A Balanced Portfolio of Assets

...Didn’t Happen Overnight!

1997-03

1989-98

2000-02

2001

2002-04

MALAYSIA

NORTH SEA

T. ISLE
Newfield – A Diversified Company

1999

**RESERVES**
- Onshore Gulf Coast: 3%
- Gulf of Mexico: 97%

**PRODUCTION**
- Onshore Gulf Coast: 4%
- Gulf of Mexico: 96%

5 year RLI

2004 Pro forma Inland

**RESERVES ~ 1.7 TCFE**
- Onshore Gulf Coast: 27%
- Rockies: 19%
- Gulf of Mexico: 33%
- Malaysia: 4%
- Mid-Cont.: 21%

**PRODUCTION (MMcfe/d)**
- Onshore Gulf Coast: 32%
- Rockies: 7%
- Gulf of Mexico: 40%
- Malaysia: 4%
- Mid-Cont.: 17%

RLI increases to 7 years
The Growth of NFX

Net Production (BCFE)

- International
- Mid-Continental
- Onshore GC
- Gulf of Mexico

Years: 1993 to 2004e
Prior, NFX didn’t feel they had the internal resources to focus and drive the program.

Recently join Gas STAR in June of this year.

Now, we’re actively looking for ways to increase profitability through methane emission reductions.
PRO-OP – a systematic approach to increase production efficiencies and profitability through evaluating process components whereby methane emissions are reduced on a cost effective basis.

- New Designs (platform, facility, production trains)
- Modifications / Repairs
- Ongoing Facility Evaluation
Strategy:

1. Cost effectively eliminate emission source
2. Cost effectively capture for sales
3. Flare (destruction)
Pro - Op Process -> Onshore

- High Bleed vs. Low Bleed
- PSV Integrity
- Circulation Rates
- Separator Pressure?
- Separator Temperature?
- Flash Emissions
- Non-Condensables
- Fuel Efficiencies
- Seals
- Flash Separator

Attends to Profitability
Attention to Details….Increases Profitability

NEW FACILITIES
- Develop Template
  - Onshore Facilities
  - Offshore Facilities

MODIFICATIONS / REPAIRS
- Evaluate
  - Each Device
  - Alternatives
  - Cost Efficiencies

ONGOING FACILITY EVALUATIONS
- Opportunities
  - Flash
  - Glycol Circulation Rates
  - Separator Optimization
  - Other Efficiencies
Other Participation

• Supplying data and reviewing proposed Lessons Learn on separator optimization and floatation cells

• Participating in STAR sponsored Pro – OP for several NFX offshore facilities