



WHEREAS:

Extracting oil and gas from shale formations using hydraulic fracturing and horizontal drilling technology has become a controversial public issue. Leaks, spills, explosions, and community impacts have led to bans and moratoria in multiple regions in the U.S., including New York State, and around the globe, putting the industry's social license to operate at risk.

Disclosure of management practices, and their impacts, is the primary means by which investors can assess how companies are managing risks. The Department of Energy's Shale Gas Production Subcommittee recommended in 2011 that companies "adopt a more visible commitment to using quantitative measures as a means of achieving best practice and demonstrating to the public that there is continuous improvement in reducing the environmental impact of shale gas production."

Newfield Exploration is a laggard in the oil and gas industry in its reporting practices. In a 2015 report "Disclosing the Facts: Transparency and Risk in Hydraulic Fracturing Operations", which ranks companies on disclosure of quantitative information to investors, Newfield scored only 4 points out of 39 on the scorecard's disclosure metrics. In comparison, one of its peers, BHP Billiton, scored 32 points for its disclosure practices.

In addition, Newfield has been documented as having eight environmental violations in Pennsylvania alone from 2009 to 2013. (NRDC April 2015, Fracking's Most Wanted). These violations, alongside other impacts caused by the hydraulic fracturing industry, have increased shareholder concern about Newfield's practices.

Due to its poor disclosure performance, investors call for Newfield to provide detailed, quantitative, comparable data about how it is managing the risks and reducing the impacts of its hydraulic fracturing extraction operations.

BE IT RESOLVED:

Shareholders request the Board of Directors report to shareholders using quantitative indicators, by December 31, 2016, and annually thereafter, the results of company policies and practices, above and beyond regulatory requirements, to minimize the adverse environmental and community impacts from the company's hydraulic fracturing operations associated with shale formations. Such report should be prepared at reasonable cost, omitting confidential information.

SUPPORTING STATEMENT:

Proponents suggest the report provide quantitative information for each play in which the company has substantial extraction operations, on issues including, at a minimum:

- Goals and quantitative reporting on progress to reduce toxicity of drilling fluids;
- Percentage of wells using "green completions";
- A description of its methane leakage detection and repair system;
- Percentage emissions rate for methane from drilling, completion, and production operations;
- Percentage of drilling residuals managed in closed loop systems;
- Reductions in air emissions, including NOx and VOCs; and
- Numbers and categories of community complaints of alleged impacts, and their resolution.