

# Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

## Part I Reporting Issuer

<b>1</b> Issuer's name  WPX ENERGY, INC.		<b>2</b> Issuer's employer identification number (EIN)  45-1836028	
<b>3</b> Name of contact for additional information  DARIN LAWSON	<b>4</b> Telephone No. of contact  539-573-2927	<b>5</b> Email address of contact  DARIN.LAWSON@WPXENERGY.COM	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact  P.O. BOX 3102; MD 36-5		<b>7</b> City, town, or post office, state, and ZIP code of contact  TULSA, OK 74101-3102	
<b>8</b> Date of action  07/30/2018		<b>9</b> Classification and description  CONVERSION OF PREFERRED STOCK TO COMMON STOCK	
<b>10</b> CUSIP number  98212B202	<b>11</b> Serial number(s)  N/A	<b>12</b> Ticker symbol  WPXP/WPX	<b>13</b> Account number(s)  N/A

## Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

**14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ SEE ATTACHED

**15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ SEE ATTACHED

**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ SEE ATTACHED

**Part II** Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ SEE ATTACHED

Blank lines for listing applicable Internal Revenue Code sections.

18 Can any resulting loss be recognized? ▶ SEE ATTACHED

Blank lines for providing information regarding loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ SEE ATTACHED

Blank lines for providing other necessary information for the adjustment.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ /s/ Stephen L. Faulkner Date ▶ 08/31/2018

Print your name ▶ STEPHEN L. FAULKNER Title ▶ VP CONTROLLER & CAO

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶			Firm's EIN ▶	
	Firm's address ▶			Phone no.	

**WPX Energy, Inc. ("Company")**  
**Conversion of 6.25% Series A Mandatory Convertible Preferred Stock to Common Stock**  
**Preferred Stock Issuance Date: 07/22/2015**  
**Conversion Date: 07/30/2018**

14. On July 30, 2018 each of the Company's 4,798,820 outstanding shares of 6.25% Series A Mandatory Convertible Preferred Stock ("Preferred Stock") converted into 4.1254 shares of the Company's Common Stock in accordance with the terms of a Certificate of Designation filed on July 22, 2015.

In lieu of fractional shares, shareholders received cash of \$19.1194 per equivalent Common Share. No other consideration was received upon the conversion.

15. The conversion of the Preferred Stock is treated as an exchange of existing Preferred Stock for Common Stock in a transaction believed to qualify as a tax-free reorganization under Sec. 368(a)(1)(E).

Pursuant to Sec. 358(a) of the Internal Revenue Code, the aggregate tax basis in the Common Stock received in the conversion (including any fractional shares deemed to have been received and then immediately exchanged for cash) should generally be equal to the total tax basis in the Preferred Stock exchanged.

A shareholder's total tax basis in such Common Stock received in the conversion immediately after the deemed sale of fractional shares should generally equal that shareholder's total tax basis in that shareholder's pre-conversion Preferred Stock less the tax basis allocable to the fractional shares received.

If a shareholder has purchased more than one lot of the Preferred Stock at different prices, the shareholder will have a different basis in each lot of the Preferred Stock. The basis in each lot must be calculated separately.

16. Not Applicable.

17. The Internal Revenue Code sections that apply to the conversion of the Preferred Stock include:

- Section 302: Treatment of distributions in redemption of stock (e.g., fractional shares)
- Section 354: Exchanges of stock in certain reorganizations (e.g., tax-free reorganizations)
- Section 358: Basis to distributee
- Section 368: Recapitalizations
- Section 1223: Holding period of property

18. Except to the extent of cash received, if any, in lieu of fractional shares, a shareholder should not recognize gain or loss in connection with the conversion of Preferred Stock to Common Stock.

Shareholders receiving cash in lieu of fractional shares in the conversion are deemed to have received and then immediately sold such fractional shares for cash. In general, if a shareholder received cash in lieu of a fractional share and the receipt of such cash is treated as a sale or exchange for tax purposes, the shareholder should recognize gain or loss, subject to the relevant loss recognition limitations of the Internal Revenue Code, based on the difference between the cash received and the adjusted tax basis in the fractional share. Please consult with your tax advisor for more information.

19. The Company completed the conversion on July 30, 2018.

Note: The above information does not constitute tax advice, nor does it purport to be complete or to describe the consequences that may apply to particular categories of shareholders. Shareholders are urged to consult their own qualified professional legal, financial and tax advisors with respect to their individual tax consequences relating to this Organizational Action such as recognition of taxable gain/loss, basis of Common Stock received, etc.