



November 2011

November Investor Presentation



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 facts, included in this presentation that address activities, events or developments that the Company expects, believes or anticipates will or may occur in the future, including, among others, statements and projections regarding the Company's future financial position, operations, performance, business strategy, returns, budgets, reserves, levels of production and costs and statements regarding the plans and objectives of the Company's management for future operations, are forward-looking statements. The words "believe," "expect," "anticipate," "plan," "intend," "estimate," "potential," "should," "would," "could," or other similar expressions 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. Without limiting the generality of the foregoing, these statements are based on certain assumptions 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. Actual results may differ materially from those implied or expressed by the forward-looking statements. 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 include the factors discussed or referenced in the "Risk Factors" section of the Company's 10-K and 10-Q's filed with the Securities and Exchange Commission ("SEC") and risks relating to declines in the prices we receive for our oil and natural gas, including natural gas liquids; uncertainties about the estimated quantities of oil and natural gas reserves; the effects of government regulation, permitting and other legal requirements, including new legislation or regulation of hydraulic fracturing; risks related to new federal oversight or regulation of over-the-counter derivatives; risks related to the elimination of certain federal income tax deductions currently available to oil and natural gas exploration activities; drilling and operating risks; the adequacy of our capital resources and liquidity, including access to additional borrowing capacity under our credit facility; difficult and adverse conditions in the domestic and global capital and credit markets; risks related to the concentration of our operations in the Permian Basin of Southeast New Mexico and West Texas; potential financial losses or earnings reductions from our commodity price risk management program; shortages of oilfield equipment, services and qualified personnel and increased costs for such equipment, services and personnel; risks and liabilities associated with acquired properties or businesses; uncertainties about our ability to successfully execute our business and financial plans and strategies; uncertainties about our ability to replace reserves and economically develop our current reserves; general economic and business conditions, either internationally or domestically or in the jurisdictions in which we operate; competition in the oil and natural gas industry; uncertainty concerning our assumed or possible future results of operations; our substantial existing indebtedness and other important factors that could cause actual results to differ materially from those projected.

Accordingly, you should not place undue reliance on any of the Company's forward-looking statements. All forward-looking statements speak only as of the date on which such statements are made and the Company undertakes no obligation to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

This presentation includes financial measures that are not in accordance with generally accepted accounting principals ("GAAP") including EBITDAX, adjusted net income, and cash margin. 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 each to the nearest comparable measure in accordance with GAAP, please see the Appendix.



Cautionary Statement Regarding Oil and Gas Quantities

The SEC requires oil and gas companies, in their filings with the SEC, to disclose proved reserves, which are those quantities of oil and 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 unweighted average 12-month 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, we currently do not disclose probable or possible reserves in our SEC filings.

In this presentation, proved reserves attributable to the Company at June 30, 2011 are estimated utilizing SEC reserve recognition standards and pricing assumptions based on the trailing 12-month average first-day-of-the-month prices of \$86.60 per Bbl of oil and \$4.21 per MMBtu of natural gas. The Company's estimate of its total proved reserves at June 30, 2011 is based on Company estimates and not independent petroleum engineers.

We may use the terms “unproved reserves,” “EUR” per well and “upside potential” to describe estimates of potentially recoverable hydrocarbons that the SEC rules prohibit from being included in filings with the SEC. These are the Company’s internal estimates of hydrocarbon quantities that may be potentially discovered through exploratory drilling or recovered with additional drilling or recovery techniques. These quantities may not constitute “reserves” within the meaning of the Society of Petroleum Engineer’s Petroleum Resource Management System or SEC rules and do not include any proved reserves. EUR estimates and drilling locations have not been risked by Company management. Actual locations drilled and quantities that may be ultimately recovered from the Company’s interests will differ substantially. There is no commitment by the Company to drill all of the drilling locations which have been attributed to these quantities. Factors affecting ultimate recovery include the scope of our ongoing drilling program, which will be directly affected by the availability of capital, drilling and production costs, availability of drilling services and equipment, drilling results, lease expirations, transportation constraints, regulatory approvals and other factors; and actual drilling results, including geological and mechanical factors affecting recovery rates. Estimates of unproved reserves, per well EUR and upside potential may change significantly as development of the Company’s oil and gas assets provide additional data.

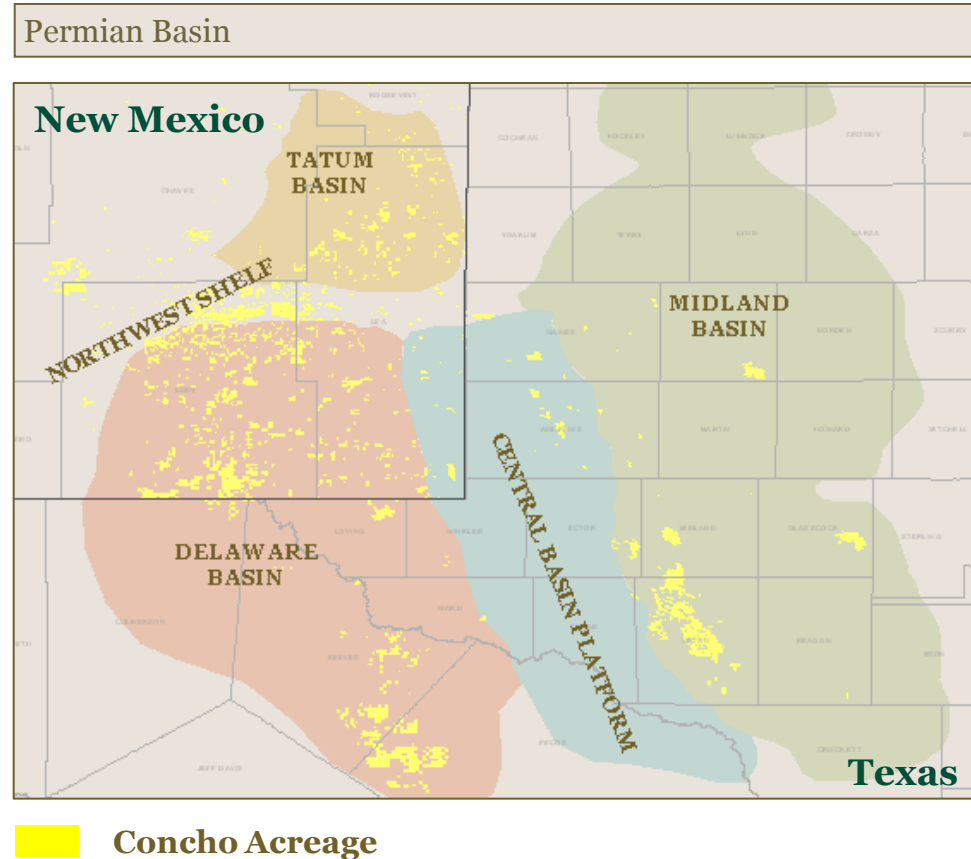
Our production forecasts and expectations for future periods are dependent upon many assumptions, including estimates of production decline rates from existing wells and the undertaking and outcome of future drilling activity, which may be affected by significant commodity price declines or drilling cost increases.

Ticker: **CXO**
LISTED
NYSE

Market Cap¹: **\$9.8 billion**

Enterprise Value²: **\$11.6 billion**

- Average daily Q3 2011 production of 68.6 MBoepd
- 342.6 MMBoe mid-year 2011 proved reserves (100% Permian)³
- 964,765 gross (522,503 net) acres⁴
- Over 8,700 drilling locations⁵



¹ Based on 10/31/11 closing price of \$94.72 and 103.7 million shares outstanding at 9/30/11.
² Includes debt outstanding at 9/30/11.
³ Mid-year 2011 reserves run at SEC pricing.
⁴ As of 9/30/11. Includes acreage acquired in 4Q11 subject to close.
⁵ As of 6/30/11. Excludes over 350 horizontal locations in the Delaware Basin acquired during 4Q11 and subject to close.

- Achieved record levels of production and earnings during Q3 2011
 - Drilled 223 gross wells
 - Produced 6.3 MMBoe, a 73% increase over Q3 2010 production (continuing operations)
 - EBITDAX¹ of \$349.6 million, a 90% increase over Q3 2010
 - Adjusted net income (non-GAAP)¹ of \$117.8 million, a 65% increase over Q3 2010

- Organic proven reserve growth of 9% at MY2011 over YE2010 (62% PD)

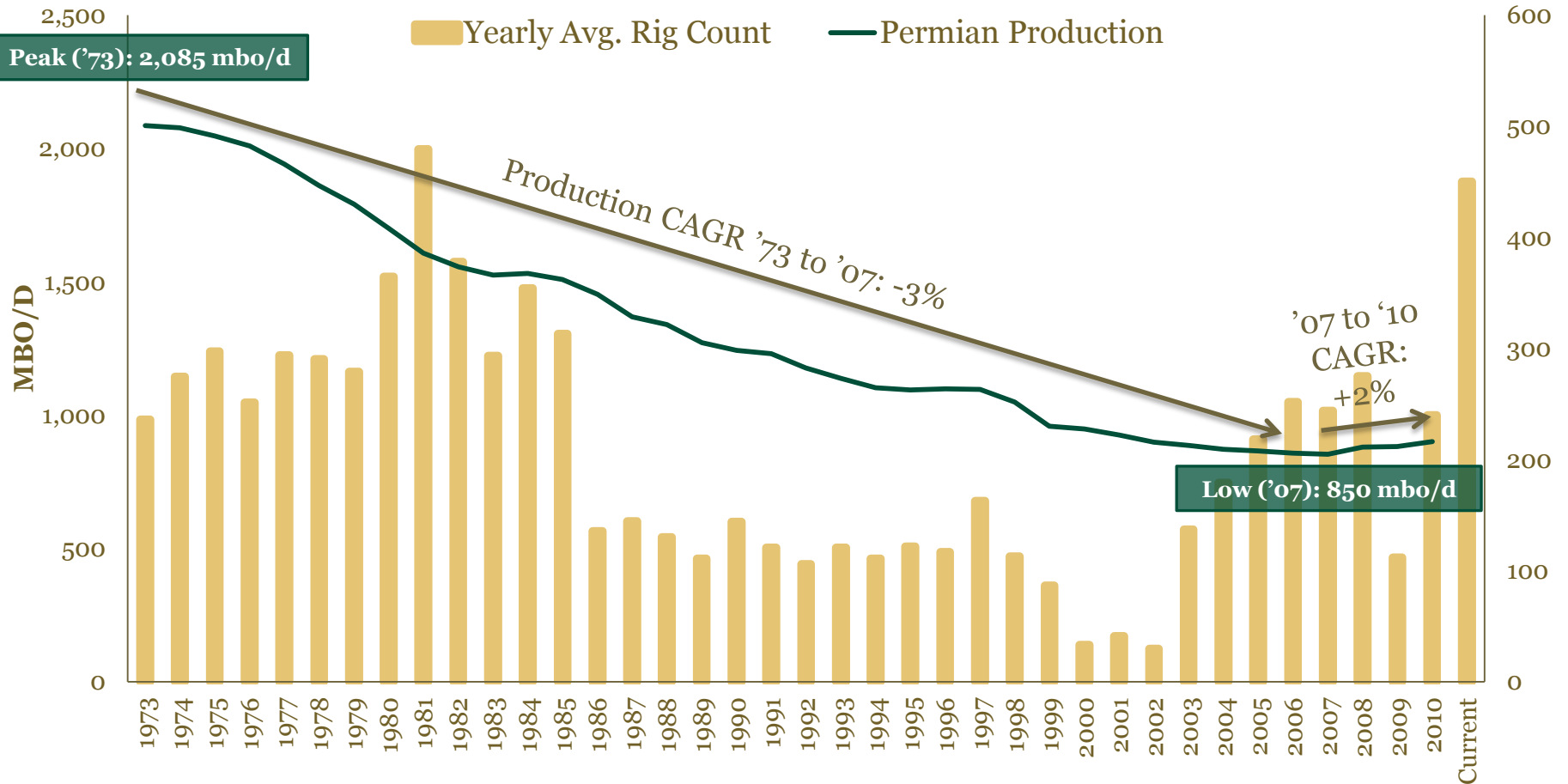
- Significantly expanded our acreage position in the Delaware Basin Bone Spring play

- Acquired over 400 drilling locations in our core Wolfberry asset

- Successfully redeployed proceeds from Bakken divestiture into our core Permian Basin assets

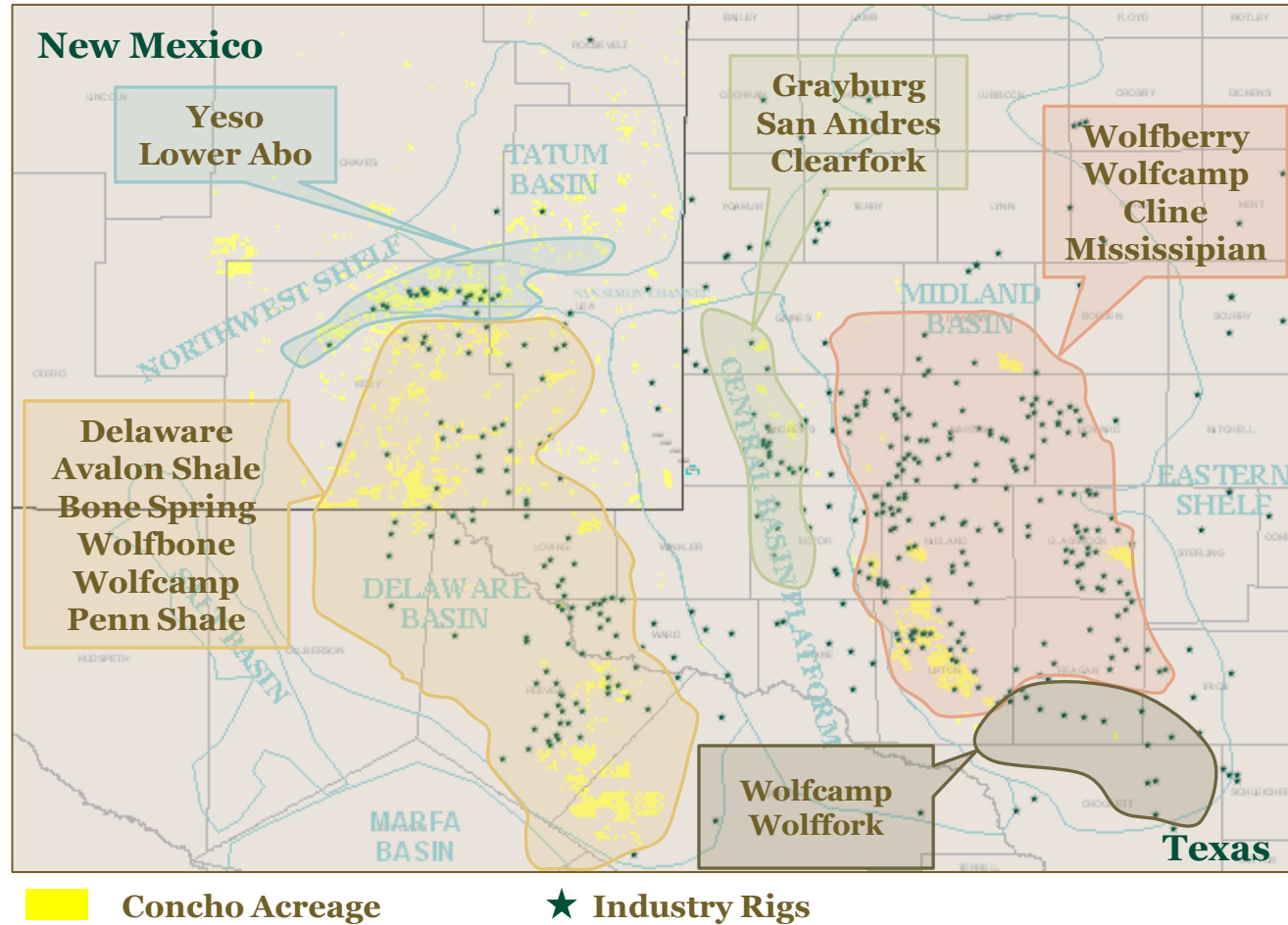
- One of the most active operators in the Permian Basin currently operating 30 rigs

¹ For an explanation of how we calculate and use EBITDAX and adjusted net income and for a reconciliation of net income to EBITDAX and adjusted net income, please see the Appendix.



Source: PI/Dwights (IHS), US Energy Information Administration (EIA), and Rig Data 10/27/11

- Technology expanding resource potential across the Permian Basin
- Approximately 450 rigs currently operating
 - ~200 in the Midland Basin
 - ~90 in the Delaware Basin
- Increased activity driven by the emergence of new oil and liquids-rich plays
- Concho is uniquely positioned in the Permian with exposure to some of the most impactful existing and emerging plays



Source: IHS Drilling Data.

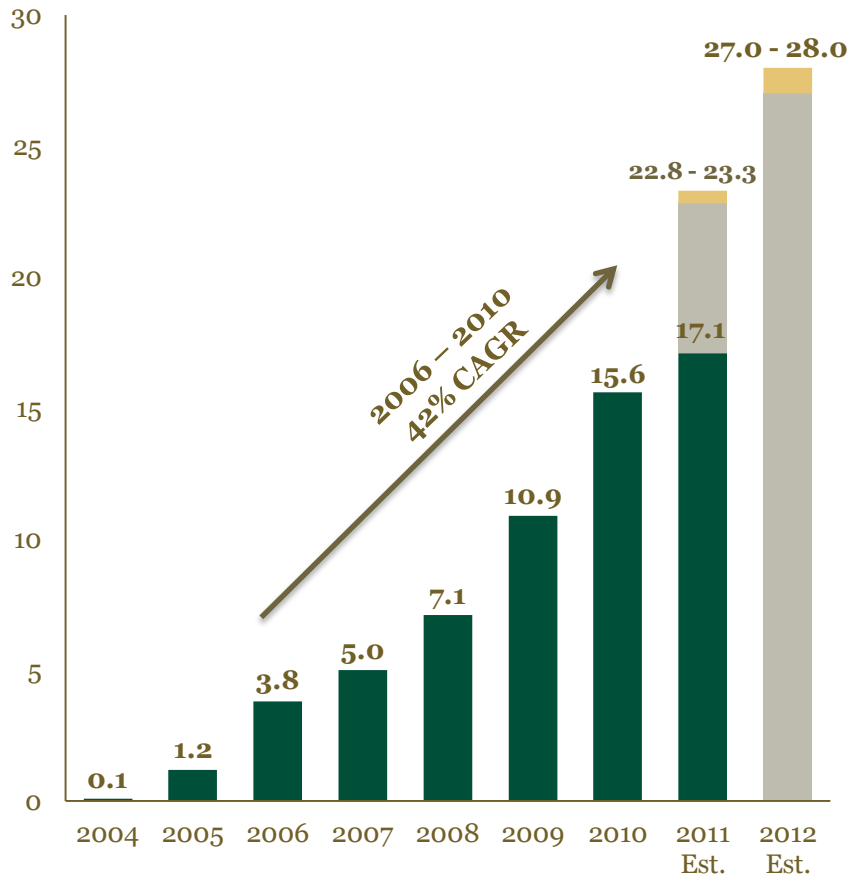
- Continued focus on the Permian Basin
 - Exposed to some of the most prolific oil plays in the U.S.
 - Capitalize on the strategic benefits of being one of the largest operators in the Permian Basin

- Committed to rate-of-return driven growth
 - Reinvest high-margin cash flows into projects with robust rates of return
 - Achieve superior per share growth rates while staying within cash flow

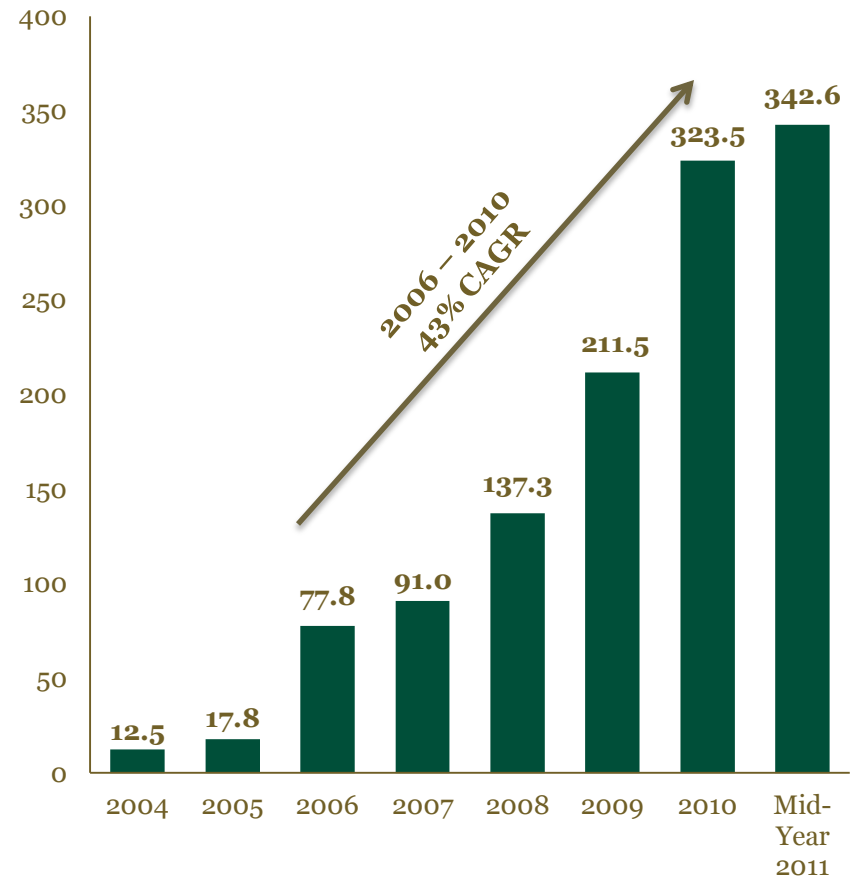
- Maintain simple, strong financial position
 - Conservative approach to leverage (< 2.0x debt / EBITDAX)
 - Ample liquidity (\$1.7bn available under credit facility)
 - Hedging program to provide predictable cash flows

- Pursue acquisitions that enhance existing portfolio
 - Focus on strategic fit and impact to NAV and rate of return

Annual Production (MMBoe)



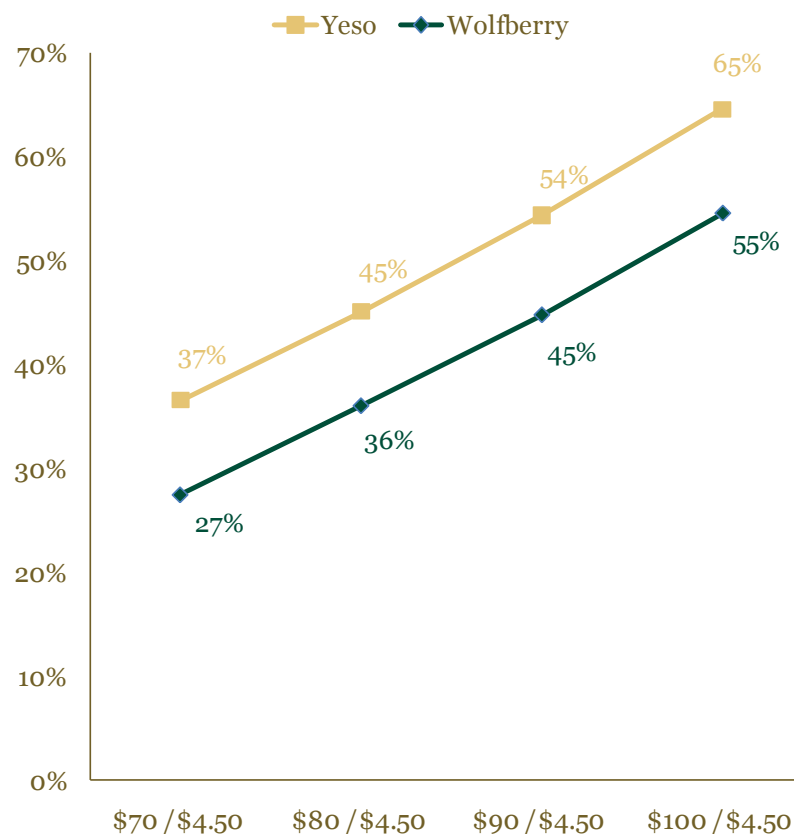
Proved Reserves (MMBoe)



Unhedged Cash Margin (\$/Boe)¹

	9 Months Sep-11
Operating Revenue	\$74.28
Cash Operating Costs:	
LOE	(6.69)
Production Taxes	(6.10)
Cash G&A	(3.10)
Interest Expense	(4.89)
Cash Margin	\$53.50
Production (MBoe)	17,112

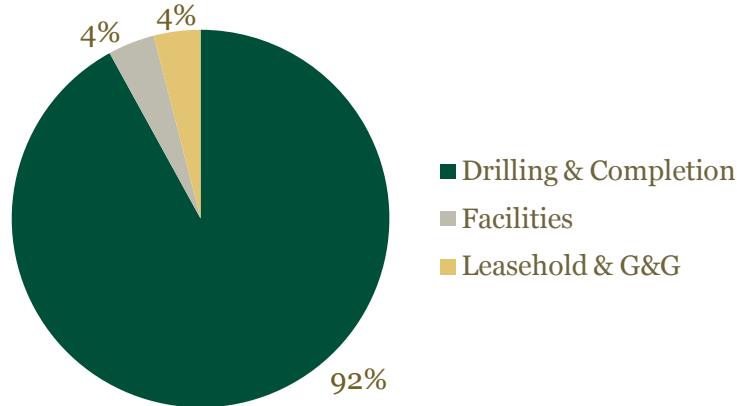
Inventory Rates of Return²



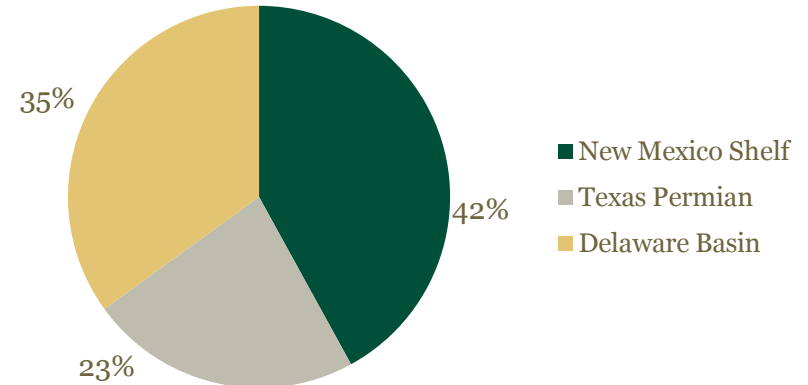
¹ Unhedged Cash Margin represents oil & natural gas revenues, less lease operating expenses, oil and natural gas taxes, cash G&A expense (excludes stock-based compensation), and cash interest expense divided by production. See Cash Margin Reconciliation in the Appendix for a reconciliation to income before income taxes.

² IRRs based on the aggregate economics of the total identified Yeso and Wolfberry drilling locations at 6/30/2011 and current AFE's. Wolfberry aggregate model excludes 20-acre spaced drilling locations. IRRs exclude interest, federal and state taxes and G&A and do not take into account land cost or hedges.

2012 Capital Budget: \$1.3bn



2012 Drilling & Completion Budget: \$1.2bn



New Mexico Shelf

- 11 rigs currently drilling
- Expect to drill ~380 wells in 2012
- 57% of proved reserves¹
- 57% of production²
- 2,846 drilling opportunities⁴
 - 2,113 Yeso
 - 327 Lower Abo

Delaware Basin

- 6 rigs currently drilling
- Expect to drill ~120 wells in 2012
- 9% of proved reserves¹
- 19% of production²
- Activity concentrated in the Bone Spring / Avalon Shale
- ~420,000 gross (270,000 net) acres³
- 1,464 drilling opportunities⁴
 - 1,039 horizontal objectives
 - 332 vertical Wolfbone

Texas Permian

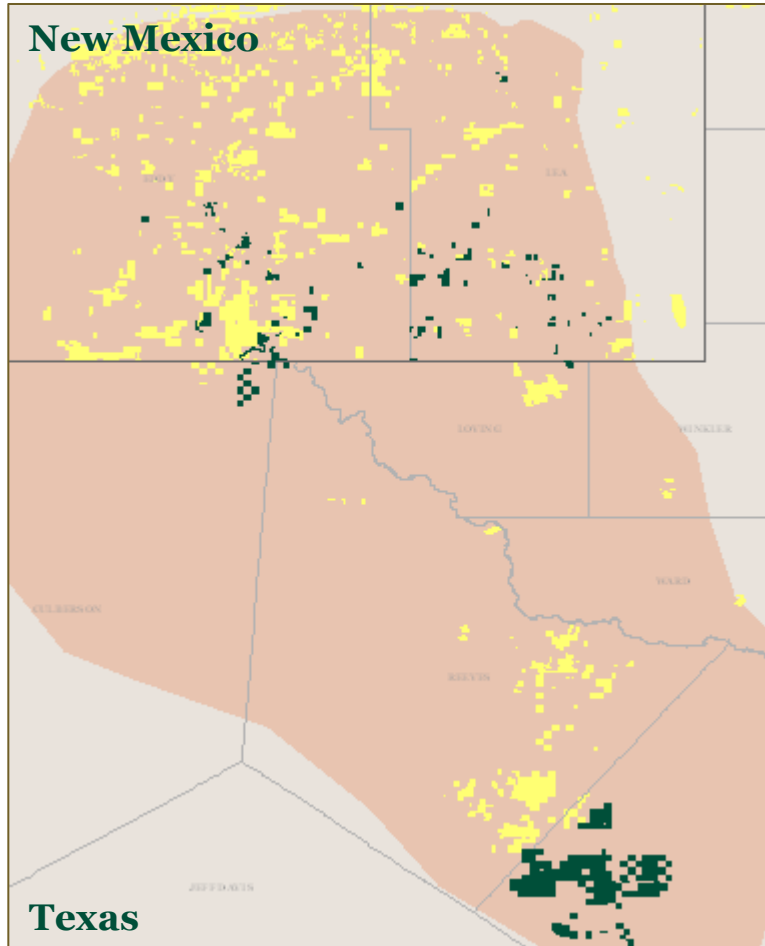
- 13 rigs currently drilling
- Expect to drill ~325 wells in 2012
- 34% of proved reserves¹
- 24% of production²
- Activity concentrated in Wolfberry play
- 4,449 drilling opportunities⁴
 - 2,444 20-acre Wolfberry
 - 1,893 40-acre Wolfberry

¹ Proved reserves are run at SEC pricing as of 6/30/11.

² Based on the operated portion of total production for the quarter ended 9/30/11.

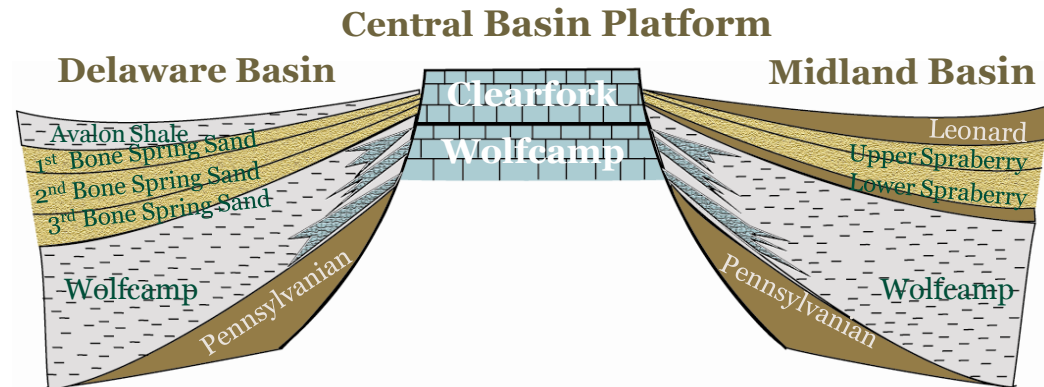
³ As of 9/30/11. Includes acreage acquired in 4Q11 subject to close.

⁴ As of 6/30/11. Excludes over 350 horizontal locations in the Delaware Basin acquired during 4Q11 and subject to close.

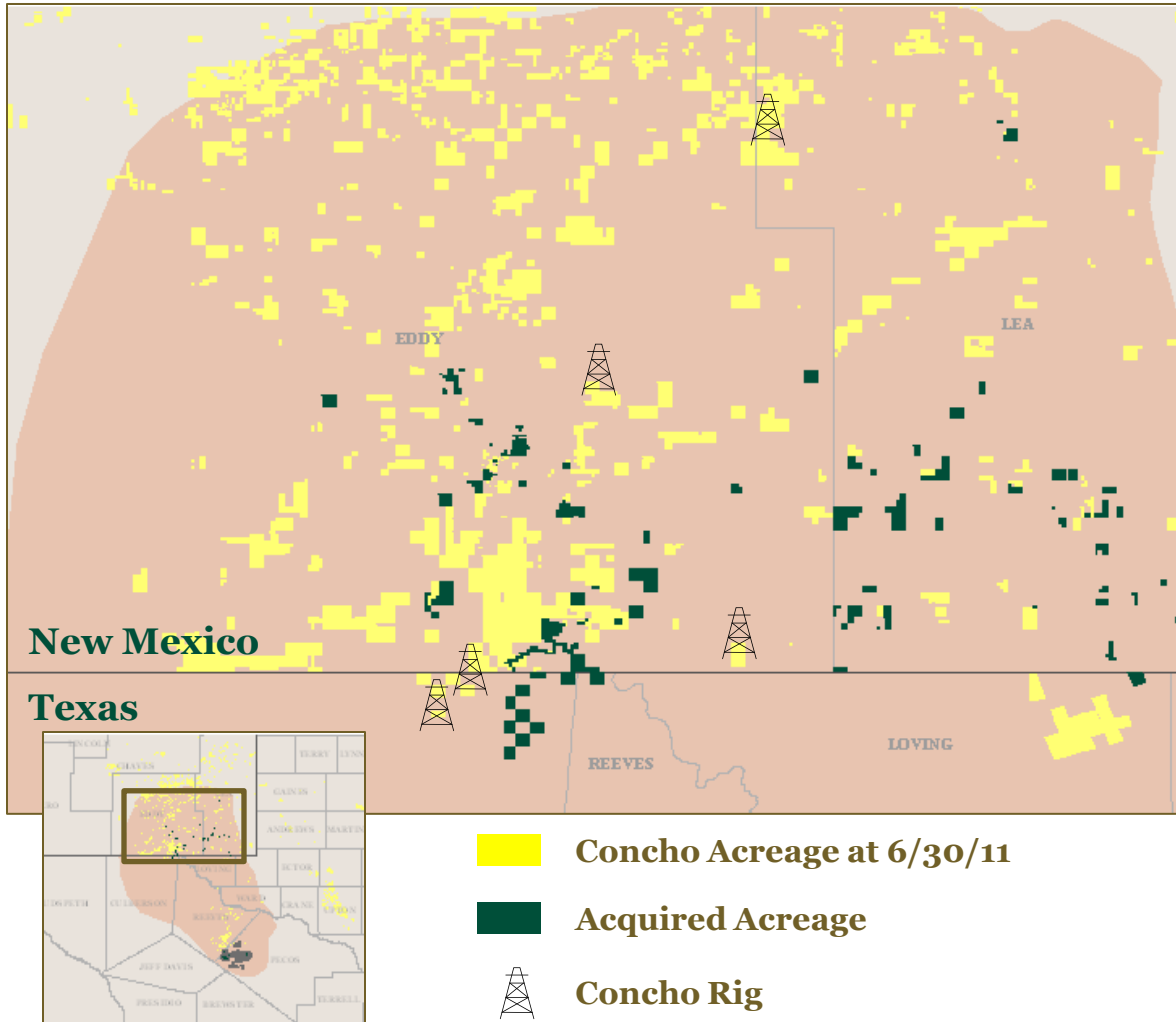


Yellow Concho Acreage at 6/30/11
Dark Green Acquired Acreage

- Bone Spring play – targeting Avalon shale, Bone Spring sands and Wolfcamp shale – is one of the most active emerging oil plays in the U.S.
- Concho is a leading operator, participating in over 185 wells to date
- Approximately 420,000 gross (270,000 net) acres including acquisitions
- Identified 1,464 locations at mid-year 2011¹
 - 1,039 targeting horizontal objectives
 - 332 targeting vertical Wolfbone play
- Potential targets: Delaware, Avalon shale, Bone Spring sands, Wolfcamp and Penn shale
- Net Bone Spring play production of 8,900 Boepd during 3Q11 (59% growth over 2Q11)



¹ As of 6/30/11. Excludes over 350 horizontal locations in the Delaware Basin acquired during 4Q11 and subject to close.



Horizontal Delaware

- 1,039 locations targeting¹:
 - Avalon shale
 - Bone Spring sands
 - Wolfcamp shale

- Additional targets:
 - Delaware sands
 - Penn shale

- Drill and complete: \$5 - 7mm

- EURs: 400 - 700 MBoe

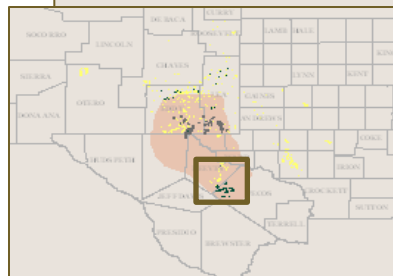
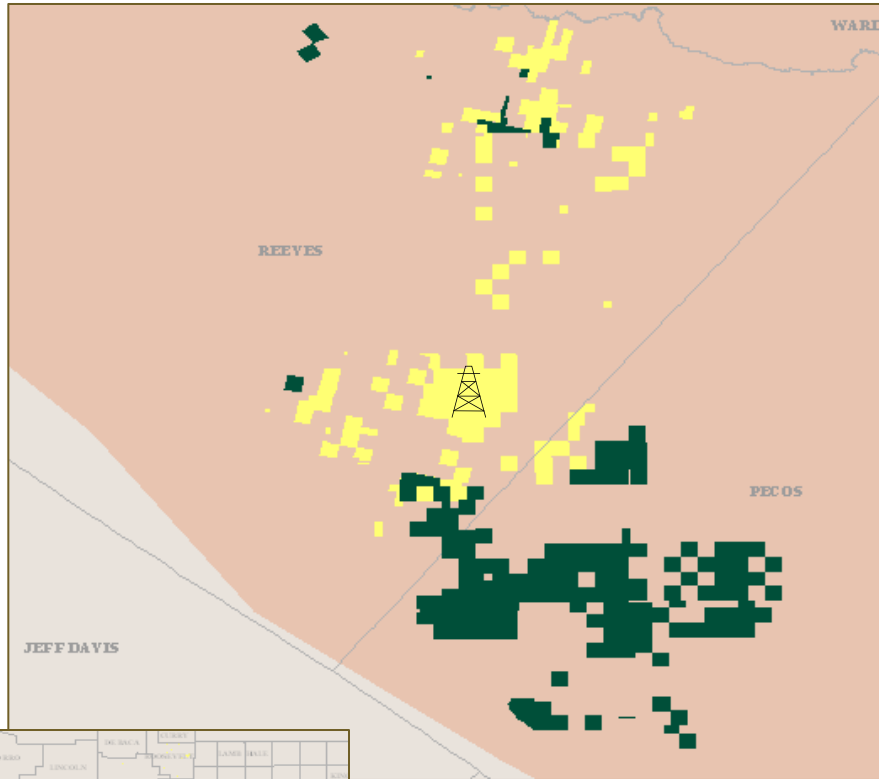
- 30-day IP: 300 - 1,300 Boepd

- TVD: 8,500' - 9,500'

- Lateral length: 4,000' - 4,500'

- 8 - 13 frac stages

¹ As of 6/30/11. Excludes over 350 horizontal locations in the Delaware Basin acquired during 4Q11 and subject to close.



 Concho Acreage at 6/30/11

 Acquired Acreage

 Concho Rig

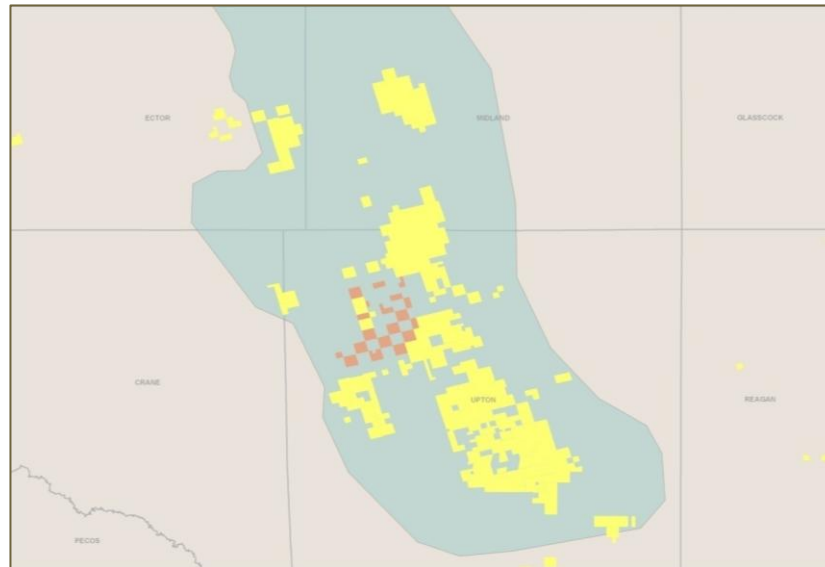
Vertical Delaware

- 332 locations targeting the Wolfbone play
 - Bone Spring sands
 - Wolfcamp shale
- Horizontal potential
- Drill and complete: \$4 - 6mm
- EURs: 200 - 400 MBoe
- 30-day IP: 200 - 450 Boepd
- TVD: 11,000' - 12,500'
- 5 - 10 frac stages

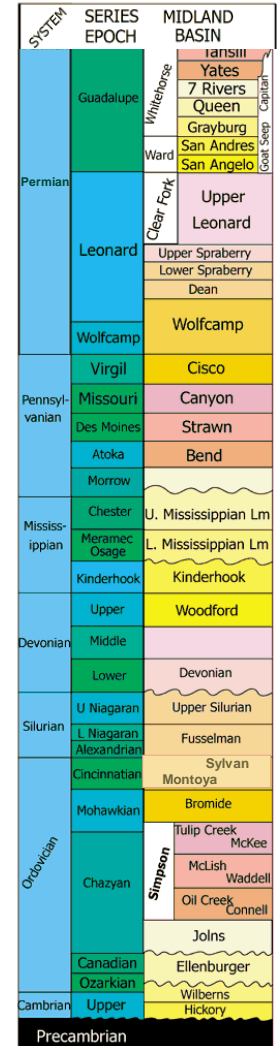
- Currently operating 13 rigs
- Recently acquired 400 Wolfberry locations in Upton County
 - Additional consolidation opportunities exist
- Technical team has drilled over 1,000 wells
- Wolfberry well characteristics (40-acres):
 - Drill and complete: \$1.6 – \$1.8mm
 - EUR: 140 MBoe
 - 30-day IP: 95 - 125 Boepd
 - TVD: 7,500’ - 11,000’
 - 8 - 10 frac stages
 - 15 - 19 days to drill
- Additional value drivers:
 - 20-acre Wolfberry
 - Horizontal Wolfcamp
 - Other zones

Wolfberry Portfolio – Acquisition Impact

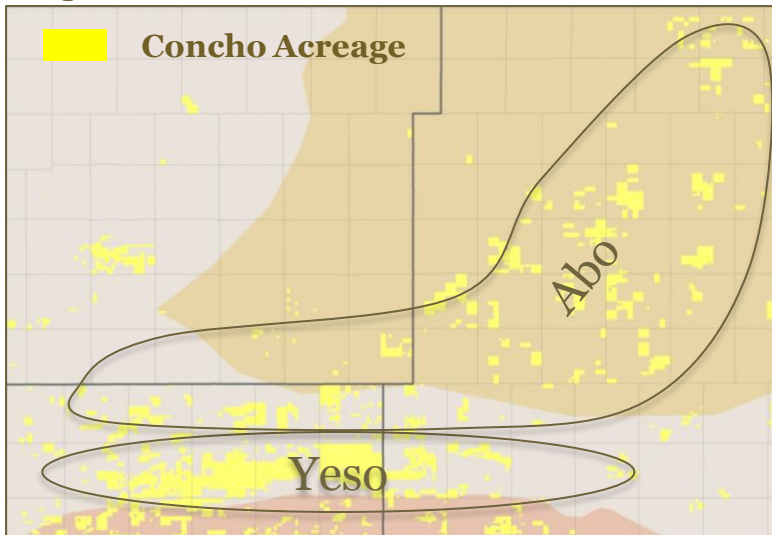
	12/31/2010	6/30/2011
Working Interest	~45%	~50%
Acreage (net)	44,000	49,000
Locations		
40-acre	1,742	1,893
20-acre	n/a	2,444



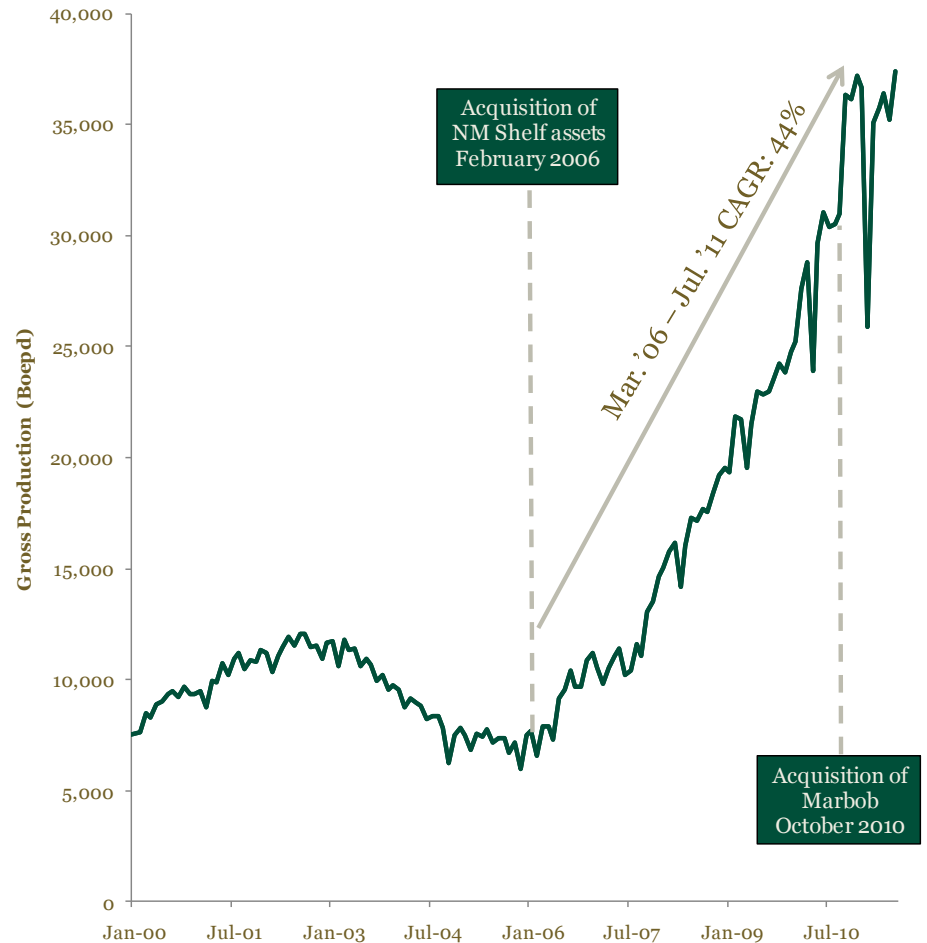
Concho Acreage Acquired 2011 YTD



- Currently operating 10 Yeso rigs, 1 Abo rig
- Concho has drilled over 1,000 wells in the Yeso
- Yeso well characteristics:
 - Drill and complete costs: \$1.6mm
 - EUR: 145 MBoe
 - 30-day IP rate: 110 - 140 Boepd
 - TVD: 5,000' - 7,000'
 - 7 - 10 days to drill
- Additional opportunities include horizontal targets and further consolidation



Concho New Mexico Shelf Production History¹



¹ Represents gross operated production. Concho did not record operated production until the acquisition in February 2006 (Source: PI/Dwights).

- Leading Permian producer with focused operations in three core plays – Yeso, Delaware Basin and Wolfberry
- Large, predominately oil and liquids-rich resource base
- Significant potential for reserve and production growth from over 8,700 drilling locations¹
- Compelling margins due to strong price realizations and low cost structure
- Balance sheet and liquidity positioned for future growth; history of capital discipline
- Proven management team with demonstrated track record of operational excellence, capital discipline and acquisition expertise

¹ As of 6/30/11. Excludes over 350 horizontal locations in the Delaware Basin acquired during 4Q11 and subject to close.



(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Net income	\$ 356,205	\$ 20,775	\$ 630,962	\$ 212,486
Exploration and abandonments	3,498	3,617	4,624	5,648
Depreciation, depletion and amortization	115,730	57,624	304,899	157,394
Accretion of discount on asset retirement obligations	751	349	2,170	1,006
Impairments of long-lived assets	-	1,922	76	5,667
Non-cash stock-based compensation	4,673	3,152	13,866	8,854
Bad debt expense	-	6	-	578
Unrealized (gain) loss on derivatives not designated as hedges	(387,010)	70,175	(374,797)	(67,460)
Loss on sale of assets, net	1,674	193	3,129	24
Interest expense	32,881	12,036	84,201	34,293
Income tax expense	221,199	7,392	334,000	118,375
Discontinued operations	-	7,030	(83,306)	22,729
EBITDAX	\$349,601	\$184,271	\$919,824	\$499,594

We define EBITDAX as net income, 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) bad debt expense (7) unrealized (gain) loss on derivatives not designated as hedges, (8) (gain) loss on sale of assets, net (9) interest expense, (10) federal and state income taxes and (11) similar items listed above that are presented in discontinued operations. EBITDAX is not a measure of net income or cash flow as determined by GAAP.

Our EBITDAX measure provides additional information which may be used to better understand our operations. EBITDAX is one of several metrics that we use as a supplemental financial measurement in the evaluation of our business and should not be considered as an alternative to, or more meaningful than, net income, as an indicator of our 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 assets, none of which are components of EBITDAX. EBITDAX as used by us may not be comparable to similarly titled measures reported by other companies. We believe that EBITDAX is a widely followed measure of operating performance and is one of many metrics used by our management team and by other users of our consolidated financial statements. For example, EBITDAX can be used to assess our 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 our assets and our company without regard to capital structure or historical cost basis.



Adjusted Net Income Reconciliation

The following provides information that the Company believes may be useful to investors who follow the practice of some industry analysts who adjust company earnings and cash flows from operating activities to match realizations to production settlement months and make other adjustments to exclude certain non-cash items.

The following table provides a reconciliation of net income (GAAP) to adjusted net income (non-GAAP).

(in thousands, except per share amounts)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Net income - as reported	\$ 356,205	\$ 20,775	\$ 630,962	\$ 212,486
Adjustments for certain non-cash items:				
Unrealized mark-to-market (gain) loss on commodity and interest rate derivatives	(387,010)	70,175	(374,797)	(67,460)
Impairments of long-lived assets	-	1,922	76	5,667
Leasehold abandonments	639	3,176	795	3,903
Discontinued operations:				
Impairments of long-lived assets	-	-	-	3,567
Gain on sale of assets	-	-	(141,950)	-
Tax impact ^(a)	147,980	(24,614)	197,065	20,100
Adjusted net income	<u>\$ 117,814</u>	<u>\$ 71,434</u>	<u>\$ 312,151</u>	<u>\$ 178,263</u>
Adjusted basic earnings per share:				
Adjusted net income per share	\$ 1.15	\$ 0.78	\$ 3.04	\$ 1.97
Weighted average shares used in adjusted basic earnings per share	102,733	91,182	102,517	90,361
Adjusted diluted earnings per share:				
Adjusted net income per share	\$ 1.14	\$ 0.77	\$ 3.01	\$ 1.95
Weighted average shares used in adjusted diluted earnings per share	103,696	92,440	103,613	91,631

^(a) The tax impact is computed utilizing the Company's statutory effective federal and state income tax rates. The income tax rates for the three months ended September 30, 2011 and 2010, were 38.3% and 32.7%, respectively, and 38.2% and 37.0% for the nine months ended September 30, 2011 and 2010, respectively.



Cash Margin Reconciliation

The following table provides a reconciliation of income before income taxes (GAAP) to unhedged cash margin (non-GAAP).

	Nine Months Ended September 30, 2011	
	(in thousands)	(per BOE)
Income before income taxes	\$ 1,021,491	\$ 59.69
Exploration and abandonments	4,624	0.27
Depreciation, depletion and amortization	307,006	17.94
Accretion of discount on asset retirement obligations	2,178	0.13
Impairments of long-lived assets	76	0.00
Non-cash stock-based compensation	13,866	0.81
Gain on derivatives not designated as hedges.....	(296,962)	(17.35)
Non-cash interest expense	508	0.03
Other (income) expense, net	(137,360)	(8.02)
Unhedged Cash Margin	<u>\$ 915,427</u>	<u>\$ 53.50</u>
Production		17,112 MBoe

Unhedged cash margin per BOE (as defined above) is presented herein, and reconciled to the GAAP measure of income from operations. Management believes this presentation may be helpful to investors as it represents the cash generated by our oil and natural gas assets that is available for reinvestment. Concho management uses this information to analyze operating trends for comparative purposes within the industry. This measure is not intended to replace GAAP statistics but rather to provide additional information that may be helpful in evaluating trends and performance.

	Fourth Quarter 2011	2012	2013	2014	2015
Oil Swaps:					
Volume (Bbl)	3,133,436	11,308,000	7,434,000	1,248,000	600,000
NYMEX price (Bbl) (a)	\$ 89.00	\$ 93.85	\$ 94.29	\$ 83.94	\$ 84.50
Natural Gas Swaps:					
Volume (MMBtu)	3,069,000	300,000	-	-	-
NYMEX price (MMBtu) (b)	\$ 6.62	\$ 6.54	-	-	-
Natural Gas Basis Swaps:					
Volume (MMBtu)	1,800,000	-	-	-	-
Price differential (\$/MMBtu) (c)	\$ 0.76	-	-	-	-

(a) The index prices for the oil contracts are based on the NYMEX-West Texas Intermediate monthly average futures price.

(b) The index prices for the natural gas contracts are based on the NYMEX-Henry Hub last trading day of the month futures price.

(c) The basis differential between the El Paso Permian delivery point and NYMEX-Henry Hub delivery point.

Production:

Oil equivalent (MMBoe)	27.0 - 28.0
Oil (MMBbls)	17.3 - 17.9
Natural gas (Bcf)	58.3 - 60.5

Price differentials to NYMEX:

(excluding the effects of hedging)

Oil (Bbl)	93% - 95%
Natural gas (Mcf)	140% - 160%

Operating costs and expenses:

Lease operating expense:

Direct lease operating expense (\$/Boe)	\$6.40 - \$6.80
Oil & natural gas taxes (% of oil and natural gas revenue)	8.25%

G&A expense:

Cash G&A expense (\$/Boe)	\$3.25 - \$3.50
Non-cash stock based compensation (\$/Boe)	\$0.80 - \$0.90

DD&A expense (\$/Boe)	\$18.00 - \$19.00
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Exploration, abandonments and G&G (\$/Boe)	\$0.50 - \$1.50
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Cash interest rates:

\$300 million senior notes due 2017	8.625%
\$600 million senior notes due 2021	7.000%
\$600 million senior notes due 2022	6.500%
Remainder of debt	LIBOR + (150 - 250 bps)

Income taxes:

Percent deferred of total taxes	38% 80% - 90%
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Capital expenditures (\$ in billions)

\$1.3