

WPX ENERGY, INC.
Form DEF 14A
March 29, 2017

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

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 under §240.14a-12

WPX Energy, 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):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

Edgar Filing: WPX ENERGY, INC. - Form DEF 14A

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

Table of Contents

**3500 One Williams Center
Tulsa, Oklahoma 74172**

April 4, 2017

Dear WPX Energy Stockholders:

You are cordially invited to attend the 2017 Annual Meeting of Stockholders of WPX Energy, Inc. The meeting will be held on Thursday, May 18, 2017, in the Seville I Room of the Renaissance Tulsa Hotel & Convention Center, 6808 South 107th East Avenue, Tulsa, Oklahoma 74133, at 9:30 a.m., Central Daylight Time. We look forward to greeting personally as many of our stockholders as possible at the Annual Meeting.

The notice of the Annual Meeting and proxy statement that accompany this letter provide information concerning matters to be considered and acted upon at the Annual Meeting. Our proxy statement also includes information about the meeting itself, including:

how to obtain admission to the meeting if you plan to attend; and

different methods you can use to vote by proxy, including by Internet, telephone and mail.

As a stockholder of WPX Energy, you play an important role in our company by considering and taking action on these matters. We appreciate the time and attention you invest in making thoughtful decisions.

While most of our stockholders are unlikely to be able to attend the Annual Meeting in person, it is important that your shares be represented and voted at the meeting. We encourage you to vote your shares as promptly as possible.

Thank you for your continued interest in our company.

Very truly yours,

Richard E. Muncrief
*Chairman of the Board of Directors,
President and Chief Executive Officer*

Table of Contents

WPX ENERGY, INC.

3500 One Williams Center
Tulsa, Oklahoma 74172

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

May 18, 2017

To the stockholders of WPX Energy, Inc.:

WPX Energy, Inc. will hold its Annual Meeting of Stockholders on May 18, 2017 at 9:30 a.m. Central Daylight Time in the Seville I Room of the Renaissance Tulsa Hotel & Convention Center, 6808 South 107th East Avenue, Tulsa, Oklahoma 74133. Details for the Annual Meeting of Stockholders are below:

| | |
|--------------------------|--|
| TIME | 9:30 a.m., Central Daylight Time, on Thursday, May 18, 2017 |
| PLACE | Seville I Room of the Renaissance Tulsa Hotel & Convention Center, 6808 South 107 th East Avenue, Tulsa, Oklahoma 74133 |
| ITEMS OF BUSINESS | <ol style="list-style-type: none">1. To elect eleven director nominees identified in this proxy statement, on the terms and conditions specified;2. To conduct an advisory vote on executive compensation;3. To ratify the appointment of Ernst & Young LLP as our independent auditors for 2017; and4. To transact such other business as may properly come before the Annual Meeting or any adjournment of the meeting. |
| RECORD DATE | You can vote and attend the Annual Meeting if you were a stockholder of record at the close of business on March 27, 2017. |
| ANNUAL REPORT | Our 2016 annual report, which includes a copy of our Annual Report on Form 10-K, accompanies this proxy statement. |
| PROXY VOTING | <p>It is important that your shares be represented and voted at the Annual Meeting. We encourage you to vote by Internet or telephone, or complete, sign and return your proxy prior to the meeting even if you plan to attend the Annual Meeting. If you later choose to revoke your proxy, you may do so at any time before it is exercised at the Annual Meeting by following the procedures described under Question 12 of the "Questions and Answers about the Annual Meeting and Voting" section in the attached proxy statement.</p> <p>By Order of the Board of Directors,</p> |

Stephen E. Brilz

Vice President and Corporate Secretary

**IMPORTANT NOTICE REGARDING AVAILABILITY OF PROXY MATERIALS
FOR THE ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON MAY 18, 2017:**

Edgar Filing: WPX ENERGY, INC. - Form DEF 14A

**The Notice of Internet Availability of Proxy Materials, Notice of Annual Meeting,
Proxy Statement and Annual Report are available at
www.edocumentview.com/WPX**

Table of Contents

TABLE OF CONTENTS

| | |
|---|-----------|
| <u>SUMMARY</u> | <u>1</u> |
| <u>QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING</u> | <u>4</u> |
| <u>PROPOSAL 1 ELECTION OF DIRECTORS</u> | <u>10</u> |
| <u>Director Nomination Process</u> | <u>10</u> |
| <u>Nominees</u> | <u>13</u> |
| <u>CORPORATE GOVERNANCE</u> | <u>18</u> |
| <u>Overview</u> | <u>18</u> |
| <u>Corporate Governance Practices</u> | <u>18</u> |
| <u>Board Structure</u> | <u>18</u> |
| <u>Board and Board Committees Composition and Performance</u> | <u>19</u> |
| <u>Guidelines and Board Policies</u> | <u>19</u> |
| <u>Independent Auditors</u> | <u>20</u> |
| <u>Corporate Governance Guidelines</u> | <u>20</u> |
| <u>Code of Business Conduct</u> | <u>20</u> |
| <u>Director Independence</u> | <u>20</u> |
| <u>Board Leadership Structure</u> | <u>21</u> |
| <u>Risk Oversight</u> | <u>22</u> |
| <u>Executive Officers</u> | <u>22</u> |
| <u>Board Meetings and Annual Meeting Attendance</u> | <u>24</u> |
| <u>Board Committees</u> | <u>25</u> |
| <u>Audit Committee</u> | <u>25</u> |
| <u>Compensation Committee</u> | <u>25</u> |
| <u>Nominating and Governance Committee</u> | <u>25</u> |
| <u>Communications with the Board of Directors</u> | <u>26</u> |
| <u>EXECUTIVE COMPENSATION</u> | <u>27</u> |
| <u>Executive Summary</u> | <u>27</u> |
| <u>Compensation Discussion and Analysis</u> | <u>28</u> |
| <u>Compensation Philosophy</u> | <u>29</u> |
| <u>Determination of Total Compensation</u> | <u>29</u> |
| <u>Role of our Compensation Committee and Board of Directors</u> | <u>29</u> |
| <u>Consideration of 2016 Stockholder Advisory Vote to Approve 2015 Executive Compensation</u> | <u>30</u> |
| <u>Role of the Compensation Committee's Independent Compensation Consultant</u> | <u>30</u> |
| <u>Role of Management and Executive Officers</u> | <u>30</u> |
| <u>Competitive Positioning</u> | <u>30</u> |
| <u>Use of Tally Sheets and Wealth Accumulation Analysis</u> | <u>31</u> |
| <u>Elements of our Compensation Program</u> | <u>32</u> |
| <u>Base Salary</u> | <u>33</u> |
| <u>Annual Cash Incentive</u> | <u>34</u> |
| <u>Long-Term Incentives</u> | <u>38</u> |
| <u>Performance-Based Restricted Stock Units</u> | <u>40</u> |
| <u>Vesting of 2014 Performance-Based RSUs</u> | <u>41</u> |
| <u>Time-Based Restricted Stock Awards</u> | <u>42</u> |
| <u>Benefits and Limited Perquisites</u> | <u>43</u> |
| <u>Other Compensation Practices</u> | <u>43</u> |
| <u>Stock Ownership Guidelines</u> | <u>43</u> |
| <u>Consideration of Risk in Setting Executive Compensation</u> | <u>44</u> |
| <u>Recoupment Policy</u> | <u>45</u> |
| <u>Anti-Hedging and Anti-Pledging Policies</u> | <u>45</u> |
| <u>Employment Agreements</u> | <u>45</u> |

Table of Contents

| | |
|---|-----------|
| <u>Termination and Severance Arrangements</u> | <u>45</u> |
| <u>Change-in-Control</u> | <u>46</u> |
| <u>Accounting and Tax Treatment</u> | <u>47</u> |
| <u>2016 Summary Compensation Table</u> | <u>48</u> |
| <u>2016 Performance-Based RSU Maximum Potential</u> | <u>48</u> |
| <u>2016 Outstanding Equity Awards</u> | <u>49</u> |
| <u>2016 Grants of Plan-Based Awards</u> | <u>50</u> |
| <u>2016 WPX Option Exercises and Stock Vested</u> | <u>51</u> |
| <u>2016 Nonqualified Deferred Compensation</u> | <u>51</u> |
| <u>Change-in-Control Agreements</u> | <u>51</u> |
| <u>Termination Scenarios</u> | <u>54</u> |
| <u>Compensation Committee Report</u> | <u>55</u> |
| <u>Director Compensation</u> | <u>55</u> |
| <u>Director Compensation Table</u> | <u>56</u> |
| <u>EQUITY COMPENSATION PLAN INFORMATION</u> | <u>57</u> |
| <u>PROPOSAL 2 ADVISORY VOTE ON EXECUTIVE COMPENSATION</u> | <u>58</u> |
| <u>CERTAIN RELATIONSHIPS AND TRANSACTIONS</u> | <u>59</u> |
| <u>COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION</u> | <u>59</u> |
| <u>AUDIT COMMITTEE REPORT</u> | <u>60</u> |
| <u>INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u> | <u>62</u> |
| <u>PROPOSAL 3 RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u> | <u>63</u> |
| <u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u> | <u>63</u> |
| <u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u> | <u>66</u> |
| <u>OTHER MATTERS AT MEETING</u> | <u>66</u> |

Table of Contents

SUMMARY

This summary highlights information contained elsewhere in this proxy statement. We encourage you to review the entire proxy statement.

We are taking advantage of rules of the Securities and Exchange Commission, or "SEC," that allow us to deliver proxy materials to our stockholders on the Internet. Under these rules, we are sending most of our stockholders a brief notice regarding the Internet availability of proxy materials instead of a full set of proxy materials. If you receive this brief notice, or "Notice," you will not receive printed copies of the proxy materials unless you specifically request them. Instead, this Notice tells you how to access and review on the Internet all of the important information contained in the proxy materials, including our annual report to stockholders. This Notice also tells you how to submit your proxy card on the Internet and how to request to receive a printed copy of the proxy materials.

We expect to mail, or provide notice and electronic delivery of, this proxy statement, our annual report and accompanying proxy card to stockholders beginning on or about April 4, 2017. Unless the context otherwise requires, the terms "WPX Energy," "WPX," the "Company," "us," "we," and "our" include WPX Energy, Inc. and its consolidated subsidiaries.

WPX Energy, Inc.

We are an independent oil and natural gas exploration and production company engaged in the exploitation and development of long-life unconventional properties. Our 2016 Annual Report, which accompanies this proxy statement, provides a comprehensive description of our business.

Corporate Governance

WPX Energy is committed to meeting high standards of ethical behavior, corporate governance and business conduct in everything we do. Consistent with this commitment, we have adopted the following practices:

Board Structure and Composition. All directors, other than our Chairman and Chief Executive Officer, are independent. The independent directors have designated a Lead Director who is charged with the responsibilities set forth in the Lead Director Charter that is available on our website at www.wpxenergy.com.

Stock Ownership Guidelines. Our directors and executive officers are subject to stock ownership guidelines that align their interests with those of our stockholders, and all directors and officers are in compliance with the retention requirements under those guidelines.

Recoupment Policy. We have a recoupment policy that requires the Company to recover all performance-based incentive payments from senior executives, including all of our named executive officers, found by the Board of Directors to be personally responsible for the fraud or intentional misconduct resulting in a significant restatement of the Company's financial statements. In addition, we will seek recoupment from all other executive officers of any amounts paid in excess of the award that would have been paid based on the restated financial results. See "*Compensation Discussion and Analysis Other Compensation Practices Recoupment Policy*" below.

Independent Compensation Consultant. Our Compensation Committee uses an independent compensation consultant, which performs no consulting or other services for the Company.

Environmental Policy. We have an environmental health and safety policy that outlines our focus on integrating environmental, health and safety stewardship into our core business activities.

Table of Contents

Transactions in Company Securities (Anti-Hedging Policy). Our insider trading policy prohibits short sales of shares of our common stock by directors and executive officers. It also prohibits the use of equivalent derivative securities.

Anti-Pledging Policy. Our insider trading policy prohibits our directors, officers, and key employees from holding our securities in a margin account or using such securities as collateral for a loan.

Enterprise-Wide Risk Oversight

Our Board of Directors, assisted by its committees, oversees management's enterprise-wide risk management activities. Risk management activities include assessing and taking actions necessary to manage risk incurred in connection with the long-term strategic direction and operation of our business.

Executive Compensation

Our Compensation Committee strives to establish and maintain an executive compensation program that will attract, engage, reward, and retain highly effective executive officers, reward superior performance, and provide incentives to drive results that increase stockholder value. Our compensation program includes a mix of base salary, an annual cash incentive, performance-based restricted stock units, equity awards, and benefits and limited prerequisites to achieve this result. We emphasize performance-based rewards and the use of equity, which directly aligns our executives with stockholders. Executive pay is tied to performance metrics that encompass both short- and long-term goals and encourage profitable growth while discouraging excessive risk-taking.

Highlights of our Executive Compensation Program

Pay for Performance A significant portion of the compensation opportunity for our executive officers varies based upon achievement of annual or long-term goals linked to stockholder value

Increase Stockholder Value We use balanced performance metrics to encourage operational performance while discouraging excessive risk-taking

Align Executive Officers with Stockholders Executive compensation opportunities are weighted toward equity awards that align our executive officers with the long-term interests of our stockholders

Information regarding compensation paid to each of our named executive officers in 2016 is described in the "Compensation Discussion and Analysis" below.

Summary of 2016 Compensation Decisions Made for Our CEO

Base Salary \$840,000

Annual Cash Incentive \$1,524,600, paid at 165% of target

Equity Awards \$5,850,000, grant-day value of time-based restricted stock award ("RSAs") and performance-based restricted stock units ("RSUs")

Strong Governance Standards in Oversight of Executive Compensation Policies

We maintain strong governance standards in the oversight of our executive compensation policies and practices, including:

an independent Compensation Committee that engages an independent advisor

Table of Contents

stock ownership guidelines to encourage our executive officers to have a significant stake in our long-term success

performance-based compensation using balanced performance metrics and performance-based equity awards capped at 100% of target if our total shareholder return is negative

double-trigger change-in-control agreements and equity awards

no excise tax gross-ups and limited perquisites

a prohibition on backdating stock options and on repricing without stockholder approval

a recoupment policy that requires recovery of all performance-based incentive payments from any executive officers found by the Board of Directors to be personally responsible for fraud or intentional misconduct that causes the need for a significant financial restatement and recoupment from all other executive officers of any amounts paid in excess of the award that would have been paid based on the restated financial results

a prohibition on:

short sales of our common stock

the use of equivalent derivative securities

margin trading in our stock by directors and executive officers

pledging of our stock by directors and executive officers

Proposals

Proposal 1 Election of Directors (see pages 10-18)

The Board has nominated eleven candidates for election to our Board of Directors. **The Board recommends that stockholders vote FOR the election of each nominee.**

Proposal 2 Advisory Vote to Approve the Company's Executive Compensation (see pages 58-59)

The Board is seeking an advisory vote to approve the Company's executive compensation. Before considering this proposal, please read our Compensation Discussion and Analysis, which explains the Compensation Committee's compensation decisions and how our executive compensation program aligns the interests of our executive officers with those of our stockholders. Although the vote is advisory and is not binding on the Board, the Compensation Committee will take into account the outcome of the vote when considering future executive compensation decisions. **For the reasons discussed in this proxy statement, the Board recommends that stockholders vote FOR the approval of the Company's executive compensation.**

Proposal 3 Ratification of Independent Registered Public Accounting Firm (see page 63)

Edgar Filing: WPX ENERGY, INC. - Form DEF 14A

The Audit Committee has appointed Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2017. The Board is seeking stockholder ratification of this appointment. **The Board recommends that stockholders vote FOR ratification of the selection of Ernst & Young LLP.**

Table of Contents

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

1.

What is the purpose of the Annual Meeting?

At the Annual Meeting, stockholders will act upon the matters outlined in the Notice of Annual Meeting of Stockholders. These include the election of directors, an advisory vote to approve our executive compensation, and the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm. Management and representatives of Ernst & Young LLP will be available to respond to questions from stockholders.

2.

What is a proxy?

It is your legal designation of another person to vote the stock you own in the manner you direct. That other person is called a proxy. If you designate someone as your proxy in a written document, that document also is called a proxy or a proxy card. We have designated Dennis C. Cameron and Stephen E. Brilz to serve as proxies for the Annual Meeting. The Board of Directors will use the proxies at the 2017 Annual Meeting of Stockholders. The proxies also may be voted at any adjournments or postponements of the meeting.

3.

What is a proxy statement?

It is a document we give you when we are soliciting your vote pursuant to SEC regulations.

4.

What is the difference between a stockholder of record and a stockholder who holds stock in street name?

Stockholders of Record. If your shares are registered in your name with our transfer agent, Computershare, you are a stockholder of record with respect to those shares and the Notice or the proxy materials were sent directly to you by Computershare.

Street Name Holders. If you hold your shares in an account at a bank or broker, then you are the beneficial owner of shares held in "street name." The Notice or proxy materials were forwarded to you by your bank or broker, who is considered the stockholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct your bank or broker on how to vote the shares held in your account.

5.

How many shares must be present to hold the Annual Meeting?

In order to conduct the Annual Meeting, holders of a majority of the shares entitled to vote as of the close of business on the record date must be present in person or by proxy. This constitutes a quorum. Your shares are counted as present if you attend the Annual Meeting or if your shares are represented by proxy. Abstentions and broker non-votes will be counted as present for purposes of establishing a quorum. If a quorum is not present, we will adjourn the Annual Meeting until a quorum is obtained.

6.

How can I access the proxy materials for the Annual Meeting?

Stockholders may access the proxy materials, which include the Notice of Internet Availability of Proxy Materials, the Notice of Annual Meeting of Stockholders, Proxy Statement and Annual Report for the year ended December 31, 2016 on the Internet at www.edocumentview.com/WPX. We will also provide a hard copy of any of these documents free of charge upon request as set forth in the Notice of Internet Availability of Proxy Materials or by writing us at: WPX Energy, Inc., 3500 One Williams Center, Tulsa, Oklahoma 74172, Attention: Corporate Secretary.

Instead of receiving future copies of our proxy materials by mail, you can elect to receive an e-mail that will provide electronic links to these documents. Opting to receive your proxy materials online will save the cost of producing and mailing documents to your home or business, will give you an electronic link to the proxy voting site and will also help preserve environmental resources.

Table of Contents

Stockholders of Record. If you vote on the Internet at www.envisionreports.com/WPX, simply follow the prompts for enrolling in the electronic proxy delivery service. You also may enroll in the electronic proxy delivery service at any time by going directly to www.envisionreports.com/WPX and following the enrollment instructions.

Street Name Holders. If you hold your shares in a bank or brokerage account, you may also have the opportunity to receive the proxy materials electronically. Please check the information provided in the proxy materials you receive from your bank or broker regarding the availability of this service.

7.

How do I attend the Annual Meeting? What do I need to bring?

All stockholders as of the Record Date may attend. Please bring to the meeting:

Proof of Ownership, such as a copy of your Notice or proxy card, or a copy of a brokerage or bank statement showing your share ownership as of the Record Date; and

Proof of Identification, such as a valid driver's license or passport.

If you hold your shares in street name, you will not be able to vote your shares at the Annual Meeting without a legal proxy, as described in Question 8.

Please note that use of cameras, phones or other similar electronic devices and the bringing of large bags, packages or sound or video recording equipment will not be permitted in the meeting room. Attendees will also be required to comply with rules of order and procedure that will be available at the meeting.

8.

How can I vote at the Annual Meeting if I own shares in street name?

If you are a street name holder, you may not vote your shares at the Annual Meeting unless you obtain a legal proxy from your bank or broker. A legal proxy is a bank's or broker's authorization for you to vote the shares it holds in its name on your behalf. To obtain a legal proxy, please contact your bank or broker for further information.

9.

What shares are included on the Notice, proxy card or voting instruction form?

If you are a stockholder of record, you will receive only one Notice or proxy card for all the shares of common stock you hold:

in certificate form; and

in book-entry form.

If you hold shares in our Employee Stock Purchase Plan, you will receive a separate Notice or proxy card applicable to those shares.

If you hold your shares in street name, you will receive one Notice or voting instruction form for each account you have with a bank or broker. If you hold shares in multiple accounts, you may need to provide voting instructions for each account.

10.

What different methods can I use to vote?

By Written Proxy. All stockholders of record who received proxy materials by mail can vote by written proxy card. If you received a Notice or the proxy materials electronically, you may request a proxy card at any time by following the instructions on the Notice or on the voting website. If you are a street name holder, you will receive instructions on how you may vote from your bank or broker, unless you previously enrolled in electronic delivery.

Edgar Filing: WPX ENERGY, INC. - Form DEF 14A

By Telephone or Internet. All stockholders of record can vote by telephone from the U.S. and Canada, using the toll-free telephone number on the proxy card, or through the Internet using the

Table of Contents

procedures and instructions described on the Notice or proxy card. Street name holders may vote by Internet or telephone if their bank or broker makes those methods available, in which case the bank or broker will enclose the instructions with the proxy materials. The Internet and telephone voting procedures are designed to authenticate stockholders' identities, allow stockholders to vote their shares and to confirm that their instructions have been properly recorded.

In Person. All stockholders of record may vote in person at the Annual Meeting. Street name holders may vote in person at the Annual Meeting if they have a legal proxy, as described in Question 8.

The Notice is not a proxy card and it cannot be used to vote your shares.

11.

What is the record date and what does it mean?

The record date for the Annual Meeting is March 27, 2017. Only owners of record of shares of common stock of the Company at the close of business on the record date are entitled to notice of and to vote at the Annual Meeting, or at any adjournments or postponements of the Annual Meeting. On March 27, 2017, there were 397,415,437 shares of common stock issued, outstanding and entitled to vote. Each owner of record on the record date is entitled to one vote for each share of common stock held.

The record date was established by our Board of Directors as required by the General Corporation Law of the State of Delaware. Owners of record of common stock at the close of business on the record date are entitled to:

receive notice of the Annual Meeting; and

vote at the Annual Meeting and any adjournments or postponements of the Annual Meeting.

12.

If I submit a proxy, may I later revoke it and/or change my vote?

Stockholders may revoke a proxy and/or change their vote prior to the completion of voting at the Annual Meeting by:

signing another proxy card or voting instruction form with a later date and delivering it to the Corporate Secretary before the Annual Meeting;

voting again over the Internet or by telephone prior to **11:59 p.m., Eastern Time, on May 17, 2017** (or, if you are a street name holder, such earlier time as your bank or broker may direct);

voting at the Annual Meeting if you are a stockholder of record or are a street name holder that has obtained a legal proxy from your bank or broker; or

notifying the Corporate Secretary of the Company in writing before the Annual Meeting.

13.

Are votes confidential? Who counts the votes?

We hold the votes of all stockholders in confidence from directors, officers and employees except:

Edgar Filing: WPX ENERGY, INC. - Form DEF 14A

as necessary to meet applicable legal requirements and to assert or defend claims or potential claims for or against the Company;

in case of a contested or potentially contested proxy solicitation;

if a stockholder makes a written comment on the proxy card or otherwise communicates his or her vote to management; or

to allow the independent inspectors of the election to certify the results of the vote.

We have retained Computershare to tabulate the votes and act as independent inspector of the election.

Table of Contents

14. What are my choices when voting for director nominees and what vote is needed to elect directors?

In the vote on the election of director nominees, stockholders may:

vote in favor of a nominee;

vote against a nominee; or

abstain from voting with respect to a nominee.

Directors will be elected at the Annual Meeting upon receipt of more votes cast "for" than "against" his or her election; abstentions will not count as votes cast with respect to a director's election. Our Corporate Governance Guidelines requires all directors to tender, promptly after their election, irrevocable resignations from the Board of Directors that will be effective if the director does not receive a greater number of votes "for" than "against" his or her election in an uncontested election. Under this policy, the Board of Directors will determine whether to accept or reject the offer to resign and publicly disclose its decision within 90 days from the date of the certification of the election results. The text of this policy appears in our Corporate Governance Guidelines, which are available on our website at www.wpxenergy.com.

The Board of Directors recommends a vote FOR each of the nominees.

15. What are my choices when voting on each of the other proposals considered at the Annual Meeting?

For each of the other proposals stockholders may:

vote for the proposal;

vote against the proposal; or

abstain from voting on the proposal.

16.

16. What is the Board's recommendation with regard to each proposal?

The Board of Directors makes the following recommendation with regard to each proposal:

The Board of Directors recommends a vote **FOR** each of the director nominees.

The Board of Directors recommends a vote **FOR** advisory approval of the Company's executive compensation.

The Board of Directors recommends a vote **FOR** ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm.

17.

What vote is needed to approve each proposal?

Please see Question 14 regarding the vote that is needed for the election of directors.

Each of the remaining proposals must be approved by the holders of a majority of the shares present and entitled to vote in person or by proxy at the Annual Meeting in order to pass. The Board of Directors will consider the result of the advisory vote to approve our executive compensation when considering future executive compensation decisions.

Table of Contents

18. What if I do not specify a choice for a matter when returning a proxy?

Stockholders should specify their choice for each matter in the manner described in the Notice or on their proxy card. If no specific instructions are given, proxies that are signed and returned will be voted:

FOR the election of all director nominees;

FOR the advisory approval of our executive compensation; and

FOR the ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm.

19. Are my shares voted if I do not provide a proxy?

If you are a stockholder of record and do not provide a proxy, you must attend the Annual Meeting in order to vote. If you hold shares through an account with a bank or broker, your shares may be voted by the bank or broker on some matters if you do not provide voting instructions. Banks and brokers have the authority under New York Stock Exchange ("NYSE") rules to vote shares for which their customers do not provide voting instructions on routine matters. The ratification of Ernst & Young LLP as our independent registered public accounting firm is considered a routine matter. The election of directors and the votes on the other matters described in this proxy statement are not considered routine and banks and brokers cannot vote shares without instruction on those matters. Shares that banks and brokers are not authorized to vote are counted as "broker non-votes."

20. How are abstentions and broker non-votes counted?

Abstentions have no effect on the election of directors, as only "for" and "against" votes are counted. Abstentions have the effect of an "AGAINST" vote on each of the other matters described in this proxy statement. Broker non-votes will be treated as not present and not entitled to vote.

21. Does the Company have a policy about directors' attendance at the Annual Meeting of Stockholders?

The Company expects directors to attend the Annual Meeting, absent a compelling reason.

22. What are the deadlines for submitting stockholder proposals for the 2018 Annual Meeting?

Stockholder Proposals to Be Considered for Inclusion in the Company's Proxy Materials. To be considered for inclusion in our proxy statement for our 2018 Annual Meeting, stockholder proposals submitted in accordance with the SEC's Rule 14a-8 must be received not later than December 5, 2017 and be submitted in accordance with the SEC's Rule 14a-8. Stockholder proposals received after the close of business on December 5, 2017 would be untimely. These stockholder proposals must be in writing and received by the deadline described above at our principal executive offices at WPX Energy, Inc., 3500 One Williams Center, Tulsa, Oklahoma 74172, Attention: Corporate Secretary. If we do not receive a stockholder proposal by the deadline described above, the proposal may be excluded from our proxy statement for our 2018 Annual Meeting.

Other Stockholder Proposals for Presentation at the 2018 Annual Meeting. A stockholder proposal that is not submitted for inclusion in our proxy statement for our 2018 Annual Meeting, but is instead sought to be presented at the 2018 Annual Meeting, must comply with the "advance notice" deadlines in our Bylaws. As such, these stockholder proposals must be received no earlier than January 18, 2018, and no later than the close of business on February 17, 2018. These stockholder proposals must be in writing and received within the "advance notice" deadlines described above at our principal executive offices at WPX Energy, Inc., 3500 One Williams Center, Tulsa, Oklahoma 74172, Attention: Corporate Secretary. These stockholder proposals must be in the form provided in our Bylaws and must include the information set

forth in the Bylaws about the stockholder proposing the business and any

Table of Contents

associated person, including information about the direct and indirect ownership of or derivative positions in the Company's common stock and arrangements and understandings related to the proposed business or the voting of the Company's common stock. If we do not receive a stockholder proposal and the required information regarding the stockholder and any associated person by the "advance notice" deadlines described above, the proposal may be excluded from the proxy statement and from consideration at the 2018 Annual Meeting. The "advance notice" requirement described above supersedes the notice period in SEC Rule 14a-4(c)(1) of the federal proxy rules regarding the discretionary proxy voting authority with respect to such stockholder business.

23.

How are proxies solicited and what is the cost?

We bear all expenses incurred in connection with the solicitation of proxies. We will reimburse brokers, fiduciaries and custodians for their costs in forwarding proxy materials to beneficial owners of common stock.

Our directors, officers and employees may also solicit proxies by mail, telephone and personal contact. They will not receive any additional compensation for these activities.

24.

Where can I find more information about my voting rights as a stockholder?

The SEC has an informational website that provides stockholders with general information about how to cast their vote and why voting should be an important consideration for stockholders. You may access that information at www.sec.gov/spotlight/proxymatters.shtml or at www.investor.gov.

Table of Contents

PROPOSAL 1 ELECTION OF DIRECTORS

Director Nomination Process

Criteria for Nomination to the Board

The Nominating and Governance Committee Charter, which is available on our website at www.wpxenergy.com under "Investors" and "Corporate Governance," provides that the Nominating and Governance Committee must develop and recommend to the Board qualifications for assessing director candidates and identify and recommend to the Board individuals for nomination as Board members.

Our Corporate Governance Guidelines set forth criteria for independent director nominees. The Nominating and Governance Committee evaluates potential Board nominees against these criteria in determining whether to recommend any potential nominee for consideration for election as a member of the Board. These criteria include the following:

An understanding of business and financial affairs and the complexities of a business organization. Although a career in business is not essential, the nominee should have a proven record of competence and accomplishments through leadership in industry, education, the professions or government, and should be willing to maintain a committed relationship with the Company as a director.

A genuine interest in representing all of the stockholders and the interest of the Company overall.

A willingness and ability to spend the necessary time to function effectively as a director.

An open-minded approach to matters and the resolve to independently analyze matters presented for consideration.

A reputation for honesty and integrity beyond question.

Independence as defined by the NYSE, and qualifications otherwise required in accordance with applicable law or regulation.

Table of Contents

The following table highlights each director nominee's specific skills, knowledge and experiences. A particular director may possess additional skills, knowledge or experience even though they are not listed below. Each director biography below describes the skills and experiences of directors in detail.

| | John Carrig | William Granberry | Robert Herdman | Kelt Kindick | Karl Kurz | Henry Lentz | George Lorch | William Lowrie | Kimberly Lubel | Richard Muncrief | David Work |
|--|------------------------|------------------------------|---------------------------|-------------------------|----------------------|------------------------|-------------------------|---------------------------|---------------------------|-----------------------------|-----------------------|
| E&P Operations | ü | ü | | | ü | | | ü | | ü | ü |
| Other Oil & Gas Operations | ü | ü | | | ü | | | ü | | ü | ü |
| Health & Safety | | ü | | | ü | | | ü | ü | ü | |
| Engineering | | ü | | | ü | | | ü | | ü | |
| Geoscience | | ü | | | ü | | | | | ü | ü |
| Oil & Gas Regulatory | ü | ü | | | ü | | | ü | ü | ü | ü |
| Auditing and Financial Reporting | ü | | ü | ü | | ü | | | | | |
| Capital Markets and Corporate Finance | ü | | | ü | ü | ü | ü | | | ü | |
| Marketing | | | | ü | ü | | ü | | ü | ü | |
| Legal Expertise | ü | | | | | | | | ü | | |
| Financial Analysis Expertise | ü | | ü | ü | ü | ü | ü | ü | | | |
| Investment Banking/M&A | | | | | ü | ü | | | ü | | |
| Corporate Governance | ü | ü | ü | ü | ü | ü | ü | ü | ü | ü | ü |
| Risk Management | ü | ü | ü | | ü | | | ü | ü | ü | ü |
| Human Resources and Compensation | | ü | ü | ü | ü | | | | ü | ü | ü |
| Public Policy | ü | ü | ü | ü | | | | ü | ü | | |
| Strategic Planning and Strategy Development | ü | ü | ü | ü | ü | ü | ü | ü | ü | ü | ü |
| Government Experience | | | ü | ü | | | | | | | |
| Digital and/or Information Technology Oversight | | | ü | | | | | | | | ü |

The Nominating and Governance Committee routinely evaluates the composition of the Board to assess the skills and experience that are currently represented on the Board, as well as the skills and experience the Board will find valuable in the future, given the Company's current situation and strategic plans. The Nominating and Governance Committee seeks a variety of occupational and personal backgrounds on the Board in order to obtain a range of viewpoints and perspectives and to enhance the diversity of the Board in such areas as race, gender, ethnicity and age. This assessment enables the Board to update, if necessary, the skills and experience it seeks in the Board as a whole, and in individual directors, as the Company's needs evolve and change over time.

Table of Contents

Process for Identifying and Evaluating Nominees

In considering potential candidates to the Board who are not incumbent directors, the Nominating and Governance Committee, with input from the full Board of Directors, assesses the potential candidate's qualifications, taking into account the criteria listed above, and how these qualifications fit with the desired composition of the Board of Directors as a whole.

In the case of incumbent directors, in addition to the criteria listed above, the Nominating and Governance Committee reviews the directors' overall performance on the Board of Directors and other relevant factors.

Stockholder Recommendations for Nominees

The Nominating and Governance Committee will consider nominees recommended by our stockholders. Any stockholder wishing to propose a nominee for consideration by the Nominating and Governance Committee should submit a recommendation in writing to our Corporate Secretary at our principal executive office, indicating the nominees' qualifications and other relevant biographical information and providing confirmation of the nominee's consent to serve as a director. The Nominating and Governance Committee does not intend to alter its criteria for evaluating potential director candidates, including the criteria set forth above, in the case of director candidates recommended by stockholders. The Nominating and Governance Committee periodically considers recommendations for director candidates.

If you wish to submit a director nomination at a future annual meeting, you must supply timely written notice to the Corporate Secretary. For the 2018 Annual Meeting, this notice must be received at our principal executive offices, directed to the Corporate Secretary, no earlier than January 18, 2018, and no later than February 17, 2018. The notice must include the information set forth in the Bylaws about each proposed nominee, including: (i) the name, age, business address, residence address and principal occupation or employment, business experience during the past five years and any other directorships of public companies currently held or held during the last five years, (ii) the number of shares of the Company's common stock which are beneficially owned, and (iii) other information concerning the nominee as would be required in soliciting proxies for the election of that nominee. The notice must also include the information set forth in the Bylaws about the stockholder making the nomination and any associated person, including information about the direct and indirect ownership of or derivative positions in the Company's common stock and arrangements and understandings related to the proposed nomination or the voting of the Company's common stock. The notice must also include a signed consent of each nominee to be named in the proxy statement as a nominee and to serve as a director of the Company if elected. If we do not receive a notice and the required information regarding the nominee, the stockholder and any associated person by the deadline described above, the proposed nominee may be excluded from consideration by the Nominating and Governance Committee. The Nominating and Governance Committee will only evaluate stockholder-recommended candidates if those recommendations meet the requirements described in this proxy statement and our Bylaws.

2017 Director Nominees

The first proposal for consideration at the Annual Meeting is the election of each of the eleven candidates named below as a director for a one-year term expiring at our 2018 Annual Meeting, or until his or her successor is duly elected and qualified.

At our 2015 Annual Meeting, stockholders voted to eliminate prospectively the classification of directors on our Board. Previously, our directors had been classified into three separate classes and held office for staggered three-year terms. Effective as of the 2017 Annual Meeting, all of our director nominees will be elected for one-year terms. Our Board is currently fixed at 11 members.

Table of Contents

Upon the recommendation of the Nominating and Governance Committee, the Board has nominated each of the directors identified below as a nominee for a one-year term expiring at the 2018 Annual Meeting of Stockholders or until his or her successor is duly elected and qualified.

The Board of Directors recommends that you vote FOR the election of each of the nominees. Proxies will be voted FOR the election of each nominee unless you specify otherwise.

The following presents a brief biographical description of each director nominee, as well as a discussion of the specific experience, qualification and skills of each director that helped lead the Board to conclude that each respective director should continue to serve as a member of the Board.

Nominees

| Name | Age | Director Since |
|----------------------|-----|----------------|
| John A. Carrig | 65 | 2011 |
| William R. Granberry | 74 | 2011 |
| Robert K. Herdman | 68 | 2011 |
| Kelt Kindick | 62 | 2013 |
| Karl F. Kurz | 55 | 2014 |
| Henry E. Lentz | 72 | 2011 |
| George A. Lorch | 75 | 2011 |
| William G. Lowrie | 73 | 2011 |
| Kimberly S. Lubel | 52 | 2011 |
| Richard E. Muncrief | 58 | 2014 |
| David F. Work | 71 | 2011 |

John A. Carrig. Mr. Carrig has been a director since December 2011. Mr. Carrig is the former President and Chief Operating Officer of ConocoPhillips (a large integrated oil company with operations in more than 30 countries). He joined Phillips Petroleum in London in 1978 as a tax attorney. In 1981, he transferred to Bartlesville, Oklahoma, and was associated with the corporate tax staff until 1993 when he joined the treasury group as finance manager. He was then named Assistant Treasurer of Finance, and in 1995 he accepted the position of Treasurer. He was Vice President and Treasurer from 1996 to 2000 when he was named Senior Vice President and Treasurer. He was elected Senior Vice President and Chief Financial Officer for Phillips in 2001, a position he held until the ConocoPhillips merger occurred in 2002, at which time he became Executive Vice President, Finance, and Chief Financial Officer of ConocoPhillips. In 2008, he was appointed President and Chief Operating Officer of ConocoPhillips and became responsible for global operations, including exploration and production, refining and transportation, project development and procurement, and health, safety and environmental matters. Mr. Carrig served as President of ConocoPhillips until his retirement in March 2011. Mr. Carrig graduated Phi Beta Kappa with a B.A. from Rutgers University and received his law degree from Temple University. He also holds an advance degree in tax law from New York University School of Law. Mr. Carrig also serves as a director of Forum Energy Technologies, Inc. (manufacturer of oil and gas field machinery and equipment), TRC Companies, Inc. (engineering, consulting and construction management services to the energy, environmental and infrastructure markets) and Skanska AB (a global project development and construction company).

We believe Mr. Carrig is well qualified to serve as a member of our Board. Mr. Carrig has many years of experience in our industry, including operating, financial and executive experience, and we believe these experiences are critical to his ability to identify, understand and address challenges and opportunities that we face.

William R. Granberry. Mr. Granberry has been a director since December 2011. Mr. Granberry served as a director of The Williams Companies, Inc. ("Williams") from 2005 until December 2011, and

Table of Contents

served as a member of Williams' Compensation Committee and its Finance Committee. Mr. Granberry was a member of Compass Operating Company LLC (a small, private oil and gas exploration, development, and producing company) from October 2004 through December 2013, at which time he retired and sold his interest to the other members. From 1999 to 2004, as an independent consultant, he managed investments and consulted with oil and gas companies. From 1996 to 1999, Mr. Granberry was President and Chief Operating Officer of Tom Brown, Inc. (a public oil and gas company with exploration, development, acquisition, and production activities throughout the central United States). He has worked in the oil and gas industry in various capacities for 50 years, including as a manager of engineering at Amoco (a global energy company) and in executive positions for smaller independent energy companies. Mr. Granberry has served on committees and boards of industry organizations, including the Society of Petroleum Engineers, the American Petroleum Institute, and the Independent Producers Association of America. Mr. Granberry holds B.S. and M.S. degrees in petroleum engineering from the University of Texas. Mr. Granberry is a director of Legacy Reserves GP, LLC (an independent acquirer and developer of oil and natural gas properties).

We believe Mr. Granberry is well qualified to serve as a member of our Board. Mr. Granberry has many years of experience in our industry, including executive, investment and operating experience, and we believe these experiences are critical to his ability to identify, understand and address challenges and opportunities that we face. Mr. Granberry also has extensive public policy experience from serving on committees and boards of industry organizations.

Robert K. Herdman. Mr. Herdman has been a director since December 2011. Since 2004, Mr. Herdman has been a Managing Director of Kalorama Partners LLC (a Washington, D.C. consulting firm specializing in providing advice regarding corporate governance, risk assessment, crisis management and related matters). Prior to joining Kalorama, Mr. Herdman was the Chief Accountant of the SEC from October 2001 to November 2002. Prior to joining the SEC, he was Ernst & Young's Vice Chairman of Professional Practice for its Assurance and Advisory Business Services ("AABS") practice in the Americas and the Global Director of AABS Professional Practice for Ernst & Young International. Mr. Herdman was also the senior Ernst & Young partner responsible for the firm's relationship with the SEC, Financial Accounting Standards Board and American Institute of Certified Public Accountants ("AICPA"). Mr. Herdman served on the AICPA's SEC Practice Section Executive Committee from 1995 to 2001 and as a member of the AICPA's Board of Directors from 2000 to 2001. He holds a B.S.C. in accounting from DePaul University. Mr. Herdman is currently on the board of directors of Cummins Inc. and is chair of its audit committee. Prior to April 2015, he served on the board of directors of HSBC Finance Corporation (formerly Household International, Inc.), HSBC North America Holdings, Inc. and HSBC US, Inc.

We believe Mr. Herdman is well qualified to serve as a member of our Board. Mr. Herdman has significant experience in finance and accounting, including expertise as the chair of the audit committees for public companies, and we believe these experiences are important to his ability to understand and address challenges and opportunities that we face. Mr. Herdman's SEC and public accounting experience provided him with insight into the business operations and financial performance of a significant number of public companies, which is advantageous to us as a public company.

Kelt Kindick. Mr. Kindick has been a director since January 2013. Mr. Kindick served as chief financial officer and partner at Bain & Company, Inc., a management consulting firm, from January 2009 until his retirement on December 31, 2012. He has been serving as Advisory Partner for Bain & Company since January 1, 2013. He joined Bain & Company, Inc. in 1980, was elected partner in 1986, served as Managing Director of the firm's Boston office from 1991 to 1996, and as Chairman of the firm's executive committee from 1998 to 1999. Mr. Kindick also served as chief financial officer of the Commonwealth of Massachusetts from 2003 to 2004. Mr. Kindick is the lead director of The Advisory Board Company. He received a B.A. degree from Franklin & Marshall College and an M.B.A. from Harvard Business School.

Table of Contents

We believe that Mr. Kindick is well qualified to serve as a member of our Board. His long service at a leading management consulting firm, where he has developed extensive experience in assessing and advising on corporate strategy, finance, operations, and talent management, as well as his finance and accounting experience, will be advantageous to us.

Karl F. Kurz. Mr. Kurz has been a director since January 2014. From September 2009 until his retirement in September 2012, Mr. Kurz served as a managing director, co-head of the energy group and a member of the investment committee at CCMP Capital Advisors LLC, a leading global private equity firm with a focus on energy investments, among other areas. Prior to joining CCMP, Mr. Kurz spent nine years with Anadarko Petroleum Corporation, most recently serving as chief operating officer responsible for overseeing the company's global exploration and production, marketing, midstream, land, technology and service businesses. Prior to joining Anadarko, Mr. Kurz was general manager of midstream and marketing for Vastar Resources, Inc., where he managed the company's marketing of oil, natural gas liquids, gas and gas processing. Prior to joining Vastar in 1995, Mr. Kurz held management positions at ARCO Oil and Gas Company in several business units including reservoir engineering, production operations, crude oil marketing, hedging, and financial trading. Mr. Kurz holds a B.S. *magna cum laude*, in petroleum engineering from Texas A&M University and he is a graduate of Harvard Business School's Advanced Management Program. Mr. Kurz also serves as a director of SemGroup Corporation (midstream services provider to independent oil and gas producers and refiners) and American Water Works Company, Inc. (water and wastewater services company). Mr. Kurz served as a director of Western Gas Partners from May 2008 through March 2009 and Global Geophysical Services, Inc. (seismic data solutions for the oil and gas industry) from December 2010 through December 2014.

We believe Mr. Kurz is well qualified to serve as a member of our Board. Mr. Kurz has many years of experience in our industry, including executive, investment and operating experience, and we believe these experiences are critical to his ability to identify, understand and address challenges and opportunities that we face. Mr. Kurz also has extensive public policy experience from serving on committees and boards of industry organizations.

Henry E. Lentz. Mr. Lentz has been a director since December 2011. In May 2011, Mr. Lentz retired from Lazard Frères & Co (an investment banking firm), where he had served as a Managing Director since June 2009. He was a Managing Director of Barclays Capital (an investment banking firm and successor to Lehman Brothers Inc.) from September 2008 to June 2009. From January 2004 to September 2008 he was employed as an Advisory Director by Lehman Brothers. He joined Lehman Brothers in 1971 and became a Managing Director in 1976. He left the firm in 1988 to become Vice Chairman of Wasserstein Perella Group, Inc. (an investment banking firm). In 1993, he returned to Lehman Brothers as a Managing Director and served as head of the firm's worldwide energy practice. In 1996, he joined Lehman Brothers' Merchant Banking Group as a Principal and in January 2003 became a consultant to the Merchant Banking Group. Mr. Lentz holds a B.A. from the College of the Holy Cross and an M.B.A. from the Wharton School of Business at the University of Pennsylvania. Mr. Lentz served as a director of Rowan Companies, Inc. from 1990 until 2014, and served as the non-executive Chairman beginning in 2009. He is currently on the board of directors of Peabody Energy Corporation, Macquarie Infrastructure Corporation and CARBO Ceramics, Inc.

We believe Mr. Lentz is well qualified to serve as a member of our Board. Mr. Lentz has significant experience in investment banking and financial matters, and we believe these experiences are critical to his ability to identify, understand and address challenges and opportunities that we face. Mr. Lentz also has corporate governance experience as a result of serving on other public company boards of directors, which is advantageous to us as a public company.

George A. Lorch. Mr. Lorch has been a director since December 2011. Mr. Lorch served as a director of Williams from 2001 until December 2011, and served as a member of Williams'

Table of Contents

Compensation Committee and its Nominating and Governance Committee. Mr. Lorch was Chairman Emeritus of Armstrong Holdings, Inc., the holding company for Armstrong World Industries, Inc. (a manufacturer and marketer of floors, ceilings, and cabinets). He was the Chief Executive Officer and President of Armstrong World Industries, Inc. from 1993 to 1994 and Chairman of the Board and Chief Executive Officer from 1994 to 2000. From May 2000 to August 2000, he was Chairman of the Board and Chief Executive Officer of Armstrong Holdings, Inc. Mr. Lorch has 37 years of sales and marketing experience at Armstrong, including 17 years of experience as a head of operations, with responsibility for strategy, profit statements, balance sheets, and stockholder relations. During his many years as a director in varied industries, Mr. Lorch has participated in CEO searches, succession planning, strategy development, takeover defense and offense, and director recruitment, and he has served on dozens of board committees. Mr. Lorch holds a B.S. in business administration from Virginia Polytechnic Institute and State University and has also completed an executive management course at the Kellogg School of Management at Northwestern University. Mr. Lorch served as a director of Pfizer, Inc. (a research-based pharmaceutical company) from 2000 until April 2015, acting as Non-Executive Chairman from December 2010 to December 2011, and as Lead Independent Director from December 2011 until April 2015. He is the Lead Independent Director, a member of the Compensation Committee, and Chairman of the Nominating and Corporate Governance Committee of the board of Autoliv, Inc. (a developer, manufacturer, and supplier of automotive safety systems), and a director, a member of the Compensation Committee, and Chairman of the Corporate Governance and Nominating Committee of the board of Masonite (a publicly held door manufacturer). Mr. Lorch has served as an advisor to the Carlyle Group (a private equity firm).

We believe that Mr. Lorch is well qualified to serve as a member of our Board. Mr. Lorch's executive experience provides valuable financial and management experience, including expertise leading a large organization with national operations, and we believe these experiences are critical to his ability to identify, understand and address challenges and opportunities that we face. Mr. Lorch also has knowledge and understanding of the strategy, recruitment, compensation and corporate governance issues that we face from his extensive experience as a director.

William G. Lowrie. Mr. Lowrie served as Chairman of our Board of Directors from December 2011 until January 2017, and has since served as our independent Lead Director. Mr. Lowrie served as a director of Williams Inc. from 2003 until December 2011, and served as a member of Williams' Audit Committee and its Nominating and Governance Committee. In 1999, Mr. Lowrie retired as Deputy Chief Executive Officer and director of BP Amoco PLC (a global energy company), where he spent his entire 33-year career. At Amoco, Mr. Lowrie held various positions of increasing responsibility, developing expertise in drilling, reservoir engineering, financial analysis of projects, and other skills related to the oil and natural gas exploration, production, and processing businesses. At various times in his Amoco tenure, Mr. Lowrie managed natural gas and natural gas liquids pipeline operations, hedging and other hydrocarbon price risk mitigation functions, international contract negotiations, petroleum product refining and marketing operations, environmental health and safety program design, and the development and execution of a process for managing capital investment projects. Mr. Lowrie also worked closely with all financial functions, internal and external auditors, and industry organizations such as the American Petroleum Institute. From 1995 to 1999, Mr. Lowrie served on the board of Bank One Corporation (now JP Morgan Chase), including on that board's audit committee. He holds a bachelor of chemical engineering degree from The Ohio State University and has attended the Executive Program at the University of Virginia. Mr. Lowrie is a director of The Ohio State University Foundation and a trustee and chairman of the South Carolina chapter of The Nature Conservancy. He is chairman and director of SCR Technologies, Inc., a private start-up technology company.

We believe that Mr. Lowrie is well qualified to serve as a member of our Board. Mr. Lowrie has many years of experience in our industry, including operating, financial and executive experience, and

Table of Contents

we believe these experiences are critical to his ability to identify, understand and address challenges and opportunities that we face. Mr. Lowrie also has extensive risk-management experience from his time at BP Amoco and from his service on Williams' Audit Committee.

Kimberly S. Lubel. Ms. Lubel has been a director since December 2011. She has served as Chairman of the Board, President and Chief Executive Officer of CST Brands, Inc. (a publicly-traded retailer of transportation fuels and convenience goods) since May 2013. Ms. Lubel has also served as the Chairman of the Board of the general partner of CrossAmerica Partners L.P. (a publicly-traded master limited partnership) since October 2014, when CST Brands acquired the general partner. CST Brands entered into a merger agreement with Alimentation Couche-Tard Inc. on August 22, 2016, and Ms. Lubel will retire from her positions at CST Brands and CrossAmerica Partners following the closing of the merger. The closing is expected to occur in the second quarter of 2017. In January 2013, Ms. Lubel became responsible for the retail organization of Valero Energy Corporation (a large independent refiner of transportation fuels and related products) in the United States and Canada as Executive Vice President and President Retail, and served in that capacity until the spin-off of the retail organization as CST Brands, Inc. Ms. Lubel previously served from October 2008 to December 31, 2012, as Executive Vice President and General Counsel for Valero with responsibility over Valero's legal, ad valorem tax, health, safety and environmental, energy and gases, reliability, and project execution departments. She joined Valero in 1997 as Corporate Counsel. From April 2006 to October 2008, she served as Senior Vice President & General Counsel. She served as lead attorney for most of Valero's major acquisitions during her tenure with Valero. Ms. Lubel holds a B.A. in Spanish and a B.A. in international studies from Miami University (Ohio), an M.A. in international relations from Baylor University, and a J.D. from the University of Texas School of Law. She is also a graduate of the Executive Program at Stanford University. Ms. Lubel serves on the Texas Christian University Chancellor's Advisory Council.

We believe that Ms. Lubel is well qualified to serve as a member of our Board. Her chief executive officer experience is critical to her ability to identify, understand and address challenges and opportunities that we face. As a result of her executive experience, Ms. Lubel also has an understanding of compensation and corporate governance issues that we face. Her experience as lead attorney for complex transactions well positions her to advise on any transactions that we may consider. Her familiarity with legal and regulatory issues, including expertise on complex health, safety, and environmental matters, also positions her well to advise on such issues.

Richard E. Muncrief. Mr. Muncrief was appointed President and Chief Executive Officer of the Company on May 15, 2014, and on January 1, 2017 he was appointed Chairman of the Board of Directors as well. He had earlier served since June 2009 as Senior Vice President, Operations and Resource Development of Continental Resources, Inc. Prior to joining Continental, he was employed from August 2008 through May 2009 by Resource Production Company, where he served as Corporate Business Manager. From September 2007 to August 2008, he served as President, Chief Operating Officer and as a director of Quest Midstream Partners, LP. From 1980 to 2007, he served in various managerial capacities with ConocoPhillips and its predecessor companies, Burlington Resources, Meridian Oil and El Paso Exploration. Mr. Muncrief holds a B.S. in petroleum engineering technology from Oklahoma State University. Mr. Muncrief served as a director of Apco Oil and Gas International Inc. ("Apco"), a majority-owned subsidiary of the Company until January 2015, from August 2014 until January 2015.

We believe Mr. Muncrief is well qualified to serve as a member of our Board. Mr. Muncrief has many years of experience in the upstream and midstream energy business, and we believe this experience will be critical to his ability to identify, understand and address the challenges and opportunities that we face. As our President and Chief Executive Officer, with intimate knowledge of our business and operations, Mr. Muncrief brings a valuable perspective to the Board. Further, we

Table of Contents

believe that Mr. Muncrief's experience with managing the operations of a large, public company is advantageous to us.

David F. Work. Mr. Work has served as a director since December 2011. In 2000, Mr. Work retired as Regional President from BP Amoco Corporation (a global energy company) where he served in various capacities since 1987. As Regional President, Mr. Work was the senior BP Amoco representative in the Gulf Coast, Southwest and Rocky Mountain states, and his responsibilities included coordinating the vice presidents of BP Amoco's seven exploration and production business units, as well as the leaders of the gas, power, oil and chemical businesses located in the area. Prior to serving as Regional President, Mr. Work served as a Group Vice President in BP Amoco's Exploration and Production stream and was a member of its Executive Committee. Prior to the merger between BP and Amoco, Mr. Work had positions of increasing responsibility at Amoco Corporation, including Senior Vice President of Shared Services and Group Vice President of worldwide exploration for the exploration and production sector. Mr. Work served on the board of directors of CGGVeritas Service Holdings Inc. (formerly Veritas DGC Inc.) from 2004 until October 2012. Since 2009, he has served on the board of directors of Hat Creek Energy. Mr. Work was a management consultant for TerraTek, a Schlumberger company for two years. Mr. Work also volunteers as a member of the Land Trust Alliance Advisory Council and is a member of the board of trustees of the Wyoming chapter of The Nature Conservancy, the Teton Science School and the Teton Regional Land Trust. He holds a B.A. in geology from Wesleyan University and an M.S. in geology from the University of California Santa Cruz. Mr. Work is involved in several professional organizations, including the American Geologic Institute and the American Association of Petroleum Geologists.

We believe Mr. Work is well qualified to serve as a member of our Board. Mr. Work has many years of experience in our industry, including operating and executive experience, and we believe these experiences are critical to his ability to identify, understand and address challenges and opportunities that we face. Mr. Work's extensive experience in identifying exploration and production opportunities is advantageous to us as an independent company.

CORPORATE GOVERNANCE

Overview

WPX is committed to high standards of corporate governance and ethical business conduct. Important documents that are reflective of this commitment include our Certificate of Incorporation, Bylaws, Corporate Governance Guidelines, charters of the committees of our Board of Directors, our Lead Director Charter, and our Code of Business Conduct. You can access these documents at www.wpxenergy.com under "Investors" and "Corporate Governance" to learn more about our corporate governance practices.

Corporate Governance Practices

Some of our key corporate governance practices include:

Board Structure

Majority Vote Standard. Our Bylaws and Corporate Governance Guidelines provide that each director must be elected by a majority vote in an uncontested election. Our Corporate Governance Guidelines also provide that a director nominee must submit an irrevocable resignation effective upon the failure to receive more votes cast "for" than "against" his or her election or re-election and Board acceptance of such resignation.

Board Leadership Structure. The Board believes that independent leadership is important. The Board also believes that, depending on what appears to be in the best interests of the Company

Table of Contents

and its stockholders at any given point in time, it should be able to choose whether the roles of Chairman of the Board and Chief Executive Officer are combined or separate. In cases where the Board believes that those roles should be combined, the independent directors will select from among themselves an individual who acts as Lead Director. The duties and responsibilities of the Lead Director are set forth in a Lead Director Charter that is available on our website at www.wpxenergy.com. The independent directors assess the Board's leadership structure annually and conduct annual performance evaluations of both the Chairman of the Board and the Lead Director. When the positions of Chairman of the Board and Chief Executive Officer are combined, the performance evaluation of the Chairman of the Board role is in addition to the performance evaluation of the Chief Executive Officer role.

Board and Board Committees Composition and Performance

Limitation on Public Company Directorships. A director may not serve on more than five public company boards of directors (including the Company's).

Resignation Upon Change in Status. Each of our directors is required to offer his or her resignation upon a material change in his or her status, including a change in his or her principal business associations.

Executive Sessions. Our Board of Directors and each Board committee regularly conduct executive sessions of non-management directors. Our Lead Director presides over each executive session of non-management directors. Committee Chairs preside over executive sessions of their respective committees.

Independent Advisors. Our Board of Directors and Board committees have the authority to retain independent advisors.

Annual Performance Reviews. Our Board of Directors and Board committees conduct performance reviews annually.

New Director Orientations. New directors are required to complete an orientation program upon joining the Board, and all directors are given the opportunity and are encouraged to participate in continuing education programs.

Guidelines and Board Policies

Stock Ownership Guidelines. We maintain stock ownership and retention guidelines for directors and executive officers. See "*Compensation Discussion and Analysis Other Compensation Practices Stock Ownership Guidelines*" and "*Director Compensation*."

Approval Procedures for Related-Person Transactions. We have a related-person transactions approval policy regarding the review, approval and ratification of related-person transactions involving a member of the Board, one of our executive officers, or any immediate family member or affiliate of such individuals. The Audit Committee and in some cases the full Board of Directors oversees this process. See "*Certain Relationships and Transactions*."

Recoupment Policy. We have a recoupment policy that requires the Company to recover all performance-based incentive payments from senior executives, including all of our named executive officers, found by the Board of Directors to be personally responsible for the fraud or intentional misconduct resulting in a significant restatement of the Company's financial statements. In addition, we will seek recoupment from all other executive officers of any amounts paid in excess of the award that would have been paid based on the restated financial results. See "*Compensation Discussion and Analysis Other Compensation Practices Recoupment Policy*."

Table of Contents

Communications Policy. We have a communication policy that outlines how stockholders and other interested parties may communicate with the Board of Directors. See "Board Committees Communications with the Board of Directors."

Independent Compensation Consultant. Our Compensation Committee has the sole authority to retain or terminate its compensation consultant and annually reviews its compensation consultant's independence.

Environmental Policy. We have an environmental health and safety policy that outlines our focus on integrating environmental, health and safety stewardship into our core business activities. Consistent with this policy, we have posted to our website (www.wpxenergy.com) a report that summarizes the efforts we undertake to manage and mitigate emissions of methane.

Transactions in Company Securities (Anti-Hedging Policy). Our insider trading policy prohibits short sales of shares of our common stock by directors and executive officers. It also prohibits the use of equivalent derivative securities.

Anti-Pledging Policy. Our insider trading policy prohibits our directors, officers, and key employees from holding our securities in a margin account or using such securities as collateral for a loan.

Independent Auditors

Ratification of Auditor. Our stockholders annually ratify the selection of our independent registered public accounting firm.

Limited Non-Audit Fees. The 2016 non-audit and non-audit-related fees paid to our independent registered public accounting firm were less than twenty percent of total fees paid to that firm by the Company in 2016.

Corporate Governance Guidelines

Our Certificate of Incorporation and Bylaws, together with Delaware law and NYSE and SEC rules, govern the Company. Our Corporate Governance Guidelines set forth many of the practices, policies and procedures that provide the foundation of our commitment to strong corporate governance. The policies and practices covered in our Corporate Governance Guidelines include operation of the Board of Directors, Board structure, director independence and Board committees. Our Corporate Governance Guidelines are reviewed at least annually by our Nominating and Governance Committee and are revised as necessary.

Code of Business Conduct

Our Board has adopted a Code of Business Conduct that applies to all employees. Our Code of Business Conduct is publicly available on our website at www.wpxenergy.com. Any waiver of our Code of Business Conduct with respect to the Chief Executive Officer, Chief Financial Officer or Controller, or persons performing similar functions, may be authorized only by our Audit Committee. In the event that we make any changes to, or provide any waivers from, the provisions of our Code of Business Conduct, we intend to disclose such events on our website or in a report on Form 8-K within four business days of such event.

Director Independence

Our Corporate Governance Guidelines require that the Board make an annual determination regarding the independence of each of our directors. Based on an annual evaluation performed by and recommendations made by the Nominating and Governance Committee, the Board has determined that

Table of Contents

each of our current directors, other than Mr. Muncrief, is independent under the NYSE listing standards and the rules and regulations of the SEC. The Board's determination of independence took into account the "bright line" standards of the NYSE and the standards for independence contained in our Corporate Governance Guidelines, as well as the absence of any material transactions or other relationships between the Company, on the one hand, and directors, their immediate family members and other associates, on the other. The Board reviewed transactions between the Company and other companies where a director serves as a non-employee director, or where a director or family member of the director serves as an executive officer, and concluded that no such transaction was contrary to a finding of independence.

Board Leadership Structure

Our Board believes that, depending on what appears to be in the best interests of the Company and its stockholders at any given point in time, it should be able to choose whether the roles of Chairman of the Board and Chief Executive Officer are combined or separate. Since January 2017, the positions of Chairman of the Board and Chief Executive Officer have been held by Mr. Muncrief. The Board believes that Mr. Muncrief's leadership in developing and executing the Company's strategy since 2014 and his deep knowledge of the Company's operations enable him to facilitate the Board's responsibilities for overseeing the Company and driving its continued efforts to create value for stockholders. As the Chairman of the Board and Chief Executive Officer, Mr. Muncrief will be well positioned to identify key issues that call for the Board's attention and guidance.

The Board also believes that independent leadership is important, and the Company's Governance Guidelines call for the independent directors to select from among themselves a Lead Director when the role of Chairman of the Board is combined with the role of Chief Executive Officer. In January 2017, the independent directors selected Mr. Lowrie as Lead Director. Mr. Lowrie had previously served several years as non-executive Chairman of the Board, and his service and leadership in that capacity will contribute to his ability to fulfill the role of Lead Director effectively and independently.

The current leadership structure of the Board is reviewed annually by the independent directors. In addition, the independent directors annually conduct performance evaluations of both the Chairman of the Board and the Lead Director. When the positions of Chairman of the Board and Chief Executive Officer are combined, the performance evaluation of the Chairman of the Board role is in addition to the performance evaluation of the Chief Executive Officer role.

The duties and responsibilities of the Lead Director are set forth in a Lead Director Charter that is available on our website at www.wpxenergy.com, and include the following:

presides at executive sessions of the independent directors and has the authority to call additional executive sessions or meetings of the independent directors;

presides at Board meetings in the absence of the Chairman of the Board;

serves as principal liaison between the Chairman of the Board and the independent directors;

assists in the selection and preparation of meeting schedules, agendas and meeting materials for the Board;

is available for consultation and direct communication with major stockholders under appropriate circumstances;

interviews, along with the Chairman of the Board and the Chairman of the Nominating and Governance Committee, all Board candidates, and makes recommendations to the Nominating and Governance Committee; and

Table of Contents

oversees, in consultation with the Chairman of the Board, the Board's annual goals and objectives, which are subject to approval by the full Board.

The Board believes that it is important to have the flexibility to put in place a leadership structure that promotes effective governance at an given point in time and that, under present circumstances, the current Board leadership structure is in the best interests of the Company and its stockholders.

Risk Oversight

Enterprise-Wide Risk Oversight. Our Board oversees management's enterprise-wide risk management activities, either directly or with the assistance of its committees. Risk management activities include assessing and taking actions necessary to manage risk attendant on the long-term strategic direction and operation of our business. Discussions with the Board regarding the Company's capital and operating plan, business results, and competitive environment ordinarily include a discussion of the risks associated with the particular item under discussion. The Board's committees assist in the risk oversight function as follows:

The Audit Committee oversees our financial controls and compliance activities, and regularly evaluates such matters as our financial reporting and disclosure, our relationships with vendors, and our capital investment and project execution. The enterprise risk management function, which reports to our Chief Financial Officer, assists the Company in identifying and assessing the Company's material risks. The Company's Chief Internal Auditor, who always has direct access to the Audit Committee, assists the Company in evaluating risk management controls and methodologies. In connection with its oversight role, the Audit Committee regularly meets privately with representatives from the Company's independent registered public accounting firm and the Company's Chief Internal Auditor and General Counsel.

The Compensation Committee oversees risk associated with our human capital and our compensation practices and plans.

The Nominating and Governance Committee oversees Board processes and corporate governance-related risk, including risks related to environmental health and safety, reputation and branding, and legislative and regulatory matters.

Enterprise-Wide Incentive Compensation Risk Assessment. With the oversight of our Compensation Committee, we conducted a risk assessment of the Company's human capital with a focus on enterprise-wide compensation programs. The risk assessment reviewed both incentive compensation plans and individual incentive awards paid in 2016 for the presence of potential design elements that could incent employees to incur excessive risk. The assessment also took into account the presence of other design features that serve to mitigate excessive risk-taking, such as the Company's recoupment policy, stock ownership guidelines, and balanced performance metrics.

After considering the results of the risk assessment, the Compensation Committee concluded, and its independent advisor agreed, that the level of risk associated with the Company's enterprise-wide compensation programs is not reasonably likely to have a material adverse effect on the Company. The results of the risk assessment were reviewed with the Compensation Committee at a meeting in February 2017. Please see "*Compensation Discussion and Analysis Other Compensation Practices Consideration of Risk in Setting Executive Compensation*" for a discussion of design elements intended to mitigate excessive risk-taking by our executive officers.

Executive Officers

The following presents a brief biographical description of each of our executive officers (other than Mr. Muncrief, whose biographical information appears above under "2017 Director Nominees").

Table of Contents

Executive Officer

Dennis C. Cameron

Age 54

Senior Vice President and General Counsel

Biographical Information

Mr. Cameron was named Senior Vice President and General Counsel of the Company in December 2013. Prior to that time, Mr. Cameron had served as Vice President and Deputy General Counsel of the Company since July 2013 and Assistant General Counsel from January 2012 to July 2013. Mr. Cameron has over 25 years of legal experience. He started his career in May 1987 at GableGorwals, a full-service law firm. From 2008, Mr. Cameron was a member of the Board of Directors of the firm. Mr. Cameron remains of counsel to the firm. Mr. Cameron's practice at GableGotwals consisted primarily of complex litigation involving energy interests including the defense of class actions and included commercial litigation with an emphasis in oil & gas issues, products liability and environmental law. Mr. Cameron served as national counsel to a major oil & gas company on royalty, severance taxes and qui tam matters and regional counsel to two other oil & gas companies on similar matters. Mr. Cameron also represented three major oil & gas companies on Federal and Indian oil & gas matters related to production throughout the United States and offshore. Mr. Cameron was selected as National Products liability counsel to an international tool manufacturer. Mr. Cameron received a Bachelor of Science in Mechanical Engineering from the University of Oklahoma and Juris Doctor from the University of Oklahoma College of Law.

Clay M. Gaspar

Age 45

Senior Vice President and Chief Operating Officer

Mr. Gaspar has served as Senior Vice President and Chief Operating Officer since November 2015. From October 2014 until November 2015, he served as Senior Vice President of Operations and Resource Development. From July 2012 until October 2014, Mr. Gaspar served as Vice President Mid-Continent for Newfield Exploration Company. Prior to joining Newfield, Mr. Gaspar spent 16 years with Anadarko Petroleum Corporation where he served as General Manager of Investor Relations from 2011-2012, General Manager, Business Advisor from 2009-2011 and General Manager, East Texas from 2007-2009. From 1996-2007, Mr. Gaspar served in various engineering and management positions at Anadarko. Mr. Gaspar started his career with Mewbourne Oil Company as a production and drilling engineer where he worked part-time as a student from 1991-1995 and then full-time from 1995-1996. He is a member of the Society of Petroleum Engineers and holds a Bachelor of Science degree in Petroleum Engineering from Texas A&M University and a Master of Science degree in Petroleum and Geosciences Engineering from the University of Texas at Austin and is a Registered Professional Engineer in the state of Texas.

Table of Contents

Executive Officer

Bryan K. Guderian

Age 57

**Senior Vice President of
Business Development**

Biographical Information

Mr. Guderian has served as Senior Vice President of Business Development since May 2016. Prior to that time, Mr. Guderian had served as Senior Vice President of Business Development and Land from October 2014 until May 2016. Mr. Guderian had served as Senior Vice President of Operations from December 2011 until October 2014. From 1998 until December 2011, Mr. Guderian served as Vice President of the Exploration & Production unit of The Williams Companies, Inc. with responsibility for operational and commercial management of exploration and production assets in the Marcellus Shale, the San Juan Basin and other basins. Mr. Guderian also had responsibility for overseeing Williams' international operations. He served as a director of Apco International Oil and Gas Inc. ("Apco") from 2002 until 2015 and a director of Petrolera Entre Lomas S.A. from 2003 until 2015. Mr. Guderian served as Chief Executive Officer of Apco from 2013 until 2015. Mr. Guderian joined Williams in 1991 as a gas marketing representative. Mr. Guderian holds a bachelor of business administration degree in petroleum land management from the University of Oklahoma. He serves as a director of NGL Energy Partners, LP.

J. Kevin Vann

Age 45

**Senior Vice President and
Chief Financial Officer**

Mr. Vann has served as Senior Vice President and Chief Financial Officer in March 2014. Mr. Vann had also served as Treasurer from September 2014 to November 2014. Prior to his appointment as Senior Vice President and Chief Financial Officer, Mr. Vann had served as Vice President, Chief Accounting Officer and Controller since December 2011. From June 2007 until December 2011, Mr. Vann served as Controller for the exploration and production business unit of Williams. He was Controller for Williams Power Company from 2006 to 2007 and Director of Enterprise Risk Management for Williams from 2002 to 2006. In his Controller positions, he was responsible for the development and implementation of internal controls to ensure effective financial and business systems, accurate financial statements and the timely provision of appropriate information and analysis to assist in the strategic management of the company. As Director of Enterprise Risk Management for Williams, he was responsible for the aggregation and measurement of commodity and credit risk. Mr. Vann also served as a director Apco from 2014 to 2015. Mr. Vann holds a B.S. in accounting from Oklahoma State University.

Board Meetings and Annual Meeting Attendance

Directors are expected to attend Board meetings, meetings of committees on which they serve and the Annual Meeting of Stockholders. During the year ended December 31, 2016, the Board of Directors held nine meetings. All directors who were members of the Board of Directors in 2016 attended at least 75% of the meetings of the Board and any Board committees of which they were members. Each of our directors attended our 2016 Annual Meeting of Stockholders.

Table of Contents

Board Committees

The Board of Directors has established three standing committees: the Audit Committee, the Compensation Committee and the Nominating and Governance Committee. These committees help the Board of Directors fulfill its responsibilities and assist the Board of Directors in making informed decisions. Each committee operates pursuant to a written charter, each of which is available on our website at www.wpxenergy.com, and evaluates its charter and conducts a committee performance evaluation annually.

The directors serve on the committees as set forth below.

| Audit | Compensation | Nominating and Governance |
|--------------------------|-----------------------------|----------------------------------|
| Robert K. Herdman, Chair | William R. Granberry, Chair | George A. Lorch, Chair |
| John A. Carrig | Henry E. Lentz | Kimberly S. Lubel |
| Kelt Kindick | David F. Work | Karl F. Kurz |

Audit Committee

The Audit Committee consists of Messrs. Herdman (Chair), Carrig, and Kindick, each of whom is an independent director under the NYSE listing standards and the rules and regulations of the SEC and each of whom is financially literate. The Board of Directors has determined that each of Messrs. Carrig, Herdman and Kindick has accounting or related financial management expertise and is qualified as an "audit committee financial expert" as defined by the rules and regulations of the SEC. You should understand that these designations are disclosure requirements of the SEC and the NYSE relating to the members' experience and understanding of accounting and auditing matters. These designations do not affect the obligations or liability of Board or Audit Committee members generally. The Audit Committee is responsible for overseeing our accounting and financial reporting processes and audits of our financial statements, public disclosure and compliance activities and for the selection and retention of the independent registered public accounting firm. The Audit Committee held eight meetings in 2016.

Compensation Committee

The Compensation Committee consists of Messrs. Granberry (Chair), Lentz, and Work, each of whom is an independent director under the NYSE listing standards and the rules and regulations of the SEC and each of whom meets the definition of an outside director under the Internal Revenue Code of 1986, as amended (the "IRC"). The Compensation Committee is responsible for overseeing the design and implementation of strategic executive compensation programs that promote the attraction, retention, and appropriate reward of executive officers and are designed to motivate the Company's executive officers toward the achievement of business objectives and to align the executive officers' focus with the long-term interest of the stockholders. The Compensation Committee also makes recommendations to the Board regarding the compensation of our Chief Executive Officer and assists the Board in fulfilling its responsibility to oversee the establishment and administration of the Company's compensation programs, including incentive compensation, equity-based plans, and related matters for employees subject to Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Compensation Committee also monitors compliance by directors and the executive officers with the Company's stock ownership guidelines. The Compensation Committee held nine meetings in 2016.

Nominating and Governance Committee

The Nominating and Governance Committee consists of Mr. Lorch (Chair), Ms. Lubel and Mr. Kurz, each of whom is an independent director under the NYSE listing standards and the rules

Table of Contents

and regulations of the SEC. The Nominating and Governance Committee's duties include identifying and recommending qualified individuals to be proposed as nominees for election to the Board at the annual meeting of stockholders and developing, reviewing annually and recommending to the Board changes to our Corporate Governance Guidelines. The Nominating and Governance Committee also reviews the size and composition of the Board and its committees and recommends any changes to the Board, establishes a process for and assesses director independence and oversees the evaluation of the Board and its committees. The Nominating and Governance Committee held four meetings in 2016.

Communications with the Board of Directors

Any stockholder or other interested party may communicate with our directors, individually or as a group, the Lead Director, or the independent directors as a group, by contacting our Corporate Secretary or the Chairman of the Board. The contact information is maintained on the Investor Relations page of our website at www.wpxenergy.com.

The current contact information is as follows:

WPX Energy, Inc.

3500 One Williams Center
Tulsa, Oklahoma 74172
Attn: Corporate Secretary

We will forward communications to the relevant director(s) unless the communications are of a personal nature or not related to the duties and responsibilities of the Board of Directors, including, without limitation, junk mail, mass mailings, business solicitations, spam, surveys and routine product or business inquiries.

Table of Contents

EXECUTIVE COMPENSATION

Executive Summary

Building on the groundwork laid during 2015, we delivered solid results in 2016, including significantly improved shareholder return. In January, our executive officers introduced five strategic imperatives to enable our company to maintain focus despite tremendous pressure from market conditions. These strategic imperatives were:

Integrity & Trust: maintaining high ethical standards and doing the right thing for our stakeholders

Financial Health: acting promptly and prudently to ensure our financial well-being

Operational Excellence: building a data-driven learning culture founded on top-tier operational competency

Portfolio Optimization: critically evaluating each asset to improve the quality and size of our portfolio

Organizational Development: retaining the industry's best people and providing an organizational structure that promotes productivity

During the year, our executive officers led efforts to achieve sustainable growth based upon our world-class assets. Specific accomplishments for 2016 include:

Lowering well cost and increasing estimated units of recovery ("EURs") across all basins

Decoupling and/or self-sourcing drilling and completion services to achieve additional cost savings

Setting a company record for oil production in the fourth quarter

Increasing output by completing the drilled but uncompleted ("DUC") inventory in the Williston basin

Achieving a reserves replacement rate in basins we continue to operate of 317%

Placing the first segment of the Permian basin crude line in service

Retiring outstanding 2017 senior notes ahead of schedule

In addition, our total shareholder return in 2016 was the highest of our peer group, at 154% compared to average TSR of our peer companies of 46%.

Our 2016 annual incentive metrics Production Volume, Adjusted EBITDAX, Development Efficiencies, and a Discretionary component effectively incented our executive officers to focus on the strategic imperatives to deliver improved shareholder return. Our executive management team successfully navigated through a significant industry downturn, positioning the company for substantial, sustainable growth at current strip pricing.

Edgar Filing: WPX ENERGY, INC. - Form DEF 14A

Under our annual incentive plan, we awarded 165% of target based upon performance against pre-defined metrics and the Discretionary component. Over two-thirds of the annual incentive award was attributable to the three quantifiable metrics, and slightly less than one-third resulted from the Discretionary component. This allocation of the final award payout is roughly in line with the annual incentive metrics, of which 70% were quantifiable and 30% was discretionary. See "*Annual Cash Incentive*" for additional information about the annual incentive metrics and how the award was calculated.

Table of Contents

Our long-term incentive plan paid out at target. The metric for the long-term incentive award was Total Shareholder Return ("TSR") relative to our peer group. TSR over the three-year performance period, 2014-2016, was in the 64th percentile of our peer group, or in the second quartile. Although the payout range adopted at the time these performance-based RSUs were granted provided for a payout at 150% for this level of performance relative to our peers, the payout for these units was capped at 100% because absolute TSR over the performance period was negative. See "*Vesting of 2014 Performance-Based RSUs*" for additional information about this award.

Due to the low market value for our common stock in the first quarter, uncertainties in the broader E&P market, and a planned reorganization of our company, our Compensation Committee decided to delay the annual equity grant until May 19. This delay avoided inflating the annual grant due to our low first-quarter stock price and reduced the total size of the annual equity grant by 1,542,971 shares. See "*Long-Term Incentives*" for details about the 2016 annual equity grant and resulting reduction in the number of shares granted.

Compensation Discussion and Analysis

Our executive compensation program includes several features designed to align the interests of our executive officers with the interests of our stockholders:

The majority of compensation paid to our CEO is performance-based

We use a balanced approach to performance metrics to focus executive officers on executing our strategy while discouraging excessive risk-taking

Our stock ownership guidelines require our executive officers to have a significant stake in our long-term success and align their interests with stockholder interests

Our Compensation Committee regularly reviews overhang levels and the annual run rate

Our recoupment policy requires recovery of all performance-based incentive payments from executive officers found to be responsible for fraud or intentional misconduct that results in a significant restatement of our financial results as well as recoupment from all other executive officers of any amounts paid in excess of the award that would have been paid based on the restated financial results

Our change-in-control agreements have a double trigger for cash payments, equity awards, and other benefits so they are not triggered solely on a change-in-control

We provide very limited perquisites to our NEOs

Our Compensation Committee engages an independent compensation consultant to provide competitive market data for our executive officers and to lead discussions on trends within our industry

When making compensation decisions, our Compensation Committee uses tally sheets to consider total outstanding equity value and estimates of amounts that would be paid in various termination scenarios

In addition, we have adopted policies and provisions to ensure we do not engage in practices that could be detrimental to stockholders:

Our performance-based RSU program prohibits payouts in excess of 100% of target if absolute TSR is negative, regardless of the ranking of our TSR relative to peers

Other than the limited-term, three-year employment contract entered into with our CEO in connection with his recruitment, we do not provide employment contracts to any of our executive officers

Table of Contents

We do not provide gross-ups to cover personal income taxes that pertain to severance benefits or the limited perquisites we offer

Our insider trading policy prohibits short sales of our common stock and the use of equivalent derivative securities by our directors and executive officers

We do not permit our directors or executive officers to engage in margin trading of our stock

Our anti-pledging policy prohibits our directors or executive officers from holding our common stock in a margin account or pledging our common stock as collateral for a loan

Our incentive plan prohibits the backdating of stock options and the repricing of stock options without stockholder approval

Compensation Philosophy

We provide a competitive total rewards program designed to attract, engage, reward, and retain highly effective executive officers to deliver on our business plan and drive results that increase stockholder value. We intend to maintain compensation programs that are in the best interest of WPX and our stockholders while rewarding our executive officers through a pay mix that balances short- and long-term performance and discourages excessive risk-taking. Establishing the proper compensation mix is critical to our pay-for-performance approach in engaging executive officers to carry out our business strategy.

Our Compensation Committee believes pay for our executive officers should emphasize performance-based rewards and the use of equity. Performance-based compensation, which includes the Annual Incentive Program ("AIP") and performance-based RSUs, comprises a major portion of our executive compensation, while base salary is a much smaller percentage. Equity, which directly aligns our executives with stockholders, comprises a much greater portion of compensation to our NEOs than cash compensation.

We implement our compensation philosophy by:

making a majority of CEO pay performance-based, subject to increase when we exceed performance targets and reduction when we do not achieve performance targets

tying pay to performance metrics that encompass both short- and long-term goals and encourage profitable growth while discouraging excessive risk-taking

delivering a majority of compensation in the form of equity, which directly ties the interests of our NEOs to stockholders and causes the value of their compensation to vary based upon our stock price

Determination of Total Compensation

Role of our Compensation Committee and Board of Directors

Our Compensation Committee oversees the design and implementation of our compensation programs, including setting performance metrics and goals for our annual and long-term incentives, and approves compensation for the NEOs, except for the CEO. For the CEO's compensation, the Committee makes recommendations to the independent members of the Board of Directors, which has responsibility for approving the CEO's compensation. The Committee makes decisions with respect to executive officer compensation based on the following factors:

the performance of each executive officer and the value of the role to WPX

market data from our peer group, the broader E&P industry, and general industry

Table of Contents

internal pay equity considerations, such as relative scope of responsibility of each position

input from the CEO (for executive officers other than himself)

input from the Committee's independent compensation consultant

Throughout this CD&A, when references are made to decisions about the CEO's compensation, those were made by the independent members of the Board of Directors after considering the recommendation of the Committee.

Consideration of 2016 Stockholder Advisory Vote to Approve 2015 Executive Compensation

In 2016, we received a favorable advisory vote on our executive compensation program, with approximately 96 percent of the Company's shares voting in favor of the executive compensation program. Our Compensation Committee did not change its approach in 2016 based on the results of the advisory vote. The Committee will continue to monitor and consider the outcomes of the annual advisory votes on our executive compensation program when making decisions for our executive officers.

Role of the Compensation Committee's Independent Compensation Consultant

Our Compensation Committee retains an independent consultant, FW Cook, to advise on executive and director compensation matters, assess total compensation levels and elements of pay for executive officers, evaluate competitive compensation trends, and identify an appropriate peer group for executive compensation planning. In addition, the independent compensation consultant manages the process by which the Board of Directors evaluates the CEO's performance. The Committee meets with its independent consultant within and outside the presence of management and has the sole authority to retain and terminate its independent consultant, including sole authority to approve its fees and retention terms. FW Cook provides no other services to WPX and does not perform any work for management.

Consistent with the requirement in our Compensation Committee charter, the Committee annually reviews the independence of its compensation consultant considering the factors set forth in the NYSE listing standards. For 2016, the Committee found that FW Cook continues to meet the NYSE listing standards for independence.

Role of Management and Executive Officers

Although management provides input to the Compensation Committee as it sets performance metrics and goals for our annual and long-term incentives, management does not set compensation for our executive officers. Our CEO provides his evaluation of the performance of the executive officers that report to him and makes compensation recommendations to the Committee, which then determines compensation for these executive officers. Our CEO also provides an assessment of his own performance to both the Compensation Committee and Board of Directors but does not participate in the process of setting his own compensation.

Competitive Positioning

Our Compensation Committee makes decisions about the appropriate mix between fixed and variable pay and between cash and equity. The Committee makes these decisions in the context of the competitive market for executive talent, while also considering how each element of pay furthers the objectives of our compensation program. To evaluate this market, the Committee, with the advice and assistance of its independent compensation consultant, considers proxy data and survey data from a designated group of peer companies, along with survey data from a broader group of E&P companies and, to a lesser extent, general industry companies.

Table of Contents

With input from its independent compensation consultant, the Committee used the following selection criteria to identify our group of peer companies:

U.S. Oil & Gas E&P companies

Scale in terms of enterprise value with additional consideration given to asset size, market capitalization, and revenue

Whether the company is a competitor for business, investor capital, or executive talent

Whether the company has a similar corporate structure focused on horizontal drilling using hydraulic fracturing technology in either multiple basins or in a single basin strategic to our business

Using these criteria, in November 2015 the Committee identified the companies listed below as the peer group for executive compensation market evaluations for 2016.

| | |
|-----------------------------------|-------------------------------|
| Cabot Oil & Gas Corporation | QEP Resources, Inc. |
| Chesapeake Energy Corporation | Range Resources Corporation |
| Cimarex Energy Company | SandRidge Energy, Inc. |
| Concho Resources Inc. | SM Energy Company |
| Energen Corporation | Southwestern Energy Company |
| Laredo Petroleum, Inc. | Ultra Petroleum Corporation |
| Newfield Exploration Company | Whiting Petroleum Corporation |
| Pioneer Natural Resources Company | |

Our methodology for selecting peer companies has resulted in including some companies that are both smaller and larger than we are. The Committee has determined it is important to include these companies in the peer group because we compete directly with them for both business and talent and because of their influence on the market for executive talent in the E&P industry.

The Committee evaluates the companies comprising the peer group annually and makes changes as necessary to confirm WPX is using the appropriate group of companies. For 2016 compensation decisions, the Committee decided to replace Devon Energy with Whiting Petroleum because Whiting's enterprise value and asset focus is more closely aligned with that of WPX. Subsequent to identifying the companies listed above, SandRidge Energy, Inc. was delisted by the New York Stock Exchange, and Ultra Petroleum Corporation filed for bankruptcy protection. As a result, the peer group set by the Committee for evaluating performance under the 2016 performance-based RSUs differs slightly from the peer group described above. See "*Performance-Based Restricted Stock Units*" below for a list of peer companies used for evaluating performance under the 2016 performance-based RSUs.

Use of Tally Sheets and Wealth Accumulation Analysis

When making executive compensation decisions, our Compensation Committee reviews comprehensive tally sheet information for each of our executive officers. These tally sheets are prepared by management and reviewed by the Committee's independent compensation consultant. The tally sheets quantify the elements of each executive officer's total compensation, including total outstanding equity and estimates of amounts that would be paid in the event of a change-in-control and other termination scenarios.

Table of Contents

Elements of our Compensation Program

Our 2016 executive compensation program included the following four elements. Each element is designed to achieve a specific objective that, when balanced with the other elements, achieves our pay-for-performance philosophy and aligns the interests of our executives with our stockholders.

In allocating among the elements of our compensation program, our Compensation Committee evaluates market data while also considering our compensation philosophy. See "*Compensation Philosophy*" for a discussion of how our Committee implements this philosophy.

Although base salary and annual cash incentives are important components of an executive officer's total compensation, equity is the most significant element. For the CEO, long-term incentives make up 75% of his target total direct compensation ("TTDC"). For other NEOs, on average, long-term incentives are 67% of TTDC.

Table of Contents2016 Pay Mix

CEO

Other NEOs

Base Salary

Attracting and retaining talent with a competitive base salary is the first building block of our compensation program. Our base salaries are intended to help attract highly qualified candidates and provide a stable source of income so our executive officers can focus on day-to-day job responsibilities.

Our Compensation Committee generally sets base salary levels for our executive officers in February of each year. Because of continued challenges in the E&P industry due to low commodity prices, the Committee made no changes to the base salaries for our executive officers, except for our CFO J. Kevin Vann. Because the competitive market assessment revealed that Mr. Vann's base salary fell below the 25th percentile of the market, the Committee approved an 7.4% base salary increase for him, which brought his base salary closer to, but still below, the median of the peer group. With Mr. Vann's adjustment, base salaries for 2016 were:

| Executive | 2015 Base Salary | 2016 Base Salary | Dollar Increase | Percent Increase |
|-------------------------|------------------|------------------|-----------------|------------------|
| Richard E. Muncrief | \$ 840,000 | \$ 840,000 | \$ 0 | 0% |
| J. Kevin Vann | \$ 426,000 | \$ 460,000 | \$ 34,000 | 7.4% |
| Clay M. Gaspar | \$ 500,000 | \$ 500,000 | \$ 0 | 0% |
| Bryan K. Guderian | \$ 412,000 | \$ 412,000 | \$ 0 | 0% |
| Dennis C. Cameron | \$ 364,000 | \$ 364,000 | \$ 0 | 0% |
| Former Executive | | | | |
| Marcia M. MacLeod* | \$ 341,000 | \$ 341,000 | \$ 0 | 0% |

*

Ms. MacLeod served as Senior Vice President Human Resources and Administration until she retired in connection with the elimination of her position on July 15, 2016.

The Committee considers market data from our peer group as well as a broader group of E&P companies and general industry data when setting the base salary for our executive officers. The actual base salary for an executive officer may be above or below the target median based on factors such as experience in the current and past positions, performance, knowledge and expertise, and internal equity.

Table of Contents

Annual Cash Incentive

Our executive officers are eligible for cash incentives each year under our AIP. The AIP represents 13% of our CEO's TTDC and 14% of TTDC for our other NEOs. The AIP is performance-based compensation under IRC Section 162(m) and is designed to focus executive officers on achieving the annual business plan linked to our strategy. Execution against the annual plan is important to drive longer-term stockholder value by creating financial strength, managing costs, and investing in projects that will deliver future value. We employ balanced performance metrics to further specific objectives of our strategy, such as achievement of plan, cost management, cash flow, capital efficiency, and safety.

For 2016, the Compensation Committee set the AIP performance metrics as Adjusted EBITDAX, Production Volume, Development Efficiencies, and Total Recordable Incidence Rate ("TRIR") along with a Discretionary component. TRIR was weighted at 10% and defined to be "the number of OSHA recordable injuries requiring medical treatment beyond simple first aid during the calendar year multiplied by 200,000 and divided by annual hours worked by WPX employees." On May 12, 2016, the Occupational Safety and Health Administration ("OSHA") published a final rule stating that incentive programs offering incentives for zero accidents or low rates of recordable injuries violate the rule because they discourage employees from reporting incidents. Upon advice from legal counsel, the Committee removed TRIR from the 2016 incentive plan and allocated the 10% weighting previously

Edgar Filing: WPX ENERGY, INC. - Form DEF 14A

Table of Contents

assigned to TRIR to the Discretionary component. Following this change in response to the OSHA rule, the 2016 AIP performance metrics and weightings were:

| Metric | Objective | Definition | Weighting |
|---|-----------------------------|--|-----------|
| Adjusted EBITDAX | | Earnings before interest expense, income taxes, depreciation, depletion and amortization, and exploration expenses. Impact from discontinued operations, expenses related to the headcount reductions and the OKC office consolidation, buyout of firm transportation contracts (post-Piceance), and non-cash items such as impairments and mark-to-market movements related to commodity hedges is removed. | 30% |
| Production Volume Development Efficiencies | Cash Flow | | |
| | Production | Volumes as reported publicly in financial results based on sales of oil, gas, and natural gas liquids | 20% |
| | Capital Efficiency | Drilling & Completion capital divided by Estimated Ultimate Recovery for wells with first sales from January 1 through September 30, 2016 | 20% |
| Discretionary(*) | Overall Company Performance | Based on factors such as performance-related prior-year reserve revisions, Piceance divestiture execution, organizational rationalization, cost initiatives, maintaining liquidity, and other items that reflect on overall WPX performance | 30%(*) |

*

The Committee originally adopted a 20% weighting for the Discretionary component. Upon advice from legal counsel to eliminate the TRIR metric in response to the OSHA regulation, the 10% weighting previously assigned to TRIR was allocated to the Discretionary component.

Table of Contents

The Committee set these metrics for 2016 to focus our NEOs on outcomes valued by the market, specifically balance sheet strength, liquidity, and growth. Changes from 2015 AIP include:

Changed the weighting from 30% Production Volume and 20% Adjusted EBITDAX to 20% Production Volume and 30% Adjusted EBITDAX to recognize both that production would be impacted by the commodity prices and capital spending while we worked to improve margins and grow liquidity

To create greater transparency and minimize the commodity price impact on AIP, "Development Efficiencies" replaced Drilling Finding and Development. The Development Efficiencies metric incorporates the drilling and completions capital and the estimated ultimate recovery from the well. Only wells with at least 90 days of production were used to calculate the 2016 AIP award. Therefore, wells with first sales that occurred after September 30 were not included in calculating the 2016 AIP award. Using the Development Efficiencies metric:

continues to encourage efficient use of capital dollars

provides for a stronger alignment to capital dollars spent on each well

creates incentives to hit production goals for each well

eliminates the impact of other factors such as future drilling programs and longer-term commodity pricing

The Committee also designated 20% of the target award as "Discretionary" to help to ensure the amount of any cash incentives paid to executives reflects other factors, not covered by the other metrics, that add to our success or negatively impacts stockholders. This discretionary component further ensures the annual cash incentives are aligned both with the interests of stockholders and the returns stockholders experience throughout the year. The Committee adopted this metric with the recognition that there were several critical objectives for the NEOs to accomplish, such as successfully closing the sale of Piceance assets, restructuring the organization and reducing headcount to reflect a smaller, more focused company, aligning G&A to better reflect the transformed organization, and maintaining liquidity, all of which are difficult to measure through more traditional metrics. As discussed above, following elimination of TRIR in response to the OSHA rulemaking, the Discretionary component was weighted at 30%.

In addition to this Discretionary component, the Committee retains discretion to reduce the total AIP award if it believes doing so is in the best interest of stockholders.

Our Board of Directors engages in a rigorous process each year when setting the annual business plan. Our Compensation Committee then considers the annual business plan when setting the AIP targets. Because we used ambitious assumptions when we developed the 2016 annual business plan, the Compensation Committee believed setting AIP targets to the annual business plan ensured a sufficient level of difficulty so that achieving the goals would generate stockholder value creation. The assumptions in the annual business plan included:

Oil trading at \$40 per barrel and natural gas trading at \$2.50 per MMBtu

General and administrative expenses of only \$175MM while the then-current run rate was \$225MM

A 25% increase in the average number of wells drilled in 2015

Edgar Filing: WPX ENERGY, INC. - Form DEF 14A

Table of Contents

The table below shows the threshold, target, and maximum payout levels for each performance metric, as well as actual performance results against the three quantifiable metrics.

| Performance Metric | Weighting | Threshold(1) | Target(1) | Maximum(1) | Reported | | Attainment | | Award Payout(3) |
|--------------------------------------|-----------|--------------|-----------|------------|----------|-----------|----------------|---------|-----------------|
| | | | | | Results | Results | Against Target | Results | |
| Adjusted EBITDAX (\$ Million) | 30% | \$ 389 | \$ 458 | \$ 527 | \$ 475 | \$ 499(2) | 108.9% | 40.2% | |
| % of Target | | 85% | 100% | 115% | | | | | |
| Production Volume (MBoe/d) | 20% | 67.0 | 74.5 | 85.7 | 84.6 | 84.6 | 113.6% | 32.8% | |
| % of Target | | 90% | 100% | 115% | | | | | |
| Development Efficiencies | 20% | 12.33 | 10.72 | 8.04 | 7.30 | 7.30 | 146.8% | 40% | |
| % of Target | | 85% | 100% | 125% | | | | | |
| Discretionary | 30% | NA | NA | NA | NA | NA | NA | 52%(4) | |
| % of Target | | NA | NA | NA | | | | | |
| Award Payout %* | | 50% | 100% | 200% | | | | 165% | |

- (1) There is no payout for performance falling below the threshold level. The payout opportunity for performance within the ranges is determined based upon linear interpolation. Under Mr. Muncrief's employment agreement, which expires in 2017, his maximum payout opportunity is 250%.
- (2) The Attainment Results for Adjusted EBITDAX vary from Reported Results due to adjustments for items such as severance and relocation expenses and other items included in the definition of Adjusted EBITDAX as described in the table on the prior page.
- (3) The actual award was adjusted downward to eliminate the impact of resuming completions of the DUCs in the Williston basin because these were not included in the base plan upon which the original metrics were based. Without this downward adjustment, the payout would result in a windfall by reflecting results of capital expenditures not in the annual business plan.
- (4) The Compensation Committee set the Discretionary component based upon its assessment of a number of performance factors contributing to our success in 2016. See below for details.

The Committee determined the actual AIP awards to be paid to the NEOs based on:

performance against targets for the three formulaic performance metrics in the table above

the Committee's assessment of the Company's overall performance and attainment of critical objectives as reflected in the Discretionary metric (*see below*)

individual performance of each executive, though no adjustments for individual performance were made in 2016

In evaluating the performance of the NEOs in order to set the award payout percentage for the Discretionary component, the Committee considered financial and operational accomplishments during the year. Highlights of these accomplishments include:

Raised EUR in the Permian by 34% and Williston by 13%

Increased liquidity to approximately \$1.5 billion

Successfully navigated through challenges created by low commodity prices in the first quarter of 2016

Edgar Filing: WPX ENERGY, INC. - Form DEF 14A

Completed the Piceance divestiture and eliminated the Piceance transport obligations

Continued organizational changes to transform the company and be more efficient and nimble moving forward

Table of Contents

Based upon these factors, the Committee approved the following 2016 AIP award payouts to the NEOs.

| Executive | Target Percentage (% of Eligible Earnings) | Target Award Value(1) | Actual Award Paid(1) |
|----------------------------|---|--------------------------|-------------------------|
| Richard E. Muncrief | 110% | \$ 924,000 | \$ 1,524,600 |
| J. Kevin Vann | 80% | \$ 362,769 | \$ 598,570 |
| Clay M. Gaspar | 80% | \$ 400,000 | \$ 660,000 |
| Bryan K. Guderian | 70% | \$ 288,400 | \$ 475,860 |
| Dennis C. Cameron | 65% | \$ 236,600 | \$ 390,390 |
| <i>Former Executive</i> | | | |
| Marcia M. MacLeod | 60% | \$ 204,600 | \$ 188,271(2) |

- (1) The target award value and actual award paid are based on actual eligible earnings for the year. The term "Eligible Earnings" includes regular base pay, holiday pay, and paid time off earned during the year.
- (2) Because Ms. MacLeod did not work the entire year, the actual award payout was less than the target award value due to reduced Eligible Earnings.

Long-Term Incentives

Although we typically make an annual equity grant in the first quarter, we delayed the 2016 annual equity grant until May 19 due to the market value of our common stock early in the year, the continuing uncertainties in the broader E&P market, and the impact of the reorganization during the first half of the year, which included layoffs. During the first two months of 2016, our closing stock price was in the \$4 to \$5 range and hit a 52-week low of \$2.53 on January 20, 2016. To help lessen the impact of our stock price volatility when determining the number of shares to be granted, we have in the past used a 20-day average closing price of our stock prior to the grant and divided that average into the intended equity value for each NEO to determine the number of shares to be granted. Although the Compensation Committee believes using a 20-day average price to determine an equity grant is an appropriate standard practice, given the low stock price in the first quarter, we used a fixed \$9 price for sizing the 2016 annual employee equity grant. The Committee determined this to be a reasonable price based upon price targets set at the time by a number of analysts with Buy recommendations for our common stock ranging from \$7 to \$11, with an average target price of \$9.03. When Management began planning for this grant, the stock was trading in the \$7 range.

If, consistent with past practice, the annual equity grant had been made on February 29 based on the 20-day average stock price at that time of \$4.51, it would have resulted in the issuance of 2,720,614 total shares to our NEOs and 3,540,119 total shares to all employees receiving the annual grant. Instead, using a \$9 price resulted in a grant of 1,032,216 total shares to our NEOs and 1,997,148 total shares to all employees receiving the annual grant, resulting in less dilution to our shareholders and providing employees with a grant that better reflected the value of the Company.

Table of Contents**Share Savings Resulting from Delayed Equity Grant**

The annual equity grant to our NEOs included performance-based RSUs and time-based RSAs. These equity vehicles meet a number of business objectives, including retention, aligning interests of NEOs with the interests of stockholders, and encouraging performance that leads to stock price appreciation and the creation of stockholder value over the long-term.

The Committee sets targets for equity compensation based on market data from our peer group and internal equity considerations such as relative scope of responsibilities of each position. Based on these factors, for 2016 the Committee set the following equity targets for our NEOs.

| Executive | Performance-Based RSUs(1) | Time-Based RSAs | 2016 Equity Target |
|-----------------------------|------------------------------|-----------------|---------------------|
| Richard E. Muncrief | \$ 3,240,000 | \$ 2,160,000 | \$ 5,400,000 |
| J. Kevin Vann(2) | \$ 800,000 | \$ 1,200,000 | \$ 2,000,000 |
| Clay M. Gaspar | \$ 1,000,000 | \$ 1,500,000 | \$ 2,500,000 |
| Bryan K. Guderian | \$ 400,000 | \$ 600,000 | \$ 1,000,000 |
| Dennis C. Cameron | \$ 300,000 | \$ 450,000 | \$ 750,000 |
| <i>Former Executive</i> | | | |
| Marcia M. MacLeod(3) | \$ 0 | \$ 0 | \$ 0 |

- (1) To arrive at the resulting number of performance-based RSUs and time-based RSAs awarded, the dollar value of the approved award was divided by \$9. The stock price on the date of grant was \$9.75, as reflected in both the Summary Compensation Table and the 2016 Grants of Plan-Based Awards.
- (2) Because the competitive market assessment revealed that Mr. Vann's base equity target fell below the 25th percentile of the market, the Committee approved an increase in his equity target from \$1,500,000 to \$2,000,000, which represents a 33% increase. Although this increase is significant, even after the increase, his equity target remained below the 50th percentile of the market.
- (3) Because of her pending retirement, Ms. MacLeod did not receive an annual equity grant in 2016.

Edgar Filing: WPX ENERGY, INC. - Form DEF 14A

Based on both market data and our objective to deliver a material proportion of equity compensation in the form of performance-based incentives, the Committee set the following equity allocation for our NEOs.

Table of Contents

Equity Mix of the 2016 Annual Grant

We believe it is important that a material portion of grants to all executive officers be in the form of performance-based equity. Further, we have granted a higher proportion of performance-based RSUs to the CEO than to the other executive officers to more directly align the interests of the CEO with our stockholders.

Performance-Based Restricted Stock Units

We grant our executive officers performance-based RSUs to focus their efforts on long-term performance. Although the performance period for those RSUs is typically three years, for the 2016 grant, which was not made until May 19, the performance period runs for 33 months from April 1, 2016, through December 31, 2018. The performance metric is relative TSR, as compared to a group of our peer companies, further strengthening the alignment with stockholders. The companies used for evaluating relative TSR for the 2016 award are:

| | |
|-------------------------------|-----------------------------------|
| Cabot Oil & Gas Corporation | Newfield Exploration Company |
| Chesapeake Energy Corporation | Pioneer Natural Resources Company |
| Cimarex Resources Company | QEP Resources, Inc. |
| Concho Resources Inc. | Range Resources Corporation |
| Energen Corporation | SM Energy Company |
| EP Energy Corporation | Southwestern Energy Company |
| Laredo Petroleum, Inc. | Whiting Petroleum Corporation |

See "*Competitive Positioning*" above for a discussion of how we select peer companies. TSR is calculated as follows:

$$\text{TSR \%} = \frac{\text{Stock price average over the quarter at the end of period} - \text{Stock price average over the quarter immediately prior to start of period} + \text{Dividends paid}}{\text{Stock price average over the quarter immediately prior to start of period}}$$

Stock price average over the quarter immediately prior to start of period

Relative TSR assesses the strength of our return to stockholders by comparing it to the TSR of our peer companies. Using relative TSR as the long-term performance metric, therefore, causes our executive officers to focus on executing our strategy and creating value for stockholders, even in economic downturns. It minimizes the impact of short- and mid-term movements in share price, causing executive officers to focus on enhancing value over the long-term. Additionally, relative TSR focuses our executive officers on outperforming our competitors because it links their pay to how our stock price compares to the stock price of our peer companies. We believe rewarding executive officers for achieving results within their control and incenting them to focus on outperforming our competitors will lead to increased stockholder value.

Table of Contents

At the beginning of the performance period, the Compensation Committee establishes the performance objective and approves grants to our executive officers of a certain number of RSUs based on their individual equity target and the equity mix described above in "*Long-Term Incentives*." At the end of the three-year performance period, the Committee determines the payout percentage for the performance-based RSUs based on our relative TSR during that performance period. Our executive officers have the opportunity to receive from 0% to 200% of the award granted based on how our TSR compares to the peer group at the end of the performance period.

Regardless of where our TSR falls relative to the peer companies, payout is capped at 100% if our absolute TSR is negative over the three-year performance period. Performance at the first and second rankings relative to peers earns a 200% payout when absolute TSR is positive.

TSR Performance

Because we set our equity grant values based on competitive market data, the performance-based equity awards are designed to pay out at 100% of target for median peer group performance with higher performance resulting in awards above the equity target and lower performance resulting in awards below the target value. As a result, when we perform better than the majority of the companies in our peer group, our executive officers earn an award above the target value at the time of grant. Conversely, when our TSR is in the bottom half of our peer group, our executive officers earn less than the target award value.

Vesting of 2014 Performance-Based RSUs

In 2014, we granted performance-based RSUs to our executive officers, including three of our current NEOs. Under the terms of the grant, TSR relative to the peer group designated at the time of grant was the performance metric. The three-year performance period ended on December 31, 2016. The cumulative absolute TSR over the three-year performance period was negative 23.76%, and performance relative to our 15 peer companies was in the 64th percentile, or in the second quartile of the peer group. Based upon the payout range set by our Compensation Committee at the time of the grant, the payout for these RSUs would have been 150%. However, because absolute TSR was negative, the payout was capped at 100%. We believe these awards operated as intended by linking the performance our executives deliver to the pay they receive. Specifically, executives were rewarded for relatively strong performance against the peer group, but the payout was limited to 100% due to negative absolute TSR over the three-year period.

Table of Contents

The peer group for measuring our relative TSR for the 2014 performance-based RSUs was comprised of:

| | |
|-------------------------------|-----------------------------------|
| Cabot Oil & Gas Corporation | Pioneer Natural Resources Company |
| Chesapeake Energy Corporation | QEP Resources, Inc. |
| Cimarex Energy Company | Range Resources Corporation |
| Devon Energy Corporation | SandRidge Energy, Inc. |
| EOG Resources, Inc. | SM Energy Company |
| Forest Oil Corporation* | Southwestern Energy Company |
| Newfield Exploration Company | Ultra Petroleum Corporation |
| Noble Energy, Inc. | |

* Forest Oil, which completed an all-stock business combination with Sabine Oil & Gas on December 16, 2014, was included in the group of comparator companies set by our Compensation Committee at the time of the grant. As a result of this business combination, the shareholder return for Forest was locked in as of its December 16, 2014, closing stock price of \$0.27 per share.

The following table summarizes the payout of the 2014 performance-based RSUs.

| Executive | PB RSUs Granted | Grant Day Value | # of PBRsUs Forfeited (0%) | PB RSUs Performance Based Upon Performance Attainment (100%) | Total Value Received Based Upon Performance Attainment and Vesting Date Stock Price | Total Value Lost Based Upon Stock Price Depreciation(4) |
|--|--------------------|-----------------------|-------------------------------------|--|---|---|
| Richard E. Muncrief(1) | NA | NA | NA | NA | NA | NA |
| J. Kevin Vann(2) | 5,621 | \$ 99,717 | 0 | 5,621 | \$ 72,286 | \$ 27,431 |
| Clay M. Gaspar(1) | NA | NA | NA | NA | NA | NA |
| Bryan K. Guderian | 24,041 | \$ 426,487 | 0 | 24,041 | \$ 309,167 | \$ 117,320 |
| Dennis C. Cameron(2) | 15,025 | \$ 266,544 | 0 | 15,025 | \$ 193,222 | \$ 73,322 |
| Former Executive Marcia M. MacLeod(3) | 10,518 | \$ 186,589 | 2,338 | 8,180 | \$ 105,195 | \$ 81,394 |

- (1) Messrs. Muncrief and Gaspar were not employed at the time of this grant.
- (2) The grants to Messrs. Vann and Cameron were made before their promotions and based upon their prior roles as vice-presidents.
- (3) Under the terms of the grant, Ms. MacLeod's shares are prorated for the time she worked prior to her retirement.
- (4) Based upon grant-date value of \$17.47 on March 3, 2014, and closing price of \$12.86 on the vesting date.

Time-Based Restricted Stock Awards

We grant time-based RSAs to promote long-term retention of executive officers and permit them to accumulate equity ownership in the Company so the interests of our management team are directly aligned with the interests of our stockholders. We believe it is important to have an element of compensation that is focused directly on retaining talent so we can minimize potential loss of institutional knowledge and the disruption inherent in unplanned turnover. Time-based RSAs also align our executive officers with our stockholders by making them stockholders themselves and tying their personal, long-term wealth to the success of the Company. Retaining talent and aligning interests

Table of Contents

encourages our executive officers to take actions to enhance the value of our business and increase stockholder value. Time-based RSAs vest ratably over a three-year period.

Benefits and Limited Perquisites

We provide competitive benefits to all our employees, including our executive officers, to promote health and financial well-being. These benefits include health, life, and disability insurance. Long-term disability coverage is provided at a base level of 60% of base salary, with a maximum of \$15,000 per month. In addition, all employees, including our executive officers, are eligible to purchase supplemental long-term disability coverage bringing the total up to 70% of base salary, with a combined maximum benefit of \$15,000 per month.

Our retirement program consists of both a qualified 401(k) defined contribution plan and two nonqualified deferred compensation plans. Under the qualified 401(k) plan, the Company matches employee contributions dollar-for-dollar up to 6% of pay, subject to Internal Revenue Code ("IRC") contribution limits, and also makes an additional contribution to all employees of either 6% or 8% of eligible pay, depending on the employee's age.

The two nonqualified plans are a restoration plan and a voluntary deferral plan. The restoration plan provides benefits equal to the amount that would be payable under the qualified 401(k) plan in the absence of certain limitations of the IRC. Our executive officers also are eligible to participate in a voluntary nonqualified deferred compensation plan, which allows deferral of up to 75% of base salary and up to 100% of annual cash incentives. Deferrals to the nonqualified deferred compensation plan are matched up to 6% of pay that is not recognized within the qualified 401(k) plan.

We also provide the following limited perquisites to our executive officers with an aim of attracting highly qualified candidates and allowing our executive officers to focus on job responsibilities:

Financial Planning Reimbursement. We reimburse NEOs for financial planning to provide them with expertise on current tax laws, personal financial planning, and preparations for contingencies such as death and disability. We believe encouraging an NEO to work with a financial planner maximizes the retention and engagement aspects of the dollars we spend on these programs. The financial planning reimbursement is limited to \$7,500 annually.

Personal Use of WPX Energy's Company Aircraft. We provide very limited personal use of Company aircraft at the CEO's discretion. The primary purpose of our Company aircraft is for business use, but the CEO retains discretion to permit personal use when he deems appropriate, such as when commercial air travel is inefficient due to costs or additional travel time because the destination is not well served by commercial airlines, or for personal emergencies. During 2016, the maximum individual amount of personal aircraft usage by any of our NEOs was \$44,233.

Executive Physicals. Executive officer physicals align with our wellness initiative as well as assist us in mitigating risk. These physicals reduce vacancy succession risk by helping the executive identify and prevent issues that could leave a role unexpectedly vacated.

Other Compensation Practices

Stock Ownership Guidelines

It is important for the interests of our executive officers to be aligned with those of our stockholders. One way we accomplish this is by requiring our executive officers to hold certain levels of WPX stock under stock ownership guidelines adopted by our Board of Directors and monitored by our Compensation Committee.

Table of Contents

These stock ownership guidelines define the minimum levels of WPX stock our executive officers must own. Each executive officer must hold common stock or time-based RSUs or RSAs of WPX with a value at least equal to the following multiple of his or her base salary in effect as of December 31 of the prior year.

| Executive Level | Multiple of Base Salary |
|--------------------------|-------------------------|
| CEO | 6 |
| Other Executive Officers | 3 |

Stock options, whether vested or not, are excluded from the number of shares owned in calculating compliance with these guidelines. Unvested time-based RSUs and RSAs count toward satisfaction of the ownership requirements while unvested performance-based RSUs do not.

If, on the annual compliance date of February 1, an executive officer does not own shares of WPX common stock with a value equal to the required multiple of base salary, that executive officer is required to retain 50% of any WPX equity acquired through the exercise of stock options or the vesting of time-based RSUs or RSAs or performance-based RSUs, net of taxes, until the next compliance date when his or her WPX stock ownership meets the required multiple of base salary.

To further align his interests with stockholders, our CEO Mr. Muncrief made open market purchases totaling 124,000 shares between the time he joined the Company in May 2014 and the end of 2015. In addition, he purchased 20,400 shares of our stock on June 6, 2016, in our public equity offering.

Consideration of Risk in Setting Executive Compensation

Our performance management system evaluates all employees, including our executive officers, not only on results but also on how results are achieved. In other words, we will not seek results at all costs. Achieving results in a way that is consistent with our values is an important part of our culture. This culture is one of the ways we are able to set aggressive performance goals and encourage appropriate and responsible risk-taking while discouraging imprudent risks. Our Compensation Committee has discretion to adjust individual annual incentive awards based on an evaluation of how executive officers achieve results, including the avoidance of undue risks.

The Committee also mitigates risk by using balanced performance metrics. For example, our annual cash incentive program measures Adjusted EBITDAX and Development Efficiencies as well as Production Volume. Together these metrics encourage our executive officers to make decisions that grow stockholder value over the long term. In addition, the Discretionary component allows the Committee to evaluate other factors to assure that in pursuing annual performance objectives our executive officers also focus on ultimate value creation, sustainability of performance, and safety.

While the Committee believes it is important to emphasize pay-for-performance in our executive compensation program, it also recognizes the need to balance fixed pay with variable pay and short-term incentives with long-term incentives to avoid placing too much emphasis on short-term results. A lack of balance between annual incentives and long-term incentives could cause our executive officers to take undue risks when seeking to drive short-term performance. In addition, the Committee retains discretion in both our annual incentive program and our long-term incentive program to adjust above-target payouts downward for any reason, including excessively risky behavior.

Our executive compensation program includes several features designed to limit undue risks. For example, there is cap on payouts under both our short- and long-term incentive plans. The Committee has adopted stock ownership guidelines to align our executives with shareholders and a recoupment policy to remove the incentive to inflate performance-based awards. In addition, our Board of Directors has adopted anti-hedging and anti-pledging policies. Annually, we conduct an enterprise-wide

Table of Contents

assessment of material risks associated with our policies, programs, and actions related to human capital, including any risks that might be raised by our compensation programs. The Committee reviews this risk assessment each year.

Recoupment Policy

In the event our financial results are significantly restated due to fraud or intentional misconduct, our Board of Directors will review any performance-based incentive payments paid to executive officers. We will, to the extent permitted by applicable law, seek recoupment of all performance-based incentive payments from any executive officer found by the Board of Directors to be personally responsible for the fraud or intentional misconduct that caused the need for the restatement. In addition, we will seek recoupment from all other executive officers of any amounts paid in excess of the award that would have been paid based on the restated financial results.

Our Compensation Committee has taken action to clarify that our recoupment policy will be interpreted and applied as necessary to comply with SEC and stock exchange requirements. The Committee will review our recoupment policy and revise it to comply with the rules once they are finalized.

Anti-Hedging and Anti-Pledging Policies

SEC rules generally prohibit uncovered short sales of our common stock by our executive officers. Our insider trading policy also prohibits short sales of our common stock and the use of equivalent derivative securities by our executive officers. The policy also requires all employees covered by the policy, including our executive officers, to consult with our Corporate Secretary (or with our General Counsel or Chief Financial Officer if our Corporate Secretary is not available) before they engage in any transaction for the purchase or sale of our securities. Our insider trading policy also prohibits holding our common stock in a margin account or pledging our common stock as collateral for a loan.

Employment Agreements

It is not our typical practice to enter into employment agreements. In connection with the recruitment and hiring of our CEO, however, we entered into a three-year employment agreement with Mr. Muncrief. This employment agreement does not include an evergreen provision and is limited in term to three years, terminating on May 15, 2017. Under the employment agreement, Mr. Muncrief would be entitled to the following compensation upon termination of his employment (in addition to any vesting of his equity awards under the applicable award agreements):

If the Company terminates Mr. Muncrief without cause, he will be entitled to a cash payment equal to two times his annual base salary and target bonus, as well as a pro-rated payment under the AIP for the year in which he is terminated.

In the event of Mr. Muncrief's death or disability, he or his estate will be entitled to a pro-rated payment under the AIP for the year in which death or disability occurs.

Termination and Severance Arrangements

Our executive severance pay plan includes executive officers, other than the CEO who currently has an employment agreement. An executive officer may participate in the plan when the CEO approves a reduction in force, a job elimination, or an involuntary termination without cause. The amount of severance pay is determined by multiplying the severed executive officer's annual base salary and average annual incentive (based upon the executive officer's actual incentives earned over the prior three years) by 1.5. In addition, the severance pay plan provides a lump sum payment equal to 12 months of the severed executive officer's medical plan coverage. The purpose of this lump sum

Table of Contents

payment is to provide the financial equivalent of COBRA medical plan rates for 12 months of medical coverage under COBRA. Consistent with our past practice, the severance pay plan provides that the treatment of outstanding equity awards is governed by the terms of the grant agreement issued at the time the equity was granted. In general, our equity award agreements provide for either vesting or pro-rated vesting for severed employees. To participate in the plan, the employee must execute a severance and restrictive covenant agreement which may contain, among other provisions, non-competition and non-solicitation covenants.

Our CEO is not covered by the executive severance pay plan and instead is subject to an employment agreement. See "*Employment Agreements*" above for details of the compensation our CEO would be entitled to upon termination of his employment.

In connection with the termination of her employment, we entered into a Severance and Restrictive Covenant Agreement with Ms. MacLeod. This agreement provided for severance benefits under our executive severance pay plan. In addition to the severance pay calculated as described above, Ms. MacLeod also received a cash payment of \$650,000. The Compensation Committee approved this additional payment because Ms. MacLeod did not receive a 2016 annual equity grant. The elements of Ms. MacLeod's severance payment are reflected in the tables following the CD&A.

Change-in-Control

Each of our NEOs is party to an individual change-in-control agreement. Our change-in-control agreements, in conjunction with the NEOs' RSU, RSA, and stock option agreements, provide separation benefits for the NEOs in the event of a change-in-control and are designed to encourage NEOs to focus on the best interests of our stockholders by alleviating concerns about a possible detrimental impact to their own compensation under a potential change-in-control. Our program includes a double trigger for cash payments, benefits, and equity vesting. This means there must be a change-in-control and the NEO's employment must be involuntarily terminated by the successor company or the NEO must have terminated his or her employment for good reason in order for benefits to be triggered under the agreement. While a double trigger for equity is not the competitive norm of our peer group, this practice provides a better balance by creating security for the NEOs without creating an incentive for NEOs to leave immediately after a change-in-control. Our agreements do not contain an excise tax gross-up provision, but instead provide a "best net" provision providing NEOs with the greater of their after-tax benefit capped at the safe harbor amount or their benefit paid in full (subjecting them to possible excise tax payments).

Our Compensation Committee reviews our change-in-control benefits periodically to evaluate whether they are consistent with competitive practice and aligned with our compensation philosophy. As part of these reviews, calculations are performed to determine the overall program cost if a change-in-control event were to occur and all covered NEOs were terminated. An assessment of competitive norms, including the reasonableness of the types and amount of compensation received, is used to validate benefit levels for a change-in-control. Our Compensation Committee believes that offering a change-in-control program is appropriate and critical to retaining and attracting executive talent and keeping them aligned with the interests of our stockholders if there was a change-in-control.

The following chart details the benefits received if an NEO were to be terminated or resigned for a defined good reason following a change-in-control as well as an analysis of those benefits as it relates

Table of Contents

to the Company, stockholders, and the NEOs. See "*Change-in-Control Agreements*" below for further disclosure of our change-in-control program.

| Change-in-Control Benefit | Benefit to WPX and Stockholders | Benefit to Executive Officer |
|---|---|--|
| Multiple of base salary plus annual cash incentive at target | Encourages executive officers to remain engaged and stay focused on successfully closing the transaction | Financial security for the executive officer equivalent to two years of continued employment (three years for our CEO) |
| Accelerated vesting of equity awards | An incentive to stay during and after a change-in-control. If there is risk of forfeiture, executive officers may be less inclined to stay or to support the transaction. | The executive officers are kept whole, if they have a separation from service following a change-in-control. |
| Cash payment of 18 months of COBRA health coverage (if enrolled in coverage at time of termination) | A minimal cost to the Company that creates a competitive benefit. | Covers some of the cost of continuing health coverage. |
| Reimbursement of legal fees to enforce benefit | Keeps executive officers focused on WPX and not concerned about whether the acquiring company will honor commitments after a change-in-control. | Security during an uncertain time period. |
| Outplacement assistance | Keeps executive officers focused on supporting the transaction and less concerned about trying to secure another position. | Assists executive officers in finding a comparable executive position. |

Accounting and Tax Treatment

Our Compensation Committee considers the impact of accounting and tax treatment when designing all aspects of pay, but the primary driver of our program design is to support our business objectives.

Section 162(m) of the IRC limits the amount of compensation we may deduct on our federal income tax return for compensation paid to certain executive officers to \$1 million per year. There are exceptions to the \$1 million limitation for performance-based compensation meeting certain requirements. Both the long-term performance-based equity incentive and the annual cash incentive are designed to meet the definition of performance-based compensation under Section 162(m) in order to qualify for the performance-based exception to the \$1 million deduction limit. While the Committee attempts to preserve the deductibility of compensation paid to executive officers, it does not limit executive compensation to amounts deductible under Section 162(m) in order to retain flexibility in determining the amounts to be paid for incentive compensation.

Table of Contents**2016 Summary Compensation Table**

The following table sets forth certain information with respect to the compensation of the NEOs earned during fiscal years 2016, 2015, and 2014.

| Executive and Principal Position | Year | Salary(1) | Bonus | Stock Awards(2) | Option Awards(3) | Change in Pension Value and Non-Equity Incentive Plan Compensation(4) | | | All Other Compensation(6) | Total |
|--|------|------------|-------|--------------------|---------------------|--|--------------------------|------------|------------------------------|-------|
| | | | | | | Nonqualified Earnings(5) | Deferred Compensation | Other | | |
| Richard E. Muncrief Chairman of the Board, President and Chief Executive Officer | 2016 | \$ 840,000 | \$ 0 | \$ 5,850,000 | \$ 0 | \$ 1,524,600 | \$ 0 | \$ 353,371 | \$ 8,567,346 | |
| | 2015 | 815,385 | 0 | 4,615,699 | 0 | 1,345,385 | 0 | 268,707 | 7,045,176 | |
| | 2014 | 498,462 | 0 | 14,833,039(8) | 1,224,998 | 960,000 | 0 | 56,150 | 17,572,649 | |
| J. Kevin Vann Senior Vice President and Chief Financial Officer | 2016 | 453,461 | 0 | 2,167,000 | 0 | 598,569 | 0 | 117,344 | 3,336,374 | |
| | 2015 | 406,923 | 0 | 1,357,559 | 0 | 488,308 | 0 | 79,784 | 2,332,574 | |
| | 2014 | 358,304 | 0 | 961,850 | 371,487 | 271,624 | 0 | 63,282 | 2,026,547 | |
| Clay M. Gaspar Senior Vice President and Chief Operating Officer | 2016 | 500,000 | 0 | 2,708,326 | 0 | 660,000 | 0 | 158,229 | 4,026,555 | |
| | 2015 | 459,769 | 0 | 2,357,556 | 0 | 551,723 | 0 | 140,185 | 3,509,233 | |
| | 2014 | 77,885 | 0 | 3,999,994(8) | 0 | 432,000 | 0 | 13,540 | 4,523,419 | |
| Bryan K. Guderian Senior Vice President of Business Development | 2016 | 412,000 | 0 | 1,083,323 | 0 | 475,860 | 0 | 98,448 | 2,069,631 | |
| | 2015 | 404,615 | 0 | 1,086,047 | 0 | 424,846 | 0 | 90,398 | 2,005,906 | |
| | 2014 | 394,769 | 0 | 899,984 | 300,044 | 331,606 | 0 | 81,053 | 2,007,456 | |
| Dennis C. Cameron Senior Vice President and General Counsel | 2016 | 357,000 | 0 | 812,497 | 0 | 390,390 | 0 | 91,564 | 1,651,451 | |
| | 2015 | 355,385 | 0 | 678,779 | 0 | 346,500 | 0 | 78,171 | 1,458,835 | |
| | 2014 | 348,750 | 0 | 562,481 | 187,520 | 272,025 | 0 | 61,766 | 1,432,542 | |
| <i>Former Executive:</i> Marcia M. MacLeod Senior Vice President of HR and Administration(7) | 2016 | 190,172 | 0 | 0 | 0 | 188,271 | 0 | 1,590,248 | 1,968,691 | |

(1) **Salary:** Actual salary paid may differ from the annual rate due to the number of pay periods during the year and the effective date of salary increases.

(2) **Stock Awards:** 2016 awards were granted under the terms of WPX Energy, Inc., 2013 Incentive Plan and include time-based RSAs and performance-based RSUs. Amounts shown for all years are the grant date fair value of the awards computed in accordance with FASB ASC.

2016 Performance-Based RSU Maximum Potential

| Executive | Maximum Award | Maximum Award Value Based on Closing Stock Price 12/30/2016 |
|---|------------------|---|
| Richard E. Muncrief | \$ 7,020,000 | \$ 10,490,400 |
| J. Kevin Vann | \$ 1,733,316 | \$ 2,590,196 |
| Clay M. Gaspar | \$ 2,166,665 | \$ 3,237,775 |
| Bryan K. Guderian | \$ 866,658 | \$ 1,295,098 |
| Dennis C. Cameron | \$ 649,994 | \$ 971,324 |
| <i>Former Executive</i> Marcia M. MacLeod | \$ 0 | \$ 0 |

Edgar Filing: WPX ENERGY, INC. - Form DEF 14A

- (3) **Option Awards:** 2014 awards are granted under the terms of the WPX Energy, Inc., 2013 Incentive Plan and include nonqualified stock options. Amounts shown are the grant date fair value of awards computed in accordance with FASB ASC Topic 718. The assumptions used to value the option awards can be found in WPX's Annual Report on Form 10-K for the year-end December 31, 2014.
- (4) **Non-Equity Incentive Plan Compensation:** Under the AIP, the maximum annual incentive funding for NEOs is 200% of target except for the CEO, which is 250%.
- (5) **Change in Pension Value and Nonqualified Deferred Compensation Earnings:** WPX does not sponsor a pension plan. All investments are in or based on mutual funds or other publicly available trading instruments with no premiums or guaranteed earnings. Earnings were reported for 2014, but they did not meet the definition for inclusion and have been deleted from the table.
- (6) **All Other Compensation:** Amounts shown represent payments made by WPX on behalf of the NEOs. The total includes items such as 401(k) matching and WPX annual employer contribution, WPX nonqualified restoration plan employer contribution, and perquisites (if applicable). Perquisites include financial planning services, annual executive physical exam, and personal use of the Company aircraft. Messrs. Muncrief, Vann, Gaspar and Cameron exceeded \$10,000 in perquisites. Mr. Muncrief's perquisites included financial planning (\$625), executive physical (\$2,559) and personal use of the Company aircraft (\$44,233). Mr. Vann's perquisites included financial planning (\$7,500), executive physical (\$4,629) and personal use of the Company aircraft (\$11,873). Mr. Gaspar's perquisites included financial planning (\$7,500) and executive physical (\$3,488). Mr. Cameron's perquisites included financial planning (\$7,500) and executive physical (\$3,224). The incremental cost method was used to calculate the personal use of the Company aircraft. The incremental cost calculation includes such items as fuel, maintenance, weather and airport services, pilot meals, pilot overnight expenses, aircraft telephone, and catering. The cost for financial planning and executive physicals are actual expenses reimbursed or paid. Employer contributions to Nonqualified Deferred Compensation plans on behalf of the named executive officer are as follows: Mr. Muncrief (\$270,954), Mr. Vann (\$58,342), Mr. Gaspar (\$112,241), Mr. Guderian (\$55,948), Mr. Cameron (\$45,840) and Ms. MacLeod (\$27,835).

Edgar Filing: WPX ENERGY, INC. - Form DEF 14A

Table of Contents

- (7) Ms. MacLeod was not listed in the 2014 or 2015 proxy. Other compensation includes financial planning (\$7,500), cash severance (\$1,480,567), and a payout of unused paid time off as of termination date (\$39,346).
- (8) The 2014 stock award values for Messrs. Muncrief and Gaspar are larger than typical annual equity grants because they include grants intended to replace the unvested equity forfeited from their former employers.

2016 Outstanding Equity Awards

The following table sets forth certain information with respect to outstanding equity awards held by the NEOs at the end of the fiscal year 2016.

| Executive | Option Awards | | | | | Stock Awards | | | | |
|----------------------------|---------------|---|---|---|-----------------|---------------|---|--|--|---|
| | Grant Date(1) | Number of Securities Underlying Unexercised Options (#) Exercisable | Number of Securities Underlying Unexercised Options (#) Unexercisable | Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#) Option Exercise Price | Expiration Date | Grant Date(2) | Number of Shares or Units of Stock that have not Vested | Market Value of Shares or Units of Stock that have not Vested(3) | Equity Incentive Plan Awards: Number of Shares, Units, or Other Rights that have not Vested(4) | Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units, or Other Rights that have not Vested(6) |
| Richard E. Muncrief | | | | | | 5/19/2016 | 240,000 | \$ 3,496,800 | 360,000 | \$ 5,245,200 |
| | | | | | | 3/2/2015 | 114,286 | \$ 1,665,147 | 257,142 | \$ 3,746,559 |
| | 5/15/2014 | 80,778 | 40,389 | 21.45 | 3/3/2024 | 5/15/2014 | 23,374 | \$ 340,559 | 140,240 | \$ 2,043,297 |
| | | | | | | 5/15/2014 | | | 144,347 | \$ 2,103,136 |
| J. Kevin Vann | | | | | | 5/19/2016 | 133,333 | \$ 1,942,662 | 88,888 | \$ 1,295,098 |
| | | | | | | 3/2/2015 | 50,420 | \$ 734,619 | 50,420 | \$ 734,619 |
| | 7/29/2014 | | 23,790 | 21.81 | 7/29/2024 | 7/29/2014 | 32,095 | \$ 467,624 | | |
| | 3/3/2014 | 4,317 | 2,159 | 17.47 | 3/3/2024 | 3/3/2014 | 3,123 | \$ 45,502 | 5,621 | \$ 81,898 |
| | 3/4/2013 | 7,812 | | 14.41 | 3/4/2023 | | | | | |
| | 2/29/2012 | 5,857 | | 18.16 | 2/28/2022 | 2/29/2012 | 1,851 | \$ 26,969 | | |
| | 2/24/2011 | 3,560 | | 16.46 | 2/24/2021 | | | | | |
| | 2/23/2010 | 4,131 | | 11.75 | 2/23/2020 | | | | | |
| | 2/23/2009 | 2,019 | | 6.02 | 2/23/2019 | | | | | |
| | 2/25/2008 | 6,604 | | 20.21 | 2/25/2018 | | | | | |
| 2/26/2007 | 4,375 | | 15.67 | 2/26/2017 | | | | | | |
| Clay M. Gaspar | | | | | | 5/19/2016 | 166,666 | \$ 2,428,324 | 111,111 | \$ 1,618,887 |
| | | | | | | 11/2/2015 | 93,502 | \$ 1,362,324 | | |
| | | | | | | 3/2/2015 | 50,420 | \$ 734,619 | 50,420 | \$ 734,619 |
| | | | | | | 10/27/2014 | 49,193 | \$ 716,742 | 72,687 | \$ 1,059,050 |
| Bryan K. Guderian | | | | | | 5/19/2016 | 66,666 | \$ 971,324 | 44,444 | \$ 647,549 |
| | | | | | | 3/2/2015 | 40,336 | \$ 587,696 | 40,336 | \$ 587,696 |
| | 3/3/2014 | 19,785 | 9,893 | 17.47 | 3/3/2024 | 3/3/2014 | 9,159 | \$ 133,447 | 24,041 | \$ 350,277 |
| | 3/4/2013 | 31,328 | | 14.41 | 3/4/2023 | | | | | |
| | 2/29/2012 | 24,900 | | 18.16 | 2/28/2022 | 2/29/2012 | 5,726 | \$ 83,428 | | |
| | 2/24/2011 | 19,230 | | 16.46 | 2/24/2021 | | | | | |
| | 2/23/2010 | 23,951 | | 11.75 | 2/23/2020 | | | | | |
| | 2/23/2009 | 11,710 | | 6.02 | 2/23/2019 | | | | | |
| | 2/25/2008 | 21,429 | | 20.21 | 2/25/2018 | | | | | |
| 2/26/2007 | 26,258 | | 15.67 | 2/26/2017 | | | | | | |
| Dennis C. Cameron | | | | | | 5/19/2016 | 50,000 | \$ 728,500 | 33,333 | \$ 485,662 |

Edgar Filing: WPX ENERGY, INC. - Form DEF 14A

| | | | | | | | | | |
|-----------|--------|-------|-------|-----------|----------|-----------|---------|-----------|---------|
| 3/3/2014 | 12,365 | 6,183 | 17.47 | 3/3/2024 | 3/2/2015 | 25,210 \$ | 367,310 | 25,210 \$ | 367,310 |
| 3/4/2013 | 7,812 | | 14.41 | 3/4/2023 | 3/3/2014 | 5,724 \$ | 83,399 | 15,025 \$ | 218,914 |
| 2/29/2012 | 8,891 | | 18.16 | 2/28/2022 | | | | | |

Former

Executive

Marcia M.

MacLeod

| | | | | | | | | |
|-----------|--------|--|-------|-----------|----------|--|----------|---------|
| | | | | | 3/2/2015 | | 9,710 \$ | 141,475 |
| 3/3/2014 | 12,984 | | 17.47 | 7/15/2021 | 3/3/2014 | | 8,180 \$ | 119,183 |
| 3/4/2013 | 16,447 | | 14.41 | 7/15/2021 | | | | |
| 2/29/2012 | 10,483 | | 18.16 | 7/15/2021 | | | | |
| 2/24/2011 | 19,673 | | 16.46 | 2/24/2021 | | | | |
| 2/23/2010 | 19,460 | | 11.75 | 2/23/2020 | | | | |
| 2/23/2009 | 28,542 | | 6.02 | 2/23/2019 | | | | |
| 2/25/2008 | 13,576 | | 20.21 | 2/25/2018 | | | | |
| 2/26/2007 | 15,755 | | 15.67 | 2/26/2017 | | | | |

Stock Options

(1)

The following table reflects the vesting schedules for associated stock option grant dates for awards that had not been 100% vested as of December 31, 2016.

Table of Contents

| Grant Date | Vesting Schedule | Vesting Dates |
|------------|---|------------------------------|
| 7/29/2014 | 100% vests in three years | 7/29/2017 |
| 5/15/2014 | One-third vests each year for three years | 3/3/2015, 3/3/2016, 3/3/2017 |
| 3/3/2014 | One-third vests each year for three years | 3/3/2015, 3/3/2016, 3/3/2017 |
| 3/4/2013 | One-third vests each year for three years | 3/4/2014, 3/4/2015, 3/4/2016 |

Stock Awards

(2) The following table reflects the vesting dates for associated time-based RSU and RSA grant dates.

| Grant | Date Vesting Schedule | Vesting Dates |
|------------|---|------------------------------------|
| 5/19/2016 | One-third of time-based awards vest annually | 3/2/2017, 3/2/2018, 3/2/2019 |
| 11/2/2015 | One-third of time-based awards vest annually from the grant date | 11/2/2016, 11/2/2017, 11/2/2018 |
| 3/2/2015 | One-third of time-based awards vest annually from the grant date | 3/2/2016, 3/2/2017, 3/2/2018 |
| 10/27/2014 | One-third of time-based units vest annually from the grant date | 10/27/2015, 10/27/2016, 10/27/2017 |
| 7/29/2014 | 100% cliff-vest in three years | 7/29/2017 |
| 5/15/2014 | One-third of time-based awards vest annually from the grant date | 3/3/2015, 3/3/2016, 3/3/2017 |
| 3/3/2014 | One-third of time-based awards vest annually from the grant date | 3/3/2015, 3/3/2016, 3/3/2017 |
| 2/29/2012 | The retirement grant, which was made after the spinoff from Williams to compensate employees for a change in retirement benefits, including two NEOs, vests in five years | 2/28/2017 |

(3) Values are based on closing stock price for WPX Energy of \$14.57 on December 30, 2016.

(4) All performance-based RSUs are subject to attainment of performance targets established by the Compensation Committee. The annual grant payout is based on WPX's TSR relative to its peer group over the three-year performance period. All of the awards will vest no earlier than three years from the grant date. The awards included in the table are outstanding as of December 31, 2016, and for the March 3, 2014 grant, includes the performance attainment of 100%.

(5) Values are based on closing stock price for WPX Energy of \$14.57 on December 30, 2016.

2016 Grants of Plan-Based Awards

The following table sets forth certain information with respect to awards payable under WPX's annual cash incentive program and RSU and RSAs with respect to WPX stock made during the fiscal year 2016 to the NEOs. All information is presented as of grant date.

| Executive | Grant Date | Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1) | | | Estimated Future Payouts Under Incentive Plan Awards(2) | | | All Other Stock Awards(3) | All Other Option Awards(4) | Grant Date Fair Value of Stock and Option Awards(4) |
|----------------------------|------------|--|------------|--------------|---|---------|---------|--|---------------------------------|---|
| | | Threshold | Target | Maximum | Threshold | Target | Maximum | Number of Shares of Stock or Underlying Securities | Exercise Price of Option Awards | |
| Richard E. Muncrief | 5/19/2016 | \$ 462,000 | \$ 924,000 | \$ 2,310,000 | 108,000 | 360,000 | 720,000 | 240,000 | | \$ 3,510,000 |
| J. Kevin Vann | 5/19/2016 | 184,000 | 368,000 | 736,000 | 26,666 | 88,888 | 177,776 | 133,333 | | \$ 866,658 |
| Clay M. Gaspar | 5/19/2016 | 200,000 | 400,000 | 800,000 | 33,333 | 111,111 | 222,222 | 166,666 | | \$ 1,299,997 |
| | | | | | | | | | | \$ 1,083,332 |
| | | | | | | | | | | \$ 1,624,994 |

Edgar Filing: WPX ENERGY, INC. - Form DEF 14A

| | | | | | | | | | | |
|--------------------------|-----------|---------|---------|---------|--------|--------|--------|--------|----|---------|
| Bryan K. Guderian | 5/19/2016 | 144,200 | 288,400 | 576,800 | 13,333 | 44,444 | 88,888 | | \$ | 433,329 |
| | | | | | | | | 66,666 | \$ | 649,994 |
| Dennis C. Cameron | 5/19/2016 | 118,300 | 236,600 | 473,200 | 10,000 | 33,333 | 66,666 | | \$ | 324,997 |
| | | | | | | | | 50,000 | \$ | 487,500 |
| <i>Former Executive</i> | | | | | | | | | | |
| Marcia M. MacLeod | | 0 | 0 | 0 | 0 | 0 | 0 | | \$ | 0 |
| | | | | | | | | 0 | \$ | 0 |

- (1) Non-equity Incentive Plan Awards are from WPX's 2016 AIP. At threshold, the 2016 AIP awards would be 50% of target. The target amount is based upon attaining 100% of target performance goals for all five performance metrics. The maximum amount the NEOs can receive is 200% of their AIP target except for the CEO, which is 250%. These targets reflect the NEOs salary as of January 1, 2016, and the approved incentive targets. The actual AIP award is based on their eligible earnings during the year in which the actual incentive is based on.
- (2) Represents performance-based RSUs granted under WPX's 2013 Incentive Plan. Performance-based RSUs can be earned over a three-year period only if the established performance target is met and the NEO is employed on the vesting date, subject to certain exceptions such as the executive's death or disability. These shares will be distributed no earlier than the third anniversary of the grant other than due to a termination upon a change in-control. If performance plan goals are exceeded, the NEO can receive up to 200% of target. If plan threshold goals are not met, the NEO's awards are cancelled in their entirety.
- (3) Represents time-based RSAs granted under WPX 2013 Incentive Plan. One-third of time-based awards vest annually on 3/3/2017, 3/3/2018, and 3/3/2019.
- (4) To arrive at the resulting number of performance-based RSUs and time-based RSAs awarded, the dollar value of the approved award was divided by \$9.00, as approved by the Committee. The difference between the value approved by the Committee and the grant-day value displayed both in the Summary Compensation Table and in this table reflects the difference between \$9.00 and the closing stock price on the grant day of \$9.75.

Table of Contents**2016 WPX Options Exercises and Stock Vested**

The following table sets forth certain information with respect to options to acquire the stock of WPX exercised by the NEOs and stock that vested during the fiscal year 2016 to the NEOs.

| Executive | Option Awards | | Stock Awards | |
|----------------------------|---------------------------------------|----------------------------|--------------------------------------|---------------------------|
| | Number of Shares Acquired on Exercise | Value Realized on Exercise | Number of Shares Acquired on Vesting | Value Realized on Vesting |
| Richard E. Muncrief | | | 119,288 | \$ 1,711,928 |
| J. Kevin Vann | | | 29,338 | \$ 224,843 |
| Clay M. Gaspar | | | 80,013 | \$ 1,187,031 |
| Bryan K. Guderian | | | 49,892 | \$ 398,621 |
| Dennis C. Cameron | | | 22,571 | \$ 178,016 |
| <i>Former Executive</i> | | | | |
| Marcia M. MacLeod | | | 43,367 | \$ 468,115 |

2016 Nonqualified Deferred Compensation

The following table sets forth certain information with respect to nonqualified deferred compensation during the fiscal year 2016 to the NEOs.

| Executive | Executive Contributions in Last FY | Registrant Contributions in Last FY(1) | Aggregate Earnings in Last FY(2) | Aggregate Withdrawals / Distributions | Aggregate Balance at Last FYE |
|----------------------------|------------------------------------|--|----------------------------------|---------------------------------------|-------------------------------|
| Richard E. Muncrief | \$ 317,538 | \$ 270,954 | \$ 94,129 | \$ 0 | \$ 576,043 |
| J. Kevin Vann | 0 | 58,342 | 7,916 | 0 | \$ 150,180 |
| Clay M. Gaspar | 61,950 | 112,241 | 19,660 | 0 | \$ 169,651 |
| Bryan K. Guderian | 0 | 55,948 | 10,233 | 0 | \$ 227,718 |
| Dennis C. Cameron | 0 | 45,840 | 1,404 | 0 | \$ 141,305 |
| <i>Former Executive</i> | | | | | |
| Marcia M. MacLeod | 0 | 27,835 | 5,664 | 0 | \$ 143,263 |

(1) Included in the Summary Compensation Table under column labeled All Other Compensation is a noncontributory contribution made by the Company to its nonqualified plans on behalf of each NEO listed in the table. The contributions were made on January 30, 2017, but were attributable to 2016 compensation.

(2) A diverse array of investment crediting options is available to participants that follow actual market investments. The menu is suited to variable levels of risk tolerance and preferred asset classes. Choices may be made as often as daily.

See "Executive Compensation Compensation Discussion and Analysis Benefits and Limited Perquisites" for a discussion of compensation that may be deferred. Distributions are available no sooner than six months after separation from service, with choices of lump sum or up to ten annual installments. Scheduled in-service distributions are also available.

Change-in-Control Agreements

WPX has entered into change-in-control agreements with certain officers, including each of our NEOs. The provisions of our agreements are described below. The definitions of words in quotations are also provided below.

Table of Contents

If a "change-in-control" occurs and, within two years following such change-in-control (i) the employment of any NEO is terminated other than for "cause," "disability," death, or a "disqualification disaggregation," or (ii) an NEO resigns for "good reason," such NEO is entitled to the following:

Accrued but unpaid base salary, accrued earned but unpaid cash incentive, accrued but unpaid paid time off, and any other amounts or benefits due but not paid (lump sum payment);

Prorated annual bonus for the year of separation through the termination date (lump sum payment);

A severance amount comprised of either (a) three times in the case of our CEO, or (b) two times in the case of our other NEOs the sum of the executive's base salary plus an annual bonus amount equal to his/her average actual AIP payment over the past three years, assuming the incumbent has been in a comparable role/level in the company during that period. (If the incumbent has been in a comparable role/level for only two years, then the average actual AIP payment would be calculated using the average of those two years. Similarly, if the incumbent has been in a similar role/level for only one year, then the average actual AIP would be actual AIP earned for that one year.) (lump sum payment);

Continued eligibility to elect coverage under the medical benefit plans ("COBRA") for so long as the NEO elects coverage or 18 months from the termination, whichever is less, plus a lump sum cash payment equal to the cost of the continued medical coverage for 18 months under COBRA;

All restrictions on stock options held by the NEO will lapse, and the options will vest and become immediately exercisable;

All restricted stock will vest and will be paid out only in accordance with the terms of the respective award agreements

Continued participation in the directors' and officers' liability insurance for six years or any longer known applicable statute of limitations period;

Indemnification as set forth under the Company's bylaws; and

Outplacement benefits at a cost not exceeding \$25,000.

Our agreements provide a "best net" provision providing the NEOs with the better of their after-tax benefit capped at the safe harbor amount or their benefit paid in full subjecting them to possible excise tax payments.

If an NEO's employment is terminated for "cause" during the period beginning upon a change-in-control and continuing for two years, the NEO is entitled to accrued but unpaid base salary, accrued earned but unpaid cash incentive, accrued but unpaid paid time off, and any other amounts or benefits due but not paid (lump sum payment).

Our agreements with our NEOs use the following definitions:

"Cause" means an NEO's:

conviction of or plea of nolo contendere to a felony or a crime involving fraud, dishonesty or moral turpitude;

Edgar Filing: WPX ENERGY, INC. - Form DEF 14A

willful or reckless material misconduct in the performance of his/her duties that has an adverse effect on the Company or any of its subsidiaries or affiliates;

willful or reckless violation or disregard of the Code of Business Conduct of the Company or the policies of the Company;
or

Table of Contents

habitual or gross neglect of duties.

Cause generally does not include bad judgment or negligence (other than habitual neglect or gross negligence); acts or omissions made in good faith after reasonable investigation by the NEO; or acts or omissions with respect to which the Board of Directors could determine that the NEO had satisfied the standards of conduct for indemnification or reimbursement under our bylaws, indemnification agreement, or applicable law; or failure (despite good faith efforts) to meet performance goals, objectives, or measures for a period beginning upon a change-in-control and continuing for two years. An NEO's act or failure to act (except as relates to a conviction or plea of nolo contendere described above), when done in good faith and with a reasonable belief after reasonable investigation that such action or non-action was in the best interest of the Company or its affiliate or required by law shall not constitute cause if the NEO cures the action or non-action within ten business days of notice. Furthermore, no act or failure to act will be cause if the NEO acted under the advice of the Company's counsel or as required by the legal process.

"Change-in-control" means:

Any person or group (other than an affiliate of the Company or an employee benefit plan sponsored by the Company or its affiliates) becomes a beneficial owner, as such term is defined under the Exchange Act, of 25% or more of the common stock of the Company or 25% or more of the combined voting power of all securities entitled to vote generally in the election of directors of the Company ("Voting Securities");

The Company's directors as of a date of the agreement ("Original Directors") and directors approved after that date by at least two-thirds of the Original Directors cease to constitute a majority of the directors of the Company;

Consummation of any merger, reorganization, recapitalization, consolidation or similar transaction ("Reorganization Transaction"), other than a Reorganization Transaction that results in the persons who were the direct or indirect owners of outstanding common stock and Voting Securities of the Company prior to the transaction becoming, immediately after the transaction, the owner of at least 65% of the then-outstanding common stock and Voting Securities representing at least 65% of the combined voting power of the then-outstanding Voting Securities of the surviving corporation in substantially the same respective proportions as such persons' ownership immediately before such Reorganization Transaction; or

Approval by the stockholders of the Company of the sale or other disposition of all or substantially all of the consolidated assets of the Company or the complete liquidation of the Company other than a transaction that would result in (i) a related party owning more than 50% of the assets that were owned by the Company immediately prior to the transaction or (ii) the persons who were the direct or indirect owners of outstanding common stock of the Company and Voting Securities prior to the transaction continuing to own, directly or indirectly, 50% or more of the assets that were owned by the Company immediately prior to the transaction. A change-in-control will not occur if the NEO agrees in writing prior to an event that such an event will not be a change-in-control.

"Disability" means a physical or mental infirmity that impairs the NEO's ability to substantially perform his/her duties for 12 months or more or for which he/she is receiving income replacement benefits from a Company plan for not less than three months because of an impairment that is expected to last for not less than 12 months.

"Disqualification disaggregation" means:

the termination of an NEO's employment from the Company or an affiliate before a change-in-control for any reason; or

Table of Contents

the termination of an NEO's employment by a successor (during the period beginning upon a change-in-control and continuing for two years), if the NEO is employed in substantially the same position and the successor has assumed the Company's change-in-control agreement.

"Good reason" means, generally, a material adverse change in the NEO's title, position or responsibilities, a reduction in the NEO's base salary, a material reduction in the NEO's annual bonus, required relocation, a material reduction in the level of aggregate compensation or benefits not applicable to the NEO's peers, a successor company's failure to honor the agreement or the failure of the Company's Board of Directors to terminate an employee within 90 days of providing such employee of written notice of an act or omission constituting "cause."

Termination Scenarios(6)

| Executive | Payment | For Cause(1) | Retirement(2) | Death & Disability(3) | Not for Cause(4) | CIC(5) |
|----------------------------|------------------|--------------|---------------------|-----------------------|----------------------|----------------------|
| Richard E. Muncrief | | | | | | |
| | Stock Options | 0 | NA | 0 | 0 | 0 |
| | Stock Awards | 0 | NA | 12,684,057 | 12,684,057 | 18,640,698 |
| | Cash Severance | 0 | NA | 0 | 2,604,000 | 3,444,000 |
| | Outplacement | 0 | NA | 0 | 0 | 25,000 |
| | Health & Welfare | 0 | NA | 0 | 50,000 | 21,555 |
| | Total | \$ 0 | \$ 0 | \$ 12,684,057 | \$ 15,338,057 | \$ 22,131,253 |
| J. Kevin Vann | | | | | | |
| | Stock Options | 0 | NA | 0 | 0 | 0 |
| | Stock Awards | 0 | NA | 4,224,629 | 4,224,629 | 5,796,617 |
| | Cash Severance | 0 | NA | 0 | 1,422,462 | 1,408,308 |
| | Outplacement | 0 | NA | 0 | 25,000 | 25,000 |
| | Health & Welfare | 0 | NA | 0 | 20,526 | 30,790 |
| | Total | \$ 0 | \$ 0 | \$ 4,224,629 | \$ 5,692,617 | \$ 7,260,715 |
| Clay M. Gaspar | | | | | | |
| | Stock Options | 0 | NA | NA | 0 | 0 |
| | Stock Awards | 0 | NA | 7,359,154 | 7,359,154 | 8,654,565 |
| | Cash Severance | 0 | NA | 0 | 1,487,792 | 1,491,862 |
| | Outplacement | 0 | NA | 0 | 25,000 | 25,000 |
| | Health & Welfare | 0 | NA | 0 | 20,526 | 30,790 |
| | Total | \$ 0 | \$ 0 | \$ 7,359,154 | \$ 8,892,472 | \$ 10,202,217 |
| Bryan K. Guderian | | | | | | |
| | Stock Options | 0 | 0 | 0 | 0 | 0 |
| | Stock Awards | 0 | 2,691,630 | 2,691,630 | 2,691,630 | 3,361,416 |
| | Cash Severance | 0 | 0 | 0 | 1,114,798 | 1,731,999 |
| | Outplacement | 0 | 0 | 0 | 25,000 | 25,000 |
| | Health & Welfare | 0 | 0 | 0 | 20,526 | 30,790 |
| | Total | \$ 0 | \$ 2,691,630 | \$ 2,691,630 | \$ 3,851,954 | \$ 5,149,205 |
| Dennis C. Cameron | | | | | | |
| | Stock Options | 0 | NA | 0 | 0 | 0 |
| | Stock Awards | 0 | NA | 1,783,012 | 1,783,012 | 2,251,094 |
| | Cash Severance | 0 | NA | 0 | 923,178 | 979,452 |
| | Outplacement | 0 | NA | 0 | 25,000 | 25,000 |
| | Health & Welfare | 0 | NA | 0 | 20,526 | 30,790 |
| | Total | \$ 0 | \$ 0 | \$ 1,783,012 | \$ 2,751,716 | \$ 3,286,336 |
| Former Executive | | | | | | |
| Marcia M. MacLeod | | | | | | |
| | Stock Options | 0 | NA | NA | 0 | NA |
| | Stock Awards | 0 | NA | NA | 468,115 | NA |
| | Cash Severance | 0 | NA | NA | 1,480,567 | NA |
| | Outplacement | 0 | NA | NA | 25,000 | NA |

Edgar Filing: WPX ENERGY, INC. - Form DEF 14A

| | | | | | |
|------------------|-------------|-------------|-------------|------------------|-------------|
| Health & Welfare | 0 | NA | NA | 14,369 | NA |
| Total | \$ 0 | \$ 0 | \$ 0 | 2,751,716 | \$ 0 |

(1) For Cause: For an NEO who is terminated for cause, all unvested stock options and stock awards cancel.

(2) Retirement: If an NEO retires from WPX, then all unvested stock options will fully accelerate. A pro-rated portion of the 2012 and 2013 unvested time-bases RSUs will accelerate and a pro-rated portion of any performance-based RSUs will vest on the original vesting date if the Compensation Committee certifies that the performance goals were met.

Table of Contents

- (3) Death & Disability: If an NEO dies or becomes disabled, then all unvested stock options will fully accelerate. All unvested time-based RSUs and RSAs will fully accelerate and a pro-rated portion of any performance-based RSUs will vest if the Compensation Committee certifies that the performance goals were met
- (4) Not for Cause: For an NEO who is involuntarily terminated who receives severance or for an NEO whose job is outsourced with no comparable internal offer, all unvested time-based RSUs and RSAs will fully accelerate and a pro-rated portion of any performance-based RSUs will vest if the Compensation Committee certifies that the performance goals were met. However, unless an NEO is retirement eligible, all unvested stock options will cancel. Under the individual stock option agreements, if an NEO is retirement eligible, then all unvested stock options will fully accelerate.
- (5) CIC: see "*Change-in-Control Agreements*" section above.
- (6) Eligibility to participate in our executive severance pay plan is determined by the Compensation Committee in the case of an executive officer. Our CEO is not covered by the executive severance pay plan, and instead is subject to an employment agreement. See "*Executive Compensation Compensation Discussion and Analysis Employment Agreements.*" A determination of whether an employee has been terminated for cause under our change-in-control agreements is determined by the Board.

We make no assumptions as to the achievement of performance goals as it relates to the performance-based RSUs. If an award is covered by Section 409A of the Code, lump sum payments and distributions occurring from these events will occur six months after the triggering event as required by the Code and our award agreements.

Compensation Committee Report

The Compensation Committee has reviewed and discussed with management the section above entitled "*Compensation Discussion and Analysis.*" Based on this review and discussion, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in the 2017 Proxy Statement.

William R. Granberry, Chairman
Henry E. Lentz
David F. Work

Director Compensation

Our Compensation Committee is responsible for reviewing the compensation for non-management directors annually and recommending any changes to our Board of Directors. The objective of this annual review is to determine whether our director compensation is appropriate in relation to other comparable U.S. companies and is competitive to attract and retain the most qualified members for our Board of Directors.

Our non-employee directors receive compensation in the form of both cash and equity, with a much greater proportion of the total compensation delivered in the form of restricted stock than in cash. This restricted stock vests one year after the date of grant. The weighting toward equity helps to align the interests of our directors with our stockholders. To further align the interests of our directors with the long-term interests of our stockholders, our stock ownership guidelines require each director to hold common stock of WPX equal to at least five times the annual cash retainer paid to directors. Under the guidelines, shares owned outright, restricted stock awards, and equity deferred under our nonqualified deferred compensation plan are counted as owned. If, on the annual compliance date of February 1 of each year, a director does not own shares equal to five times the annual cash retainer, that director is required to retain 50% of any WPX equity acquired through the vesting of restricted stock, net of taxes, until the next February 1 compliance date when his or her WPX stock ownership meets the required multiple of pay.

Edgar Filing: WPX ENERGY, INC. - Form DEF 14A

Table of Contents

During 2016, none of our non-employee directors divested shares of our common stock, and one purchased a total of 12,500 shares, 10,000 in our public equity offering and 2,500 in an open-market purchases of our stock.

Under our nonqualified deferred compensation plan, non-employee directors may defer up to 100% of their annual cash retainer and/or 100% of their annual equity grant. Any cash or equity deferred is paid when the director leaves our Board.

The following table summarizes our director compensation program for 2016 and provides a breakdown of director compensation in the form of cash versus equity.

| | Dollar Value | Percentage of Retainer |
|--|----------------|------------------------|
| Board Members | | |
| Annual Cash Retainer | 75,000 | 29% |
| Annual Equity Retainer Restricted Stock | 185,000 | 71% |
| Total Annual Retainer | 260,000 | |
| Committee Chairs | | |
| Additional Cash Retainer | 15,000 | |
| Non-Executive Chairman | | |
| Additional Annual Cash Retainer | 20,000 | 15% |
| Additional Annual Equity Retainer Restricted Stock | 110,000 | 85% |
| Total Annual Retainer | 130,000 | |

Director Compensation Table

The following table sets forth certain information with respect to the compensation of the Board of Directors earned during fiscal year 2016.

| | Fees Earned or Paid in Cash | Stock Awards(1)(2) | Option Award | Non-Equity Incentive Plan Compensation | Change in Pension Value and Nonqualified Deferred Compensation | All Other Compensation(3) | Total |
|-----------------------------|--------------------------------------|-----------------------|-----------------|---|---|------------------------------|---------|
| John A. Carrig | 0 | 0 | 0 | 0 | 0 | 260,000 | 260,000 |
| William R. Granberry | 90,000 | 185,000 | 0 | 0 | 0 | 0 | 275,000 |
| Robert K. Herdman | 90,000 | 0 | 0 | 0 | 0 | 185,000 | 275,000 |
| Kelt Kindick | 75,000 | 185,000 | 0 | 0 | 0 | 0 | 260,000 |
| Karl F. Kurz | 75,000 | 185,000 | 0 | 0 | 0 | 0 | 260,000 |
| Henry E. Lentz | 75,000 | 185,000 | 0 | 0 | 0 | 0 | 260,000 |
| George A. Lorch | 90,000 | 185,000 | 0 | 0 | 0 | 0 | 275,000 |
| William G. Lowrie | 95,000 | 295,000 | 0 | 0 | 0 | 0 | 390,000 |
| Kimberly S. Lubel | 75,000 | 185,000 | 0 | 0 | 0 | 0 | 260,000 |
| David F. Work | 75,000 | 0 | 0 | 0 | 0 | 185,000 | 260,000 |

(1) Represents the grant date fair value of the 2016 stock awards based on a \$9.75 per share grant-date stock price.

Table of Contents

| Director | Grant Date | Number of Shares Granted | Grant Date Fair Value |
|----------------------|------------|-----------------------------|--------------------------|
| John A. Carrig | 5/19/2016 | 18,974 | 185,000 |
| William R. Granberry | 5/19/2016 | 18,974 | 185,000 |
| Robert K. Herdman | 5/19/2016 | 18,974 | 185,000 |
| Kelt Kindick | 5/19/2016 | 18,974 | 185,000 |
| Karl F. Kurz | 5/19/2016 | 18,974 | 185,000 |
| Henry E. Lentz | 5/19/2016 | 18,974 | 185,000 |
| George A. Lorch | 5/19/2016 | 18,974 | 185,000 |
| William G. Lowrie | 5/19/2016 | 30,256 | 295,000 |
| Kimberly S. Lubel | 5/19/2016 | 18,974 | 185,000 |
| David F. Work | 5/19/2016 | 18,974 | 185,000 |

(2) The non-employee directors have the following stock and option awards outstanding as of December 31, 2016.

| Director | Number of Outstanding Option Awards | Number of Outstanding Stock Awards |
|----------------------|--|---------------------------------------|
| John A. Carrig | | 50,495 |
| William R. Granberry | | 18,974 |
| Robert K. Herdman | | 50,495 |
| Kelt Kindick | | 18,974 |
| Karl F. Kurz | | 18,974 |
| Henry E. Lentz | | 18,974 |
| George A. Lorch | | 89,963 |
| William G. Lowrie | | 30,256 |
| Kimberly S. Lubel | | 18,974 |
| David F. Work | | 32,350 |

(3) The amounts disclosed in the "All Other Compensation" column relate to deferred Fees Earned or Paid in Cash and deferred Stock Awards (at grant date value).

EQUITY COMPENSATION PLAN INFORMATION

The following table provides information concerning WPX common stock that may be issued upon the exercise of options, warrants and rights under the WPX Energy, Inc. 2013 Incentive Plan, as amended, as of December 31, 2016.

| Plan Category | Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights | Weighted-Average Exercise Price of Outstanding Options, Warrants, and Rights(1) | Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in the 1st Column of This Table) |
|--|---|--|---|
| Equity compensation plans approved by security holders | 2,667,036 | \$ 15.31 | 7,799,986 |

(1) Excludes the shares issuable upon the vesting of restricted stock units and restricted stock awards included in the first column of this table for which there is no weighted-average exercise price.

Table of Contents

PROPOSAL 2 ADVISORY VOTE ON EXECUTIVE COMPENSATION

At our 2013 annual meeting of stockholders, our stockholders elected to have an advisory vote on executive compensation every year. We are asking our stockholders to provide an advisory, nonbinding vote to approve the compensation awarded to our NEOs for 2016. This compensation is described in the "*Executive Compensation*" section and includes the Executive Summary, Compensation Discussion and Analysis, and the compensation tables and related disclosures.

As discussed in the Compensation Discussion and Analysis, our executive compensation program is designed to focus our executive officers on our strategy of growing profitable production and reserves while keeping our unit cost down, generating positive cash flow, and maintaining adequate liquidity to meet business objectives. We employ performance metrics tied to our strategy so we encourage performance that creates long-term value for our stockholders. Our Compensation Committee oversees our executive compensation program and maintains a focus on paying our executive officers for performance, not only through the use of performance metrics tied to our strategy but also by using a mix of compensation elements that emphasizes pay that varies based on WPX's performance.

In 2016, we received a favorable advisory vote with approximately 96% of the Company shares voting in favor of our executive compensation program. We have made no significant changes to the structure of the Company's executive compensation program as a result of the vote.

Highlights of our executive compensation program include:

The majority of compensation paid to our executives is equity-based

We use a balanced approach to performance metrics to focus executive officers on executing our strategy while discouraging excessive risk-taking

Our stock ownership guidelines encourage our executive officers to have a significant stake in our long-term success and align their interests with stockholder interests

Our Compensation Committee regularly reviews share utilization, overhang levels, and the annual run rate

Our recoupment policy requires recovery of all performance-based incentive payments from executive officers found to be responsible for fraud or intentional misconduct that results in a significant restatement of our financial results as well as recoupment from all other executive officers of any amounts paid in excess of the award that would have been paid based on the restated financial results

Our change-in-control agreements have a double trigger for payments, equity awards, and other benefits so they are not triggered solely on a change-in-control

We provide very limited perquisites to our NEOs

Our Compensation Committee engages an independent compensation consultant to provide competitive market data for our executive officers and to lead discussions on trends within our industry

When making compensation decisions, our Compensation Committee uses tally sheets to consider total outstanding equity value and estimates of amounts that would be paid in various termination scenarios

Edgar Filing: WPX ENERGY, INC. - Form DEF 14A

Our performance-based RSU program prohibits payouts in excess of 100% if absolute TSR is negative, regardless of the ranking of our TSR relative to peers

Other than the limited-term, three-year employment contract entered into with our CEO in connection with his recruitment, we do not provide employment contracts to our NEOs

Table of Contents

We do not provide gross-ups to cover personal income taxes that pertain to executive or severance benefits or the limited perquisites that we offer

Our insider trading policy prohibits short sales of our common stock and the use of equivalent derivative securities by our directors and executive officers (anti-hedging policy)

We do not permit our directors or executive officers to engage in margin trading of our stock or to use our securities as collateral for a loan (anti-pledging policy)

Our incentive plan prohibits the repricing and backdating of stock options without stockholder approval.

We are asking our stockholders to indicate their support for our executive compensation programs. We believe the information provided in this Proxy Statement demonstrates our executive compensation program is designed and operates to align the interests of our executive officers with the interests of our stockholders to create value over the long-term.

While this vote is advisory and not binding, we will consider the outcome of the vote, along with other relevant factors, when making future executive compensation decisions.

For the reasons set forth above, the Board recommends that you vote FOR the following resolution:

RESOLVED that the stockholders approve, on an advisory basis, the compensation paid to the NEOs, as disclosed in this proxy statement pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the compensation tables, and related narrative discussion.

CERTAIN RELATIONSHIPS AND TRANSACTIONS

Procedures for Review and Approval of Related-Party Transactions

The Board has adopted policies and procedures with respect to related-person transactions as part of the Audit Committee charter. Any proposed related-person transaction involving a member of the Board or the Chief Executive Officer must be reviewed and approved by the full Board. The Audit Committee reviews proposed transactions with any other related persons, promoters, and certain control persons. If it is impractical to convene an Audit Committee meeting before a related-person transaction occurs, the chair of the committee may review the transaction alone.

No director may participate in any review, consideration or approval of any related-person transaction with respect to which such director or any of his or her immediate family members is the related person. The Audit Committee or its chair, or the Board, as the case may be, in good faith, may approve only those related-person transactions that are in, or not inconsistent with, WPX Energy's best interests and the best interests of our stockholders. In conducting a review of whether a transaction is, or is not inconsistent with, the best interest of WPX Energy and its stockholders, the Audit Committee or its chair, or the Board, as the case may be, will consider the benefits of the transaction to the Company, the availability of other sources for comparable products or services, the terms of the transaction, the terms available to unrelated third parties and to employees generally, and the nature of the relationship between the Company and the related party, among other things.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

During fiscal 2016, Messrs. Granberry, Lentz and Work served on the Compensation Committee. None of these individuals has been an officer or employee of the Company or any of its subsidiaries at any time. In 2016, none of our executive officers served as a member of the board of directors or compensation committee of any other company that has one or more executive officers serving as a member of our Board or Compensation Committee.

Table of Contents

AUDIT COMMITTEE REPORT

The Audit Committee of our Board of Directors is comprised of three non-employee directors. The Board of Directors has determined that all of the members of the Audit Committee are independent within the meaning of the listing standards of the NYSE, the rules of the SEC and the Company's Corporate Governance Guidelines and are financially literate as defined by the NYSE and are audit committee financial experts as defined by the SEC. The Audit Committee operates under a written charter adopted by the Board of Directors. Consistent with this charter, the Audit Committee assists the Board of Directors with its oversight responsibilities as they relate to:

the integrity of the Company's financial statements;

the effectiveness of the Company's internal controls over financial reporting;

the Company's compliance with legal and regulatory requirements;

the implementation and effectiveness of the Company's ethics and compliance program;

the independent auditor's qualifications and independence; and

the performance of the Company's independent auditor and internal auditors.

The Audit Committee also has responsibility for preparing this report, which must be included in our proxy statement, and appointing and retaining the Company's independent auditor. In order to meet the responsibilities assigned to it under its charter, the Audit Committee performs a number of tasks, including the following:

Advance review of all audit and legally permitted non-audit services to be provided by our independent auditor. This task includes sole approval authority for the fees and terms of the auditor's engagement.

Review of the Company's audited financial statements and quarterly financial statements. In connection with this task, the Audit Committee focuses on several factors, including the independent auditor's judgment of the quality of the Company's accounting principles and major issues regarding judgments made in connection with the preparation of financial statements.

At least an annual evaluation of the independent auditor. The Audit Committee established a process for evaluating the independent auditor that includes obtaining an annual assessment from the Company's management. That assessment includes several factors related to the independent auditor, including qualifications and expertise, past performance and appropriateness of fees. The Audit Committee also considers the communication and interactions with the independent auditor over the course of the year and the results of PCAOB inspections, and conducts a review of the independent auditor's internal quality control procedures.

At least an annual evaluation of the independent auditor's independence.

Quarterly reviews of the Company's earnings press releases as well as reviews of guidance provided to investors.

Edgar Filing: WPX ENERGY, INC. - Form DEF 14A

Periodic reviews of the adequacy and effectiveness of the Company's accounting and internal control policies and procedures.

Periodic reviews of the Company's program for assessing and managing risks, including steps management has taken to monitor and control exposures to such risks.

Management is responsible for the Company's internal controls and the financial reporting process. The Company's independent registered public accounting firm, Ernst & Young LLP, is responsible for performing an independent audit of the Company's consolidated financial statements in accordance

Table of Contents

with the standards of the Public Company Accounting Oversight Board (United States), expressing an opinion as to the conformity of the financial statements with generally accepted accounting principles, and expressing an opinion on the Company's internal control over financial reporting. The Audit Committee's responsibility is to monitor and oversee these processes. The Audit Committee has discussed and reviewed, with both management and Ernst & Young LLP, management's annual report on the Company's internal control over financial reporting and Ernst & Young LLP's attestation.

Management represented to the Audit Committee that the Company's consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America, and the Audit Committee has reviewed and discussed with management and the independent registered public accounting firm in separate sessions the Company's consolidated financial statements for the years ended December 31, 2016, December 31, 2015 and December 31, 2014.

The Audit Committee discussed with Ernst & Young LLP all matters required to be discussed by Auditing Standard No. 1301 (Communications with Audit Committees). The Company's independent registered public accounting firm also provided to the Audit Committee the written disclosures and the letter required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent registered public accounting firm's communications with the Audit Committee concerning independence, and the Audit Committee discussed with the independent registered public accounting firm the accounting firm's independence. In considering the independence of the independent registered public accounting firm, the Audit Committee took into consideration whether the provision of non-audit services is compatible with maintaining the independence of the independent registered public accounting firm.

The Committee also considers other factors, including the policy that Ernst & Young LLP follows with respect to rotation of its key audit personnel, so that there is a new partner-in-charge at least every five years. The Committee is involved in the selection of the partner-in-charge by the time rotation is required. Ernst & Young LLP develops a list of potential candidates and identifies one of the candidates as recommended by the firm. The recommended candidate meets with members of management and the Committee. Attributes evaluated include client and functional experience, technical competence, communication skills, critical behaviors, familiarity with audit committee processes and independent communications and stature within Ernst & Young LLP. If the recommended candidate is selected, the process is complete. If the recommended candidate is not selected, the process continues with additional candidate meetings until an acceptable candidate is identified. During 2016, The Committee completed the process for determining the successor partner for the rotation required in 2017.

Based upon the Audit Committee's review of the financial statements, management's report on internal controls over financial reporting, independent discussions with management and Ernst & Young LLP, and the Audit Committee's review of the representation of management and the report of the independent registered public accounting firm to the Audit Committee, the Audit Committee recommended to the Board of Directors that each of (1) the audited consolidated financial statements for the years ended December 31, 2016, December 31, 2015 and December 31, 2014, and (2) management's report on internal controls over financial reporting be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2016 filed with the SEC.

Members of the Audit Committee

Robert K. Herdman, Chairman
John A. Carrig
Kelt Kindick

Table of Contents**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM*****Disclosure of Fees Paid to Independent Registered Public Accounting Firm***

The following table presents fees for professional services rendered by Ernst & Young LLP for the audit of financial statements and other services in 2015 and 2016.

| (in millions) | 2016 | 2015 |
|------------------------------|--------|--------|
| Audit Fees(1) | \$ 2.6 | \$ 3.6 |
| Audit-Related Fees(2) | \$ | \$ 0.1 |
| Tax Fees(3) | \$ 0.5 | \$ 0.1 |
| All Other Fees | \$ | \$ |
| Total | \$ 3.1 | \$ 3.8 |

- (1) The aggregate audit fees in 2016 and 2015 billed by Ernst & Young LLP were for fees associated with the audit of the Company's consolidated financial statements, the audit of its internal control over financial reporting, the review of its quarterly financial statements, and services that are normally provided in connection with statutory and regulatory filings, including consulting services and services in connection with the Company's filings under the Securities Act of 1933, as amended.
- (2) The aggregate fees billed by Ernst & Young LLP for audit-related fees consisted of services in connection with an acquisition in 2015.
- (3) The aggregate fees billed by Ernst & Young LLP for tax services were related primarily to tax planning, tax advice, and tax compliance.

In 2016 and 2015, all of Ernst & Young LLP's fees were pre-approved by the Company's Audit Committee.

Audit Committee's Consideration of Independence of Independent Registered Public Accounting Firm

The Audit Committee has reviewed the nature of non-audit services provided by Ernst & Young LLP and has concluded that these services are compatible with maintaining the firm's ability to serve as our independent registered public accounting firm.

Policy on Audit Committee Pre-Approval of Audit and Non-Audit Services of Independent Auditors

The Audit Committee has established a policy regarding pre-approval of all audit and non-audit services provided by Ernst & Young LLP.

On an ongoing basis, our management presents specific projects and categories of service to the Audit Committee to request advance approval. The Audit Committee reviews those requests and advises management if the Audit Committee approves the engagement of Ernst & Young LLP. On a periodic basis, our management reports to the Audit Committee regarding the actual spending for such projects and services compared to the approved amounts. The Audit Committee may also delegate the authority to pre-approve audit and permitted non-audit services, excluding services related to the Company's internal control over financial reporting, to a subcommittee of one or more committee members, provided that any such pre-approvals are reported at a subsequent Audit Committee meeting.

The Audit Committee's pre-approval policy with respect to audit and non-audit services is an attachment to the Audit Committee Charter, which is available on our website at www.wpxenergy.com under "Investors" and "Corporate Governance."

Table of Contents

PROPOSAL 3 RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee has appointed Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2017. The Board has proposed that stockholders ratify this appointment at the Annual Meeting. If stockholders do not ratify the appointment of Ernst & Young LLP, the Audit Committee will reconsider the appointment but is not obligated to appoint another independent registered public accounting firm.

In selecting Ernst & Young LLP as our independent public accounting firm for 2017, the Audit Committee considered a number of factors, including:

Ernst & Young LLP's internal quality-control procedures, including results of the most recent Public Company Accounting Oversight Board (PCAOB) inspection report on Ernst & Young LLP and the results of peer review examinations;

Consideration of investigations by governmental or professional authorities and whether they may impair Ernst & Young LLP's ability to perform our annual audit;

Ernst & Young LLP's independence program and any relationships between Ernst & Young LLP and our company that could have a bearing on Ernst & Young LLP's independence;

Ernst & Young LLP's industry experience to audit our operations;

The professional qualifications of the lead audit partner and other key engagement personnel;

The periodic refreshment of perspective and objectivity provided by the mandatory five-year rotation of the partner-in-charge;

The engagement team's collective expertise and knowledge of our business, operations and risk profile; and

The results of the evaluation of Ernst & Young LLP's performance described in the Audit Committee Report.

Representatives of Ernst & Young LLP are expected to be present at the Annual Meeting, will have an opportunity to make a statement if they so desire and will be available to respond to questions from stockholders.

The Board recommends a vote FOR ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2017. Proxies will be voted FOR ratifying this selection unless you specify otherwise.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information as of March 10, 2017, with respect to the number of shares of common stock owned by (a) each director and nominee for director of the Company, (b) each named executive officer of WPX, (c) all directors and executive officers and nominees as a group and (d) each stockholder known by WPX to own beneficially more than five percent of a class of the outstanding common stock. Unless otherwise noted, each person and group

Edgar Filing: WPX ENERGY, INC. - Form DEF 14A

Table of Contents

identified possesses sole voting and investment power with respect to the shares shown opposite such person's or group's name.

| Name of Individual or Group | Shares of Common Stock Owned Directly or Indirectly(1)(2) | Options Exercisable Within 60 Days of March 10, 2017(3) | Total(1)(2)(3) | Percent of Class(4) |
|---|---|---|----------------|------------------------|
| John A. Carrig | 128,302(5) | 0 | 128,302(5) | * |
| William R. Granberry | 137,405(6) | 0 | 137,405(6) | * |
| Robert K. Herdman | 68,302 | 0 | 68,302 | * |
| Kelt Kindick | 103,626 | 0 | 103,626 | * |
| Karl F. Kurz | 44,023 | 0 | 44,023 | * |
| Henry E. Lentz | 78,302 | 0 | 78,302 | * |
| George A. Lorch | 178,071 | 0 | 178,071 | * |
| William G. Lowrie | 242,076 | 0 | 242,076 | * |
| Kimberly S. Lubel | 73,252 | 0 | 73,252 | * |
| David F. Work | 70,302 | 0 | 70,302 | * |
| Dennis C. Cameron | 249,384 | 35,251 | 284,635 | * |
| Clay M. Gaspar | 915,382 | 0 | 915,382 | * |
| Bryan K. Guderian | 408,189 | 162,226 | 570,415 | * |
| Richard E. Muncrief | 1,951,474 | 121,167 | 2,072,641 | * |
| J. Kevin Vann | 532,617 | 36,459 | 569,076 | * |
| All directors nominees and executive officers as a group (15 individuals) | 5,180,707 | 355,103 | 5,535,810 | 1.4% |
| BlackRock, Inc.(7) | 29,653,840 | 0 | 29,653,840 | 8.5% |
| Wellington Management Group LLP (and related parties)(8) | 34,306,624 | 0 | 34,306,624 | 9.96% |
| The Vanguard Group, Inc. (and related parties)(9) | 27,531,169 | 0 | 27,531,169 | 7.99% |

*

Less than 1%.

(1)

Includes restricted stock units over which executive officers have no voting or investment power held under the terms of the WPX Energy, Inc. 2013 Incentive Plan as follows: Mr. Cameron, 94,801; Mr. Gaspar, 374,056; Mr. Guderian, 139,167; Mr. Muncrief, 1,022,547; Mr. Vann 243,919; and all NEOs who are currently executive officers, 1,847,490. Restricted stock units held by Messrs. Gaspar and Vann include both time-based and performance-based awards. Restricted stock units held by Messrs. Cameron, Guderian and Muncrief only include performance-based awards.

(2)

Includes restricted stock units and shares of deferred common stock over which independent directors have no voting or investment power held under the terms of the WPX Energy, Inc. 2013 Incentive Plan as follows: Mr. Carrig, 50,495; Mr. Herdman, 50,495; Mr. Lorch, 70,989; Mr. Work 32,350; and all independent directors as a group, 204,329. These directors have the right to acquire the shares underlying these restricted stock units and shares of deferred common stock within 60 days of March 10, 2017, except for 9,141 of the restricted stock units held by Mr. Lorch. Restricted stock units include time-based awards. Includes restricted shares of common stock held under the terms of the WPX Energy, Inc. 2013 Incentive Plan, which will vest on May 19, 2017, as follows: Mr. Granberry, 18,974; Mr. Kindick, 18,974; Mr. Kurz, 18,974; Mr. Lentz, 18,974; Mr. Lorch, 18,974; Mr. Lowrie, 30,256; and Ms. Lubel, 18,974.

Table of Contents

- (3) The shares indicated represent stock options granted under the WPX Energy, Inc. 2013 Incentive Plan that are currently exercisable or will become exercisable within 60 days of March 10, 2017. Shares subject to options cannot be voted.
- (4) Ownership percentage is reported based on 397,402,131 shares of common stock outstanding on March 10, 2017, plus, as to the holder thereof and no other person, the number of shares (if any) that the person has the right to acquire as of March 10, 2017, or within 60 days of that date. Restricted stock units that do not vest within 60 days of March 10, 2017 are not included in ownership percentage.
- (5) Includes 10,000 shares owned by Mr. Carrig's spouse, over which she possesses sole voting and investment power.
- (6) Includes 1,496 shares owned by Mr. Granberry's spouse, over which she possesses sole voting and investment power.
- (7) The address of this entity is 55 East 52nd Street, New York, NY 10055. The information provided is based on a Schedule 13G/A filed by BlackRock, Inc. on or about January 27, 2017. That filing indicates that BlackRock, Inc. has sole voting power as to 28,423,665 of the shares shown, sole dispositive power as to all 29,643,906 shares shown and shared dispositive power as to 9,934 of the shares shown.
- (8) The address of this entity is c/o Wellington Management Company LLP, 280 Congress Street, Boston, MA 02210. The information provided is based on a Schedule 13G/A jointly filed by Wellington Management Group LLP ("Wellington Management"), Wellington Group Holdings LLP ("Wellington Holdings"), Wellington Investment Advisors Holdings LLP ("Wellington Advisors") and Wellington Management Company LLP ("Wellington Company") on or about February 9, 2017. These shares are owned of record by clients of Wellington Company, Wellington Management Canada LLC, Wellington Management Singapore Pte Ltd., Wellington Management Hong Kong Ltd., Wellington Management International Ltd., Wellington Management Japan Pte Ltd. and Wellington Management Australia Pty Ltd. (collectively, the "Wellington Investment Advisors"). Wellington Advisors controls directly, or indirectly through Wellington Management Global Holdings Ltd., the Wellington Investment Advisors. Wellington Advisors is owned by Wellington Holdings. Wellington Holdings is owned by Wellington Management. The clients of the Wellington Investment Advisors have the right to receive, or the power to direct the receipt of, dividends from, or the proceeds from the sale of, such securities. No such client is known to have such right or power with respect to more than five percent of this class of securities. Each of Wellington Management, Wellington Holdings and Wellington Advisors has shared voting power over 26,636,469 of the shares shown and shared dispositive power over 34,306,624 of the shares shown. Wellington Company has shared voting power over 23,833,798 of the shares shown and shared dispositive power over 29,385,616 of the shares shown.
- (9) The address of this entity is 100 Vanguard Boulevard, Malvern, Pennsylvania 19355. The information provided is based on a Schedule 13G/A filed by The Vanguard Group, Inc. on or about February 10, 2017. That filing indicates that The Vanguard Group has sole voting power as to 204,923 of the shares shown, sole dispositive power as to 27,311,242 of the shares shown and shared dispositive power as to 219,927 of the shares shown. That filing also indicates that Vanguard Fiduciary Trust Company, a wholly-owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 186,646 of the shares shown as a result of its serving as investment manager of collective trust accounts. That filing further indicates that Vanguard Investments Australia, Ltd., a wholly-owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 51,558 of the shares shown as a result of its serving as investment manager of Australian investment offerings.

Table of Contents

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our directors and executive officers, and certain persons who own more than ten percent of our common stock, to file with the SEC initial reports of ownership and reports of changes in ownership of our common stock and other equity securities. Directors, executive officers and these greater-than ten-percent stockholders are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file.

To our knowledge, based solely on a review of the copies of these reports and other information furnished to us, all Section 16(a) filing requirements applicable to our directors, executive officers and greater than-ten-percent beneficial owners were complied with on a timely basis during and for the year ended December 31, 2016.

OTHER MATTERS AT MEETING

In accordance with the requirements of advance notice described in our Bylaws, no stockholder nominations or stockholder proposals will be presented at the Annual Meeting. We know of no other matters that may come before the Annual Meeting. However, if any matters calling for a vote of the stockholders, other than those referred to in this proxy statement, should properly come before the meeting, the persons named in the enclosed proxy will vote such proxy according to their individual judgment.

By Order of the Board of Directors,

Stephen E. Brilz
Vice President and Corporate Secretary

Tulsa, Oklahoma
April 4, 2017

