



BPX Energy

After completing a \$10.5 billion acquisition of BHP's American shale assets, BP's U.S. onshore oil and gas business — known as BPX Energy — took over operations in early 2019 of vast new premium positions in Texas and Louisiana.

In numbers

- ▶ The acquisition of BHP's U.S. shale assets added **190,000 barrels** of oil equivalent per day to the BPX Energy portfolio, of which around 45 percent comprised high-value liquid hydrocarbons.
- ▶ That production adds to the roughly **315,000 barrels** of oil equivalent per day BPX Energy operated before the transaction with BHP, in fields spanning five states.
- ▶ Since 2000, the business has cut its total greenhouse gas emissions by more than 2 million metric tons of carbon dioxide equivalent, comparable to the annual electricity-related emissions of more than 300,000 typical homes.

The 2018 deal to purchase BHP's U.S. onshore assets upgraded and transformed the BPX Energy portfolio, increasing proved crude oil reserves tenfold. It also represented BP's largest acquisition since buying *ARCO* in 1999.

The **new world-class unconventional oil and gas assets** acquired last year are located in the Permian-Delaware and Eagle Ford basins in Texas, and the Haynesville basin in Texas and Louisiana.

This move was part of a larger transformation underway in the business, which began operating as a standalone entity in 2015. Since then, BPX Energy has built a premier onshore business, focused on delivering free cash flow growth through a team with a proven track record.

"We are entering a new and exciting phase of our growth that's defined not only by continued strong returns and operational performance, but also by relentless innovation aimed at making our business even safer, smarter and more environmentally sustainable," says Dave Lawler, CEO of BPX Energy.

While BPX Energy is in the process of divesting legacy assets in Wyoming, Colorado, Oklahoma and New Mexico, it expects to more than double its annual capital spending — to more than **\$2 billion a year** — on its newly expanded portfolio in Texas and Louisiana.

Reducing emissions

BPX Energy remains an industry leader in understanding the challenge posed by methane emissions and taking voluntary actions to achieve significant reductions in this area. For example, the business has:

- replaced around **99 percent of its high-bleed pneumatic controllers** with continuous low-bleed and intermittent controllers
- introduced **drone-mounted sensors** to help inspect equipment, which can cover multiple well pads more efficiently than hand-held devices
- implemented "**green completion**" technology on its wells before it was a regulatory requirement, helping to

minimize gas flaring and venting while recovering more for sale.

In addition, since it began operating the newly acquired Permian assets in March 2019, BPX Energy has started constructing centralized facilities which, combined with other emissions reduction efforts, will **reduce routine flaring**.

In partnership

In 2019, BP and the Environmental Defense Fund announced a three-year strategic commitment to advance technologies and practices to **reduce methane emissions** from the oil and gas supply chain.

The agreement means the two organizations are working together, along with universities and other experts, to test technologies and strategies to **improve methane management**.