

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Quarterly Report Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934
For the quarterly period ended March 31, 2000

OR

Transition Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
For the transition period from _____ to _____

Commission File Number 1-3492

HALLIBURTON COMPANY

(a Delaware Corporation)
75-2677995

3600 Lincoln Plaza
500 N. Akard
Dallas, Texas 75201

Telephone Number - Area Code (214) 978-2600

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common stock, par value \$2.50 per share:
Outstanding at April 30, 2000 - 443,933,045

HALLIBURTON COMPANY

Index

	Page No.
PART I.	
FINANCIAL INFORMATION	
Item 1.	2
Financial Statements	
Quarterly Condensed Consolidated Financial Statements	
- Statements of Income for the three months ended March 31, 2000 and 1999	2
- Balance Sheets at March 31, 2000 and December 31, 1999	3
- Statements of Cash Flows for the three months ended March 31, 2000 and 1999	4
- Notes to Financial Statements	5-13
1. Management representations	5
2. Receivables	5
3. Business segment information	5
4. Acquisitions and dispositions	6
5. Discontinued operations	7
6. Inventories	8
7. Dresser financial information	8
8. Commitments and contingencies	9
9. Income per share	11
10. Comprehensive income	12
11. Special charges	12
Item 2.	13-19
Management's Discussion and Analysis of Financial Condition and Results of Operations	
Item 3.	19-20
Quantitative and Qualitative Disclosures about Market Risk	
PART II.	
OTHER INFORMATION	
Item 6.	21-23
Listing of Exhibits and Reports on Form 8-K	

- Exhibits:
- Halliburton Elective Deferral Plan
 - Halliburton Executive Performance Plan
 - Financial data schedules for the three months ended March 31, 2000 (included only in the copy of this report filed electronically with the Commission)
 - Restated financial data schedules for the three, six, nine, and twelve months ended December 31, 1999 (included only in the copy of this report filed electronically with the Commission)
 - Restated financial data schedules for the three, six, nine, and twelve months ended December 31, 1998 (included only in the copy of this report filed electronically with the Commission)
 - Restated financial data schedules for the twelve months ended December 31, 1997 (included only in the copy of this report filed electronically with the Commission)

PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

HALLIBURTON COMPANY
Condensed Consolidated Statements of Income
(Unaudited)
(Millions of dollars and shares except per share data)

	Three Months Ended March 31	
	2000	1999
<hr style="border-top: 1px dashed black;"/>		
Revenues:		
Services	\$ 2,476	\$ 2,872
Sales	363	365
Equity in earnings of unconsolidated affiliates	20	24
<hr style="border-top: 1px dashed black;"/>		
Total revenues	\$ 2,859	\$ 3,261
<hr style="border-top: 1px dashed black;"/>		
Operating costs and expenses:		
Cost of services	\$ 2,367	\$ 2,761
Cost of sales	328	330
General and administrative	83	72
<hr style="border-top: 1px dashed black;"/>		
Total operating costs and expenses	2,778	3,163
<hr style="border-top: 1px dashed black;"/>		
Operating income	81	98
Interest expense	(33)	(35)
Interest income	7	31
Foreign currency losses, net	(4)	(1)
Other, net	-	2
<hr style="border-top: 1px dashed black;"/>		
Income from continuing operations before taxes, minority interest, and change in accounting method	51	95
Provision for income taxes	(20)	(38)
Minority interest in net income of subsidiaries	(4)	(4)
<hr style="border-top: 1px dashed black;"/>		
Income from continuing operations before accounting change	27	53
<hr style="border-top: 1px dashed black;"/>		
Discontinued operations:		
Income from discontinued operations, net of tax of \$14 and \$21	22	28
Gain on disposal of discontinued operations, net of tax of \$141	215	-
<hr style="border-top: 1px dashed black;"/>		
Income from discontinued operations	237	28
<hr style="border-top: 1px dashed black;"/>		
Cumulative effect of change in accounting method, net of tax benefit of \$11	-	(19)
Net income	\$ 264	\$ 62
<hr style="border-top: 1px dashed black;"/>		
Basic income per share:		
Income from continuing operations before change in accounting method	\$ 0.06	\$ 0.12
Income from discontinued operations	0.05	0.06
Gain on disposal of discontinued operations	0.49	-
Change in accounting method	-	(0.04)
<hr style="border-top: 1px dashed black;"/>		
Net income	\$ 0.60	\$ 0.14
<hr style="border-top: 1px dashed black;"/>		
Diluted income per share:		
Income from continuing operations before change in accounting method	\$ 0.06	\$ 0.12
Income from discontinued operations	0.05	0.06
Gain on disposal of discontinued operations	0.48	-
Change in accounting method	-	(0.04)
<hr style="border-top: 1px dashed black;"/>		
Net income	\$ 0.59	\$ 0.14
<hr style="border-top: 1px dashed black;"/>		
Cash dividends per share	\$ 0.125	\$ 0.125
<hr style="border-top: 1px dashed black;"/>		
Basic average common shares outstanding	442	440
Diluted average common shares outstanding	444	442

See notes to quarterly financial statements.

HALLIBURTON COMPANY
Condensed Consolidated Balance Sheets
(Unaudited)
(Millions of dollars and shares except per share data)

	March 31	December 31
	2000	1999
Assets		
Current assets:		
Cash and equivalents	\$ 369	\$ 466
Receivables:		
Notes and accounts receivable, net	2,589	2,349
Unbilled work on uncompleted contracts	711	625
Total receivables		
	3,300	2,974
Inventories	762	723
Current deferred income taxes	159	171
Net current assets of discontinued operations	210	793
Other current assets	202	235
Total current assets		
	5,002	5,362
Property, plant and equipment after accumulated depreciation of \$3,165 and \$3,122	2,357	2,390
Equity in and advances to related companies	402	384
Net goodwill	638	505
Noncurrent deferred income taxes	374	398
Net noncurrent assets of discontinued operations	384	310
Other assets	323	290
Total assets		
	\$ 9,480	\$ 9,639
Liabilities and Shareholders' Equity		
Current liabilities:		
Short-term notes payable	\$ 230	\$ 939
Current maturities of long-term debt	309	308
Accounts payable	736	665
Accrued employee compensation and benefits	189	137
Advanced billings on uncompleted contracts	227	286
Income taxes payable	268	120
Accrued special charges	52	69
Other current liabilities	570	509
Total current liabilities		
	2,581	3,033
Long-term debt	1,056	1,056
Employee compensation and benefits	658	672
Other liabilities	582	547
Minority interest in consolidated subsidiaries	41	44
Total liabilities		
	4,918	5,352
Shareholders' equity:		
Common shares, par value \$2.50 per share - authorized 600 shares, issued 449 and 448 shares	1,124	1,120
Paid-in capital in excess of par value	133	68
Deferred compensation	(51)	(51)
Accumulated other comprehensive income	(206)	(204)
Retained earnings	3,662	3,453
Total shareholders' equity		
	4,662	4,386
Less 6 shares of treasury stock, at cost in both periods	100	99
Total shareholders' equity		
	4,562	4,287
Total liabilities and shareholders' equity		
	\$ 9,480	\$ 9,639

See notes to quarterly financial statements.

HALLIBURTON COMPANY
Condensed Consolidated Statements of Cash Flows
(Unaudited)
(Millions of dollars)

Three Months
Ended March 31

	2000	1999
<hr/>		
Cash flows from operating activities:		
Net income	\$ 264	\$ 62
Adjustments to reconcile net income to net cash from operations:		
Net income from discontinued operations	(237)	(28)
Depreciation, depletion and amortization	122	120
Provision for deferred income taxes	49	77
Change in accounting method, net	-	19
Distributions from (advances to) related companies, net of equity in (earnings) losses	43	10
Accrued special charges	(17)	(127)
Other non-cash items	5	17
Other changes, net of non-cash items:		
Receivables and unbilled work	(286)	240
Inventories	(24)	29
Accounts payable	(25)	57
Other working capital, net	91	(338)
Other, net	(88)	(27)
<hr/>		
Total cash flows from operating activities	(103)	111
<hr/>		
Cash flows from investing activities:		
Capital expenditures	(79)	(129)
Sales of property, plant and equipment	25	20
Dispositions (acquisitions) of businesses	(14)	38
Other investing activities	1	(2)
<hr/>		
Total cash flows from investing activities	(67)	(73)
<hr/>		
Cash flows from financing activities:		
Payments on long-term borrowings	-	(4)
Net borrowings (repayments) of short-term debt	(708)	190
Payments of dividends to shareholders	(55)	(55)
Proceeds from exercises of stock options	18	14
Payments to re-acquire common stock	(4)	(3)
Other financing activities	-	1
<hr/>		
Total cash flows from financing activities	(749)	143
<hr/>		
Effect of exchange rate changes on cash	(2)	(18)
Net cash flows from discontinued operations *	824	53
<hr/>		
Increase (decrease) in cash and equivalents	(97)	216
Cash and cash equivalents at beginning of period	466	203
<hr/>		
Cash and equivalents at end of period	\$ 369	\$ 419
<hr/>		
Supplemental disclosure of cash flow information:		
Cash payments (refunds) during the period for:		
Interest	\$ 23	\$ 25
Income taxes	\$ (18)	\$ 20
Non-cash investing and financing activities:		
Liabilities assumed in acquisitions of businesses	\$ 90	\$ -
Liabilities disposed of in dispositions of businesses	\$ 484	\$ -

* Net cash flows from discontinued operations includes proceeds from the sale of Dresser-Rand and Ingersoll-Dresser Pump of approximately \$914 million. See Note 5.

See notes to quarterly financial statements.

HALLIBURTON COMPANY
Notes to Quarterly Financial Statements
(Unaudited)

Note 1. Management Representations

We employ accounting policies that are in accordance with generally accepted accounting principles in the United States. In preparing financial statements in conformity with generally accepted accounting principles we must make estimates and assumptions that affect:

- the reported amounts of assets and liabilities,
- the disclosure of contingent assets and liabilities at the date of the financial statements, and
- the reported amounts of revenues and expenses during the reporting period.

Ultimate results could differ from those estimates.

The accompanying unaudited condensed consolidated financial statements were prepared using generally accepted accounting principles for interim financial information and the instructions to Form 10-Q and applicable rules of Regulation S-X. Accordingly, these financial statements do not include all information or footnotes required by generally accepted accounting principles for complete financial statements and should be read in conjunction with our 1999 Annual Report on Form 10-K. Prior year amounts have been reclassified to conform to the current year presentation.

In our opinion, the condensed consolidated financial statements present fairly our financial position as of March 31, 2000, and the results of our operations for the three months ended March 31, 2000 and 1999 and our cash flows for the three months then ended. The results of operations for the three months ended March 31, 2000 and 1999 may not be indicative of results for the full year.

Note 2. Receivables

Our receivables are generally not collateralized. With the exception of claims and change orders which are in the process of being negotiated with customers, unbilled work on uncompleted contracts generally represents work currently billable, and this work is usually billed during normal billing processes in the next month. These claims and change orders included in unbilled receivables amounted to \$98 million at March 31, 2000 and December 31, 1999. These amounts are generally expected to be collected within one year.

Note 3. Business Segment Information

With the announcement that we intend to sell Dresser Equipment Group, we now have two business segments. These segments are organized around the products and services provided to the customers they serve. See the table below for financial information on our business segments. The Dresser Equipment Group segment is presented as discontinued operations and discussed in Note 5.

The Energy Services Group segment provides pressure pumping equipment and services, logging and perforating, drilling systems and services, drilling fluids systems, drill bits, specialized completion and production equipment and services, well control, integrated solutions, and reservoir description. Also included in the Energy Services Group are upstream oil and gas engineering, construction and maintenance services, specialty pipe coating, insulation, underwater engineering services, integrated exploration and production information systems, and professional services to the petroleum industry. The Energy Services Group has three business units: Halliburton Energy Services, Brown & Root Energy Services and Landmark Graphics. The long-term performance for these business units is linked to the long-term demand for oil and gas. The products and services the group provides are designed to help discover, develop and produce oil and gas. The customers for this segment are major oil companies, national oil companies and independent oil and gas companies.

The Engineering and Construction Group segment provides engineering, procurement, construction, project management, and facilities operation and maintenance for hydrocarbon processing and other industrial and governmental customers. The Engineering and Construction Group has two business units: Kellogg Brown & Root and Brown & Root Services. Both business units are engaged in the delivery of engineering and construction services.

Our equity in pretax income or losses of related companies is included in revenues and operating income of the applicable segment. Intersegment revenues included in the revenues of the other business segments are immaterial.

The table below presents revenues and operating income by segment.

Millions of dollars	Three Months Ended March 31	
	2000	1999
Revenues:		
Energy Services Group	\$ 1,723	\$ 1,753
Engineering and Construction Group	1,136	1,508
Total	\$ 2,859	\$ 3,261
Operating income:		
Energy Services Group	\$ 62	\$ 57
Engineering and Construction Group	36	58
General corporate	(17)	(17)
Total	\$ 81	\$ 98

Note 4. Acquisitions and Dispositions

PES acquisition. In February 2000, our offer to acquire the remaining 74% of the shares of PES (International) Ltd. that we did not already own was accepted by PES shareholders. PES is based in Aberdeen, Scotland, and has developed technology that complements Halliburton Energy Services' real-time reservoir solutions. To acquire the remaining 74% of PES, we issued 1.2 million shares of Halliburton common stock. As further consideration we also issued rights that will result in the issuance of between 850,000 to 2.1 million additional shares of Halliburton common stock over the next 12 to 36 months. We have preliminarily recorded, subject to the final valuation of intangible assets and other costs, \$115 million of goodwill which will be amortized over 20 years. PES is part of the Energy Services Group.

Joint venture divestitures. In October 1999, we announced the sales of our 49% interest in the Ingersoll-Dresser Pump joint venture and our 51% interest in the Dresser-Rand joint venture to Ingersoll-Rand. The sales were triggered by Ingersoll-Rand's exercise of its option under the joint venture agreements to cause us to either buy their interests or sell ours. Both joint ventures were part of the Dresser Equipment Group segment. In April 2000 we announced plans to sell the remaining businesses within the Dresser Equipment Group. See Note 5. Our Ingersoll-Dresser Pump interest was sold in December 1999 for approximately \$515 million. We recorded a gain on disposition of discontinued operations of \$253 million before tax, or \$159 million after-tax, for a net gain of \$0.36 per diluted share in 1999 for the sale of Ingersoll-Dresser Pump. Proceeds from the sale, after payment of our intercompany balance, were received in the form of a \$377 million promissory note with an annual interest rate of 3.5% due and collected on January 14, 2000. On February 2, 2000 we completed the sale of our 51% interest in Dresser-Rand for a price of approximately \$579 million. Proceeds from the sale, net of intercompany amounts payable to the joint venture, were \$536 million, resulting in a gain on disposition of discontinued operations of \$352 million before tax, or \$215 million after-tax, for a net gain of \$0.48 per diluted share in the first quarter of 2000. The proceeds from these sales were used to reduce short-term borrowings and for other general corporate purposes.

LWD divestiture. In March 1999, in connection with the Dresser merger, we sold the majority of our pre-merger worldwide logging-while-drilling business and a portion of the pre-merger measurement-while-drilling business. The sale was in accordance with a consent decree with the United States Department of Justice. The financial impact of the sale was reflected in the third quarter 1998 special charge. See Note 11. These businesses were previously part of the Energy Services Group. We continue to provide separate logging-while-drilling services through our Sperry-Sun Drilling Systems business line, which was acquired as part of the merger with Dresser and is now part of the Energy Services Group. In addition, we will continue to provide sonic logging-while-drilling services using technologies we had before the merger with Dresser.

Note 5. Discontinued Operations

On April 25, 2000 our Board of Directors approved plans to sell our Dresser Equipment Group segment. The Dresser Equipment Group in 1999 was comprised of six operating divisions and two joint ventures that manufacture and market equipment used primarily in the energy, petrochemical, power and transportation industries. In late 1999 we announced our intentions to sell, and have subsequently sold, our interests in the two joint ventures within this segment. These joint ventures represented nearly half of the group's revenues and operating profit in 1999. See Note 4. Dresser DMD and Roots Divisions were recently consolidated into one operating division. The remaining businesses comprising the Dresser Equipment Group, all of which were obtained in the 1998 merger with Dresser, include:

- Dresser Valve Division - manufactures valves, actuators and chemical injection pumps;
- Dresser DMD-Roots Division - manufactures rotary blowers for industrial applications as well as rotary gas meters for natural gas distribution;
- Dresser Instrument Division - manufactures pressure gauges, thermometers, transducers, transmitters, pressure and temperature switches, calibration equipment, recorders, and other instruments for applications in the process, petrochemical, power generation, pulp and paper, water resources, and general industry;
- Dresser Wayne Division - manufactures retail automation and fuel dispensing systems; and
- Dresser Waukesha Division - manufactures natural gas engines and engine generator sets.

The sale of our interests in the segment's joint ventures prompted a strategic review of the remaining businesses within the Dresser Equipment Group segment. As a result of this review, we have determined that these businesses do not closely fit with our core businesses, long-term goals and strategic objectives. We expect the sales of these businesses to be completed during the fourth quarter of 2000 and the first quarter of 2001.

The financial results of the Dresser Equipment Group segment are presented as discontinued operations in our financial statements. Prior periods are restated to reflect this presentation.

Millions of dollars	Three Months Ended March 31	
	2000	1999
Revenues	\$ 337	\$ 663
Operating income	\$ 36	\$ 54
Other income and expense	-	(1)
Taxes	(14)	(21)
Minority interest	-	(4)
Net income	\$ 22	\$ 28

Gain on disposal of discontinued operations in the first quarter of 2000 reflects the gain on the sale of Dresser-Rand in February 2000.

Millions of dollars	Three Months Ended March 31 2000	
Proceeds from sale, less intercompany settlement	\$	536
Net assets disposed		(180)
Gain before taxes		356
Income taxes		(141)
Gain on disposal of discontinued operations	\$	215

Net assets of discontinued operations are comprised of the following items:

Millions of dollars	March 31	December 31
	2000	1999
Receivables	\$ 263	\$ 904
Inventories	239	515
Other current assets	18	34
Accounts payable	(152)	(267)
Other current liabilities	(158)	(393)
Net current assets of discontinued operations	\$ 210	\$ 793
Net property, plant and equipment	\$ 218	\$ 401
Net goodwill	255	263
Other assets	52	74
Employee compensation and benefits	(114)	(313)
Other liabilities	(27)	(5)
Minority interest in consolidated subsidiaries	-	(110)
Net noncurrent assets of discontinued operations	\$ 384	\$ 310

The decrease in revenues, net income, assets, and liabilities primarily relate to the sales of Dresser-Rand and Ingersoll-Dresser Pump joint ventures. See Note 4.

Note 6. Inventories

The cost of most United States manufacturing and field service inventories is determined using the last-in, first-out (LIFO) method. Inventories on the last-in, first-out method were \$64 million at March 31, 2000 and \$66 million at December 31, 1999. If the average cost method had been used for these inventories, total inventories would have been about \$35 million higher than reported at both March 31, 2000 and December 31, 1999.

Millions of dollars	March 31	December 31
	2000	1999
Finished products and parts	\$ 592	\$ 619
Raw materials and supplies	118	79
Work in process	52	25
Total	\$ 762	\$ 723

Note 7. Dresser Financial Information

Since becoming a wholly-owned subsidiary, Dresser Industries, Inc. has ceased filing periodic reports with the Securities and Exchange Commission. Dresser's 8% guaranteed senior notes, which were initially issued by Baroid Corporation, remain outstanding and are fully and unconditionally guaranteed by Halliburton. As long as these notes remain outstanding, summarized financial information of Dresser will be presented in our periodic reports filed on Form 10-K and Form 10-Q. We have not presented separate financial statements and other disclosures concerning Dresser because we determined that the information is not material to the holders of these notes.

In January 1999, as part of a legal reorganization associated with the merger, Halliburton Delaware, Inc., a first tier holding company subsidiary, was merged into Dresser. The majority of our operating assets and activities are now included within Dresser and its subsidiaries.

Dresser Industries, Inc. Financial Position Millions of dollars	March 31 2000	December 31 1999
Current assets	\$ 4,748	\$ 5,011
Noncurrent assets	5,908	5,106
Total	\$ 10,656	\$ 10,117
Current liabilities	\$ 2,369	\$ 2,133
Noncurrent liabilities	1,606	1,633
Minority interest	42	45
Shareholders' equity	6,639	6,306
Total	\$ 10,656	\$ 10,117

Dresser Industries, Inc. Operating Results Millions of dollars	Three Months Ended March 31	
	2000	1999
Revenues	\$ 2,859	\$ 3,261
Operating income	\$ 90	\$ 103
Income from continuing operations before taxes, minority interest, and change in accounting method	\$ 59	\$ 82
Income taxes	(23)	(34)
Minority interest	(4)	(4)
Discontinued operations, net	237	28
Change in accounting method, net	-	(19)
Net income	\$ 269	\$ 53

Note 8. Commitments and Contingencies

Asbestosis litigation. Since 1976, our subsidiary, Dresser Industries, Inc. and its former divisions or subsidiaries have been involved in litigation resulting from allegations that third parties sustained injuries and damage from the inhalation of asbestos fibers contained in some products manufactured by Dresser, its former divisions or subsidiaries or by companies acquired by Dresser.

Dresser has entered into agreements with insurance carriers which cover, in whole or in part, indemnity payments, legal fees and expenses for specific categories of claims. Dresser is in negotiation with insurance carriers for coverage for the remaining categories of claims. Because these agreements are governed by exposure dates, payment type and the product involved, the covered amount varies by individual claim. In addition, lawsuits are pending against several carriers seeking to recover additional amounts related to these claims.

Our Engineering and Construction Group is also involved in litigation resulting from allegations that third parties sustained injuries and damage from the inhalation of asbestos fibers contained in some of the materials which in the past were used in various construction and renovation projects where it is alleged that our Brown & Root subsidiary, now named Kellogg Brown & Root, Inc., was involved. The insurance coverage for Kellogg Brown & Root for the periods in issue was written by Highlands Insurance Company. Highlands was a subsidiary of Halliburton prior to its spin-off to our shareholders in early 1996. Our negotiations with Highlands concerning insurance coverage have failed to produce an agreement on the amount of coverage for asbestos and defense costs. On April 5, 2000, Highlands filed suit in Delaware Chancery Court alleging that, as part of the spin-off in 1996, Halliburton assumed liability for all claims filed against Halliburton after the spin-off. Highlands also alleges that, Halliburton did not adequately disclose to Highlands the existence of Halliburton's subsidiaries' potential asbestos liability. We believe that Highland's Delaware lawsuit is without merit and that Highlands is contractually obligated to provide to us insurance coverage for the asbestos claims filed against Kellogg Brown & Root. We intend to assert our right to the insurance coverage vigorously. On April 24, 2000, Halliburton filed suit against Highlands in Harris County, Texas, alleging that Highlands has breached its contractual obligation to provide insurance coverage. We have asked the Harris County Court to order that Highlands is obligated to provide coverage for asbestos claims pursuant to guaranteed cost policies issued by Highlands to our Kellogg Brown & Root subsidiary prior to the spin-off.

Since 1976, approximately 252,550 claims have been filed against various current and former divisions and subsidiaries. Most of these claims relate to Dresser and its former divisions or subsidiaries. Approximately 146,000 of these claims have been settled or disposed of at gross cost of approximately \$105 million with insurance carriers responsible for all but approximately \$26 million. Claims continue to be filed, with about 15,250 new claims filed in the first quarter of 2000. We have established a reserve estimating our liability for known asbestos claims. Our estimate is based on our historical litigation experience, settlements and expected recoveries from insurance carriers. Our expected insurance recoveries are based on agreements with carriers or, where agreements are still under negotiation or litigation, our estimate of recoveries. We believe that the insurance carriers will be able to meet their share of future obligations under the agreements. At March 31, 2000, there were about 106,550 open claims, including 9,000 for which settlements are pending. This number of claims compares with 107,650 open claims at the end of 1999. The accrued liabilities for these claims and corresponding receivables from carriers were as follows:

Millions of dollars	March 31	December 31
	2000	1999
Accrued liability	\$ 88	\$ 80
Receivables from insurance companies	63	55
Net asbestos liability	\$ 25	\$ 25

We recognize the uncertainties of litigation and the possibility that a series of adverse court rulings or new legislation affecting the claims settlement process could materially impact the expected resolution of asbestos related claims. However, based upon:

- our historical experience with similar claims;
- the time elapsed since Dresser and its former divisions or subsidiaries discontinued sale of products containing asbestos;
- the time elapsed since Kellogg Brown & Root used asbestos in any construction process; and
- our understanding of the facts and circumstances that gave rise to asbestos claims,

we believe that the pending asbestos claims will be resolved without material effect on our financial position or results of operations.

Dispute with Global Industrial Technologies, Inc. Under an agreement entered into at the time of the spin-off of Global Industrial Technologies, Inc., formerly INDRESCO, Inc., from Dresser Industries, Inc., Global assumed liability for all asbestos related claims filed against Dresser after July 31, 1992 relating to refractory products manufactured or marketed by the former Harbison-Walker Refractories division of Dresser. Those business operations were transferred to Global in the spin-off. These asbestos claims are subject to agreements with Dresser insurance carriers that cover expense and indemnity payments. However, the insurance coverage is incomplete and Global has to date paid the uncovered portion of those asbestos claims with its own funds.

Global now disputes that it assumed liability for any of these asbestos claims which were based upon Dresser's negligence, the acts of Harbison-Walker prior to its merger with Dresser in 1967, or punitive damages.

In order to resolve this dispute, Global invoked the dispute resolution provisions of the 1992 agreement, which require binding arbitration. Global has not claimed a specific amount of damages. We expect that Global's claim for reimbursement will be in excess of \$40 million. In addition, Global is seeking relief from responsibility for pending claims based upon Dresser's negligence, the pre-1967 acts of Harbison-Walker, punitive damages, and for all similar future claims. On February 25, 2000, the arbitrator ruled that Global did assume responsibility for claims based on Dresser's negligence and for punitive damages. The arbitrator did not decide whether Global also assumed responsibility for the pre-1967 acts of Harbison-Walker, but reserved his decision pending further proceedings, although no timetable was set for those proceedings.

In 1999 Dresser brought suit against Global to enjoin it from suing Dresser's insurance carrier, Continental Insurance Company, for specific asbestos claims. Although a Texas court in Dallas entered a temporary injunction, a Texas appellate court reversed that decision and the matter remains pending before the trial court. Since then, in late 1999, Global sued Continental in federal court in Pennsylvania seeking coverage under Dresser insurance policies for claims we believe are covered by the pending arbitration. Dresser was not named in the lawsuit, and Continental has responded to Global by moving to dismiss that lawsuit because Dresser was not included. We believe that the issues involving Continental should be resolved in the pending arbitration. We believe that all of Global's claims and assertions are without merit and we intend to vigorously defend against them.

Environmental. We are subject to numerous environmental legal and regulatory requirements related to our operations worldwide. As a result of those obligations, we are involved in specific environmental litigation and claims, the clean-up of properties we own or have operated, and efforts to meet or correct compliance-related matters.

Some of our subsidiaries and former operating entities are involved as a potentially responsible party or PRP in remedial activities to clean-up several "Superfund" sites under federal law and comparable state laws. Kellogg Brown & Root, Inc., one of our subsidiaries, is one of nine PRPs named at the Tri-State Mining District "Superfund" Site, which is also known as the Jasper County "Superfund" Site. The site contains lead and zinc mine tailings produced from mining activities that occurred from the 1800s through the mid-1950s in the southwestern portion of Missouri. The PRPs have agreed to perform a Remedial Investigation/Feasibility study at this site. Kellogg Brown & Root's share of the cost of this study is not expected to be material. In addition to the "Superfund" issues, the State of Missouri has indicated that it may pursue natural resource damage claims against the PRPs. At present, Kellogg Brown & Root cannot determine the extent of its liability, if any, for remediation costs or natural resource damages.

We take a proactive approach in evaluating and addressing the environmental impact of sites where we are operating or have maintained operations. As a result we incur costs each year assessing and remediating contaminated properties to avoid future liabilities, complying with legal and regulatory requirements, and responding to claims by third parties.

Finally, we incur costs related to compliance with ever-changing environmental legal and regulatory requirements in the jurisdictions where we operate. It is very difficult to quantify the potential liabilities. Except for our potential liability at the Jasper County "Superfund" site, we do not expect these expenditures to have a material adverse effect on our consolidated financial position or our results of operations.

Our accrued liabilities for environmental matters were \$32 million as of March 31, 2000 and \$30 million as of December 31, 1999.

Other. We are a party to various other legal proceedings. However, we believe any liabilities which may arise from these proceedings will not be material to our consolidated financial position and results of operations.

Note 9. Income Per Share

Basic income per share amounts are based on the weighted average number of common shares outstanding during the period. Diluted income per share includes additional common shares that would have been outstanding if potential common shares with a dilutive effect had been issued. Excluded from the computation of diluted income per share are options to purchase 7 million shares in 2000 and 4 million shares in 1999 which were outstanding during the three months ended March 31, 2000 and March 31, 1999, respectively. These options were excluded because the option exercise price was greater than the average market price of the common shares. Also excluded from the computation are rights we issued in connection with the PES acquisition for between 850,000 to 1.2 million shares of Halliburton common stock. These rights will result in additional shares of common stock to be issued over the next 12 to 36 months. See Note 4.

Millions of dollars and shares except per share data	Three Months Ended March 31	
	2000	1999
Income from continuing operations before change in accounting method	\$ 27	\$ 53
Basic weighted average shares	442	440
Effect of common stock equivalents	2	2
Diluted weighted average shares	444	442
Income per common share from continuing operations before change in accounting method:		
Basic	\$ 0.06	\$ 0.12
Diluted	\$ 0.06	\$ 0.12

In addition, fully diluted income per share from discontinued operations was \$0.05 for the first three months ended March 31, 2000.

Note 10. Comprehensive Income

The cumulative translation adjustment of some of our foreign entities and minimum pension liability adjustments are the only components of other comprehensive income adjustments to net income.

Millions of dollars	Three Months Ended March 31	
	2000	1999
Net income	\$ 264	\$ 62
Cumulative translation adjustment, net of tax	(21)	(24)
Current quarter adjustment to minimum pension liability	-	(7)
Total comprehensive income	\$ 243	\$ 31

Accumulated other comprehensive income at March 31, 2000 and December 31, 1999 consisted of the following:

Millions of dollars	March 31	December 31
	2000	1999
Cumulative translation adjustment	\$ (194)	\$ (185)
Minimum pension liability	(12)	(19)
Total accumulated other comprehensive income	\$ (206)	\$ (204)

Note 11. Special Charges

During the third and fourth quarters of 1998, we incurred special charges totaling \$980 million to provide for costs associated with the merger with Dresser and with the industry downturn resulting from declining oil and gas prices. During the second quarter of 1999, we reversed \$47 million of the 1998 charges based on the most recent assessment of total costs to be incurred to complete the actions covered in our special charges. These charges were reflected in the following captions of the condensed consolidated statements of income (special charges related to Dresser Equipment Group are presented in the captions for discontinued operations):

Millions of dollars	Twelve Months Ended December 31	
	1998	
Cost of services	\$ 68	
Cost of sales	16	
Special charges and credits	875	
Discontinued operations	21	
Total	\$ 980	

The table below includes the components of the pretax special charges and the amounts utilized and adjusted through March 31, 2000.

Millions of dollars	Asset Related Charges	Personnel Charges	Facility Consolidation Charges	Merger Transaction Charges	Other Charges	Total
1998 Charges to Expense by Business Segment:						
Energy Services Group	\$ 453	\$ 157	\$ 93	\$ -	\$ 18	\$ 721
Engineering & Construction Group	8	19	8	-	5	40
Discontinued operations	18	1	2	-	-	21
General corporate	30	58	23	64	23	198
Total	509	235	126	64	46	980
Utilized and adjusted	(509)	(226)	(93)	(64)	(19)	(911)
Balance December 31, 1999	-	9	33	-	27	69
Utilized in 2000	-	(8)	(7)	-	(2)	(17)
Balance March 31, 2000	\$ -	\$ 1	\$ 26	\$ -	\$ 25	\$ 52

Personnel charges include severance and related costs incurred for announced employee reductions of 10,850 affecting all business segments, corporate and shared service functions. Personnel charges also include personnel costs related to change of control. In June 1999, management revised the planned employee reductions to 10,100 due in large part to higher than anticipated voluntary employee resignations. As of March 31, 2000, terminations of employees, consultants and contract personnel related to the 1998 special charge have been substantially completed. The remaining severance payments will occur as affected projects are completed and facilities are closed.

Through March 31, 2000, we have vacated 94%, and sold or returned to the owner 78%, of the service and administrative facilities related to the 1998 special charge. The majority of the sold, returned or vacated properties are located in North America and have been eliminated from the Energy Services Group. The remaining expenditures will be made as the remaining properties are vacated and sold.

Other charges include the estimated contract exit costs associated with the elimination of duplicate agents and suppliers in various countries throughout the world. Through March 31, 2000, we have utilized \$21 million other special charge costs. The balance will be utilized during 2000, in connection with our renegotiations of agency agreements, supplier and other duplicate contracts.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

In this section, we discuss the operating results and general financial condition of Halliburton Company and its subsidiaries. We explain:

- what factors impact our business;
- why our earnings and expenses for the first quarter of 2000 differ from the first quarter of 1999;
- what our capital expenditures were;
- what factors impacted our cash flows; and
- other items that materially affect our financial condition or earnings.

FORWARD-LOOKING INFORMATION

The Private Securities Litigation Reform Act of 1995 provides safe harbor provisions for forward-looking statements. Forward-looking statements involve risks and uncertainties that may impact our actual results of operations. Statements in this Form 10-Q and elsewhere, which are forward-looking and which provide other than historical information, involve those risks and uncertainties. Our forward-looking information reflects our best judgement based on current information. From time to time we may also provide oral or written forward-looking statements in other materials we release to the public. We draw your attention that actual future results and/or events may differ from any or all of our forward-looking statements in this report and in any other materials we release to the public. Our forward-looking statements involve a number of risks and uncertainties. In addition, our forward-looking statements can be affected by inaccurate assumptions we might make or by known or unknown risks and uncertainties. There can be no assurance that other factors will not affect the accuracy of our forward-looking information. As a result, no forward-looking statement can be guaranteed. Actual results may vary materially.

While it is not possible to identify all factors, we continue to face many risks and uncertainties that could cause actual results to differ from our forward-looking statements including:

Geopolitical and legal.

- trade restrictions and economic embargoes imposed by the United States and other countries;
- unsettled political conditions, war, civil unrest, currency controls and governmental actions in the numerous countries in which we operate;
- operations in countries with significant amounts of political risk, for example, Nigeria, Angola, Russia, Libya, and Algeria;
- changes in foreign exchange rates;
- changes in governmental regulations in the numerous countries in which we operate including, for example, regulations that:
 - encourage or mandate the hiring of local contractors; and
 - require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction;
- litigation, including, for example, asbestosis litigation and environmental litigation; and
- environmental laws, including those that require emission performance standards for new and existing facilities;

Weather related.

- the effects of severe weather conditions, including hurricanes and tornadoes, on operations and facilities;
- the impact of prolonged mild weather conditions on the demand for and price of oil and natural gas;

Customers and vendors.

- the magnitude of governmental spending for military and logistical support of the type that we provide;
- changes in capital spending by customers in the oil and gas industry for exploration, development, production, processing, refining, and pipeline delivery networks;
- changes in capital spending by governments for infrastructure projects of the sort that we perform;
- changes in capital spending by customers in the wood pulp and paper industries for plants and equipment;
- consolidation of customers in the oil and gas industry;
- claim negotiations with engineering and construction customers on cost variances and change orders on major projects;
- computer software, hardware and other equipment utilizing computer technology used by governmental entities, service providers, vendors, customers and Halliburton Company may not be compatible;

Industry.

- technological and structural changes in the industries that we serve;
- changes in the price of oil and natural gas, including;
 - OPEC's ability to set and maintain production levels and prices for oil;
 - the level of oil production by non-OPEC countries;
 - the policies of governments regarding exploration for and production and development of their oil and natural gas reserves; and
 - the level of demand for oil and natural gas;
- changes in the price of commodity chemicals that we use;
- risks that result from entering into fixed fee engineering, procurement and construction projects of the types that we provide where failure to meet schedules, cost estimates or performance targets could result in non-reimbursable costs which cause the project not to meet our expected profit margins;
- the risk inherent in the use of derivative instruments of the sort that we use which could cause a change in value of the derivative instruments as a result of:
 - adverse movements in foreign exchange rates, interest rates, or commodity prices, or
 - the value and time period of the derivative being different than the exposures or cash flows being hedged;

Personnel and mergers/dispositions.

- increased competition in the hiring and retention of employees in specific areas, for example, energy services operations, accounting and treasury;
- disposition of the assets of discontinued operations;
- replacing discontinued lines of businesses with acquisitions that add value and complement our core businesses;
- integration of acquired businesses, including Dresser Industries, Inc. and its subsidiaries, into Halliburton, including;
 - standardizing information systems or integrating data from multiple systems;
 - maintaining uniform standards, controls, procedures and policies; and
 - combining operations and personnel of acquired businesses with ours.

In addition, future trends for pricing, margins, revenues and profitability remain difficult to predict in the industries we serve. We do not assume any responsibility to publicly update any of our forward-looking statements regardless of whether factors change as a result of new information, future events or for any other reason. We do advise you to review any additional disclosures we make in our 10-Q, 8-K and 10-K reports to the Securities and Exchange Commission. We also suggest that you listen to our quarterly earnings release conference calls with financial analysts. You may find information on how to access those calls at our web site www.halliburton.com.

BUSINESS ENVIRONMENT

With the announcement that we intend to sell the Dresser Equipment Group, our business is organized around two business segments:

- Energy Services Group and
- Engineering and Construction Group.

The majority of our revenues are derived from the sale of services and products, including construction activities, to the oil and gas industry. We conduct business in over 120 countries to provide a variety of services, equipment, maintenance, and engineering and construction to energy, industrial and governmental customers. We offer a comprehensive range of integrated and discrete services and products as well as project management for oil and natural gas activities throughout the world. These services and products are used in the earliest phases of exploration and development of oil and gas reserves and continue through the refining, processing and distribution process. The industries we serve are highly competitive and we have many substantial competitors. Unsettled political conditions, expropriation or other governmental actions, exchange controls and currency devaluations may result in increased business risk in some countries in which we operate. Those countries include, among others, Nigeria, Angola, Russia, Libya, and Algeria. However, we believe the geographic diversification of our business activities helps to reduce the risk that loss of business in any one country would be material to our consolidated results of operations.

Energy Services Group.

During the first quarter of 2000, our oilfield services and products business experienced continued increases in activity that began during the latter half of 1999 within selected geographic areas, primarily North America, and selected product service lines. The increased activity reflects the increases in oil and gas rig counts which began increasing after oil and gas prices began to rise in the last half of 1999. Activity picked up primarily in the United States where we traditionally see recovery first.

International rig counts have been slow to recover as our customers continued to take a wait-and-see approach to expanding capital spending and developing their year 2000 budgets. Accordingly, our international results during the latter half of 1999 and into the first quarter of 2000 continued to lag the recovery noted in North America. Many international projects are large, complex field developments with long lead times, particularly deepwater projects in areas like West Africa and Latin America. Our customers have been reluctant to start new projects of this type until they have confidence of sustained oil prices that will provide the returns required to justify investments in these projects. We are encouraged that oil prices have remained at levels that we believe will allow our customers to begin many of these large, capital-intensive projects that have been delayed during the past year. Large, capital-intensive projects provide opportunities for integrated products and services by the business units within our Energy Services Group segment and can contribute to an upturn in our international business. While we expect activity levels in the United States to continue to improve during the year, we do not expect to see any significant increase in international activity until the second half of the year. We also do not anticipate many large field development projects to be approved and awarded by our customers until the latter half of the year.

Merger activity amongst our customers has resulted in their postponing major projects and purchases of integrated exploration and production information systems.

Engineering and Construction Group.

Most of the factors that adversely affected the Energy Services Group during 1999 and into 2000 also affected the Engineering and Construction Group. Just as we have seen reluctance by our customers to start large, capital-intensive projects within the Energy Services Group, we have seen similar delays in large downstream engineering and construction projects by our oil and gas industry customers within our Engineering and Construction Group. Customers of the group are more reluctant to start large capital projects, including refineries and petrochemical plants, during periods of uncertain oil prices. In addition, many customers continue to rationalize their requirements following mergers within the industry. However, since the group's large projects for customers tend to have long completion periods and complex financing arrangements, customers seldom stop projects in progress in response to sudden shifts of oil prices. The comparative declines in the group's revenues reflect the delays in the timing of new projects while we continue to work on projects already in backlog. As in the Energy Services Group, we do not anticipate many major projects to be approved and awarded by our customers until the latter half of the year.

We continue to believe that continued economic improvement in Asia Pacific and continued strengthening of the general global economy will provide long-term growth opportunities for the Engineering and Construction Group. The group also sees improving opportunities to provide support services to the United States military, to other United States agencies, and to government

agencies of other countries, including the United Kingdom. The demand for these services is expected to grow as governments at all levels seek to control costs and improve services by outsourcing various functions.

Discontinued Operations.

Our financial statements now reflect Dresser Equipment Group as discontinued operations and we have restated prior periods for this presentation. See Note 5.

Dresser Equipment Group's business is primarily affected by the demand from customers in the energy, power, chemical, and transportation industries for its products and services. Sales and earnings are also affected by changes in competitive prices and overall general economic conditions, fluctuations in capital spending by our customers, and the stability of oil and gas prices that ultimately produce cash flow for our customers. Declines in capital spending and mergers and consolidations by our customers all contributed to a decline in revenues for the group as orders and projects were delayed during 1999 and into the first quarter of 2000. Because of the impact of these economic conditions, during 1999 the group took additional steps to reduce manufacturing and overhead costs in order to improve operating performance and remain a low cost provider. The benefits of these cost reduction efforts began to materialize during the fourth quarter of 1999 and into the first quarter of 2000, as the group was able to improve operating margins on lower revenues, particularly within the Valve division.

Although its business environment is highly competitive, strong demand exists for Dresser Equipment Group's products and services. An increase in demand in 2000 will depend on many of the same factors affecting our other businesses. While we believe Dresser Equipment Group's businesses have significant potential to strategic buyers, the businesses do not fit with our current strategic objectives. We intend to invest the proceeds from the sales of these businesses in our core energy services and construction businesses where we feel we can have the greatest effect on our returns and in repurchases of our common stock.

Halliburton Company.

While the results of operations have been negatively impacted by the lower activity levels in the oil and gas industry, we believe the long-term fundamentals of the oil and gas industry remain sound. Steadily rising population and greater industrialization efforts should continue to propel worldwide economic expansion, especially in developing nations. These factors should cause increasing demand for oil and gas to produce refined products, petrochemicals, fertilizers and power.

RESULTS OF OPERATIONS IN 2000 COMPARED TO 1999

First Quarter of 2000 Compared with the First Quarter of 1999

REVENUES Millions of dollars	First Quarter		Increase (decrease)
	2000	1999	
Energy Services Group	\$ 1,723	\$ 1,753	\$ (30)
Engineering and Construction Group	1,136	1,508	(372)
Total revenues	\$ 2,859	\$ 3,261	\$ (402)

Consolidated revenues in the first quarter of 2000 of \$2.9 billion decreased 12% compared to the first quarter of 1999. International revenues were 66% of total revenues for the first quarter of 2000 and 71% in the first quarter of 1999.

Energy Services Group revenues decreased 2% compared to the first quarter of 1999. International revenues were 68% of total revenues in the first quarter of 2000 compared to 72% in the same quarter of the prior year. These percentages reflect the segment's reliance on the recovery in international rig counts and activity to complement the increased activity experienced in the United States and North America during the first quarter of 2000. Pressure pumping and logging services revenue increased due to higher rig counts and increased remedial activities in the United States. Increased revenues from North America were offset by declines in all other international regions, negatively impacting revenues for all other oilfield services product lines. Lower levels of international activity, primarily offshore activities in the North Sea, led to reduced revenues in our upstream oil and gas engineering and construction business. Increased revenues from projects in Latin America, particularly Mexico, where work progress on several large engineering, procurement and construction projects helped minimize the reductions in other geographic areas. Revenues from integrated exploration and production information systems increased 10% compared to the prior year first quarter primarily due to higher software sales.

Engineering and Construction Group revenues were 25% lower in the first quarter of 2000 compared to the first quarter of 1999. The decrease in revenues was primarily due to the timing of projects. About 63% of the group's revenues were from international activities compared to 70% in the prior year quarter. Lower activity levels and delayed timing of major gas and liquefied natural gas projects were partially offset by higher activities for the logistics support services to military peacekeeping efforts in the Balkans which peaked in the fourth quarter of 1999 as the main construction and procurement phases of the contract were completed. This project moved into a support and maintenance phase during the first quarter of 2000.

OPERATING INCOME Millions of dollars	First Quarter		Increase (decrease)
	2000	1999	
Energy Services Group	\$ 62	\$ 57	\$ 5
Engineering and Construction Group	36	58	(22)
General corporate	(17)	(17)	-
Total operating income	\$ 81	\$ 98	\$ (17)

Consolidated operating income of \$81 million was 17% lower in the first quarter of 2000 compared to the first quarter of 1999.

Energy Services Group operating income for the first quarter of 2000 increased 9% over the first quarter of 1999. Strong North American profit growth resulted from increased activity and firming of prices in the United States for pressure pumping. Logging services and drilling fluids also had improved income. Operating income also benefited from the combination of higher activity levels and lower cost structure as a result of our various restructuring efforts since September 1998. Operating income from upstream oil and gas engineering and construction projects for the quarter was unchanged compared to the prior year quarter. Income on several large projects in Latin America and Algeria partially offset lower offshore operations' operating income which reflected lower activity levels, particularly in Europe and Asia Pacific. Low utilization of vessels and manufacturing capacity also negatively impacted results from upstream oil and gas engineering and construction work. Operating income from integrated exploration and production information systems was \$3 million compared to breakeven in the prior year quarter due to higher software sales.

Engineering and Construction Group operating income for the first quarter of 2000 was 38% lower than the first quarter of 1999 in line with lower activity levels and delayed timing of major gas and liquefied natural gas projects. New project awards in the latter half of 1999 will primarily benefit operating income in the latter part of 2000. Operating income from the logistics support contract in the Balkans, which peaked in the fourth quarter of 1999, was higher in 2000 than in the first quarter of 1999 in line with increased activity.

General corporate expenses for the quarter was unchanged from the prior year first quarter.

NONOPERATING ITEMS

Interest expense of \$33 million for the first quarter of 2000 decreased \$2 million compared to the first quarter of 1999.

Interest income was \$7 million in the first quarter of 2000, a significant decrease from the prior year's interest income of \$31 million. The 1999 amounts included interest income from tax refunds and imputed interest on the note receivable from the sale of M-I L.L.C.

Foreign exchange losses, net were \$4 million in the current year quarter compared to \$1 million in the prior year first quarter.

Provision for income taxes of \$20 million resulted in an effective tax rate of 39.2%, down slightly from the first quarter of 1999 rate of 40.0%.

Income from continuing operations was \$27 million in the first quarter of 1999 compared to \$53 million in the prior year quarter.

Income from discontinued operations of \$22 million in 2000 and \$28 million in 1999 reflects the operations of Dresser Equipment Group. See Note 5. The 1999 results include Dresser-Rand which was sold in early February 2000 and our equity in earnings from Ingersoll-Dresser Pump which was sold in late December 1999. See Note 4. These joint ventures represented nearly half of the group's revenues and operating profit in 1999. As a result of a strategic review triggered by the dispositions of our joint venture interests in Dresser-Rand and Ingersoll-Dresser Pump, we decided to sell the remaining businesses comprising the Dresser Equipment Group. Excluding the results of Dresser-Rand and Ingersoll-Dresser Pump, revenues from discontinued operations were down 4% compared to the prior year first quarter while operating income increased 7%. The increase in operating income despite lower revenues reflects the benefits of restructuring activities in 1999, particularly within the Valve division.

Gain on disposal of discontinued operations of \$215 million after-tax or \$0.48 per diluted share in 2000 resulted from the sale of our 51% interest in Dresser-Rand to Ingersoll-Rand. See Note 5.

Cumulative effect of change in accounting method, net of \$19 million after-tax, or \$0.04 per diluted share, in 1999 reflects our adoption of Statement of Position 98-5, "Reporting on the Costs of Start-Up Activities." Estimated annual expense under Statement of Position 98-5 after recording the cumulative effect of the change is not expected to be materially different from amounts expensed under the prior accounting treatment.

Net income for the first quarter of 2000 was \$264 million or \$0.59 per diluted share. The prior year's net income was \$62 million or \$0.14 per diluted share.

LIQUIDITY AND CAPITAL RESOURCES

We ended the first quarter of 2000 with cash and equivalents of \$369 million, a decrease of \$97 million from the end of 1999.

Operating activities. Cash flows used for operating activities of continuing operations were \$103 million in the first three months of 2000 compared to providing \$111 million in the first three months of the prior year. Special charges for personnel reductions, facility closures and integration costs used \$17 million of cash in the first three months of 2000 and \$113 million of cash in the first three months of the prior year. Working capital items, which include receivables, inventories, accounts payable and other working capital, net, used \$244 million of cash in the first three months of 2000 compared to \$12 million in the same period of the prior year. Increased business activity levels required increased working capital in 2000 compared to 1999.

Investing activities. Cash flows used for investing activities of continuing operations were \$67 million in the first three months of 2000 and \$73 million in 1999. Capital expenditures in the first three months of 2000 were approximately \$50 million lower than in the same period of the prior year. Although reduced, we feel our level of capital spending is appropriate.

Financing activities. Cash flows used for financing activities of continuing operations were \$749 million in the first three months of 2000. In the same period of the prior year financing activities provided \$143 million. We used the proceeds from the sales of Dresser-Rand and Ingersoll-Dresser Pump for net repayments of \$708 million of our short-term notes. We paid dividends of \$55 million to our shareholders in the first three months of both 2000 and 1999.

Discontinued operations. Net cash flows from discontinued operations provided \$824 million in the first three months of 2000 and \$53 million in the first three months of 1999. Amounts for the first three months of 2000 include proceeds from the sales of Dresser-Rand and Ingersoll-Dresser Pump of approximately \$914 million.

Capital resources. We believe we have sufficient resources from internally generated funds and access to capital markets to fund our working capital requirements and investing activities. Our combined short-term notes payable and long-term debt was 26% of total capitalization at March 31, 2000 compared to 35% at December 31, 1999.

SUBSEQUENT EVENT

On April 25, 2000 our Board of Directors approved plans to sell our Dresser Equipment Group segment and implement a share repurchase program for up to 44 million shares, or about 10% of our outstanding common stock.

The sale of Dresser Equipment Group's remaining businesses are not expected to close until the fourth quarter of 2000 or first quarter of 2001. Proceeds from the planned sales of these businesses will be used for a combination of acquisitions supporting core activities and for internal investment opportunities. Because we cannot predict the timing of future acquisitions to replace the earnings from Dresser Equipment Group, we feel the implementation of a share repurchase program is timely and is an appropriate means of utilizing our strong and liquid balance sheet in the interim. The share repurchases will be effected from time-to-time through open market purchases or privately negotiated transactions. The plan gives management full discretion for its implementation and has no expiration date.

RESTRUCTURING ACTIVITIES

During the third and fourth quarters of 1998, we incurred special charges totaling \$980 million related to the Dresser merger and industry downturn. During the second quarter of 1999, we reversed \$47 million of our 1998 special charges based on our reassessment of total costs to be incurred to complete the actions covered in the charges.

Most restructuring activities accrued for in the 1998 special charges were completed and expended by the end of 1999. The amounts that remain to be expended relate to severance payments not yet disbursed, sales of facilities to be disposed of, and any other actions which may require negotiations with outside parties. Cumulative through March 31, 2000, we used \$345 million in cash for items associated with the 1998 special charges. The unutilized special charge reserve balance at March 31, 2000 is expected to result in cash outlays of \$52 million during the remainder of year 2000.

YEAR 2000 ISSUE

In prior years, we discussed in detail our enterprise-wide Year 2000 (Y2K) program which was implemented to identify, assess and address significant Y2K issues. At December 31, 1999, we assessed our Y2K issue tasks as being substantially complete. The work performed under our Y2K program was focused on risk identification and mitigation, most likely worst case analyses, and business continuity plans involving significant systems and relationships with third parties. The cumulative amount spent on our Y2K program was \$44 million.

Based on our experience through the filing date of this report, we believe:

- our Y2K liability to third parties is not material to our business, results of operations or financial condition;
- our future Y2K expenditures will not be material to our business, results of operations or financial condition; and
- that further Y2K reporting is not merited.

However, it is possible that the full impact of the Y2K issue has not been fully recognized. For example, it is possible that Y2K or similar issues including leap-year related problems may occur with billing, payroll, or financial closings as of month, quarter or year-end. We believe that these problems are likely to be minor and correctable. In addition, our business could still be negatively affected if our customers or suppliers are adversely affected by Y2K or similar issues.

Forward-looking statements relating to the Year 2000. Our discussion related to the Y2K issue is based on our best assumptions and estimates as of the filing date of this report. Assumptions and estimates, which are not necessarily all of the assumptions and estimates, include:

- assessments as to which systems are significant;
- identification of potential failures related to Y2K issues;
- assessments of the risk of our relationships with third parties; and
- implementation of our business continuity plans.

ENVIRONMENTAL MATTERS

We are subject to numerous environmental, legal and regulatory requirements related to our operations worldwide. As a result of those obligations, we are involved in specific environmental litigation and claims, the clean-up of properties we own or have operated, and efforts to meet or correct compliance-related matters. Except as noted in Note 8 to the condensed consolidated financial statements related to one site, none of these expenditures is expected by our management to have a material adverse effect on our results of operations.

ACCOUNTING PRONOUNCEMENTS

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and for Hedging Activities." This standard requires entities to recognize all derivatives on the statement of financial position as assets or liabilities and to measure the instruments at fair value. Accounting for gains and losses from changes in those fair values are specified in the standard depending on the intended use of the derivative and other criteria. Statement of Financial Accounting Standards No. 133 is effective for us beginning January 1, 2001. We are currently evaluating Statement of Financial Accounting Standards No. 133 to identify implementation and compliance methods, and we have not yet determined the effect, if any, on our results of operations or financial position.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risk from changes in foreign currency exchange rates, interest rates and, on occasion, from commodity prices. We currently use derivative instruments only in hedging our foreign currency exposures. To

mitigate market risk, we selectively hedge our foreign currency exposure through the use of currency derivative instruments. The objective of our hedging is to protect our cash flows related to sales or purchases of goods or services from fluctuations in currency rates. The use of derivative instruments includes the following types of market risk:

- volatility of the currency rates;
- time horizon of the derivative instruments;
- market cycles; and
- the type of derivative instruments used.

We do not use derivative instruments for trading purposes.

We use a statistical model to estimate the potential loss related to derivative instruments used to hedge the market risk of our foreign exchange exposure. The model utilizes historical price and volatility patterns to estimate the change in value of the derivative instruments. Changes in value could occur from adverse movements in foreign exchange rates for a specified time period at a specified confidence interval. The model is a calculation based on the diversified variance-covariance statistical modeling technique and includes all foreign exchange derivative instruments outstanding at March 31, 2000. The resulting value-at-risk of \$1 million estimates, with a 95% confidence interval, the potential loss we could incur in a one-day period from foreign exchange derivative instruments due to adverse foreign exchange rate changes.

Our interest rate exposures at March 31, 2000 were not materially changed from December 31, 1999.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

- * 10.1 Halliburton Elective Deferral Plan as amended and restated effective January 1, 2000.
- * 10.2 Halliburton Executive Performance Plan effective January 1, 2000.
- * 27.1 Financial data schedules for the three months ended March 31, 2000.
- * 27.2 Restated financial data schedules for the three, six, nine, and twelve months ended December 31, 1999.
- * 27.3 Restated financial data schedules for the three, six, nine, and twelve months ended December 31, 1998.
- * 27.4 Restated financial data schedules for the twelve months ended December 31, 1997.

* Filed with this Form 10-Q

(b) Reports on Form 8-K

During the first quarter of 2000:

Date Filed	Date of Earliest Event	Description of Event
January 4, 2000	December 30, 1999	Item 5. Other Events for a press release announcing subsidiary Dresser Industries, Inc. has completed the sale of its 49% joint venture interest in Ingersoll-Dresser Pump Company to a subsidiary of its joint venture partner, Ingersoll-Rand Company. Also the sale of Dresser Industries, Inc.'s 51% joint venture interest in Dresser-Rand to Ingersoll-Rand is ready pending a remaining clearance from competition regulatory authorities in Argentina.
January 6, 2000	January 4, 2000	Item 5. Other Events for a press release announcing that Brown & Root Energy Services has been selected by TM Power Ventures L.L.C., a joint venture between TECO Power Services Corporation and Mosbacher Power Partners. Brown & Root Energy Services will provide engineering, construction and procurement services for a 312-megawatt electric generating facility on the Delmarva Peninsula in Accomack County, Virginia.
January 28, 2000	January 23, 2000	Item 5. Other Events for a press release announcing that a Kellogg Brown & Root consortium has been awarded a United States \$1.5 billion lump sum contract by Malaysia LNG TIGA Sdn. Bhd. Kellogg Brown & Root will execute a major expansion of the liquefied natural gas (LNG) complex in Bintulu, Sarawak.
February 1, 2000	January 27, 2000	Item 5. Other Events for a press release announcing 1999 fourth quarter earnings.

Date Filed	Date of Earliest Event	Description of Event
February 8, 2000	January 25, 2000	Item 5. Other Events for a press release announcing that Halliburton SubSea, a division of Brown & Root Energy Services, has entered into an agreement with Chevron USA Production Company's Gulf of Mexico Deepwater Business Unit. SubSea will provide remotely operated vehicle (ROV) services in support of deepwater drilling operations involving the drillship Transocean "Discoverer Deep Seas," at a contract value of approximately \$10 million.
February 8, 2000	January 27, 2000	Item 5. Other Events for a press release announcing that an advanced stage conclusion has been reached with Barracuda and Caratinga Development Corporation (BCDC) for the development of both the Barracuda and the Caratinga offshore fields in Brazil. The agreement has resulted in a satisfactory price for BCDC and an agreed execution plan and delivery schedule. Subject to the completion of financing for the project, final negotiations are scheduled to be complete in late February. The contract, valued at more than \$2.5 billion, is anticipated to be signed in late March with both Brown & Root Energy Services and Halliburton Energy Services business units carrying out the performance of the contract.
February 8, 2000	February 1, 2000	Item 5. Other Events for a press release announcing that Chief Executive Officer, Richard B. Cheney, will succeed retiring Chairman William "Bill" Bradford, and will continue in his current position as Chief Executive Officer.
February 8, 2000	February 2, 2000	Item 5. Other Events for a press release announcing that subsidiary Dresser Industries, Inc. has completed the sale of its 51% joint venture interest in Dresser-Rand Company (DR) to a subsidiary of its joint venture partner, Ingersoll-Rand Company, for a price of \$579 million.
February 18, 2000	February 16, 2000	Item 5. Other Events for a press release announcing our offer to acquire the approximately 74% of PES (International) Ltd. shares that we did not already own was accepted by PES shareholders.
February 18, 2000	February 17, 2000	Item 5. Other Events for a press release announcing the first quarter 2000 dividend.
March 30, 2000	March 27, 2000	Item 5. Other Events for a press release announcing that Halliburton Company and McMoRan Exploration Co. have formed a strategic alliance to conduct operations for McMoRan's recently announced major new oil and gas exploration program in the Gulf of Mexico to develop 160 blocks of the Gulf of Mexico shelf.

Date Filed	Date of Earliest Event	Description of Event
April 3, 2000	March 31, 2000	Item 5. Other Events for a press release announcing Halliburton's new management leadership assignments for the Energy Services Group, its Halliburton Energy Services and Brown & Root Energy Services business units and the Brown & Root Services business unit.
During the second quarter of 2000:		
April 12, 2000	April 10, 2000	Item 5. Other Events for a press release announcing the intention to form a joint venture with Science Applications International Corporation to provide web-based portals for exploration and production professionals.
April 13, 2000	April 12, 2000	Item 5. Other Events for a press release announcing the intention to form a joint venture with Shell International Exploration and Production B.V. to develop and market Halliburton's SmartWell(TM)technology and Shell's iWell(TM)technology.
April 21, 2000	April 17, 2000	Item 5. Other Events for a press release announcing that Brown & Root Energy Services has been selected by Shell Petroleum Development Company of Nigeria Limited (SPDC) to work on the development of the first major offshore oil and gas facility for SPDC in Nigeria.
May 1, 2000	April 26, 2000	Item 5. Other Events for a press release announcing 2000 first quarter earnings and approval of plans to sell Dresser Equipment Group and implement a share repurchase program.
May 5, 2000	May 2, 2000	Item 5. Other Events for a press release announcing that Halliburton Energy Services' initial trials of its new technology, the Anaconda Advanced Well Construction System, have been successfully completed.

SIGNATURES

As required by the Securities Exchange Act of 1934, the registrant has authorized this report to be signed on behalf of the registrant by the undersigned authorized individuals.

HALLIBURTON COMPANY

Date: May 12, 2000

By: /s/ Gary V. Morris

Gary V. Morris
Executive Vice President and
Chief Financial Officer

/s/ R. Charles Muchmore, Jr.

R. Charles Muchmore, Jr.
Vice President and Controller and
Principal Accounting Officer

Index to exhibits filed with this quarterly report.

Exhibit Number	Description
- - - - -	- - - - -
10.1	Halliburton Elective deferral Plan as amended and restated effective January 1, 2000.
10.2	Halliburton Executive Performance Plan effective January 1, 2000.
27.1	Financial data schedules for the three months ended March 31, 2000.
27.2	Restated financial data schedules for the three, six, nine, and twelve months ended December 31, 1999.
27.3	Restated financial data schedules for the three, six, nine, and twelve months ended December 31, 1998.
27.4	Restated financial data schedules for the twelve months ended December 31, 1997.

HALLIBURTON ELECTIVE DEFERRAL PLAN

As Amended and Restated
Effective January 1, 2000

ARTICLE	TABLE OF CONTENTS	PAGE
I	- Definitions and Construction	I-1
II	- Participation	II-1
III	- Account Credits	III-1
IV	- Withdrawals	IV-1
V	- Payment of Benefits	V-1
VI	- Administration of the Plan	VI-1
VII	- Administration of Funds	VII-1
VIII	- Nature of the Plan	VIII-1
IX	- Participating Employers	IX-1
X	- Miscellaneous	X-1

HALLIBURTON ELECTIVE DEFERRAL PLAN

W I T N E S S E T H :

WHEREAS, Halliburton Company (the "Company"), desiring to aid certain of its employees in making more adequate provision for their retirement, has decided to adopt the following Halliburton Elective Deferral Plan (the "Plan"); and

WHEREAS, the Plan has been amended in several respects, and the Company desires to restate the Plan to include all prior amendments;

NOW THEREFORE, the Plan is hereby restated to read as follows, effective as of January 1, 2000:

(ii)

I.

Definitions and Construction

1.1 Definitions. Where the following words and phrases appear in the Plan, they shall have the respective meanings set forth below, unless their context clearly indicates to the contrary.

- (1) Account: A memorandum bookkeeping account established on the records of the Employer for a Participant that is credited with amounts determined in accordance with Article III of the Plan. As of any determination date, a Participant's benefit under the Plan shall be equal to the amount credited to his Account as of such date. A Participant shall have a 100% nonforfeitable interest in his Account at all times.
- (2) Act: The Employee Retirement Income Security Act of 1974, as amended.
- (3) Affiliate: Any entity of which an aggregate of 50% or more of the ownership interest is owned of record or beneficially, directly or indirectly, by the Company or any other Affiliate.
- (4) Base Salary: The base rate of cash compensation paid by the Employer to or for the benefit of a Participant for services rendered or labor performed while a Participant, including base pay a Participant could have received in cash in lieu of (A) deferrals pursuant to Section 3.1 and (B) contributions made on his behalf to any qualified plan maintained by the Employer or to any cafeteria plan under section 125 of the Code maintained by the Employer.
- (5) Bonus Compensation: With respect to any Participant for a Plan Year, the amount awarded under a bonus plan maintained by the Employer that is payable to the Participant in cash.
- (6) Code: The Internal Revenue Code of 1986, as amended.
- (7) Compensation Committee: The Compensation Committee of the Directors.
- (8) Committee: The administrative committee appointed by the Compensation Committee to administer the Plan.
- (9) Company: Halliburton Company.
- (10) Directors: The Board of Directors of the Company.
- (11) Effective Date: January 1, 1995.
- (12) Employer: The Company and each eligible organization designated as an Employer in accordance with the provisions of Article IX of the Plan.

- (13) Participant: Each individual who has been selected for participation in the Plan and who has become a Participant pursuant to Article II.
- (14) Plan: The Halliburton Elective Deferral Plan, as amended from time to time.
- (15) Plan Year: The twelve-consecutive month period commencing January 1 of each year.
- (16) Retirement: The date the Participant retires in accordance with the terms of his Employer's retirement policy as in effect at that time.
- (17) Trust: The trust, if any, established under the Trust Agreement.
- (18) Trust Agreement: The agreement, if any, entered into between the Employer and the Trustee pursuant to Article VIII.
- (19) Trust Fund: The funds and properties, if any, held pursuant to the provisions of the Trust Agreement, together with all income, profits and increments thereto.
- (20) Trustee: The trustee or trustees appointed by the Committee who are qualified and acting under the Trust Agreement at any time.
- (21) Unforeseeable Emergency: A severe financial hardship to the Participant resulting from a sudden and unexpected illness or accident of the Participant or of a dependent (as defined in section 152(a) of the Code) of the Participant, loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.

1.2 Number and Gender. Wherever appropriate herein, words used in the singular shall be considered to include the plural and words used in the plural shall be considered to include the singular. The masculine gender, where appearing in the Plan, shall be deemed to include the feminine gender.

1.3 Headings. The headings of Articles and Sections herein are included solely for convenience, and if there is any conflict between such headings and the text of the Plan, the text shall control.

II.

Participation

2.1 Participation. Participants in the Plan are those employees of the Employer (a) who are subject to the income tax laws of United States, (b) who are officers or members of a select group of highly compensated employees of the Employer, and (c) who are selected by the Committee, in its sole discretion, as Participants. The Committee shall notify each Participant of his selection as a Participant. Subject to the provisions of Section 2.2, a Participant shall remain eligible to defer Base Salary and/or Bonus Compensation hereunder for each Plan Year following his initial year of participation in the Plan.

2.2 Cessation of Active Participation. Notwithstanding any provision herein to the contrary, an individual who has become a Participant in the Plan shall cease to be entitled to defer Base Salary and/or Bonus Compensation hereunder effective as of any date designated by the Committee. Any such Committee action shall be communicated to the affected individual prior to the effective date of such action.

III.

Account Credits

3.1 Base Salary Deferrals.

(a) Any participant may elect to defer receipt of an integral percentage of from 5% to 50% of his Base Salary, in 5% increments, for any Plan Year; provided, however, that a Participant may elect to defer receipt of an integral percentage of from 5% to 90% of his Base Salary, in 5% increments, for the Plan Year in which he is first eligible to participate in the Plan. A Participant's election to defer receipt of a percentage of his Base Salary for any Plan Year shall be made on or before the last day of the preceding Plan Year. Notwithstanding the foregoing, if an individual initially becomes a Participant other than on the first day of a Plan Year, such Participant's election to defer receipt of a percentage of his Base Salary for such Plan Year may be made no later than 30 days after he becomes a Participant, but such election shall be prospective only. The reduction in a Participant's Base Salary pursuant to his election shall be effected by Base Salary reductions as of each payroll period within the election period. Base Salary for a Plan Year not deferred by a Participant pursuant to this Paragraph shall be received by such Participant in cash, except as provided by any other plan maintained by the Employer. Deferrals of Base Salary under this Plan shall be made before elective deferrals or contributions of Base Salary under any other plan maintained by the Employer. Base Salary deferrals made by a Participant shall be credited to such Participant's Account as of the date the Base Salary deferred would have been received by such Participant in cash had no deferral been made pursuant to this Section. Except as provided in Paragraph (b), deferral elections for a Plan Year pursuant to this Section shall be irrevocable.

(b) A Participant shall be permitted to revoke his election to defer receipt of his Base Salary for any Plan Year in the event of an Unforeseeable Emergency, as determined by the Committee in its sole discretion. For purposes of the Plan, the decision of the Committee regarding the existence or nonexistence of an Unforeseeable Emergency of a Participant shall be final and binding. Further, the Committee shall have the authority to require a Participant to provide such proof as it deems necessary to establish the existence and significant nature of the Participant's Unforeseeable Emergency. A Participant who is permitted to revoke his Base Salary deferral election during a Plan Year shall not be permitted to resume Base Salary deferrals under the Plan until the next following Plan Year.

3.2 Bonus Compensation Deferrals. Any Participant may elect to defer receipt of an integral percentage of from 5% to 90% of his Bonus Compensation, in 5% increments, for any Plan Year. A Participant's election to defer receipt of a percentage of his Bonus Compensation for any Plan Year shall be made on or before the last day of the preceding Plan Year. Notwithstanding the foregoing, if any individual initially becomes a Participant other than on the first day of a Plan Year, such Participant's election to defer receipt of a percentage of his Bonus Compensation for such Plan Year may be made no later than 30 days after he becomes a Participant, but such election shall apply only to a pro rata portion of his Bonus Compensation for such Plan Year based upon the number of complete

months remaining in such Plan Year divided by twelve. If Bonus Compensation for a Plan Year is payable in more than one future Plan Year under the applicable bonus plan, a Participant shall make a separate election under this Section with respect to such Bonus Compensation for each Plan Year in which such Bonus Compensation is payable. Bonus Compensation for a Plan Year not deferred by a Participant pursuant to this Section shall be received by such Participant except as provided by any other plan maintained by the Employer. Deferrals of Bonus Compensation under this Plan shall be made before elective deferrals or contributions of Bonus Compensation under any other plan maintained by the Employer. Bonus Compensation deferrals made by a Participant shall be credited to such Participant's Account as of the date the Bonus Compensation deferred would have been received by such Participant had no deferral been made pursuant to this Section 3.2. Deferral elections for a Plan Year pursuant to this Section shall be irrevocable.

3.3 Earnings Credits. For each Plan Year, a Participant's Account shall be credited semi-annually on June 30 and December 31 with an amount of earnings based on the weighted average balance of such Account during the preceding six months and the Moody's corporate bond average annual yield for long-term investment grade bonds during the six-month period ended seven months prior to each semi-annual earnings credit date, plus 2%. (For example, the rate earned for the six months ended December 31, 1995, would be based on the average Moody's rate for the six months ended May 31, 1995, plus 2%). So long as there is any balance in any Account, such Account shall continue to receive earnings credits pursuant to this Section.

IV.

Withdrawals

Participants shall be permitted to make withdrawals from the Plan only in the event of an Unforeseeable Emergency, as determined by the Committee in its sole discretion. No withdrawal shall be allowed to the extent that such Unforeseeable Emergency is or may be relieved (a) through reimbursement or compensation by insurance or otherwise, (b) by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship or (c) by cessation of Base Salary deferrals under the Plan pursuant to Section 3.1(b). Further, the Committee shall permit a Participant to withdraw only the amount it determines, in its sole discretion, to be reasonably needed to satisfy the Unforeseeable Emergency.

V.

Payment of Benefits

5.1 Payment Election Generally. In conjunction with each deferral election made by a Participant pursuant to Article III for a Plan Year, such Participant shall elect, subject to Sections 5.4, 5.5, 5.7 and 5.8, the time and the form of payment with respect to such deferral and the earnings credited thereto. A Participant may revise his election regarding the time and form of payment of deferred amounts, but such revised election shall not be effective until one year from the date of the revised election and shall be effective only if payment has not been made or commenced pursuant to Section 5.2 prior to the expiration of such one-year period.

5.2 Time of Benefit Payment. With respect to each deferral election made by a Participant pursuant to Article III, such Participant shall elect to commence payment of such deferral and the earnings credited thereto on one of the following dates:

(a) Retirement; or

(b) A specific future month and year, but not earlier than five years from the date of the deferral if the Participant has not attained age fifty-five at the time of the deferral or one year from the date of the deferral if the Participant has attained age fifty-five at the time of the deferral, and not later than the first day of the year in which the Participant attains age seventy.

5.3 Form of Benefit Payment. With respect to each deferral election made by a Participant pursuant to Article III, such Participant shall elect the form of payment with respect to such deferral and the earnings credited thereto from one of the following forms:

(a) A lump sum; or

(b) Installment payments for a period not to exceed ten years.

Installment payments shall be paid annually on the first business day of January of each Plan Year; provided however, that not later than sixty days prior to the date payment is to commence, a Participant may elect to have his installment payments paid quarterly on the first business day of each calendar quarter. Each installment payment shall be determined by multiplying the deferral and the earnings credited thereto at the time of the payment by a fraction, the numerator of which is one and the denominator of which is the number of remaining installment payments to be made to Participant. In the event the total amount credited to a Participant's Account does not exceed \$50,000, the Committee may, in its sole discretion, pay such amounts in a lump sum.

5.4 Total and Permanent Disability. If a Participant becomes totally and permanently disabled while employed by the Employer, payment of the amounts credited to such Participant's Account shall commence on the first business day

of the second calendar quarter following the date the Committee makes a determination that the Participant is totally and permanently disabled, in the form of payment determined in accordance with Section 5.3. The above notwithstanding, if such Participant is already receiving payments pursuant to Section 5.2(b) and Section 5.3(b), such payments shall continue. For purposes of the Plan, a Participant shall be considered totally and permanently disabled if the Committee determines, based on a written medical opinion (unless waived by the Committee as unnecessary), that such Participant is permanently incapable of performing his job for physical or mental reasons.

5.5 Death. In the event of a Participant's death at a time when amounts are credited to such Participant's Account, such amounts shall be paid to such Participant's designated beneficiary or beneficiaries in five annual installments commencing as soon as administratively feasible after such Participant's date of death. However, the Participant's designated beneficiary or beneficiaries may request a lump sum payment based upon hardship, and the Committee, in its sole discretion, may approve such request.

5.6 Designation of Beneficiaries.

(a) Each Participant shall have the right to designate the beneficiary or beneficiaries to receive payment of his benefit in the event of his death. Each such designation shall be made by executing the beneficiary designation form prescribed by the Committee and filing same with the Committee. Any such designation may be changed at any time by execution of a new designation in accordance with this Section.

(b) If no such designation is on file with the Committee at the time of the death of the Participant or such designation is not effective for any reason as determined by the Committee, then the designated beneficiary or beneficiaries to receive such benefit shall be as follows:

(1) If a Participant leaves a surviving spouse, his benefit shall be paid to such surviving spouse;

(2) If a Participant leaves no surviving spouse, his benefit shall be paid to such Participant's executor or administrator, or to his heirs at law if there is no administration of such Participant's estate.

5.7 Other Termination of Employment. If a Participant terminates his employment with the Employer before Retirement for a reason other than total and permanent disability or death, the amounts credited to such Participant's Account shall be paid to the Participant in a lump sum no less than thirty days and no more than one year after the Participant's date of termination of employment. For purposes of this Section, transfers of employment between and among the Company and its Affiliates shall not be considered a termination of employment.

5.8 Change in the Company's Credit Rating. If the Standard & Poor's rating for the Company's senior indebtedness falls below BBB, the amounts credited to

Participants' Accounts shall be paid to the Participants in a lump sum within forty-five days after the date of change of such credit rating.

5.9 Payment of Benefits. To the extent the Trust Fund, if any, has sufficient assets, the Trustee shall pay benefits to Participants or their beneficiaries, except to the extent the Employer pays the benefits directly and provides adequate evidence of such payment to the Trustee. To the extent the Trustee does not or cannot pay benefits out of the Trust Fund, the benefits shall be paid by the Employer. Any benefit payments made to a Participant or for his benefit pursuant to any provision of the Plan shall be debited to such Participant's Account. All benefit payments shall be made in cash to the fullest extent practicable.

5.10 Unclaimed Benefits. In the case of a benefit payable on behalf of a Participant, if the Committee is unable to locate the Participant or beneficiary to whom such benefit is payable, upon the Committee's determination thereof, such benefit shall be forfeited to the Employer. Notwithstanding the foregoing, if subsequent to any such forfeiture the Participant or beneficiary to whom such benefit is payable makes a valid claim for such benefit, such forfeited benefit shall be paid by the Employer or restored to the Plan by the Employer.

5.11 No Acceleration of Bonus Compensation. The time of payment of any Bonus Compensation that the Participant has elected to defer but that has not yet been credited to the Participant's Account because it is not yet payable without regard to the deferral shall not be accelerated as a result of the provisions of this Article. If, pursuant to the provisions of this Article, payment of such Bonus Compensation would no longer be deferred at the time it becomes payable, such Bonus Compensation shall be paid to the Participant within 90 days of the date it would have been payable had the Participant not made a deferral election.

VI.

Administration of the Plan

6.1 Committee Powers and Duties. The general administration of the Plan shall be vested in the Committee. The Committee shall supervise the administration and enforcement of the Plan according to the terms and provisions hereof and shall have all powers necessary to accomplish these purposes, including, but not by way of limitation, the right, power, authority, and duty:

(a) To make rules, regulations, and bylaws for the administration of the Plan that are not inconsistent with the terms and provisions hereof, and to enforce the terms of the Plan and the rules and regulations promulgated thereunder by the Committee;

(b) To construe in its discretion all terms, provisions, conditions, and limitations of the Plan;

(c) To correct any defect or to supply any omission or to reconcile any inconsistency that may appear in the Plan in such manner and to such extent as it shall deem in its discretion expedient to effectuate the purposes of the Plan;

(d) To employ and compensate such accountants, attorneys, investment advisors, and other agents, employees, and independent contractors as the Committee may deem necessary or advisable for the proper and efficient administration of the Plan;

(e) To determine in its discretion all questions relating to eligibility;

(f) To determine whether and when there has been a termination of a Participant's employment with the Employer, and the reason for such termination;

(g) To make a determination in its discretion as to the right of any person to a benefit under the Plan and to prescribe procedures to be followed by distributees in obtaining benefits hereunder; and

(h) To receive and review reports from the Trustee as to the financial condition of the Trust Fund, if any, including its receipts and disbursements.

6.2 Self-Interest of Participants. No member of the Committee shall have any right to vote or decide upon any matter relating solely to himself under the Plan (including, without limitation, Committee decisions under Article II) or to vote in any case in which his individual right to claim any benefit under the Plan is particularly involved. In any case in which a Committee member is so disqualified to act and the remaining members cannot agree, the Compensation Committee shall appoint a temporary substitute member to exercise all the powers of the disqualified member concerning the matter in which he is disqualified.

6.3 Claims Review. In any case in which a claim for Plan benefits of a Participant or beneficiary is denied or modified, the Committee shall furnish written notice to the claimant within ninety days (or within 180 days if additional information requested by the Committee necessitates an extension of the ninety-day period), which notice shall:

(a) State the specific reason or reasons for the denial or modification;

(b) Provide specific reference to pertinent Plan provisions on which the denial or modification is based;

(c) Provide a description of any additional material or information necessary for the Participant, his beneficiary, or representative to perfect the claim and an explanation of why such material or information is necessary; and

(d) Explain the Plan's claim review procedure as contained herein.

In the event a claim for Plan benefits is denied or modified, if the Participant, his beneficiary, or a representative of such Participant or beneficiary desires to have such denial or modification reviewed, he must, within sixty days following receipt of the notice of such denial or modification, submit a written request for review by the Committee of its initial decision. In connection with such request, the Participant, his beneficiary, or the representative of such Participant or beneficiary may review any pertinent documents upon which such denial or modification was based and may submit issues and comments in writing. Within sixty days following such request for review the Committee shall, after providing a full and fair review, render its final decision in writing to the Participant, his beneficiary or the representative of such Participant or beneficiary stating specific reasons for such decision and making specific references to pertinent Plan provisions upon which the decision is based. If special circumstances require an extension of such sixty-day period, the Committee's decision shall be rendered as soon as possible, but not later than 120 days after receipt of the request for review. If an extension of time for review is required, written notice of the extension shall be furnished to the Participant, beneficiary, or the representative of such Participant or beneficiary prior to the commencement of the extension period.

6.4 Employer to Supply Information. The Employer shall supply full and timely information to the Committee, including, but not limited to, information relating to each Participant's compensation, age, retirement, death, or other cause of termination of employment and such other pertinent facts as the Committee may require. The Employer shall advise the Trustee, if any, of such of the foregoing facts as are deemed necessary for the Trustee to carry out the Trustee's duties under the Plan and the Trust Agreement. When making a determination in connection with the Plan, the Committee shall be entitled to rely upon the aforesaid information furnished by the Employer.

6.5 Indemnity. The Company shall indemnify and hold harmless each member of the Committee against any and all expenses and liabilities arising out of his administrative functions or fiduciary responsibilities, including any expenses and liabilities that are caused by or result from an act or omission

constituting the negligence of such member in the performance of such functions or responsibilities, but excluding expenses and liabilities that are caused by or result from such member's own gross negligence or willful misconduct. Expenses against which such member shall be indemnified hereunder shall include, without limitation, the amounts of any settlement or judgment, costs, counsel fees, and related charges reasonably incurred in connection with a claim asserted or a proceeding brought or settlement thereof.

VII.

Administration of Funds

7.1 Payment of Expenses. All expenses incident to the administration of the Plan and Trust, including but not limited to, legal, accounting, Trustee fees, and expenses of the Committee, may be paid by the Employer and, if not paid by the Employer, shall be paid by the Trustee from the Trust Fund, if any.

7.2 Trust Fund Property. All income, profits, recoveries, contributions, forfeitures and any and all moneys, securities and properties of any kind at any time received or held by the Trustee, if any, shall be held for investment purposes as a commingled Trust Fund pursuant to the terms of the Trust Agreement. The Committee shall maintain one or more Accounts in the name of each Participant, but the maintenance of an Account designated as the Account of a Participant shall not mean that such Participant shall have a greater or lesser interest than that due him by operation of the Plan and shall not be considered as segregating any funds or property from any other funds or property contained in the commingled fund. No Participant shall have any title to any specific asset in the Trust Fund, if any.

VIII.

Nature of the Plan

The Employer intends and desires by the adoption of the Plan to recognize the value to the Employer of the past and present services of employees covered by the Plan and to encourage and assure their continued service with the Employer by making more adequate provision for their future retirement security. The Plan is intended to constitute an unfunded, unsecured plan of deferred compensation for a select group of management or highly compensated employees of the Employer. Plan benefits herein provided are to be paid out of the Employer's general assets. The Plan constitutes a mere promise by the Employers to make benefit payments in the future and Participants have the status of general unsecured creditors of the Employers. Nevertheless, subject to the terms hereof and of the Trust Agreement, if any, the Employers, or the Company on behalf of the Employers, may transfer money or other property to the Trustee and the Trustee shall pay Plan benefits to Participants and their beneficiaries out of the Trust Fund.

The Committee, in its sole discretion, may establish the Trust and direct the Employers to enter into the Trust Agreement and adopt the Trust for purposes of the Plan. In such event, the Employers shall remain the owner of all assets in the Trust Fund and the assets shall be subject to the claims of each Employer's creditors if such Employer ever becomes insolvent. For purposes hereof, an Employer shall be considered "insolvent" if (a) the Employer is unable to pay its debts as they become due, or (b) the Employer is subject to a pending proceeding as a debtor under the United States Bankruptcy Code (or any successor federal statute). The chief executive officer of the Employer and its board of directors shall have the duty to inform the Trustee in writing if the Employer becomes insolvent. Such notice given under the preceding sentence by any party shall satisfy all of the parties' duty to give notice. When so informed, the Trustee shall suspend payments to the Participants and hold the assets for the benefit of the Employer's general creditors. If the Trustee receives a written allegation that the Employer is insolvent, the Trustee shall suspend payments to the Participants and hold the Trust Fund for the benefit of the Employer's general creditors, and shall determine within the period specified in the Trust Agreement whether the Employer is insolvent. If the Trustee determines that the Employer is not insolvent, the Trustee shall resume payments to the Participants. No Participant or beneficiary shall have any preferred claim to, or any beneficial ownership interest in, any assets of the Trust Fund.

IX.

Participating Employers

The Committee may designate any entity or organization eligible by law to participate in this Plan as an Employer by written instrument delivered to the Secretary of the Company and the designated Employer. Such written instrument shall specify the effective date of such designated participation, may incorporate specific provisions relating to the operation of the Plan which apply to the designated Employer only and shall become, as to such designated Employer and its employees, a part of the Plan. Each designated Employer shall be conclusively presumed to have consented to its designation and to have agreed to be bound by the terms of the Plan and any and all amendments thereto upon its submission of information to the Committee required by the terms of or with respect to the Plan; provided, however, that the terms of the Plan may be modified so as to increase the obligations of an Employer only with the consent of such Employer, which consent shall be conclusively presumed to have been given by such Employer upon its submission of any information to the Committee required by the terms of or with respect to the Plan. Except as modified by the Committee in its written instrument, the provisions of this Plan shall be applicable with respect to each Employer separately, and amounts payable hereunder shall be paid by the Employer which employs the particular Participant, if not paid from the Trust Fund.

Miscellaneous

10.1 Not Contract of Employment. The adoption and maintenance of the Plan shall not be deemed to be a contract between the Employer and any person or to be consideration for the employment of any person. Nothing herein contained shall be deemed to give any person the right to be retained in the employ of the Employer or to restrict the right of the Employer to discharge any person at any time nor shall the Plan be deemed to give the Employer the right to require any person to remain in the employ of the Employer or to restrict any person's right to terminate his employment at any time.

10.2 Alienation of Interest Forbidden. Except as hereinafter provided, the interest of a Participant or his beneficiary or beneficiaries hereunder may not be sold, transferred, assigned, or encumbered in any manner, either voluntarily or involuntarily, and any attempt so to anticipate, alienate, sell, transfer, assign, pledge, encumber, or charge the same shall be null and void; neither shall the benefits hereunder be liable for or subject to the debts, contracts, liabilities, engagements or torts of any person to whom such benefits or funds are payable, nor shall they be an asset in bankruptcy or subject to garnishment, attachment or other legal or equitable proceedings. Plan provisions to the contrary notwithstanding, the Committee shall comply with the terms and provisions of an order that satisfies the requirements for a "qualified domestic relations order" as such term is defined in section 206(d)(3)(B) of the Act, including an order that requires distributions to an alternate payee prior to a Participant's "earliest retirement age" as such term is defined in section 206(d)(3)(E)(ii) of the Act.

10.3 Withholding. All deferrals and payments provided for hereunder shall be subject to applicable withholding and other deductions as shall be required of the Employer under any applicable local, state or federal law.

10.4 Amendment and Termination. The Compensation Committee may from time to time, in its discretion, amend, in whole or in part, any or all of the provisions of the Plan; provided, however, that no amendment may be made that would impair the rights of a Participant with respect to amounts already allocated to his Account. The Compensation Committee may terminate the Plan at any time. In the event that the Plan is terminated, the balance in a Participant's Account shall be paid to such Participant or his designated beneficiary in a single lump sum payment of cash in full satisfaction of all of such Participant's or beneficiary's benefits hereunder. Any such amendment to or termination of the Plan shall be in writing and signed by a member of the Compensation Committee.

10.5 Severability. If any provision of this Plan shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining provisions hereof; instead, each provision shall be fully severable and the Plan shall be construed and enforced as if said illegal or invalid provision had never been included herein.

10.6 Governing Laws. All provisions of the Plan shall be construed in accordance with the laws of Texas except to the extent preempted by federal law.

HALLIBURTON EXECUTIVE PERFORMANCE PLAN
EFFECTIVE JANUARY 1, 2000

INDEX

ARTICLE I.....	1
PURPOSE.....	1
ARTICLE II.....	1
DEFINITIONS.....	1
2.1 Definitions.....	1
2.2 Number.....	4
2.3 Headings.....	5
ARTICLE III.....	5
PARTICIPATION.....	5
3.1 Participants.....	5
3.2 Partial Plan Year Participation.....	5
3.3 No Right to Participate.....	6
3.4 Executive Plan Exclusive.....	6
3.5 Consent to Dispute Resolution.....	6
ARTICLE IV.....	7
ADMINISTRATION.....	7
ARTICLE V.....	7
REWARD DETERMINATIONS.....	7
5.1 Performance Measures.....	7
5.2 Performance Requirements.....	7
5.3 Reward Determinations.....	8
5.4 Reward Opportunities.....	8
5.5 Discretionary Adjustments.....	8
5.6 Discretionary Bonuses.....	8
ARTICLE VI.....	9
DISTRIBUTION OF REWARDS.....	9
6.1 Form and Timing of Distribution.....	9
6.2 Excess Remuneration.....	9
6.3 Elective Deferral.....	9
6.4 Tax Withholding.....	10
6.5 Dividends on Restricted Shares.....	10
6.6 Lump Sum Payments.....	10

ARTICLE VII.....	10
TERMINATION OF EMPLOYMENT.....	10
7.1 Termination of Service During Plan Year.....	10
7.2 Termination of Service After End of Plan Year	
But Prior to Payment Date.....	11
ARTICLE VIII.....	12
RIGHTS OF PARTICIPANTS AND BENEFICIARIES.....	12
8.1 Status as a Participant or Beneficiary.....	12
8.2 Employment.....	12
8.3 Nontransferability.....	12
8.4 Nature of Executive Plan.....	13
ARTICLE IX.....	13
CORPORATE CHANGE.....	13
ARTICLE X.....	14
AMENDMENT AND TERMINATION.....	14
ARTICLE XI.....	14
MISCELLANEOUS.....	14
11.1 Governing Law.....	14
11.2 Severability.....	14
11.3 Successor.....	14
11.4 Effective Date.....	14

HALLIBURTON
EXECUTIVE PERFORMANCE PLAN

The Compensation Committee of Directors of Halliburton Company, hereby establishes the Halliburton Executive Performance Plan, to be effective in accordance with the provisions of Section 11.4 hereof.

ARTICLE I

PURPOSE

The purpose of the Halliburton Executive Performance Plan (the "Executive Plan") is to reward certain officers of the Company and its Affiliates for improving financial results which drive the creation of value for shareholders of the Company and thereby, serve to attract, motivate, reward and retain high caliber employees required for the success of the Company. The Executive Plan provides a means to link total and individual cash compensation to Company performance, as measured by Cash Value Added ("CVA"), on the basis of Participant sharing in CVA improvement, a demonstrated driver of shareholder value. In addition, to further relate compensation earned under the Executive Plan to shareholder value creation, to build executive stock ownership and to provide incentives for Participants to focus on a time frame longer than one year, the Executive Plan provides that incentive compensation earned for a Plan Year will be paid in the form of restricted stock issued under the 1993 Stock and Long-Term Incentive Plan (the "1993 Plan") or a successor stock plan, which stock vests over a three-year period.

ARTICLE II

DEFINITIONS

2.1 Definitions. Where the following words and phrases appear in the Executive Plan, they shall have the respective meanings set forth below, unless their context clearly indicates to the contrary.

"Affiliate" shall mean a Subsidiary of the Company or a division or designated group of the Company or a Subsidiary.

"Base Reward" shall mean the dollar amount of a Participant's incentive compensation under the Executive Plan for a Plan Year determined in accordance with Section 5.3.

"Base Salary" shall mean the regular cash compensation actually paid during a Plan Year to a Participant for services rendered or labor performed while participating in the Executive Plan, including base pay a Participant could have received in cash in lieu of (i) contributions made on such Participant's behalf to a qualified plan maintained by the Company or to any cafeteria plan under Section 125 of the Code maintained by the Company and (ii) deferrals of compensation made at the Participant's election pursuant to a plan or arrangement of the Company or an Affiliate, but excluding any Rewards under this Executive Plan and any other bonuses, incentive pay or special awards.

"Beneficiary" shall mean the person, persons, trust or trusts entitled by Will or the laws of descent and distribution to receive the benefits specified under the Executive Plan in the event of the Participant's death prior to full payment of a Reward.

"Board of Directors" shall mean the Board of Directors of the Company.

"Business Unit CVA" shall mean the respective CVA of designated business units, each calculated on an aggregate basis for their respective operations.

"Cause" shall mean (i) the final conviction of the Participant of a felony under Federal law or the law of the state in which such action occurred, (ii) gross negligence or willful misconduct in the performance of the Participant's employment duties or (iii) the Participant's material violation of the Company's Code of Business Conduct.

"CEO" shall mean the Chief Executive Officer of the Company.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Committee" shall mean the Compensation Committee of Directors of the Company, appointed by the Board of Directors from among its members, no member of which shall be an employee of the Company or a Subsidiary.

"Common Stock" shall mean the common stock, par value \$2.50 per share, of the Company.

"Company" shall mean Halliburton Company and its successors.

"Company CVA" shall mean CVA calculated on a consolidated basis.

"Corporate Change" shall have the meaning ascribed in the Company's 1993 Plan.

"CVA" shall mean the difference between operating cash flow and a capital charge, calculated in accordance with the criteria and guidelines set forth in the Corporate Policy entitled "Cash Value Added (CVA)," as in effect at the time any such calculation is made.

"Dispute Resolution Program" shall mean the Halliburton Dispute Resolution Plan.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"Executive Committee" shall mean the Executive Committee of the Company.

"Executive Plan" shall mean the Halliburton Executive Performance Plan, effective January 1, 2000, as the same may subsequently be amended from time to time. The Executive Plan is the successor plan to the Annual Performance Pay Plan for Participants hereunder.

"Fair Market Value" shall mean the average closing price per share of the Common Stock on the New York Stock Exchange (or, if the Common Stock is not then listed on such exchange, such other national securities exchange on which the Common Stock is then listed) for all trading days during the applicable Plan Year. If the Common Stock is not publicly traded on a national securities exchange at the time a determination of its value is required to be made hereunder, the determination of its Fair Market Value shall be made by the Committee in such manner as it deems appropriate.

"Group CVA" shall mean the respective CVA of the Halliburton Energy Group, the Engineering and Construction Services Group, and the Dresser Equipment Group, each calculated on an aggregate basis for their respective operations.

"1993 Plan" shall mean the Company's 1993 Stock and Long-Term Incentive Plan, as amended.

"Participant" shall mean any active Senior Officer of the Company or an Affiliate who participates in the Executive Plan pursuant to the provisions of Article III hereof. An employee shall not be eligible to participate in the Executive Plan while on a leave of absence.

"Participant Category" shall mean a grouping of Participants determined in accordance with the applicable provisions of Article III.

"Payment Date" shall mean, with respect to a particular Plan Year, the last business day of February of the year next following the end of such Plan Year.

"Performance Goals" shall mean, for a particular Plan Year, established levels of applicable Performance Measures.

"Performance Measures" shall mean the criteria used in determining Performance Goals for particular Participant Categories, which may include one or more of the following: Company CVA, Group CVA and Business Unit CVA.

"Plan Year" shall mean the calendar year ending December 31, 2000 and each subsequent calendar year thereafter.

"Restricted Shares" shall mean shares issued under the 1993 Plan which are subject to restrictions on the sale, assignment, hypothecation or other transfer, encumbrance or disposition.

"Reward" shall mean such number of Restricted Shares as are equal to 125% of the Base Reward divided by the Fair Market Value, rounded to the nearest whole share.

"Reward Opportunity" shall mean, with respect to each Participant Category, incentive reward amounts, expressed as a percentage of Base Salary, which corresponds to various levels of pre-established Performance Goals, determined pursuant to the Reward Schedule.

"Reward Schedule" shall mean the schedule which aligns the level of achievement of applicable Performance Goals with Reward Opportunities for a particular Plan Year, such that the level of achievement of the pre-established Performance Goals at the end of such Plan Year will determine the Base Reward.

"Section 16 Officer" shall mean an officer who is subject to Section 16 of the Securities Exchange Act of 1934, as amended, and the rules promulgated thereunder.

"Senior Officer" shall mean a full officer of the Company or an Affiliate at the Vice President level or above.

"Subsidiary" shall mean any corporation 50 percent or more of whose voting power is owned, directly or indirectly, by the Company.

2.2 Number. Wherever appropriate herein, words used in the singular shall be considered to include the plural and words used in the plural shall be considered to include the singular.

2.3 Headings. The headings of Articles and Sections herein are included solely for convenience, and if there is any conflict between headings and the text of the Executive Plan, the text shall control.

ARTICLE III
PARTICIPATION

3.1 Participants. Active employees who are members of the Executive Committee or Section 16 Officers as of the beginning of each Plan Year shall be Participants for such Plan Year. In addition, such other Senior Officers as may be designated annually as Participants by the CEO prior to the last day of February each Plan Year shall be Participants for such Plan Year.

3.2 Partial Plan Year Participation. If, after the beginning of a Plan Year, an employee who was not previously a Participant for such Plan Year (i) is newly appointed or elected as a member of the Executive Committee or a Section 16 Officer or (ii) returns to active employment as a member of the Executive Committee or as a Section 16 Officer following a leave of absence, such employee shall become a Participant effective with such appointment or election or return to active service, as the case may be, for the balance of the Plan Year, on a prorated basis, unless the Committee shall determine, in its sole discretion, that the participation shall be delayed until the beginning of the next Plan Year. If, after the beginning of the Plan Year, (i) a person is newly elected or appointed as a Senior Officer (other than a Section 16 Officer) or (ii) an employee who was not previously a Participant for such Plan Year returns to active employment as a Senior Officer (other than a Section 16 Officer) following a leave of absence, the CEO, or his delegate, may designate in writing such person as a Participant for the pro rata portion of such Plan Year beginning on the first day of the month following such designation.

If a Senior Officer who has previously been designated as a Participant for a particular Plan Year takes a leave of absence during such Plan Year, all of such Participant's rights to a Reward for such Plan Year shall be forfeited, unless the Committee (with respect to a Participant who is a member of the

Executive Committee or a Section 16 Officer) or the CEO (with respect to any other Participant) shall determine that such Participant's Base Reward for such Plan Year shall be prorated based upon that portion of the Plan Year during which he or she was an active Participant, in which case the prorated amount of the Base Reward shall be paid in accordance with the applicable provisions of Article VI.

Each Participant shall be assigned to a Participant Category at the time he or she becomes a Participant for a particular Plan Year. If a Participant thereafter incurs a change in status due to promotion, demotion, reassignment or transfer, (i) the Committee, in the case of the CEO or other Section 16 Officer or (ii) the CEO, or his delegate, in the case of any other Participant, may approve in writing such adjustment in such Participant's Reward Opportunity as deemed appropriate under the circumstances (including termination of participation in the Executive Plan for the remainder of the Plan Year), such adjustment to be made on a pro rata basis for the balance of the Plan Year effective with the first day of the month following such approval, unless some other effective date is specified.

3.3 No Right to Participate. Except as provided in Sections 3.1 and 3.2, no Participant or other employee of the Company or an Affiliate shall, at any time, have a right to participate in the Executive Plan for any Plan Year, notwithstanding having previously participated in the Executive Plan or a predecessor plan.

3.4 Executive Plan Exclusive. No employee shall simultaneously participate in this Executive Plan and in any other short-term incentive plan of the Company or an Affiliate unless such employee's participation in such other plan is approved by the CEO, or his delegate.

3.5 Consent to Dispute Resolution. Participation in the Executive Plan constitutes consent by the Participant to be bound by the terms and conditions of the Dispute Resolution Program which in substance requires that all disputes arising out of or in any way related to employment with the Company or its

Affiliates, including any disputes concerning the Executive Plan, be resolved exclusively through such program, which includes binding arbitration as the last step.

ARTICLE IV
ADMINISTRATION

Each Plan Year, the Committee shall establish the basis for payments under the Executive Plan in relation to given Performance Goals, as more fully described in Article V hereof, and, following the end of each Plan Year, determine the Base Reward payable for each Participant Category. The Committee is authorized to construe and interpret the Executive Plan, to prescribe, amend and rescind rules, regulations and procedures relating to its administration and to make all other determinations necessary or advisable for administration of the Executive Plan. The CEO shall have such authority as is expressly provided in the Executive Plan. In addition, as permitted by law, the Committee and the CEO may delegate such of their respective authority granted under the Executive Plan as deemed appropriate; provided, however, that the Committee may not delegate its authority with respect to matters relating to the CEO and other Section 16 Officers or its responsibilities under Article V hereof. Decisions of the Committee and the CEO, or their respective delegates, in accordance with the authority granted hereby or delegated pursuant hereto shall be conclusive and binding. Subject only to compliance with the express provisions hereof, the Committee, the CEO and their respective delegates may act in their sole and absolute discretion with respect to matters within their authority under the Executive Plan.

ARTICLE V
REWARD DETERMINATIONS

5.1 Performance Measures. CVA shall be the only Performance Measure in determining Performance Goals for any Plan Year.

5.2 Performance Requirements. Prior to the last day of February of each Plan Year, (i) the Committee shall approve the Company CVA, applicable Group CVA and applicable Business Unit CVA Performance Goals for certain

Participant Categories and (ii) the Committee shall establish a Reward Schedule which aligns the level of achievement of applicable Performance Goals with Reward Opportunities, such that the level of achievement of the pre-established Performance Goals at the end of the Plan Year will determine the Base Reward.

5.3 Reward Determinations. After the end of each Plan Year, the Committee shall determine the extent to which the Performance Goals have been achieved and the amount of the Base Reward shall be computed for each Participant in accordance with the Reward Schedule.

5.4 Reward Opportunities. The established Reward Opportunities may vary in relation to the Participant Categories and within the Participant Categories. In the event a Participant changes Participant Categories during a Plan Year, the Participant's Reward Opportunities shall be adjusted in accordance with the applicable provisions of Section 3.2.

5.5 Discretionary Adjustments. Once established, Performance Goals will not be changed during the Plan Year. However, if the Committee, in its sole and absolute discretion, determines that there has been (i) a change in the business, operations, corporate or capital structure, (ii) a change in the manner in which business is conducted or (iii) any other material change or event which will impact one or more Performance Goals in a manner the Committee did not intend, then the Committee may, reasonably contemporaneously with such change or event, make such adjustments as it shall deem appropriate and equitable in the manner of computing the relevant Performance Measures applicable to such Performance Goal or Goals for the Plan Year.

5.6 Discretionary Bonuses. Notwithstanding any other provision contained herein to the contrary, the Committee may, in its sole discretion, make such other or additional bonus payments to a Participant as it shall deem appropriate.

ARTICLE VI

DISTRIBUTION OF REWARDS

6.1 Form and Timing of Distribution. The Reward shall be paid in the form of Restricted Shares awarded under the 1993 Plan as of the Payment Date. The terms and conditions of the award shall be set forth in a restricted stock agreement between the Participant and the Company. The restricted stock agreement shall provide, among other things, that restrictions on the Restricted Shares will lapse in three equal annual installments beginning on the first anniversary of the Payment Date, provided that the Participant is continuously employed by the Company or an Affiliate through the applicable lapse date. The foregoing notwithstanding, if the Participant's employment is terminated as a result of (i) normal retirement on or after age 65, (ii) death, (iii) disability as determined by the Company or employing Affiliate or (iv) termination by the Company or employing Affiliate for other than Cause, all remaining restrictions on the Restricted Shares shall lapse on the date of such termination of employment. In the event of the Participant's termination of employment for any other reason, including retirement prior to age 65, all Restricted Shares then subject to restrictions shall be forfeited, unless retention of all or a portion of such shares is approved by the Committee or its delegate, in the Committee's or such delegate's sole discretion.

6.2 Excess Remuneration. Notwithstanding the provisions of Section 6.1, the Committee may, in its discretion, with respect to a Participant who is a "covered employee" for purposes of Section 162(m) of the Code, determine that payment of that portion of a Reward which would otherwise cause such Participant's compensation to exceed the limitation on the amount of compensation deductible by the Company in any taxable year pursuant to such Section 162(m), shall be deferred until such Participant is no longer a "covered employee."

6.3 Elective Deferral. Rewards payable in Restricted Shares pursuant to Section 6.1 shall not be eligible for deferral under the Halliburton Elective Deferral Plan or other similar plan. The foregoing notwithstanding, nothing herein shall be deemed to preclude a Participant's election, pursuant to the aforementioned Elective Deferral Plan or similar plan, to defer receipt of a

percentage of any Base Reward payable in cash pursuant to Section 6.6 beyond the time such amount would have been payable hereunder.

6.4 Tax Withholding. The Company or employing entity through which payment of a Reward is to be made shall have the right to deduct from any payment hereunder any amounts that Federal, state, local or foreign tax laws require with respect to such payments.

6.5 Dividends on Restricted Shares. A Participant will be entitled to receive dividends on the Restricted Shares during the restricted period. Except as provided in the foregoing sentence, no interest or dividend equivalents shall be accrued or paid under this Executive Plan.

6.6 Lump Sum Payments. Notwithstanding the provisions of Section 6.1, in the event of termination of a Participant's employment prior to the Plan Year Payment Date for any reason other than death (in which event payment shall be made in accordance with the applicable provisions of Article VII), such Participant shall receive the amount of any Base Reward (or prorated portion thereof) which is payable pursuant to Section 7.1 or Section 7.2 in a lump sum payment.

The lump sum payment shall be paid in cash on the Plan Year Payment Date, or as soon thereafter as practicable, with respect to the Base Reward (or the prorated portion thereof) earned for such Plan Year.

ARTICLE VII

TERMINATION OF EMPLOYMENT

7.1 Termination of Service During Plan Year. In the event a Participant's employment is terminated prior to the last business day of a Plan Year for any reason other than death, normal retirement at or after age 65, disability (as determined by the Company or employing Affiliate) or termination by the Company or employing Affiliate for other than Cause, all of such Participant's rights to a Reward for such Plan Year shall be forfeited, unless the Committee (with respect to a Participant who was the CEO or other Section 16 Officer) or the CEO (with respect to any other Participant) shall determine that

such Participant's Base Reward for such Plan Year shall be prorated based upon that portion of the Plan Year during which he or she was a Participant, in which case the prorated amount of the Base Reward shall be paid in accordance with the provisions of Section 6.6. In the case of a Participant's death during the Plan Year, the amount of such Participant's Base Reward prorated through the date of death shall be paid in a cash lump sum payment to the Participant's estate, or if there is no administration of the estate, to the heirs at law, on the Payment Date, or as soon thereafter as practicable. In the case of a Participant's termination of employment during the Plan Year as a result of such Participant's disability or normal retirement at or after age 65, the amount of such Participant's Base Reward prorated through the termination date shall be paid in accordance with the provisions of Section 6.6. In the case where a Participant's employment is terminated during the Plan Year by the Company or employing Affiliate for any reason other than Cause, the full amount of such Participant's Base Reward shall be paid in accordance with Section 6.6.

7.2 Termination of Service After End of Plan Year But Prior to Payment Date. If a Participant's employment is terminated after the end of the Plan Year but prior to the Payment Date for any reason other than death, normal retirement at or after age 65, disability (as determined by the Company or employing Affiliate) or termination by the Company or employing Affiliate for other than Cause, all of a Participant's rights to a Reward for such Plan Year shall be forfeited unless the Committee (with respect to a Participant who was the CEO or other Section 16 officer) or the CEO (with respect to any other Participant) shall determine that such Participant's Base Reward for such Plan Year shall be paid in accordance with the provisions of Section 6.6. In the case of a Participant's death after the end of the Plan Year but prior to the Payment Date, the amount of the Base Reward shall be paid to such Participant's estate, or if there is no administration of the estate, to the heirs at law on the Payment Date or as soon thereafter as practicable. In the case of a Participant's termination of employment after the end of the Plan Year but prior to the Payment Date as a result of such Participant's disability, normal retirement at or after age 65 or termination by the Company or employing

Affiliate for other than Cause, the amount of the Base Reward shall be paid to the Participant in accordance with the provisions of Section 6.6.

ARTICLE VIII

RIGHTS OF PARTICIPANTS AND BENEFICIARIES

8.1 Status as a Participant or Beneficiary. Status as a Participant or Beneficiary shall not be construed as a commitment that any Reward will be earned or payable under the Executive Plan.

8.2 Employment. Nothing contained in the Executive Plan or in any document related to the Executive Plan or to any Reward shall confer upon any Participant any right to continue as an employee or in the employ of the Company or an Affiliate or constitute any contract or agreement of employment for a specific term or interfere in any way with the right of the Company or an Affiliate to reduce such person's compensation, to change the position held by such person or to terminate the employment of such person, with or without cause.

8.3 Nontransferability. No benefit payable under, or interest in, this Executive Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge and any such attempted action shall be void and no such benefit or interest shall be, in any manner, liable for, or subject to, debts, contracts, liabilities or torts of any Participant or Beneficiary; provided, however, that, nothing in this Section 8.3 shall prevent transfer (i) by will, (ii) by applicable laws of descent and distribution or (iii) pursuant to an order that satisfies the requirements for a "qualified domestic relations order" as such term is defined in section 206(d)(3)(B) of ERISA and section 414(p)(1)(A) of the Code, including an order that requires distributions to an alternate payee prior to a Participant's "earliest retirement age" as such term is defined in section 206(d)(3)(E)(ii) of ERISA and section 414(p)(4)(B) of the Code. Any attempt at transfer, assignment or other alienation prohibited by the preceding sentence shall be disregarded and all amounts payable hereunder shall be paid only in accordance with the provisions of the Executive Plan.

8.4 Nature of Executive Plan. No Participant, Beneficiary or other person shall have any right, title or interest in any fund or in any specific asset of the Company or any Affiliate by reason of any Reward or Base Reward hereunder. There shall be no funding of any benefits which may become payable hereunder. Nothing contained in the Executive Plan (or in any document related thereto), nor the creation or adoption of the Executive Plan, nor any action taken pursuant to the provisions of the Executive Plan shall create, or be construed to create, a trust of any kind or a fiduciary relationship between the Company or an Affiliate and any Participant, Beneficiary or other person. To the extent that a Participant, Beneficiary or other person acquires a right to receive payment with respect to a Reward or Base Reward hereunder, such right shall be no greater than the right of any unsecured general creditor of the Company or other employing entity, as applicable. All cash amounts payable under the Executive Plan shall be paid from the general assets of the Company or employing entity, as applicable, and no special or separate fund or deposit shall be established and no segregation of assets shall be made to assure payment of such amounts. Nothing in the Executive Plan shall be deemed to give any employee any right to participate in the Executive Plan except in accordance herewith.

ARTICLE IX

CORPORATE CHANGE

In the event of a Corporate Change, (i) with respect to a Participant's Reward for the Plan Year in which the Corporate Change occurred, such Participant shall be entitled to an immediate cash payment equal to the maximum amount of Base Reward he or she could have received for the Plan Year, multiplied by 125% and prorated to the date of the Corporate Change; and (ii) with respect to a Corporate Change that occurs after the end of the Plan Year but prior to the Payment Date, a Participant shall be entitled to an immediate cash payment equal to 125% of the Base Reward earned for such Plan Year.

ARTICLE X

AMENDMENT AND TERMINATION

Notwithstanding anything herein to the contrary, the Committee may, at any time, terminate or, from time to time amend, modify or suspend the Executive Plan; provided, however, that, without the prior consent of the Participants affected, no such action may adversely affect any rights or obligations with respect to any Rewards theretofore earned for a particular Plan Year, whether or not the amounts of such Rewards have been computed and whether or not such Rewards are then payable.

ARTICLE XI

MISCELLANEOUS

11.1 Governing Law. The Executive Plan and all related documents shall be governed by, and construed in accordance with, the laws of the State of Texas, without giving effect to the principles of conflicts of law thereof, except to the extent preempted by federal law. The Federal Arbitration Act shall govern all matters with regard to arbitrability.

11.2 Severability. If any provision of the Executive Plan shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining provisions hereof; instead, each provision shall be fully severable and the Executive Plan shall be construed and enforced as if said illegal or invalid provision had never been included herein.

11.3 Successor. All obligations of the Company under the Executive Plan shall be binding upon and inure to the benefit of any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

11.4 Effective Date. This Executive Plan shall be effective from and after January 1, 2000, and shall remain in effect until such time as it may be terminated or amended pursuant to Article X.

The schedule contains summary financial information extracted from the Halliburton Company consolidated financial statements for the three months ended March 31, 2000, and is qualified in its entirety by reference to such financial statements.

1,000,000
U.S. Dollars

	3-mos	
Dec-31-2000		
Jan-01-2000		
Mar-31-2000		
1		
		369
		0
	3,300	
		0
		762
	5,002	
		5,522
	3,165	
	9,480	
2,581		1,056
0		0
		1,124
		3,438
9,480		
		363
	2,859	
		328
	2,695	
	0	
	0	
	33	
	51	
		20
27		
	237	
	0	
		0
	264	
	0.60	
	0.59	

The schedule contains summary financial information extracted from our financial statements for the year ended December 31, 1999 and interim periods restated to reflect our Dresser Equipment Group segment as discontinued operations.

1,000,000
U.S. Dollars

	3-mos		6-mos		9-mos		12-mos	
	Dec-31-1999	Jan-01-1999	Dec-31-1999	Jan-01-1999	Dec-31-1999	Jan-01-1999	Dec-31-1999	Jan-01-1999
	Mar-31-1999	Jun-30-1999	Jun-30-1999	Sep-30-1999	Dec-31-1999	Dec-31-1999	Dec-31-1999	Dec-31-1999
	1	1	1	1	1	1	1	1
		419		336		295		466
	0		0		0		0	
	3,179		2,970		3,234		2,974	
	0		0		0		0	
	692		736		717		723	
	5,318		4,959		5,113		5,362	
		5,509		5,530		5,602		5,512
	3,074		3,103		3,185		3,122	
	9,756		9,467		9,575		9,639	
3,042		3,038		3,073		3,033		
	1,363		1,062		1,058		1,056	
0		0		0		0		0
	0		0		0		0	
	1,116		1,118		1,119		1,120	
	2,938		2,972		3,003		3,167	
9,756		9,467		9,575		9,639		
	365		689		1,027		1,388	
	3,261		6,314		9,287		12,313	
		330		604		913		1,240
	3,091		5,905		8,708		11,561	
	0		0		0		0	
	0		0		0		0	
35		68		106		141		
	96		188		258		307	
	38		71		98		116	
53		108		148		174		
	28		56		74		283	
	0		0		0		0	
	(19)		(19)		(19)		(19)	
	62		145		203		438	
	0.14		0.33		0.46		1.00	
	0.14		0.33		0.46		0.99	

The schedule contains summary financial information extracted from our financial statements for the year ended December 31, 1998 and interim periods restated to reflect our Dresser Equipment Group segment as discontinued operations.

1,000,000
U.S. Dollars

	3-mos		6-mos		9-mos		12-mos	
	Dec-31-1998	Jan-01-1998	Dec-31-1998	Jan-01-1998	Dec-31-1998	Jan-01-1998	Dec-31-1998	Jan-01-1998
	Mar-31-1998	Jun-30-1998	Sep-30-1998	Dec-31-1998	Mar-31-1998	Jun-30-1998	Sep-30-1998	Dec-31-1998
	1	1	1	1	1	1	1	1
	0	271	281	0	229	0	203	0
	3,134	3,283	3,555	0	3,428	0	0	0
	0	0	0	0	0	0	0	0
	791	827	737	0	758	0	0	0
	5,025	5,238	5,618	5,618	5,447	5,447	5,447	5,475
	3,096	3,133	3,093	3,093	3,033	3,033	3,033	3,033
	10,058	10,387	10,191	10,191	10,072	10,072	10,072	10,072
3,080	3,080	3,236	3,604	3,604	3,318	3,318	3,318	3,318
	0	1,295	1,283	1,283	1,283	1,283	1,283	1,368
	0	0	0	0	0	0	0	0
	0	719	1,136	1,136	1,114	1,114	1,114	1,115
	3,712	3,479	2,934	2,934	2,946	2,946	2,946	2,946
10,058	10,058	10,387	10,191	10,191	10,072	10,072	10,072	10,072
	3,632	574	1,087	1,087	1,645	1,645	1,645	2,261
	3,632	7,451	10,994	10,994	14,504	14,504	14,504	14,504
	3,186	457	916	916	1,353	1,353	1,353	1,895
	0	6,515	10,623	10,623	13,897	13,897	13,897	13,897
	0	0	0	0	0	0	0	0
	28	59	93	93	134	134	134	134
	300	634	(25)	(25)	55	55	55	55
	112	236	118	118	155	155	155	155
183	183	387	(159)	(159)	(120)	(120)	(120)	(120)
	20	59	78	78	105	105	105	105
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	203	446	(81)	(81)	(15)	(15)	(15)	(15)
	0.46	1.02	(0.18)	(0.18)	(0.03)	(0.03)	(0.03)	(0.03)
	0.46	1.01	(0.18)	(0.18)	(0.03)	(0.03)	(0.03)	(0.03)

This schedule contains restated summary financial information extracted from our financial statements for the year ended December 31, 1997 restated to reflect our Dresser Equipment Group segment as discontinued operations.
 (Replace this text with the legend)

1,000,000
 U.S. Dollars

12-mos		
Dec-31-1997		384
Jan-01-1997		0
Dec-31-1997	2,921	0
		709
	4,770	5,319
	3,038	
	9,659	
2,782		1,296
0		0
		1,134
		3,183
9,659		2,109
	13,498	1,649
	11,802	
	0	
	0	
108		
1,097		
	405	
660		
	112	
	0	
		0
	772	
	1.79	
	1.77	