growth strategy, balancing acquisitions with drill bit opportunities. We have a solid track record of growth in both production and reserves.

Our focus areas today are the Gulf of Mexico, the Mid-Continent and the onshore U.S. Gulf Coast and international ventures offshore Australia and China. We evaluate new business opportunities in existing core areas, as well as others that may meet our criteria.

Founded in 1989 and taken public in 1993, we have grown to become one of the Gulf of Mexico’s most active drillers and rank among the top companies in terms of daily gross operated production. Today, we have an interest in more than 170 blocks (about 750,000 acres) in the Gulf of Mexico, with about 85% of those Company-operated.

We were founded on the principles of applying the best technology available in the Gulf of Mexico with an independent’s low cost structure and mindset. Our Founding Business Principles, which are the basis for our success, have been applied to new focus areas in the U.S. and overseas. In 2001, we created a new focus area in the Mid-Continent.

We have a proved reserve base of 936 Bcfe, of which 77% is natural gas. About half of our proved reserves are located onshore and about 90% are proved developed.

Newfield is headquartered in Houston, Texas.
MANAGE IT.
We always have maintained a strong balance sheet and work to manage our debt levels. Our initial capital budgets are largely built around expected annual cash flow. Although acquisitions are not budgeted, our financial strength allows us to take advantage of attractive acquisitions that may become available.
DEAR FELLOW STOCKHOLDERS:
What a year! As the cover of this year’s annual report depicts – this was a year of unprecedented volatility in the energy industry. I often felt like I was sharing the front car on a thrilling rollercoaster ride; some turns more fun than others. But we stayed in our seat.

We did not wander from our Founding Business Principles and exited 2001 a stronger, more diverse company than we entered it. In this year’s letter, I want to discuss the volatile environment we operated in and outline some reactive and proactive steps we took to manage our business. I’ll also provide an update on each of our focus areas and share with you our plans going into 2002. I’m very proud of the accomplishments we’ve made and the people who made them happen.
Over the last several years, we have expanded our list of focus areas. This transition from an offshore operator to one with a more diverse asset base provides options. In 2001, we shifted spending among our focus areas in an effort to drill the prospects with the best estimated rates of return. Our focus areas provide additional avenues for future growth.

The first year of the new millennium was significant in so many ways. We were horrified by the devastation created on September 11. Prior to 9/11, many key economic indicators made it increasingly clear that our economy was struggling. The uncertainty that was created post 9/11 further hampered the economy, impacting demand perceptions for oil and gas in the U.S. and the world. Recently, we’ve seen positive signs that our economy is recovering. Our nation emerged from the tragic events stronger and more united with a renewed sense of patriotism, values and priorities.

While every American business has been impacted in some way by the events of 9/11, the real volatility in our sector began more than 18 months ago. With the perception of increasing demand for natural gas and inadequate supply, gas prices moved above $4 per Mcf in August 2000. Although not in dire straights, the U.S. entered the winter season of 2000-01 with gas storage levels below those of recent years. In late 2000, our country was reminded what real winter weather feels like as we were gripped with the coldest November-December in more than 100 years. Natural gas prices averaged nearly $6.50 per Mcf in the fourth quarter of 2000 and natural gas was withdrawn from storage at a record pace. The rollercoaster was gaining momentum. Natural gas prices continued to soar, peaking at nearly $10 per Mcf in December 2000.

E&P companies enjoyed the spike in cash flow, but behind the scenes, natural gas demand was responding to unprecedented prices. Without a doubt, high prices proved that demand is more elastic than we ever thought. Power generators and industrial users began switching to lower cost fuels and residential consumers lowered thermostats and dimmed the lights. Some industrial sectors (i.e. ammonia and fertilizer) were sidelined during this
period, opting to close facilities rather than pay high gas prices for fuel stock. However, the initial demand loss in the industrial sector was masked by increased heating demand due to the frigid weather in late 2000. But as gas prices continued to climb, demand continued to erode.

As the weather warmed and the first quarter of 2001 came to a close, it was apparent that a significant portion of gas demand was missing. At the peak in early 2001, industry experts estimate 5-7 Bcf/d of gas demand was lost due to high prices. The rollercoaster had crested and was on its way down. Demand continued to decline as our economy slipped toward recession.

In spring and early summer, gas injections into storage set record highs. Increased drilling activity added some supply and imported gas from Canada exacerbated the issue. We had come full circle: In early 2001, storage levels were nearly 600 Bcf below five-year average levels and today they are running about 600 Bcf above the five-year average. That’s a storage swing of 1.2 Tcf in about one year!

As gas prices soared, so did the natural gas rig count. At a feverish pace, rigs were brought out of cold stack and the gas rig count peaked at 1,068 in July 2001, up from a low of 362 rigs in April 1999. Although there is conflicting data, it appears that there was not a significant, sustainable supply response from increased drilling activity. In large part, many of the plays the industry focused on in this cycle were exploitative in nature. Supply modestly increased, but significant new reserves were not added. This reflects the accelerating treadmill of our country’s mature producing provinces.

At the time this letter was released, there was about 1.7 Tcf of gas in storage and winter weather in 2001-02 was averaging 17% warmer than normal. Gas prices were $1.89 and $2.65 per MMBtu, respectively, at the end of the third and fourth quarters of 2001. The industry responded to price erosion by laying down rigs nearly as quickly as they had been put to work. Today, the gas rig count is under 700 and falling. Service costs continue to correct to reflect the current environment. We believe gas supply will likely erode faster than many predict. We are seeing positive signs for gas demand.

Looking forward, we believe higher natural gas prices will be required to meet the demand needs of our country. The nation’s major producing basins are mature and prospect sizes continue to shrink. Without a doubt, the $5-10 per Mcf prices experienced in the winter of 2000-01 destroyed demand. The market needs to find a level that allows new sources of supply to be found and developed and allows natural gas to fulfill its promise as the fuel of choice.

How did Newfield handle the challenges of the last year? We shared all the ups and downs with the industry, but we finished the ride and have the fare to go again.

We exited 2001 a stronger company. We diversified our asset base with our largest-ever acquisition and established a new focus area in the Mid-Continent. At the same time, we increased our Gulf Coast production 11% in 2001. We have successfully transitioned from a company with exclusively offshore operations to one with a balanced portfolio of properties. Looking forward, we have a more diverse set of opportunities before us than at any other time in our history. Our optimism for Newfield’s future is also fueled by a belief in the fundamentals of the natural gas business.

Let’s look at how we handled a few of the year’s major challenges:
We employ an active hedging program to help manage our business. There are many risks in the E&P business. A disciplined hedging program helps ensure adequate cash flow to implement our drilling programs. We often hedge expected production associated with acquisitions, helping to manage price risks and rates of return.

Gas Price Volatility
We utilize hedging to manage our business and view this tool as an integral part of our risk management program. By hedging a portion of our expected future production, it helps ensure that we will have the cash flow to implement our drilling programs. In addition, we have used hedging in connection with some of our acquisitions to manage price risks and rates of return.

We have been an active hedger since 1992. A close friend forwarded an Oliver Wendell Holmes quote to me that I really liked: “Prophesy as much as you like, but always hedge.” Every research analyst, institution and company has a unique opinion on the gas market. We have strong convictions too, but we hedge.

“Prophesy as much as you like, but always hedge.”

Our hedging program generated more than $70 million in revenues in the second half of 2001. We gave back a similar amount in the first half of the year. But this is what the program is designed to do. We don’t pretend to be smarter than the market. Hedging is used to smooth the cycles and help ensure adequate cash flow to manage our business.

For the first half of 2002, about 80% of our gas is hedged. In the third quarter, we have about 50% of our gas hedged, dropping to about 15% in the fourth quarter. About 60% of our estimated 2002 oil production is hedged. The weighted average price of these hedges is above current NYMEX futures prices.

We have allocated $360 million for capital spending in 2002, in line with our expected cash flow. Our hedge position gives us confidence in our cash flow estimates. As always, we don’t budget for acquisitions but do take advantage of opportunities as they come along. We spent $855 million in 2001, including $435 million on acquisitions.
**Rig Rates and Service Costs**

The spike in gas prices allowed service providers to charge what the market would bear – and it bore a lot! To help offset high costs, we worked hard on our pre-drill planning and engineering to minimize days on location.

We laid rigs down when day rates remained high and gas prices fell. At our peak, we were running 12 rigs in the Gulf of Mexico, 12 in the Mid-Continent and six in the onshore Gulf Coast. In the fourth quarter, we were running only two rigs in the Gulf of Mexico, two in the Mid-Continent and none in the onshore Gulf Coast. Despite the decrease in activity, we were still able to meet our production numbers. But our efforts were not enough to keep our finding costs from escalating.

Our finding and development costs in 2001 were $1.97 per Mcfe, a 25% increase over the $1.58 per Mcfe we posted in 2000. For Newfield, and the industry, finding costs escalated to levels similar to those seen in 1997-98. Our finding costs in 2001 were too high and we must do better. In contrast to 2001, we elected to curtail a portion of our unhedged production in response to weak gas prices. At the peak in late September and early October, we had about 55 MMcf/d of gas curtailed. Despite voluntary curtailments, we met our 2001 production target of 175 Bcfe – a 25% increase over 2000 production. In February 2002, we voluntarily curtailed about 30 MMcfe/d of our production.

In early 2001, our board of directors authorized the repurchase of up to $50 million of our stock. We utilized this program when our share price moved to low levels, purchasing 823,000 shares in 2001 at about $30 per share. More than 300,000 shares were purchased at about $27 per share following 9/11. This was another tool we used to add value during periods of volatility.

**Diversified the Asset Base**

We kicked off 2001 by acquiring a company in the Mid-Continent – Lariat Petroleum. This was a $333 million acquisition to establish a new focus area and this decision did not come hastily.

In Lariat, we found a company with a track record of growth that matched our own. What’s more, their corporate culture was very similar to ours and that helped smooth the transition. Several months after closing this acquisition, we ranked as one of the most active drillers in Oklahoma. That is the value of having people and properties in place from the beginning.

Today, we have a growing business in one of the nation’s most prolific natural gas basins. What’s more, we see room to consolidate, building our business there much like we have in the Gulf Coast. We see the opportunity to acquire both producing properties and companies in the Anadarko Basin and have active efforts underway to grow our Mid-Continent operations.

We did a good job managing volatility, but not well enough to avoid all the inherent pitfalls of the typical boom-to-bust cycle. We announced a non-cash ceiling test write-down of $68 million, after tax, in the fourth quarter of 2001. The impairment was related to our Mid-Continent acquisition. At the time of closing, gas prices were significantly higher and we protected our acquisition economics by hedging 2001-03 expected...
GULF OF MEXICO

2001 Highlights

~ Discovered the WC 294 Field, our first deep shelf discovery. Current production: 35 MMcf/d and 500 BOPD. Third well under completion with expected additional production of 20 MMcf/d in the second quarter of 2002.

~ Discovered a field adjacent to our largest producing asset in the Gulf of Mexico – Eugene Island 251.

~ Drilled 24 successful wells in the traditional shelf.

~ Entered the shallow water Frio play offshore Texas through an acquisition in third quarter of 2001.

~ Established a strategy to enter the U.S. deepwater Gulf of Mexico.

2002 Plans:

~ Balance risks: Drill up to 20 traditional shelf wells and 8-10 deep shelf wells.

~ Screen for attractive acquisitions.

~ Leverage recent expansion to acquire additional acreage, prospects and leads in the offshore Texas Frio play.

~ Continue the development of new field discoveries made in 2001 and early 2002.

~ Participate in one or more exploration wells in deepwater.

Onshore Gulf Coast

Over the last three years, our net production from the onshore Gulf Coast has grown 20-fold to a current rate of nearly 100 MMcf/e/d. Since 1995, we’ve put together a 60,000-acre position along the coastal regions of Texas and Louisiana.

In 2001, we drilled four successful exploration wells out of eight attempts and we were 10 for 12 in our development drilling efforts. We are planning to drill about 10-15 wells in 2002, with the primary focus of this year’s drilling program being exploratory.

The largest component of our onshore Gulf Coast growth in 2001 came from the three South Texas gas fields we acquired in early 2000 for $139 million. This acquisition provided quality producing fields with significant undeveloped reserves that could be quickly exploited. The largest field in the package was East Sarita, located in Kenedy County, Texas.

At the time the acquisition closed, the East Sarita Field was producing about 25 MMcf/e/d. We spent the first half of 2000 mapping the field’s complex geologic structure and identifying drilling locations. We kicked off a six-well drilling campaign in late 2000. The result: field production tripled to a peak rate of about 80 MMcf/e/d in the third quarter of 2001.

Gulf of Mexico

Today, our efforts in South Texas are largely centered on exploration. We purchased a 250 square mile 3-D seismic data set just west of our current production areas and are working to develop additional Wilcox leads and prospects. Our geoscientists are working in and around large, mature fields in this area and we expect to drill 2-4 wells during 2002. We are also working other nearby areas, but due to the competitive nature of these developing plays, we must defer a discussion of the details. We should have more to report later this year.

Moving up the coast, we were also active in the Provident City area in the Lower Wilcox trend of Lavaca, Colorado and Dewitt Counties, Texas. We drilled four successful wells in this area during 2001. Deliverability is currently 15 MMcf/e/d, an increase of 36% over our production at this time last year. In 2002, we are planning to drill several high-potential wildcats in the region.

In South Louisiana, our current efforts are also weighted toward exploration. We are currently participating in four 3-D seismic programs and expect to drill one or more wells in two of these areas in 2002.

Newfield Exploration Company  AR 2001
One of our Founding Business Principles is focus. Although we have expanded our operations into new regions, we remain a very focused company. Our operations are concentrated on geographic regions to allow us to make the best use of our people and capital. Our long-term success requires extensive knowledge of the geologic and operating conditions in the areas where we operate.

out of 35 attempts. We produced about 116 Bcfe from the Gulf in 2001 and more than replaced our production through our drilling program and two modest-sized acquisitions. Our success in the Gulf of Mexico is attributable to the quality of our people. They continually work our properties and supplement our prospects with acquisitions and farm-in opportunities. We are confident that we will continue to grow our production and reserves in the Gulf.

**How?** That’s the challenge that awaits our employees when they arrive at work each day. There are four areas that we are actively working in the Gulf of Mexico:

1. **The Traditional Shelf** – Today, we have more than 140 production platforms and own an interest in more than 170 lease blocks. We are among the top operators of production in the Gulf.

   In 2001, all of the wells we drilled in the Gulf of Mexico were in less than 400 feet of water. In fact, 27 of these wells were drilled from existing platforms. Our vast infrastructure is a competitive advantage that allows us to do things cheaper and quicker than many of our competitors. Our infrastructure will have immense value as new play types and trends are found in, around and beneath the Shelf’s producing fields.

   One of 2001’s highlights was our Eugene Island 251 #5 exploratory well. Located adjacent to our largest producing asset on the shelf, our geoscientists identified this prospect by analyzing regional seismic data. We found more than 120 feet of net gas pay and believe this is a significant discovery. We will set a small structure, drill a second well and expect first production in the second quarter of 2002.

2. **Offshore Texas Frio** – Just east of our East Sarita Field in South Texas, recent industry activity in state coastal waters has discovered significant reserves. Over the last three years, wildcat discoveries added 200–400 Bcfe of reserves in water depths of less than 100 feet. The play is known as the Offshore Texas Frio. The Frio Trend is the major producing interval along the Texas and Louisiana coasts. Recent successes have indicated that the quality rocks seen onshore do not stop at the shoreline. The geology of this region is nearly identical to the trends we are working in South Texas and we believe our people have the expertise to be successful.

   We entered this emerging play through an acquisition in the third quarter of 2001. We purchased a package of assets and gained control of an inventory of prospects and leads

![ONSHORE GULF COAST](image)

<table>
<thead>
<tr>
<th>2001 Highlights:</th>
<th>2002 Plans:</th>
</tr>
</thead>
<tbody>
<tr>
<td>~ More than tripled gas production from the East Sarita Field, located in Kenedy County, Texas.</td>
<td>~ Analyze recent 3-D data from southern Louisiana; drill at least two high-potential wildcat wells.</td>
</tr>
<tr>
<td>~ Grew onshore Gulf Coast production to nearly 100 MMcfe/d.</td>
<td>~ Acquire additional 3-D seismic in South Texas and southern Louisiana.</td>
</tr>
<tr>
<td>~ Acquired a large 3-D seismic grid west of producing acreage in South Texas.</td>
<td>~ Drill 6-10 high-potential exploratory wells</td>
</tr>
<tr>
<td>~ Screen for attractive acquisitions</td>
<td></td>
</tr>
</tbody>
</table>
and a stake in the North Padre Island 883 Field. Discovered in 1999, the NPI 883 Field has a series of stacked pays in the Upper and Middle Frio sections and is now producing 30 MMcf/d and 1,000 BCPD. We have a 35% working interest in the field and are evaluating the potential for additional drilling.

3. The Deep Shelf – We are one of the companies actively working to open the door to new plays in deeper horizons on the shelf. We consider the “deep shelf” to be prospects located at depths greater than 13,000 feet in areas where there has been limited or no production from deeper stratigraphic zones. Deep shelf prospects will generally be characterized by high pressure and temperatures, making drilling more difficult and expensive. Seismic amplitudes associated with these structures are typically subtle and not easily identifiable through traditional seismic processing. Although more than 55,000 wells have been drilled in the shallow waters of the Gulf, only 7,000 have been drilled below 13,000 feet and less than 800 have been drilled below 17,000 feet. These deeper intervals, although higher risk, offer the potential for significant discoveries.

We kicked off 2001 with a successful deep shelf discovery at West Cameron 294. Our WC 294 #3 well was drilled to nearly 15,000 feet and found 110 feet of net gas pay. We immediately spud the #4 well, another success. The #4 well found nearly 100 feet of net hydrocarbon pay. Fabrication of a caisson began immediately and we had first production of 35 MMcf/d and 300 BCPD from two wells in less than six months. Seeing additional drilling opportunities, we negotiated to become operator and increased our working interest in the field from 35% to 65%. We will begin receiving a larger share of production from the first two wells later this year. In late 2001, we drilled the WC 294 #5 well with an 85% working interest. This well also was successful, testing at 23 MMcf/d. We expect gross field production to increase to more than 50 MMcf/d in mid-2002. WC 294 is a significant discovery and it may prove to be one of the largest fields we have discovered in the Gulf of Mexico.

In early 2002, we made a significant deep shelf discovery with our West Delta 21 #6 well. The well was drilled to a total depth of 16,000 feet and encountered 165 feet of net...
pay. We expect first production from this new field in the fourth quarter of 2002. We are planning to drill 8-10 deep shelf prospects this year. As always, we will balance our opportunity set, coupling deep shelf wells with moderate risk ideas in our traditional shelf trends.

4. The Deepwater – We are making plans to enter the deepwater of the Gulf of Mexico and have a strategy to do so over the next 12-18 months.

In our view, today’s deepwater play is in many ways similar to the state of the traditional shelf when Newfield was formed in 1989. Technology has developed to the point that what was considered “cutting edge” a decade ago is standard operation today. Technological strides in drilling and completion have reduced risks, capital costs and lead times to first production.

The major oil and gas companies, in large part, are now hunting elephants in 5,000-9,000 feet of water. Initially, we plan to explore in water depths of less than 5,000 feet where we believe there are opportunities in and around existing infrastructure that fall beneath the radar screen of larger companies.

The deepwater play has matured. A large percentage of the initial 10 year leases are expiring in 2006-07 and much of the acreage remains underexplored. The ability to prospect on this acreage prior to expiry could create some opportunities.

While the deepwater is maturing, so is Newfield. Today, we are a much larger and financially capable company than we were just three years ago. Deepwater projects will complement our vast asset base on the shelf, mixing a few higher-risk, higher-potential projects with our lower-risk, moderate potential activities. Over the last year, we have hired some personnel with deepwater experience and assembled a team to find attractive opportunities. We expect to have more to report on our progress later this year.

Mid-Continent

We entered the Mid-Continent with a running start, acquiring daily gas production that ranked us in the top 25 gas producers in Oklahoma. Since closing our Mid-Continent acquisition in January 2001, we have drilled about 90 wells. Our success rate has been greater than 80%.

We are planning to drill about 60 wells in 2002. On average, we ran seven rigs per month in 2001, peaking at 12 operated rigs during the third quarter. We were one of the top 10 most active companies in Oklahoma in 2001.

In 2001, we shot three proprietary 3-D seismic programs totaling 163 square miles. We expect this newly acquired data, together with our existing data-base, will continue to give us a technical edge in this competitive region.

We intend to actively screen for potential acquisition opportunities in the Mid-Continent in order to balance our drill bit exposure. We have a strong group of technical employees in our Tulsa, Oklahoma office and believe they have the tools they need for continued success.

International

We have actively pursued international opportunities since mid-1997. Our international program is a small part of our business today, but it gives us exposure to high potential prospects.

In the East Timor Sea of Australia, production in 2001 from our two operated fields averaged over 8,000 BOPD (4,000 BOPD net). We have produced 4.0 million barrels in Australia since acquiring these fields in mid-1999 and have sold that production for an average price of $26.88 per barrel. Our 2001 production sold for an average price of about $24 per barrel. Since mid-1999, our net cash flows from Australia have exceeded $30 million, including dry hole investments. Although our exploratory drilling results have been disappointing, this acquisition has far exceeded our expectations. We exposed ourselves to impact reserve prospects with little capital risk…and made money in the meantime.

2002 Plans:

~ Process 2001 seismic data. Continue to build an inventory of drillable ideas. Acquire additional 3-D seismic data to guide exploration efforts.

~ Drill at least 60 wells.

~ Screen for attractive acquisitions in current areas of operation.
Efforts today in Australia are focused on exploitation projects. Our Australian team has been charged with finding opportunities to build the business. In the third quarter of 2001, we reached an agreement to farm-in to the retention license area AC/RL3, located in the Territories of the Ashmore Cartier, about 55 miles southwest of our existing production. An Australian chemical company previously held a 100% interest in the license area and has agreed to farm-out a 50% interest to us and allow us to operate. We plan to drill an appraisal well on the Montara discovery – one of four discoveries on the license area. We expect that well to spud in March 2002.

In China, we continued to appraise our CFD 12-1 Field discovery on Block 05/36 in the Bohai Bay following the interpretation of a new 3-D seismic survey. We drilled five wells in 2001, including two wells in a new discovery, the CFD 12-1 South Field.

We have drilled four appraisal wells in the CFD 12-1 and CFD 12-1 South Fields. Each well, while different, confirms oil reserves and production testing has been encouraging. Our CFD 12-1 South #1 well tested more than 5,000 BOPD of 40-degree gravity oil – the best rate and oil quality we have seen in our testing program. In 2002, we will work with the operator to further define the field, assess reserves and, if commercial, file a plan of development with the Chinese government. An additional appraisal well is expected to spud in the second quarter of 2002. We own a 35% interest in Block 05/36.

No doubt, volatility’s rollercoaster will continue to run in 2002. Recognizing this, we will continue our effort to manage it, just as we did in 2001. We hope that our hedging program will smooth the ride and help to ensure the necessary cash flow to implement our 2002 capital program. We are very enthusiastic about the exploration programs that we have underway in all of our focus areas and are very encouraged by the early success of our deep shelf program in the Gulf of Mexico.

We will be actively looking for acquisition opportunities in 2002. A good supply of properties is already available, in large part because of the tough ride the industry experienced in 2001 and early 2002. Our employees have a good track record of finding acquisitions that add long-term value for our shareholders.

We are excited about the opportunities we have in front of us and are confident that we have the people to take advantage of them. We will continue to run our company for long-term, profitable growth. As always, we appreciate your support of Newfield Exploration.

Sincerely,

David A. Trice
President and Chief Executive Officer

March 11, 2002

**Certain of the statements set forth in this annual report regarding estimated or anticipated production volumes, capital spending and activity levels and future commodity prices and service costs are forward looking and based upon assumptions and anticipated results that are subject to numerous uncertainties. Actual results may vary significantly from these anticipated due to many factors, including drilling results, oil and gas prices, industry conditions, the price of goods and services, the availability of drilling rigs and other support services and the availability of capital resources, labor conditions and other factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2001. In addition, the drilling of oil and gas wells and the production of hydrocarbons are subject to governmental regulations and operating risks.**
NEWFIELD EXPLORATION COMPANY (NYSE:NFX) is an independent crude oil and natural gas exploration and production company. We rely on a proven growth strategy, balancing acquisitions with drill bit opportunities. We have a solid track record of growth in both production and reserves.

Our focus areas today are the Gulf of Mexico, the Mid-Continent and the onshore U.S. Gulf Coast and international ventures offshore Australia and China. We evaluate new business opportunities in existing core areas, as well as others that may meet our criteria.

Founded in 1989 and taken public in 1993, we have grown to become one of the Gulf of Mexico's most active drillers and rank among the top companies in terms of daily gross operated production. Today, we have an interest in more than 170 blocks (about 750,000 acres) in the Gulf of Mexico, with about 85% of those Company-operated.

We were founded on the principles of applying the best technology available in the Gulf of Mexico with an independent’s low cost structure and mindset. Our Founding Business Principles, which are the basis for our success, have been applied to new focus areas in the U.S. and overseas. In 2001, we created a new focus area in the Mid-Continent.

We have a proved reserve base of 936 Bcfe, of which 77% is natural gas. About half of our proved reserves are located onshore and about 90% are proved developed.

Newfield is headquartered in Houston, Texas.