FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

[X] Quarterly Report Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934
For the quarterly period ended September 30, 1995

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)
73-0271280

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 X 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 October 31, 1995 114,387,423

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PART I. FINANCIAL INFORMATION
Item 1. Financial Statements.

HALLIBURTON COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30 1995	December 31 1994
	Millions of dollars and shares	
ASSETS		
Cash and equivalents	$ 70.8	$ 375.3
Receivables:		
Notes and accounts receivable	1,124.3	1,101.8
Unbilled work on uncompleted contracts	223.3	173.4
Refundable Federal income taxes	-	13.4
Total receivables	1,347.6	1,288.6
Inventories	277.4	268.9
Assets held for sale	-	26.3
Deferred income taxes	94.3	64.7
Other current assets	103.9	95.2
Total current assets	1,894.0	2,119.0
Property, plant and equipment, less accumulated depreciation of $2,254.2 and $2,334.9	1,074.5	1,074.8
Equity in and advances to related companies	123.8	94.6
Deferred income taxes	26.9	55.8
Net assets of discontinued operations	264.3	295.8
Other assets	374.7	374.6
Total assets	$ 3,758.2	$ 4,014.6
LIABILITIES AND SHAREHOLDERS' EQUITY		
Short-term notes payable	$ 24.0	$ 30.7
Current maturities of long-term debt	20.7	20.1
Accounts payable	319.1	251.4
Accrued employee compensation and benefits	110.2	159.4
Advance billings on uncompleted contracts	229.7	163.3
Other current liabilities	298.7	235.6
Total current liabilities	1,002.4	860.5
Long-term debt	231.5	623.0
Reserve for employee compensation and benefits	265.5	242.3
Deferred credits and other liabilities	290.2	346.6
Total liabilities	1,789.6	2,072.4
Commitments and contingencies		
Shareholders' equity:		
Common stock, par value $2.50 per share - authorized 200.0 shares, issued 119.1 shares	297.6	297.7
Paid-in capital in excess of par value	201.2	201.7
Cumulative translation adjustment	(26.5)	(23.1)
Retained earnings	1,653.0	1,629.7
	2,125.3	2,106.0
Less 4.8 and 5.0 shares of treasury stock, at cost	156.7	163.8
Total shareholders' equity	1,968.6	1,942.2
Total liabilities and shareholders' equity	$ 3,758.2	$ 4,014.6

See notes to condensed consolidated financial statements.

HALLIBURTON COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended September 30		Nine Months Ended September 30	
	1995	1994	1995	1994
	Millions of dollars except per share data			
Revenues				
Energy services	$ 683.0	$ 642.8	$ 1,881.6	$ 1,847.4
Engineering and construction services	806.8	704.8	2,279.7	2,185.1
Total revenues	$ 1,489.8	$ 1,347.6	$ 4,161.3	$ 4,032.5
Operating income				
Energy services	$ 88.2	$ 81.9	$ 211.5	$ 95.2
Engineering and construction services	31.2	20.2	80.2	45.8
General corporate expenses	(8.3)	(5.5)	(21.9)	(17.6)
Total operating income	111.1	96.6	269.8	123.4
Interest expense	(15.0)	(12.6)	(40.1)	(33.6)
Interest income	10.0	2.7	24.2	8.4
Foreign currency (losses) gains	(2.5)	(1.7)	0.6	(15.2)
Other nonoperating income, net	0.3	(0.8)	0.5	0.4
Income from continuing operations before income taxes and minority interest	103.9	84.2	255.0	83.4
Provision for income taxes	(34.9)	(35.0)	(92.1)	(33.3)
Minority interest in net income (loss) of subsidiaries	(0.2)	0.3	(1.0)	-
Income from continuing operations	68.8	49.5	161.9	50.1
Income (loss) from discontinued operations, net of income taxes	(67.7)	2.2	(65.5)	0.2
Net income	$ 1.1	$ 51.7	$ 96.4	$ 50.3
Average number of common and common share equivalents outstanding	114.6	114.2	114.4	114.2
Income (loss) per share				
Continuing operations	$ 0.60	$ 0.43	$ 1.41	$ 0.44
Discontinued operations	(0.59)	0.02	(0.57)	-
Net income	$ 0.01	$ 0.45	$ 0.84	$ 0.44
Cash dividends paid per share	0.25	0.25	0.75	0.75

See notes to condensed consolidated financial statements.

HALLIBURTON COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended September 30	
	1995	1994
	Millions of dollars	
Cash flows from operating activities:		
Net income	$ 96.4	$ 50.3
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	182.7	194.1
Provision for deferred income taxes	7.7	46.4
Net (income) loss from discontinued operations	65.5	(0.2)
Other non-cash items	(22.8)	12.7
Other changes, net of non-cash items:		
Receivables	(38.5)	106.1
Inventories	(8.2)	45.1
Accounts payable	27.9	(76.8)
Other working capital, net	72.6	180.3
Other, net	(30.3)	(274.0)
Total cash flows from operating activities	353.0	284.0
Cash flows from investing activities:		
Capital expenditures	(186.8)	(153.3)
Sales of property, plant and equipment	25.6	40.2
Sales of subsidiary companies	11.9	185.1
Other investing activities	(8.8)	(6.4)
Total cash flows from investing activities	(158.1)	65.6
Cash flows from financing activities:		
Payments on long-term borrowings	(405.9)	(68.3)
Borrowings (repayments) of short-term debt	(7.5)	(73.7)
Payments of dividends to shareholders	(85.7)	(85.6)
Other financing activities	1.0	(0.5)
Total cash flows from financing activities	(498.1)	(228.1)
Effect of exchange rate changes on cash	(1.3)	(3.2)
Increase (decrease) in cash and equivalents	(304.5)	118.3
Cash and equivalents at beginning of year	375.3	7.5
Cash and equivalents at end of period	$ 70.8	$ 125.8
Cash payments (refunds) during the period for:		
Interest	$ 26.6	$ 25.8
Income taxes	21.5	(38.2)

See notes to condensed consolidated financial statements.

HALLIBURTON COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Management Representation

In the opinion of the Company, the accompanying unaudited condensed consolidated financial statements include all adjustments necessary to present fairly the Company's financial position as of September 30, 1995, and the results of its operations for the three and nine months ended September 30, 1995 and 1994 and its cash flows for the nine months then ended. The results of operations for the three and nine months ended September 30, 1995 and 1994 may not be indicative of results for the full year. In connection with the discontinuance of the Company's insurance segment, the Company has adopted a classified balance sheet format. Certain prior year amounts have been reclassified to conform with the current year presentation.

Note 2. Inventories

Consolidated inventories consisted of the following:

	September 30 1995	December 31 1994
	Millions of dollars	
Sales items	$ 96.6	$ 97.2
Supplies and parts	128.0	128.8
Work in process	34.1	23.9
Raw materials	18.7	19.0
Total	$ 277.4	$ 268.9

About one-half of all sales items (including related work in process and raw materials) are valued using the last-in, first-out (LIFO) method. If the average cost method had been in use for inventories on the LIFO basis, total inventories would have been about $19.7 million and $21.9 million higher than reported at September 30, 1995, and December 31, 1994, respectively.

Note 3. General and Administrative Expenses

General and administrative expenses were $33.8 million and $42.1 million for the three months ended September 30, 1995 and 1994, respectively. General and administrative expenses were $112.7 million and $142.6 million for the nine months ended September 30, 1995 and 1994, respectively.

Note 4. Income Per Share

Income per share amounts are based upon the average number of common and common share equivalents outstanding. Common share equivalents included in the computation represent shares issuable upon assumed exercise of stock options which have a dilutive effect.

Note 5. Related Companies

The Company conducts some of its operations through various joint venture and other partnership forms which are accounted for using the equity method. European Marine Contractors, Limited, (EMC) which is 50% owned by the Company and part of Engineering and Construction Services, specializes in engineering, procurement and construction of marine pipelines. Summarized operating results for 100% of the operations of EMC are as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	1995	1994	1995	1994
	Millions of dollars			
Revenues	$ 119.9	$ 131.5	$ 295.2	$ 321.1
Operating income	$ 33.4	$ 43.9	$ 87.3	$ 104.0
Net income	$ 21.7	$ 31.6	$ 56.7	$ 69.1

Included in the Company's revenues for the three and nine months ended September 30, 1995 are equity in income of related companies of $18.0 million and $42.8 million, respectively. The amounts included in revenues for the three and nine months ended September 30, 1994 are $26.5 million and $66.0 million, respectively.

Note 6. Discontinued Operations

On October 11, 1995, the Company announced its intent to spin-off its property and casualty insurance subsidiary, Highlands Insurance Group, Inc. (HIGI), in a tax-free distribution to holders of Halliburton Company common stock. Each common shareholder of the Company will receive one share of common stock of HIGI for every ten shares of Halliburton Company common stock. The record and distribution dates for the spin-off will be set later in 1995 when the necessary regulatory reviews and approvals have been obtained.

After the spin-off transaction, HIGI will issue $60.0 million of convertible subordinated debentures due December 31, 2005 with detachable Series A and B Common Stock Purchase Warrants to Insurance Partners, L.P. and Insurance Partners Offshore (Bermuda), L.P. (IP). .

Over the past three years, the Company has reviewed various divestiture alternatives of HIGI in order to allow HIGI to pursue its strategies independent of the core business segments of the Company. The spin-off of HIGI will accomplish both objectives and allow the Company to exit the insurance services business and focus on its core business segments of energy services and engineering and construction services.

The following summarizes the results of operations of the discontinued operations:

	Three Months Ended September 30		Nine Months Ended September 30	
	1995	1994	1995	1994
	Millions of dollars			
Revenues	$ 65.7	$ 74.8	$ 203.5	$ 218.7
Income (loss) before income taxes	$ (130.1)	$ 1.5	$ (126.3)	$ 0.4
Benefit (provision) for income taxes	69.1	0.7	67.5	(0.2)
Loss on disposition	(7.6)	-	(7.6)	-
Benefit for income taxes	0.9	-	0.9	-
Net income (loss) from discontinued operations	$ (67.7)	$ 2.2	$ (65.5)	$ 0.2

In the third quarter of 1995, HIGI conducted an extensive review of its loss and loss adjustment expense reserves to assess HIGI's reserve position in light of actions taken by other major property and casualty insurers to increase loss and loss adjustment expense reserves, particularly with regard to environmental and asbestos claims. As a result of such review, HIGI increased its reserves for loss and loss adjustment expenses and certain legal matters and the Company also recognized the estimated expenses related to the spin-off transaction and additional compensation costs and other regulatory and legal provisions directly associated with discontinuing the insurance services business segment as follows:

	Income (loss) before income taxes	Net income (loss)
	Millions of dollars	
Additional claim loss reserves for environmental and asbestos exposure and other exposures	$ (117.0)	$ (76.4)
Realization of deferred income tax valuation allowance	-	25.9
Provisions for legal matters	(8.0)	(5.2)
Expenses related to the spin-off transaction	(7.6)	(6.7)
Other insurance services expenses	(7.4)	(4.8)
Total charges	$ (140.0)	$ (67.2)

The review of the insurance policies and reinsurance agreements was based upon a recent actuarial study and HIGI management's best estimates using facts and trends currently known, taking into consideration the current legislative and legal environment. Developed case law and adequate claim history do not exist for such claims. Estimates of the liability

are reviewed and updated continually. Due to the significant uncertainties related to these type of claims, past claim experience may not be representative of future claim experience.

The Company also realized a valuation allowance for deferred tax assets primarily related to HIGI's insurance claim loss reserves. The Company had provided a valuation allowance for all temporary differences related to HIGI based upon its intent announced in 1992 that it was pursuing the sale of HIGI. A taxable transaction would have made it more likely than not that the related benefit or future deductibility would not be realized. The spin-off transaction will be tax-free and allows HIGI to retain its tax basis and the value of its deferred tax asset.

The convertible subordinated debentures to be issued to IP will be convertible into common stock of HIGI after one year from issuance at the option of IP. HIGI can redeem the debentures at any time on or after December 31, 2002. The number of conversion shares will be determined prior to the spin-off transaction. Based upon shares of Halliburton outstanding on October 18, 1995, IP would receive approximately 3.7 million shares of HIGI, or approximately 24% ownership interest in HIGI, if all of the debentures are converted into common stock of HIGI at a conversion price of $16.18 per share. Interest on the debentures is payable semi-annually in cash at 10% per annum.

The detachable Series A Common Stock Purchase Warrants (Series A Warrants) enable IP to purchase HIGI common stock at an exercise price of $14.71 per share, equal to an additional ownership interest of approximately 20% after giving effect to the assumed conversion of the debentures and the exercise of the Series A Warrants. If all of the Series A Warrants were exercised, IP would receive approximately 3.8 million shares of HIGI. The exercise price and the number of shares of HIGI common stock into which the Series A Warrants are exercisable will be subject to adjustment in certain circumstances. These warrants expire on December 31, 2005.

The detachable Series B Common Stock Purchase Warrants (Series B Warrants) enable IP to purchase shares of HIGI common stock at an exercise price of $14.71, equal to an additional ownership interest of 5% after giving effect to the assumed conversion of the debentures and the exercise of the Series A and B Warrants. The Series B Warrants become exercisable by IP in the event that the average closing market price of HIGI common stock exceeds 1.61 times the exercise price for any 30 consecutive trading days prior to December 31, 2000 but after December 31, 1998. If all of the Series B Warrants were exercised, IP would receive approximately 1.0 million additional shares of HIGI. The exercise price and the number of shares of HIGI common stock into which the Series A Warrants are exercisable will be subject to adjustment in certain circumstances. The detachable Series B Warrants expire on December 31, 2005.

If the debentures are converted into common stock of HIGI and the Series A and B Warrants are utilized by IP to purchase common stock of HIGI, IP will own approximately 43% of HIGI.

The net assets and liabilities of HIGI relating to the spin-off transaction have been segregated on the consolidated balance sheets from their historic classifications to separately identify them as discontinued operations. Such amounts are summarized as follows:

	September 30 1995	December 31 1994
ASSETS		
Cash and equivalents	$ 50.7	$ 52.8
Investments	642.6	630.2
Premiums receivable	214.9	207.9
Receivables from reinsurers	654.8	561.5
Receivables from affiliates	50.5	26.6
Deferred income taxes	30.4	-
Other assets	65.4	60.4
Total assets	$ 1,709.3	$ 1,539.4
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable and accrued liabilities	$ 42.1	$ 15.9
Loss and loss adjustment expense reserves	1,320.2	1,149.2
Unearned premiums	53.7	51.2
Other liabilities	29.0	27.3
Total liabilities	1,445.0	1,243.6
Shareholders' equity	264.3	295.8
Total liabilities and shareholders' equity	$ 1,709.3	$ 1,539.4

Note 7. Long-term debt

During the first nine months of 1995, the Company redeemed the entire outstanding principal amount of zero coupon convertible subordinated debentures of $390.7 million and $15.0 million of its 4% notes. The Company redeemed $43.8 million of its 4% notes and $23.8 million principal amount of its 10.2% debentures in the first nine months of 1994.

Note 8. Commitments and Contingencies

The Company is involved as a potentially responsible party (PRP) in remedial activities to clean up various "Superfund" sites under applicable Federal law which imposes joint and several liability, if the harm is indivisible, on certain persons without regard to fault, the legality of the original disposal, or ownership of the site. Although it is very difficult to quantify the potential impact of compliance with environmental protection laws, management of the Company believes that any liability of the Company with respect to all but two of such sites will not have a material adverse effect on the results of operations of the Company. With respect to a site in Jasper County, Missouri (Jasper County Superfund Site), and a site in Nitro, West Virginia (Fike/Artel Chemical Superfund Site), sufficient information has not been developed to permit management to make such a determination and management believes the process of determining the nature and extent of remediation at each site and the total costs thereof will be lengthy.

Brown & Root, Inc. (Brown & Root), a subsidiary of the Company, has been named as a PRP with respect to the Jasper County Superfund Site by the Environmental Protection Agency (EPA). The Jasper County Superfund Site includes areas of mining activity that occurred from the 1800's through the mid 1950's in the Southwestern portion of Missouri. The site contains lead and zinc mine tailings produced from mining activity. Brown & Root is one of nine participating PRPs which have agreed to perform a Remedial Investigation/Feasibility Study (RI/FS), which is not expected to be completed until the third quarter of 1996. Although the entire Jasper County Superfund Site comprises 237 square miles as listed on the National Priorities List, in the RI/FS scope of work, the EPA has only identified seven areas, or subsites, within this area that need to be studied and then possibly remediated by the PRPs. Additionally, the Administrative Order on Consent for the RI/FS only requires Brown & Root to perform RI/FS work at one of the subsites within the site, the Neck/Alba subsite, which only comprises 3.95 square miles. Brown & Root's share of the cost of such a study is not expected to be material. Brown & Root cannot determine the extent of its liability, if any, for remediation costs on any reasonably practicable basis.

The Company is one of 32 companies that have been designated as PRPs at the Fike/Artel Chemical Superfund Site. The six "Operable Units" previously established by the EPA in connection with remediation activities for the site have been consolidated into four Operable Units and a Cooperative Sewage Treatment facility ("CST"). On October 6, 1995, all but five of the PRPs signed a settlement "in principle" with the EPA and the Department of Defense which settled allocation percentages for each PRP for each operable unit and the CST. A consent decree among all the PRPs, which will reconcile all of the issues, is expected to be negotiated and executed by the end of the first quarter of 1996. Based upon the settled allocation percentages and the most recent available estimates, the Company's estimate of its share of remediation costs for this site range in the aggregate from approximately $2.5 million to $4.9 million. All of the PRPs appear to be financially capable of paying their portion of remediation costs. Although the liability estimates associated with this site could possibly change due to expanded or more expensive clean-up methodologies elected and could significantly impact the results of operations of some future reporting period, management believes, based on current knowledge, that its share of costs at this site is unlikely to have a material adverse impact on the Company's consolidated financial condition.

The Company and its subsidiaries are parties to various other legal proceedings. Although the ultimate disposition of such proceedings is not presently determinable, in the opinion of the Company any liability that might ensue would not be material in relation to the consolidated financial position of the Company.

Note 9. Acquisitions and Dispositions

The Company sold its natural gas compression business unit in November 1994 for $205 million in cash. The sale resulted in a pretax gain of $102 million, or 56 cents per share after tax in 1994. The business unit sold owns and operates a large natural gas compressor rental fleet in the United States and Canada. The compressors are used to assist in the production, transportation, and storage of natural gas.

In January 1994, the Company sold substantially all of the assets of its geophysical services and products business to Western Atlas International, Inc. for $190.0 million in cash and notes subject to certain adjustments. The notes of $90.0 million were sold for cash in the first quarter of 1994. In addition, the Company issued $73.8 million in notes to Western Atlas to cover some of the costs of reducing certain geophysical operations, including the cost of personnel reductions, leases of geophysical marine vessels and closing of duplicate facilities. The Company's notes to Western Atlas are payable over two years at a rate of interest of 4%. An initial installment of $33.8 million was made in February 1994, and quarterly installments of $5 million have been made thereafter.

The Company is in the process of obtaining regulatory approvals to sell certain remaining assets and settle certain liabilities of the geophysical business. The Company does not believe it will incur any material loss from the disposition or liquidation of these remaining assets or settlement of the remaining liabilities.

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

BUSINESS ENVIRONMENT

The Company (often through foreign subsidiaries) operates in over 100 countries, including several upon which the United States government has imposed varying degrees of restrictions on trade and commerce. These countries include Iran and Libya. The Company believes the embargo on U.S. trade with Iran will not have a material effect on current results of operations or financial condition of the Company, although it will limit the Company from competing for future business in Iran. If additional restrictions were to be established for these or other countries, such restrictions might impair the ability of the Company to obtain the benefit of its assets in such countries and the ability to collect amounts owed to the Company by their government and private entities. The Company cannot predict whether more stringent restrictions will be adopted or, if adopted, the impact they might have on its results of operations.

RESULTS OF OPERATIONS

Third Quarter of 1995 Compared with the Third Quarter of 1994

Revenues

Consolidated revenues increased 11% to $1,489.8 million in the third quarter of 1995 compared with $1,347.6 million in the same quarter of the prior year. Approximately 50% of the Company's consolidated revenues were derived from international activities in the third quarter of 1995 compared to 46% in the third quarter of 1994. Consolidated international revenues increased 20% in the third quarter of 1995 over the third quarter of 1994. Consolidated United States revenues increased by 3% in the third quarter of 1995 compared to the third quarter of 1994.

Energy Services revenues increased by 6% compared with a 3% decline in drilling activity as measured by the worldwide rotary rig count for the same quarter of the prior year. Excluding businesses included in 1994 results but subsequently sold, revenues for the third quarter increased 9% . International revenues increased by 18%, reflecting growth in well stimulation, cementing, logging and drilling services in the Latin America, Europe/Africa and Asia Pacific markets. The increase in international revenues was partially offset by an 8% decline in United States revenues. Excluding the revenues of businesses sold in 1994, United States revenues declined by 2%. The United States rig count declined 4% from the same quarter of the prior year.

Engineering and Construction Services revenues increased 14% to $806.8 million compared with $704.8 million in the same quarter of the prior year due primarily to higher activity levels in subsea construction and fabrication in the North Sea, highway construction in the United States, military logistical support services and communication facility construction in Asia Pacific.

Operating income

Consolidated operating income increased 15% to $111.1 million in the third quarter of 1995 compared with $96.6 million in the same quarter of the prior year. Approximately 71% of the Company's consolidated operating income was derived from international activities in the third quarter of 1995 compared to 33% in the third quarter of 1994. Consolidated international operating margins were 11% in the third quarter of 1995 compared to 5% in the third quarter of 1994.

Energy Services operating income increased 8% to $88.2 million in the third quarter of 1995 compared with $81.9 million in the same quarter of the prior year. The operating margin for the third quarter of 1995 was 12.9% compared to a prior year operating margin of 12.8%. The increased operating income is primarily related to growth in activities in Latin America, Europe/Africa and Asia Pacific, and reductions in indirect costs.

Engineering and Construction Services operating income and operating margins increased 54% to $31.2 million and 3.9%, respectively, compared with results in the same quarter of the prior year of $20.2 million and 2.9%, respectively. The increase in operating income is primarily related to improved performance in marine construction activities in Latin America and subsea construction and fabrication activities in the North Sea.

Nonoperating items

Interest expense increased to $15.0 million in the third quarter of 1995 compared to $12.6 million in the same quarter of the prior year due primarily to $4.6 million in debt issue costs related to the redemption of the zero coupon convertible subordinated debentures.

Interest income increased in 1995 primarily due to higher levels of invested cash and $3.1 million relating to an excise tax recoverable and other matters.

Net income

Net income from continuing operations in the third quarter of 1995 increased 39% to $68.8 million, or 60 cents per share, compared with $49.5 million, or 43 cents per share, in the same quarter of the prior year.

First Nine Months of 1995 Compared with the First Nine Months of 1994

Revenues

Consolidated revenues for the first nine months of 1995 were $4,161.3 million , a 3% increase, compared to $4,032.6 million in the first nine months of 1994. Approximately 51% of the Company's consolidated revenues were derived from international activities in the first nine months of 1995 compared to 44% in the first nine months of 1994. Consolidated international revenues increased 22% in the first nine months of 1995 over the first nine months of 1994.

Energy Services revenues increased by 2% to $1,881.6 million compared to $1,847.4 million in the first nine months of 1994. Excluding revenues from businesses sold subsequent to the first nine months of 1994, Energy Services revenues increased 5% between the two periods primarily due to increases in Latin America, Europe/Africa and Asia Pacific, partially offset by a decline in North America.

Engineering and Construction Services revenues increased by 4% to $2,279.7 million in the first nine months of 1995 compared to $2,185.2 million in the first nine months of 1994 due primarily to higher marine construction activities in Latin America, Middle East and Europe/Africa and higher logistical support activities with the United Nations and NATO.

Operating income

Consolidated operating income was $269.8 million in the first nine months of 1995 compared with $123.4 million in the first nine months of 1994. Excluding severance costs included in 1994 results, consolidated operating income increased by 63% in the first nine months of 1995 compared to $166.0 million in the first nine months of 1994. Approximately 67% of the Company's consolidated operating income was derived from international activities in the first nine months of 1995 compared to 27% in the first nine months of 1994. Consolidated international operating margins were 8% in the first nine months of 1995 compared to 2% in the first nine months of 1994.

Energy Services operating income during the nine months of 1995 and 1994 was $211.5 million and $95.2 million, respectively. Excluding severance costs, operating income in the first nine months of 1995 increased 53% compared to the 1994 period of $137.8 million. Operating income increased in all regions. Operating margins during the 1995 and 1994 periods were 11.2% and 7.5%, respectively. 1995 margins were benefited by growth in Latin America, Europe/Africa and Asia Pacific and lower indirect costs. Lower margins in 1994 were due primarily to decreased activities in the North Sea, Middle East and Asia Pacific, market disturbances in Nigeria and Yemen, unsettled economic, political and business conditions in the CIS and pricing pressures in North America.

Engineering and Construction Services operating income in the first nine months of 1995 and 1994 was $80.2 million and $45.8 million, respectively. 1995 operating income increases are primarily due to improved performance in marine construction activities in Latin America, Middle East and Europe/Africa and petrochemical engineering and construction activities in the Middle East. Operating income in 1994 included a $5.0 million gain on the sale of an environmental remediation subsidiary.

Nonoperating items

Interest expense increased from $33.6 million in 1994 to $40.1 million in 1995 due primarily to $4.6 million in debt issue costs related to the redemption of the zero coupon convertible subordinated debentures and the reversal of an accrual during the first quarter of 1994 for interest payable on income tax settlements.

Interest income increased from $8.4 million in 1994 to $24.2 million in 1995 primarily due to higher levels of invested cash and $3.1 million relating to an excise tax recoverable and other matters.

The Company had foreign currency gains of $600 thousand during the first nine months of 1995 compared with losses of $15.2 million during the same period in 1994. Gains in 1995 relate primarily to a first quarter gain from the devaluation of the Nigerian Naira offset by losses in other currencies, particularly the Mexican peso. Losses in 1994 relate primarily to Brazil and Venezuela.

The effective income tax rate for the Company declined to 36% in 1995 from 39% in 1994. The decline in the effective income tax rate primarily represents improved international earnings and a resulting reduction in losses unable to be utilized.

Net income

Net income from continuing operations for the first nine months of 1995 increased by 223% to $161.9 million, or $1.41 per share, compared to $50.1 million, or 44 cents per share, during the same period in 1994. Excluding severance costs in 1994, net income was $77.8 million, or 68 cents per share.

LIQUIDITY AND CAPITAL RESOURCES

The Company ended the third quarter of 1995 with cash and equivalents of $70.8 million, a decrease of $304.5 million from the end of 1994.

Operating activities

Cash flows from operations increased by 24% in 1995 to $353.0 million compared to $284.0 million for the first nine months of 1994. The increase in net income for the 1995 period was partially offset by higher receivables due to increased activity levels and increased advances to Engineering and Construction joint ventures.

Investing activities

Cash flows from investing activities used $158.1 million during the first nine months of 1995 compared to $65.6 million in cash provided during the same period of 1994. Capital expenditures increased in 1995 by 22% over 1994 mostly representing investments in new technologies such as logging while drilling and multi-lateral completions. The 1994 cash flows reflect the proceeds from the sale of geophysical services and two small subsidiaries.

Financing activities

Cash flows used for financing activities were $498.1 million in the first nine months of 1995 compared to $228.1 million in the first nine months of 1994. The increase in outflows is due to higher payments of long-term indebtedness. The Company redeemed the entire outstanding principal amount of zero coupon convertible subordinated debentures during the third quarter of 1995 of $390.7 million with available cash resources (see Note 7 of notes to the condensed consolidated financial statements). In 1994 the Company redeemed the remaining 10.2% debentures and made a $43.8 million installment on the note issued by the Company to the buyer of geophysical services.

The Company has the ability to borrow additional short-term and long-term funds if necessary.

DISCONTINUED OPERATIONS

The Company announced in October 1995 that it will distribute the Company's property and casualty insurance subsidiary, Highlands Group Insurance, Inc., to its shareholders in a tax-free spin-off by as early as the end of 1995. The operations of the Insurance Services Group have been classified as discontinued operations. Additionally, during the third quarter the Company increased its reserves for claim losses and related expenses and provisions for certain legal matters. These provisions, together with certain other provisions associated with the Company's complete exit from the insurance industry resulted in a $67.2 million third quarter charge against earnings. The increase in the claim loss reserves, which was required primarily for areas such as environmental and asbestos claims, was based upon a recent actuarial study and management's current best estimate. Estimates of this liability are reviewed and updated continually. See Note 6 of notes to the condensed consolidated financial statements for further information.

ENVIRONMENTAL MATTERS

The Company is involved as a potentially responsible party in remedial activities to clean up various "Superfund" sites under applicable Federal law which imposes joint and several liability, if the harm is indivisible, on certain persons without regard to fault, the legality of the original disposal, or ownership of the site. Although it is very difficult to quantify the potential impact of compliance with environmental protection laws, management of the Company believes that any liability of the Company with respect to all but two of such sites will not have a material adverse effect on the results of operations of the Company. See Note 8 to the financial statements for additional information on these two sites.

Part II. OTHER INFORMATION
Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

(3) By-laws of the Company, as amended through September 14, 1995 to be effective October 1, 1995

(10) Employment agreement

(11) Statement regarding computation of earnings per share.

(27) Financial data schedule for the quarter ended September 30, 1995 (included only in the copy of this report filed electronically with the Commission).

(b) Reports on Form 8-K

During the third quarter of 1995:

A Current Report was filed on Form 8-K dated July 14, 1995, reporting on Item 5. Other Events, regarding a press release dated July 14, 1995, announcing agreements to settle export investigation.

A Current Report was filed on Form 8-K dated July 17, 1995, reporting on Item 5. Other Events, regarding a press release dated July 14, 1995, announcing the signing of an agreement to provide engineering and construction services on a new ethylene plant in Kuwait.

A Current Report was filed on Form 8-K dated July 20, 1995, reporting on Item 5. Other Events, regarding a press release dated July 20, 1995, announcing the declaration of the third quarter dividend, the calling of zero coupon convertible subordinated debentures and that David J. Lesar was named executive vice president and chief financial officer.

A Current Report was filed on Form 8-K dated July 25, 1995, reporting on Item 5. Other Events, regarding a press release dated July 20, 1995, announcing second quarter results.

A Current Report was filed on Form 8-K dated July 31, 1995, reporting on Item 5. Other Events, regarding the final settlement of export case pleadings.

A Current Report was filed on Form 8-K dated August 11, 1995, reporting on Item 5. Other Events, regarding a press release dated August 10, 1995, announcing that Dick Cheney had been named Chief Executive Officer.

A Current Report was filed on Form 8-K dated August 23, 1995, reporting on Item 5. Other Events, regarding a press release dated August 22, 1995 announcing the retirement of Vice Chairman W. Bernard (Ber) Pieper.

(b) Reports on Form 8-K (cont'd)

During the fourth quarter of 1995 to the date hereof:

A Current Report was filed on Form 8-K dated October 12, 1995, reporting on Item 5. Other Events, regarding a press release dated October 11, 1995, announcing the spin-off of the Company's Insurance Unit.

A Current Report was filed on Form 8-K dated October 27, 1995, reporting on Item 5. Other Events, regarding a press release dated October 24, 1995, announcing third quarter results.

A Current Report was filed on Form 8-K dated November 8, 1995, reporting on Item 5. Other Events, regarding a press release dated November 8, 1995, announcing a fourth quarter dividend.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HALLIBURTON COMPANY
(Registrant)

Date November 13, 1995

By /s/ Thomas H. Cruikshank
Thomas H. Cruikshank
Chairman of the Board

Date November 13, 1995

By /s/ David J. Lesar
David J. Lesar
Executive Vice President
Chief Financial Officer

Date November 13, 1995

By /s/ Scott R. Willis
Scott R. Willis
Controller
Principal Accounting Officer

HALLIBURTON COMPANY
BY-LAWS
AS AMENDED
EFFECTIVE OCTOBER 1, 1995

Offices

1. The principal office shall be in the City of Wilmington, County of New Castle, State of Delaware, and the name of the agent in charge thereof shall be The Corporation Trust Company of America, and the Corporation shall also have offices in the Cities of Dallas and Houston, State of Texas, in the City of Duncan, State of Oklahoma, and at such other places as the Board of Directors may, from time to time, appoint.

Seal

2. The corporate seal shall have inscribed thereon around the margin the words "Halliburton Company" and "Delaware" and across the center thereof the words "Corporate Seal".

Stockholders' Meetings

3. All meetings of the stockholders for the election of Directors shall be held in the City of Dallas, State of Texas, at such place as may be fixed from time to time by the Board of Directors or at such other place either within or without the State of Delaware as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting. Meetings of stockholders for any other purpose may be held at such time and place within or without the State of Delaware, as shall be stated in the notice of the meeting.

4. Annual meetings of the stockholders shall be held on the third Tuesday in the month of May each year if not a legal holiday, and if a legal holiday, then on the next succeeding business day, at 9:00 a.m., or at such other date and time as shall be designated, from time to time, by the Board of Directors

and stated in the notice of meeting, at which time they shall elect by a plurality vote a Board of Directors, in the manner provided for in the Certificate of Incorporation, and transact such other business as may be brought before the meeting.

5. At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board, otherwise properly brought before the meeting by or at the direction of the Board, or otherwise properly brought before the meeting by a stockholder. In addition to any other applicable requirements, for business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation, not less than fifty (50) days nor more than seventy-five (75) days prior to the meeting; provided, however, that in the event that less than sixty-five (65) days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be so received not later than the close of business on the fifteenth day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure was made. A stockholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the annual meeting (i) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (ii) the name and record address of the stockholder proposing such business, (iii) the class and number of shares of the Corporation which are beneficially owned by the stockholder, and (iv) any material interest of the stockholder in such business.

Notwithstanding anything in the By-laws to the contrary, no business shall be conducted at the annual meeting except in accordance with the procedures set forth in this Section 5; provided, however, that nothing in this Section 5 shall be deemed to preclude discussion by any stockholder of any business properly brought before the annual meeting in accordance with said procedure.

The Chairman of an annual meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the provisions of this Section 5, and if he should so determine, he shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

6. Only persons who are nominated in accordance with the following procedures shall be eligible for election as Directors. Nominations of persons for election to the Board of Directors of the Corporation may be made at a meeting of stockholders by or at the direction of the Board of Directors by any nominating committee or person appointed by the Board or by any stockholder of the Corporation entitled to vote for the election of Directors at the meeting who complies with the notice procedures set forth in this Section 6. Such nominations, other than those made by or at the direction of the Board, shall be made pursuant to timely notice in writing to the Secretary. To be timely, a stockholder's notice shall be delivered to or mailed and received at the principal executive offices of the Corporation not less than fifty (50) days nor more than seventy-five (75) days prior to the meeting; provided, however, that in the event that less than sixty-five (65) days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be so received not later than the close of business on the fifteenth day following the day on which such notice of the date of the meeting was mailed or such public disclosure was made. Such stockholder's notice to the Secretary shall set forth (a) as to each person whom the stockholder proposes to nominate for election or re-election as a Director, (i)

the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class and number of shares of capital stock of the Corporation which are beneficially owned by the person, and (iv) any other information relating to the person that is required to be disclosed in solicitations for proxies for election of Directors pursuant to Rule 14a under the Securities Exchange Act of 1934 as amended; and (b) as to the stockholder giving the notice (i) the name and record address of stockholder and (ii) the class and number of shares of capital stock of the Corporation which are beneficially owned by the stockholder. The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as Director of the Corporation. No person shall be eligible for election as a Director of the Corporation unless nominated in accordance with the procedures set forth herein.

The Chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the foregoing procedure, and if he should so determine, he shall so declare to the meeting and the defective nomination shall be disregarded.

7. The holders of a majority of the voting stock issued and outstanding, present in person, or represented by proxy shall constitute a quorum at all meetings of the stockholders for the transaction of business.

8. At each meeting, every stockholder shall be entitled to vote in person or by proxy and shall have one (1) vote for each share of voting stock registered in his name on the stock books except as provided in Section 13 hereof.

9. Written notices of the annual meeting shall be mailed not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting directed to his address as it appears on the records of the Corporation.

10. A complete list of the stockholders entitled to vote at each meeting of the stockholders, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder shall be prepared and shall be open to the examination of any stockholder, for any purpose germane to the meeting during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

11. Special meetings of the stockholders may be called by the Chairman of the Board (if any), by the President, by the Board of Directors, or by stockholders owning a majority in the amount of the entire stock of the Corporation with voting privileges issued and outstanding.

12. Written notice of a special meeting of stockholders shall be mailed not less than ten (10) nor more than fifty (50) days before the date of the meeting to each stockholder entitled to vote at such meeting directed to his address as it appears on the records of the Corporation.

13. Cumulative voting shall not be allowed. Each stockholder shall be entitled, at all elections of Directors of the Corporation, to as many votes as shall equal the number of shares of stock held and owned by him and entitled to vote at such meeting under Article NINTH of the Certificate of Incorporation, as amended, for as many Directors as there are to be elected, unless such right to

vote in such manner is limited or denied by other provisions of the Certificate of Incorporation.

Vacancies caused by the death or resignation of any Director and newly created directorships resulting from any increase in the authorized number of Directors may be filled by a vote of at least a majority of the Directors then in office, though less than a quorum, and the Directors so chosen shall hold office until the next annual meeting of the stockholders.

Directors

14. The property and business of the Corporation shall be managed by its Board of Directors. The number of Directors which shall constitute the whole Board shall not be less than eight (8) nor more than twenty (20). Within the limits above specified, the number of Directors shall be determined by resolution of the Board of Directors or by the stockholders at the annual meeting. Each Director shall be elected to serve for the term of one (1) year and until his successor shall be elected and shall qualify.

15. The Directors shall hold their meetings in Dallas, Texas, and at such other places as they may designate, and may keep the books of the Corporation outside of Delaware, in the City of Duncan, Oklahoma, in the City of Dallas, Texas, or at such other places as they may, from time to time, determine.

16. In addition to the powers and authorities by these By-laws expressly conferred upon them, the Board may exercise all such powers of the Corporation and do all such lawful acts and things as are permitted by the Certificate of Incorporation and not by statute required to be exercised or done by the stockholders.

17. Each member of the Board shall be paid such fee as the Board of Directors may, from time to time, by resolution determine.

Meetings of the Board

18. Immediately after each annual stockholders' meeting, the newly elected Board shall meet and for the ensuing year elect such officers with such titles and duties as may be necessary to enable the Corporation to sign instruments and stock certificates which comply with Sections 103(a)(2) and 158 of Chapter 1, General Corporation Laws of the State of Delaware, and may elect such other officers as may be specified in these By-laws or as may be determined by the Board and shall attend to such other business as may come before the Board.

19. Regular meetings of the Board may be held without notice at such time and place as shall be determined by the Board.

20. At all meetings of the Board, a majority of Directors shall be necessary to constitute a quorum.

21. Special meetings of the Board may be called by the Chairman of the Board (if any) or the President upon one (1) day's notice to each Director either personally or in the manner permitted by Section 34 hereof. Special meetings shall be called by the Chairman of the Board (if any), the President or Secretary in like manner and on like notice on the written request of two (2) Directors.

Officers

22. The officers of the Corporation shall be a President, one or more Vice Presidents (any one or more of whom may be designated Executive Vice President or Senior Vice President), a Secretary, a Treasurer, a Controller, one or more Assistant Secretaries and, if the Board of Directors so elects, a Chairman of the Board. Such officers shall be elected or appointed by the Board of Directors. All officers as between themselves and the Corporation, shall have such authority and perform such duties in the management of the Corporation as

may be provided in these By-laws, or, to the extent not provided, as may be prescribed by the Board of Directors or by the President acting under authority delegated to him by the Board.

23. The Chairman of the Board (if any) and the President shall be members of the Board. The other officers need not be members of the Board. Any two (2) or more offices may be held by the same person.

24. The Board may elect or appoint such other officers and agents as it may deem necessary, who shall have such authority and shall perform such duties as shall be prescribed by the Board.

25. The officers of the Corporation shall hold office for one (1) year from date of their election and until their successors are chosen and qualify. Any officer elected or appointed by the Board may be removed at any time by the affirmative vote of a majority of the whole Board.

Vacancies

26. If any office of the Corporation is vacant for any reason, the Board of Directors may choose a successor, who shall hold office for the unexpired term, or the powers or duties of any such office may be delegated as the Board may determine.

Duties of Officers May Be Delegated

27. In case of the absence, inability or refusal to act of any officer, the Board may delegate the powers or duties of such officer to any other officer, for the time being.

Certificate of Stock

28. The Board of Directors may make such rules and regulations as it may deem expedient for the issuance, transfer and registration of certificates for shares of stock of the Corporation, including the appointment of transfer agents and registrars.

Such certificates shall be numbered and entered on the books of the Corporation as they are issued, and shall set forth the holder's name and number of shares and shall be impressed with the corporate seal or bear a facsimile thereof, and shall be signed by the Chairman of the Board (if any), the President or any Vice President and the Secretary or Assistant Secretary of the Corporation and countersigned by an independent transfer agent and registered by an independent registrar. Any or all of the signatures may be facsimiles unless the regulations of the New York Stock Exchange then in effect shall require to the contrary. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall cease to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

Transfer of Stock

29. Transfer of stock shall be made on the books of the Corporation only upon written order of the person named in the certificate or his attorney, lawfully constituted in writing and upon surrender of such certificate.

30. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or

allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board may fix, in advance, a record date, which shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for the adjourned meeting.

31. All checks, unless otherwise directed by the Board, shall be signed by the Treasurer or Assistant Treasurer and countersigned by the Chairman of the Board (if any), President, any Vice President or the Controller. The Treasurer or Assistant Treasurer, Chairman of the Board (if any), President, any Vice President, the Controller, or any one of them, may appoint such officers or employees of the Corporation as the one or ones so making the appointment shall deem advisable to audit and approve Corporation vouchers and checks and to sign such checks with an approved mechanical check-signer. Any officer or employee so designated to audit, approve or sign checks shall execute a bond to the Corporation in such amount as the Directors, from time to time, may designate, and with sureties satisfactory to the Directors. All notes, debentures and bonds, unless otherwise directed by the Board, or unless otherwise required by law, shall be signed by the Treasurer or Assistant Treasurer and countersigned by the Chairman of the Board (if any), President or any Vice President.

Dividends

32. Dividends upon the capital stock, when earned, may be declared by the Board at any regular or special meeting.

33. Before payment of any dividend, there shall be set aside out of the surplus or net profits of the Corporation such sum or sums as the Directors, from time to time, think proper as a reserve fund to meet contingencies, or for such other purposes as the Directors shall think conducive to the interest of the Corporation.

34. Whenever, under the provisions of these By-laws, notice is required to be given it shall not be construed to mean personal notice, but such notice may be given in writing by mail, addressed to such stockholder, officer or Director, at such address as appears on the records of the Corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Notice may also be given by prepaid telegram, telex or facsimile transmission, which notice shall be deemed to have been given when sent or transmitted.

35. Any stockholder, Director or officer may waive any notice required to be given under these By-laws.

36. These By-laws may be altered or repealed at any regular meeting of the stockholders, or at any special meeting of the stockholders at which a quorum is present or represented, provided notice of the proposed alteration or repeal be contained in the notice of such special meeting, by the affirmative vote of the majority of the stockholders entitled to vote at such meeting and present or represented thereat, or by the affirmative vote of the majority of the Board of Directors at any regular meeting of the Board, or at any special meeting of the Board, if notice of the proposed alteration or repeal be contained in the notice of such special meeting; provided, however, that no change in these By-laws setting the time or place of the meeting for the election of Directors shall be made within sixty (60) days next before the day on which such meeting is to be held, and that in case of any change in such time or place, notice thereof shall

be given to each stockholder in person or by letter mailed to his last known post office address at least twenty (20) days before the meeting is held.

Provisions for National Emergencies

37. During periods of emergency resulting from an attack on the United States or on a locality in which the Corporation conducts its business or customarily holds meetings of its Board of Directors or its stockholders, or during any nuclear or atomic disaster, or during the existence of any catastrophe, or other similar emergency condition, the following provisions shall apply notwithstanding any different provisions elsewhere contained in these By-laws:

(a) Whenever, during such emergency and as a result thereof, a quorum of the Board of Directors or a standing committee thereof cannot readily be convened for action, a meeting of such Board or committee thereof may be called by any officer or Director by a notice of the time and place given only to such of the Directors as it may be feasible to reach at the time and by such means as may be feasible at the time, including publications or radio. The Director or Directors in attendance at the meeting shall constitute a quorum; provided, however, that the officers or other persons present who have been designated on a list approved by the Board before the emergency, all in such order of priority and subject to such conditions and for such period of time as may be provided in the resolution approving such list, or in the absence of such a resolution, the officers of the Corporation who are present, in order of rank, and within the same rank in order of seniority, shall to the extent required to provide a quorum be deemed Directors for such meeting.

(b) The Board, either before or during any such emergency, may provide, and from time to time modify, lines of succession in the event that during such emergency any or all officers or agents of the Corporation shall for any reason be rendered incapable of discharging their duties.

(c) The Board either before or during any such emergency, may, effective in the emergency, change the head office or designate several alternative head offices or regional offices, or authorize the officers so to do.

(d) No officer, Director or employee acting in accordance with this article shall be liable except for willful misconduct.

(e) To the extent not inconsistent with this article, all other articles of these By-laws shall remain in effect during any emergency described in this article and upon its termination the provisions of this article covering the duration of such emergency shall cease to be operative.

Divisions and Divisional Officers

Groups and Group Officers

38. (a) Divisions of the Corporation may be formed, and existing divisions dissolved, by resolution of the Board of Directors of the Corporation or through designation in writing by the President.

The President of the Corporation, or his delegate, shall supervise the management and operations of its divisions and shall have the authority to appoint the officers thereof and the power to remove them and to fill any vacancies.

To the extent not inconsistent with these By-laws or a resolution of the Board of Directors of the Corporation, the officers of each division shall perform such duties and have such authority with respect to the business and affairs of that division as may be granted, from time to time, by the President of the Corporation, or his delegate. With respect to the affairs of such division and in the regular course of business of such division, officers of each division may sign contracts and other documents in the name of the division, where so authorized; provided, however, that in no case and under no circumstances shall an officer of one division have authority to bind any other division of the Corporation, nor to bind the Corporation, except as to the normal and usual business and affairs of the division of which he is an officer. A divisional officer, unless specifically elected to one of the designated offices of the Corporation, shall not be construed as an officer of the Corporation.

(b) To facilitate the attainment of certain goals and objectives by various divisions and subsidiaries of the Corporation engaged in common pursuits or in activities within the same or similar areas of business activity, a group or groups of such subsidiaries and divisions may be formed by resolution of the Board of Directors of the Corporation or through designation in writing by the President of the Corporation, or his delegate.

The activities of any such group shall be administered and coordinated by the officers of the group and, if desired by the President of the Corporation, or his delegate, by an operating committee. In such event, the number of members of such operating committee shall be determined by the President of the Corporation, or his delegate, who shall appoint the members thereof and have the power to remove them and substitute other members. The duties of any such operating committee shall be to aid in the administration and coordination of

group activities and to consult with and advise the officers of the group in achieving goals and objectives of such group.

Officers of a group established pursuant to the provisions hereof may include a chairman, a president, one or more vice presidents, a treasurer, a secretary and such other officers as may facilitate operations of the group. The President, or his delegate, shall have the authority to appoint the officers of a group and the power to remove them and to fill any vacancies. To the extent not inconsistent with these By-laws or a resolution of the Board of Directors of the Corporation, the officers of each group shall have such duties and authority with respect to the activities and affairs of the group as may be granted, from time to time, by the President of the Corporation, or his delegate.

Contracts may not be entered into in the name of any group, but any officer of the group, where so authorized, may execute contracts and other documents in the name of the Corporation on behalf of the members of the group or any division of the Corporation that is a member of the group; provided, however, that in no case shall an officer of the group have authority to bind the Corporation except as to the normal and usual business and affairs of the group of which he or she is an officer; and provided further that a group officer may not execute contracts for any subsidiary who is a member of the group unless (i) he or she executes the same under a duly authorized power of attorney or (ii) he or she is also an officer of such subsidiary and executes the contract in such capacity.

Indemnification

39. (a) Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil,

criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she is or was or has agreed to become a director or officer of the Corporation or is or was serving or has agreed to serve at the request of the Corporation as a director or officer of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director or officer or in any other capacity while serving or having agreed to serve as a director or officer shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the Delaware General Corporation Law, as the same exists or may hereafter be amended, (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment) against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to serve in the capacity which initially entitled such person to indemnity hereunder and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors of the Corporation. The right to indemnification conferred in this Section 39 shall be a contract right and shall include the right to be paid by the Corporation the expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that, if the Delaware General Corporation Law requires, the payment of such expenses incurred by a director or officer in his or her

capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of a proceeding, shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified under this Section or otherwise.

(b) If a claim under Paragraph (a) of this Section 39 is not paid in full by the Corporation within ninety days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Corporation) that the claimant has not met the standards of conduct which make it permissible under the Delaware General Corporation Law for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the Corporation (including its Board of

Directors, independent legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

(c) The right to indemnification and the advancement and payment of expenses conferred in this Section 39 shall not be exclusive of any other right which any person may have or hereafter acquire under any law (common or statutory), provision of the Certificate of Incorporation of the Corporation, By-law, agreement, vote of stockholders or disinterested directors or otherwise.

(d) The Corporation may maintain insurance, at its expense, to protect itself and any person who is or was serving as a director or officer of the Corporation or is or was serving at the request of the Corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the Delaware General Corporation Law.

(e) If this Section 39 or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify and hold harmless each director or officer of the Corporation as to costs, charges and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative to the full extent permitted by any applicable portion of this Section 39 that shall not have been invalidated and to the full extent permitted by applicable law.

Revised September 14, 1995,
to be effective as of October 1, 1995

EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement ("Agreement"), including the attached Exhibits "A", "B" and "C", is entered into by and between Halliburton Company, a Delaware corporation having offices at 3600 Lincoln Plaza, 500 N. Akard Street, Dallas, Texas 75201-3391 ("Employer"), and Richard B. Cheney, an individual currently residing at 2920 White Pine Lane, Jackson, Wyoming 83001 ("Employee"), to be effective on the later of the date of execution of this Agreement by the parties hereto or the date of approval of this Agreement by the Board of Directors of Employer pursuant to the provisions of Section 6.2 (the "Effective Date").

WITNESSETH:

WHEREAS, Employer is desirous of employing Employee pursuant to the terms and conditions and for the consideration set forth in this Agreement, and Employee is desirous of entering the employ of Employer pursuant to such terms and conditions and for such consideration.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, and obligations contained herein, Employer and Employee agree as follows:

ARTICLE 1: EMPLOYMENT AND DUTIES:

1.1. Employer agrees to employ Employee, and Employee agrees to be employed by Employer, beginning as of the Effective Date and continuing until September 30, 2003 (the "Term"), subject to the terms and conditions of this Agreement.

1.2. Beginning October 1, 1995, Employee shall be employed as Chief Executive Officer and President of Employer. Employee agrees to serve in the assigned position and to perform diligently and to the best of Employee's abilities the duties and services appertaining to such position as determined by Employer, as well as such additional or different duties and services appropriate to such position which Employee from time to time may be reasonably directed to perform by Employer. As of the Effective Date, Employee shall be elected as a member of Employer's Board of Directors and, upon the retirement of the incumbent Chairman of the Employer's Board of Directors, shall be elected to serve as the Chairman of the Employer's Board of Directors. Employee shall at all times comply with and be subject to such policies and procedures as Employer may establish from time to time.

1.3. Employee shall, during the period of Employee's employment by Employer, devote Employee's full business time, energy, and best efforts to the business and affairs of Employer; provided, however, that it is agreed that Employee's employment shall be on an asneeded basis between the Effective Date and October 1, 1995 in order to enable Employee to wind up certain business matters and to relocate his residence, and further provided that Employee shall

be permitted to complete any speaking engagements for which he is contractually committed on the Effective Date. Subject to the provisos to the immediately preceding sentence, Employee may not engage, directly or indirectly, in any other business, investment, or activity that interferes with Employee's performance of Employee's duties hereunder, is contrary to the interests of Employer, or requires any significant portion of Employee's business time. The foregoing notwithstanding, the parties recognize and agree that Employee may engage in passive personal investments and other business activities which do not conflict with the business and affairs of the Employer or interfere with Employee's performance of his duties hereunder. In that regard, Employee may serve on the board of directors of up to three corporations of his choice, so long as service on any such board simultaneously with his service on Employer's Board of Directors does not constitute a violation of federal statutory provisions, or related rules and regulations, pertaining to interlocking directorships and the meeting times of such boards of directors do not conflict with the meeting times of Employer's Board of Directors. Except as provided in the preceding sentence, Employee may not serve on the board of directors of any entity other than the Employer during the Term without the approval of the Audit Committee of the Employer's Board of Directors in accordance with the Employer's policies and procedures regarding such service, which approval will not be unreasonably withheld. Employee shall be permitted to retain any compensation received for such speaking engagements and service on other corporations' boards of directors.

1.4. Employee acknowledges and agrees that Employee owes a fiduciary duty of loyalty, fidelity and allegiance to act at all times in the best interests of the Employer and to do no act which would intentionally injure Employer's business, its interests, or its reputation. It is agreed that any direct or indirect interest in, connection with, or benefit from any outside activities, particularly commercial activities, which interest might in any way adversely affect Employer, or any of its affiliates, involves a possible conflict of interest. In keeping with Employee's fiduciary duties to Employer, Employee agrees that Employee shall not knowingly become involved in a conflict

of interest with Employer, or its affiliates, or upon discovery thereof, allow such a conflict to continue. Moreover, Employee agrees that Employee shall disclose to the Audit Committee of the Employer's Board of Directors any facts which might involve a possible conflict of interest.

1.5 Effective as of the Effective Date, Employer and Employee shall enter into an Indemnification Agreement containing the terms and conditions set forth in Exhibit A attached to, and forming a part of, this Agreement.

1.6 Employee represents that he is not aware of any pre-existing health problems which have not been disclosed to Employer.

ARTICLE 2: COMPENSATION AND BENEFITS:

2.1. For the period between the Effective Date and December 31, 1995, Employee's base salary shall be $250,000.00 which shall be paid in accordance

with Employer's standard payroll practice for its executives commencing with the payroll period beginning October 1, 1995. Thereafter, Employee's base salary during the Term shall be not less than $1,000,000.00 per annum which shall be paid in accordance with the Employer's standard payroll practice for its executives.

2.2. Employee shall be entitled to a bonus of $150,000.00 for the period between the Effective Date and December 31, 1995 provided he remains employed by the Employer during the entirety of such period. Such bonus shall be payable in a single lump sum payment as soon as practicable following December 31, 1995. Beginning in 1996 and for the remainder of the Term, Employee shall participate in Employer's Annual Reward Plan or such similar incentive arrangement as may be mutually agreeable to Employee and Employer.

2.3. As of the Effective Date, the Employer shall grant to Employee under the Halliburton Company 1993 Stock and Long-Term Incentive Plan a nonqualified stock option to purchase up to 200,000 shares of the Employer's common stock. The form and other terms and conditions of such option (other than the exercise price, which shall be the closing price of Employer's common stock on the New York Stock Exchange on the Effective Date) are set forth in Exhibit B attached to, and forming a part of, this Agreement.

2.4. As of October 1, 1995, the Employer shall grant to Employee under the Halliburton Company 1993 Stock and Long-Term Incentive Plan 100,000 shares of the Employer's common stock subject to the restrictions and other terms and conditions set forth in Exhibit C attached to, and forming a part of, this Agreement.

2.5. At all times during the Term while Employee is employed by Employer hereunder, Employee will be designated as a participant in the Halliburton Company Senior Executives' Deferred Compensation Plan. For 1995, Employee will receive an allocation of $125,000 to his Deferred Compensation Account under such plan provided he remains employed with the Employer as of December 31, 1995 and thereafter during the Term will receive an allocation of at least $500,000.00 to his Deferred Compensation Account thereunder at the end of each full calendar year included in such Term provided he was employed by the Employer throughout the calendar year for which such allocation is to be made.

2.6. The Employer will pay or reimburse Employee for all reasonable expenses incurred by Employee in the course of moving his principal residence, family and goods from Jackson, Wyoming to Dallas, Texas, including trips to and from Dallas, Texas to locate a new residence, packing, unpacking, storage, cartage and housing expenses of Employee and his family in Dallas, Texas for a period of up to four months from October 1, 1995 and prior to Employee's purchase of a new principal residence.

2.7. From and after the Effective Date, Employer shall pay, or reimburse Employee, for all ordinary, reasonable and necessary expenses which Employee incurs in performing his duties under this Agreement including, but not limited to, travel, entertainment, professional dues and subscriptions, and all dues, fees and expenses associated with membership in various professional, business

and civic associations and societies of which Employee's participation is in the best interest of Employer. Employer will reimburse Employee for reasonable legal expenses in connection with the negotiation of this Agreement.

2.8. During the Term and while Employee is employed by Employer, and in addition to any group term life insurance otherwise generally provided to executive employees of Employer, Employer will purchase and maintain at its expense term life insurance on the life of Employee in the face amount of $2,500,000 payable to the beneficiary or beneficiaries designated by Employee; provided, however, that Employer's obligation to purchase and maintain such insurance shall be contingent upon Employee's insurability at no more than 150% of standard risk costs from a high quality insurance carrier (excluding special risk carriers).

2.9. While employed by Employer, Employee shall be allowed to participate, on the same basis generally as other employees of Employer, in all general employee benefit plans and programs, including improvements or modifications of the same, which on the effective date or thereafter are made available by Employer to all or substantially all of Employer's executive employees. Such benefits, plans, and programs may include, without limitation, medical, health, and dental care, life insurance, disability protection, and qualified retirement plans. Except as specifically provided herein, nothing in this Agreement is to be construed or interpreted to provide greater rights, participation, coverage, or benefits under such benefit plans or programs than provided to executive employees pursuant to the terms and conditions of such benefit plans and programs.

2.10. Employer shall not by reason of this Article 2 be obligated to institute, maintain, or refrain from changing, amending, or discontinuing, any incentive compensation or employee benefit program or plan, so long as such actions are similarly applicable to covered employees generally.

2.11. Employer may withhold from any compensation, benefits, or amounts payable under this Agreement all federal, state, city, or other taxes as may be required pursuant to any law or governmental regulation or ruling.

ARTICLE 3: TERMINATION PRIOR TO EXPIRATION OF TERM AND EFFECTS OF SUCH TERMINATION:

3.1. Employee's employment with Employer shall be terminated (i) upon the death of Employee, (ii) upon Employee's permanent disability (permanent disability being defined as Employee's physical or mental incapacity to perform his usual duties as an employee with such condition likely to remain continuously and permanently); provided, however, that in such event, Employee's employment shall be continued hereunder for a period of not less than one year from the date of such disability, but not beyond the end of the Term, with Employee's base salary during such period to be reduced by any Employer-financed disability benefits, or (iii) subject to the provisions of clause (ii), at any

time during the Term by Employer upon notice to Employee or by Employee upon 60 days' notice to Employer for any or no reason.

3.2. If Employee's employment is terminated by reason of a "Voluntary Termination" (as hereinafter defined), the death of Employee, permanent disability of Employee (as defined in Section 3.1) or by the Employer for "Cause" (as hereinafter defined), all future compensation to which Employee is otherwise entitled and all future benefits for which Employee is eligible shall cease and terminate as of the date of termination, except as specifically provided in this Section 3.2. Employee, or his estate in the case of Employee's death, shall be entitled to pro rata base salary through the date of such termination and shall be entitled to any individual bonuses or individual incentive compensation not yet paid but due under Employer's plans but shall not be entitled to any other payments by or on behalf of Employer except for those which may be payable pursuant to the terms of Employer's employee benefit plans (as hereinafter defined). For purposes of this Section 3.2, a "Voluntary Termination" of the employment relationship by Employee prior to expiration of the Term shall be a termination of employment in the sole discretion of and at the election of Employee, other than (i) a termination of Employee's employment because of a material breach by Employer of any material provision of this Agreement which remains uncorrected for thirty (30) days following written notice of such breach by Employee to Employer or (ii) a termination of Employee's employment within six (6) months of a material reduction in Employees' rank or responsibility with Employer. For purposes of this Section 3.2, the term "Cause" shall mean any of (i) Employee's gross negligence or willful misconduct in the performance of the duties and services required of Employee pursuant to this Agreement; (ii) Employee's final conviction of a felony; or (iii) Employee's material breach of any material provision of this Agreement which remains uncorrected for thirty (30) days following written notice to Employee by Employer of such breach.

3.3. If Employee's employment is terminated for any reason other than as described in Section 3.2 above during the Term, Employer shall pay to Employee a severance benefit consisting of a single lump sum cash payment equal to the value of any shares of Employer's common stock (based upon the closing price of Employer's common stock on the New York Stock Exchange on the date of termination of employment) which were granted to Employee pursuant to Section 2.4 and which are forfeited as a result of Employee's termination of employment plus the lesser of (i) 150% of the base salary (referenced with respect to the rate of such base salary as in effect at the date of Employee's termination of employment) that Employee would have received between the date of such termination of employment and the end of the Term or (ii) $3,000,000. Such severance benefit shall be paid no later than sixty (60) days following Employee's termination of employment. The severance benefit paid pursuant to this Section 3.3 to Employee shall be in consideration of Employee's continuing obligations hereunder after such termination (including, without limitation, Employee's non-competition obligations). Employee shall not be under any duty or obligation to seek or accept other employment following a termination of employment pursuant to which severance benefit payments under this Section 3.3 are owing and the amounts due Employee pursuant to this Section 3.3 shall not be reduced or suspended if Employee accepts subsequent employment or earns any

amounts as a self-employed individual. Employee's rights under this Section 3.3 are Employee's sole and exclusive rights against the Employer or its affiliates and the Employer's sole and exclusive liability to Employee under this Agreement, in contract, tort or otherwise, for the termination of his employment relationship with Employer. Employee covenants not to sue or lodge any claim, demand or cause of action against Employer based upon Employee's termination of employment for any monies other than those specified in this Section 3.3. If Employee breaches this covenant, Employer shall be entitled to recover from Employee all sums expended by Employer (including costs and attorneys' fees), in connection with such suit, claim, demand or cause of action. Nothing contained in this Section 3.3 shall be construed to be a waiver by Employee of any benefits accrued for or due Employee under any employee benefit plan (as such term is defined in the Employees' Retirement Income Security Act of 1974, as amended) maintained by Employer.

3.4. It is expressly acknowledged and agreed that the decision as to whether "Cause" exists for termination of the employment relationship by the Employer and whether and as of what date Employee has become permanently disabled is delegated to the Board of Directors of Employer for determination. If Employee disagrees with the decision reached by Employer, the dispute will be limited to whether the Board of Directors of Employer reached this decision in good faith.

3.5. Termination of the employment relationship does not terminate those obligations imposed by this Agreement which are continuing obligations, including, without limitation, Employee's obligations under Articles 4 and 5.

ARTICLE 4: OWNERSHIP AND PROTECTION OF INTELLECTUAL PROPERTY AND CONFIDENTIAL INFORMATION:

4.1. All information, ideas, concepts, improvements, discoveries, and inventions, whether patentable or not, which are conceived, made, developed or acquired by Employee, individually or in conjunction with others, during Employee's employment by Employer (whether during business hours or otherwise and whether on Employer's premises or otherwise) which relate to Employer's business, products or services (including, without limitation, all such information relating to corporate opportunities, research, financial and sales data, pricing and trading terms, evaluations, opinions, interpretations, acquisition prospects, the identity of customers or their requirements, the identity of key contacts within the customer's organizations or within the organization of acquisition prospects, or marketing and merchandising techniques, prospective names, and marks), and all writings or materials of any type embodying any of such items, shall be disclosed to Employer and are and shall be the sole and exclusive property of Employer.

4.2. Employee acknowledges that the businesses of Employer and its affiliates are highly competitive and that their strategies, methods, books, records, and documents, their technical information concerning their products, equipment, services, and processes, procurement procedures and pricing

techniques, the names of and other information (such as credit and financial data) concerning their customers and business affiliates, all comprise confidential business information and trade secrets which are valuable, special, and unique assets which Employer, or its affiliates use in their business to obtain a competitive advantage over their competitors. Employee further acknowledges that protection of such confidential business information and trade secrets against unauthorized disclosure and use is of critical importance to Employer, and its affiliates in maintaining their competitive position. Employee hereby agrees that Employee will not, at any time during or after his employment by Employer, make any unauthorized disclosure of any confidential business information or trade secrets of Employer, or its affiliates, or make any use thereof, except in the carrying out of his employment responsibilities hereunder. The above notwithstanding, a disclosure shall not be unauthorized if (i) it is required by law or by a court of competent jurisdiction or (ii) it is in connection with any judicial or other legal proceeding in which Employee's legal rights and obligations as an employee or under this Agreement are at issue; provided, however, that Employee shall, to the extent practicable and lawful in any such events, give prior notice to Employer of his intent to disclose any such confidential business information in such context so as to allow Employer an opportunity (which Employee will not oppose) to obtain such protective orders or similar relief with respect thereto as it may deem appropriate.

4.3. All written materials, records, and other documents made by, or coming into the possession of, Employee during the period of Employee's employment by Employer which contain or disclose confidential business information or trade secrets of Employer, or its affiliates shall be and remain the property of Employer, or its affiliates, as the case may be. Upon termination of Employee's employment by Employer, for any reason, Employee promptly shall deliver the same, and all copies thereof, to Employer.

ARTICLE 5: POST-EMPLOYMENT AND NON-COMPETITION OBLIGATIONS:

5.1. As part of the consideration for the compensation and benefits to be paid to Employee hereunder, and as an additional incentive for Employer to enter into this Agreement, Employer and Employee agree to the non-competition provisions of this Article 5. Employee agrees that during the period of Employee's non-competition obligations hereunder, Employee will not, directly or indirectly for Employee or for others, in any geographic area or market where Employer or any of their affiliated companies are conducting any business (other than de minimis business operations) as of the date of termination of the employment relationship or have during the previous twelve months conducted any business (other than de minimis business operations):

(i) engage in any business directly competitive with any business (other than de minimis business operations) conducted by Employer or any of Employer's affiliates;

(ii) render advice or services to, or otherwise assist, any other person, association, or entity who is engaged, directly or indirectly, in any business directly competitive with any business (other than de minimis business operations) conducted by Employer or any of Employer's affiliates; or

(iii) induce any employee of Employer or any of its affiliates (other than Employee's personal secretary or administrative assistant) to terminate his employment with Employer, or itsaffiliates, or hire or assist in the hiring of any such induced employee by any person, association, or entity not affiliated with Employer.

These non-competition obligations shall extend until two years after termination of the employment relationship between Employer and Employee. The above notwithstanding, nothing in this Section 5.1 shall prohibit Employee from engaging in or being employed by any entity that engages in the provision of management consulting or other consulting services to third parties, even where such entity on occasion renders advice or services to, or otherwise assists, any other person, association, or entity who is engaged, directly or indirectly, in any business directly competitive with any business conducted by Employer or any of Employer's affiliates, so long as Employee does not personally, directly or indirectly (A) participate in rendering such advice, services or assistance to any such competing person, association or entity, (B) provide any information or other assistance to any other person employed by Employee or by any such consulting entity for use, directly or indirectly, in rendering such assistance to any competing person, association or entity or (C) engage in any conduct which would be violative of the provisions of Article 4 hereof.

5.2. Employee understands that the foregoing restrictions may limit his ability to engage in certain businesses anywhere in the world during the period provided for above, but acknowledges that Employee will receive sufficiently high remuneration and other benefits under this Agreement to justify such restriction. Employee acknowledges that money damages would not be sufficient remedy for any breach of this Article 5 by Employee, and agrees that Employer, on its own behalf or on behalf of any of its affiliates, shall be entitled to specific performance and injunctive relief as remedies for such breach or any threatened breach. Such remedies shall not be deemed the exclusive remedies for a breach of this Article 5, but shall be in addition to all remedies available at law or in equity to Employer, including, without limitation, the recovery of damages from Employee and his agents involved in such breach.

5.3. It is expressly understood and agreed that Employer and Employee consider the restrictions contained in this Article 5 to be reasonable and necessary to protect the proprietary information and/or goodwill of Employer and its affiliates. Nevertheless, if any of the aforesaid restrictions are found by a court having jurisdiction to be unreasonable, or overly broad as to geographic area or time, or otherwise unenforceable, the parties intend for the restrictions therein set forth to be modified by such courts so as to be reasonable and enforceable and, as so modified by the court, to be fully enforced.

ARTICLE 6: MISCELLANEOUS:

6.1. For purposes of this Agreement, (i) the terms "affiliates" or "affiliated" means an entity who directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with Employer or in which Employer has a 50% or more equity interest, and (ii) any action or omission permitted to be taken or omitted by Employer hereunder shall only be taken or omitted by Employer upon the express authority of the Board of Directors of Employer or of any Committee of the Board to which authority over such matters may have been delegated.

6.2 Although executed and delivered by the parties hereto, this Agreement shall not become effective until such time as the Board of Directors of Employer has expressly approved this Agreement. Employer agrees to notify Employee promptly of the date of such approval.

6.3. For purposes of this Agreement, notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly given when received by or tendered to Employee or Employer, as applicable, by pre-paid courier or by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Employer, to Halliburton Company at its corporate headquarters to the attention of the General Counsel of Halliburton Company.

If to Employee, to his last known personal residence.

6.4. This Agreement shall be governed in all respects by the laws of the State of Texas, excluding any conflict-of-law rule or principle that might refer to the laws of another State or country.

6.5. No failure by either party hereto at any time to give notice of any breach by the other party of, or to require compliance with, any condition or provision of this Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

6.6. It is a desire and intent of the parties that the terms, provisions, covenants, and remedies contained in this Agreement shall be enforceable to the fullest extent permitted by law. If any such term, provision, covenant, or remedy of this Agreement or the application thereof to any person, association, or entity or circumstances shall, to any extent, be construed to be invalid or unenforceable in whole or in part, then such term, provision, covenant, or remedy shall be construed in a manner so as to permit its enforceability under the applicable law to the fullest extent permitted by law. In any case, the remaining provisions of this Agreement or the application thereof to any person, association, or entity or circumstances other than those to which they have been held invalid or unenforceable, shall remain in full force and effect.

6.7. This Agreement shall be binding upon and inure to the benefit of Employer and any other person, association, or entity which may hereafter acquire or succeed to all or substantially all of the business or assets of Employer by any means whether direct or indirect, by purchase, merger, consolidation, or otherwise. Employee's rights and obligations under this Agreement are personal and such rights, benefits, and obligations of Employee shall not be voluntarily or involuntarily assigned, alienated, or transferred, whether by operation of law or otherwise, without the prior written consent of Employer, other than in the case of death or incompetence of Employee.

6.8. This Agreement replaces and merges any previous agreements and discussions pertaining to the subject matter covered herein. This Agreement constitutes the entire agreement of the parties with regard to such subject matter, and contains all of the covenants, promises, representations, warranties, and agreements between the parties with respect such subject matter. Each party to this Agreement acknowledges that no representation, inducement, promise, or agreement, oral or written, has been made by either party with respect to such subject matter, which is not embodied herein, and that no agreement, statement, or promise relating to the employment of Employee by Employer that is not contained in this Agreement shall be valid or binding. Any modification of this Agreement will be effective only if it is in writing and signed by each party whose rights hereunder are affected thereby, provided that any such modification must be authorized or approved by the Board of Directors of Employer.

IN WITNESS WHEREOF, Employer and Employee have duly executed this Agreement at Dallas, Texas in multiple originals to be effective on the date first stated above.

HALLIBURTON COMPANY

By:
Thomas H. Cruikshank
Chairman of the Board and
Chief Executive Officer

EMPLOYEE

Name: Richard B. Cheney

Date: August 10, 1995

Exhibit A To
Executive Employment Agreement
By and Between Richard B. Cheney and
Halliburton Company

INDEMNIFICATION AGREEMENT

THIS AGREEMENT is made this 10th day of August, 1995 by and between Halliburton Company, a Delaware corporation, (the "Company") and Richard B. Cheney (the "Indemnitee").

RECITALS

A. The Indemnitee has been requested to serve, or is presently serving, as a Director and/or an officer of the Company. The Company desires the Indemnitee to serve or to continue to serve in such capacity. The Company believes that the Indemnitee's undertaking or continued undertaking of such responsibilities is important to the Company and that the protection afforded by this Agreement will enhance the Indemnitee's ability to discharge such responsibilities under existing circumstances. The Indemnitee is willing, subject to certain conditions including without limitation the execution and performance of this Agreement by the Company and the Company's agreement to provide the Indemnitee at all times the broadest and most favorable (to Indemnitee) indemnification permitted by applicable law (whether by legislative action or judicial decision), to serve or to continue to serve in that capacity.

B. In addition to the indemnification to which the Indemnitee is entitled under the Composite Certificate of Incorporation of the Company (the "Certificate") or the By-laws, as amended, of the Company (the "By-laws"), the Company has purchased and currently maintains insurance protecting its officers and directors and certain other persons (including the Indemnitee) against certain losses arising out of actual or threatened actions, suits or proceedings to which such persons may be made or threatened to be made parties ("D&O Insurance").

NOW, THEREFORE, for and in consideration of the premises, the mutual promises hereinafter set forth, the reliance of the Indemnitee hereon in continuing to serve the Company in his present capacity and in undertaking to serve the Company in any additional capacity or capacities, the Company and the Indemnitee agree as follows:

1. Indemnification - General. The Company shall indemnify and advance Expenses (as hereinafter defined) to Indemnitee to the fullest extent, and only to the extent, permitted by applicable law in effect on the date hereof and to such greater extent as applicable law may thereafter from time to time permit. The rights of Indemnitee provided under the preceding sentence shall include, but shall not be limited to, the rights set forth in the other Sections of this Agreement.

Although there can be no assurance as to the continuation or renewal of the D&O Insurance or that any such D&O Insurance will provide coverage for

losses to which the Indemnitee may be exposed, the Company will use commercially reasonable efforts, taking into consideration availability of D&O Insurance in the marketplace, to continue D&O Insurance in effect at current levels for the duration of Indemnitee's service and for six (6) years thereafter.

2. Proceedings Other than Proceedings by or in the Right of the Company. Indemnitee shall be entitled to the indemnification rights provided in this Section 2 if, by reason of his Corporate Status (as hereinafter defined), he is, or is threatened to be made, a party to, or otherwise incurs Expenses in connection with, any threatened, pending or completed Proceeding (as hereinafter defined), other than a Proceeding by or in the right of the Company. Pursuant to this Section 2, Indemnitee shall be indemnified against Expenses, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him or on his behalf in connection with such Proceeding or any claim, issue or matter therein, if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Company, and, with respect to any criminal Proceeding, had no reasonable cause to believe his conduct was unlawful.

3. Proceedings by or in the Right of the Company. Indemnitee shall be entitled to the indemnification rights provided in this Section 3, if, by reason of his Corporate Status, he is, or is threatened to be made, a party to, or otherwise incurs Expenses in connection with, any threatened, pending or completed Proceeding brought by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified against Expenses actually and reasonably incurred by him or on his behalf in connection with such Proceeding if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Company. Notwithstanding the foregoing, no indemnification against such Expenses shall be made in respect of any claim, issue or matter in such Proceeding as to which Indemnitee shall have been adjudged to be liable to the Company if applicable law prohibits such indemnification; provided, however, that, if applicable law so permits, indemnification against Expenses shall nevertheless be made by the Company despite such adjudication of liability, if and only to the extent that the Court of Chancery of the State of Delaware, or the court in which such Proceeding shall have been brought or is pending, shall determine.

4. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of his Corporate Status, a party to and is successful, on the merits or otherwise, in any Proceeding, he shall be indemnified against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or on his behalf in connection with each successfully resolved claim, issue or matter. For the purposes of this Section 4 and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

5. Contribution. In the event that the indemnity contained in Sections 2, 3 or 4 of this Agreement is unavailable or insufficient to hold Indemnitee harmless in a Proceeding described therein, then in accordance with the non-exclusivity provisions of the Delaware General Corporation Law and the Certificate and By-laws, and separate from and in addition to, the indemnity provided elsewhere herein, the Company shall contribute to Expenses, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by or on behalf of Indemnitee in connection with such Proceeding or any claim, issue or matter therein, in such proportion as appropriately reflects the relative benefits received by, and fault of, the Company on the one hand and Indemnitee on the other in the acts, transactions or matters to which the Proceeding relates and other equitable considerations.

6. Procedure for Determination of Entitlement to Indemnification.

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request, including such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification. The determination of Indemnitee's entitlement to indemnification shall be made not later than 90 days after receipt by the Company of the written request for indemnification. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board of Directors in writing that Indemnitee has requested indemnification.

(b) Indemnitee's entitlement to indemnification under any of Sections 2, 3, 4 and 5 of this Agreement shall be determined in the specific case: (i) by the Board of Directors by a majority vote of a quorum of the Board consisting of Disinterested Directors (as hereinafter defined); (ii) by Independent Counsel (as hereinafter defined), in a written opinion if a quorum of the Board of Directors consisting of Disinterested Directors is not obtainable or, even if obtainable, such quorum of Disinterested Directors so directs; or (iii) by the stockholders of the Company. If, with regard to Section 5 of this Agreement, such a determination is not permitted by law or if a quorum of Disinterested Directors so directs, such determination shall be made by the Chancery Court of the State of Delaware or the court in which the Proceeding giving rise to the claim for indemnification is brought.

(c) In the event that the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 6(b) of this Agreement, the Independent Counsel shall be selected as provided in this Section 6(c). The Independent Counsel shall be selected by the Board of Directors, and the Company shall give written notice to Indemnitee advising him of the identity of the Independent Counsel so selected. Indemnitee may, within 7 days after receipt of such written notice of selection shall have been given, deliver to the Company a written objection to such selection. Such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent

Counsel" as defined in Section 13 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. If such written objection is made, the Independent Counsel so selected shall be disqualified from acting as such. If, within 20 days after submission by Indemnitee of a written request for indemnification pursuant to Section 6(a) of this Agreement, no Independent Counsel shall have been selected, or if selected shall have been objected to, in accordance with this Section 6(c), either the Company or Indemnitee may petition the Court of Chancery of the State of Delaware for the appointment as Independent Counsel of a person selected by such court or by such other person as such court shall designate, and the person so appointed shall act as Independent Counsel under Section 6(b) of this Agreement, and the Company shall pay all reasonable fees and expenses incident to the procedures of this Section 6(c), regardless of the manner in which such Independent Counsel was selected or appointed.

7. Advancement of Expenses. The Company shall advance all reasonable Expenses incurred by or on behalf of Indemnitee in connection with any Proceeding within 20 days after the receipt by the Company of a statement or statements from Indemnitee requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Indemnitee shall, and hereby undertakes to, repay any Expenses advanced if it shall ultimately be determined that Indemnitee is not entitled to be indemnified against such Expenses.

8. Presumptions and Effect of Certain Proceedings. The termination of any proceeding described in any of Sections 2, 3 or 4 of this Agreement, or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his conduct was unlawful.

9. Term of Agreement. All agreements and obligations of the Company contained herein shall commence as of the time the Indemnitee commenced to serve as a director, officer, employee or agent of the Company (or commenced to serve at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise) and shall continue for so long as Indemnitee shall so serve or shall be, or could become, subject to any possible Proceeding in respect of which Indemnitee is granted rights of indemnification or advancement of Expenses hereunder.

10. Notification and Defense of Claim. Promptly after receipt by Indemnitee of notice of the commencement of any Proceeding, Indemnitee will, if a claim in respect thereof is to be made against the Company under this Agreement, notify the Company of the commencement thereof; but the omission to notify the Company will not relieve it from any liability which it may have to Indemnitee otherwise than under this Agreement. With respect to any such Proceeding as to which Indemnitee notifies the Company of the commencement thereof:

(a) The Company will be entitled to participate therein at its own expense.

(b) Except as otherwise provided below, to the extent that it may wish, the Company jointly with any other indemnifying party similarly notified will be entitled to assume the defense thereof, with counsel satisfactory to Indemnitee. After notice from the Company to Indemnitee of its election so to assume the defense thereof, the Company will not be liable to Indemnitee under this Agreement for any legal or other Expenses subsequently incurred by Indemnitee in connection with the defense thereof other than reasonable costs of investigation or as otherwise provided below. Indemnitee shall have the right to employ its counsel in such Proceeding but the fees and Expenses of such counsel incurred after notice from the Company of its assumption of the defense thereof shall be at the expense of Indemnitee unless (i) the employment of counsel by Indemnitee has been authorized by the Company, or (ii) Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Company and Indemnitee in the conduct of the defense of such Proceeding, or (iii) the Company shall not in fact have employed counsel to assume the defense of such Proceeding, in each of which cases the fees and Expenses of counsel shall be at the expense of the Company. The Company shall not be entitled to assume the defense of any Proceeding brought by or on behalf of the Company or as to which Indemnitee shall have made the conclusion provided for in (ii) above.

(c) The Company shall not be liable to indemnify Indemnitee under this Agreement for any amounts paid in settlement of any Proceeding or claim effected without its written consent. The Company shall not settle any Proceeding or claim in any manner which would impose any penalty or limitation on Indemnitee without Indemnitee's written consent. Neither the Company nor Indemnitee will unreasonably withhold their consent to any proposed settlement.

11. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve or continue to serve as a director and/or officer of the Company, and acknowledges that Indemnitee is relying upon this Agreement in serving or continuing to serve in such capacity.

(b) In the event Indemnitee is required to bring any action to enforce rights or to collect moneys due under this Agreement and is successful in such action, the Company shall reimburse Indemnitee for all of Indemnitee's reasonable fees and Expenses in bringing and pursuing such action.

12. Non-Exclusivity of Rights. The rights of indemnification and to receive advancement of Expenses as provided by this Agreement shall not be

deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Certificate, the By-laws, any agreement, a vote of stockholders or a resolution of directors, or otherwise.

13. Definitions. For purposes of this Agreement:

(a) "Corporate Status" describes the status of a person who is or was a director, officer, employee, agent or fiduciary of the Company or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which such person is or was serving at the request of the Company.

(b) "Disinterested Director" means a director of the Company who is not and was not at any time a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(c) "Expenses" shall include all reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or Expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend or investigating a Proceeding.

(d) "Independent Counsel" means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement.

(e) "Proceeding" includes any action, suit, arbitration, alternate dispute resolution mechanism, investigation, administrative hearing or any other proceeding whether civil, criminal, administrative or investigative.

14. Severability. Each of the provisions of this Agreement is a separate and distinct agreement and independent of the others, so that if any provision hereof shall be held to be invalid or unenforceable for any reason, such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions hereof.

15. Governing Law; Binding Effect; Amendment and Termination.

(a) THIS AGREEMENT SHALL BE INTERPRETED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, EXCLUDING ANY

CONFLICT-OF-LAW RULE OR PRINCIPLE THAT MIGHT REFER TO THE LAWS OF ANOTHER STATE OR COUNTRY.

(b) This Agreement shall be binding upon Indemnitee and upon the Company, its successors and assigns, and shall inure to the benefit of Indemnitee, his heirs, personal representatives and assigns and to the benefit of the Company, its successors and assigns.

(c) No amendment, modification, termination or cancellation of this Agreement shall be effective unless in writing by the parties.

The parties have executed this Agreement as of the day and year first above written.

HALLIBURTON COMPANY

By: /s/ Thomas H. Cruikshank

Thomas H. Cruikshank
Chairman of the Board and
Chief Executive Officer

/s/ Richard B. Cheney

Richard B. Cheney
Indemnitee

Exhibit B to
Executive Employment Agreement
By and Between Richard B. Cheney and
Halliburton Company

NONSTATUTORY STOCK OPTION AGREEMENT

AGREEMENT made as of the 10th day of August, 1995, between HALLIBURTON COMPANY, a Delaware corporation (the "Company"), and Richard B. Cheney ("Employee").

To carry out the purposes of the HALLIBURTON COMPANY 1993 STOCK AND LONG-TERM INCENTIVE PLAN (the "Plan"), by affording Employee the opportunity to purchase shares of common stock, par value $2.50 per share, of the Company ("Stock"), and in consideration of the mutual agreements and other matters set forth herein and in the Plan, the Company and Employee hereby agree as follows:

1. Grant of Option. The Company hereby irrevocably grants to Employee the right and option ("Option") to purchase all or any part of an aggregate of 200,000 shares of Stock, on the terms and conditions set forth herein and in the Plan, which Plan is incorporated herein by reference as a part of this Agreement. This Option shall not be treated as an incentive stock option within the meaning of section 422(b) of the Internal Revenue Code of 1986, as amended (the "Code").

2. Purchase Price. The purchase price of Stock purchased pursuant to the exercise of this Option shall be $_____ per share, which has been determined to be not less than the fair market value of the Stock at the date of grant of this Option. For all purposes of this Agreement, fair market value of Stock shall be determined in accordance with the provisions of the Plan.

3. Exercise of Option. Subject to the earlier expiration of this Option as herein provided, this Option may be exercised, by written notice to the Company at its principal executive office addressed to the attention of its Vice President and Secretary, at any time and from time to time after the date of grant hereof, but, except as otherwise provided below, this Option shall not be exercisable for more than a percentage of the aggregate number of shares offered by this Option determined by the number of full years from the date of grant hereof to the date of such exercise, in accordance with the following schedule:

Number of Full Years	Percentage of Shares That May be Purchased
Less than 1 year	0%
1 year	33 1/3%
2 years	67%
3 years	100%

This Option is not transferable by Employee otherwise than by will or the laws of descent and distribution, and may be exercised only by Employee during Employee's lifetime. This Option may be exercised only while Employee remains an employee of the Company, subject to the following exceptions:

(a) If Employee's employment with the Company terminates by reason of disability (disability being defined as being physically or mentally incapable of performing the Employee's usual duties as an Employee with such condition likely to remain continuously and permanently, as determined by the Committee administering the Plan (the "Committee")), this Option may be exercised in full by Employee (or Employee's estate or the person who acquires this Option by will or the laws of descent and distribution or otherwise by reason of the death of Employee) at any time during the period ending on the Expiration Date.

(b) If Employee dies while in the employ of the Company, Employee's estate, or the person who acquires this Option by will or the laws of descent and distribution or otherwise by reason of the death of Employee, may exercise this Option in full at any time during the period ending on the Expiration Date.

(c) If Employee's employment with the Company terminates by reason of retirement at or after age 62 or earlier retirement with consent of the Committee, this Option may be exercised in full by Employee at any time during the period ending on the Expiration Date (as defined below). If Employee dies after such retirement, this Option may be exercised in full by Employee's estate (or the person who acquires this Option by will or the laws of descent and distribution or otherwise by reason of the death of the Employee) during the period ending on the Expiration Date.

(d) If Employee's employment with the Company is terminated by the Company other than for "Cause" or Employee terminates his employment with the Company (i) because of a material breach by the Company of any material provision of any employment agreement between the Company and Employee which remains uncorrected for 30 days following written notice of such breach by Employee to the Company or (ii) within six months of a material reduction in Employee's rank or responsibilities with the Company, this Option may be exercised in full by Employee at any time during the period ending on the Expiration Date or by Employee's estate (or the person who acquires this Option by will or the laws of descent and distribution or otherwise by reason of the death of the Employee) during the period ending on the Expiration Date if Employee dies during such period. For purposes of this Agreement, the term "Cause" shall mean any of (i) Employee's gross negligence or willful misconduct in the performance of the duties and services required of Employee pursuant to this Agreement, (ii) Employee's final conviction of a felony; or (iii) Employee's material breach of any material provision of this Agreement which remains uncorrected for 30 days following written notice to Employee by the Company of such breach.

(e) If Employee's employment with the Company terminates for any reason other than those set forth in subparagraphs (a) through (d) above, this Option may be exercised by Employee at any time during the period of 30 days following such termination, or by Employee's estate (or the person who acquires this Option by will or the laws of descent and distribution or otherwise by reason of the death of the Employee) during a period of six months following Employee's death if Employee dies during such 30-day period, but in each case only as to the number of shares Employee was entitled to purchase hereunder upon exercise of this Option as of the date Employee's employment so terminates.

This Option shall not be exercisable in any event prior to the expiration of six months from the date of grant hereof or after the expiration of ten years from the date of grant hereof (the "Expiration Date") notwithstanding anything hereinabove contained. The purchase price of shares as to which this Option is exercised shall be paid in full at the time of exercise (a) in cash (including check, bank draft or money order payable to the order of the Company), (b) by delivering to the Company shares of Stock having a fair market value equal to the purchase price, or (c) by a combination of cash or Stock. Payment may also be made, in the discretion of the Committee or its delegate, as appropriate, by delivery (including by facsimile transmission) to the Company of an executed irrevocable option exercise form, coupled with irrevocable instructions to a broker-dealer designated by the Company to simultaneously sell a sufficient number of the shares as to which the option is exercised and deliver directly to the Company that portion of the sales proceeds representing the exercise price. No fraction of a share of Stock shall be issued by the Company upon exercise of an Option or accepted by the Company in payment of the purchase price thereof; rather, Employee shall provide a cash payment for such amount as is necessary to effect the issuance and acceptance of only whole shares of Stock. Unless and until a certificate or certificates representing such shares shall have been issued by the Company to Employee, Employee (or the person permitted to exercise this Option in the event of Employee's death) shall not be or have any of the rights or privileges of a shareholder of the Company with respect to shares acquirable upon an exercise of this Option.

4. Withholding of Tax. To the extent that the exercise of this Option or the disposition of shares of Stock acquired by exercise of this Option results in compensation income to Employee for federal or state income tax purposes, Employee shall deliver to the Company at the time of such exercise or disposition such amount of money or shares of Stock as the Company may require to meet its withholding obligation under applicable tax laws or regulations, and, if Employee fails to do so, the Company is authorized to withhold from any cash or Stock remuneration then or thereafter payable to Employee any tax required to be withheld by reason of such resulting compensation income. Upon an exercise of this Option, the Company is further authorized in its discretion to satisfy any such withholding requirement out of any cash or shares of Stock distributable to Employee upon such exercise.

5. Status of Stock. Notwithstanding any other provision of this Agreement, in the absence of an effective registration statement for issuance under the Securities Act of 1933, as amended (the "Act"), of the shares of Stock acquirable upon exercise of this Option, or an available exemption from registration under the Act, issuance of shares of Stock acquirable upon exercise of this Option will be delayed until registration of such shares is effective or an exemption from registration under the Act is available. The Company intends to use its best efforts to ensure that no such delay will occur. In the event exemption from registration under the Act is available upon an exercise of this Option, Employee (or the person permitted to exercise this Option in the event of Employee's death or incapacity), if requested by the Company to do so, will execute and deliver to the Company in writing an agreement containing such provisions as the Company may require to assure compliance with applicable securities laws.

Employee agrees that the shares of Stock which Employee may acquire by exercising this Option will not be sold or otherwise disposed of in any manner which would constitute a violation of any applicable securities laws, whether federal or state. Employee also agrees (i) that the certificates representing the shares of Stock purchased under this Option may bear such legend or legends as the Company deems appropriate in order to assure compliance with applicable securities laws, (ii) that the Company may refuse to register the transfer of the shares of Stock purchased under this Option on the stock transfer records of the Company if such proposed transfer would in the opinion of counsel satisfactory to the Company constitute a violation of any applicable securities law and (iii) that the Company may give related instructions to its transfer agent, if any, to stop registration of the transfer of the shares of Stock purchased under this Option.

If Employee desires to sell any shares of Stock acquired pursuant to the provisions of this Agreement and if such shares may not be sold on the open market without registration pursuant to applicable securities laws, then the Company shall, within five days after notice from Employee indicating his intention to sell such shares and the number of shares to be sold, purchase for cash such shares at a price per share based on the closing sales price for shares of Stock traded on the New York Stock Exchange on the date of receipt by the Company of said notice.

6. Employment Relationship. For purposes of this Agreement, Employee shall be considered to be in the employment of the Company as long as Employee remains an employee of either the Company, a parent or subsidiary corporation (as defined in section 424 of the Code) of the Company, or a corporation or a parent or subsidiary of such corporation assuming or substituting a new option for this Option. Any question as to whether and when there has been a termination of such employment, and the cause of such termination, shall be determined by the Committee or its delegate, as appropriate, and such determination shall be final.

7. Binding Effect. This Agreement shall be binding upon and inure to the benefit of any successors to the Company and all persons lawfully claiming under Employee.

8. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas, excluding any conflict-of-law rule or principle that might refer to the laws of another State or country.

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed by its officer thereunto duly authorized, and Employee has executed this Agreement, all as of the day and year first above written.

HALLIBURTON COMPANY

By:----------
Thomas H. Cruikshank
Chairman of the Board and
Chief Executive Officer

Richard B. Cheney
Employee

Attachment to Nonstatutory Stock Option Agreement

Please furnish the following information for shareholder records:

- ----------	----------
(Given name and initial must be used for stock registry)	Social Security Number (if applicable)
- ----------	----------
	Birth Date Month/Day/Year
- ----------	----------
	Name of Employer
- ----------	----------
Address (Zip Code)	Day phone number

United States Citizen: Yes x No___

PROMPTLY NOTIFY THE VICE PRESIDENT AND SECRETARY
OF HALLIBURTON COMPANY
3600 LINCOLN PLAZA, DALLAS, TEXAS 75201
OF ANY CHANGE IN ADDRESS.

Exhibit C to
Executive Employment Agreement
By and Between Richard B. Cheney and
Halliburton Company

RESTRICTED STOCK AGREEMENT

AGREEMENT made as of the 1st day of October, 1995, between HALLIBURTON COMPANY, a Delaware corporation (the "Company"), and Richard B. Cheney ("Employee").

1. Award.

(a) Shares. Pursuant to the Halliburton Company 1993 Stock and Long-Term Incentive Plan (the "Plan"), 100,000 shares (the "Restricted Shares") of the Company's common stock, par value $2.50 per share ("Stock"), shall be issued as hereinafter provided in Employee's name subject to certain restrictions thereon.

(b) Issuance of Restricted Shares. The Restricted Shares shall be issued upon acceptance hereof by Employee and upon satisfaction of the conditions of this Agreement.

(c) Plan Incorporated. Employee acknowledges receipt of a copy of the Plan, and agrees that this award of Restricted Shares shall be subject to all of the terms and conditions set forth in the Plan, including future amendments thereto, if any, pursuant to the terms thereof, which Plan is incorporated herein by reference as a part of this Agreement.

2. Restricted Shares. Employee hereby accepts the Restricted Shares when issued and agrees with respect thereto as follows:

(a) Forfeiture Restrictions. The Restricted Shares may not be sold, assigned, pledged, exchanged, hypothecated or otherwise transferred, encumbered or disposed of to the extent then subject to the Forfeiture Restrictions (as hereinafter defined), and in the event of termination of Employee's employment with the Company for a reason other than those set forth in the first sentence of subparagraph (c) of this Paragraph 2, Employee shall, for no consideration, forfeit to the Company all Restricted Shares to the extent then subject to the Forfeiture Restrictions. The prohibition against transfer and the obligation to forfeit and surrender Restricted Shares to the Company upon termination of employment are herein referred to as "Forfeiture Restrictions." The Forfeiture Restrictions shall be binding upon and enforceable against any transferee of Restricted Shares.

(b) Lapse of Forfeiture Restrictions. The Forfeiture Restrictions shall lapse as to the Restricted Shares in accordance with the following schedule provided that Employee has been continuously employed by the Company from the date of this Agreement through the lapse date:

Lapse Date	Percentage of Total Number of Restricted Shares as to Which Forfeiture Restrictions Lapse
First Anniversary of the date of this Agreement	12.5%
Second Anniversary of the date of this Agreement	12.5%
Third Anniversary of the date of this Agreement	12.5%
Fourth Anniversary of the date of this Agreement	12.5%
Fifth Anniversary of the date of this Agreement	12.5%
Sixth Anniversary of the date of this Agreement	12.5%
Seventh Anniversary of the date of this Agreement	12.5%
Eighth Anniversary of the date of this Agreement	12.5%

(c) Notwithstanding the provisions of subparagraph (b) of Paragraph 2, the Forfeiture Restrictions shall lapse as to all of the Restricted Shares on the earlier of (i) the occurrence of a Corporate Change (as such term is defined in the Plan), or (ii) the date Employee's employment with the Company is terminated by reason of death, disability (disability being defined as being physically or mentally incapable of performing Employee's usual duties as an employee, with such condition likely to remain continuously and permanently, as determined by the Committee which administers the Plan (the "Committee")),

retirement on or after age sixty-two or retirement prior to age sixty-two with consent of the Committee, or (iii) involuntary termination by the Company other than for Cause or (iv) Employee's termination of his employment with the Company (y) because of a material breach by the Company of any material provision of any employment agreement between the Company and Employee which remains uncorrected for thirty (30) days following written notice of such breach by Employee to the Company or (z) within six (6) months of a material reduction in Employee's rank or responsibilities with the Company. For purposes of this Agreement, the term "Cause" shall mean any of (i) Employee's gross negligence or willful misconduct in the performance of the duties and services required of Employee pursuant to this Agreement, (ii) Employee's final conviction of a felony; or (iii) Employee's material breach of any material provision of this Agreement which remains uncorrected for thirty (30) days following written notice to Employee by the Company of such breach.

(d) Certificates. A certificate evidencing the Restricted Shares shall be issued by the Company in Employee's name, or at the option of the Company, in the name of a nominee of the Company, pursuant to which Employee shall have voting rights and shall be entitled to receive all dividends unless and until the Restricted Shares are forfeited pursuant to the provisions of this Agreement. The certificate shall bear a legend evidencing the nature of the Restricted Shares, and the Company may cause the certificate to be delivered upon issuance to the Secretary of the Company or to such other depository as may be designated by the Company as a depository for safekeeping until the forfeiture occurs or the Forfeiture Restrictions lapse pursuant to the terms of the Plan and this award. Upon request of the Committee or its delegate, Employee shall deliver to the Company a stock power, endorsed in blank, relating to the Restricted Shares then subject to the Forfeiture Restrictions. Upon the lapse of the Forfeiture Restrictions without forfeiture, the Company shall cause a new certificate or certificates to be issued without legend in the name of Employee for the shares upon which Forfeiture Restrictions lapsed. Notwithstanding any other provisions of this Agreement, the issuance or delivery of any shares of Stock (whether subject to restrictions or unrestricted) may be postponed for such period as may be required to comply with applicable requirements of any national securities exchange or any requirements under any law or regulation applicable to the issuance or delivery of such shares. The Company shall not be obligated to issue or deliver any shares of Stock if the issuance or delivery thereof shall constitute a violation of any provision of any law or of any regulation of any governmental authority or any national securities exchange.

3. Withholding of Tax. To the extent that the receipt of the Restricted Shares or the lapse of any Forfeiture Restrictions results in income to Employee for federal or state income tax purposes, Employee shall deliver to the Company at the time of such receipt or lapse, as the case may be, such amount of money or shares of unrestricted Stock as the Company may require to meet its

withholding obligation under applicable tax laws or regulations, and, if Employee fails to do so, the Company is authorized to withhold from any cash or Stock remuneration then or thereafter payable to Employee any tax required to be withheld by reason of such resulting compensation income.

4. Status of Stock. Employee agrees that the Restricted Shares will not be sold or otherwise disposed of in any manner which would constitute a violation of any applicable federal or state securities laws. Employee also agrees (i) that the certificates representing the Restricted Shares may bear such legend or legends as the Company deems appropriate in order to assure compliance with applicable securities laws, (ii) that the Company may refuse to register the transfer of the Restricted Shares on the stock transfer records of the Company if such proposed transfer would be in the opinion of counsel satisfactory to the Company constitute a violation of any applicable securities law and (iii) that the Company may give related instructions to its transfer agent, if any, to stop registration of the transfer of the Restricted Shares. If Employee desires to sell any shares of Common Stock acquired pursuant to the provisions of this Agreement upon which restrictions have theretofore lapsed and if such shares may not be sold on the open market without registration pursuant to applicable securities laws, then the Company shall, within five (5) days after notice from the Employee indicating his intention to sell such shares and the number of shares to be sold, purchase for cash such shares at a price per share based on the closing sales price for shares of Common Stock traded on the New York Stock Exchange on the date of receipt by the Company of said notice.

5. Employment Relationship. For purposes of this Agreement, Employee shall be considered to be in the employment of the Company as long as Employee remains an employee of either the Company, any successor corporation or a parent or subsidiary corporation (as defined in section 424 of the Code) of the Company or any successor corporation. Any question as to whether and when there has been a termination of such employment, and the cause of such termination, shall be determined by the Committee, and its determination shall be final.

6. Committee's Powers. No provision contained in this Agreement shall in any way terminate, modify or alter, or be construed or interpreted as terminating, modifying or altering any of the powers, rights or authority vested in the Committee or, to the extent delegated, in its delegate pursuant to the terms of the Plan or resolutions adopted in furtherance of the Plan, including, without limitation, the right to make certain determinations and elections with respect to the Restricted Shares.

7. Binding Effect. This Agreement shall be binding upon and inure to the benefit of any successors to the Company and all persons lawfully claiming under Employee.

8. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas, excluding any conflict-of-law rule or principle that might refer to the laws of another State or country.

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed by an officer thereunto duly authorized, and Employee has executed this Agreement, all as of the date first above written.

HALLIBURTON COMPANY

By:----------
Thomas H. Cruikshank
Chairman of the Board and
Chief Executive Officer

Richard. B. Cheney
Employee

Please Check Appropriate Item (One of the boxes must be checked):

--- I do not desire the alternative tax treatment provided for
--- in the Internal Revenue Code Section 83(b).

---* I do desire the alternative tax treatment provided for in
--- Internal Revenue Code Section 83(b) and desire that forms
for such purpose be forwarded to me.

* I acknowledge that the Company has suggested that before this block is checked that I check with a tax consultant of my choice.

Please furnish the following information for shareholder records:

- ----------	----------
(Given name and initial must be used for stock registry)	Social Security Number (if applicable)
- ----------	----------
	Birth Date Month/Day/Year
- ----------	----------
	Name of Employer
- ----------	----------
Address (Zip Code)	Day phone number

United States Citizen: Yes No___

PROMPTLY NOTIFY THIS OFFICE OF ANY CHANGE IN ADDRESS.

HALLIBURTON COMPANY
EXHIBIT 11

COMPUTATION OF EARNINGS PER SHARE

The calculation below for earnings per share of the $2.50 par value Common Stock of the Company on a primary and fully diluted basis for the three and nine months ended September 30, 1995 and 1994, is submitted in accordance with Regulation S-K item 601 (b) (11).

	Three Months Ended September 30		Nine Months Ended September 30	
	1995	1994	1995	1994
	Millions of dollars except per share data Primary:			
Primary:				
Net income (loss)	$ 1.1	$ 51.7	$ 96.4	$ 50.3
Average number of common and common share equivalents outstanding	114.6	114.2	114.4	114.2
Primary net income (loss) per share	$ 0.01	$ 0.45	$ 0.84	$ 0.44
Fully Diluted:				
Net income (loss)	$ 1.1	$ 51.7	$ 96.4	$ 50.3
Add after-tax interest expense applicable to Zero Coupon Convertible Subordinated Debentures due 2006	2.3	3.3	9.2	9.6
Adjusted net income (loss)	$ 3.4	$ 55.0	$ 105.6	$ 59.9
Adjusted average number of shares outstanding	118.0	119.1	119.0	119.1
Fully diluted earnings (loss) per share	$ 0.03	$ 0.46	$ 0.89	$ 0.50

The foregoing computations do not reflect any significant potentially dilutive effect the Company's Preferred Stock Purchase Rights Plan could have in the event such Rights become exercisable and any shares of either Series A Junior Participating Preferred Stock or Common Stock of the Company are issued upon the exercise of such Rights.

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE HALLIBURTON COMPANY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 1995, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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9-MOS
DEC-31-1995
JUN-30-1995
SEP-30-1995

71
0
1386
38
277
1894
3329
2254
3758
1002
232
298
0
0
1671

3758
0
4161
0
3779
112
0
40
255
92
162
(66)
0
0
96
0.84
0