Quarterly Update

OCTOBER 31, 2017

3Q17

CONCHO

Forward-Looking Statements and Other Disclaimers

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. All statements, other than statements of historical fact, included in this presentation that address activities, events or developments that Concho Resources Inc. (the “Company”) expects, believes or anticipates will or may occur in the future are forward-looking statements. Forward-looking statements contained in this presentation specifically include statements, estimates and projections regarding the Company’s future financial position, operations, performance, business strategy, oil and natural gas reserves, drilling program, capital expenditure budget, liquidity and capital resources, the timing and success of specific projects, outcomes and effects of litigation, claims and disputes, derivative activities and potential financing. The words “estimate,” “project,” “predict,” “believe,” “expect,” “anticipate,” “potential,” “could,” “may,” “foresee,” “plan,” “goal” or other similar expressions that convey the uncertainty of future events or outcomes are intended to identify forward-looking statements, which generally are not historical in nature. However, the absence of these words does not mean that the statements are not forward-looking. These statements are based on certain assumptions and analyses made by the Company based on management’s experience, expectations and perception of historical trends, current conditions, anticipated future developments and other factors believed to be appropriate. Forward-looking statements are not guarantees of performance. Although the Company believes the expectations reflected in its forward-looking statements are reasonable and are based on reasonable assumptions, no assurance can be given that these assumptions are accurate or that any of these expectations will be achieved (in full or at all) or will prove to have been correct. Moreover, such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company, which may cause actual results to differ materially from those implied or expressed by the forward-looking statements. These risks include, without limitation, the risk factors discussed or referenced in the Company’s most recent Annual Report on Form 10-K and in the Company’s Quarterly Report on Form 10-Q for the three months ended September 30, 2017; risks relating to declines in, or the sustained depression of, the prices the Company receives for its oil and natural gas; uncertainties about the estimated quantities of oil and natural gas reserves; drilling, completion and operating risks; the effects of government regulation, permitting and other legal requirements, including new legislation or regulation of hydraulic fracturing and the export of oil and natural gas; environmental hazards, such as uncontrollable flows of oil, natural gas, brine, well fluids, toxic gas or other pollution into the environment, including groundwater contamination; difficult and adverse conditions in the domestic and global capital and credit markets; risks related to the concentration of the Company’s operations in the Permian Basin of Southeast New Mexico and West Texas; disruptions to, capacity constraints in or other limitations on the pipeline systems that deliver the Company’s oil, natural gas liquids and natural gas and other processing and transportation considerations; the costs and availability of equipment, resources, services and qualified personnel required to perform the Company’s drilling, completion and operating activities; potential financial losses or earnings reductions from the Company’s commodity price risk-management program; risks and liabilities associated with acquired properties or businesses; uncertainties about the Company’s ability to successfully execute its business and financial plans and strategies; the adequacy of the Company’s capital resources and liquidity including, but not limited to, access to additional borrowing capacity under the Company’s credit facility; the impact of potential changes in the Company’s credit ratings; cybersecurity risks, such as those involving unauthorized access, malicious software, data privacy breaches by employees or others with authorized access, cyber or phishing-attacks, ransomware and other security issues; uncertainties about the Company’s ability to replace reserves and economically develop its current reserves; general economic and business conditions, either internationally or domestically; competition in the oil and natural gas industry; uncertainty concerning the Company’s assumed or possible future results of operations; and other important factors that could cause actual results to differ materially from those projected.

This presentation includes financial measures that are not in accordance with generally accepted accounting principles (“GAAP”), including adjusted net income, adjusted earnings per share (“EPS”) and EBITDAX. While management believes that such measures are useful for investors, they should not be used as a replacement for financial measures that are in accordance with GAAP. For a reconciliation of adjusted net income, adjusted EPS and EBITDAX to the nearest comparable measures in accordance with GAAP, please see the appendix.

The Securities and Exchange Commission (“SEC”) requires oil and natural gas companies, in their filings with the SEC, to disclose proved reserves, which are those quantities of oil and natural gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions (using the trailing 12-month average first-day-of-the-month prices), operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The SEC also permits the disclosure of separate estimates of probable or possible reserves that meet SEC definitions for such reserves; however, the Company currently does not disclose probable or possible reserves in its SEC filings.

Third-Quarter 2017 Highlights

Executing Near-Term Goals, Focusing on Long-Term Returns

Operational

- Quarterly production of 193.2 MBoepd (~26% production growth year-over-year)
- ***~31% crude oil production growth year-over-year***
- Initial large-scale development projects on track
- Advanced multi-zone delineation in the Delaware Basin
  - Encouraging results in the Wolfcamp B in the Southern Delaware Basin, potentially adding a third target zone

Financial

- ***Prudently managed balance sheet; achieved investment grade credit rating***
- Executing a disciplined capital program within anticipated cash flow
- Net loss of $113mm, or $0.77 per diluted share; adjusted net income of $67mm, or $0.45 per diluted share[1]
- EBITDAX of $458mm[1]

Outlook

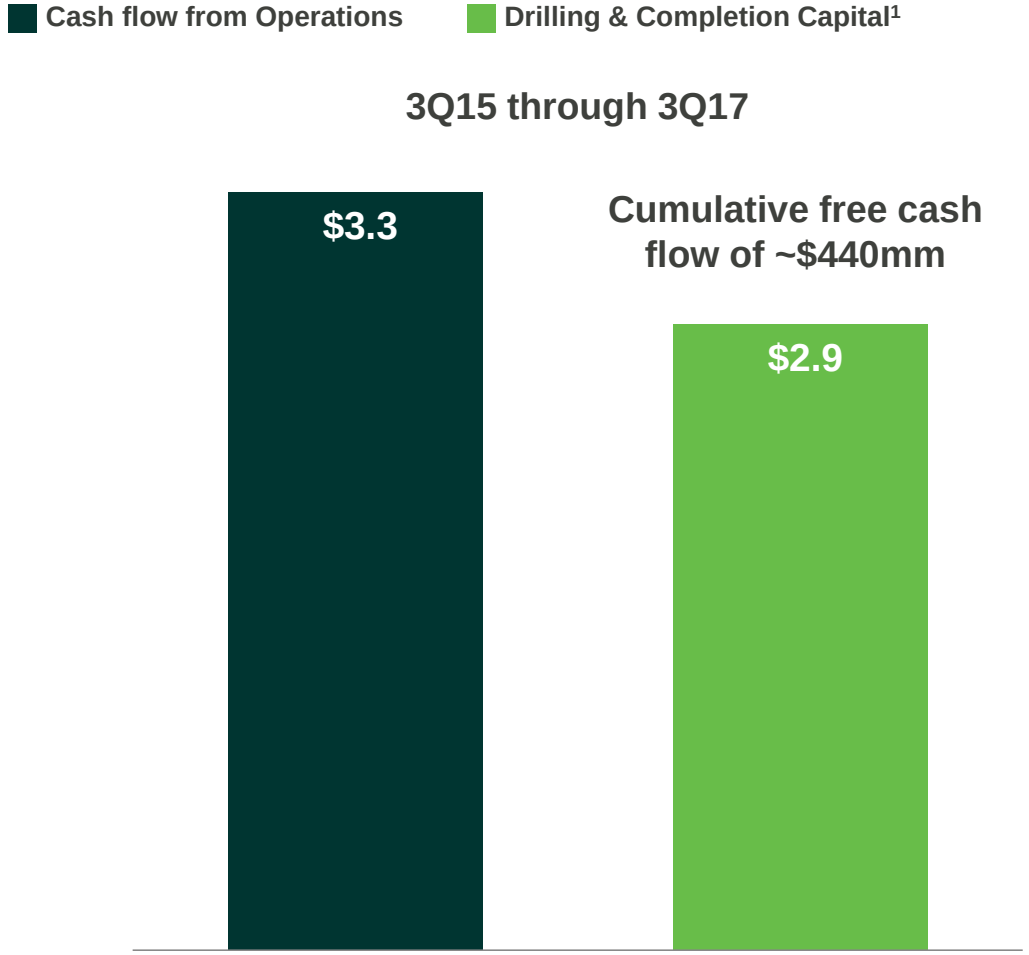
- Increased FY17 annual production growth expected to exceed the high end of the guidance range of 24% to 26%
  - ***Crude oil production growth expected to exceed 27% (previously 25%+)***
- FY17 capital program tracking to midpoint of guidance range of $1.6bn - $1.8bn[2]

[1]Adjusted net income, adjusted EPS and EBITDAX are non-GAAP measures. See appendix for reconciliation to GAAP measures.
[2]Capital program excludes acquisitions.

Track Record of Capital Discipline

Spending within Cash Flow and Delivering Differentiated Growth

Cash Flow vs. D&C Capital ($bn)



Performance Track Record

- **Past performance demonstrates ability to generate free cash flow while delivering differentiated growth per debt-adjusted share**
- **Financial position provides flexibility in the long-term**

Long-Term Outlook

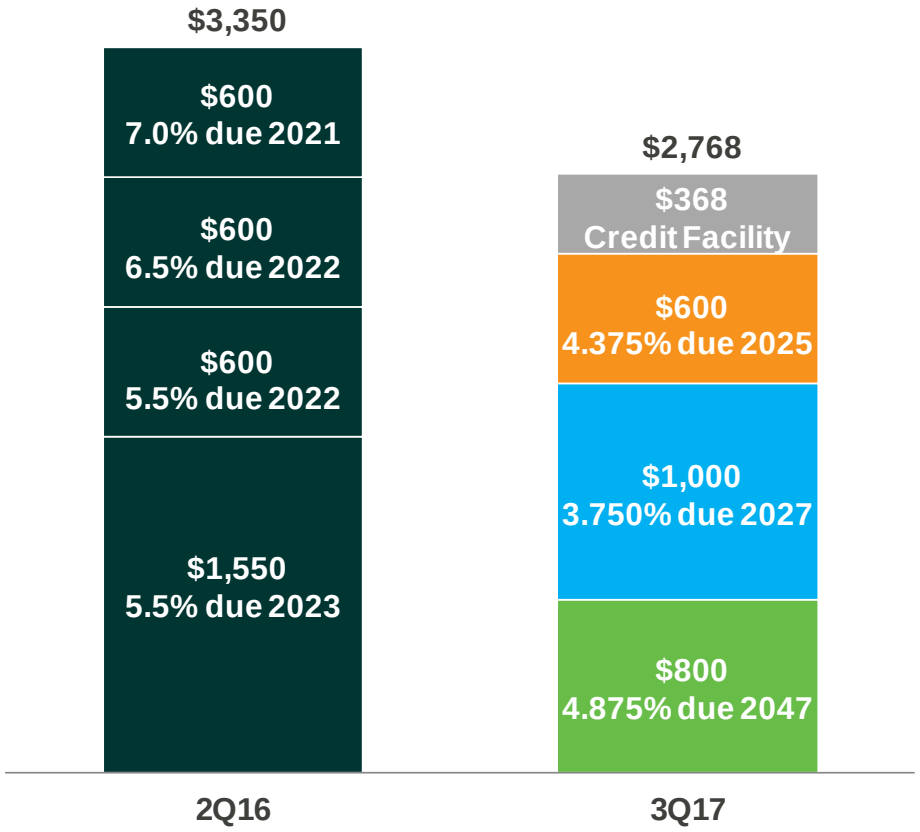
- **High-quality assets enable multi-year growth**
- **20% 3-year (2016-2019) production CAGR expected to be within cash flow**
- **Key growth drivers:**
  - Execution
  - High-quality assets
  - Returns-driven capital allocation

[1]D&C capital represents exploration and development costs incurred for oil and natural gas producing activities for the period shown. See appendix for a summary of costs incurred.

Strengthening Financial Position

Fortified Balance Sheet Provides Significant Flexibility

Long-Term Debt Profile ($mm)



	2Q16	3Q17
Average Coupon	5.9%	4.3%
Average Maturity (years)	6	16

Key Highlights

- Investment grade credit ratings
- Reduced long-term debt by ~$580mm since 2Q16
- Lowered annual interest expense by ~$90mm since 2Q16
- Prioritizing low leverage ratio of 1.0-1.5x[1]

CREDIT RATINGS

S&P: BBB- (Stable)
Fitch: BBB- (Stable)
Moody's: Ba1 (Positive)

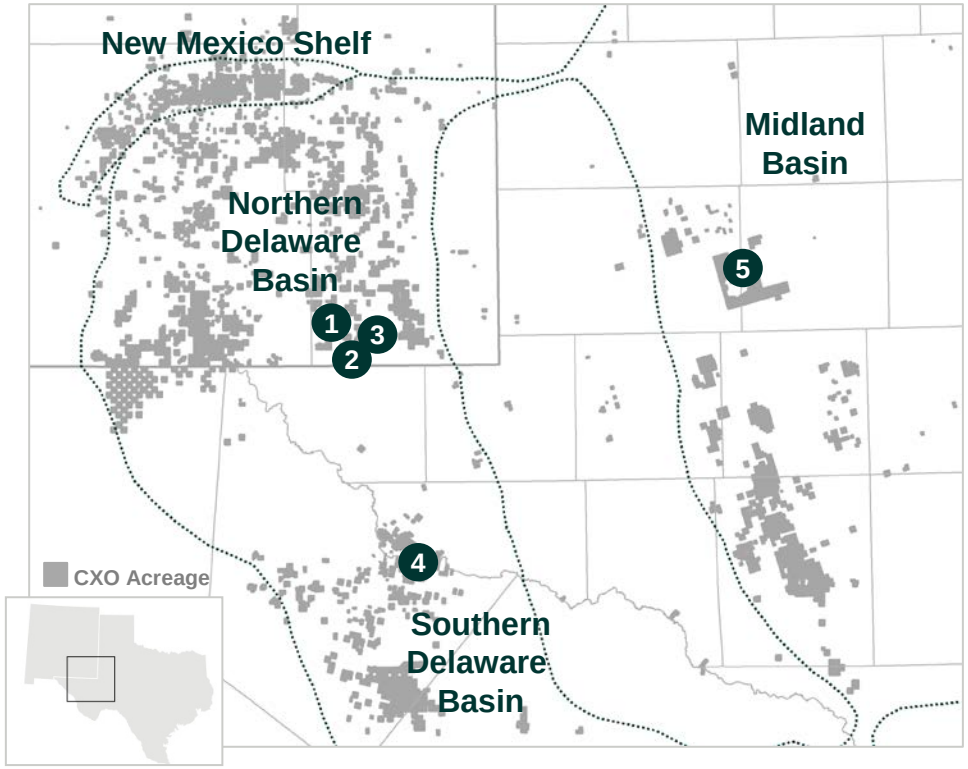
[1]Leverage ratio determined using total long-term debt and the non-GAAP measure EBITDAX. See appendix for our definition of EBITDAX.

Large-Scale Project Development

Maximizing Returns & Recoveries of High-Quality Resource

Manufacturing Across the Portfolio: Key Projects

1. **Windward** 8-well Avalon project
2. **Vast** 7-well Wolfcamp project
3. **Columbus** 4-well Wolfcamp project
4. **Brass Monkey** 8-well multi-zone project
5. **Mabee** 13-well multi-zone project



Benefits of Scaling Development

- **Accelerating innovation across asset base**
  - Utilize leading-edge technology
  - Analyze impact of multiple variables
  - Create a robust, real-time feedback loop
- **Maximizing asset value**
  - Better well design
  - Greater recovery across multiple targets
  - Generate capital and production cost efficiencies
- **Realizing operational efficiencies**
  - Concentrated development reduces drilling days
  - Zipper completions result in more stages per day
  - Shared facilities and infrastructure reduce above-ground costs

Note: Acreage as of December 31, 2016 pro forma for acquisitions to date.

Northern Delaware Basin

Industry-Leading Exposure to Prolific Stacked Resource

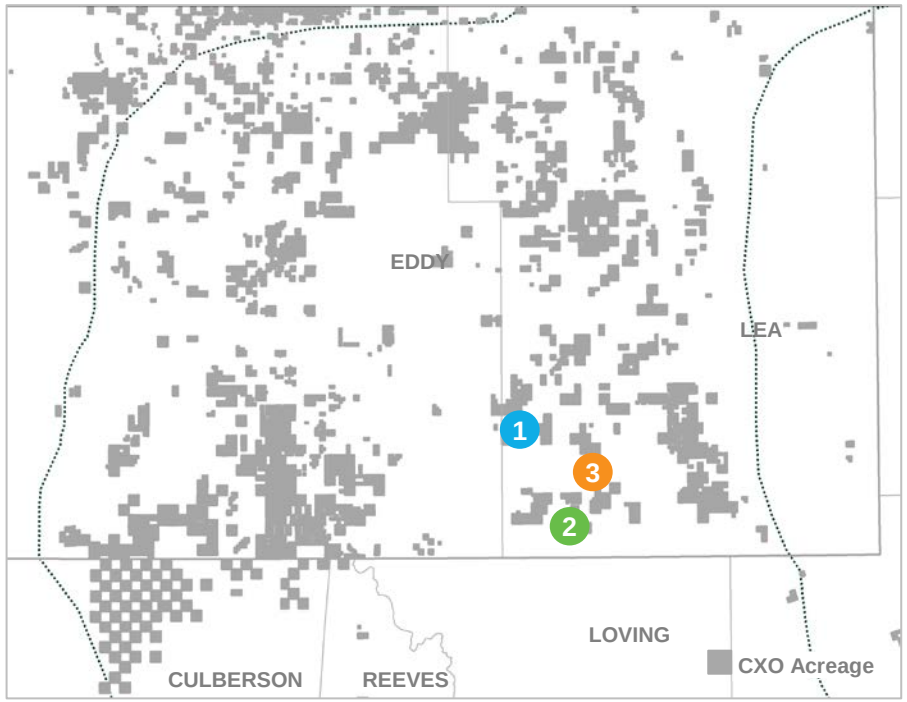
~380,000 gross (260,000 net) acres

12,000 Horizontal Drilling Inventory (Gross)

6 Horizontal Rigs

Windward & Vast Projects

Combined peak 30-day rate of 30.2 MBoepd (74% oil)



Multi-Interval, Spacing Projects:

1. **Windward: 8-well, 2-mile lateral Avalon project, 660' spacing; online late 3Q17**
2. **Vast: 7-well Wolfcamp Sands and Wolfcamp Shale project; online late 3Q17**
3. **Columbus: 4-well, 2-mile lateral Wolfcamp project; completion operations 4Q17**

2016 – 2017 YTD Well Completions[1]

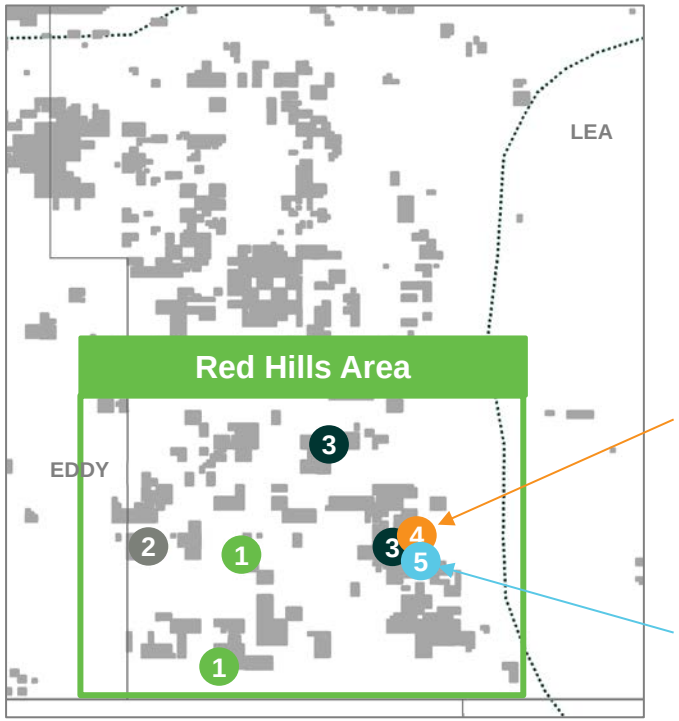
5,000'

Formation	Well Count	Avg. Peak Rate (Boepd)		Lateral Length
		30-Day	% Oil	
Brushy Canyon	-	-	-	-
Avalon Shale	32	1,425	73%	5,123
1st Bone Spring	-	-	-	-
2nd Bone Spring	38	1,162	77%	5,894
3rd Bone Spring	15	1,382	81%	5,275
Wolfcamp Sands	3	1,916	82%	5,923
Wolfcamp A	12	1,358	72%	6,356
Wolfcamp C	2	1,060	35%	4,352
Wolfcamp D	14	1,307	37%	5,069

Note: Acreage as of December 31, 2016 pro forma for acquisitions to date.
[1]Wells with >30 days of production data as of January 1, 2016 through September 30, 2017.

Northern Delaware Basin: Red Hills Area

Oil-Rich, Multi-Zone Development



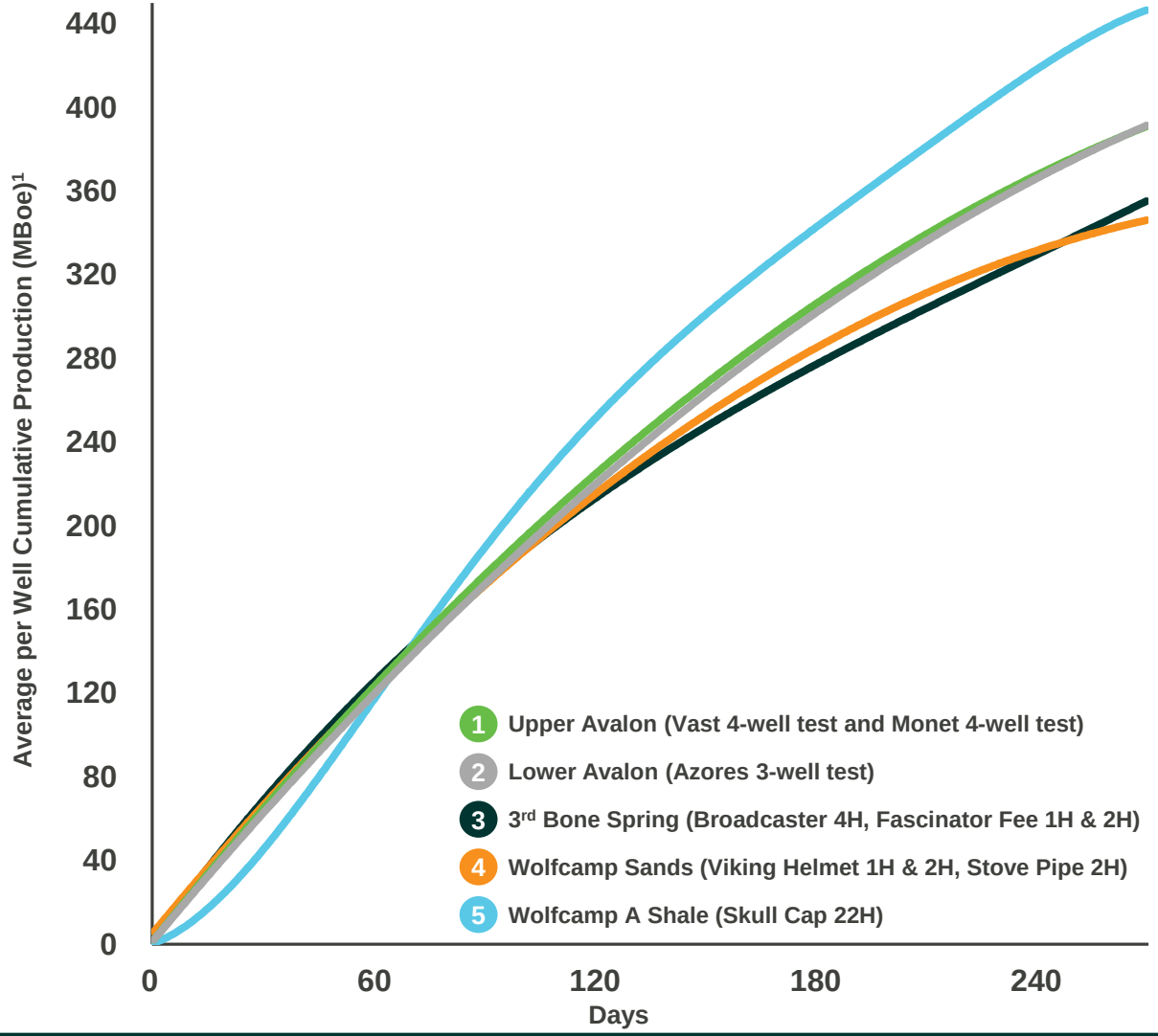
Viking Helmet 1H Wolfcamp Sands avg. peak 90-day rate of 2,324 Boepd (85% oil) and 6,838' lateral length

Skull Cap Wolfcamp A Shale avg. peak 90-day rate of 2,370 Boepd (86% oil) and 7,244' lateral length

Scalable Growth

- Big, blocky acreage position
- Exceptional results from 5 distinct zones
- Potential for 3 distinct Avalon zones

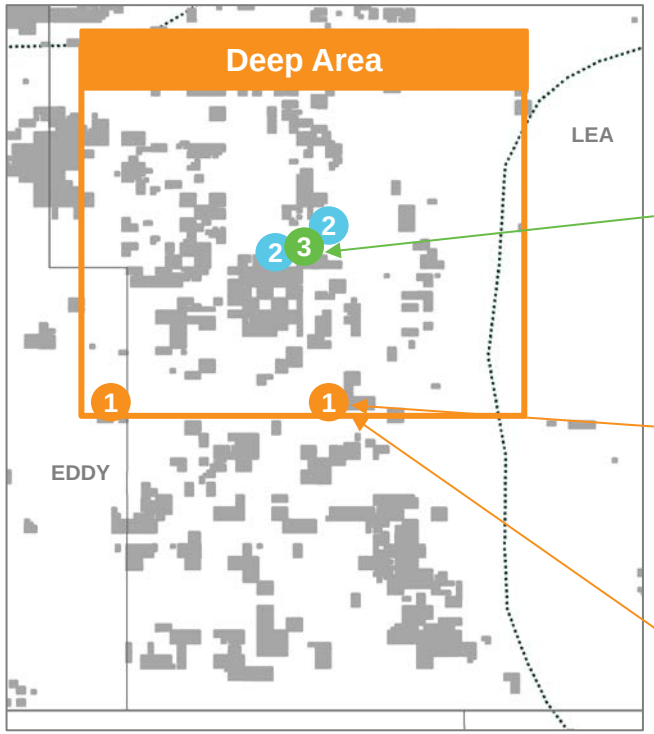
Long-Term Well Performance



[1]Production normalized for a 7,000' lateral.

Northern Delaware Basin: Deep Area

Extending Multi-Zone Resource Activity



Mas Federal 4H Wolfcamp Sands avg. peak 90-day rate of 1,212 Boepd (80% oil) and 4,392' lateral length

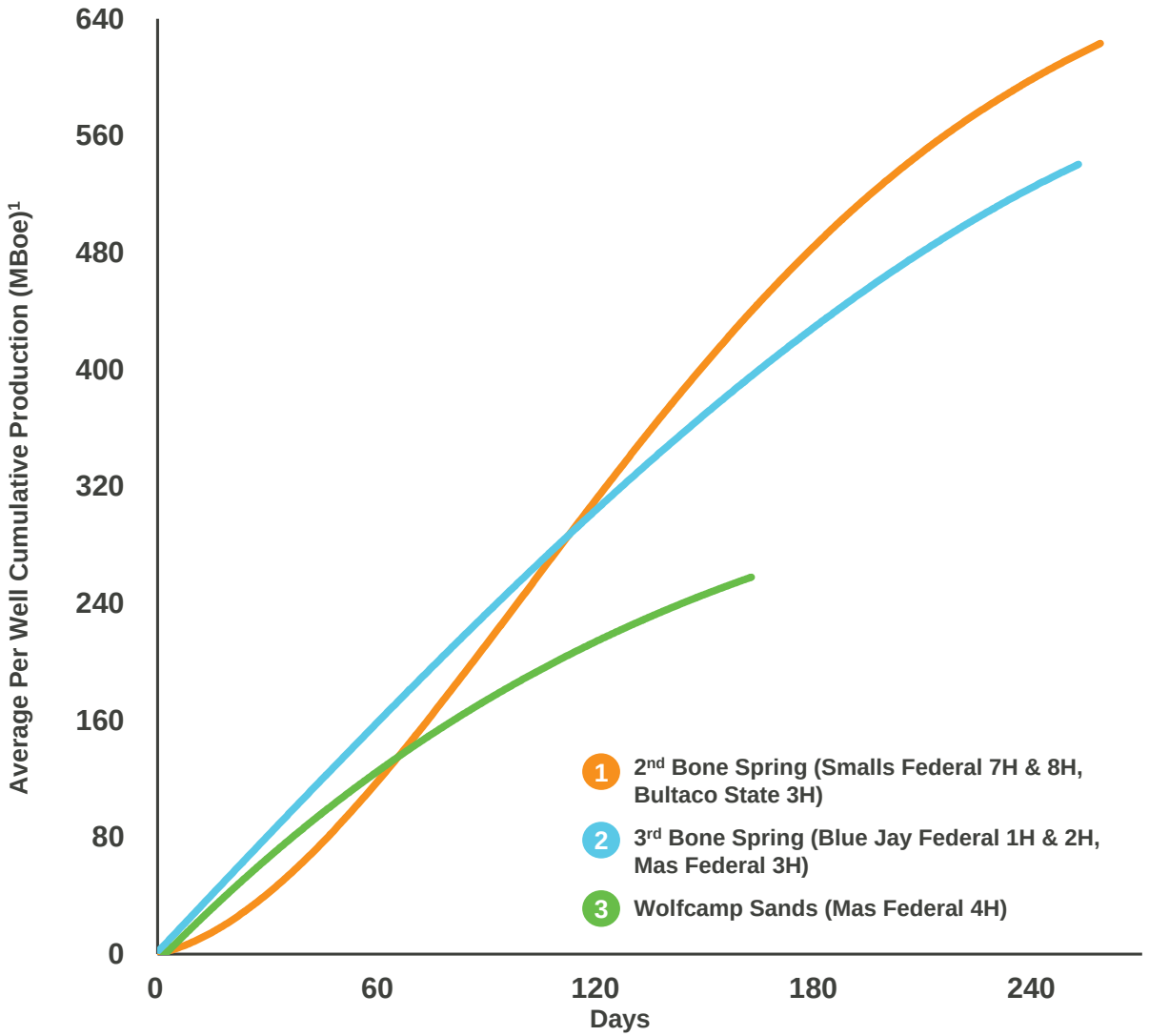
Smalls Federal 7H 2nd Bone Spring avg. peak 90-day rate of 1,882 Boepd (82% oil) and 4,369' lateral length

Smalls Federal 8H 2nd Bone Spring avg. peak 90-day rate of 2,188 Boepd (82% oil) and 4,225' lateral length

Operational Results

- Strong performance from Bone Spring and Wolfcamp Sands
- Enhancing resource recovery through delineation across Deep Area

Long-Term Well Performance



[1]Production normalized for a 7,000' lateral.

Southern Delaware Basin

Core Position in Rapidly Advancing Oil Play

Multi-Interval, Spacing Project:

1. **Brass Monkey: 8-well, 2-mile+ laterals targeting 3rd Bone Spring and Wolfcamp zones; development within a half section**
   - **Completion operations underway; expect production 1H18**

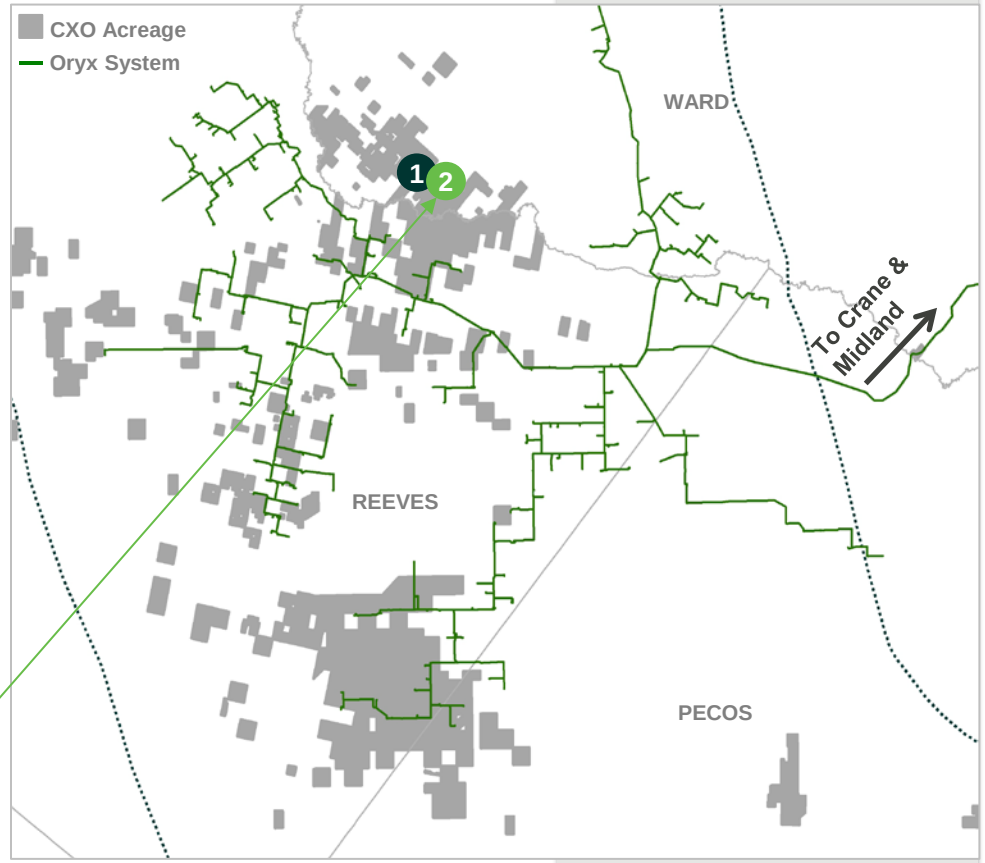
~160,000 gross (100,000 net) acres

1,300 Horizontal Drilling Inventory (Gross)

4 Horizontal Rigs

Maximizing Asset Value

- **Wolfcamp B delineation**
  - Potential to add third zone to development program
- **Oryx crude oil gathering and transportation system improves upstream price realizations**
  - Ensuring maximum value with dedicated takeaway capacity and multiple sales points
    - 200,000 Bopd of transportation to Crane and Midland markets
  - Concho owns a 23.75% membership interest
  - All tariffs are reflected in the realized price



2 ***Whatcha Want Unit 7376H Wolfcamp B avg. peak 30-day rate of 1,894 Boepd (65% oil) and 10,948' lateral length***

Note: Acreage as of December 31, 2016.

Midland Basin

Building Momentum with Large-Scale Development Projects

~270,000 gross (170,000 net) acres

4,000 Horizontal Drilling Inventory (Gross)

4 Horizontal Rigs

Driving Efficiencies

- **~100% ≥ 10,000' laterals**
- **~100% multi-well pad development**
- **Optimize well spacing and development pattern**

3Q17 Results

- **Added 7 Lower Spraberry horizontal wells (avg. lateral length 10,106')**
  - Avg. peak 30-day rate: 1,360 Boepd (87% oil)
- **Added 5 Wolfcamp B horizontal wells (avg. lateral length 10,290')**
  - Avg. peak 30-day rate: 1,252 Boepd (81% oil)

Multi-Interval, Spacing Project:

1. **Mabee Ranch: 13-well, 2-mile laterals targeting 5 landings across the Spraberry & Wolfcamp zones; development pattern implies 32 wells per section**
- **All wells drilled and completion operations underway; expect production in early 2018**
- **Leveraging real-time fiber optic data to monitor completion effectiveness down to the cluster level**

Note: Acreage as of December 31, 2016 pro forma for acquisitions to date. Well results represent wells with >30 days of production data in 3Q17.

Key Messages

Executing Clear, Cycle-Tested Strategy

- Hire the best
- Develop the best asset base
- Rate of return driven
- Prioritize financial strength

Disciplined Capital Allocation

- Capital spending on high-return projects
- Differentiated growth within cash flow
- Robust long-term outlook

Industry-Leading Scale and Execution

- Drive productivity gains
- Control costs
- Leverage new technology
- Mitigate efficiency risks

Capital-Efficient Platform to Deliver Long-Term Growth & Value Creation

Appendix

Hedge Position

FY18 OIL HEDGES
86.9 MBopd

	2017	2018					2019
	Fourth	First	Second	Third	Fourth	Total	Total
Oil Price Swaps[1]:							
Volume (Bbl)	10,216,080	9,133,629	8,146,170	7,471,318	6,972,007	31,723,124	23,759,500
Price per Bbl	$ 51.33	$ 51.54	$ 51.45	$ 51.36	$ 51.26	$ 51.41	$ 52.33
Oil Basis Swaps[2]:							
Volume (Bbl)	10,007,000	8,476,000	8,067,000	7,237,000	6,960,000	30,740,000	23,067,500
Price per Bbl	$ (0.65)	$ (0.97)	$ (0.96)	$ (0.99)	$ (0.98)	$ (0.97)	$ (1.05)
Natural Gas Price Swaps[3]:							
Volume (MMBtu)	18,333,000	16,556,000	16,101,000	14,819,000	14,504,000	61,980,000	17,840,992
Price per MMBtu	$ 3.08	$ 3.05	$ 3.04	$ 3.04	$ 3.03	$ 3.04	$ 2.86

UPDATED AS OF OCTOBER 31, 2017

[1]The index prices for the oil price swaps are based on the New York Mercantile Exchange (NYMEX) – West Texas Intermediate (WTI) monthly average futures price.
[2]The basis differential price is between Midland – WTI and Cushing – WTI.
[3]The index prices for the natural gas price swaps are based on the NYMEX – Henry Hub last trading day futures price.

2017 Operational & Financial Outlook

4Q17 GUIDANCE
200 – 204 MBoepd

	2017 Guidance
Production	
Annual growth	24% - 26%
Oil mix	62%
Price realizations, excluding commodity derivatives	
Crude oil differential to NYMEX (per Bbl)	($3.00) - ($3.50)
Natural gas (per Mcf) (% of NYMEX)	90% - 100%
Operating costs and expenses ($ per Boe, unless noted)	
Oil and natural gas production expense	$5.50 - $6.00
Production and ad valorem taxes (% of oil & natural gas revenues)	8.00%
G&A:	
Cash G&A	$2.60 - $2.90
Non-cash stock-based compensation	$1.00 - $1.20
DD&A	$16.00 - $18.00
Exploration and other	$1.00 - $1.50
Interest expense ($mm):	
Cash	$160 - $170
Non-cash	$10
Income tax rate	38%
Current taxes ($mm)	$10 - $20
Capital program ($bn)[1]	$1.6 - $1.8

FY17 Tracking Above High End

FY17 Tracking to Midpoint

FY17 Tracking to Midpoint

UPDATED AS OF OCTOBER 31, 2017

[1]Capital program excludes acquisitions.

CONCHO

Reconciliation of Net Loss to Adjusted Net Income and Adjusted Earnings per Share (Unaudited)

The Company's presentation of adjusted net income and adjusted earnings per share that exclude the effect of certain items are non-GAAP financial measures. Adjusted net income and adjusted earnings per share represent earnings and diluted earnings per share determined under GAAP without regard to certain non-cash and unusual items. The Company believes these measures provide useful information to analysts and investors for analysis of its operating results on a recurring, comparable basis from period to period. Adjusted net income and adjusted earnings per share should not be considered in isolation or as a substitute for earnings or diluted earnings per share as determined in accordance with GAAP and may not be comparable to other similarly titled measures of other companies.

The following table provides a reconciliation from the GAAP measure of net loss to adjusted net income (non-GAAP), both in total and on a per diluted share basis, for the periods indicated:

(in millions, except per share amounts)	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016
Net loss - as reported	**$ (113)**	**$ (51)**
Adjustments for certain non-cash and unusual items:		
Loss (gain) on derivatives	206	(41)
Net cash receipts from derivatives	30	155
Leasehold abandonments	-	8
Loss on extinguishment of debt	65	28
Loss (gain) on disposition of assets and other	(15)	1
Tax impact	(106)	(56)
Adjusted net income	**$ 67**	**$ 44**
Net loss per diluted share - as reported	$ (0.77)	$ (0.38)
Adjustments for certain non-cash and unusual items per diluted share:		
Loss (gain) on derivatives	1.40	(0.31)
Net cash receipts from derivatives	0.20	1.15
Leasehold abandonments	-	0.06
Loss on extinguishment of debt	0.44	0.20
Loss (gain) on disposition of assets and other	(0.10)	0.01
Tax impact	(0.72)	(0.41)
Adjusted net income per diluted share	**$ 0.45**	**$ 0.32**
Adjusted earnings per share:		
Basic net income	$ 0.45	$ 0.32
Diluted net income	$ 0.45	$ 0.32

Reconciliation of Net Loss to EBITDAX (Unaudited)

EBITDAX (as defined below) is presented herein and reconciled from the GAAP measure of net loss because of its wide acceptance by the investment community as a financial indicator of a company's ability to internally fund exploration and development activities.

The Company defines EBITDAX as net loss, plus (1) exploration and abandonments expense, (2) depreciation, depletion and amortization expense, (3) accretion expense, (4) impairments of long-lived assets, (5) non-cash stock-based compensation expense, (6) (gain) loss on derivatives, (7) net cash receipts from derivatives, (8) (gain) loss on on disposition of assets, net, (9) interest expense, (10) loss on extinguishment of debt, and (11) federal and state income tax benefit. EBITDAX is not a measure of net loss or cash flows as determined by GAAP.

The Company's EBITDAX measure provides additional information which may be used to better understand the Company's operations, and it is also a material component of one of the financial covenants under the Company's credit facility. EBITDAX is one of several metrics that the Company uses as a supplemental financial measurement in the evaluation of its business and should not be considered as an alternative to, or more meaningful than, net loss as an indicator of operating performance. Certain items excluded from EBITDAX are significant components in understanding and assessing a company's financial performance, such as a company's cost of capital and tax structure, as well as the historic cost of depreciable and depletable assets. EBITDAX, as used by the Company, may not be comparable to similarly titled measures reported by other companies. The Company believes that EBITDAX is a widely followed measure of operating performance and is one of many metrics used by the Company's management team and by other users of the Company's consolidated financial statements, including by lenders pursuant to a covenant in the Company's credit facility. For example, EBITDAX can be used to assess the Company's operating performance and return on capital in comparison to other independent exploration and production companies without regard to financial or capital structure, and to assess the financial performance of the Company's assets and the Company without regard to capital structure or historical cost basis. Further, under the Company's credit facility, an event of default could arise if it were not able to satisfy and remain in compliance with its specified financial ratio, defined as the maintenance of a quarterly ratio of consolidated total debt to consolidated last twelve months EBITDAX of no greater than 4.25 to 1.0. Non-compliance with this ratio could trigger an event of default under the Company's credit facility, which then could trigger an event of default under its indentures. At September 30, 2017, the Company was in compliance with the covenants under all of its debt instruments.

The following table provides a reconciliation of the GAAP measure of net loss to EBITDAX (non-GAAP) for the periods indicated:

(in millions)	Three Months Ended September 30,	
	2017	2016
Net Loss	**$ (113)**	**$ (51)**
Exploration and abandonments	7	10
Depreciation, depletion and amortization	284	299
Accretion of discount on asset retirement obligations	2	2
Non-cash stock-based compensation	17	15
Loss (gain) on derivatives	206	(41)
Net cash receipts from derivatives	30	155
(Gain) loss on disposition of assets, net	(13)	1
Interest expense	39	53
Loss on extinguishment of debt	65	28
Income tax benefit	(66)	(30)
EBITDAX	**$ 458**	**$ 441**

Costs Incurred (Unaudited)

The following table summarizes costs incurred for oil and natural gas producing activities for the periods indicated:

(in millions)	Three Months Ended								
	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015
Property Acquisition Costs:									
Proved	$ 162	$ 12	$ 127	$ 725	$ 1	$ 4	$ 252	$ (2)	$ 57
Unproved	472	87	306	982	14	19	139	10	162
Exploration	252	238	235	189	177	165	170	149	202
Development	175	145	158	162	97	107	83	87	99
Total Costs Incurred	**$ 1,061**	**$ 482**	**$ 826**	**$ 2,058**	**$ 289**	**$ 295**	**$ 644**	**$ 244**	**$ 520**