

Oasis Petroleum Inc.  
Form DEF 14A  
March 21, 2019

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A  
PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE  
SECURITIES EXCHANGE ACT OF 1934  
(AMENDMENT NO. )

Filed by the Registrant  Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to § 240.14a-12

Oasis Petroleum Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other than the Registrant)

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- No fee required.
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(4)

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## BE THE BUFFALO

Dear Fellow Oasis Petroleum Shareholders,

At one of our town hall meetings a few years ago as we were navigating the downturn in our sector, I communicated to our Oasis organization that, when facing an oncoming storm, buffalo will gather together and charge into the storm to get past it, while cattle will tend to run away from the storm. I asked our employees which they'd rather be. Their thundering reply came without hesitation: Be the Buffalo.

This has been our rallying cry ever since. Not only are we willing to charge the storm, but we prepare ourselves for the inevitable storm that we know is coming at some point. So, the phrase for us is more than just words, it is how we manage the business and associated risks. For example:

When commodity prices dropped in 2009, others ran away from the storm. We opportunistically added acreage to our large, consolidated blocks in the Williston Basin.

In 2010, reliable and cost-effective services in the Williston Basin were scarce, so we created Oasis Well Services to ensure that we could get our work done and minimize potential contract termination exposure.

Anticipating a potential downturn in commodity price, but not knowing when it might occur, we positioned ourselves to be able to power down our capital activity in an orderly manner, maintain our volume profile, live within cash flow and get to the other side. We did just that and were one of the first, if not the first, Exploration and Production ("E&P") companies to get to cash flow neutral in 2015.

As our drilling activity consolidated and became more concentrated during the downturn of 2015, we expanded our midstream operations beyond handling produced water to include crude oil gathering, natural gas gathering, natural gas processing, and freshwater sourcing and distribution. These assets became the backbone of Oasis Midstream Partners ("OMP").

In 2017, we anticipated the need for more gas processing capacity across the Williston Basin than existed at the time, so we embarked on the construction of a new 200 million cubic feet per day ("mmcf") gas processing plant within OMP so that we could service our production as well as production from adjacent operators. We are now one of the largest processors in the basin, with 280 mmcf of processing plant capacity, minimizing gas flaring and providing flow assurance.

These proactive and innovative moves not only support our core operations, they provide us with market intelligence and expertise to operate in a financially and environmentally sustainable manner. In a highly cyclical sector, being the buffalo in ways like these position us to do well across the commodity price cycles. While we may still be in the storm now, we are charging through it with the acreage, the expertise, and the infrastructure to do so.

It is our people, however, who are our most important differentiator. Employees know when they are valued and they can see it in how we operate. We establish a defined set of values and our culture reflects those values in action every day. We strive to make each of our employees better each day than they were the day before through development of their technical skills, their interpersonal skills, and their leadership capabilities. Our benefit programs and practices provide proof that we truly believe that we are only as good as our people, and that support, development, and integrity are better motivators than fear.

I invite you to read in this proxy statement the long list of ways we work to recruit, retain, and get the best out of the finest people in the business. I ask you to consider how many other companies you know that can brag about even a fraction of these programs.

And is it working? Look at the facts. Despite the extreme downturn in commodity prices since we became public, our employee turnover rate is less than half the national average – the herd is sticking together. I am humbled and honored that our employees have given me a 100% approval rating on Glassdoor and I work to keep their trust-and yours.

If this is the kind of company you want to see do well, we invite you to invest further, provide us your voting support on the issues described in this proxy statement, and even come work with us if you can add to our exceptionally talented team.

Sincerely,

Thomas B. (Tommy) Nusz  
Chairman/CEO

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1001 Fannin Street  
Suite 1500  
Houston, Texas 77002

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

Notice is hereby given that the Annual Meeting of Shareholders of Oasis Petroleum Inc. ("Oasis" or the "Company") will be held at the Four Seasons Hotel, 1300 Lamar Street, Houston, Texas 77010, on Tuesday, April 30, 2019, at 9:00 a.m. Central Time (the "Annual Meeting"). The Annual Meeting is being held for the following purposes:

1. To elect two Class III directors, each for a term of three years. The board recommends voting FOR this proposal and needs a plurality of shares cast with Director Resignation Policy.
2. To ratify the selection of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2019. The board recommends voting FOR this proposal and needs a majority of shares present.
3. To approve, on an advisory basis, the compensation of our named executive officers as disclosed in this proxy statement pursuant to Item 402 of Regulation S-K promulgated by the Securities and Exchange Commission. The board recommends voting FOR this proposal and needs a majority of shares present.
4. To approve the First Amendment to the Amended and Restated 2010 Long-Term Incentive Plan (the "LTIP") to increase the maximum number of shares that may be issued under the LTIP by 1,300,000 shares (the "Additional Shares"). The board recommends voting FOR this proposal and needs a majority of shares present.
5. To transact such other business as may properly come before the Annual Meeting.

These proposals are described in the accompanying proxy materials. You will be able to vote at the Annual Meeting only if you were a shareholder of record at the close of business on March 5, 2019.

**YOUR VOTE IS IMPORTANT**

Please vote over the Internet at [www.proxyvote.com](http://www.proxyvote.com) or by phone at 1-800-690-6903 promptly so that your shares may be voted in accordance with your wishes and so that we may have a quorum at the Annual Meeting. Alternatively, if you did not receive a paper copy of the proxy materials (which includes the proxy card), you may request a paper proxy card, which you may complete, sign and return by mail.

By Order of the Board of Directors,

Nickolas J. Lorentzatos  
Corporate Secretary  
Houston, Texas  
March 21, 2019

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#### ELECTRONIC AVAILABILITY OF PROXY STATEMENT AND ANNUAL REPORT

As permitted under the rules of the Securities and Exchange Commission (the “SEC”), the Company is making this proxy statement and its Annual Report on Form 10-K for the year ended December 31, 2018 (the “Annual Report”) available to its shareholders electronically via the internet. Beginning on March 21, 2019, the Company is sending a Notice Regarding the Availability of Proxy Materials (the “Notice”) to its shareholders of record as of the close of business on March 5, 2019, which Notice will include (i) instructions on how to access the Company’s proxy materials electronically, (ii) the date, time and location of the Annual Meeting, (iii) a description of the matters intended to be acted upon at the Annual Meeting, (iv) a list of the materials being made available electronically, (v) instructions on how a shareholder can request to receive paper or e-mail copies of the Company’s proxy materials, (vi) any control/identification numbers that a shareholder needs to access his or her proxy card and instructions on how to access the proxy card, and (vii) information about attending the Annual Meeting and voting in person.

#### CAUTIONARY LANGUAGE REGARDING FORWARD-LOOKING STATEMENTS

This proxy statement contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond our control. All statements, other than statements of historical fact included in this proxy statement, regarding our strategic tactics, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this proxy statement, the words “could,” “believe,” “anticipate,” “intend,” “estimate,” “expect,” “may,” “continue,” “predict,” “potential,” “project” expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. All forward-looking statements speak only as of the date of this proxy statement. We disclaim any obligation to update or revise these statements unless required by securities law, and you should not place undue reliance on these forward-looking statements. Although we believe that our plans, intentions and expectations reflected in or suggested by the forward-looking statements we make in this proxy statement are reasonable, we can give no assurance that these plans, intentions or expectations will be achieved. We disclose important factors that could cause our actual results to differ materially from our expectations under “Item 1A. Risk Factors” and “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 1, 2019. These cautionary statements qualify all forward-looking statements attributable to us or persons acting on our behalf.

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## WHAT IS OASIS PETROLEUM?

We are a resourceful company

Oasis was founded in 2007 by Tommy Nusz and Taylor Reid. What began as a start-up with a small team of talented entrepreneurs and no assets is now a premier natural resources company with over 700 professionals.

Our parent company Oasis Petroleum Inc. (“Oasis”) acquires and develops unconventional oil and natural gas resources, historically in North Dakota and Montana, but now in West Texas as well. Our wholly owned Oasis Well Services LLC (“OWS”) provides completion services and our Oasis Midstream Services LLC (“OMS”) provides a collection of services including gas gathering and processing, saltwater gathering and disposal services, fresh water services, and crude oil gathering and transport services, among others.

We created OWS and OMS because, as a leading operator in our regions, we needed top-tier services that are available, reliable, and cost effective. We also wanted the expertise and positioning to develop our prime acreage profitably and sustainably: OWS and OMS enable us to reduce flaring and operate state-of-the-art water management systems. We aim to remain ahead of steadily rising regulatory gas-capture mandates and increase margins by commercializing captured gas—we already capture roughly 10% more gas than the average for operators in North Dakota.

We operate in the U.S. heartland where regulations, work ethic, education, and community support are strong, and where exposure to risks such as bribery and corruption, global geo-political shifts, currency fluctuations, expropriations, and cultural challenges are nearly non-existent.

We are a company of highly qualified professionals

We operate in a highly cyclical sector in which there is constant guerilla warfare to poach the short supply of top talent. We believe there is a big difference between having good employees and the best employees. We also believe there is a difference between merely recruiting top people and working constantly to make sure they can – and want – to function at their best. We recruit leaders others want to follow—but we also think all employees can be leaders and we structure all of our programs to reflect this. The results show in our exceptionally low employee turnover rates.

We are a company of shareholders AND stakeholders

We are honored that many sophisticated, sector-savvy investors own our shares. We show our respect for our shareholders by our continuing governance evolution since going public nine years ago:

• We recently added majority voting and proxy access to our governance foundation

• Our board is young, short tenured, diverse, and comprised not only of industry-leading experts but of members who worked for major shareholders and investors

• Our executive compensation and performance are well aligned, and our CEO not accepting a salary increase since 2014 reflects his belief that financial conservatism is warranted when commodity prices are low and shareholder returns are held back.

## HOW DID WE DO IN 2018?

2018 was a tough year. The NYMEX West Texas Intermediate crude oil price index ("WTI") declined by 40% in the fourth quarter alone and 25% from the start of the year, and as a result, our stock price suffered. However, as one of the first E&P companies to live within cash flow in this recent industry downturn, we used the year to power through the storm:

• We successfully entered a second basin through our February 2018 acquisition from Forge Energy LLC of 22,000 net core acres in the over-pressured oil window of the Delaware Basin.

• We added additional acreage at attractive pricing, bringing our total position in the over-pressured oil window of the Delaware Basin to over 23,000 net acres.

• Oasis Midstream Partners LP ("OMP") completed the construction and startup of a second natural gas plant in Wild Basin, making Oasis the second largest natural gas processor in North Dakota.

• We executed a "Dropdown" of additional interests in midstream subsidiaries to OMP for \$251.4M, which increased our holdings of OMP common units and reduced debt.

• Sales of non-core assets yielded total proceeds of ~\$360 million, reducing our financial leverage.

• We grew production ~25% year-over-year to 82,525 barrels of oil equivalent per day ("Boepd").

• We lowered lease operating expenses ("LOE") per barrels of oil equivalent ("Boe") by over 12% year over year to \$6.44 per Boe.

• Net cash provided by operating activities grew 96% year over year to \$996.4 million; and we grew Adjusted EBITDA 35% year over year to \$958.7 million. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net income (loss) including non-controlling interests and net cash provided by operating activities, see "Non-GAAP Financial Measures" in our Annual Report on Form 10-K for the year ended December 31, 2018.

• Robust marketing and integration benefits with OMP provided access to coastal markets for our Williston barrels and yielded tight oil differentials for most of 2018.

• We committed 10,000 barrels a day to the Gray Oak pipeline, which ensures coastal pricing for a large portion of our Delaware Basin crude oil volume.



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## OUR BOARD OF DIRECTORS

### OUR BOARD OF DIRECTORS

Dear Fellow Shareholders,

Before we ask for your voting support, we, the independent directors of Oasis Petroleum, want to share some highlights of how we are acting as fiduciaries for the company in which you and we have invested.

#### Board refreshment and diversity

We continued our steady board refreshment, reflecting Oasis's evolving needs. Following the resignation of Doug Swanson in December 2017 and the passing of Ted Collins in January 2018, both independent directors, Paula Polito joined us in late 2018. Paula's experience working for major shareholders in Boston, the cradle of the U.S. mutual fund sector, her global financial expertise, and her relationships with constituencies outside of – but important to – our sector reflect our belief in the value of diversity in its many forms.

#### Shareholder outreach and compensation

We also continued outreach to shareholders to help inform our governance and executive compensation decisions and are grateful for the 94% say-on-pay support we received in 2018. During 2018, we reached out to shareholders representing over 50% of our outstanding shares, and input from them is reflected in our decisions to:

• Adopt a proxy access bylaw;

• Add a total shareholder return ("TSR") cap so that, beginning with performance share units ("PSUs") granted in 2019, Named Executive Officers cannot earn more than 100% of PSUs eligible to vest if the Company's absolute TSR is negative over the performance cycle;

• Provide that no PSUs will be earned for performance cycles in which the Company's TSR rank is in the bottom three of the PSU group beginning with PSUs granted in 2019; and

• Cap the number of PSUs that may be earned for 2019 PSUs if the Company's stock price is at least \$25 at the end of the performance cycle.

Further, in keeping with our Company's conservative compensation structure, we:

• Kept Mr. Nusz's salary unchanged in 2018, as it has remained since 2014; and

• Set a floor share price of \$9 for Named Executive Officers long-term incentive awards granted in 2018. This floor was ~\$0.70 higher than the stock price at that time. This reduced the number of shares Named Executive Officers would have received if the stock price on the grant date did not exceed this threshold.

#### Prudent risk management and operations

It is easy to be heroes in our sector when commodity prices are strong. We are proud to be overseeing a company managed to be sustainable in tough times and positioned to do well over full market cycles. As one of the first E&P companies to live within cash flow during the recent commodity price downturn, we have prudently grown production, improved capital efficiency, materially reduced overall operating cash costs, and made several strategic moves that strengthen and complement our cornerstone Williston position and significantly improve our Company's outlook for the future.

#### Having the right people

Finally, good capital allocation, corporate governance, compensation, and risk management will fail to achieve optimal results without the right people. We hope you will take note of the information in our CEO's letter that opened this proxy statement and the information in the pages that follow to see why we believe we have the right team to earn your continued support.

William J. Cassidy    Paula D. Polito

John E. Hagale      Bobby S. Shackouls

Michael McShane

## OUR BOARD OF DIRECTORS

### WHO WE ARE

#### ITEM 1: ELECTION OF OUR DIRECTOR NOMINEES

The Board of Directors has nominated the following two individuals for election as Class III directors of the Company to serve for a three year term to expire in 2022 and until either they are re-elected or their successors are elected and qualified.

Michael McShane

Michael McShane served as a director and President and Chief Executive Officer of Grant Prideco, Inc., a manufacturer and supplier of oilfield drill pipe and other drill stem products, from June 2002 until the completion of the merger of Grant Prideco with National Oilwell Varco, Inc. in April 2008, and Chairman of the Board of Grant Prideco from May 2003 through April 2008.

DIRECTOR SINCE 2010

Currently, Mr. McShane also serves on the board of directors of Superior Energy Services, Inc., Forum Energy Technologies Inc., and NCS Multistage.

LEAD INDEPENDENT  
DIRECTOR

#### PREVIOUS EXPERIENCE

AGE: 65

§ Prior to joining Grant Prideco, Mr. McShane was Senior Vice President - Finance and Chief Financial Officer and director of BJ Services Company, a provider of pressure pumping, cementing, stimulation and coiled tubing services for oil and gas operators, from 1990 to June 2002.

BOARD COMMITTEES:

§ Audit, Chair

§ Compensation

#### EDUCATION

ALSO:

Mr. McShane serves as an advisor to Advent International, a global private equity firm.

§ Mr. McShane holds a bachelor's degree from the University of Texas at Austin.

#### EXPERTISE

§ With decades of experience in the energy services industry, Mr. McShane brings a unique perspective to the Board. He has significant experience with issues, trends and opportunities within the oil and gas industry, providing the Board with valuable independent expertise when evaluating potential acquisition opportunities, capital allocation, and capital markets transactions. Mr. McShane serves as our lead independent director, providing executive guidance and presiding over the Board's executive sessions.

## OUR BOARD OF DIRECTORS

Thomas B. Nusz

Chief Executive Officer Thomas B. Nusz serves as our Chairman of the Board and Chief Executive Officer and as Director and Chairman of the Board of OMP GP LLC. He has served as our Director and Chief Executive Officer (or in similar capacities) since our inception in March 2007.

### PREVIOUS EXPERIENCE

§ Previously, Mr. Nusz was a Vice President with Burlington Resources Inc., a formerly publicly traded oil and gas exploration and production company or, together with its predecessors, Burlington, and served as President of the International Division (North Africa, Northwest Europe, Latin America and China) from January 2004 to March 2006, as Vice President Acquisitions and Divestitures from October 2000 to December 2003, as Vice President Strategic Planning and Engineering from July 1998 to September 2000, and Chief Engineer for substantially all of such period. He was instrumental in Burlington's expansion into the Western Canadian Sedimentary Basin from 1999 to 2002.

DIRECTOR SINCE 2007

AGE: 59

### EDUCATION

ALSO:

As a co-founder of Oasis, Mr. Nusz developed the business plan for Oasis Petroleum LLC and secured the initial funding for the Company.

§ Mr. Nusz holds a Bachelor of Science in Petroleum Engineering from Mississippi State University.

### EXPERTISE

§ As a co-founder and the Chief Executive Officer of the Company, Mr. Nusz's knowledge of the Company is unparalleled. Mr. Nusz has served in various executive positions, as well as management and operational roles for publicly traded oil and gas companies, and he has deep knowledge of the strategic, financial, risk and compliance issues facing a publicly traded company. In addition, Mr. Nusz's industry experience spans multiple regions, domestically and internationally, which is especially beneficial to the Company in the current challenging market environment.

### CHARITABLE, COMMUNITY AND INDUSTRY INVOLVEMENT

§ Mr. Nusz serves on, and is prior chairman of, the board of OneGoal Houston, a college entry and persistence initiative for under-privileged students in Houston. He is a member of the Mississippi State University Foundation Board and a member of the investment committee. He also serves as the President of the Mississippi State University Bulldog Club Board. He serves on several industry boards including AXPC, IPAA, and the National Petroleum Council, an advisory committee to the United States Secretary of Energy.

The Board of Directors has no reason to believe that either of its nominees will be unable or unwilling to serve if elected. If a nominee becomes unable or unwilling to accept nomination or election, either the number of the Company's directors will be reduced or the persons acting under the Proxy will vote for the election of a substitute nominee that the Board of Directors recommends.

The Board unanimously recommends that shareholders vote FOR the election of each of the nominees.



## OUR BOARD OF DIRECTORS

### CONTINUING DIRECTORS

The directors identified below have terms expiring in 2020 (Mr. Hagale and Ms. Polito) and 2021 (Messrs. Cassidy, Reid, and Shackouls). Ms. Polito was elected by the Board on November 1, 2018 following the resignation of Mr. Douglas Swanson Jr. in December 2017 and the passing of Mr. Ted Collins in January 2018, both former directors who had terms expiring in 2020.

William J. Cassidy

William J. Cassidy currently serves as the Chief Financial Officer of Artex Energy Group LLC, a privately owned exploration and production company with operations in the Utica Shale.

### PREVIOUS EXPERIENCE

§ Previously, Mr. Cassidy served as Executive Vice President and Chief Financial Officer at Bonanza Creek Energy, Inc. from 2013 to 2016. Mr. Cassidy served as the Global Head of Corporate Finance and Treasury for Puma Energy, a midstream and downstream oil company with operations spanning 37 countries and a subsidiary of the commodity trading multinational Trafigura Beheer BV. From November 2009 until April 2013, Mr. Cassidy was a Principal at RPA Capital, LLC an asset management fund focused on providing mezzanine capital to commodity producers. He served as a non-executive director of GasValpo, SA, a Chilean gas distribution company, from September 2008 until September 2012.

DIRECTOR SINCE 2010

INDEPENDENT

AGE: 53

### BOARD COMMITTEES:

§ Audit

§ Compensation

§ Nominating & Governance,  
Chair

§ Previously, Mr. Cassidy worked at USDCM, LLC, a Greenwich, Connecticut based drilling fund from the end of 2008 until the end of 2009. From 2006 until 2008, Mr. Cassidy served at Barclays Capital as Head of Exploration and Production Investment Banking. From 2002 to 2006, he worked as a senior member of the Energy and Power Investment Banking division at Banc of America Securities.

ALSO:

Mr. Cassidy began his investment banking career with JPMorgan Chase and spent two years in London, where he focused on the emerging deregulation of the European natural gas industry.

### EDUCATION

§ Mr. Cassidy earned a Bachelor of Science in Geology and Math from the National University of Ireland, Cork, a Masters of Science in Petroleum Geophysics from the Royal School of Mines, Imperial College, London and a Masters of Business Administration from the Wharton School of the University of Pennsylvania.

### EXPERTISE

§ Mr. Cassidy brings a diverse energy-related background to the Board. He has served as a geophysicist and later in management and executive positions at an investment banking firm, an asset management fund, a midstream and downstream energy company, and as CFO of a publicly-traded, independent exploration and production company.



OUR BOARD OF DIRECTORS

John E. Hagale

John E. Hagale served as Executive Vice President and Chief Financial Officer of Rosetta Resources Inc. from November 2011 until the completion of the merger of Rosetta with Noble Energy, Inc. in July 2015.

PREVIOUS EXPERIENCE

DIRECTOR SINCE 2016

INDEPENDENT

AGE: 62

BOARD COMMITTEES:

§ Audit

§ Nominating & Governance

§ Previously, Mr. Hagale was Executive Vice President, Chief Financial Officer and Chief Administrative Officer of The Methodist Hospital System from June 2003 through October 2011. He was also employed with Burlington Resources Inc. and its predecessor Burlington Northern Inc. for 15 years where he held a series of executive financial positions with increasing responsibilities, including Executive Vice President and Chief Financial Officer of Burlington Resources.

§ Mr. Hagale previously served on the Board of Directors of Cobalt International Energy, Inc. as chair of their audit committee.

ALSO:

Mr. Hagale began his career with Deloitte Haskins and Sells and is a certified public accountant.

EDUCATION

§ Mr. Hagale holds a Bachelor of Business Administration degree in Accounting from the University of Notre Dame.

EXPERTISE

§ Mr. Hagale brings significant oil and gas financial expertise to the Board. The combination of Mr. Hagale's industry and financial experience is invaluable to the Board, especially with respect to the current challenging market environment.

Paula D. Polito

DIRECTOR SINCE 2018

INDEPENDENT

AGE: 59

BOARD COMMITTEES:

§ Nominating & Governance

Paula D. Polito currently serves as Global Client Strategy Officer and a Group Managing Director at UBS Global Wealth Management. She joined UBS in 2009 as the Wealth Management Americas Chief Marketing Officer.

Ms. Polito has served on the Board of Boston College, her alma mater, where she remains a Trustee Associate. She also sits on the board of Harvard Medical School's Division of Women's Health at Brigham and Women's Hospital; and she is a member of the Executive Board of the Wall Street Council, a network of financial professionals who support academic scholarships.

ALSO:

Ms. Polito spent the first ten years of her career as a journalist, working as a Producer, News Editor and Managing Editor for WBZ TV

PREVIOUS EXPERIENCE

§ Previously, Ms. Polito served as Senior Vice President and Head of Strategic Marketing and Brand Management at Merrill Lynch & Co., and was a member of the Global Wealth Management Executive Committee. She served as



in Boston.

Executive Vice President of Corporate and Retail Marketing at Fidelity Investments Inc. from 1996 to 2000.

#### EDUCATION

§ Ms. Polito holds a Bachelor of Arts from Boston College.

#### EXPERTISE

§ Ms. Polito has extensive experience navigating global financial markets through her service in senior executive leadership roles with multiple financial institutions. In addition to her unique insight into the investment community, her ability to think strategically over the long-term, her creativity, and communications experience greatly benefit our board and our management team as we navigate the ever changing macroeconomic and investment environment.

## OUR BOARD OF DIRECTORS

Taylor L. Reid  
President and Chief Operating  
Officer

Taylor L. Reid serves as our Director, President and Chief Operating Officer and as Director and Chief Executive Officer of OMP GP LLC ("OMP GP"). He has served as our Director and Chief Operating Officer (or in similar capacities) since our inception in March 2007 and has 34 years of experience in the oil and gas industry.

### PREVIOUS EXPERIENCE

§ Previously, Mr. Reid served as Asset Manager Permian and Panhandle Operations with ConocoPhillips from April 2006 to October 2006.

§ Prior to joining ConocoPhillips, he served as General Manager Latin America and Asia Operations with Burlington from March 2004 to March 2006 and as General Manager Corporate Acquisitions and Divestitures from July 1998 to February 2004. From March 1986 to June 1998, Mr. Reid held various operations and managerial positions with Burlington in several regions of the continental United States, including the Permian Basin, the Williston Basin and the Anadarko Basin.

DIRECTOR SINCE 2007

AGE: 56

ALSO:  
As co-founder of Oasis, Mr. Reid worked with Mr. Nusz to form the business plan for Oasis Petroleum LLC and secure funding for the Company.

### EDUCATION

§ Mr. Reid holds a Bachelor of Science in Petroleum Engineering from Stanford University.

### EXPERTISE

§ As co-founder and President of the Company, Mr. Reid has exceptional knowledge of the Company and its strategy, finances, and operations. Mr. Reid's deep knowledge of the Company and the industry resulting from his tenure with the Company and various roles at other oil and gas companies make him a critical member of the Board.

### CHARITABLE, COMMUNITY AND INDUSTRY INVOLVEMENT

§ Mr. Reid serves on the advisory board of the Stanford School of Earth, Energy & Environmental Sciences. He is also on the board of trustees at Presbyterian School in Houston and serves as the Chairman of the Strategic Planning Committee for the school. Mr. Reid recently served as a board member and Chairman of the HAY Center which focuses on helping children transitioning out of foster care in the Houston area. He also is a member of the US Oil & Gas Association.

OUR BOARD OF DIRECTORS

Bobby S. Shackouls

Bobby S. Shackouls has served as our Director since March 2012. Until the merger of Burlington Resources Inc. and ConocoPhillips, which became effective in 2006, Mr. Shackouls was Chairman of the Board of Burlington Resources Inc., a natural resources business, since July 1997 and its President and Chief Executive Officer since December 1995.

Currently, Mr. Shackouls serves as a director of The Kroger Co., PAA GP Holdings LLC, and Quintana Energy Services Inc.

DIRECTOR SINCE 2012

INDEPENDENT

PREVIOUS EXPERIENCE

AGE: 68

§ Previously, Mr. Shackouls had been a director since 1995 and President and Chief Executive Officer of Burlington Resources Oil and Gas Company (formerly known as Meridian Oil Inc.) since 1994. Subsequent to the merger, Mr. Shackouls served on the ConocoPhillips Board of Directors until 2011.

BOARD COMMITTEES:

- § Compensation, Chair
- § Nominating & Governance

EDUCATION

ALSO:

Mr. Shackouls is vice chairman of the Texas Heart Institute; executive board member of the Sam Houston Area Council and National Board of Boy Scouts of America, and Vice President of the Mississippi State University Foundation

§ Mr. Shackouls holds a Bachelor of Science in Chemical Engineering from Mississippi State University.

EXPERTISE

§ Mr. Shackouls provides extensive industry and management experience to the Board and given his experience, he is well positioned to provide key insight into asset management, operations and strategy, and the Board benefits from his experience in managing large organizations.

## OUR BOARD OF DIRECTORS

### HOW WE ARE SELECTED AND ELECTED

#### Nominees

It is the responsibility of the Nominating and Governance Committee to identify, evaluate and recommend to the Board the Director nominees for election at the annual meeting of shareholders, as well as to fill vacancies or additions on the Board of Directors that may occur between annual meetings.

The Committee endeavors to recommend director candidates who:

- possess the highest personal values and integrity;
- have experience and have exhibited achievements in one or more of the key professional, business, financial, legal, and other challenges that face a U.S. independent oil and gas company;
- exhibit sound judgment, intelligence, personal character, and the ability to make independent analytical inquiries;
- demonstrate a willingness to devote adequate time to Board of Director duties; and
- are likely to be able to serve for a sustained period if consistent with the Board's ongoing review of overall board composition.

#### Term lengths

Our directors are divided into three classes serving staggered three-year terms, with one class standing for re-election each year. In 2019, Class III Messrs. McShane and Nusz are standing for re-election.

#### Majority voting policy

Our Corporate Governance Guidelines provide that any director who receives more votes "withheld" than "for" in an uncontested election must tender their resignation to the Board of Directors for consideration. In such event the Nominating and Governance Committee will determine whether to accept such resignation, subject to approval by the full Board of Directors. Promptly following such a decision the Board shall disclose its decision and a description of the process by which the decision was reached. This guideline governs Company practice though the Company's bylaws provide for the election of directors by a plurality of the vote.

#### Proxy access

The Board amended the Company's bylaws in February 2019 to implement proxy access. Eligible shareholders, or a group of up to 20 shareholders who have owned an aggregate of at least 3% of the Company's outstanding common stock continuously for three years may nominate a candidate for election to the Board for inclusion in the Company's proxy materials in accordance with the proxy access provisions of Section 2.12 of the Company's bylaws.

#### Skills, experience and diversity

The charter of our Nominating and Governance Committee reflects our commitment to consider diversity in professional experience, skills, background, race and gender when considering director candidates and our Board's overall composition.

Although we are still a young company-only a decade old-our Board has overseen steady refreshment. Since our initial public offering in 2010, four independent directors have joined the board and three have exited, resulting in both an array of board tenures and an average tenure of ~6.5 years. Our newest director, Paula Polito, joined us in 2018 and brings substantial non-industry, financial and shareholder expertise to the Board.

OUR BOARD OF DIRECTORS

The following skills matrix summarizes our Board’s strong, diverse and company-relevant skills and experiences:

	Nusz	Reid	Cassidy	Hagale	McShane	Polito	Shackouls
Corporate communications						ü	
Current or past public company boards (other than OAS)	ü	ü		ü	ü		ü
Current or past public company CEO (other than OAS)		ü			ü		ü
Current or past public company CFO			ü	ü	ü		
Current or past public company executive	ü	ü	ü	ü	ü		ü
E&P operations experience	ü	ü	ü	ü			ü
E&P services experience	ü				ü		
Financial expertise	ü	ü	ü	ü	ü	ü	ü
Strategic marketing						ü	

HOW WE GOVERN AND ARE GOVERNED

Under the Company’s Corporate Governance Guidelines, directors are expected to attend regularly scheduled Board of Director meetings and meetings of committees on which they serve, as well as the annual meeting of shareholders. During 2018, each of our directors attended 100% of the meetings of the Board of Directors and of the committees of the Board of Directors on which that director served. The Board of Directors held five meetings during 2018, and its independent directors met in executive session five times. There were a total of 15 Board committee meetings in 2018.

Board Leadership Structure

Chairman. Mr. Nusz has served as a Director and our Chief Executive Officer since our inception in March 2007. He also served as our President until January 1, 2014. At the time of our initial public offering, Mr. Nusz was named Chairman of the Board of Directors. The independent members of the Board believe the combined role of Chairman and CEO promotes unified leadership and direction for the Company, which allows for a single, clear focus for management to execute the Company’s strategy and business plans. As CEO, the Chairman is best suited to ensure that critical business issues are brought before the Board, which enhances the Board’s ability to develop and implement business strategies.

To ensure a strong and independent board, all directors of the Company, other than Mr. Nusz and Mr. Reid, are independent. In addition, the Company’s Corporate Governance Guidelines provide that the Board will designate one of its members as the Lead Director to preside over the meetings of the non-management directors and to provide, in conjunction with the Chairman and CEO, leadership and guidance to the Board.

Lead Director. Mr. McShane has served as Lead Director of the Board since August 9, 2010. In this capacity, Mr. McShane provides, in conjunction with the Chairman, leadership and guidance to the Board of Directors. The Lead Director's responsibilities and authority generally include:

- serving as chairman of the executive sessions of the independent directors and all other Board meetings at which the Chairman is not present;
- establishing the agenda for each meeting of the non-management directors;
- serving as the Board’s contact for employee and shareholder communications with the Board of Directors;
- calling special meetings of the independent directors when necessary and appropriate;
- serving as a liaison between the Chairman and independent directors;



## OUR BOARD OF DIRECTORS

- consulting with the Chairman to include and provide at meetings of the directors specific agenda items and additional materials suggested by independent directors;
- approving the scheduling of regular and, where feasible, special meetings of the Board to ensure that there is sufficient time for discussion of all agenda items;
- facilitating communications among the other members of the Board; and
- performing other duties as the Board may from time to time delegate.

In addition, all directors are encouraged to suggest the inclusion of agenda items or revisions to meeting materials, and any director is free to raise at any Board meeting items that are not on the agenda for that meeting.

The Board also regularly meets in executive session without the presence of the CEO or other members of management. The Lead Director presides at these meetings and provides the Board's guidance and feedback to the Chairman and the Company's management team. Further, the Board has complete access to the Company's management team. In consideration of the responsibilities of the Lead Director and the competitive market for qualified directors, an annual cash retainer fee for the Lead Director was established beginning in 2017.

The diversity and strength of the Board members' professional and leadership experience allows for open and robust dialog and decision making ability. The Board reviews annually the leadership structure of the Board and considers the combined role of Chairman and Chief Executive Officer. Given the strong leadership of the Company's Chairman and CEO, the effective counterbalancing role of the Lead Director and a Board comprised of strong, experienced and independent directors, the Board believes that, at the present time, the combined role of Chairman and CEO, with strong and independent oversight by the Lead Director and the other independent directors, best serves the interests of the Company and its shareholders.

### Director Independence

The Company's standards for determining director independence require the assessment of directors' independence each year. A director cannot be considered independent unless the Board of Directors affirmatively determines that he or she does not have any relationship with management or the Company that may interfere with the exercise of his or her independent judgment.

The Board of Directors has assessed the independence of each non-employee director and each nominee for director under the Company's guidelines and the independence standards of the NYSE. The Board of Directors affirmatively determined that all five non-employee directors (Messrs. Cassidy, Hagale, McShane, Polito, and Shackouls) are independent. In addition, Mr. Collins was determined to be independent prior to his passing in January 2018.

### Oversight of Risk Management

The Board as a whole oversees the Company's assessment of major risks and the measures taken to manage such risks. For example:

- the Board oversees management of the Company's commodity price risk through regular review with executive management of the Company's derivatives strategy, and, through the Audit Committee, the oversight of the Company's policy that limits the Company's authority to enter into derivative commodity price instruments to a specified level of production, above which management must seek Board approval;
- the Board has established specific dollar limits on the commitment authority of members of senior management and requires Board approval of expenditures exceeding that authority and of other material contracts and transactions;
- the Board reviews management's capital spending plans, approves the Company's capital budget and requires that management present for Board review significant departures from those plans; and

the Board reviews quarterly the Company's performance with respect to environmental, health and safety targets and ethical standards.

The Company's Audit Committee, which is composed entirely of independent directors, is responsible for overseeing the Company's assessment and management of financial reporting and internal control risks, as well as other financial risks, such as the credit risks associated with counterparty exposure. Management and the



OUR BOARD OF DIRECTORS

Company's independent registered public accounting firm, PricewaterhouseCoopers LLP ("PwC") report regularly to the Audit Committee on those subjects. Further, the Audit Committee regularly meets in executive session, without management, with representatives from PwC; Protiviti, the Company's internal auditor; and DeGolyer and MacNaughton, the Company's independent reserve engineers. Except as described, the administration of the Board's oversight function does not have an effect on the Board's leadership structure.

OUR BOARD OF DIRECTORS

Committees of the Board of Directors

The Board of Directors has three standing committees: the Audit Committee, the Compensation Committee and the Nominating and Governance Committee. Each of these committees is composed entirely of independent directors. For each of our committees, the following table sets forth the current membership, a brief summary of the principal functions, and the number of meetings held in 2018. Each of our standing committees has a charter that is publicly available on the Company's website at [www.oasispetroleum.com/investors/corporate-governance/](http://www.oasispetroleum.com/investors/corporate-governance/)

Names, Members, and Meetings	Principal Functions
<p>Audit Committee William J. Cassidy John E. Hagale Michael McShane, Chair</p> <p>Meetings in 2018: 5</p>	<p>Approves appointment and compensation and reviews performance and independence and pre-approves services of Company's independent auditor</p> <p>Approves appointment and compensation and reviews performance of internal auditor</p> <p>Meets with management, independent auditor, and internal auditor in connection with annual audit, review of annual and quarterly financial statements, and in executive sessions</p> <p>Discusses with management the Company's guidelines and policies with respect to risk assessment and risk management, including with respect to significant financial risk exposures</p> <p>Establishes and maintains procedures for the submission, receipt, retention and treatment of complaints and concerns received by the Company regarding accounting, internal controls or auditing matters</p> <p>Monitors compliance with legal and regulatory requirements and the business practices and ethical standards of the Company</p> <p>Discusses the integrity of the Company's accounting policies, internal controls, financial reporting practices and financial statements with management, internal auditor, and independent auditor</p> <p>Reviews and approves related-person transactions in accordance with the Board's procedures</p> <p>Prepares the Audit Committee report, which is on page 22</p>
<p>Compensation Committee William J. Cassidy Michael McShane Bobby Shackouls, Chair</p> <p>Meetings in 2018: 6</p>	<p>Approves and evaluates the Company's director and officer compensation plans, policies and programs</p> <p>Conducts an annual review and evaluation of the CEO's performance in light of the Company's goals and objectives</p> <p>Retains, and is directly responsible for the oversight of, compensation or other consultants to assist in the evaluation of director or executive compensation and otherwise to aid the Compensation Committee in meeting its responsibilities. For additional information on the role of compensation consultants, please see Compensation Discussion and Analysis beginning on page 26</p> <p>Annually reviews the Company's compensation-related risk profile to confirm that compensation-related risks are not reasonably likely to have a material adverse effect on the Company</p> <p>Periodically reviews and discusses with its independent compensation consultants and senior management the Company's policy on executive severance arrangements, and recommends any proposed changes to the Board to the extent required by the Compensation Committee charter</p> <p>Reviews the Compensation Discussion and Analysis, disclosures for advisory votes by shareholders on executive compensation, including frequency of such votes, and other relevant disclosures made in the proxy statement</p> <p>Prepares the Compensation Committee report, which is on page 25</p>

Nominating & Governance Committee	Recommends nominees for director, including existing Board members, to the Board and ensures such nominees possess the director qualifications set forth in the Committee's Charter
William J. Cassidy, Chair	Recommends members of the Board for committee membership
John E. Hagale	Proposes Corporate Governance Guidelines for the Company and reviews them annually
Paula D. Polito	Develops and oversees an evaluation process for the Board and its committees
Bobby S. Shackouls	Assesses the need for stock ownership guidelines
	Reviews and recommends changes to the Company's Certificate of Incorporation and Bylaws
Meetings in 2018:	Determines whether each director serving a Board committee is independent under the standards applicable to the committee
4	Reviews and recommends changes to the Board and committee structure and composition
	Discusses succession planning for CEO and senior management

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## OUR BOARD OF DIRECTORS

### Financial Literacy of Audit Committee and Designation of Financial Experts

The Board of Directors evaluated each of the members of the Audit Committee for financial literacy and the attributes of a financial expert in July 2018. The Board of Directors determined that each of the Audit Committee members is financially literate and that the Chairman of the Audit Committee, Michael McShane, and committee member John Hagale are Audit Committee financial experts as defined by the SEC.

### Compensation Committee Interlocks and Insider Participation

Messrs. Cassidy, McShane, and Shackouls served on the Compensation Committee during 2018. None of the directors who served on the Compensation Committee during 2018 has ever served as one of the Company's officers or employees. During 2018, none of the Company's executive officers served as a director or member of the compensation committee (or other committee performing similar functions) of any other entity of which an executive officer served on the Board or the Compensation Committee.

### Corporate Governance Guidelines