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# WPX Energy, Inc.

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## Introduction

WPX Energy, Inc. stands as a compelling chapter in the evolving saga of American enterprise. Born from the roots of the historic Williams Companies, WPX emerged in 2012 as an independent operator, quickly establishing itself as a significant force in the domestic energy sector. Headquartered in Tulsa, Oklahoma, WPX navigated a complex landscape marked by market volatility, technological innovation, and shifting global priorities, all while forging a strategic identity grounded in unconventional resource development.

The company's story is one of transformation and adaptation. Initially focused on natural gas, WPX Energy recognized the changing dynamics of the energy market early in its independent life and boldly pivoted toward oil, a decision that would shape its destiny. This transformation was neither immediate nor without risk. Through a series of calculated asset divestitures and acquisitions—including major moves in the Permian and Williston Basins—WPX honed its asset base and emerged as a prominent oil producer. Under the leadership of executives like Richard E. Muncrief, the company refined a focused strategy that emphasized operational excellence and financial discipline.

WPX Energy's impact extends far beyond balance sheets and drilling statistics. The company invested in relationships with local communities, implemented forward-thinking environmental and safety practices, and contributed meaningfully to America's energy independence. It also contended with the broader industry's challenges: fluctuating commodity prices, regulatory pressures, and increasing demands for corporate responsibility. WPX's adept handling of these forces reflected a commitment to resilience and strategic agility.

The culmination of WPX Energy's journey was its 2021 merger with Devon Energy, a combination that pooled assets, expertise, and vision. This merger not only marked the end of WPX as an independent entity but also underscored the broader consolidation trends reshaping the U.S. oil and gas landscape. Today, the legacy of WPX is woven into the fabric of a larger, even more dynamic company that continues to influence the direction of American hydrocarbon production.

This book chronicles the rise and transformation of WPX Energy, Inc.—from its historical roots and bold strategic decisions to its ultimate integration into one of the nation's leading energy producers. Through an exploration of key business moves, leadership insights, operational achievements, and cultural milestones, we seek to illuminate the factors that drove WPX's success and the lessons it imparts to industry leaders, historians, and energy enthusiasts alike.

In the chapters that follow, we will trace the intricate narrative of WPX Energy: the people, places, and pivotal moments that defined its story. We will examine the company's crucial inflection points, the obstacles overcome, and the legacy left behind—a legacy that continues to shape not only the fortunes of Devon Energy but also the ongoing evolution of the American energy industry.

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## **CHAPTER ONE: The Roots of Enterprise: From Williams Brothers to WPX Energy**

Every significant company has a genesis story, a foundational narrative that shapes its identity and trajectory. For WPX Energy, Inc., that story is deeply intertwined with the venerable history of The Williams Companies. While WPX Energy would ultimately carve its own distinct path in hydrocarbon exploration, its origins are firmly rooted in a legacy of American infrastructure development that stretched back over a century.

The year was 1908 when two brothers, Miller and David Williams, embarked on a construction business in Fort Smith, Arkansas. Their initial foray involved paving sidewalks, a modest beginning that hardly hinted at the vast industrial empire it would eventually spawn. Yet, the brothers quickly earned a reputation for efficiency and reliability, traits that would become hallmarks of their expanding ventures. Within a few years, they shifted their focus, recognizing the burgeoning demand for infrastructure in the rapidly developing energy sector. By 1915, they had begun laying pipelines in Oklahoma, a move that would define their future.

The company, then known as Williams Brothers, established its headquarters in Tulsa, Oklahoma, in 1919, strategically positioning itself in the heart of the nation's oil and gas boom. This relocation cemented their commitment to the energy industry, and by 1923, they were even building pipelines internationally. Their expertise in steel pipeline construction quickly became their specialty, and they gained renown for their ability to deliver projects on time and within budget, even in challenging environments.

For several decades, Williams Brothers operated as a privately held, family-run business. However, its scope and influence continued to grow. In 1949, a new generation of the Williams family took the helm when John H. Williams, a nephew of the founders, along with his brother Charles Williams and David Williams Jr., acquired the company. John H. Williams would go on to lead the company as president until 1971 and as CEO until 1979, overseeing a period of significant expansion and diversification.

The company's growing stature led to its public listing in 1957, trading as an over-the-counter stock under the Williams Brothers name. This marked a pivotal moment, opening the door for greater capital investment and further strategic moves. A significant turning point arrived in 1966 when Williams undertook what was, at the time, the largest leveraged buyout ever seen on Wall Street: the acquisition of the Great Lakes Pipe Line Company for approximately \$287 million. This bold acquisition

transformed Williams from primarily a construction firm to an owner and operator of large pipeline systems, fundamentally altering its business model.

The 1970s saw the company evolve further. As it diversified into various sectors, including fertilizer, steel, retail, and commercial real estate, the company officially changed its name to The Williams Companies, Inc., in 1971. However, by the early 1980s, Williams began to refocus on its core energy and pipeline businesses. This strategic realignment was evident in its 1982 purchase of Northwest Energy Company, which initiated the development of a nationwide system of interstate natural gas pipelines. The expansion continued with the 1995 acquisition of Transco Energy Company, extending Williams' reach to the East Coast.

A notable, albeit temporary, diversion for Williams occurred in the telecommunications sector. The company leveraged its existing pipeline infrastructure to lay fiber optic cables, contributing to the nascent modern telecommunications industry. These ventures led to the spin-off of two separate telecommunications companies, the first sold in 1995 to LDDS (which later became WorldCom and then MCI), and the second spun off in 2001 as Williams Communications, eventually becoming WiTel Communications before its acquisition by Level 3 Communications. While these telecommunications forays demonstrated Williams' entrepreneurial spirit and willingness to innovate, the company's long-term focus remained on energy infrastructure.

One particularly impactful acquisition that directly paved the way for WPX Energy was the purchase of Barrett Resources Corporation. In August 2001, Williams completed its acquisition of Denver-based Barrett Resources for approximately \$2.8 billion. This move was a significant step, more than doubling Williams' natural gas reserves and aligning with its strategy to boost gas-fired power generation. Barrett Resources, a natural gas and oil exploration and production company, brought with it valuable assets primarily located in the Rocky Mountain region. This acquisition integrated Barrett Resources as a wholly owned subsidiary of Williams, further solidifying Williams' presence in the upstream exploration and production segment of the energy industry.

As the energy landscape continued to evolve, Williams recognized the growing potential of unconventional resource plays. The company had been investing in and developing significant positions in areas such as the Marcellus, Bakken, and Piceance basins. These gas-weighted reserves, along with related natural gas liquids, represented a substantial part of Williams' portfolio. However, the leadership at Williams began to envision a future where its exploration and production (E&P) business could thrive more effectively as a separate, focused entity.

This vision materialized in 2011 with the formal plan to spin off the E&P business into a new, independent publicly traded company. The rationale was clear: by creating two

distinct companies, Williams could concentrate on its core energy infrastructure business, while the new E&P company could pursue its own growth strategies in exploration and production without the complexities of a larger, diversified conglomerate.

The decision was formalized in December 2011 when Williams' Board of Directors approved the tax-free spin-off of its E&P business, to be known as WPX Energy, Inc. The name, "WPX," was derived from "Williams Production and Exploration," a clear nod to its lineage while marking its new identity. The spin-off was executed through a tax-free dividend, with Williams shareholders receiving one share of WPX Energy common stock for every three shares of Williams common stock they held as of December 14, 2011.

The financial transaction was completed on December 31, 2011, and WPX Energy Inc. officially began trading on the New York Stock Exchange under the ticker symbol "WPX" on January 3, 2012. This marked the formal birth of WPX Energy as an independent, publicly traded company. It commenced operations headquartered in Tulsa, Oklahoma, the same city where its parent company had long been established.

At its inception as an independent entity, WPX Energy had approximately 1,200 employees, with around 550 based at its Tulsa headquarters in the BOK Tower. The leadership team for the newly formed company was put in place to guide its initial steps. Richard E. Muncrief was appointed Chairman and CEO, bringing with him a wealth of experience from previous leadership roles at Continental Resources, ConocoPhillips, Burlington Resources, Meridian Oil, and El Paso Exploration. J. Kevin Vann took on the crucial role of CFO, having previously served as Controller of Williams Companies' exploration and production business and holding various financial and accounting positions within Williams since 1998.

The spin-off allowed WPX Energy to focus solely on the acquisition, development, exploration, and exploitation of unconventional resource plays. While it initially held a gas-weighted portfolio with interests in basins such as the Piceance, Bakken, and Marcellus, the stage was now set for WPX to embark on its own strategic evolution within the dynamic American energy landscape. The legacy of Williams, built on a century of infrastructure and energy development, provided a strong foundation, but WPX Energy was now ready to write its own chapter as a dedicated exploration and production company.

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