

NEWFIELD EXPLORATION CO /DE/
Form 10-Q
July 30, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q
(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the Quarterly Period Ended June 30, 2014

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the Transition Period from _____ to _____.

Commission File Number: 1-12534

NEWFIELD EXPLORATION COMPANY
(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

72-1133047

(I.R.S. Employer
Identification Number)

4 Waterway Square Place
Suite 100
The Woodlands, Texas 77380
(Address and Zip Code of principal executive offices)

(281) 210-5100

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated
filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

As of July 28, 2014, there were 136,653,324 shares of the registrant's common stock, par value \$0.01 per share, outstanding.

TABLE OF CONTENTS

	Page
<u>PART I</u>	
<u>Item 1. Unaudited Financial Statements:</u>	
<u>Consolidated Balance Sheet as of June 30, 2014 and December 31, 2013</u>	<u>1</u>
<u>Consolidated Statement of Operations for the three and six months ended June 30, 2014 and 2013</u>	<u>2</u>
<u>Consolidated Statement of Comprehensive Income for the three and six months ended June 30, 2014 and 2013</u>	<u>3</u>
<u>Consolidated Statement of Cash Flows for the six months ended June 30, 2014 and 2013</u>	<u>4</u>
<u>Consolidated Statement of Stockholders' Equity for the six months ended June 30, 2014</u>	<u>5</u>
<u>Notes to Consolidated Financial Statements</u>	<u>6</u>
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>23</u>
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	<u>33</u>
<u>Item 4. Controls and Procedures</u>	<u>34</u>
<u>PART II</u>	
<u>Item 1. Legal Proceedings</u>	<u>34</u>
<u>Item 1A. Risk Factors</u>	<u>34</u>
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>39</u>
<u>Item 6. Exhibits</u>	<u>40</u>

NEWFIELD EXPLORATION COMPANY
CONSOLIDATED BALANCE SHEET

(In millions, except share data)

(Unaudited)

	June 30, 2014	December 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$36	\$95
Restricted cash	—	90
Accounts receivable	384	474
Inventories	41	163
Deferred taxes	34	22
Other current assets	33	57
Total current assets	528	901
Oil and gas properties — full cost method (\$1,398 and \$1,300 were excluded from amortization at June 30, 2014 and December 31, 2013, respectively)	15,876	16,407
Less — accumulated depreciation, depletion and amortization	(7,691)	(8,306)
Total oil and gas properties, net	8,185	8,101
Other property and equipment, net	180	174
Derivative assets	5	26
Long-term investments	26	63
Deferred taxes	—	19
Other assets	32	37
Total assets	\$8,956	\$9,321
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$51	\$76
Accrued liabilities	879	978
Deferred liabilities	—	90
Advances from joint owners	27	30
Asset retirement obligations	5	54
Derivative liabilities	167	62
Total current liabilities	1,129	1,290
Other liabilities	35	38
Derivative liabilities	58	—
Long-term debt	3,077	3,694
Asset retirement obligations	108	201
Deferred taxes	1,307	1,142
Total long-term liabilities	4,585	5,075
Commitments and contingencies (Note 12)		
Stockholders' equity:		
Preferred stock (\$0.01 par value, 5,000,000 shares authorized; no shares issued)	—	—
	1	1

Edgar Filing: NEWFIELD EXPLORATION CO /DE/ - Form 10-Q

Common stock (\$0.01 par value, 200,000,000 shares authorized at June 30, 2014 and December 31, 2013; 136,828,201 and 136,682,631 shares issued at June 30, 2014 and December 31, 2013, respectively)

Additional paid-in capital	1,556	1,539
Treasury stock (at cost, 206,109 and 460,914 shares at June 30, 2014 and December 31, 2013, respectively)	(6) (13
Accumulated other comprehensive gain (loss)	2	2
Retained earnings	1,689	1,427
Total stockholders' equity	3,242	2,956
Total liabilities and stockholders' equity	\$8,956	\$9,321

The accompanying notes to consolidated financial statements are an integral part of this statement.

NEWFIELD EXPLORATION COMPANY
CONSOLIDATED STATEMENT OF OPERATIONS
(In millions, except per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Oil, gas and NGL revenues	\$608	\$435	\$1,161	\$805