

NEWFIELD EXPLORATION CO /DE/
Form DEF 14A
March 15, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES
EXCHANGE ACT OF 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to § 240.14a-12

Newfield Exploration Company

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

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No fee required.

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- (1) Title of each class of securities to which transaction applies:

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- (1) Amount Previously Paid:

- (2) Form, Schedule or Registration Statement No.:

- (3) Filing Party:

(4) Date Filed:

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4 Waterway Square Place, Suite 100

The Woodlands, Texas 77380

March 15, 2013

Dear Stockholders:

As Newfield Exploration Company reaches its quarter century mark this year, I hope you will join our Board of Directors, senior leadership and other associates and stockholders at our 2013 Annual Meeting of Stockholders at The Woodlands Waterway Marriott Hotel on May 2, 2013. The attached Notice of Annual Meeting of Stockholders and Proxy Statement will serve as your guide to the business to be conducted at the meeting. As in years past, we will have a brief management presentation following the meeting.

We are mailing to most of our stockholders a Notice of Internet Availability of Proxy Materials (Notice) instead of a paper copy of our 2012 Annual Report, Proxy Statement and proxy card. We believe that the Notice process allows us to provide our stockholders with the information needed in a timely manner, while saving costs and conserving our natural resources. The Notice contains instructions on how to access these documents over the Internet, as well as instructions on how to request a paper copy of the materials, if desired. All stockholders who do not receive a Notice should receive a paper copy of the proxy materials by mail.

Your vote is very important to us. Prior to the meeting, I encourage you to sign and return your proxy card and/or vote through the telephone or Internet following the instructions on the Notice, so that your shares will be represented and voted at the meeting. Instructions on how to vote are found on page 3.

I hope to see you at the meeting. Thank you for being a stockholder and for the trust you have in our Company.

Very truly yours,

LEE K. BOOTHBY

Chairman of the Board, President and

Chief Executive Officer

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NEWFIELD EXPLORATION COMPANY

4 Waterway Square Place, Suite 100

The Woodlands, Texas 77380

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

May 2, 2013

To the Stockholders of Newfield Exploration Company:

You are cordially invited to attend our 2013 Annual Meeting of Stockholders. The meeting will be held at 8:30 a.m., local time, on Thursday, May 2, 2013, in the Waterway 6 Ballroom of The Woodlands Waterway Marriott Hotel located at 1601 Lake Robbins Drive, The Woodlands, Texas 77380. The purpose of the meeting is:

- (1) to elect 10 directors;
- (2) to ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent auditor for the year ending December 31, 2013;
- (3) to hold an advisory vote to approve the compensation of the Company's named executive officers;
- (4) to approve the First Amended and Restated Newfield Exploration Company 2011 Omnibus Stock Plan that proposes increasing the authorized shares by 3.7 million;
- (5) to vote on a stockholder proposal set forth on pages 81 to 82 in the accompanying Proxy Statement; and
- (6) to transact any other business that may properly come before the Annual Meeting or any adjournments or postponements of the Annual Meeting.

The close of business on March 8, 2013 has been fixed as the record date for the determination of stockholders entitled to receive notice of, and to vote at, the Annual Meeting or any adjournments or postponements thereof. This Notice, Proxy Statement and the form of proxy/voting instruction card are first being sent or made available to stockholders on or about March 18, 2013.

By order of the Board of Directors,

JOHN D. MARZIOTTI

General Counsel and Corporate Secretary

March 15, 2013

YOUR VOTE IS IMPORTANT

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You may vote by Internet or by telephone using the instructions on the Notice, or, if you received a paper copy of the proxy card, by signing and returning it in the envelope provided. You may revoke your proxy at any time before the vote is taken by following the instructions in this Proxy Statement. You may also attend and vote at the Annual Meeting.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL STOCKHOLDER MEETING TO BE HELD ON MAY 2, 2013

The notice of the 2013 Annual Meeting, the Proxy Statement and our 2012 Annual Report and 10-K Wrap are available at:

<http://phx.corporate-ir.net/phoenix.zhtml?c=63798&p=proxy>.

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NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROXY STATEMENT, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. THE DELIVERY OF THIS PROXY STATEMENT SHALL, UNDER NO CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN OUR AFFAIRS SINCE THE DATE OF THIS PROXY STATEMENT.	

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NEWFIELD EXPLORATION COMPANY

4 Waterway Square Place

Suite 100

The Woodlands, Texas 77380

(281) 210-5100

www.newfield.com

PROXY STATEMENT

For the 2013 Annual Meeting of Stockholders

We are furnishing you this Proxy Statement in connection with the solicitation of proxies by our Board of Directors (Board) to be voted at the 2013 Annual Meeting of Stockholders of Newfield Exploration Company (Annual Meeting), a Delaware corporation, sometimes referred to as the Company, Newfield, our, us or we. The Annual Meeting will be held on Thursday, May 2, 2013 at 8:30 a.m. (Central Daylight Time). The proxy materials, including this Proxy Statement, proxy card or voting instructions and our 2012 Annual Report and 10-K Wrap are being distributed and made available on or about March 18, 2013.

In accordance with rules and regulations adopted by the U.S. Securities and Exchange Commission (SEC), we are providing our stockholders access to our proxy materials on the Internet. Accordingly, a Notice of Internet Availability of Proxy Materials (Notice) will be mailed to most of our stockholders on or about March 18, 2013. Stockholders will have the ability to access the proxy materials on a web site referred to in the Notice or request a printed set of the proxy materials to be sent to them by following the instructions in the Notice.

The Notice also provides instructions on how to inform us to send future proxy materials to you electronically by e-mail or in printed form by mail. If you choose to receive future proxy materials by e-mail, you will receive an e-mail next year with instructions containing a link to those materials and a link to the proxy voting site. Your election to receive proxy materials by e-mail or printed form will remain in effect until you terminate it.

Choosing to receive future proxy materials by e-mail will allow us to provide you with the information you need in a timelier manner, save us the cost of printing and mailing documents to you, and conserve natural resources.

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QUESTIONS AND ANSWERS ABOUT THE MEETING

Where and when is the Annual Meeting?

The Annual Meeting will be held on Thursday, May 2, 2013 at 8:30 a.m. (Central Daylight Time) in the Waterway 6 Ballroom of The Woodlands Waterway Marriott Hotel located at 1601 Lake Robbins Drive, The Woodlands, Texas 77380.

Who is entitled to vote at the Annual Meeting?

Only stockholders of record at the close of business on March 8, 2013, the record date for the meeting, are entitled to receive notice of and to vote at the Annual Meeting or any adjournments or postponements thereof. The record date is established by our Board as required by Delaware law. Stockholders of record at the close of business on the record date are entitled to receive notice of the Annual Meeting and to vote their shares at the meeting. Stockholders are entitled to one vote for each share of our common stock that they owned as of the record date. Stockholders may not cumulate their votes in the election of directors. On the record date, we had 135,482,357 shares of our common stock outstanding and entitled to vote at the Annual Meeting.

Why did I receive a Notice in the mail regarding the Internet availability of proxy materials this year instead of a full set of proxy materials?

In accordance with SEC rules, we are providing access to our proxy materials over the Internet. As a result, we have sent to most of our stockholders a Notice instead of a paper copy of the proxy materials. The Notice contains instructions on how to access the proxy materials over the Internet and how to request a paper copy. In addition, stockholders may request to receive future proxy materials in printed form by mail or electronically by e-mail. A stockholder's election to receive proxy materials by mail or e-mail will remain in effect until the stockholder terminates it.

Why didn't I receive a Notice in the mail regarding the Internet availability of proxy materials?

We are providing certain stockholders, including those who have previously requested to receive paper copies of the proxy materials, with paper copies of the proxy materials instead of a Notice. If you would like to help reduce the costs we incur in mailing proxy materials, you can consent to receive all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions provided with your proxy materials and on your proxy card or voting instruction card to vote using the Internet. When prompted, indicate that you agree to receive or access stockholder communications electronically in the future.

Can I vote my stock by filling out and returning the Notice?

No. The Notice will, however, provide instructions on how to vote by Internet, by telephone, by requesting and returning a paper proxy card, or by submitting a ballot in person at the Annual Meeting.

How can I access the proxy materials over the Internet?

Your Notice or proxy card will contain instructions on how to view our proxy materials for the Annual Meeting on the Internet. Our proxy materials are also available on our website at: <http://phx.corporate-ir.net/phoenix.zhtml?c=63798&p=proxy>.

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How do I vote?

You may vote by any of the following four methods:

1. *Internet.* Vote on the Internet at <http://www.proxyvote.com>, the web site for Internet voting. Simply follow the instructions on the Notice, or if you received a proxy card by mail, follow the instructions on the proxy card and you can confirm that your vote has been properly recorded. If you vote on the Internet, you can request electronic delivery of future proxy materials. Internet voting facilities for stockholders of record will be available 24 hours a day and will close at 11:59 p.m. (Eastern Daylight Time) on May 1, 2013.
2. *Telephone.* Vote by telephone by following the instructions on the Notice, or if you received a proxy card, by following the instructions on the proxy card. Easy-to-follow voice prompts allow you to vote your stock and confirm that your vote has been properly recorded. Telephone voting facilities for stockholders of record will be available 24 hours a day and will close at 11:59 p.m. (Eastern Daylight Time) on May 1, 2013.
3. *Mail.* If you received a proxy card by mail, vote by mail by completing, signing, dating and returning your proxy card in the pre-addressed, postage-paid envelope provided. If you vote by mail and your proxy card is returned unsigned, then your vote cannot be counted. If you vote by mail and the returned proxy card is signed without indicating how you want to vote, then your proxy will be voted as recommended by the Board. If mailed, your completed and signed proxy card must be received by May 1, 2013.
4. *Meeting.* You may attend and vote at the Annual Meeting.

If you hold your Newfield shares in a brokerage account, your ability to vote over the Internet or by telephone depends on your broker's voting process. Please follow the directions on your proxy card or the voter instruction card from your broker carefully. If your Newfield shares are held in the 401(k) Plan, then your vote must be received by 11:59 p.m. Eastern Daylight Time on April 30, 2013. The plan administrator will direct the trustee to vote shares as to which no instructions are received in proportion to voting directions received by the trustee from all plan participants who vote.

The Board recommends that you vote using one of the first three methods discussed above, as it is not practical for most stockholders to attend and vote at the Annual Meeting. Using one of the first three methods discussed above to vote will not limit your right to vote at the Annual Meeting if you later decide to attend in person. If your stock is held in street name (for example, held in the name of a bank, broker, or other holder of record), you must obtain a proxy, executed in your favor from your bank, broker or other holder of record to be able to vote at the Annual Meeting.

If I vote by telephone or Internet and received a proxy card in the mail, do I need to return my proxy card?

No.

Can I change my vote?

Yes. You may revoke or change a proxy before the vote is taken at the Annual Meeting by:

giving notice of the revocation in writing to our Corporate Secretary at 4 Waterway Square Place, Suite 100, The Woodlands, Texas 77380;

submitting another valid proxy by mail, telephone or over the Internet that is later dated and if mailed, is properly signed, or if submitted by telephone or over the Internet, is received by 11:59 p.m. (Eastern Daylight Time) on May 1, 2013;

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voting in person at the Annual Meeting; or

if you have instructed your broker or other nominee to vote your shares, by following the directions received from your broker or nominee to change those instructions.

If your shares are held in our 401(k) Plan, you also may revoke or change your proxy by submitting another valid proxy by mail, telephone or over the Internet that is later dated and, if mailed, is properly signed. The new 401(k) Plan participant proxy must be received by 11:59 p.m. (Eastern Daylight Time) on April 30, 2013.

What is a proxy?

A proxy is your legal designation of another person, called a proxy holder, to vote the shares that you own. If you designate someone as your proxy holder in a written document, that document is called a proxy. We have designated Terry W. Rathert, Executive Vice President and Chief Financial Officer, John D. Marziotti, General Counsel and Corporate Secretary and George W. Fairchild, Jr., Controller and Assistant Corporate Secretary, to act as proxy holders at the Annual Meeting as to all shares for which proxies are returned or voting instructions are provided by Internet or telephonic voting.

What is a Proxy Statement?

A Proxy Statement is a document that SEC regulations require us to give you when we ask you to sign a proxy card designating the proxy holders described above to vote on your behalf.

What is the difference between a stockholder of record and a stockholder who holds stock in street name, also called a beneficial owner ?

If your shares are registered in your name at American Stock Transfer & Trust Company, LLC, you are a stockholder of record. If your shares are registered at American Stock Transfer & Trust Company, LLC in the name of a broker, bank, trustee, nominee, or other similar stockholder of record, your shares are held in street name and you are the beneficial owner of the shares.

Who is soliciting my vote?

Our Board is soliciting your vote for the Annual Meeting.

What is the purpose of the Annual Meeting?

The purpose of the Annual Meeting is to:

elect the 10 nominees for directors named in this Proxy Statement;

ratify, on a non-binding advisory basis, the appointment of PricewaterhouseCoopers LLP, independent registered public accounting firm, as our independent auditors for the year ending December 31, 2013;

approve, on a non-binding advisory basis, the compensation of our named executive officers (NEOs) as disclosed in this Proxy Statement;

approve the First Amended and Restated Newfield Exploration Company 2011 Omnibus Stock Plan (Amended 2011 Stock Plan), increasing the number of authorized shares by 3.7 million shares;

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if properly presented, vote on the stockholder proposal recommending adoption of a policy requiring at least one independent director be an environmental expert, as more fully discussed below in this Proxy Statement; and

transact any other business that may properly come before the Annual Meeting or any adjournments or postponements thereof.

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What constitutes a quorum?

The presence at the Annual Meeting, in person or by proxy, of the holders of a majority of our issued and outstanding shares of common stock entitled to vote will constitute a quorum at the Annual Meeting. Under Delaware law, abstentions are treated as present and entitled to vote and thus, will be counted in determining whether a quorum is present. In addition, broker non-votes (described below) will be considered present for quorum purposes but not considered entitled to vote on that matter.

What is a broker non-vote ?

The New York Stock Exchange (NYSE) permits brokers to vote their customers' stock held in street name on routine matters when the brokers have not received voting instructions from their customers. The NYSE does not, however, allow brokers to vote their customers' stock held in street name on non-routine matters unless they have received voting instructions from their customers. In such cases, the uninstructed shares for which the broker is unable to vote are called "broker non-votes". For purposes of determining the outcome of any proposal as to which the broker has physically indicated on the proxy that it does not have discretionary authority to vote, these shares will be treated as not present and not entitled to vote with respect to that proposal, even though those shares are considered entitled to vote for quorum purposes and may be entitled to vote on other proposals.

What routine matters will be voted on at the Annual Meeting?

The ratification of the independent auditor is a routine matter on which brokers may vote in their discretion on behalf of customers who have not provided voting instructions.

What non-routine matters will be voted on at the Annual Meeting?

The election of directors, the vote on our executive compensation, the Amended 2011 Stock Plan and the vote on the stockholder proposal are each non-routine matters on which brokers are not allowed to vote unless they have received voting instructions from their customers.

What are your Board's recommendations for each proposal?

Our Board recommends that you vote:

FOR each of the 10 nominees for directors;

FOR the ratification, on an advisory basis, of the appointment of PricewaterhouseCoopers LLP as our independent auditor for the year ending December 31, 2013;

FOR the approval, on an advisory basis, of our NEO's compensation;

FOR the approval of the First Amended and Restated Newfield Exploration Company 2011 Omnibus Stock Plan; and

AGAINST the stockholder proposal recommending adoption of a policy requiring an independent director with environmental expertise.

If any other matters are brought before the Annual Meeting, the proxy holders will vote as recommended by our Board. If no recommendation is given, the proxy holders will vote in their discretion.

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What is the effect of an advisory vote?

Because your votes with respect to the ratification of PricewaterhouseCoopers and the approval of our NEO compensation are advisory, they will not be binding upon the Board or its Committees. However, our Compensation & Management Development Committee and the Audit Committee will take the outcome of the advisory votes into account when considering future executive compensation arrangements of our NEOs and the appointment of PricewaterhouseCoopers as the Company's independent auditor, respectively.

What are the voting choices and what vote is required to elect the directors (Proposal 1)?

To vote on the election of the 10 director nominees to serve until the 2014 Annual Meeting, stockholders may:

vote in favor of all nominees;

vote against all nominees; or

vote against specific nominees, with the remainder of the nominees to be voted in favor.

Under our Bylaws, to be elected as a director, each of the 10 nominees named in this Proxy Statement for election as directors must receive a majority of the votes cast, which means that the number of shares voted FOR a director nominee must exceed the number of votes cast AGAINST that nominee. Abstentions and broker non-votes will have no effect in determining whether the proposal has been approved.

What are the voting choices and what vote is required to approve the ratification of the appointment of PricewaterhouseCoopers LLP as our independent auditor for the 2013 fiscal year (Proposal 2)?

To vote on the advisory (non-binding) ratification of the appointment of PricewaterhouseCoopers LLP as our independent auditor for the 2013 fiscal year, stockholders may:

vote in favor of the ratification;

vote against the ratification; or

abstain from voting on the ratification.

The proposal to ratify the appointment of PricewaterhouseCoopers LLP as our independent auditor for fiscal 2013 requires the affirmative vote of a majority of the votes entitled to be cast by the shares of stock present in person or by proxy at the Annual Meeting and entitled to vote thereon. Abstentions will count as votes against the proposal. Broker non-votes will not occur in connection with this proposal (as it is a routine matter) and therefore have no effect in determining whether the proposal is approved.

What are the voting choices and what vote is required to approve the advisory resolution endorsing the compensation of the NEOs as discussed in this Proxy Statement (Proposal 3)?

To vote on the advisory (non-binding) resolution to approve the compensation of our NEOs as disclosed in this Proxy Statement, stockholders may:

vote in favor of the resolution;

vote against the resolution; or

abstain from voting on the resolution.

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Under our Bylaws, the advisory resolution to approve the compensation of our NEOs as set forth in this Proxy Statement will require the affirmative vote of a majority of the votes cast, which means that the number of shares voted FOR the proposal must exceed the number of votes cast AGAINST the proposal. Abstentions and broker non-votes will have no effect in determining whether the proposal is approved.

What are the voting choices and what vote is required to approve the Amended 2011 Stock Plan, increasing the authorized shares by 3.7 million (Proposal 4)?

To vote on the Amended 2011 Stock Plan to increase the authorized shares by 3.7 million, stockholders may:

vote in favor of the Amended 2011 Stock Plan;

vote against the Amended 2011 Stock Plan; or

abstain from voting on the Amended 2011 Stock Plan.

Under NYSE rules, the approval of the Amended 2011 Stock Plan will require the affirmative vote of a majority of the shares present and entitled to vote at the meeting; provided that the total vote cast on the proposal represents over 50% in interest of all of our securities outstanding. Abstentions will have the same effect as a vote AGAINST the Amended 2011 Stock Plan. Broker non-votes will have no effect in determining whether the Amended 2011 Stock Plan is approved.

What are the voting choices and what vote is required to approve the stockholder proposal recommending adoption of a policy requiring an independent director with environmental expertise as discussed in this Proxy Statement (Proposal 5)?

To vote on the stockholder proposal recommending adoption of a policy requiring an independent director with environmental expertise, stockholders may:

vote in favor of the proposal;

vote against the proposal; or

abstain from voting on the proposal.

Under our Bylaws, the approval of the stockholder proposal, if presented, will require the affirmative vote of a majority of the votes cast, which means that the number of shares voted FOR the proposal must exceed the number of votes cast AGAINST the proposal. Abstentions and broker non-votes will have no effect in determining whether the proposal is approved. Approval of the stockholder proposal would serve only as a recommendation to the Board to take the actions requested by the proponents.

Could other matters be decided at the Annual Meeting?

We are not aware of any matters that will be considered at the Annual Meeting other than those set forth in this Proxy Statement. However, if any other matters arise at the Annual Meeting, the persons named in your proxy will vote in accordance with their best judgment.

Who will tabulate and certify the vote?

Broadridge Financial Solutions, Inc., an independent third party, will tabulate and certify the vote, and will have a representative to act as the independent inspector of elections for the Annual Meeting.

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Where can I find the voting results of the Annual Meeting?

We will announce the preliminary voting results at the Annual Meeting and disclose the final voting results in a Current Report on Form 8-K filed with the SEC within four business days of the date of the Annual Meeting unless only preliminary voting results are available at that time. To the extent necessary, we will file an amended Current Report on Form 8-K to disclose the final voting results within four business days after the final voting results are known. You may access or obtain a copy of these and other reports free of charge on the Company's web site at <http://www.newfield.com>, or by contacting our investor relations department at 281-210-5201. Also, this Form 8-K, any amendments thereto and other reports filed by the Company with the SEC are available to you over the Internet at the SEC's web site at <http://www.sec.gov>.

How can I view the stockholder list?

A complete list of stockholders of record entitled to vote at the Annual Meeting will be available for viewing during ordinary business hours for a period of ten days before the Annual Meeting at our offices at 4 Waterway Square Place, Suite 100, The Woodlands, Texas 77380.

Who pays for the proxy solicitation related to the Annual Meeting?

We will bear the entire cost of this solicitation, including the preparation, assembly, printing, the mailing of the Notice and any mailing of this Proxy Statement, the proxy, and any additional information furnished to stockholders. In addition to using the mail, proxies may be solicited by directors, executive officers, and other employees of Newfield, in person or by telephone. No additional compensation will be paid to our directors, executive officers, or other employees for these services. You also may be solicited by means of press releases issued by Newfield, postings on our web site at <http://www.newfield.com>, or other media forms. We have retained Georgeson Inc. to assist us with the solicitation of proxies for an estimated fee of approximately \$7,500, plus expenses. Georgeson ensures that brokers, custodians and nominees will supply additional copies of the proxy materials for distribution to the beneficial owners. We also will reimburse banks, nominees, fiduciaries, brokers and other custodians for their costs of sending the proxy materials to the beneficial owners of our common stock.

What is householding?

We have adopted a procedure approved by the SEC known as "householding". Under this procedure, multiple stockholders residing at the same address have the convenience of receiving a single copy of our Annual Report and Proxy Statement, unless they have notified us that they want to continue receiving multiple copies. Householding allows us to reduce the environmental impact of providing proxy materials as well as printing and mailing costs.

If you received a householded mailing this year and you would like to have additional copies of the Annual Report and/or Proxy Statement mailed to you, or you would like to revoke your consent to the householding of documents, please submit your request to Broadridge Financial Solutions, Inc. either by calling 1-800-542-1061 or by writing to Broadridge Financial Solutions, Inc., Household Department, 51 Mercedes Way, Edgewood, New York 11717. Broadridge will promptly deliver any additional copies requested. If you revoke your consent, you will begin to receive individual copies of future mailings within 30 days after we receive your revocation notice.

Unfortunately, householding for bank and brokerage accounts is limited to accounts within the same bank or brokerage firm. For example, if you and your spouse each have two accounts containing our common stock at two different brokerage firms, your household will receive two copies of our Annual Meeting materials—one from each brokerage firm. To reduce the number of duplicate sets of materials your household receives, you may wish to enroll some or all of your accounts in our electronic delivery program. See "Why didn't I receive a Notice in the mail regarding the Internet availability of proxy materials?"

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Alternatively, if you have previously revoked your consent to the householding of documents and would now like to receive a single copy of our Annual Report and Proxy Statement, you may submit such request to Broadridge as indicated above.

FORWARD-LOOKING STATEMENTS

Some of the amounts set forth in this Proxy Statement in the disclosure regarding executive compensation are forward-looking statements within the meaning of the federal securities laws. These amounts include estimates of future amounts payable under awards, plans and agreements or the present value of future amounts, as well as the estimated value at December 31, 2012 of awards the vesting of which will depend on performance over future periods. Estimating future payments of this nature is necessarily subject to contingencies and uncertainties, many of which are difficult to predict. In order to estimate amounts that may be paid in the future, we had to make assumptions as to a number of variables, which may, and in many cases will, differ from future actual conditions. These variables include the price of our common stock, the date of termination of employment, final pay, interest rates, applicable tax rates and other assumptions. Accordingly, amounts and awards paid out in future periods may vary from the related estimates and values set forth in this Proxy Statement.

PROPOSAL 1: ELECTION OF DIRECTORS

The Nominating & Corporate Governance Committee of our Board (Governance Committee) has nominated the 10 people named below for election as directors at our Annual Meeting. The Board currently consists of 12 directors; however, two of our current directors, Messrs. J. Michael Lacey and Philip J. Burguières, have decided for personal reasons not to seek nomination for the 2013/2014 term. The Board has not had sufficient time to analyze and determine additional nominees for these two vacancies and intends to lower the number of directors to 10 immediately following the Annual Meeting. Proxies cannot be voted for a greater number than the 10 nominees named herein.

Each nominee below, if elected, will serve as a director until our 2014 Annual Meeting of Stockholders and thereafter until his or her successor has been elected and qualified, or until his or her earlier death, resignation or removal. Unless instructions to the contrary are given, all properly delivered proxies will be voted for the election of these 10 nominees as directors.

Our Bylaws require that each director receive a majority of the votes cast with respect to such director in uncontested elections (the number of shares voted FOR a director nominee must exceed the number of votes cast AGAINST that nominee). All director nominees identified in the following list currently are serving on our Board. If our stockholders do not elect a nominee who is serving as a director, Delaware law provides that the director would continue to serve on the Board as a holdover director. Under our Bylaws, if a nominee who currently is serving as a director does not receive a sufficient number of votes for re-election, that director must submit an irrevocable resignation in writing to the Chair of the Governance Committee. The Governance Committee must make a recommendation to our Board regarding whether to accept or reject the resignation, or whether other action should be taken. Our Board would then act on the Governance Committee's recommendation and, if the resignation is rejected, publicly disclose its decision and the rationale behind it within 90 days after the date that the election results were certified.

If any nominee is unable or unwilling to serve, the proxy holders will vote for such other person as may be nominated by the Governance Committee. Alternatively, our Board may reduce the size of the Board. We have no reason to believe that any of the nominees will be unable or unwilling to serve if elected as a director.

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Our Board is a collection of individuals with a variety of complementary skills derived from their diverse backgrounds and experiences. All of our director nominees currently serve on our Board, and our Board has determined that each of our nominees, other than Mr. Boothby (our President and Chief Executive Officer), is independent. The following information, which is as of March 1, 2013, is furnished with respect to each of the nominees for election at our Annual Meeting:

<p>Lee K. Boothby, 51</p> <p>Director since 2009</p> <p>Chairman since 2010</p>	<p>Mr. Boothby currently serves as our Chairman, President and Chief Executive Officer. He was promoted to the position of President in February 2009 and to the additional role of Chief Executive Officer in May 2009. From October 2007 until February 2009, Mr. Boothby served as our Senior Vice President – Acquisitions & Business Development. He managed our Mid-Continent operations from February 2002 to October 2007, and was promoted from General Manager to Vice President in November 2004. From 1999 to 2002, Mr. Boothby served as the Vice President and General Manager of our previous Australian business unit, managed from Perth, Australia. Prior to joining Newfield, Mr. Boothby worked for Cockrell Oil Corporation, British Gas and Tenneco Oil Company.</p>
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Education: B.S. in Petroleum Engineering from Louisiana State University and M.B.A. (finance concentration) from Rice University

Specific Qualifications, Attributes, Skills and Experience that Mr. Boothby brings to our Board:

Relevant Management and Leadership Experience – President and Chief Executive Officer of the Company since 2009; and led two of the Company’s business units, including the Mid-Continent and Australian business units

Broad International Exposure – spent three years in Australia building our Australian business unit (which was divested in 2003)

Extensive Knowledge of the Company’s Business, Industry and Community – over 14 years in managerial positions at Newfield and almost 30 years of experience in the oil and gas industry; broad experience in both marine and onshore environments, inclusive of more than 10 years of experience in North American resource plays; member of the Society of Petroleum Engineers; serves on the board of America’s Natural Gas Alliance; serves on the board of the Independent Petroleum Association of America; in June 2011, named Chairman of the Board of the American Exploration & Production Council; and holds degree in petroleum engineering

Community Dedication and Charitable Experience – serves on the Advisory Committee of the Louisiana State University Craft & Hawkins Department of Petroleum Engineering; and serves on the Council of Overseers for the Rice University Jones Graduate School of Business

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Pamela J. Gardner, 56
 Director since 2005
 Committees:

» Compensation & Management Development
 » Nominating & Corporate Governance

In January 2013, Ms. Gardner accepted the role of CEO with Your Mind at Work, a consulting firm that focuses on refining company cultures, training executives in effective communication strategies, aligning corporate goals and coaching professionals in leadership. She spent 24 seasons with the Houston Astros Baseball Club, serving her last 11 years as President, Business Operations for Houston McLane Company d/b/a Houston Astros Baseball Club. Ms. Gardner began her career with the Houston Astros in 1989 as Director of Communications, was promoted to Vice President of Marketing in 1996, then promoted to Senior Vice President of Sales and Marketing in 1999, and served in that role until promoted to President in 2001. She then retired as President in January 2012, but continued to provide advisory services to Jim Crane, the owner of the Astros, throughout 2012.

Education: B.S. in Psychology and Vocational Rehabilitation from the University of Wisconsin Stout

Specific Qualifications, Attributes, Skills and Experience Ms. Gardner brings to our Board:

Diversity female; professional experience in strategic planning, project development, professional sports, nonprofit/charitable organizations and business; first female executive inducted into the Texas Baseball Hall of Fame; YWCA, Outstanding Woman of Achievement, 2006 and recipient of the Trailblazer Award from the Houston Women’s Chamber of Commerce

Relevant Leadership and Chief Executive Officer/President Experience served as the President of Business Operations for the Houston Astros for 11 years; managed all business and operational aspects of the Houston Astros, including oversight of all revenue areas, building management, customer service, finances, sponsorship and ticket sales, community, advertising and marketing, as well as non-baseball events at Minute Maid Park; frequently presents to various groups on leadership and diversity; and awarded Marguerite Ross Barnett leadership award from the Houston Area Urban League in 2008

Community Dedication and Charitable Experience serves on the University of Houston Hobby School of Public Policy Advisory Board; Chairman of the Board and serves on the Executive Committee of Central Houston, Inc., a not-for-profit organization concerned with urban planning, economic development, transportation issues, public safety, governmental affairs, and cultural and entertainment programs in Houston; and serves on the board of the Greater Houston Partnership, a not-for-profit entity focused on building economic prosperity in the Houston region

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John Randolph Kemp III, 68
Director since 2003

Mr. Kemp is the Principal of The Kemp Company, a consulting firm he founded in 2008, and has served as the Chairman of Kosmos Energy Ltd., an international oil exploration and production company focused on West Africa, since 2010. Mr. Kemp retired in 1999 after 34 years with Conoco Inc. (now ConocoPhillips) where the last position he held was President, Exploration & Production, Americas.

Committees:

» Compensation & Management
Development (Chair)

Education: B.S. in Petroleum and Natural Gas Engineering from Pennsylvania State University

» Nominating & Corporate
Governance

Other Public Company Directorships Held in Past Five Years: Kosmos Energy Ltd. (2005 to present, Chairman since 2010)

Specific Qualifications, Attributes, Skills and Experience that Mr. Kemp brings to our Board:

Diversity African American; and nearly 20 years of international management experience

Relevant Leadership and Chief Executive Officer/President Experience retired President, Exploration & Production, Americas for Conoco Inc.; and progressed through a series of engineering and managerial roles of increasing responsibility during his more than 34 years with Conoco Inc.

Broad International Exposure 13 years leading the international exploration and production activities for Conoco Inc., including South America, Asia, Africa and the Middle East; nearly 20 years of international management experience; and eight years of experience serving as a director and three years as Chairman of Kosmos Energy Ltd.

Extensive Knowledge of the Company's Business and Industry over 40 years of experience in the oil and gas industry; extensive experience in health, safety and environmental matters; and holds a degree in petroleum and natural gas engineering

Community Dedication and Charitable Experience Advisory Director for the Houston Achievement Place, a not-for-profit entity with a mission to help children and their care-providers learn the skills and develop the relationships for home, school and life success; and personally mentors and provides financial support to deserving minority students

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Joseph H. Netherland, 66
 Director since 2004

Mr. Netherland retired as Chairman of the Board of FMC Technologies, Inc., a publicly-held oil and gas equipment and services company, in December 2008. Mr. Netherland first joined FMC Technologies in 1973 and held positions of increasing responsibility throughout his career, including General Manager of Energy & Transportation Group from 1992 to 2001, Executive Vice President from 1998 to 1999, President and Director from 1999 to 2001, and Chairman, President and Chief Executive Officer from 2001 to 2007.

Committees:

» Compensation & Management Development

Education: B.S. in Industrial Engineering from the Georgia Institute of Technology and M.B.A. from The Wharton School of the University of Pennsylvania

» Nominating & Corporate Governance

Other Public Company Directorships in Past Five Years: FMC Technologies, Inc. (1999 – present); Tidewater Inc., a provider of vessels for the global offshore energy industry (2008 – present); and Spectra Energy Corp., a provider of natural gas infrastructure (2010 – present)

Specific Qualifications, Attributes, Skills and Experience that Mr. Netherland brings to our Board:

Relevant Leadership and Chief Executive Officer/President Experience – eight years as President and six years as President and Chief Executive Officer of a fortune 500 public company; during Mr. Netherland’s tenure as President and Chief Executive Officer of FMC Technologies, the company delivered five consecutive years of both revenue and earnings growth and was named twice as the No. 1 Most Admired Oil & Gas Equipment, Services Company by FORTUNE Magazine

Broad International Exposure – 35 years of experience working for an international company; and in early 2007, when Mr. Netherland retired, FMC Technologies employed over 11,000 people and operated 33 facilities in 19 countries

Extensive Knowledge of the Company’s Business and Industry – over 35 years of oilfield service sector industry knowledge; significant experience related to health, safety and environmental matters; serves on the Board of Petroleum Equipment Suppliers Associations; and Honorary Director of the American Petroleum Institute

Extensive Board and Corporate Governance Experience – serves on the boards of four publicly-held companies and brings to our Board significant knowledge on corporate governance matters

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Howard H. Newman, 65
Director since 1990

Mr. Newman has served as the President and Chief Executive Officer of Pine Brook Road Partners, LLC, a New-York-based investment firm, since April 2006. Mr. Newman was a managing director of Warburg, Pincus LLC from January 1987 to December 2000 and Vice Chairman from January 2001 to April 2006. Before joining Warburg, Pincus LLC, Mr. Newman spent 10 years in energy and financial services investment banking at Morgan Stanley & Co. Incorporated.

Director since 1990

Education: B.A. and M.A. in Economics from Yale University and Ph.D. in Business Economics from Harvard University

Committees:

» Compensation & Management Development

Other Public Company Directorships in Past Five Years: SLM Corporation, known as Sallie Mae (2008 to present); and previously a director of ADVO, Inc., a marketing services company (1986 to 2007)

Specific Qualifications, Attributes, Skills and Experience that Mr. Newman brings to our Board:

High Level of Financial Literacy and Risk Analysis Expertise Ph.D. in Business Economics; and over 38 years of experience analyzing risks of, and developing strategies for, energy companies

Relevant Leadership and Chief Executive Officer/President Experience President and Chief Executive Officer of Pine Brook Partners, LLC for last six years; and while at Warburg, Pincus LLC led or co-led the energy, financial services, real estate and general investment practices, investing in 47 companies

Extensive Board and Corporate Governance Experience serves on the boards of two publicly-held companies; has observed on two and served on 16 boards of publicly-held companies and served on 23 boards of privately-held companies and brings to our Board significant experience and knowledge on corporate governance matters

Extensive Knowledge of the Company's Business and Industry extensive historical knowledge of our Company through his role at Warburg, Pincus LLC, one of our early investors before the initial public offering of our common stock; served as one of our directors for 23 years, providing him with invaluable knowledge of our strategy and business; and over 39 years making investment decisions in, or providing financial advice to, the oil and gas industry

Community Dedication and Charitable Experience served as an advisor on energy policy to New York Governor George Pataki; served as senior advisor to the Long Island Power Authority; for Yale University: served on its University Council, chaired its Alumni Fund and currently serves on the Yale Climate & Energy Institute External Advisory Board; and trustee of The Salk Institute for Biological Studies, a non-profit scientific research institute

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Thomas G. Ricks, 59
 Director since 1992

Mr. Ricks currently serves as Chief Investment Officer of H&S Ventures L.L.C., a private investment firm. Prior to taking this position with H&S Ventures in May 2001, he was Chief Executive Officer of The University of Texas Investment Management Company from March 1996 to May 2001. Mr. Ricks also served as Vice Chancellor for Asset Management for The University of Texas System from August 1992 through February 1996 and as Executive Director of Finance and Private Investments from 1988 to 1992.

Committees:

Education: B.A. in Economics from Trinity College and M.B.A. from the University of Chicago

» Audit (Chair)

» Nominating & Corporate Governance Committee

Specific Qualifications, Attributes, Skills and Experience that Mr. Ricks brings to our Board:

High Level of Financial Literacy and Risk Analysis Expertise over 30 years in various domestic and international finance positions in the oil and gas and financial industries, providing him with investment and financial experience combined with accounting and audit expertise; responsible for the management of a \$15 billion endowment and operating fund supporting The University of Texas System; holds B.A. in Economics and M.B.A.; Certified Public Accountant; and determined by the Board to be an audit committee financial expert, as defined by the SEC

Relevant Leadership and Chief Executive Officer/President Experience over five years of experience as the Chief Executive Officer over a \$15 billion fund

Extensive Knowledge of the Company's Business and Industry served as one of our directors for 21 years, providing invaluable knowledge of our strategy and business

Extensive Board and Corporate Governance Expertise former director of BDM International, DTM Corporation, LifeCell Corporation and Argus Pharmaceuticals and brings to our Board significant knowledge on corporate governance matters

Community Commitment and Charitable Experience serves on the Audit Committee of the Samueli Foundation, a not-for-profit organization with a mission to create societal value by investing in innovative, entrepreneurial and sustainable ideas; serves on the Investment Committee of the University of California Foundation Irvine; and previously served on the board of the Ocean Institute, a not-for-profit organization with the mission to inspire all generations, through education, to become responsible stewards of our oceans

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Juanita M. Romans, 62
 Director since 2005

Ms. Romans serves as the Managing Principal of MFR Healthcare Solutions, Inc., a private consulting firm formed in August 2012 through the consolidation of The Romans Group, a private consulting firm founded by Ms. Romans in January 2011 that provided global healthcare business solutions for which Ms. Romans served as CEO, with an affiliate of MFR, P.C., a full-service accounting and consulting firm headquartered in Houston, Texas. MFR Healthcare Solutions, Inc. provides strategic, tactical and operational planning consulting services to hospitals, universities, medical institutions and other providers in the global healthcare marketplace. From June 2006 to January 2011, Ms. Romans served as Chief Executive Officer and Central Market Leader of Memorial Hermann Texas Medical Center, and from January 2003 to January 2011 she served as the Chief Executive Officer of Memorial Hermann Hospital.

Committees:

» Audit

» Nominating & Corporate Governance

Education: B.S. in Biology from the University of Detroit and M.S. in Nursing from Wayne State University

Specific Qualifications, Attributes, Skills and Experience that Ms. Romans brings to our Board:

Diversity female; and over 30 years of professional experience in medical and nursing industry, strategic planning, project development, and nonprofit/charitable organizations

High Level of Financial Literacy and Risk Analysis Expertise over 20 years of experience in the areas of contracting, project development, partnerships, joint ventures and analyzing risks related to business strategy; and managed the costs, and responsible for the financial health, of Memorial Hermann Hospital with over 6,000 employees for seven years

Relevant Leadership and Chief Executive Officer/President Experience over nine years of experience as a Chief Executive Officer in a heavily-regulated and people-intensive medical industry where she was responsible for, among other matters, strategy development and execution, financial performance and operations

Community Dedication and Charitable Experience serves on the board of Center for Houston's Future; serves on the board of Rice University Jones Business School; formerly a director of the Children's Assessment Center, the South Main Center Association and Save our ERs; and a member of Texas Hospital Association, Voluntary Hospital Association, Texas Association for Public and Non-Profit Hospitals, Greater Houston Partnership and Texas Executive Women

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C. E. (Chuck) Shultz, 73
Director since 1994

Mr. Shultz currently serves and has served since 1995 as Chairman and Chief Executive Officer of Dauntless Energy Inc., a Canadian private oil and gas company he formed in 1995. From 1990 to 1995, Mr. Shultz served as the President and Chief Executive Officer of Gulf Canada Resources Limited, then a public Canadian oil and gas company. Prior to Gulf Canada, he served as a senior executive of Tenneco Oil Company.

Committees:

» Audit

Education: Professional Degree in Geological Engineering from the Colorado School of Mines; attended the University of Virginia's Executive Program and the Harvard Business School Advanced Management Program

Other Public Company Directorships in Past Five Years: Canadian Oil Sands Ltd. (previously served as Chairman from 1996 to 2009); and Enbridge Inc., an energy transportation and distribution company (2006 - present)

Specific Qualifications, Attributes, Skills and Experience that Mr. Shultz brings to our Board:

Diversity - Dual U.S. - Canada citizenship and resident of Canada; and over 20 years of experience in the Canadian oil and gas industry

Relevant Chief Executive Officer/President Experience - 18 years as Chairman and Chief Executive Officer of Dauntless Energy; and five years as President and Chief Executive Officer of Gulf Canada Resources Limited

High Level of Financial Literacy - extensive understanding of reserves disclosures, serves on the Audit Committee of one other company and the Reserves Committee of one other company

Broad International Exposure - more than 40 years of North American and International executive experience in the upstream oil and gas industry

Extensive Knowledge of the Company's Business and Industry - served as one of our directors for 19 years, providing him with invaluable knowledge of our strategy and business; extensive experience in health, safety and environmental matters; over 50 years of experience in the oil and gas industry; served as Chairman of the Canadian Energy Research Institute, U.S. National Energy Policy Council; served as Governor of the Canadian Association of Petroleum Producers; served as Governor of the Canadian Oilmen's Executive Association; and served as Chairman of the Council on Canadian Energy Research Institute

Extensive Board and Corporate Governance Experience director of three publicly-held companies; director of Enbridge Pipelines, a pipeline company and wholly-owned subsidiary of Enbridge; director of Glencoe Exploration, a privately-held Canadian oil and gas company (1996 to present); co-founder and director of Matrix Solutions Inc., a privately-held environmental consulting company (1996 to present); director of Sonoma Resources, a privately-held Canadian oil and gas company (2006 to present); former director of three additional privately-held entities; and holds an ICD.D designation as a professional director from the Canadian Institute of Corporate Directors and named as a Fellow in 2013, bringing to our Board significant knowledge on corporate governance matters

Community Dedication and Charitable Experience serves on the Trustee Advisory Board for the Colorado School of Mines Foundation (since 2005); and served as a director for Alberta Science, Alberta Economic Development Authority and Business Advisory Board Calgary Airport

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Richard K. Stoneburner, 59

Director since 2013

Mr. Stoneburner was appointed to Newfield's Board of Directors in February 2013. Mr. Stoneburner served as the President - North America Shale Production Division for BHP Billiton Petroleum from August 2011 through his retirement in December 2012. From 2009 to August 2011, Mr. Stoneburner served as President and Chief Operating Officer of Petrohawk Energy Corp., as Chief Operating Officer from 2007-2009 and led Petrohawk's exploration activities as Vice President, then Executive Vice President of Exploration, from 2003-2007. Mr. Stoneburner began his career as a geologist in 1977 and held positions at Texas Oil and Gas Corp., Weber Energy Corp., Hugoton Energy Corp. and 3TEC Energy Corp.

Education: B.S. in Geological Sciences from the University of Texas and M.S. in Geological Sciences from Wichita State University

Specific Qualifications, Attributes, Skills and Experience that Mr. Stoneburner brings to our Board:

Relevant Leadership and Chief Executive Officer/President Experience retired President-North America Shale Production Division for BHP Billiton Petroleum; served as President and Chief Operating Officer of Petrohawk Energy Corp., and as Chief Operating Officer from 2007-2009

Extensive Knowledge of the Company's Business and Industry over 35 years of experience in the oil and gas industry ranging from staff geologist, corporate owner, exploration manager to C-level executive; played a leading role in exploring for and developing some of the most successful resource plays in the United States; significant experience in the challenges of resource play operations and development; played a key role in implementing a comprehensive health, safety, environment and community management system for unconventional shale plays while at BHP Billiton Petroleum; and holds B.S. and M.S. in Geology Sciences

Community Dedication and Charitable Experience Nominated for the Advisory Board of the Jackson School of Geoscience at the University of Texas at Austin; member of the L.T. Barrow Founders Circle at the Jackson School of Geoscience; American Association of Professional Geologists Foundation Trustee Associate; American Association of Professional Geologists Distinguished Lecturer 2012 2013; member of the American Association of Professional Geologists, the Society of Petroleum Engineers and The Houston and Dallas Geological Societies

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Mr. Strange is a 34-year veteran of KPMG LLP. From 1996 until his retirement in 2002, he served as the Vice Chairman and Managing Partner of the U.S. Audit Practice of KPMG in addition to his service from 1998 until 2002 as the Global Managing Partner of the Audit Practice of KPMG International.

J. Terry Strange, 69

Director since 2004

Education: B.A. and M.B.A. in Accounting from the University of North Texas

Committees:

» Audit

» Nominating & Corporate Governance

Other Public Company Directorships in Past Five Years: Group 1 Automotive, Inc., an automotive retailer (2005 to present); New Jersey Resources Corporation, a natural gas provider (2003 to present); SLM Corporation, known as Sallie Mae (2008 to present); and previously served as a director of BearingPoint, Inc., a management and technology consulting company (2003 to 2009)

Specific Qualifications, Attributes, Skills and Experience that Mr. Strange brings to our Board:

High Level of Financial Literacy and Risk Analysis 34 years of service with KPMG in the audit division, including six years as Vice Chairman and overseeing internal risk management of the firm; assisted in developing information risk management team at KPMG; B.A. and M.B.A. in Accounting; Certified Public Accountant; named as one of 100 most influential accountants in 2001 by Accounting Today; and determined by the Board to be an audit committee financial expert, as defined by the SEC

Broad International Exposure four years as the Global Managing Partner of the Audit Practice of KPMG International

Extensive Board and Corporate Governance Experience serves on the audit committee and board of three additional public companies; an active participant and expert speaker for the National Association of Corporate Directors and an NACD Board Leadership Fellow, bringing to our Board significant knowledge on corporate governance matters

Extensive Knowledge of the Company's Business and Industry served clients in the energy industry for over 15 years; led the energy practice at KPMG for three years; significantly involved in the original development of the accounting standards released by the Financial Accounting Standards Board and the disclosure rules implemented by the SEC for the oil and gas industry; and assisted in writing the original oil and gas accounting industry guide published by the AICPA

Community Dedication and Charitable Experience Chair of the Finance Committee of the National Cutting Horse Association

Board Recommendation

The Board of Directors recommends a vote FOR each of the foregoing nominees to serve as a director.

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Only non-management directors are compensated for serving as directors. Currently, Mr. Boothby, our Chairman of the Board, President and Chief Executive Officer, is the only Board member who is an employee of ours, and his compensation as an employee is included in the Summary Compensation Table of the Proxy Statement.

The following table contains information about our non-management directors' fiscal year 2012 compensation.

Name	Fees Earned			Total (\$)
	Paid in Cash (\$)	Stock Awards ⁽¹⁾ (\$)	All Other Compensation ⁽²⁾ (\$)	
Philip J. Burguières	\$ 123,125	\$ 199,958		323,083
Pamela J. Gardner	\$ 68,750	\$ 199,958		268,708
John Randolph Kemp III	\$ 87,500	\$ 199,958	250	287,708
J. Michael Lacey	\$ 68,750	\$ 199,958	1,000	269,708
Joseph H. Netherland	\$ 68,750	\$ 199,958		268,708
Howard H. Newman	\$ 68,750	\$ 199,958		268,708
Thomas G. Ricks	\$ 91,250	\$ 199,958		291,208
Juanita M. Romans	\$ 68,750	\$ 199,958	1,000	269,708
C. E. (Chuck) Shultz	\$ 68,750	\$ 199,958	1,000	269,708
J. Terry Strange	\$ 68,750	\$ 199,958		268,708

- (1) Reflects the full grant date fair value of the 2012 restricted stock awards to our non-employee directors, computed in accordance with applicable accounting guidance, as required by SEC regulations. The grant date fair value of the 2012 award was \$199,958 based on the mean of the high and low sales price of our common stock on the grant date. See also Note 10, Stock-Based Compensation, to our audited financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2012 filed with the SEC.
- (2) Reflects charitable contributions with respect to 2012 pursuant to our matching gift program for non-employee directors. Under this program, we match our non-employee directors' charitable contributions up to \$2,500 per year.

Non-Management Director Compensation Program

In connection with our 2012 Annual Meeting, non-management director compensation was adjusted to keep the level of total compensation at the 50th percentile of non-management director compensation at our peer companies; and to continue to align director compensation with Company performance by increasing the portion of total compensation that is provided through an annual equity award rather than annual cash fees. Our 2012-2013 non-management director compensation was as follows:

annual cash retainer of \$75,000;

annual fee for the chair of the Governance Committee of \$10,000;

annual fee for the chair of the Audit Committee of \$25,000;

annual fee for the chair of the Compensation Committee of \$20,000;

value of the annual restricted stock award equal to \$200,000; and

annual fee for the Lead Director of \$75,000.

In considering non-management director compensation for the 2013-2014 annual period beginning with the 2013 Annual Meeting, the Governance Committee retained an independent consultant, Pearl Meyer & Partners,

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to provide industry data regarding peer company director compensation. After considering the information presented, the Governance Committee recommended no changes to the non-management director compensation for the 2013-2014 period.

As of December 31, 2012, each non-employee director held 5,187 unvested restricted shares that are scheduled to vest on May 1, 2013, the day before of our 2013 Annual Meeting, subject to the non-employee director's continued service through such date.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth beneficial ownership information with respect to our common stock as of March 5, 2013 for (1) each person known by us to own beneficially more than 5% of our outstanding common stock, (2) each of our directors and nominees for director, (3) each of our named executive officers referenced in the Summary Compensation Table, and (4) all of our directors and executive officers as a group. Unless otherwise noted, each person listed below has sole voting and investment power with respect to the shares of our common stock listed below as beneficially owned by the person.

None of the shares beneficially owned by our executive officers or directors has been pledged as security for an obligation. Our insider trading policy prohibits our executive officers and directors from holding Newfield securities in a margin account or pledging Newfield securities as collateral for a loan.

Name of Beneficial Owner	Beneficial Ownership ⁽¹⁾	
	Shares	Percent
Holders of More Than 5%:		
BlackRock, Inc. ⁽²⁾	7,160,589	5.30%
The Vanguard Group, Inc. ⁽³⁾	7,988,370	5.90%
Wellington Management Company, LLP ⁽⁴⁾	15,439,426	11.40%
T. Rowe Price Associates, Inc. ⁽⁵⁾	7,852,522	5.80%
Named Executive Officers and Directors:		
Lee K. Boothby	93,000	*
Philip J. Burguières	31,915	*
George T. Dunn	137,505	*
Pamela J. Gardner	20,397	*
John Randolph Kemp III	21,905	*
J. Michael Lacey	21,393	*
Joseph H. Netherland	21,393	*
Howard H. Newman	192,131	*
Gary D. Packer	160,950	*
Terry W. Rathert	75,192	*
Thomas G. Ricks	26,621	*
Juanita F. Romans	19,397	*
Lawrence S. Massaro	6,310	*
C. E. (Chuck) Shultz	34,031	*
Richard K. Stoneburner	6,032	*
J. Terry Strange	21,393	*
All Executive Officers and Directors as a Group (consisting of 25 persons)	1,129,973	*

* Less than 1%

(1) The amounts shown include, as of March 5, 2013: (a) shares of common stock held under Newfield's 401(k) Plan for the accounts of participants; (b) shares of restricted stock; and (c) shares of common stock that may be acquired within 60 days through the exercise of stock options or the vesting of restricted stock units. The

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shares beneficially owned by Messrs. Boothby, Dunn, Packer, Rathert and Massaro and by our executive officers and directors as a group include 30,000 shares, 18,000 shares, 25,000 shares, 0 shares, 0 shares, and 144,700 shares, respectively, that may be acquired by such persons within 60 days through the exercise of stock options. None of our NEOs or directors own restricted stock units that may vest within 60 days after March 5, 2013. Until stock options are exercised or restricted stock units vest, these individuals have neither voting nor investment power over the underlying shares of common stock.

- (2) BlackRock, Inc. (BlackRock), in its capacity as a parent holding company or control person for various subsidiaries (none of which individually owns more than 5% of our outstanding common stock), may be deemed to beneficially own the indicated shares. BlackRock's address is 40 East 52nd St., New York, NY 10022. This information is based on BlackRock's most recent Statement on Schedule 13G, updated for shares outstanding as of March 5, 2013.
- (3) The Vanguard Group, Inc. (Vanguard), in its capacity as an investment adviser, may be deemed to beneficially own the indicated shares, which are held by clients of Vanguard. Vanguard has sole voting power over 233,435 shares and shared dispositive power over 222,315 shares, as well as sole dispositive power of 7,766,055 shares. Vanguard's address is 100 Vanguard Blvd., Malvern, PA 19355. This information is based on Vanguard's most recent Statement on Schedule 13G, updated for shares outstanding as of March 5, 2013.
- (4) Wellington Management Company, LLP (Wellington), in its capacity as an investment adviser, may be deemed to beneficially own the indicated shares, which are held of record by clients of Wellington. Wellington has shared voting power over 10,714,187 shares and shared dispositive power over 15,439,426 shares. Wellington's address is 280 Congress Street, Boston, MA 02210. This information is based on Wellington's most recent Statement on Schedule 13G, updated for shares outstanding as of March 5, 2013.
- (5) T. Rowe Price Associates, Inc. (T. Rowe Price), in its capacity as an investment adviser, may be deemed to beneficially own the indicated shares, which are held of record by clients of T. Rowe Price. T. Rowe Price has sole voting power over 2,967,725 shares and sole dispositive power over 7,819,822 shares. T. Rowe Price's address is 100 E. Pratt Street, Baltimore, MD 21202. This information is based on T. Rowe Price's most recent Statement on Schedule 13G, updated for shares outstanding as of March 5, 2013.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our officers and directors and persons who own more than 10% of our common stock to file reports of beneficial ownership and changes in ownership with the SEC. These persons are required by SEC rules to furnish us with copies of these reports. Based solely on our review of the copies of these reports received by us during fiscal year 2012 and representations from certain reporting persons that they have complied with the relevant filing requirements, we believe that all such filing requirements were complied with during the year ended December 31, 2012; provided that due to clerical processing delays, Ms. Romans and each of Messrs. Daryll Howard, Brian Rickmers and Kevin Robinson inadvertently filed late one transaction on one Form 4.

CORPORATE GOVERNANCE

Set forth below, in question and answer format, is a discussion about our corporate governance policies and practices and other matters relating to our Board and its Committees.

General

Have you adopted Corporate Governance Guidelines?

Yes. The Board is responsible for, and believes in, overseeing the Company's assets and business affairs in an honest, fair, diligent and ethical manner driven by good corporate governance principles. To fulfill its

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responsibilities, the Board follows the procedures and standards set forth in its Corporate Governance Guidelines. These Guidelines address matters such as director responsibilities and conduct, director qualifications, Board composition, functioning of the Board and the Committees, director access to management and independent advisors, director compensation, director stock ownership, director orientation and continuing education, evaluation of our Chief Executive Officer, management succession and performance evaluations of our Board and its Committees. In February 2012, the Governance Committee also established a Director Selection Process and Guidelines, which is attached as Appendix A to the Corporate Governance Guidelines and outlines the process and criteria for selecting director nominees.

Have you adopted a Code of Ethics and Conduct?

Yes. Our Board has formally adopted a Corporate Code of Business Conduct and Ethics applicable to our directors, officers and employees. In addition, the Board has adopted a Financial Code of Ethics applicable to our Chief Executive Officer, Chief Financial Officer and Controller or Chief Accounting Officer, and an Insider Trading Policy applicable to all directors, officers and employees.

How can I view or obtain copies of your corporate governance materials?

The guidelines and codes mentioned above, as well as the charters for the Audit Committee, Compensation & Management Development Committee and Nominating & Corporate Governance Committee of our Board, are available on our website for viewing and printing. Go to <http://www.newfield.com> and then to the Corporate Governance Overview tab.

Board of Directors

How many independent directors do you have? How do you determine whether a director is independent?

Our Board has affirmatively determined that 11 of our 12 current directors and 9 of our 10 nominated directors are independent as that term is defined by NYSE rules. In making this determination, our Board considered various transactions and relationships between each director nominee or his or her immediate family and our Company and its subsidiaries. The purpose of this review by our Board was to determine whether any such relationships or transactions were material and, therefore, inconsistent with a determination that the director is independent. In the ordinary course of business during 2012, we entered into purchase and sale transactions for products and services with certain companies affiliated with members of our Board of Directors, as described below:

Mr. Netherland is a director of FMC Technologies, Inc. and retired as Chairman of FMC Technologies in December 2008.

Mr. Burguières also is a director of FMC Technologies. In 2012, we paid FMC Technologies and its subsidiaries approximately \$9.9 million (net to our interest) for various oilfield services.

Mr. Shultz is a director of Enbridge Inc. In 2012, Enbridge and its subsidiaries paid us approximately \$822,312 (net to our interest) for purchases of natural gas from us.

In each case, the transactions were for less than 2% of the consolidated gross revenues of the director-affiliated company. See also Interests of Management and Others in Certain Transactions. We generally expect transactions of a similar nature to occur during 2013.

As a result of its review, our Board affirmatively determined, based on its understanding of such transactions and relationships, that all of our current directors are independent of our Company under the standards set forth by the NYSE, with the exception of Lee K. Boothby. Mr. Boothby currently serves as our Chairman of the Board, President and Chief Executive Officer. There are no family relationships between any of the nominees for director or between any nominee and any executive officer of our Company.

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How many times did your Board meet last year?

Our Board met in person or by telephone conference five times during 2012.

Did any of your directors who served on your Board during 2012 attend fewer than 75% of the meetings of your Board and his or her assigned Committees during 2012?

For personal health reasons, Mr. Burguières attended less than 75% of our 2012 Board and assigned Committee meetings.

Do you have a policy regarding director attendance at Annual Meetings of Stockholders?

Yes. Directors are expected to attend the Annual Meetings of Stockholders. All of our directors attended the 2012 Annual Meeting except for Mr. Newman, who had a prior conflicting commitment.

Do your non-management directors and independent directors meet in executive session?

Yes. Our non-management directors and independent directors meet in executive session on a regular basis usually at each regularly scheduled meeting of our Board. All of our non-management directors are independent. Our corporate governance guidelines pro