Oasis Petroleum Inc.
Form DEF 14A
March 16, 2011

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 (AMENDMENT NO.)

Filed by the Registrant þ
Filed by a Party other than the Registrant o
Check the appropriate box:

o Preliminary Proxy Statement

o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

þ Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material Pursuant to § 240.14a-12

Oasis Petroleum Inc.
(Name of Registrant as Specified in Its Charter)
(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

þ 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:

OASIS PETROLEUM INC.
1001 Fannin Street
Suite 1500
Houston, Texas 77002

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To the Stockholders of Oasis Petroleum Inc.:

Notice is hereby given that the Annual Meeting of Stockholders of Oasis Petroleum Inc. (the Company) will be held at the Four Seasons Hotel, 1300 Lamar Street, Houston, Texas 77010, on Thursday, May 5, 2011, at 9:00 a.m. Central Time (the Annual Meeting). The Annual Meeting is being held for the following purposes:

1. To elect two Class I Directors, each for a term of three years.

2. To ratify the selection of PricewaterhouseCoopers LLP as the Company s independent registered public accountants for 2011.

3. To approve, on an advisory basis, the compensation of our executive officers as described in the Executive Compensation and Other Information Compensation Discussion and Analysis (CD&A) section of the accompanying proxy statement and the selection of the frequency of shareholder votes on executive compensation as separate voting items:

(A) the shareholders approve the compensation philosophy, policies and procedures described in the CD&A, and the compensation of Oasis Petroleum Inc. s named executive officers as disclosed pursuant to the SEC s compensation disclosure rules, including the compensation tables.

(B) the stockholders of the Company be provided an opportunity to approve the compensation philosophy, policies and procedures described in the CD&A, and the compensation of Oasis Petroleum Inc. s named executive officers as disclosed pursuant to the SEC s compensation disclosure rules, including the compensation tables every:

One year

Two years

Three years .

4. To transact such other business as may properly come before the Annual Meeting.

These proposals are described in the accompanying proxy materials. You will be able to vote at the Annual Meeting only if you were a stockholder of record at the close of business on March 11, 2011.

YOUR VOTE IS IMPORTANT

Please vote over the internet at www.proxyvote.com or by phone at 1-800-690-6903 promptly so that your shares may be voted in accordance with your wishes and so we may have a quorum at the Annual Meeting. Alternatively, if you did not receive a paper copy of the proxy materials (which includes the proxy card), you may request a paper proxy card, which you may complete, sign and return by mail.

By Order of the Board of Directors,

Nickolas J. Lorentzatos
Corporate Secretary

Houston, Texas
March 16, 2011

OASIS PETROLEUM INC.
1001 Fannin Street
Suite 1500
Houston, Texas 77002

PROXY STATEMENT

2011 ANNUAL MEETING OF STOCKHOLDERS

The Board of Directors of the Company requests your Proxy for the Annual Meeting of Stockholders that will be held Thursday, May 5, 2011, at 9:00 a.m. Central Time, at the Four Seasons Hotel, 1300 Lamar Street, Houston, Texas 77010. By granting the Proxy, you authorize the persons named on the Proxy to represent you and vote your shares at the Annual Meeting. Those persons will also be authorized to vote your shares to adjourn the Annual Meeting from time to time and to vote your shares at any adjournments or postponements of the Annual Meeting.

If you attend the Annual Meeting, you may vote in person. If you are not present at the Annual Meeting, your shares may be voted only by a person to whom you have given a proper Proxy. You may revoke the Proxy in writing at any time before it is exercised at the Annual Meeting by delivering to the Corporate Secretary of the Company a written notice of the revocation, by submitting your vote electronically through the internet or by phone after the grant of the Proxy, or by signing and delivering to the Corporate Secretary of the Company a Proxy with a later date. Your attendance at the Annual Meeting will not revoke the Proxy unless you give written notice of revocation to the Corporate Secretary of the Company before the Proxy is exercised or unless you vote your shares in person at the Annual Meeting.

ELECTRONIC AVAILABILITY OF PROXY STATEMENT AND ANNUAL REPORT

As permitted under the rules of the Securities and Exchange Commission (the SEC), the Company is making this Proxy Statement and its Annual Report available to its stockholders electronically via the internet. The Company is sending on or about March 21, 2011, a Notice Regarding the Availability of Proxy Materials (the Notice) to its stockholders of record as of the close of business on March 11, 2011, which Notice will include (i) instructions on how to access the Company s proxy materials electronically, (ii) the date, time and location of the Annual Meeting, (iii) a description of the matters intended to be acted upon at the Annual Meeting, (iv) a list of the materials being made available electronically, (v) instructions on how a stockholder can request to receive paper or e-mail copies of the Company s proxy materials, (vi) any control/identification numbers that a stockholder needs to access his or her proxy card and instructions on how to access the proxy card, and (vii) information about attending the Annual Meeting and voting in person.

Stockholders of Record and Beneficial Owners

Most of the Company s stockholders hold their shares through a broker, bank or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

Stockholders of Record. If your shares are registered directly in your name with the Company s transfer agent, you are considered the stockholder of record with respect to those shares, and the Notice is being sent directly to you by our agent. As a stockholder of record, you have the right to vote by proxy or to vote in person at the Annual Meeting. If you received a paper copy of the proxy materials by mail instead of the Notice, the proxy materials include a proxy card or a voting instruction card for the Annual Meeting.

Beneficial Owners. If your shares are held in a brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in street name, and the Notice will be forwarded to you by your broker or nominee. The broker or nominee is considered the stockholder of record with respect to those shares. As the beneficial owner, you have the right to direct your broker how to vote. Beneficial owners that receive the Notice by mail from the stockholder of record should follow the instructions included in the Notice to view the proxy statement and transmit voting instructions. If you received a paper copy of the proxy materials by mail instead of the Notice, the proxy materials include a proxy card or a voting instruction card for the Annual Meeting.

QUORUM AND VOTING

Voting Stock. The Company s common stock, par value $0.01 per share, is the only class of securities that entitles holders to vote generally at meetings of the Company s stockholders. Each share of common stock outstanding on the record date is entitled to one vote.

Record Date. The record date for stockholders entitled to notice of and to vote at the Annual Meeting was the close of business on March 11, 2011. As of the record date, 92,310,145 shares of common stock were outstanding and entitled to be voted at the Annual Meeting.

Quorum and Adjournments. The presence, in person or by Proxy, of the holders of a majority of the outstanding shares entitled to vote at the Annual Meeting is necessary to constitute a quorum at the Annual Meeting.

If a quorum is not present, a majority of the stockholders entitled to vote who are present in person or by Proxy at the Annual Meeting have the power to adjourn the Annual Meeting from time to time, without notice other than an announcement at the Annual Meeting, until a quorum is present. At any adjourned Annual Meeting at which a quorum is present, any business may be transacted that might have been transacted at the Annual Meeting as originally notified.

Vote Required. Directors will be elected by the affirmative vote of the holders of a plurality of the shares present and entitled to be voted at the Annual Meeting. Ratification of the selection of the Company s auditors will require the affirmative vote of the holders of a majority of the shares present and entitled to be voted at the Annual Meeting. Approval of Items 3(A) and (B) require the affirmative vote of the holders of a majority of the shares present and entitled to be voted at the Annual Meeting. An automated system that Broadridge Financial Solutions administers will tabulate the votes. Brokers who hold shares in street name for customers are required to vote shares in accordance with instructions received from the beneficial owners. Brokers are permitted to vote on discretionary items if they have not received instructions from the beneficial owners, but they are not permitted to vote (a broker non-vote) on non-discretionary items absent instructions from the beneficial owner. Brokers do not have discretionary voting authority with respect to the election of directors. For ratification of the selection of the Company s auditors, brokers will have discretionary authority in the absence of timely instructions from their customers. For approval of Items 3(A) and (B), brokers will not have discretionary authority in the absence of timely instructions from their customers. Abstentions and broker non-votes will count in determining whether a quorum is present at the Annual Meeting. Neither abstentions nor broker non-votes will have any effect on the outcome of voting on director elections or on Items 3(A) or (B). For purposes of voting on the ratification of the selection of auditors, abstentions will be included in the number of shares voting and will have the effect of a vote against the proposal.

Default Voting. A Proxy that is properly completed and submitted will be voted at the Annual Meeting in accordance with the instructions on the Proxy. If you properly complete and submit a Proxy, but do not indicate any contrary voting instructions, your shares will be voted as follows:

FOR the election of the two persons named in this Proxy Statement as the Board of Directors nominees for election as Class I Directors.

FOR the ratification of the selection of PricewaterhouseCoopers LLP as the Company s auditors for 2011.

(A) FOR the approval of the compensation of our named executive officers, as disclosed in this proxy statement pursuant to the compensation disclosure rules of the SEC and (B) for a frequency of TWO (2) YEARS for future non-binding Say on Pay stockholder votes on compensation of our named executed officers.

If any other business properly comes before the stockholders for a vote at the meeting, your shares will be voted in accordance with the discretion of the holders of the Proxy. The Board of Directors knows of no matters, other than those previously stated, to be presented for consideration at the Annual Meeting.

ITEM ONE

ELECTION OF DIRECTORS

The Board of Directors has nominated the following individuals for election as Class I Directors of the Company to serve for a three year term to expire in 2014 and until either they are re-elected or their successors are elected and qualified:

Ted Collins, Jr.
Douglas E. Swanson, Jr.

Messrs. Collins and Swanson are currently serving as Directors of the Company. Their biographical information is contained in the Directors and Executive Officers section below.

The Board of Directors has no reason to believe that any of its nominees will be unable or unwilling to serve if elected. If a nominee becomes unable or unwilling to accept nomination or election, either the number of the Company s Directors will be reduced or the persons acting under the Proxy will vote for the election of a substitute nominee that the Board of Directors recommends.

The Board of Directors unanimously recommends that stockholders vote FOR the election of each of the nominees.

DIRECTORS AND EXECUTIVE OFFICERS

After the Annual Meeting, assuming the stockholders elect the nominees of the Board of Directors as set forth in Item One Election of Directors above, the Board of Directors of the Company will be, and the executive officers of the Company are:

Name	**Age**	**Title**
Thomas B. Nusz	51	Chairman, President and Chief Executive Officer
Taylor L. Reid	48	Director, Executive Vice President and Chief Operating Officer
William J. Cassidy(1)(2)(3)	45	Director
Ted Collins, Jr.(1)(3)	72	Director
Michael McShane(1)(2)	57	Director
Douglas E. Swanson, Jr.(2)(3)	39	Director
Robert L. Zorich	61	Director
Kent O. Beers	61	Senior Vice President Land
Robert J. Candito	57	Senior Vice President Exploration
Nickolas J. Lorentzatos	42	Senior Vice President, General Counsel and Corporate Secretary
Michael H. Lou	36	Senior Vice President Finance
Roy W. Mace	52	Senior Vice President and Chief Accounting Officer
H. Brett Newton	45	Senior Vice President Asset Management
Walter S. Smithwick	52	Senior Vice President Operations

(1) Member of the Audit Committee.

(2) Member of the Compensation Committee.

(3) Member of the Nominating and Governance Committee.

The Company s Board of Directors currently consists of seven members. The Company s Directors are divided into three classes serving staggered three-year terms. Each year, the Directors of one class stand for re-election as their terms of office expire. Messrs. Collins and Swanson are designated as Class I Directors, and their terms of office expire in 2011. Messrs. Cassidy, Reid and Zorich are designated as Class II Directors, and their terms of office expire in 2012. Messrs. McShane and Nusz are designated as Class III Directors, and their terms of office expire in 2013.

Set forth below is biographical information about each of the Company s Directors and nominees for Director.

Thomas B. Nusz has served as our Director, President and Chief Executive Officer (or in similar capacities) since our inception in March 2007 and has 29 years of experience in the oil and gas industry. From April 2006 to February 2007, Mr. Nusz managed his personal investments, developed the business plan for Oasis Petroleum LLC and secured funding for the company. He was previously a Vice President with Burlington Resources Inc., a formerly publicly traded oil and gas exploration and production company or, together with its predecessors, Burlington, and served as President International Division (North Africa, Northwest Europe, Latin America and China) from January 2004 to March 2006, as Vice President Acquisitions and Divestitures from October 2000 to December 2003 and as Vice President Strategic Planning and Engineering from July 1998 to September 2000 and Chief Engineer for substantially all of such period. He was instrumental in Burlington s expansion into the Western Canadian Sedimentary Basin from 1999 to 2002. From September 1985 to June 1998, Mr. Nusz held various operations and managerial positions with Burlington in several regions of the United States, including the Permian Basin, the San Juan Basin, the Black Warrior Basin, the Anadarko Basin, onshore Gulf Coast and Gulf of Mexico. Mr. Nusz was an engineer with Mobil Oil Corporation and for Superior Oil Company from June 1982 to August 1985. He is a current member of the National Petroleum Council, an advisory committee to the Secretary of Energy of the United States. Mr. Nusz holds a Bachelor of Science in Petroleum Engineering from Mississippi State University.

Taylor L. Reid has served as our Director, Executive Vice President and Chief Operating Officer (or in similar capacities) since our inception in March 2007 and has 25 years of experience in the oil and gas industry. From November 2006 to February 2007, Mr. Reid worked with Mr. Nusz to form the business plan for Oasis Petroleum LLC and secure funding for the company. He previously served as Asset Manager Permian and Panhandle Operations with ConocoPhillips from April 2006 to October 2006. Prior to joining ConocoPhillips, he served as General Manager Latin America and Asia Operations with Burlington from March 2004 to March 2006 and as General Manager Corporate Acquisitions and Divestitures from July 1998 to February 2004. From March 1986 to June 1998, Mr. Reid held various operations and managerial positions with Burlington in several regions of the continental United States, including the Permian Basin, the Williston Basin and the Anadarko Basin. He was instrumental in Burlington s expansion into the Western Canadian Sedimentary Basin from 1999 to 2002. Mr. Reid holds a Bachelor of Science in Petroleum Engineering from Stanford University.

William J. Cassidy has served as our Director since September 2010, is the Chair of our Nominating and Governance Committee, and serves on our Audit and Compensation Committees. In March of 2010, Mr. Cassidy joined Resource Production Advisors, LLC a firm providing investors with access to commodity investments and advice. He is also a non-executive director of GasValpo, SA, a Chilean gas distribution company. Additionally, Mr. Cassidy was a founding partner at U.S. Drilling Capital Management, LLC, a drilling investment fund, starting in 2008. From 2006 until 2008, Mr. Cassidy served at Barclays Capital as Head of Exploration and Production Investment Banking. From 2002 to 2006 he worked as a senior member of the Energy and Power Investment Banking division at Banc of America Securities. Mr. Cassidy began his investment banking career with JPMorgan Chase in varying capacities from 1995 to 2001. During that time he spent two years in London, focused on the emerging deregulation of the European natural gas industry, spending the balance of his time in New York focused on providing strategic advice to North American and Latin American E&P companies. He worked as a Geophysicist for Conoco from 1989 to 1993 focused on the North Sea and emerging deepwater Gulf of Mexico. He earned his Bachelor of Science in Geology and Math from the National University of Ireland, Cork, a Masters of Science in Petroleum Geophysics from the Royal School of Mines, Imperial College, London and a Masters of Business Administration from the Wharton School of the University of Pennsylvania.

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Ted Collins, Jr. has served as our Director since February 2011 and, as of May 1, 2011, will serve on our Audit Committee and Nominating and Governance Committee. Mr. Collins currently serves as Chairman and Chief Executive Officer of Patriot Resources Partners, LLC and serves as a director on the Boards of CLL Global Research Foundation and Energy Transfer Group, L.P. Mr. Collins began his career in 1960 as a Petroleum Engineer with Pan American Petroleum Corporation. He left in 1963 to become an independent oil operator. He then joined American Quasar Petroleum Company as Executive Vice President in 1969 until 1982 at which time he became President of Enron Oil & Gas Company, whose predecessor companies were HNG Oil Co. and HNG/InterNorth Exploration. He left Enron in 1988 and became President of Collins & Ware, Inc., an independent oil and gas exploration and production company, which sold the majority of its assets to Apache Corp. in 2000. From 2000 to 2006, he served as President of Collins & Ware Investments Co. He earned his Bachelor of Science in Geological Engineering from the University of Oklahoma.

Michael McShane has served as our director since May 2010, is the Chair of our Audit Committee, serves on our Compensation Committee, and will serve on our Nominating and Governance Committee until May 1, 2011. Mr. McShane served as a director and President and Chief Executive Officer of Grant Prideco, Inc., a manufacturer and supplier of oilfield drill pipe and other drill stem products, from June 2002 until the completion of the merger of Grant Prideco with National Oilwell Varco, Inc. in April 2008, and Chairman of the Board of Grant Prideco from May 2003 through April 2008. Prior to joining Grant Prideco, Mr. McShane was Senior Vice President Finance and Chief Financial Officer and director of BJ Services Company, a provider of pressure pumping, cementing, stimulation and coiled tubing services for oil and gas operators, from 1990 to June 2002. Mr. McShane has also served as a director of Complete Production Services, Inc. (NYSE: CPX), an oilfield service provider, since March 2007, Spectra Energy Corp (NYSE: SE), a provider of natural gas infrastructure, since April 2008, Globalogix, a privately held company that provides comprehensive services to upstream oil and gas producers and operators, since June 2007 and Forum Energy Technologies, a global provider of manufactured and applied technologies to the energy industry, since August 2010. Mr. McShane also serves as an advisor to Advent International, a global private equity firm.

Douglas E. Swanson, Jr. has served as our Director since our inception in March 2007, is the Chair of our Compensation Committee, serves on our Nominating and Governance Committee, and will serve on our Audit Committee until May 1, 2011. Mr. Swanson is a Partner of EnCap Investments L.P., an investment management firm, which he joined in 1999. Prior to his position at EnCap, he was in the corporate lending division of Frost National Bank from 1995 to 1997, specializing in energy related service companies, and was a financial analyst in the corporate lending group of Southwest Bank of Texas from 1994 to 1995. Mr. Swanson has extensive industry experience serving on numerous boards of private oil and gas exploration and production companies over his 11-year history with EnCap and is a member of the Independent Petroleum Association of America and the Texas Independent Producers & Royalty Owners Association. Mr. Swanson holds a Bachelor of Arts in Economics and a Masters of Business Administration, both from the University of Texas at Austin.

Robert L. Zorich has served as our Director since our inception in March 2007. Mr. Zorich is a Principal of EnCap Investments L.P., an investment management firm which he co-founded in 1988. Prior to the formation of EnCap, Mr. Zorich was a Senior Vice President of Trust Company of the West, a large, privately-held pension fund manager, from 1986 to 1988. Prior to joining Trust Company of the West, Mr. Zorich co-founded MAZE Exploration, Inc., a company actively involved in oil and gas exploration, development and reserve acquisitions, serving as its Co-Chief Executive Officer from 1981 to 1986. Mr. Zorich began his career at Republic National Bank of Dallas where he worked from 1974 to 1981. He ultimately served as Vice President and Division Manager in the Energy Department. He serves on the board of directors of several EnCap portfolio companies and is also a member of the board of directors of Enerplus Resources Fund (NYSE: ERF). He is a member of the Independent Petroleum Association of America and Texas Independent Producers and Royalty Owners Association. Mr. Zorich holds a Bachelor of Arts in Economics from the University of California at Santa Barbara and a Masters Degree in International Management from the American Graduate School of International Management.

Kent O. Beers has served as our Senior Vice President Land (or in similar capacities) since August 2007 and has 35 years of experience in the oil and gas industry. He previously served as Commercial Director

International with ConocoPhillips from March 2006 to July 2006. Prior to joining ConocoPhillips, Mr. Beers held various managerial positions in the Commercial and Business Development divisions of Burlington from June 1997 to March 2006 and was Manager Corporate Divestitures of Burlington from June 1994 to May 1997. From June 1982 to May 1994, Mr. Beers held various land managerial positions with Burlington in the Rocky Mountain Region and the Williston Basin. Prior to joining Burlington, he was a Land Manager of NuCorp Energy Inc. from 1980 to 1982 and Regional Land Manager of Hunt Energy Corporation from 1976 to 1980. Mr. Beers holds a Bachelor of Science in Business Administration from Montana State University.

Robert J. Candito has served as our Senior Vice President Exploration (or in similar capacities) since our inception in March 2007 and has 33 years of experience in the oil and gas industry. He previously served as Principal Geologist with ConocoPhillips from April 2006 to August 2007. Prior to joining ConocoPhillips, Mr. Candito was a Senior Geological Advisor with Burlington from February 1995 to March 2006. At Burlington, he held various positions in both exploration and development operations in several regions of the continental United States, including the Gulf Coast, the Rocky Mountains and the Anadarko Basin. From January 1999 through March 2006, Mr. Candito worked for Burlington s International Division on South American projects. Prior to joining Burlington, Mr. Candito worked for several independent operators in both the Rocky Mountain and Gulf Coast regions. Mr. Candito holds a Bachelor of Science in Geology from Bridgewater State College and a Master of Science in Geochemistry from the Colorado School of Mines.

Nickolas J. Lorentzatos has served as our Senior Vice President, General Counsel and Corporate Secretary since September 2010 and has 11 years of experience in the oil and gas industry and 15 years practicing law. He previously served as Senior Counsel with Targa Resources from July 2007 to September 2010. From April 2006 to July 2007, he served as Senior Counsel to ConocoPhillips. Prior to joining ConocoPhillips, he served as Counsel and Senior Counsel to Burlington from August 1999 to April 2006. From September 1995 to August 1999, he was an associate with Bracewell & Patterson, LLP. Mr. Lorentzatos holds a Bachelor of Arts from Washington and Lee University, a Juris Doctor from the University of Houston, and a Masters of Business Administration from the University of Texas at Austin.

Michael H. Lou has served as our Senior Vice President Finance (or in similar capacities) since September 2009 and has 14 years of experience in the oil and gas industry. Prior to joining us, Mr. Lou was an independent contractor from January 2009 to August 2009. From February 2008 to December 2008, he served as the Chief Financial Officer of Giant Energy Ltd., a private oil and gas management company, from July 2006 to December 2008 he served as Chief Financial Officer of XXL Energy Corp., a publicly listed Canadian oil and gas company, and from August 2008 to December 2008, he served as Vice President Finance of Warrior Energy N.V., a publicly listed Canadian oil and gas company. From October 2005 to July 2006, Mr. Lou was a Director for Macquarie Investment Bank. Prior to joining Macquarie, Mr. Lou was a Vice President for First Albany Investment Banking from 2004 to 2006. From 1999 to 2004, Mr. Lou held positions of increasing responsibility, most recently as a Vice President, for Bank of America s investment banking group. From 1997 to 1999, Mr. Lou was an analyst for Merrill Lynch s investment banking group. Mr. Lou holds a Bachelor of Science in Electrical Engineering from Southern Methodist University.

Roy W. Mace has served as our Senior Vice President and Chief Accounting Officer (or in similar capacities) since our inception in March 2007 and has 29 years of experience in the oil and gas industry. He previously served as Business Process Improvement & Integration Advisor with ConocoPhillips from March 2006 to March 2007. Prior to joining ConocoPhillips, Mr. Mace was a Senior Accounting Manager with Burlington from June 1999 to March 2006. Upon starting his career with Burlington as a Senior Corporate Auditor, Mr. Mace advanced into various managerial accounting positions at Burlington during the period from August 1986 to June 1999. Prior to joining Burlington, Mr. Mace worked as an Assistant Controller for Permian Tank & Manufacturing from June 1984 to August 1986 and as a staff accountant for KPMG from July 1982 to June 1984. Mr. Mace holds a Bachelor of Business Administration and Accounting from Eastern New Mexico University and is a licensed Certified Public Accountant.

H. Brett Newton has served as our Senior Vice President Asset Management (or in similar capacities) since October 2007 and has 22 years of experience in the oil and gas industry. He previously served as Business Development and Partner Operations Manager Algeria with ConocoPhillips from April 2006 to

September 2007. Prior to joining ConocoPhillips, Mr. Newton was Asset Manager North Africa with Burlington from May 2004 to March 2006 and held various engineering positions with Burlington from June 1994 to April 2004. Prior to joining Burlington, Mr. Newton worked for Chevron from January 1992 to June 1994. Mr. Newton has worked projects in several regions of the world, including the Berkine Basin (Algeria), the Permian Basin, the Green River Basin and the Williston Basin. Mr. Newton holds a Bachelor of Science from Texas A&M University and a Master of Science from the University of Texas at Austin, both in Petroleum Engineering.

Walter S. Smithwick has served as our Senior Vice President Operations (or in similar capacities) since October 2007 and has 27 years of experience in the oil and gas industry. He previously served as South Texas Operations Manager Lobo Field with ConocoPhillips from April 2006 to June 2007. Prior to joining ConocoPhillips, Mr. Smithwick was Asset Manager San Juan Basin with Burlington from May 2000 to April 2006 and Drilling Manager / Superintendent from October 1994 to May 2000. From 1986 to 1994, Mr. Smithwick held various operations and managerial positions with Burlington in several regions of the continental United States, including the San Juan Basin, Permian Basin and the Anadarko Basin. Prior to joining Burlington, Mr. Smithwick worked as a TC Unit Manager for Schlumberger from 1979 to 1981 and worked for Harkins Drilling Company in 1978. Mr. Smithwick holds a Bachelor of Science in Petroleum Engineering from Texas A&M University.

MEETINGS AND COMMITTEES OF DIRECTORS

The Board of Directors of the Company held four meetings during 2010, and its independent Directors met in executive session three times during 2010. During 2010, each of the Directors attended 100 percent of the aggregate of the total number of meetings of the Board of Directors and the total number of meetings of all committees of the Board of Directors on which that director served.

The Board of Directors has three standing committees: the Audit Committee, the Compensation Committee and the Nominating and Governance Committee.

Audit Committee. Information regarding the functions performed by the Audit Committee and its membership is set forth in the Audit Committee Report included herein and also in the Audit Committee Charter that is posted on the Company s website at www.oasispetroleum.com. The members of the Audit Committee are Messrs. McShane (Chairman), Cassidy and Swanson. Effective May 1, 2011, Mr. Collins will replace Mr. Swanson on the Audit Committee. The Audit Committee held two meetings during 2010.

Compensation Committee. Responsibilities of the Compensation Committee, which are discussed in detail in its charter that is posted on the Company s website at www.oasispetroleum.com, include among other duties, the responsibility to:

- periodically review the compensation, employee benefit plans and fringe benefits paid to, or provided for, executive officers of the Company;
- approve the annual salaries, bonuses and share-based awards paid to the Company s executive officers;
- periodically review and recommend to the full Board of Directors total compensation for each non-employee director for services as a member of the Board of Directors and its committees; and
- exercise oversight of all matters of executive compensation policy.

The Compensation Committee is delegated all authority of the Board of Directors as may be required or advisable to fulfill the purposes of the Compensation Committee. The Compensation Committee may form and delegate some or all of its authority to subcommittees when it deems appropriate. Meetings may, at the discretion of the Compensation Committee, include members of the Company s management, other members of the Board of Directors, consultants or advisors, and such other persons as the Compensation Committee or its chairperson may determine.

The Compensation Committee has the sole authority to retain, amend the engagement with, and terminate any compensation consultant to be used to assist in the evaluation of director, CEO or executive officer compensation. The Compensation Committee has sole authority to approve the consultant s fees and other retention terms and has authority to cause the Company to pay the fees and expenses of such consultants. During 2010, the Compensation Committee engaged the services of Longnecker & Associates (Longnecker). The terms of Longnecker s engagement are set forth in an engagement agreement that provides, among other things, that Longnecker is engaged by, and reports only to, the Compensation Committee and will perform the compensation advisory services requested by the Compensation Committee. Among the services Longnecker was asked to perform were apprising the Compensation Committee of compensation-related trends, developments in the marketplace and industry best practices; informing the Compensation Committee of compensation-related regulatory developments; providing peer group survey data to establish compensation ranges for the various elements of compensation; providing an evaluation of the competitiveness of the Company s executive compensation and benefits programs; assessing the relationship between executive pay and performance; and advising on the design of the Company s incentive compensation programs, including metric selection and target setting and the design of the Company s performance unit award program. Longnecker does not provide any other services to the Company.

The members of the Compensation Committee are Messrs. Swanson (Chairman), Cassidy and McShane. The Compensation Committee held five meetings during 2010.

Nominating and Governance Committee. The Nominating and Governance Committee assists the Board of Directors in evaluating potential new members of the Board of Directors, recommending committee members and structure, and advising the Board of Directors about corporate governance practices. Additional information regarding the functions performed by the Nominating and Governance Committee is set forth in the Corporate Governance section included herein and also in the Nominating and Governance Committee Charter that is posted on the Company s website at www.oasispetroleum.com. The members of the Nominating and Governance Committee are Messrs. Cassidy (Chairman), McShane and Swanson. Effective May 1, 2011, Mr. Collins will replace Mr. McShane on the Nominating and Governance Committee. The Nominating and Governance Committee held two meetings during 2010.

EXECUTIVE COMPENSATION AND OTHER INFORMATION

Compensation Discussion and Analysis

This compensation discussion and analysis, or CD&A, provides information about our compensation objectives and policies for our principal executive officer, our principal financial officer and our other three most highly-compensated executive officers, and is intended to place in perspective the information contained in the executive compensation tables that follow this discussion. This CD&A provides a general description of our compensation program and specific information about its various components.

Throughout this discussion, the following individuals are referred to as the Named Executive Officers and are included in the Summary Compensation Table:

Thomas B. Nusz, Chairman, President and Chief Executive Officer;

Taylor L. Reid, Executive Vice President and Chief Operating Officer;

Roy W. Mace, Senior Vice President and Chief Accounting Officer;

Kent O. Beers, Senior Vice President Land; and

Walter S. Smithwick, Senior Vice President Operations.

Although this CD&A focuses on the information in the tables below and related footnotes, as well as the supplemental narratives relating to the fiscal year ended December 31, 2010, we also describe compensation actions taken before or after the last completed fiscal year to the extent such discussion enhances the understanding of our executive compensation disclosure. This CD&A discusses the compensatory practices in place during 2010 and prior years and highlights specific changes that were made to our compensatory policies and programs in connection with the completion of our initial public offering in June 2010 (the IPO).

Compensation Program Philosophy and Objectives

Our future success and the ability to create long-term value for our stockholders depends on our ability to attract, retain and motivate the most qualified individuals in the oil and gas industry. Our compensation program is designed to reward performance that supports our long-term strategy and achievement of our short-term goals. We believe that compensation should:

help to attract and retain the most qualified individuals in the oil and gas industry by being competitive with compensation paid to persons having similar responsibilities and duties in other companies in the same and closely related industries;

align the interests of the individual with those of our stockholders and long-term value creation;

be directly tied to the attainment of our annual performance targets and reflect individual contribution thereto;

pay for performance, whereby an individual s total compensation is heavily influenced by the company s and individual s performance; and

reflect the unique qualifications, skills, experience and responsibilities of each individual.

Setting Executive Officer Compensation

From our inception in 2007 through the completion of our IPO, the base compensation of our Named Executive Officers remained relatively unchanged and was based largely on each executive officer s base compensation level at prior positions, although some adjustments were made as we deemed necessary to maintain internal equity with respect to the compensation of all executive officers.

For 2010, Mr. Nusz, our Chief Executive Officer, and Mr. Reid, our Chief Operating Officer, together reviewed our Named Executive Officers current compensation and made a recommendation to our Board of Directors on overall compensation structure and individual compensation levels for each executive officer, including themselves, to be effective contemporaneous with the completion of our IPO. Their recommendation was made based on the experience of Mr. Nusz and Mr. Reid in managing executives and establishing compensation, as well as the use of a peer group comparison. See Benchmarking and Peer Group below. Our Board of Directors approved their recommendations, which became effective upon the consummation of our IPO.

In connection with our IPO, our Board of Directors formed a Compensation Committee to make all compensation decisions related to our Named Executive Officers for periods following the completion of our IPO. As discussed in greater detail throughout this CD&A, our Compensation Committee met numerous times during 2010 to review and discuss executive compensation matters with respect to fiscal years 2010 and 2011. Our Compensation Committee generally intends to target the 50th percentile for base salary and to provide our executive officers with an opportunity to earn up to the 75th percentile for total compensation, subject to target performance metrics being satisfied. Although our Compensation Committee reviews survey information as a frame of reference, ultimately the compensation decisions are qualitative, not quantitative, and take into consideration in material part factors such as the age of the data in the survey, the particular officer s contribution to our financial performance and condition, as well as such officer s qualifications, skills, experience and responsibilities. Our Compensation Committee considers outside factors as well, such as industry shortages of qualified employees for such positions, recent experience in the marketplace, and the elapsed time between the surveys used and when compensation decisions are made. In light of these qualitative and other considerations, the base salary of a particular officer may be greater or less than the 50th percentile and total compensation may be greater or less than the 75th percentile and, in any event, the

Compensation Committee anticipates that it may take several years for the compensation of our executive officers to build to these targeted levels. The Compensation Committee reviews our executive compensation program on an annual basis. During the last quarter of 2010, our Compensation Committee reviewed preliminary recommendations regarding changes to 2011 executive compensation and met with management and other members of our Board of Directors to discuss these recommendations. In December 2010, the Compensation Committee and the Board of Directors approved certain changes to our executive compensation program for 2011 that are described in the following sections of this CD&A.

Benchmarking and Peer Group. Prior to 2010, neither our Board of Directors nor our management used peer group analysis or benchmarking for executive compensation purposes.

For 2010, our Chief Executive Officer, Chief Operating Officer, and Senior Vice President Finance met with representatives from Longnecker & Associates, our compensation consultant, to select a group of companies that they consider a peer group for executive compensation analysis purposes. This peer group was then used for purposes of developing the recommendations presented to our Board of Directors for compensation packages that became applicable to our Named Executive Officers upon the completion of our IPO. The oil and gas companies that comprise this peer group were selected primarily because they (i) have similar annual revenue, assets and market capitalization as us and (ii) potentially compete with us for executive talent. Longnecker & Associates compiled compensation data for the peer group from a variety of sources, including proxy statements and other publicly filed documents. Longnecker & Associates also provided published survey compensation data from multiple sources. This compensation data was then used to compare the compensation of our Named Executive Officers to comparably titled persons at companies within our peer group and in the survey data, generally targeting base salaries for our Named Executive Officers at the 50th percentile of our peer group, and targeting annual cash and long-term incentives so that our Named Executive Officers will have the opportunity to realize total compensation up to the 75th percentile of our peer group based on both company and individual performance.

The 2010 peer group for compensation purposes consists of:

Abraxas Petroleum Corporation	GeoMet, Inc.
Approach Resources, Inc.	GMX Resources, Inc.
Arena Resources, Inc.	Goodrich Petroleum Corporation
Brigham Exploration Company	Gulfport Energy Corporation
Carrizo Oil and Gas, Inc.	Panhandle Oil & Gas, Inc.
Crimson Exploration, Inc.	RAM Energy Resources, Inc.
Delta Petroleum Corporation	Rex Energy Corporation
Double Eagle Petroleum Company	

At its August 2010 meeting, our Compensation Committee engaged Longnecker & Associates to review the compensation for our executive officers and non-employee Directors. Longnecker & Associates, as well as members of our management team, also worked with the Compensation Committee to develop a peer group for purposes of determining 2011 executive compensation. In light of the difficulty in establishing an appropriate comparison group for market capitalization prior to our IPO and our rapid growth and appreciation following our IPO, it was determined that certain changes to the 2010 peer group were necessary. The 2011 peer group for compensation purposes consists of:

Brigham Exploration Company	Gulfport Energy Corp.
Bill Barrett Corp.	Resolute Energy Corp.
Berry Petroleum Company	Rex Energy Corporation
Carrizo Oil and Gas, Inc.	Rosetta Resources Inc.
Comstock Resources Inc.	Swift Energy Company
Goodrich Petroleum Corporation	Venoco Inc.

For subsequent years, our Compensation Committee will review and re-determine on an annual basis the composition of our peer group so that the peer group will continue to consist of oil and gas exploration and production companies (i) with annual revenue, assets and market capitalization similar to us and (ii) which potentially compete with us for executive talent.

Role of the Compensation Consultant. Prior to 2010, neither management nor our Board of Directors engaged a compensation consultant. In connection with our IPO, we retained, independent of our Board of Directors, Longnecker & Associates as an independent compensation consultant to assist us in developing the non-employee director and executive compensation programs that were implemented contemporaneously with the completion of our IPO. Representatives from Longnecker & Associates met with our Board of Directors and advised the Board of Directors with regard to general trends in director and executive compensation matters, including (i) competitive benchmarking; (ii) incentive plan design; (iii) peer group selection; and (iv) other matters relating to executive compensation. In addition, Longnecker & Associates provided our management with survey compensation data regarding our 2010 peer group.

The Compensation Committee was formed in connection with our IPO, and its charter grants the committee the sole authority to retain, at our expense, outside consultants or experts to assist it in its duties. In August 2010, the Compensation Committee also engaged Longnecker & Associates to advise it with respect to executive compensation matters, including development of the annual compensation peer group and an annual review and evaluation of our executive and director compensation packages generally, based on, among other things, survey data and information regarding general trends.

Elements of Our Compensation and Why We Pay Each Element

From our inception through the completion of our IPO, our compensation program consisted of base salary and an annual performance-based cash bonus only. In addition, our Named Executive Officers and certain other employees had the opportunity to invest their own funds in Oasis Petroleum Management LLC, which owned an interest in our predecessor, Oasis Petroleum LLC. See Corporate Reorganization. Since the consummation of our IPO, the compensation program for our Named Executive Officers has been comprised of the following four elements:

- base salary;
- annual performance-based cash incentive awards;
- long-term equity-based compensation; and
- other employee benefits.

Base Salary. Base salary is the fixed annual compensation we pay to each Named Executive Officer for performing specific job responsibilities. It represents the minimum income a Named Executive Officer may receive in any year. We pay each Named Executive Officer a base salary in order to:

- recognize each executive officer s unique value and historical contributions to our success in light of salary norms in the industry and the general marketplace;
- remain competitive for executive talent within our industry;
- provide executives with sufficient, regularly-paid income; and
- reflect position and level of responsibility.

Contemporaneous with the consummation of our IPO in June 2010, we implemented salary increases for our Named Executive Officers in order to begin to bring their base salaries in line with similarly titled executives at other companies within our peer group. For Named Executive Officers other than Messrs. Nusz and Reid, the salary increases were fairly small and ranged up to 11.4% of their fiscal 2009 salary. Specifically, Mr. Mace s base salary was increased to $195,000, and Mr. Smithwick s base salary was increased to $210,000. Mr. Beers salary was increased for 2010 from $200,000 to $225,000, but his total fixed cash compensation remained the same as in 2009 because prior to 2010 he received a separate $25,000 per year living allowance. Because of the increased responsibility of Messrs. Nusz and Reid with respect to our overall business and their greater experience with our company, their base salaries were increased, upon the effectiveness of our IPO, as set forth in the following table:

	2009 Base Salary	2010 Base Salary(1)	50th Percentile of 2010 Peer Group	Percentage of 50th Percentile of 2010 Peer Group
Thomas B. Nusz	$ 220,000	$ 325,000	$ 370,356	87.8%
Taylor L. Reid	$ 210,000	$ 275,000	$ 263,562	104.3%

(1) 2010 base salaries became effective upon consummation of our IPO.

We believe the 2010 salary increases for our Named Executive Officers were necessary in order for us to maintain a competitive compensation program following the effectiveness of our IPO.

In setting annual base salary amounts, our Compensation Committee intends to generally target by position the 50th percentile of our peer group. The Compensation Committee reviewed data provided by Longnecker & Associates with respect to our 2011 compensation peer group and, at its December 2010 meeting, approved certain changes to the base salaries of our Named Executive Officers in order to bring the base salaries of certain of our Named Executive Officers in line with this targeted level of salary. Specifically, Mr. Mace s base salary was increased to $200,000 and Mr. Smithwick s base salary was increased to $220,000, both increases effective March 1, 2011. The base salaries of the other Named Executive Officers were not changed.

Annual Performance-Based Cash Incentive Awards. We have historically utilized, and expect to continue to utilize, performance-based annual cash incentive awards to reward achievement of specified performance goals for the company as a whole with a time horizon of one year or less. We include an annual performance-based cash incentive award as part of our compensation program because we believe this element of compensation helps to:

- motivate management to achieve key shorter-term corporate objectives, and
- align executives interests with our stockholders interests.

Each year since our inception, our Board of Directors has approved annual performance incentive program targets based on metrics that it believes are relevant for a company of our size and growth expectations. These metrics were derived each year from our annual capital budgeting process based upon certain assumptions made by our management. The weight given to these targets and final bonus payments were discretionary during this period.

Effective upon the completion of our IPO, we adopted the 2010 Annual Incentive Compensation Plan (the Incentive Plan) to govern our annual cash performance incentive program for 2010 and later years. For 2010, the annual performance incentive metrics included production growth, reserve growth and efficiency, cost structure (operating costs and general and administrative expenses), Adjusted EBITDA, and specified milestones relating to our short- and long-term strategic objectives, including the successful execution of our business plan, securing capital, development and management of our project inventory and organizational improvements. Certain broad categories such as reserve growth and efficiency and cost structure also included specific, quantifiable metrics to be consistent with the remaining categories. We set threshold, target and maximum levels for the performance metrics to serve as a guideline for determining the actual bonus amounts earned by the Named Executive Officers for 2010. In general, for our Named Executive Officers, our Board of Directors attempted to set objectives for 2010 such that there was approximately a 90% probability of achieving the threshold performance metrics, a 60% probability of achieving the target performance metrics and a 20% probability of achieving the maximum performance metrics. In setting the performance incentive metrics for 2010, our Board of Directors conducted a historical analysis of the extent to which targets were met in prior years.

Our performance goals serve more as guidelines for the Compensation Committee to utilize throughout the year to ensure that our goals and targets will ultimately reflect our true performance. The performance goals are only one factor utilized by the Compensation Committee, alongside a number of other subjective