

OFFICE OF THE ATTORNEY GENERAL
OF THE STATE OF NEW YORK

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<p>In the Matter of the</p> <p>Investigation by Eric T. Schneiderman, Attorney General of the State of New York, of</p> <p>ANADARKO PETROLEUM CORP.,</p> <p>Respondent.</p>	<p>Assurance No. 14-183</p>
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ASSURANCE OF DISCONTINUANCE

Pursuant to Executive Law § 63(12) and General Business Law § 352, in June 2011, the Office of the Attorney General of the State of New York (“OAG”), caused an investigation to be made of Anadarko Petroleum Corp. (“Anadarko” or the “Company”) regarding the adequacy of the Company’s disclosures to investors, including in its filings with the Securities and Exchange Commission (“SEC”), concerning natural gas development from unconventional formations. As used throughout this investigation, the term “unconventional formations” means underground geologic formations or resource deposits which typically require directional drilling and hydraulic fracturing to make extraction economically feasible.

Anadarko’s operations in the United States include oil and natural gas exploration and production onshore in the Lower 48 states, onshore Alaska, and the deepwater Gulf of Mexico. In 2011, the Company’s shale plays delivered a year-over-year sales-volume increase of almost 200 percent. Shale volumes in that year accounted for slightly more than 10 percent of the Company total sales volumes, which was up from less than one percent two years before. Shales also then represented about five percent of Anadarko’s total proved reserves. Development of

these reserves may require hydraulic fracturing, directional drilling, and other development activities, which could give rise to certain environmental and financial risks. Anadarko has conducted hydraulic fracturing in the Marcellus Shale formation in Pennsylvania and other formations and states.

On June 17, 2011, the OAG issued a subpoena duces tecum to Anadarko (“Subpoena”) seeking information regarding Anadarko’s disclosure practices concerning development in unconventional formations. Subsequently, OAG and Anadarko met to discuss the Company’s disclosures and other sources of information available to investors, and Anadarko provided documents responsive to the subpoena. On July 27, 2011, Anadarko filed its 10-Q for the 2nd Quarter of 2011, and on February 21, 2012, Anadarko filed its 10-K for the year 2011, on February 19, 2013, Anadarko filed its 10-K for the year 2012, and on February 28, 2014, Anadarko filed its 10-K for the year 2013, and in these filings the Company voluntarily provided more detailed information regarding its natural gas development in unconventional formations than in previous SEC filings.

This Assurance of Discontinuance (“Assurance”) sets forth below the commitments agreed to by the OAG and the Company to conclude this investigation:

WHEREAS, the OAG is willing to accept the terms of this Assurance pursuant to New York Executive Law § 63 and to discontinue its civil investigation; and

WHEREAS, the OAG believes that the commitments imposed by this Assurance are prudent and appropriate;

THEREFORE, without asserting, admitting or denying herein any findings, Anadarko and the OAG have agreed to enter into this Assurance for the purpose of resolving this investigation.

IT IS HEREBY UNDERSTOOD AND AGREED, by and between the undersigned

parties, that:

1. **Disclosures to Investors in Anadarko's SEC Filings Concerning Natural Gas Development from Unconventional Formations.** Anadarko shall disclose (or, to the extent applicable, continue to disclose) in its Form 10-K filings (and, where appropriate, in its other SEC filings):
 - a. *Analysis of Financial Risks from Regulation.* Any material (as defined by applicable federal securities laws) financial effects on the Company associated with the regulation of natural gas development from unconventional formations. Specifically:
 - i. **Present Law.** Identification of any material financial effects related to legislation or regulations in effect in states in which the Company operates, including, but not limited to, costs of compliance. Such legislation or regulations to be discussed should include, without limitation, state or federal moratoriums, local bans or ordinances, requirements regarding disclosure of chemicals used or any other promulgated actions or guidance that have a material financial effect on operations.
 - ii. **Probable Future Law.** Discussion of any material financial effects from expected trends in legislation or regulations likely to be adopted and an assessment of any such material financial effect, including but not limited to any such law that Anadarko believes will make completion of new natural gas wells materially more difficult.
 - b. *Analysis of Financial Risks from Environmental Impacts.* The material financial effects, if any, to Anadarko's operations from the environmental impacts associated with natural gas development from unconventional formations. Any such discussion should include a basic description of hydraulic fracturing, its importance to development of Anadarko's natural gas reserves, and where material, Anadarko's approaches (through the adoption of industry best practices or other methods) to address attendant risks, including but not limited to risks related to the following:
 - i. **Aquifer Protection.** Description of any material risks to Anadarko associated with well construction related to hydraulic fracturing, including a discussion of efforts by the Company to reduce any such material risks, such as the Company's practices for assuring well integrity.
 - ii. **Chemical Use, Handling, and Disclosure.** Description of any material risks to Anadarko associated with chemical use and handling related to hydraulic fracturing, including a discussion of efforts by the Company to reduce any such material risks.

- iii. Water Use and Wastewater Handling and Disposal. Description of any material risks to Anadarko associated with water and wastewater use, handling, and disposal related to hydraulic fracturing, including a discussion of efforts by the Company to reduce any such material risks.
 - iv. Air Emissions. Description of any material risks to Anadarko associated with air emissions related to hydraulic fracturing, including a discussion of efforts by the Company to reduce any such material risks, such as the Company's strategy for compliance with regulations requiring capture of methane and other gases emitted during completion of wells.
- c. *Strategic Analysis of Financial Risks*. To the extent regulation, litigation or any physical impacts associated with natural gas development from unconventional formations could materially affect Anadarko's financial position, the Company shall include:
- i. Anadarko management's discussion and analysis of the Company's financial position with respect to the material effects of such regulation, litigation or environmental impacts.
 - ii. Anadarko's strategies to reduce any such material financial effects, including actions the Company is taking to reduce, offset, or limit such effects (such actions may include, but are not limited to, the research, development, testing and use of more environmentally compatible hydraulic fracturing chemicals and services and of "green completions" in the development and completion of natural gas wells).
 - iii. The results of such strategies undertaken to date, and the expected effect of such strategies on the Company's future financial position.

Except as otherwise required by law, in its Form 10-K filing with the SEC (and, where appropriate, in its other filings with the SEC), the Company may also identify or reference other public documents or reports, including, but not limited to, annual reports, proxy statements and other submittals to state or federal agencies or non-government organizations relating to financial risks associated with natural gas development from unconventional formations.

2. **Other Publicly Available Disclosures to Investors Concerning Natural Gas Development from Unconventional Formations**. To the extent not addressed in the disclosures provided pursuant to paragraph 1, no later than one hundred and twenty (120) days after the effective date of this Assurance, Anadarko shall disclose (or, to the extent applicable, continue to disclose) in other publicly accessible documents such as its website, annual report, environmental and/or safety reports, or corporate responsibility report, the following additional information:

- a. Aquifer Protection. Discussion of Anadarko's efforts to minimize the risk of aquifer contamination in drilling and completing wells (e.g., reporting on the Company's water quality testing practices, efforts to ensure well integrity through

measures to protect and isolate drinking water aquifers from the production stream and from hydraulic fracturing fluids in the wellbore, and annulus monitoring to detect pressure changes in wells), including any quantification of such efforts.

- b. Chemical Use, Handling, and Disclosure. (A) Discussion of Anadarko's efforts to minimize risks associated with chemical use and handling, including any quantification of such efforts, with such discussion to include Anadarko's procedures for reporting and responding to spills and efforts to prevent spill incidents, and Anadarko's efforts to work with service providers to assess viability and potential benefits of more environmentally compatible products for hydraulic fracturing operations, (B) Disclosure of all chemicals used by or on behalf of Anadarko, with such disclosure to include identification of chemicals by Chemical Abstract Number (CAS) and reporting of chemical use on a well-by-well basis on a publicly available website, for all Anadarko wells that are hydraulically fractured, excluding information that the manufacturer of supplier asserts to the Company is protected as trade secret under applicable law, and (C) Reporting of the percentage of Anadarko's hydraulically fractured domestic wells submitted to a publicly available website, such as FracFocus.org.
 - c. Water Use and Wastewater Handling and Disposal. Discussion of Anadarko's efforts to minimize risks associated with water and wastewater use, handling and disposal, including any quantification of such efforts. Discussion of Anadarko's hydraulic fracturing water uses and needs, procedures for managing and tracking hydraulic fracturing source water, and the availability of and options for managing hydraulic fracturing wastewaters (e.g., reuse, recycling, treatment, storage, and disposal options).
 - d. Air Emissions. Discussion of Anadarko's efforts to minimize risks associated with emissions of air pollutants associated with hydraulic fracturing, including any quantification of such efforts to limit the generation of greenhouse gas emissions or other air pollutants.
3. No representation, inducement, promise, understanding, condition, or warranty not set forth in this Assurance has been made to or relied upon by the Company in agreeing to this Assurance.
4. The Company represents and warrants, through the signatures below, that the terms and conditions of this Assurance are duly approved, and execution of this Assurance is duly authorized. The Company shall not take any action or make any statement denying, directly or indirectly, the propriety of this Assurance. Nothing in this paragraph affects the Company's (i) testimonial obligations or (ii) right to take legal or factual positions in defense of litigation or other legal proceedings to which OAG is not a party. This Assurance is not intended for use by any person other than the parties and does not confer upon any such person any rights or remedies, and it is not intended, and should not be construed, as an admission of liability by the Company.

5. This Assurance may not be amended except by an instrument in writing signed on behalf of all the parties to this Assurance.
6. This Assurance shall be binding on and inure to the benefit of the parties to this Assurance, including the Company's officers and directors, and their respective successors and assigns, and no party may assign, delegate, or otherwise transfer any of its rights or obligations under this Assurance without the prior written consent of the other party.
7. In the event that any one or more of the provisions contained in this Assurance shall for any reason be held to be invalid, illegal, or unenforceable in any respect, in the sole discretion of the OAG such invalidity, illegality, or unenforceability shall not affect any other provision of this Assurance.
8. To the extent not already provided under this Assurance, the Company shall, upon request by OAG, provide to OAG all documentation and information necessary to verify compliance with this Assurance.
9. Any and all correspondence related to this Assurance must reference AOD # 14-183. All notices, reports, requests, and other communications to any party pursuant to this Assurance shall be in writing and shall be directed as follows:

If to the Company, to:

Sean J. Urvan
Counsel
Anadarko Petroleum Corporation
1201 Lake Robbins Drive
The Woodlands, TX 77380
(832) 636-1664
sean.urvan@anadarko.com

cc:

Michael B. Wigmore, Esq.
Vinson & Elkins LLP
2200 Pennsylvania Ave., NW
Suite 500 West
Washington, DC 20037
(202) 639-6778
mwigmore@velaw.com

If to the OAG, to:

Michael J. Myers
Assistant Attorney General
Environmental Protection Bureau

New York State Attorney General
The Capitol
Albany NY 12224
(518) 402-2594
Michael.myers@ag.ny.gov

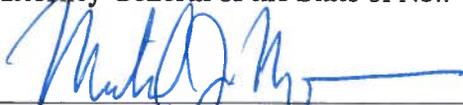
and

Andrew J. Gershon
Assistant Attorney General
New York State Office of the Attorney General
120 Broadway, 26th Floor
New York, NY 10271-0332
(212) 416-8474
andrew.gershon@ag.ny.gov

10. Acceptance of this Assurance by OAG shall not be deemed approval by OAG of any of the practices or procedures referenced herein, and the Company shall make no representation to the contrary.
11. The OAG finds the terms contained in this Assurance appropriate and in the public interest. This Assurance shall be governed by the laws of the State of New York without regard to any conflict of laws principles. Nothing contained herein shall be construed as to deprive any person of any private right of action.
12. This Assurance shall constitute the entire agreement of the parties with respect to settlement of the investigation by the Attorney General referenced herein and is in full satisfaction of any and all potential civil and criminal claims that could have been raised with respect thereto.
13. In the event that the Company reasonably believes that the performance of its disclosure obligations under any provision of this Assurance would conflict with any federal law, regulation, or binding directive that may be enacted or adopted after the date of this Assurance such that compliance with both this Assurance and such provision of federal law, regulation or binding directive would be impossible without violating such law, regulation, or directive, the Company shall notify the OAG and the parties shall meet or confer at their earliest convenience to discuss same, but no later than 120 days from the effective date of such law, regulation or binding directive.
14. Subject to paragraph 6 herein, this Assurance and the obligations agreed to herein shall terminate 2 years from the effective date of the Assurance.
15. The Attorney General and the Company agree that this Assurance may be executed in counterparts, and that the separate execution of the signatures shall not affect their validity. The effective date of this Assurance shall be the date on which the latter signature is executed.

IN WITNESS WHEREOF, this Assurance is executed by the parties hereto on the date set forth below.

Eric T. Schneiderman
Attorney General of the State of New York

By: 

Michael J. Myers, Assistant Attorney General
Environmental Protection Bureau
Karla G. Sanchez, Executive Deputy Attorney General
Economic Justice Division

Dated: 10/1/14

Anadarko Petroleum Corp.

By: 

Robert K. Reeves, Executive Vice President,
General Counsel, and Chief Administrative Officer

Dated: 9-4-14