UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

þ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2012

or

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

For the transition period from to .

Commission file number: 1-12534

Newfield Exploration Company

(Exact name of registrant as specified in its charter)

Delaware *(State of incorporation)*	**72-1133047** *(I.R.S. Employer Identification No.)*
4 Waterway Square Place, Suite 100, The Woodlands, Texas *(Address of principal executive offices)*	**77380** *(Zip Code)*

Registrant s telephone number, including area code:

(281) 210-5100

Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class	**Name of Each Exchange on Which Registered**
Common Stock, par value $0.01 per share	New York Stock Exchange

Securities Registered Pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes þ No ¨

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ¨ No þ

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

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405) is not contained herein, and will not be contained, to the best of the registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ¨

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

Large accelerated filer þ	Accelerated filer ¨	Non-accelerated filer ¨ (Do not check if a smaller reporting company)	Smaller reporting company ¨

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant was approximately $3.9 billion as of June 30, 2012 (based on the last sale price of such stock as quoted on the New York Stock Exchange).

As of February 20, 2013, there were 135,437,292 shares of the registrant s common stock, par value $0.01 per share, outstanding.

Documents incorporated by reference: Portions of the Proxy Statement of Newfield Exploration Company for the Annual Meeting of Stockholders to be held May 2, 2013, which is incorporated by reference to the extent specified in Part III of this Form 10-K.

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If you are not familiar with any of the oil and gas terms used in this report, we have provided explanations of many of them under the caption Commonly Used Oil and Gas Terms at the end of Items 1 and 2 of this report. Unless the context otherwise requires, all references in this report to Newfield, we, us, our or the Company are to Newfield Exploration Company and its subsidiaries. Unless otherwise noted, all information this report relating to oil and gas reserves and the estimated future net cash flows attributable to those reserves are based on estimates we prepared and are net to our interest.

Forward-Looking Information

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (Exchange Act). All statements, other than statements of historical facts included in this report, are forward-looking, including information relating to anticipated future events or results, such as planned capital expenditures, the availability and sources of capital resources to fund capital expenditures and other plans and objectives for future operations. Forward-looking statements are typically identified by use of terms such as may, believe, expect, anticipate, intend, estimate, project, target, goal, will, predict, potential and similar expressions that convey the uncertainty of future events or outcomes. Although we believe that these expectations are reasonable, this information is based upon assumptions and anticipated results that are subject to numerous uncertainties and risks. Actual results may vary significantly from those anticipated due to many factors, including:

- oil, liquids and natural gas prices and demand;
- operating hazards inherent in the exploration for and production of oil and natural gas;
- general economic, financial, industry or business trends or conditions;
- the impact of, and changes in, legislation, law and governmental regulations, including those related to hydraulic fracturing and climate change;
- land, legal and ownership complexities inherent in the U.S. oil and gas industry;
- the impact of regulatory approvals;
- the availability and volatility of the securities, capital or credit markets and the cost of capital to fund our operations and business strategies;
- the ability and willingness of current or potential lenders, hedging contract counterparties, customers and working interest owners to fulfill their obligations to us or to enter into transactions with us in the future on terms that are acceptable to us;
- our commodity hedging arrangements as compared to actual commodity prices;
- the volatility in the commodity futures market;
- the availability of storage, transportation and refining capacity for the crude oil we produce in the Uinta Basin;

drilling risks and results;

the prices of goods and services;

the availability of drilling rigs and other support services;

global events that may impact our domestic and international operating contracts, markets and prices;

labor conditions;

weather conditions;

environmental liabilities that are not covered by an effective indemnity or insurance;

competitive conditions;

terrorism or civil or political unrest in a region or country;

our ability to monetize non-strategic assets, pay debt and the impact of changes in our investment ratings;

electronic, cyber or physical security breaches;

changes in tax rates;

inflation rates;

uncertainties and changes in estimates of reserves;

the effect of worldwide energy conservation measures;

the price and availability of, and demand for, competing energy sources;

the availability (or lack thereof) of acquisition, disposition or combination opportunities; and

the other factors affecting our business described below under the caption *Risk Factors*.

All forward-looking statements in this report, as well as all other written and oral forward-looking statements attributable to us or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements contained in this section and elsewhere in this report. See Items 1 and 2, *Business and Properties*, Item 1A, *Risk Factors*, Item 3, *Legal Proceedings*, Item 7, *Management s Discussion and Analysis of Financial Condition and Results of Operations* and Item 7A, *Quantitative and Qualitative Disclosures About Market Risk* for additional information about factors that may affect our businesses and operating results. These factors are not necessarily all of the important factors that could affect us. Use caution and common sense when considering these forward-looking statements. Unless securities laws require us to do so, we do not undertake any obligation to publicly correct or update any forward-looking statements whether as a result of changes in internal estimates or expectations, new information, subsequent events or circumstances or otherwise.

PART I

Items 1 and 2. ***Business and Properties***

General

Newfield Exploration Company, a Delaware corporation formed in 1988, is an independent energy company engaged in the exploration, development and production of crude oil, natural gas and natural gas liquids. Our principal domestic areas of operation include the Mid-Continent, the Rocky Mountains and onshore Gulf Coast. Internationally, we have offshore oil developments in Malaysia and China. In February 2013, we initiated a process to evaluate strategic alternatives with respect to our international businesses.

Through our website, *www.newfield.com*, you can access, free of charge, electronic copies of our governing documents, including our Board of Directors Corporate Governance Principles and the charters of the committees of our Board of Directors, in addition to the documents we file with the U.S. Securities and Exchange Commission (SEC), including our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. You also may request printed copies of our SEC filings or governance documents free of charge by writing to our corporate secretary at the address on the cover of this report. Information contained on our website is not incorporated herein by reference and should not be considered part of this report.

In addition, the public may read and copy any materials we file with the SEC at the SEC s Public Reference Room at 100 F Street, N.E., Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site (*www.sec.gov*) that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC.

Our Vision, Mission and Core Values

Our vision is to be recognized as a premier independent E&P company, delivering operational excellence, top-tier business results and value to our stockholders, employees and the communities in which we live and work. At Newfield, people, passion and pride combine to power our future. We are dedicated to finding and producing oil, natural gas and related products safely, responsibly and profitably for the benefit of all of our stakeholders. Our founding business principles and core values are the foundation for our success and are practiced every day in managing our current business and guiding our future strategies. These principles and core values follow:

Founding Business Principles:

- talented employees;
- focus;
- balance of exploration and acquisitions;
- emphasis on technology and teamwork;
- mindset of an independent;
- control of operations; and
- employee ownership.

Core Values:

Excellence: We pursue excellence in everything that we do. We are passionate about delivering industry-leading performance throughout our Company.

Integrity: We uphold high ethical standards and treat our stockholders, business partners and neighboring communities with integrity and respect. We play by the rules, do the right thing and allow the character of our employees to define us.

Safety and Environment: We are committed to a culture of safety and responsible environmental stewardship, and to the health and safety of everyone working with us.

Accountability: We are owners and treat every asset, project and investment as our own. We are committed to profitably growing our business and creating long-term stockholder value.

Innovation and Collaboration: We work to leverage the best technologies, develop superior processes and deliver optimum performance. Success is defined as getting the right things done right.

Adaptability: We believe that adaptability is a competitive advantage. We embrace change and constantly evolve our strategies to remain competitive, profitable and relevant.

Our Business Strategy

Our overarching business strategy is to deliver long-term stockholder value through safely, ethically and profitably exploring for, acquiring and developing North American oil and gas resource plays. Over the last five years, we have refined our asset base and focused on creating value through liquids investments. Today we have a diversified asset portfolio capable of sustainable growth. Our core strategy consists of the following key elements:

- maintaining a diversified portfolio of core North American assets, with a near-term investment focus on oil and liquids growth;
- maintaining a strong capital structure;
- growing through a combination of development drilling and select acquisitions;
- operating our assets and improving operational efficiencies; and
- attracting and retaining quality employees and ensuring their interests are aligned with our stockholders interests.

Maintaining a Diversified Portfolio of Core North American Assets. Over the last several years, we have transitioned from a conventional, natural gas company to an unconventional company focusing on North American liquids resource plays. By maintaining a diverse asset portfolio we increase our flexibility to respond, and limit our exposure to, the volatility and unique risks our industry faces, such as geologic risks, geographic risks and commodity price risks. In line with this element of our strategy and the continued weakness in natural gas prices, our 2013 plans include:

- allocating substantially all of our planned $1.7 $1.9 billion capital investments to our liquids-rich assets, with approximately 80% of our 2013 capital allocated to domestic operations; and
- limiting investments in natural gas, accepting natural field declines in our natural gas assets and preserving future opportunities in our major held-by-production natural gas assets.

Maintaining a Strong Capital Structure. We believe that maintaining a strong capital structure is central to our strategy. A strong balance sheet preserves financial flexibility and helps ensure that we maintain sufficient liquidity to implement our overall business strategy. In line with this element of our strategy, our 2013 plans include:

- exploring strategic alternatives to maximize the value of our international businesses; and

- using derivative markets to hedge a portion of our future production to manage commodity price risk and to help ensure adequate funds to execute our drilling programs.

Growing Through a Combination of Development Drilling and Select Acquisitions. Throughout our history, our growth has come from a combination of select acquisitions and exploration and exploitation drilling. We develop resources in our focus areas while continually looking for new opportunities in and around these areas. To manage risks associated with our strategy to grow reserves through drilling, substantially all of the domestic wells we drilled in 2012 had low geologic risk. Since 2000, we have completed several acquisitions that led to the expansion of our operating areas or the establishment of focus areas onshore in the United States. Our most recent acquisition was the 2011 acquisition of approximately 65,000 net acres in the Uinta Basin. In addition, we are active on a net 125,000-acre position in the Anadarko Basin s prolific Cana Woodford play in Oklahoma, which we acquired during 2011 and 2012. The acquired properties fit well with our existing properties and are in areas where we can leverage our core competencies. In line with this element of our strategy, our 2013 plans include:

- focusing on developing domestic, unconventional resource plays;
- delivering more than 20% year-over-year domestic oil and liquids growth by focusing on developing our fields in the Uinta, Anadarko, Maverick and Williston basins; and
- continuing to consider select acquisition opportunities aligned with our strategy and asset base.

Operating our Assets and Improving Operational Efficiencies. We prefer to operate our properties. By controlling operations, we can better manage the timing of their development and production, control operating expenses and capital investments, ensure the appropriate application of technologies and promote safety and corporate responsibility. We operate a significant portion of our total net production and believe that improving operational efficiencies requires extensive knowledge of the geologic and operating conditions in the areas where we operate. Therefore, we focus our efforts on a limited number of geographic areas where our core competencies provide a competitive advantage and can positively influence operational efficiencies. Geographic focus allows for the more efficient use of both our capital and human resources. In line with this element of our strategy, our 2013 plans include:

- narrowing our focus to North American resource plays;
- improving operational efficiencies by focusing on our unconventional resource plays that have large acreage positions and deep inventories of lower-risk drilling locations these plays lend themselves to efficiency gains in drilling and completion operations and provide sustainable growth profiles;
- increasing corporate responsibility awareness and encouraging all of our people to maintain safe operations, minimize environmental impact and conduct their daily business with the highest of ethical standards;
- focusing on excellent execution; and
- ensuring that the right people are deployed on the right projects.

Attracting and Retaining Quality Employees and Ensuring Their Interests are Aligned with our Stockholders Interests. Employees are represented in two of our founding business principles. We believe in hiring top-tier talent and are committed to their education and development. We believe that employees should be rewarded for their performance and that their interests should be aligned with our stockholders interests. As a result, we reward and encourage our employees through performance-based compensation and equity ownership.

2013 Outlook and Planned Capital Investments

Our strategy is to focus on North American resource plays, and approximately 80% of our near term investments are being directed to our domestic oil and natural gas liquids drilling programs. For 2013, our capital budget is $1.7 $1.9 billion, excluding capitalized internal costs. We expect to invest $300 $400 million in our international businesses. Our investments will be financed through our cash flows from operations and the use of

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our credit facility. In early February 2013, we initiated a process to explore strategic alternatives to maximize the value of our international businesses.

Our domestic liquids production is expected to grow approximately 25% in 2013. As a result of reduced investments over the last several years, our natural gas assets are on natural decline. In 2013, we expect our gas volumes to decline about 14%. Combined, we expect our 2013 production to range from 44 47 MMBOE, or about 4% lower than 2012 volumes before adjusting for any asset sales. In 2012, we sold approximately $630 million in non-strategic assets. Asset sales, natural declines in natural gas assets and a decline in international production are primarily attributable to the decline in production year-over-year.

Our estimated 2013 capital investments by area are shown in the chart below:

Approximately 84% of our expected 2013 domestic oil and gas production is hedged against future changes in commodity prices. For a complete discussion of our hedging activities, a list of open contracts as of December 31, 2012 and the estimated fair value of those contracts as of that date, see Note 4, Derivative Financial Instruments, to our consolidated financial statements.

Our Properties and Plans for 2013

Resource Plays

As discussed above, our strategic focus is on North American resource plays. These plays represent approximately 90% of our proved reserves and 89% of our probable reserves at year-end 2012. In 2013, approximately 75% of our budget will be directed toward our domestic resource plays the Uinta Basin, the Anadarko Basin, the Williston Basin and the Maverick Basin.

Rocky Mountains. As of December 31, 2012, we owned an interest in approximately 780,000 net acres. Our assets are primarily oil and characterized by long-lived production. Our efforts today are focused primarily in the Uinta and Williston basins.

Uinta Basin. About one-third of our total proved reserves are located in the Uinta Basin. We are the largest oil producer in the state of Utah, representing about 30% of the state s total oil production. We have approximately 225,000 net acres in the Uinta Basin, and our operations can be divided into two areas: the Greater Monument Butte Unit (GMBU) waterflood and an area to the north and adjacent to the GMBU that we refer to as the Central Basin.

We have been active in the Uinta Basin since our 2004 acquisition of the GMBU. Since that time, we have drilled approximately 1,500 wells in the unit and today have approximately 1,800 productive oil wells. GMBU is the largest federal unit in the lower 48 states. The primary producing horizon in the unit is the shallow Green River. In 2011, we expanded our footprint in the area and today have about 140,000 prospective net acres in the Central Basin. Since that time, we have been exploring deeper vertical and horizontal plays on this acreage, including the Uteland Butte and Wasatch formations.

We have approximately $380 million allocated to our Uinta Basin programs in 2013. We expect approximately half of the budget will be allocated to the Central Basin. Our net production from the Uinta Basin at year-end 2012 was approximately 20,000 BOEPD, comprised of 14,000 BOPD, 700 BOEPD of NGLs and 31 MMcf/d. We are planning to drill about 30 wells to test the pressured section of the Uteland Butte and Wasatch formations. This program follows the success of our 2012 program and the drilling of approximately 50 wells in these plays to date. As of early February 2013, our estimate of potential remaining locations in the Uinta Basin totaled approximately 6,800 and could materially increase with continued drilling success.

Williston Basin. We have approximately 100,000 net acres in the Williston Basin, of which 41,000 is being actively developed in the Bakken and Three Forks plays of North Dakota. Our activities today are largely development focused and we are drilling multi-well pads with lateral lengths as long as 10,000 feet. Our net production at year-end 2012 was approximately 10,500 BOEPD, comprised of 7,800 BOPD, 1,000 BOEPD of NGLs and 10 MMcf/d. We are increasing our activities in the area in 2013 and currently have allocated approximately $230 million to the Williston Basin. Plans include the operation of four rigs in the basin throughout the year. We expect our production from the Williston Basin to increase about 15% over 2012 levels.

Mid-Continent. More than one-third of our total proved reserves are located in our Mid-Continent region. We have more than 10 years of experience developing the Woodford Shale. Our acreage includes more than 300,000 net acres in the Woodford, which includes positions in the dry gas Arkoma Basin Woodford and the liquids-rich Cana Woodford in the Anadarko Basin. Our position in the Anadarko Basin was assembled within the last three years.

Cana Woodford. We have about 125,000 net acres that are prospective for development in the Cana Woodford. As of February 2013, we had drilled approximately 30 wells in the Cana Woodford, with wells yielding high volumes of oil and natural gas liquids. For 2013, we have allocated approximately $360 million to concentrated development drilling in the Cana Woodford play. We are planning to operate up to six rigs throughout the year. At year-end 2012, our production was more than 10,000 BOEPD, consisting of 2,300 BOPD, 3,200 BOEPD of NGLs and 28 MMcf/d, and is expected to more than double by year-end 2013.

Arkoma Woodford. We have significant dry gas production from the Arkoma Woodford. The area represents about one third of our total consolidated proved reserves. Our investment levels in this area have been significantly curtailed over the last three years due to low natural gas prices, as our investments have been shifted to liquids-rich plays. As of December 31, 2012, we had approximately 160,000 net acres in the Arkoma Basin and our net production was approximately 26,500 BOEPD, consisting of 300 BOPD, 200 BOEPD of NGLs and 156 MMcf/d. Our production in this area is on natural decline. Substantially all of our acreage in this region is held-by-production.

Granite Wash. We have approximately 50,000 net acres prospective for development in the Granite Wash, located in the Anadarko Basin of northern Texas and western Oklahoma. Our largest producing field in the Granite Wash is Stiles/Britt Ranch. Our recent drilling activity in the region has focused on the oil-rich Hogshooter formation where we expect to drill four to six wells in 2013. At year-end 2012, our net production from the area was approximately 17,000 BOEPD, consisting of 3,000 BOPD, 1,700 BOEPD of NGLs and 73 MMcf/d.

Onshore Gulf Coast. We have approximately 185,000 net acres in the Eagle Ford, located in the Maverick Basin of Maverick, Dimmit and Zavala counties, Texas. To date, we have completed more than 60 wells in the basin and believe that approximately 25,000 of the acres in the southeast portion are developable under current commodity prices and drilling costs. We expect to run a one to two operated rig program in the area in 2013 and plan to drill about 35 wells. Our development is focused on pad drilling with planned lateral lengths of up to 10,000 feet. Our planned capital investments for 2013 are about $275 million. At year-end 2012, our net daily production in the Maverick Basin was approximately 5,100 BOEPD, consisting of 2,900 BOPD, 950 BOEPD of NGLS and 8 MMcf/d, and production is expected to grow 75% over 2012 levels.

Conventional Plays

We have operations in conventional plays onshore Gulf Coast and offshore Malaysia and China.

Onshore Gulf Coast. Over the last two years, we have slowed our activities in many of our conventional natural gas plays and monetized non-strategic assets. The proceeds from these asset sales have been invested in our unconventional resource plays. As of December 31, 2012, we owned an interest in approximately 139,000 net acres in conventional onshore plays. At year-end 2012, our net production was approximately 8,500 BOEPD, consisting of 500 BOPD, 500 BOEPD of NGLs and 45 MMcf/d, from our conventional onshore Texas assets. We expect our production in conventional plays to continue to decline in 2013 due to a lack of investment.

International. In early 2013, we initiated a process to explore strategic alternatives to maximize the value of our international businesses in southeast Asia. With ongoing oil developments in the region, we expect that our capital investments in the area will range from $300 $400 million in 2013. Our international net production at year-end 2012 was approximately 31,000 BOEPD, consisting of 30,000 BOPD and 5 MMcf/d. As of February 20, 2013, we have an interest in approximately 3.3 million net acres offshore Malaysia and approximately 290,000 net acres offshore China. In 2013, approximately $150 million is allocated to the continued development of our Pearl field, located in the Pearl River Mouth Basin offshore China. The Pearl field is expected to commence production in early 2014 at a net rate of approximately 15,000 BOPD. We expect our international production to decline 25 30% in 2013 as a result of natural declines in Malaysia and changes in the economic sharing of production under the terms of our production sharing agreements.

Reserves

At year-end 2012, we had proved reserves of 3.4 Tcfe (566 MMBOE), 13% less than year-end 2011. At the end of 2012, our proved reserves were 48% oil and NGLs and 53% are proved developed. Our probable reserves were 51% oil and 15% NGLs. Our year-end 2012 proved reserve life index was approximately 11 years. Our 2012 production was approximately 50 MMBOE.

Concentration

Reserves Concentration. The table below sets forth the concentration of our proved and probable reserves by location and the percentage of those reserves attributable to our largest fields. Our largest fields by volume, the Arkoma Woodford Shale and the Greater Monument Butte Unit, accounted for about 41% of the total net present value of our proved reserves at December 31, 2012.

	Percentage of Proved Reserves	**Percentage of Probable Reserves**
Located domestically	94%	91%
Located onshore	94	91
10 largest fields	88	92
2 largest fields	55	41

Largest Fields. The table below sets forth for our largest fields (those whose reserves are greater than 10% of our total proved reserves), which are the Greater Monument Butte Unit and the Arkoma Woodford Shale, the annual production volumes, average realized prices and related production cost structure on a per unit-of-production basis. For a discussion regarding our total domestic and international annual production