

WATER LITERATE LEADERS OF NORTHERN COLORADO

WATER USE & MANAGEMENT

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Water Management Team
February 8, 2018



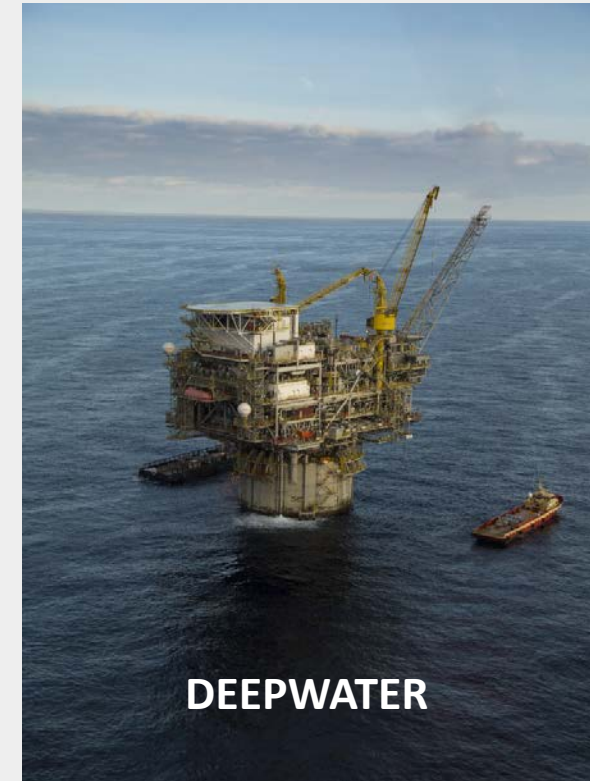
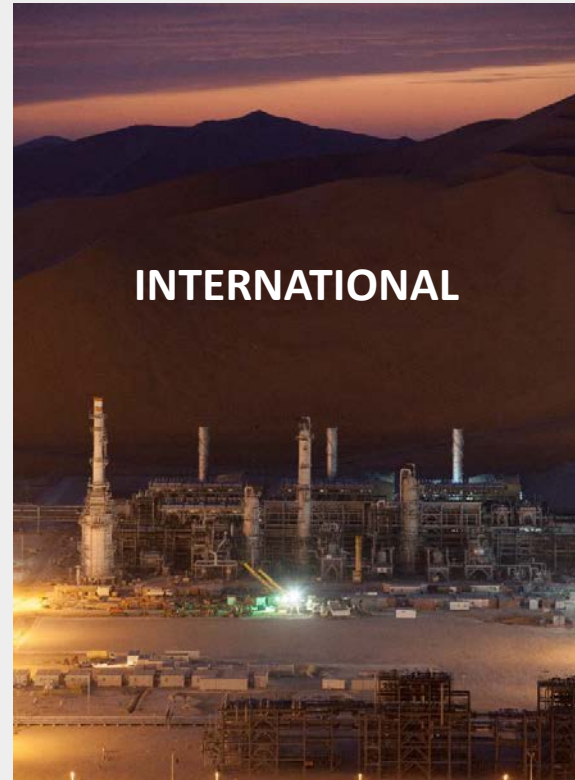
Cautionary Language

Regarding Forward-Looking Statements and Other Matters

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Anadarko believes that its expectations are based on reasonable assumptions. No assurance, however, can be given that such expectations will prove to have been correct. A number of factors could cause actual results to differ materially from the projections, anticipated results, or other expectations expressed in this presentation, including Anadarko's ability to achieve its production targets. See "Risk Factors" in the company's 2016 Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other public filings and press releases. Anadarko undertakes no obligation to publicly update or revise any forward-looking statements.



Anadarko Around the World



“At Anadarko, we view sustainability as integral to continuing to fulfill our corporate mission. Protecting health and the environment coupled with responsible care for our employees, contractors and communities are core to delivering consistently positive economic performance. We achieve sustainability by living our core values of integrity and trust, servant leadership, open communication, people and passion, and commercial focus, all of which guide our activities and decisions.”

Al Walker - Chairman, President and CEO



Water-Energy Nexus

The water-energy nexus

It takes water to produce energy



Nuclear power plant:
75,000–450,000 liters/MWh



Natural gas:
570–1,100 liters/MWh



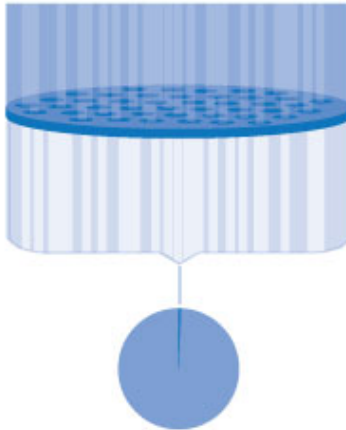
Wind and solar photovoltaic:
2–100 liters/MWh

Unconventional production:
Use 100–10,000 times more water than conventional production.



It takes energy to produce drinkable water

Desalination: The process that removes salt and minerals from sea water, is a heat energy and electricity intensive process.



Desalination produces
24 billion cubic meters
of drinkable water yearly or
0.6% of global water supply.

Sources: IEA World Energy Outlook 2012, IRENA Desalination technology brief (2012)

Energy and water considerations

• State priority

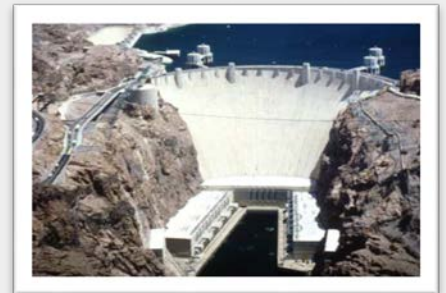
- Groundwater Protection Council (GWPC)
- Interstate Oil and Gas Council (IOGCC)
- Texas, Colorado, Utah, Wyoming

• Federal priority

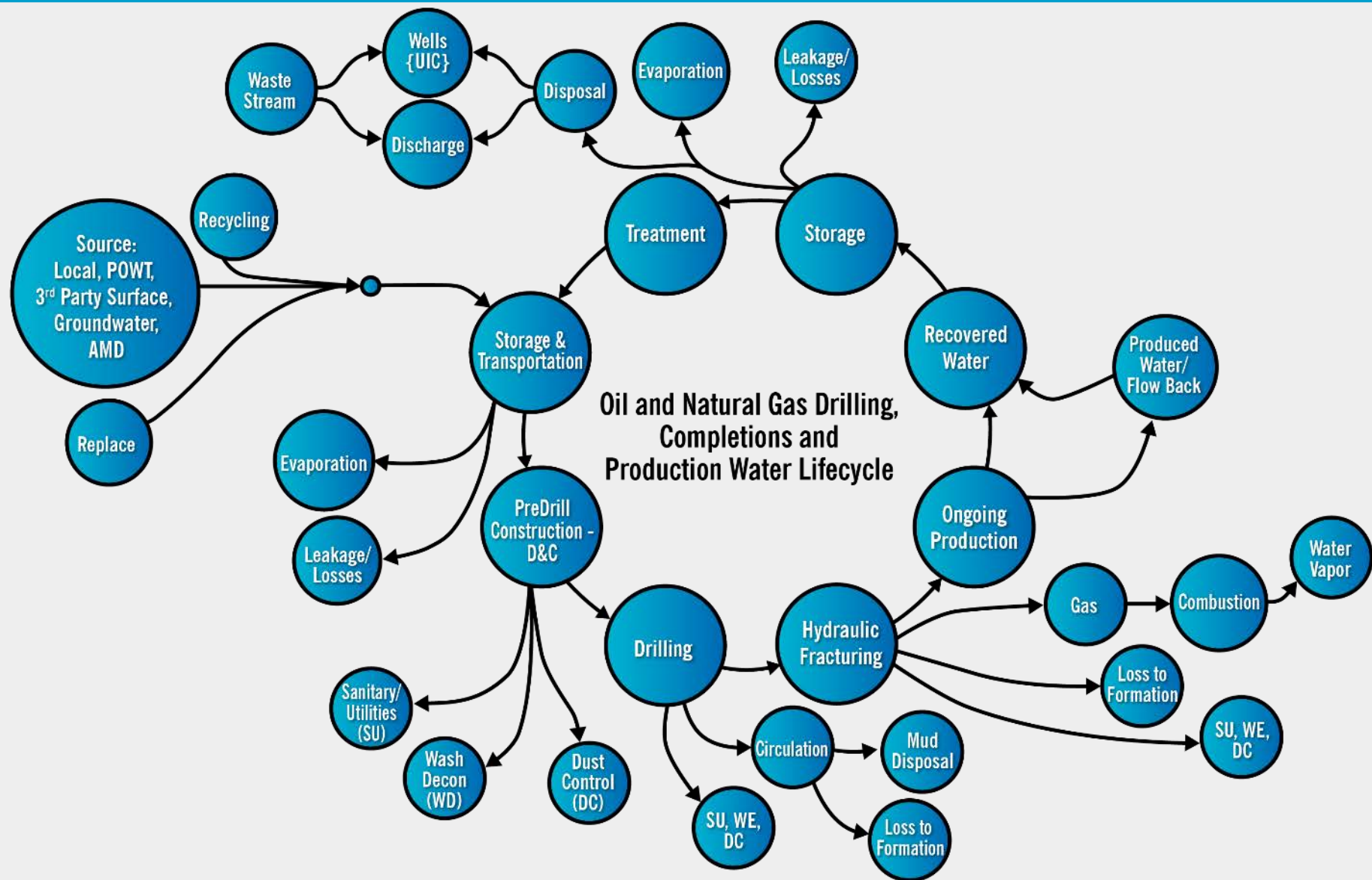
- Funding
- Regulations that impede the use of water

• Industry priority

- Energy Water Initiative (22 companies)
- Water treatment technologies
- Water infrastructure



Life Cycle of Water in Upstream Operations



EWI, 2014



Anadarko Water Strategy

• Goals

- Meet operational needs and production targets
- Reduce risks and maintain optionality
- Drive technology and efficiency
- Maximize field infrastructure
- Engage stakeholders and maintain social license to operate

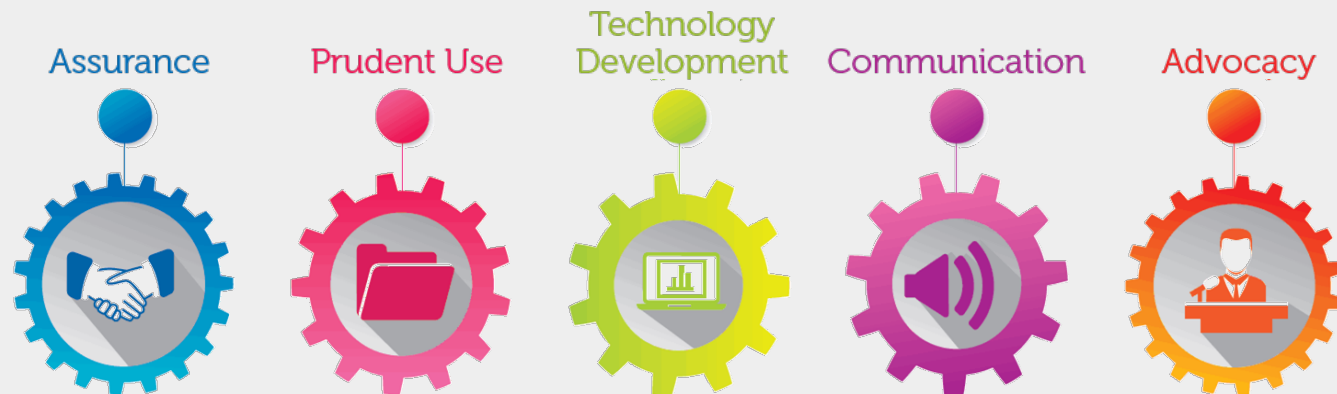


Likelihood	Likely	Possible	Unlikely
	Low	Moderate	High
	Low	Moderate	High



• Challenges

- Manage regulatory restrictions
- Improve public perception
- Reduce cost of treatment and infrastructure
- Limit long-term liability



DJ Basin Water Operations



Water Sourcing

Water Transportation

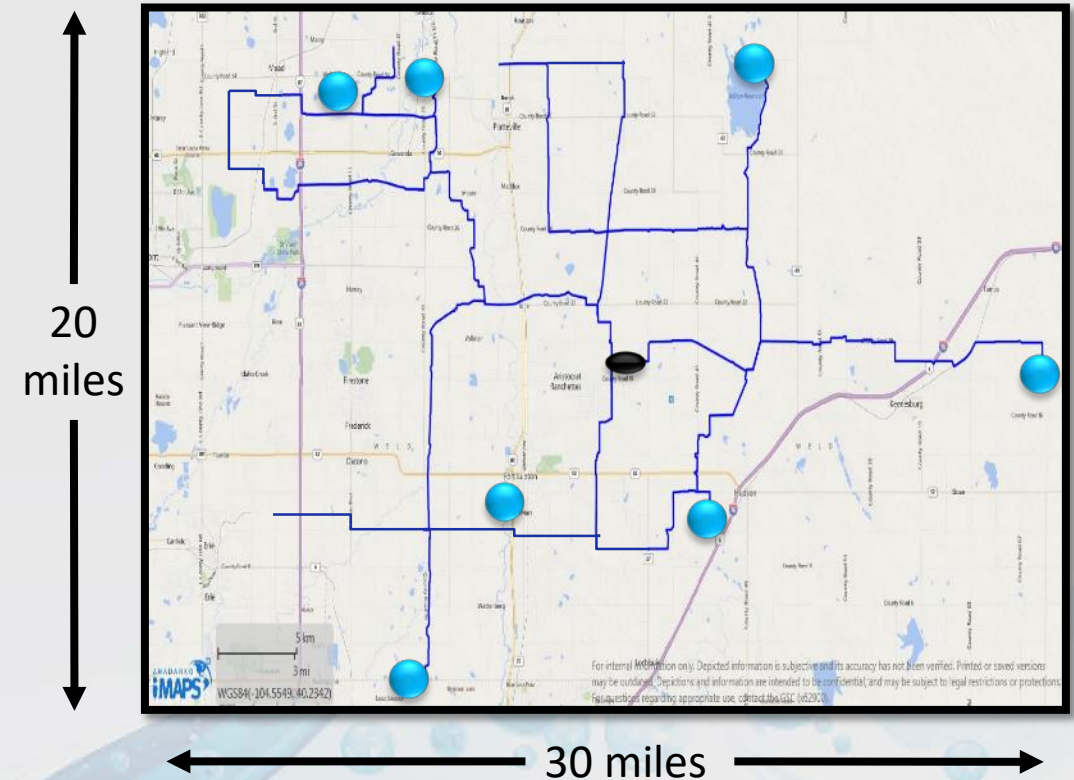


Water Treatment



DJ Basin Water on Demand System

- 170+ miles of permanent pipeline
- Serving 4 frac crews simultaneously
- Up to 10 different water sources
- Eliminating 1,500+ truck trips per day
- Delivered 200,000,000+ barrels to-date
- Reduced well pad water storage tanks (from 100+ to ~ 20)
- Serving surplus water to regional customers



Water Pipelines

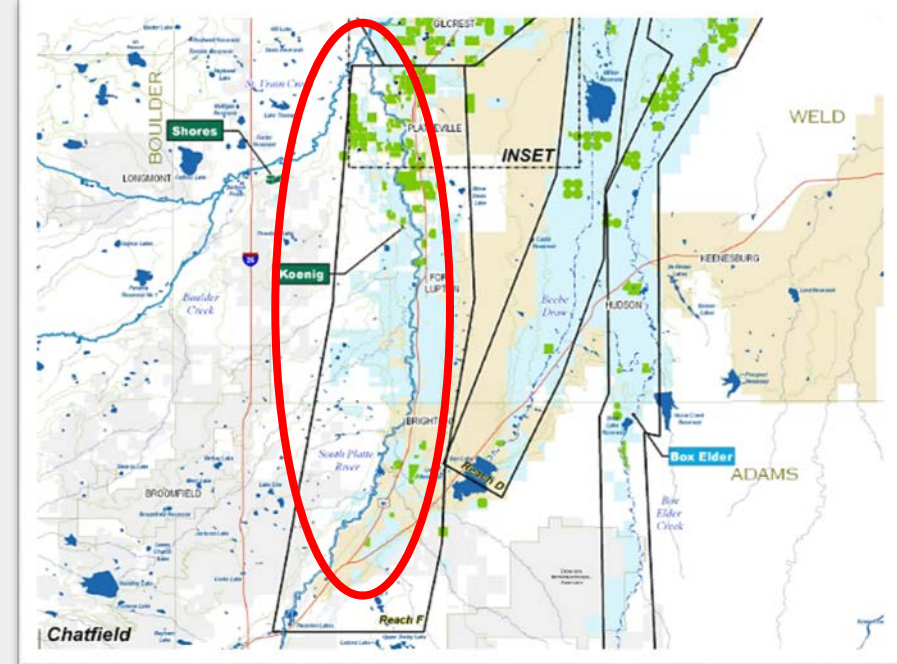
Water Storage Facilities

Water Sources

DJ Basin Regional Benefits through Partnerships



- Short-term Anadarko diversion
- Long-term irrigation company diversion
- Designed to irrigation company specifications
- Through Anadarko collaboration and funding



- Enhancement of critical river section
- Increase in agricultural irrigator supply
- Beneficial use of commercial water
- Through Anadarko collaboration and funding

