UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

[X] Quarterly Report Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934
For the quarterly period ended March 31, 2014

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 001-03492

HALLIBURTON COMPANY

(a Delaware corporation)
75-2677995

3000 North Sam Houston Parkway East
Houston, Texas 77032
(Address of Principal Executive Offices)

Telephone Number – Area Code (281) 871-2699

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 by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes [X] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer,” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	[X]	Accelerated filer	[ ]
Non-accelerated filer	[ ]	Smaller reporting company	[ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes [ ] No [X]

As of April 18, 2014, 844,520,116 shares of Halliburton Company common stock, $2.50 par value per share, were outstanding.

HALLIBURTON COMPANY

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PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

HALLIBURTON COMPANY
Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended March 31	
Millions of dollars and shares except per share data	2014	2013
Revenue:		
Services	$ 5,540	$ 5,334
Product sales	1,808	1,640
Total revenue	7,348	6,974
Operating costs and expenses:		
Cost of services	4,765	4,614
Cost of sales	1,538	1,386
Loss contingency for Macondo well incident	—	1,000
General and administrative	75	72
Total operating costs and expenses	6,378	7,072
Operating income (loss)	970	(98)
Interest expense, net of interest income of $3 and $3	(93)	(71)
Other, net	(31)	(14)
Income (loss) from continuing operations before income taxes	846	(183)
Income tax (provision) benefit	(229)	172
Income (loss) from continuing operations	617	(11)
Loss from discontinued operations, net of income tax benefit of $1 and $2	(1)	(5)
Net income (loss)	$ 616	$ (16)
Noncontrolling interest in net (income) loss of subsidiaries	6	(2)
Net income (loss) attributable to company	$ 622	$ (18)
Amounts attributable to company shareholders:		
Income (loss) from continuing operations	$ 623	$ (13)
Loss from discontinued operations, net	(1)	(5)
Net income (loss) attributable to company	$ 622	$ (18)
Basic income (loss) per share attributable to company shareholders:		
Income (loss) from continuing operations	$ 0.73	$ (0.01)
Loss from discontinued operations, net	—	(0.01)
Net income (loss) per share	$ 0.73	$ (0.02)
Diluted income (loss) per share attributable to company shareholders:		
Income (loss) from continuing operations	$ 0.73	$ (0.01)
Loss from discontinued operations, net	—	(0.01)
Net income (loss) per share	$ 0.73	$ (0.02)
Cash dividends per share	$ 0.15	$ 0.125
Basic weighted average common shares outstanding	849	931
Diluted weighted average common shares outstanding	853	931

See notes to condensed consolidated financial statements.

HALLIBURTON COMPANY
Condensed Consolidated Statements of Comprehensive Income
(Unaudited)

Millions of dollars	Three Months Ended March 31 2014	2013
Net income (loss)	$ 616	$ (16)
Other comprehensive income, net of income taxes:		
Defined benefit and other postretirement plan adjustments	$ 3	$ 4
Other	1	2
Other comprehensive income, net of income taxes	4	6
Comprehensive income (loss)	$ 620	$ (10)
Comprehensive (income) loss attributable to noncontrolling interest	6	(3)
Comprehensive income (loss) attributable to company shareholders	$ 626	$ (13)

See notes to condensed consolidated financial statements.

HALLIBURTON COMPANY
Condensed Consolidated Balance Sheets

Millions of dollars and shares except per share data	March 31, 2014 (Unaudited)	December 31, 2013
Assets		
Current assets:		
Cash and equivalents	$ 2,123	$ 2,356
Receivables (less allowance for bad debts of $112 and $117)	6,314	6,181
Inventories	3,415	3,305
Other current assets	1,634	1,862
Total current assets	13,486	13,704
Property, plant, and equipment, net of accumulated depreciation of $10,004 and $9,480	11,463	11,322
Goodwill	2,193	2,168
Other assets	2,114	2,029
Total assets	$ 29,256	$ 29,223
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 2,525	$ 2,365
Accrued employee compensation and benefits	823	1,029
Loss contingency for Macondo well incident	278	278
Other current liabilities	1,306	1,354
Total current liabilities	4,932	5,026
Long-term debt	7,816	7,816
Loss contingency for Macondo well incident	1,022	1,022
Employee compensation and benefits	570	584
Other liabilities	1,164	1,160
Total liabilities	15,504	15,608
Shareholders' equity:		
Common shares, par value $2.50 per share (authorized 2,000 shares, issued 1,072 shares)	2,680	2,680
Paid-in capital in excess of par value	410	415
Accumulated other comprehensive loss	(303)	(307)
Retained earnings	19,337	18,842
Treasury stock, at cost (229 and 223 shares)	(8,399)	(8,049)
Company shareholders' equity	13,725	13,581
Noncontrolling interest in consolidated subsidiaries	27	34
Total shareholders' equity	13,752	13,615
Total liabilities and shareholders' equity	$ 29,256	$ 29,223

See notes to condensed consolidated financial statements.

HALLIBURTON COMPANY
Condensed Consolidated Statements of Cash Flows
(Unaudited)

Millions of dollars	Three Months Ended March 31 2014	2013
Cash flows from operating activities:		
Net income (loss)	$ 616	$ (16)
Adjustments to reconcile net income (loss) to net cash flows from operating activities:		
Depreciation, depletion, and amortization	510	448
Loss contingency for Macondo well incident	—	1,000
Other changes:		
Receivables	(175)	(406)
Accounts payable	160	158
Inventories	(105)	(70)
Payment of Barracuda-Caratinga obligation	—	(219)
Other	(52)	(546)
Total cash flows from operating activities	954	349
Cash flows from investing activities:		
Capital expenditures	(643)	(685)
Purchases of investment securities	(55)	(28)
Sales of investment securities	50	9
Other investing activities	(26)	53
Total cash flows from investing activities	(674)	(651)
Cash flows from financing activities:		
Payments to reacquire common stock	(500)	(50)
Dividends to shareholders	(127)	(116)
Other financing activities	113	21
Total cash flows from financing activities	(514)	(145)
Effect of exchange rate changes on cash	1	(8)
Decrease in cash and equivalents	(233)	(455)
Cash and equivalents at beginning of period	2,356	2,484
Cash and equivalents at end of period	$ 2,123	$ 2,029
Supplemental disclosure of cash flow information:		
Cash payments (receipts) during the period for:		
Interest	$ 167	$ 123
Income taxes	$ (25)	$ 137

See notes to condensed consolidated financial statements.

HALLIBURTON COMPANY
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Note 1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements were prepared using generally accepted accounting principles for interim financial information and the instructions to Form 10-Q and Regulation S-X. Accordingly, these financial statements do not include all information or notes required by generally accepted accounting principles for annual financial statements and should be read together with our 2013 Annual Report on Form 10-K.

Our accounting policies are in accordance with United States generally accepted accounting principles. The preparation of financial statements in conformity with these accounting principles requires us to make estimates and assumptions that affect:

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

Ultimate results could differ from our estimates.

In our opinion, the condensed consolidated financial statements included herein contain all adjustments necessary to present fairly our financial position as of March 31, 2014, the results of our operations for the three months ended March 31, 2014 and 2013, and our cash flows for the three months ended March 31, 2014 and 2013. Such adjustments are of a normal recurring nature. In addition, certain reclassifications of prior period balances have been made to conform to current period presentation. The results of our operations for the three months ended March 31, 2014 may not be indicative of results for the full year.

Note 2. Business Segment and Geographic Information

We operate under two divisions, which form the basis for the two operating segments we report: the Completion and Production segment and the Drilling and Evaluation segment.

The following table presents information on our business segments. “Corporate and other” includes expenses related to support functions and corporate executives. Also included are certain gains and losses not attributable to a particular business segment, such as the loss contingency related to the Macondo well incident recorded during the first quarter of 2013.

Intersegment revenue was immaterial. Our equity in earnings and losses of unconsolidated affiliates that are accounted for by the equity method of accounting are included in revenue and operating income of the applicable segment.

	Three Months Ended March 31	
Millions of dollars	2014	2013
Revenue:		
Completion and Production	$ 4,420	$ 4,100
Drilling and Evaluation	2,928	2,874
Total revenue	$ 7,348	$ 6,974
Operating income (loss):		
Completion and Production	$ 661	$ 615
Drilling and Evaluation	398	407
Total operations	1,059	1,022
Corporate and other	(89)	(1,120)
Total operating income (loss)	$ 970	$ (98)
Interest expense, net of interest income	(93)	(71)
Other, net	(31)	(14)
Income (loss) from continuing operations before income taxes	$ 846	$ (183)

Receivables

As of March 31, 2014, 37% of our gross trade receivables were from customers in the United States. As of December 31, 2013, 34% of our gross trade receivables were from customers in the United States. No other country or single customer accounted for more than 10% of our gross trade receivables at these dates.

Venezuela. We continue to experience delays in collecting payment on our receivables from our primary customer in Venezuela. These receivables are not disputed, and we have not historically had material write-offs relating to this customer. Our total outstanding trade receivables in Venezuela were $577 million, or approximately 9% of our gross trade receivables, as of March 31, 2014, compared to $486 million, or approximately 8% of our gross trade receivables, as of December 31, 2013. Of the $577 million of receivables in Venezuela as of March 31, 2014, $233 million have been classified as long-term and included within “Other assets” on our condensed consolidated balance sheets. Of the $486 million of receivables in Venezuela as of December 31, 2013, $183 million have been classified as long-term and included within “Other assets” on our condensed consolidated balance sheets.

In February 2013, the Venezuelan government devalued the Bolívar, from the preexisting exchange rate of 4.3 Bolívares per United States dollar to 6.3 Bolívares per United States dollar.

In recent months, the Venezuelan government has made available two new foreign exchange rate mechanisms through which a company may be able to legally convert Bolívares to United States dollars, in addition to the National Center of Foreign Commerce official rate of 6.3 Bolívares per United States dollar:

(1) a bid rate established via weekly auctions under the Complementary System of Foreign Currency Acquirement (SICAD I); and
(2) an auction rate which is intended to more closely resemble a market-driven exchange rate (SICAD II).

The availability of new currency mechanisms had no impact on our results of operations during the quarter ended March 31, 2014 as we continue to use the official exchange rate to remeasure net assets denominated in Bolívares. We believe that the current official exchange rate continues to reflect the economics of our business activity in the country, and we have not utilized nor do we intend at this time to utilize any of the newly available exchange mechanisms to transact business in Venezuela.

We will continue to monitor any future impact of these mechanisms on the exchange rate we use to remeasure our Venezuelan subsidiary’s financial statements.

For additional information, see Part I, Item 1(a), “Risk Factors” in our 2013 Annual Report on Form 10-K.

Note 3. Inventories

Inventories are stated at the lower of cost or market value. In the United States, we manufacture certain finished products and parts inventories for drill bits, completion products, bulk materials, and other tools that are recorded using the last-in, first-out method, which totaled $180 million as of March 31, 2014 and $157 million as of December 31, 2013. If the average cost method had been used, total inventories would have been $35 million higher than reported as of March 31, 2014 and December 31, 2013. The cost of the remaining inventory was recorded on the average cost method. Inventories consisted of the following:

Millions of dollars	March 31, 2014	December 31, 2013
Finished products and parts	$ 2,509	$ 2,445
Raw materials and supplies	744	720
Work in process	162	140
Total	$ 3,415	$ 3,305

Finished products and parts are reported net of obsolescence reserves of $134 million as of March 31, 2014 and $130 million as of December 31, 2013.

Note 4. Shareholders’ Equity
The following tables summarize our shareholders’ equity activity:

Millions of dollars		Total shareholders' equity		Company shareholders' equity		Noncontrolling interest in consolidated subsidiaries
Balance at December 31, 2013	$	13,615	$	13,581	$	34
Shares repurchased		(500)		(500)		—
Stock plans		146		146		—
Payments of dividends to shareholders		(127)		(127)		—
Other		(2)		(1)		(1)
Comprehensive income		620		626		(6)
Balance at March 31, 2014	$	13,752	$	13,725	$	27

Millions of dollars		Total shareholders' equity		Company shareholders' equity		Noncontrolling interest in consolidated subsidiaries
Balance at December 31, 2012	$	15,790	$	15,765	$	25
Stock plans		128		128		—
Payments of dividends to shareholders		(116)		(116)		—
Shares repurchased		(50)		(50)		—
Other		(5)		(4)		(1)
Comprehensive (loss) income		(10)		(13)		3
Balance at March 31, 2013	$	15,737	$	15,710	$	27

Our Board of Directors has authorized a program to repurchase our common stock from time to time. During the quarter ended March 31, 2014, under that program we repurchased approximately 8.9 million shares of our common stock at an average price of $55.88 per share for a total cost of $500 million. As of March 31, 2014, approximately $1.2 billion remains available under the stock purchase authorization. From the inception of this program in February 2006 through March 31, 2014, we repurchased approximately 197 million shares of our common stock for a total cost of approximately $8.1 billion.

Accumulated other comprehensive loss consisted of the following:

Millions of dollars		March 31, 2014		December 31, 2013
Defined benefit and other postretirement liability adjustments	$	(239)	$	(241)
Cumulative translation adjustments		(67)		(69)
Other		3		3
Total accumulated other comprehensive loss	$	(303)	$	(307)

Note 5. KBR Separation
During 2007, we completed the separation of KBR, Inc. (KBR) from us by exchanging KBR common stock owned by us for our common stock. We entered into various agreements relating to the separation of KBR, including, among others, a Master Separation Agreement (MSA) and a Tax Sharing Agreement (TSA). We recorded a liability at that time reflecting the estimated fair value of the indemnities provided to KBR. Since the separation, we have recorded adjustments to reflect changes to our estimation of our remaining obligation. All such adjustments are recorded in “Income (loss) from discontinued operations, net of income tax (provision) benefit.” During the first quarter of 2013, we paid $219 million to satisfy our obligation under a guarantee related to the Barracuda-Caratinga matter, a legacy KBR project. Accordingly, there were no amounts accrued for indemnities provided to KBR at March 31, 2014.

Tax Sharing Agreement
The TSA provides for the calculation and allocation of United States and certain other jurisdiction tax liabilities between KBR and us for the periods 2001 through the date of separation. The TSA is complex, and finalization of amounts

owed between KBR and us under the TSA can occur only after income tax audits are completed by the taxing authorities and both parties have had time to analyze the results.

During the second quarter of 2012, we sent a notice under the TSA to KBR requesting the appointment of an arbitrator in accordance with the terms of the TSA. This request asked the arbitrator to find that KBR owed us a certain amount pursuant to the TSA. KBR denied that it owed us any amount and asserted instead that we owed KBR a certain amount under the TSA. KBR also asserted that it believes the MSA controls its defenses to our TSA claim and demanded arbitration of those defenses under the MSA. In July 2012, we filed suit in the District Court of Harris County, Texas, seeking to compel KBR to arbitrate the entire dispute in accordance with the provisions of the TSA, rather than the MSA. KBR filed a cross-motion seeking to compel arbitration of its defenses under the MSA. In September 2012, the court denied our motion and granted KBR's motion to compel arbitration under the MSA. We continue to believe that the TSA was intended to govern the entire matter and have appealed. The appeal is pending before the court of appeals.

In May 2013, KBR's defenses were arbitrated before a panel appointed pursuant to the MSA. In June 2013, the panel issued its decision, finding it had jurisdiction to hear the dispute and that a portion of our claims made under the TSA were barred by the time limitation provision in the MSA. In September 2013, we filed a motion and an application to vacate the panel's decision with the District Court of Harris County, Texas. The court has not ruled on the motion or application.

The MSA panel also ordered the parties to return to the TSA arbitrator for determination of the parties' remaining claims under the TSA. On October 9, 2013, the TSA arbitrator issued a report regarding the claims made by each party. The report found that KBR owes us a net amount of approximately $105 million, plus interest, with each party bearing its own costs related to the matter.

On October 21, 2013, KBR submitted a request for clarification and reconsideration of the TSA arbitrator's report. In December 2013, the TSA arbitrator issued a supplemental report that reaffirmed the award.

In January 2014, KBR filed a motion with the MSA panel to enforce the panel's June 2013 decision. KBR's motion claimed, among other things, that certain of our claims submitted to the TSA arbitrator were time-barred under the MSA and that the TSA arbitrator misinterpreted the TSA. In February 2014, we filed a response to KBR's motion with the MSA panel. In March 2014, the MSA panel denied KBR's motion.

On February 3, 2014, we also filed an application to confirm the TSA arbitrator's award with the District Court of Harris County, Texas. On February 24, 2014, KBR filed its response and a cross-motion to vacate the TSA arbitrator's award. A hearing on our application and KBR's response was held in April 2014. The district court has taken the matters under advisement, but has indicated that it will not rule on them until the court of appeals has ruled on our appeal of the district court's September 2012 decision to grant KBR's motion to compel arbitration under the MSA.

Due to the uncertainty surrounding the ultimate determination of the parties' claims under the TSA, no material anticipated recovery amounts or liabilities related to this matter have been recognized in the condensed consolidated financial statements as of March 31, 2014.

Note 6. Commitments and Contingencies

Macondo well incident

Overview. The semisubmersible drilling rig, Deepwater Horizon, sank on April 22, 2010 after an explosion and fire onboard the rig that began on April 20, 2010. The Deepwater Horizon was owned by Transocean Ltd. and had been drilling the Macondo exploration well in Mississippi Canyon Block 252 in the Gulf of Mexico for the lease operator, BP Exploration & Production, Inc. (BP Exploration), an indirect wholly owned subsidiary of BP p.l.c. We performed a variety of services for BP Exploration, including cementing, mud logging, directional drilling, measurement-while-drilling, and rig data acquisition services. Crude oil flowing from the well site spread across thousands of square miles of the Gulf of Mexico and reached the United States Gulf Coast. Efforts to contain the flow of hydrocarbons from the well were led by the United States government and by BP p.l.c., BP Exploration, and their affiliates (collectively, BP). There were eleven fatalities and a number of injuries as a result of the Macondo well incident.

We are currently unable to fully estimate the impact the Macondo well incident will have on us. The multi-district litigation (MDL) proceeding referred to below is ongoing. We cannot predict the outcome of the many lawsuits and investigations relating to the Macondo well incident, including orders and rulings of the court that impact the MDL, the results of the MDL trial, the effect that the settlements between BP and the Plaintiffs' Steering Committee (PSC) in the MDL and other settlements may have on claims against us, or whether we might settle with one or more of the parties to any lawsuit or investigation. The first two phases of the MDL trial have concluded, and the MDL court could begin issuing rulings at any time. A determination that the performance of our services on the Deepwater Horizon constituted gross negligence could result in substantial liability to the numerous plaintiffs for punitive damages and potentially to BP with respect to its direct claims against us.

As of March 31, 2014, our loss contingency reserve for the Macondo well incident, relating to the MDL, remained at $1.3 billion, consisting of a current portion of $278 million and a non-current portion of $1.0 billion. This reserve represents a loss contingency that is probable and for which a reasonable estimate of a loss can be made, although we continue to believe that we have substantial legal arguments and defenses against any liability and that BP's indemnity obligation protects us as described below. This loss contingency reserve does not include potential recoveries from our insurers.

We have participated in intermittent discussions with the PSC regarding the potential for a settlement that would resolve a substantial portion of the claims pending in the MDL trial. BP, however, has not participated in any recent settlement discussions with us. Reaching a settlement involves a complex process, and there can be no assurance as to whether or when we may complete a settlement. In addition, the settlement discussions we have had to date do not cover all parties and claims relating to the Macondo well incident. Accordingly, there are additional loss contingencies relating to the Macondo well incident that are reasonably possible but for which we cannot make a reasonable estimate. Given the numerous potential developments relating to the MDL and other lawsuits and investigations, which could occur at any time, we may adjust our estimated loss contingency reserve in the future. Liabilities arising out of the Macondo well incident could have a material adverse effect on our liquidity, consolidated results of operations, and consolidated financial condition.

Investigations and Regulatory Action. Several regulatory agencies and others, including the specially constituted National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling (National Commission), conducted investigations of the Macondo well incident, and reports issued as a result of those investigations have been critical of BP, Transocean, and us, among others. For example, one or more of those reports have concluded that primary cement failure was a direct cause of the blowout, that cement testing performed by an independent laboratory “strongly suggests” that the foam cement slurry used on the Macondo well was unstable, and that numerous other oversights and factors caused or contributed to the cause of the incident, including BP's failure to run a cement bond log, BP's and Transocean's failure to properly conduct and interpret a negative-pressure test, the failure of the drilling crew and our surface data logging specialist to recognize that an unplanned influx of oil, natural gas, or fluid into the well was occurring, communication failures among BP, Transocean, and us, and flawed decisions relating to the design, construction, and testing of barriers critical to the temporary abandonment of the well.

In October 2011, the Bureau of Safety and Environmental Enforcement (BSEE) issued a notification of Incidents of Noncompliance (INCs) to us for allegedly violating federal regulations relating to the failure to take measures to prevent the unauthorized release of hydrocarbons, the failure to take precautions to keep the Macondo well under control, the failure to cement the well in a manner that would, among other things, prevent the release of fluids into the Gulf of Mexico, and the failure to protect health, safety, property, and the environment as a result of a failure to perform operations in a safe and workmanlike manner. According to the BSEE's notice, we did not ensure an adequate barrier to hydrocarbon flow after cementing the production casing and did not detect the influx of hydrocarbons until they were above the blowout preventer stack. We understand that the regulations in effect at the time of the alleged violations provide for fines of up to $35,000 per day per violation. We have appealed the INCs to the Interior Board of Land Appeals (IBLA). In January 2012, the IBLA, in response to our and the BSEE's joint request, suspended the appeal pending certain proceedings in the MDL trial. Once the MDL court issues a final decision in the trial, we expect to file a proposal for further action in the appeal within 60 days. The BSEE has announced that the INCs will be reviewed for possible imposition of civil penalties once the appeal has ended. The BSEE has stated that this is the first time the Department of the Interior has issued INCs directly to a contractor that was not the well's operator.

The Cementing Job and Reaction to Reports. We disagree with the reports referred to above regarding many of their findings and characterizations with respect to our cementing and surface data logging services, as applicable, on the Deepwater Horizon. We have provided information to the National Commission, its staff, and representatives of other investigatory bodies that we believe has been overlooked or omitted from their reports, as applicable. We intend to continue to vigorously defend ourselves in any investigation relating to our involvement with the Macondo well that we believe inaccurately evaluates or depicts our services on the Deepwater Horizon.

The cement slurry on the Deepwater Horizon was designed and prepared pursuant to well condition data provided by BP. Regardless of whether alleged weaknesses in cement design and testing are or are not ultimately established, and regardless of whether the cement slurry was utilized in similar applications or was prepared consistent with industry standards, we believe that had BP and Transocean properly interpreted a negative-pressure test, this test would have revealed any problems with the cement. In addition, had BP designed the Macondo well to allow a full cement bond log test or if BP had conducted even a partial cement bond log test, the test likely would have revealed any problems with the cement. BP, however, elected not to conduct any cement bond log tests, and with Transocean misinterpreted the negative-pressure test, both of which could have resulted in remedial action, if appropriate, with respect to the cementing services. Also, we believe that BP knew or should have known about a critical, additional hydrocarbon zone in the well that BP failed to disclose to us prior to the design of the cement program for the Macondo well.

At this time we cannot predict the impact of the investigations or reports referred to above, or the conclusions or impact of future investigations or reports. We also cannot predict whether any investigations or reports will have an influence on or result in us being named as a party in any action alleging liability or violation of a statute or regulation. We intend to continue to cooperate fully with all hearings, investigations, and requests for information relating to the Macondo well incident. We cannot predict the outcome of, or the costs to be incurred in connection with, any of these hearings or investigations, and therefore we cannot predict the potential impact they may have on us.

DOJ Investigations and Actions. On June 1, 2010, the United States Attorney General announced that the United States Department of Justice (DOJ) was launching civil and criminal investigations into the Macondo well incident to closely examine the actions of those involved, and that the DOJ was working with attorneys general of states affected by the Macondo well incident. The DOJ announced that it was reviewing, among other traditional criminal statutes, possible violations of and liabilities under The Clean Water Act (CWA), The Oil Pollution Act of 1990 (OPA), and the Endangered Species Act of 1973 (ESA).

The CWA provides authority for civil penalties for discharges of oil into or upon navigable waters of the United States, adjoining shorelines, or in connection with the Outer Continental Shelf Lands Act (OCSLA) in quantities that are deemed harmful. A single discharge event may result in the assertion of numerous violations under the CWA. Civil proceedings under the CWA can be commenced against an “owner, operator, or person in charge of any vessel, onshore facility, or offshore facility from which oil or a hazardous substance is discharged” in violation of the CWA. The civil penalties that can be imposed against responsible parties range from up to $1,100 per barrel of oil discharged in the case of those found strictly liable to $4,300 per barrel of oil discharged in the case of those found to have been grossly negligent.

The OPA establishes liability for discharges of oil from vessels, onshore facilities, and offshore facilities into or upon the navigable waters of the United States. Under the OPA, the “responsible party” for the discharging vessel or facility is liable for removal and response costs as well as for damages, including recovery costs to contain and remove discharged oil and damages for injury to natural resources and real or personal property, lost revenues, lost profits, and lost earning capacity. The cap on liability under the OPA during 2010 was the full cost of removal of the discharged oil plus up to $75 million for damages, except that the $75 million cap does not apply in the event the damage was proximately caused by gross negligence or the violation of certain federal safety, construction or operating standards. The OPA defines the set of responsible parties differently depending on whether the source of the discharge is a vessel or an offshore facility. Liability for vessels is imposed on owners and operators; liability for offshore facilities is imposed on the holder of the permit or lessee of the area in which the facility is located.

The ESA establishes liability for injury and death to wildlife. The ESA provides for civil penalties for knowing violations that can range up to $25,000 per violation.

On December 15, 2010, the DOJ filed a civil action seeking damages and injunctive relief against BP Exploration, Anadarko Petroleum Corporation and Anadarko E&P Company LP (together, Anadarko), which had an approximate 25% interest in the Macondo well, certain subsidiaries of Transocean Ltd., and others for violations of the CWA and the OPA. The DOJ’s complaint seeks an action declaring that the defendants are strictly liable under the CWA as a result of harmful discharges of oil into the Gulf of Mexico and upon United States shorelines as a result of the Macondo well incident. The complaint also seeks an action declaring that the defendants are strictly liable under the OPA for the discharge of oil that has resulted in, among other things, injury to, loss of, loss of use of, or destruction of natural resources and resource services in and around the Gulf of Mexico and the adjoining United States shorelines and resulting in removal costs and damages to the United States far exceeding $75 million. BP Exploration has been designated, and has accepted the designation, as a responsible party for the pollution under the CWA and the OPA. Others have also been named as responsible parties, and all responsible parties may be held jointly and severally liable for any damages under the OPA. A responsible party may make a claim for contribution against any other responsible party or against third parties it alleges contributed to or caused the oil spill. In connection with the proceedings discussed below under “Litigation,” in April 2011 BP Exploration filed a claim against us for equitable contribution with respect to liabilities incurred by BP Exploration under the OPA or another law, which subsequent court filings have indicated may include the CWA, and requested a judgment that the DOJ assert its claims for OPA financial liability directly against us. We filed a motion to dismiss BP Exploration’s claim, and that motion is pending. In July 2013, we also filed a motion for summary judgment requesting a court order that we are not liable to BP or Transocean for equitable indemnification or contribution with regard to any CWA fines and penalties that have been assessed or may be assessed against BP or Transocean. That motion is also pending.

We were not named as a responsible party under the CWA or the OPA in the DOJ civil action, and we do not believe we are a responsible party under the CWA or the OPA. While we were not included in the DOJ’s civil complaint, there can be no assurance that federal governmental authorities will not bring a civil action against us under the CWA, the OPA, and/or other statutes or regulations.

In July 2013, we reached an agreement with the DOJ to conclude the federal government's criminal investigation of us in relation to the Macondo well incident. Pursuant to a cooperation guilty plea agreement, Halliburton Energy Services, Inc., our wholly owned subsidiary (HESI), agreed to plead guilty to one misdemeanor violation of federal law concerning the deletion of certain computer files created after the occurrence of the Macondo well incident. Pursuant to the plea agreement, HESI agreed to pay a criminal fine of $0.2 million within five days of sentencing and agreed to three years' probation. The DOJ has agreed that it will not pursue further criminal prosecution of us, including our subsidiaries, for any conduct relating to or arising out of the Macondo well incident. We have agreed to continue to cooperate with the DOJ in any ongoing investigation related to or arising from the incident. In September 2013, our guilty plea was entered and approved by a federal district court judge on the terms and conditions of the plea agreement, and the DOJ closed its criminal investigation of us in relation to the Macondo well incident.

In November 2012, BP announced that it reached an agreement with the DOJ to resolve all federal criminal charges against it stemming from the Macondo well incident. BP agreed to plead guilty to 14 criminal charges, with 13 of those charges based on the negligent misinterpretation of the negative-pressure test conducted on the Deepwater Horizon. BP also agreed to pay $4.0 billion, including approximately $1.3 billion in criminal fines, to take actions to further enhance the safety of drilling operations in the Gulf of Mexico, to a term of five years' probation, and to the appointment of two monitors with four-year terms, one relating to process safety and risk management procedures concerning deepwater drilling in the Gulf of Mexico and one relating to the improvement, implementation, and enforcement of BP's code of conduct.

In January 2013, Transocean announced that it reached an agreement with the DOJ to resolve certain claims for civil penalties and potential criminal claims against it arising from the Macondo well incident. Transocean agreed to plead guilty to one misdemeanor violation of the CWA for negligent discharge of oil into the Gulf of Mexico, to pay $1.0 billion in CWA penalties and $400 million in fines and recoveries, to implement certain measures to prevent a recurrence of an uncontrolled discharge of hydrocarbons, and to a term of five years' probation.

Litigation. Since April 21, 2010, plaintiffs have been filing lawsuits relating to the Macondo well incident. Generally, those lawsuits allege either (1) damages arising from the oil spill pollution and contamination (*e.g.*, diminution of property value, lost tax revenue, lost business revenue, lost tourist dollars, inability to engage in recreational or commercial activities) or (2) wrongful death or personal injuries. We are named along with other unaffiliated defendants in more than 1,800 complaints most of which are alleged class actions, involving pollution damage claims and at least seven personal injury lawsuits involving four decedents and at least two allegedly injured persons who were on the drilling rig at the time of the incident. At least six additional lawsuits naming us and others relate to alleged personal injuries sustained by those responding to the explosion and oil spill. Additional civil lawsuits may be filed against us.

The pollution complaints generally allege, among other things, negligence and gross negligence, property damages, taking of protected species, and potential economic losses as a result of environmental pollution, and generally seek awards of unspecified economic, compensatory, and punitive damages, as well as injunctive relief. Plaintiffs in these pollution cases have brought suit under various legal provisions, including the OPA, the CWA, The Migratory Bird Treaty Act of 1918, the ESA, the OCSLA, the Longshoremen and Harbor Workers Compensation Act, general maritime law, state common law, and various state environmental and products liability statutes. Furthermore, the pollution complaints include suits brought against us by governmental entities, including all of the coastal states of the Gulf of Mexico, numerous local governmental entities, the Mexican State of Yucatan, and the United Mexican States.

The wrongful death and other personal injury complaints generally allege negligence and gross negligence and seek awards of compensatory damages, including unspecified economic damages, and punitive damages. We have retained counsel and are investigating and evaluating the claims, the theories of recovery, damages asserted, and our respective defenses to all of these claims.

Plaintiffs originally filed the lawsuits described above in federal and state courts throughout the United States. Except for a relatively small number of lawsuits not yet consolidated, the Judicial Panel on Multi-District Litigation ordered all of the lawsuits against us consolidated in the MDL proceeding before Judge Carl Barbier in the United States Eastern District of Louisiana.

Judge Barbier is also presiding over a separate proceeding filed by Transocean under the Limitation of Liability Act (Limitation Action). In the Limitation Action, Transocean seeks to limit its liability for claims arising out of the Macondo well incident to the value of the rig and its freight. While the Limitation Action has been formally consolidated into the MDL, the court is nonetheless, in some respects, treating the Limitation Action as an associated but separate proceeding. In February 2011, Transocean tendered us, along with all other defendants, into the Limitation Action. As a result of the tender, we and all other defendants are being treated as direct defendants to the plaintiffs' claims as if the plaintiffs had sued us and the other defendants directly. In the Limitation Action, the judge intends to determine the allocation of liability among all defendants in the hundreds of lawsuits associated with the Macondo well incident, including those in the MDL proceeding that are pending in his court. Specifically, the judge intends to determine the liability, limitation, exoneration, and fault allocation with regard to all of the defendants in a trial, which to date has occurred in two phases. We do not believe that a single determination of liability in the Limitation Action is properly applied, particularly with respect to gross negligence and punitive damages, to the hundreds of lawsuits pending in the MDL proceeding.

The defendants in the proceedings described above have filed numerous cross claims and third party claims against certain other defendants. Claims against us seek subrogation, contribution, indemnification, including with respect to liabilities under the OPA, and direct damages, and allege negligence, gross negligence, fraudulent conduct, willful misconduct, fraudulent concealment, comparative fault, and breach of warranty of workmanlike performance. In addition to the claims against us, generally the defendants in the proceedings described above, including us, filed claims, including for liabilities under the OPA and other claims similar to those described above, against the other defendants. Our claims against the other defendants seek contribution and indemnification, and allege negligence, gross negligence and willful misconduct. Several of the parties have settled claims among themselves, and claims against some parties have been dismissed. We have also filed an answer to Transocean's Limitation petition denying Transocean's right to limit its liability, denying all claims and responsibility for the incident, seeking contribution and indemnification, and alleging negligence and gross negligence.

Judge Barbier has issued an order, among others, clarifying certain aspects of law applicable to the lawsuits pending in his court. The court ruled that: (1) general maritime law will apply, and therefore all claims brought under state law causes of action were dismissed; (2) general maritime law claims may be brought directly against defendants who are non-“responsible parties” under the OPA with the exception of pure economic loss claims by plaintiffs other than commercial fishermen; (3) all claims for damages, including pure economic loss claims, may be brought under the OPA directly against responsible parties; and (4) punitive damage claims may be brought against both responsible and non-responsible parties under general maritime law. As discussed above, with respect to the ruling that claims for damages may be brought under the OPA against responsible parties, we have not been named as a responsible party under the OPA, but BP Exploration has filed a claim against us for contribution with respect to liabilities incurred by BP Exploration under the OPA. The rulings in the court's order remain subject to each applicable party's right to appeal. Certain parishes in Louisiana appealed the dismissal of their state law claims under the order, but the United States Fifth Circuit Court of Appeals (Fifth Circuit) affirmed Judge Barbier's dismissal of their claims.

The MDL court has dismissed: (1) claims by or on behalf of owners, lessors, and lessees of real property that allege to have suffered a reduction in the value of real property even though the property was not physically touched by oil and the property was not sold; (2) claims for economic losses based solely on consumers' decisions not to purchase fuel or goods from BP fuel stations and stores based on consumer animosity toward BP; and (3) claims by or on behalf of recreational fishermen, divers, beachgoers, boaters and others that allege damages such as loss of enjoyment of life from their inability to use portions of the Gulf of Mexico for recreational and amusement purposes. In dismissing those claims, the MDL court also noted that we are not liable with respect to those claims under the OPA because we are not a “responsible party” under the OPA. A group of plaintiffs appealed the order, but the Fifth Circuit dismissed the appeal.

In April 2012, BP announced that it had reached definitive settlement agreements with the PSC to resolve the substantial majority of eligible private economic loss and medical claims stemming from the Macondo well incident. The PSC acts on behalf of individuals and business plaintiffs in the MDL. The settlements do not include claims against BP made by the DOJ or other federal agencies or by states and local governments. In addition, the settlements provide that, to the extent permitted by law, BP will assign to the settlement class certain of its claims, rights, and recoveries against Transocean and us for damages, including BP's alleged direct damages such as damages for clean-up expenses and damage to the well and reservoir. We do not believe that our contract with BP Exploration permits the assignment of certain claims to the settlement class without our consent. The MDL court has since confirmed certification of the classes for both settlements and granted final approval of the settlements. We objected to the settlements on the grounds set forth above, among other reasons. The MDL court held, however, that we, as a non-settling defendant, lacked standing to object to the settlements but noted that it did not express any opinion as to the validity of BP's assignment of certain claims to the settlement class and that the settlements do not affect any of our procedural or substantive rights in the MDL. BP has been challenging certain provisions of its settlement of economic loss claims in the MDL court and before the Fifth Circuit. Appeals relating to the settlement of the medical claims have been dismissed, and that settlement is final as of February 2014. We are unable to predict at this time the effect that the settlements, or any challenge, modification, or overturning of the settlements, may have on claims against us.

The first phase of the MDL trial, which concluded in April 2013, covered issues arising out of the conduct and degree of culpability of various parties allegedly relevant to the loss of well control, the ensuing fire and explosion on and sinking of the Deepwater Horizon, and the initiation of the release of hydrocarbons from the Macondo well. At the conclusion of the plaintiffs' case, we and the other defendants each submitted a motion requesting the MDL court to dismiss certain claims. In March 2013, the MDL court denied our motion and declined to dismiss any claims, including those alleging gross negligence, against BP, Transocean and us. In addition, the MDL court dismissed all claims against M-I Swaco and claims alleging gross negligence against Cameron International Corporation (Cameron). In April 2013, the MDL court dismissed all remaining claims against Cameron, leaving BP, Transocean, and us as the remaining defendants with respect to the matters addressed during the first phase of the trial.

Also in March 2013, we advised the MDL court that we had recently found a rig sample of dry cement blend collected at another well that was cemented before the Macondo well using the same dry cement blend as used on the Macondo production casing. In April 2013, we advised the MDL parties that we had recently discovered some additional documents related to the Macondo well incident. BP and others have asked the court to impose sanctions and adverse findings against us because, according to their allegations, we should have identified the cement sample in 2010 and the additional documents by

October 2011. BP also reasserted its previous allegations that we destroyed evidence relating to post-incident testing of the foam cement slurry on the Deepwater Horizon. The MDL court has not ruled on the requests for sanctions and adverse findings. We believe that the discoveries were the result of simple misunderstandings or mistakes and do not involve any material evidence, and that sanctions are not warranted.

When our plea agreement with the DOJ was announced in July 2013, BP filed a motion requesting that the MDL court re-open the evidence for phase one of the MDL trial to take into account our guilty plea and re-urging their request for sanctions. After the plea was entered, the PSC and the States of Alabama and Louisiana (as coordinating counsel for the states involved in the MDL) filed a motion likewise seeking to admit the guilty plea agreement and other court filings into evidence and asking that the MDL court use that evidence as a basis for assessing punitive damages against us. We filed replies opposing both motions and setting forth our position that the deleted post-incident computer simulations were not evidence, were not relevant, and in any event were re-created. The MDL court has not ruled on the motions.

The second phase of the MDL trial was split into two parts, with testimony presented in October 2013. The first part covered attempts to collect, control, or halt the flow of hydrocarbons from the well, while the second part covered the quantification of hydrocarbons discharged from the well. The parties submitted proposed findings of fact and conclusions of law, post-trial briefs and responses during December 2013 and January 2014. According to a stipulation and post-trial filings, BP contends that 2.45 million barrels of oil were released into the Gulf of Mexico and the DOJ contends that a total of 4.2 million barrels were released. The MDL court has not issued a ruling on the questions that were the subject of the first two phases of the trial, although those rulings could be issued at any time.

Although the DOJ participated in the first two phases of the trial with regard to BP's conduct and the amount of hydrocarbons discharged from the well, the MDL court anticipates that the DOJ's civil action for the CWA violations, fines, and penalties will be addressed by the court in a third phase of the trial currently scheduled to begin in January 2015.

Damages for the cases tried in the MDL proceeding, including punitive damages, are expected to be tried following the issuance of the MDL court’s rulings regarding the first two phases of the MDL trial. Under ordinary MDL procedures, such cases would, unless waived by the respective parties, be tried in the courts from which they were transferred into the MDL. It remains unclear, however, what impact the overlay of the Limitation Action will have on where these matters are tried. The judge has indicated that he intends for the State of Alabama’s OPA and general maritime law compensatory damages claims to be tried as a test case, and that case could involve claims for punitive damages against any party that is found to have been grossly negligent.

We intend to vigorously defend any litigation, fines, and/or penalties relating to the Macondo well incident and to vigorously pursue any damages, remedies, or other rights available to us as a result of the Macondo well incident. We have incurred and expect to continue to incur significant legal fees and costs, some of which we expect to be covered by indemnity or insurance, as a result of the numerous investigations and lawsuits relating to the incident.

Indemnification and Insurance. Our contract with BP Exploration relating to the Macondo well generally provides for our indemnification by BP Exploration for certain potential claims and expenses relating to the Macondo well incident, including those resulting from pollution or contamination (other than claims by our employees, loss or damage to our property, and any pollution emanating directly from our equipment). Also, under our contract with BP Exploration, we have, among other things, generally agreed to indemnify BP Exploration and other contractors performing work on the well for claims for personal injury of our employees and subcontractors, as well as for damage to our property. In turn, we believe that BP Exploration was obligated to obtain agreement by other contractors performing work on the well to indemnify us for claims for personal injury of their employees or subcontractors, as well as for damages to their property. We have entered into separate indemnity agreements with Transocean and M-I Swaco, under which we have agreed to indemnify those parties for claims for personal injury of our employees and subcontractors and they have agreed to indemnify us for claims for personal injury of their employees and subcontractors.

In April 2011, we filed a lawsuit against BP Exploration in Harris County, Texas to enforce BP Exploration’s contractual indemnity and alleging BP Exploration breached certain terms of the contractual indemnity provision. BP Exploration removed that lawsuit to federal court in the Southern District of Texas, Houston Division. We filed a motion to remand the case to Harris County, Texas, and the lawsuit was transferred to the MDL.

BP Exploration, in connection with filing its claims with respect to the MDL proceeding, asked that court to declare that it is not liable to us in contribution, indemnification, or otherwise with respect to liabilities arising from the Macondo well incident. Other defendants in the litigation discussed above have generally denied any obligation to contribute to any liabilities arising from the Macondo well incident.

In January 2012, the court in the MDL proceeding entered an order in response to our and BP’s motions for summary judgment regarding certain indemnification matters. The court held that BP is required to indemnify us for third-party compensatory claims, or actual damages, that arise from pollution or contamination that did not originate from our property or equipment located above the surface of the land or water, even if we are found to be grossly negligent. The court did not express an opinion as to whether our conduct amounted to gross negligence, but we do not believe the performance of our services on the Deepwater Horizon constituted gross negligence. The court also held, however, that BP does not owe us indemnity for punitive damages or for civil penalties under the CWA, if any, and that fraud could void the indemnity on public policy grounds, although the court stated that it was mindful that mere failure to perform contractual obligations as promised does not constitute fraud. As discussed above, the DOJ is not seeking civil penalties from us under the CWA, but BP has filed a claim for equitable contribution against us with respect to its liabilities. The court in the MDL proceeding deferred ruling on whether our indemnification from BP covers penalties or fines under the OCSLA, whether our alleged breach of our contract with BP Exploration would invalidate the indemnity, and whether we committed an act that materially increased the risk to or prejudiced the rights of BP so as to invalidate the indemnity. We do not believe that we breached our contract with BP Exploration or committed an act that would otherwise invalidate the indemnity. The court's rulings will be subject to appeal at the appropriate time.

The rulings in the MDL proceeding regarding the indemnities are based on maritime law and may not bind the determination of similar issues in lawsuits not comprising a part of the MDL proceeding. Accordingly, it is possible that different conclusions with respect to indemnities will be reached by other courts.

Indemnification for criminal fines or penalties, if any, may not be available if a court were to find such indemnification unenforceable as against public policy. In addition, certain state laws, if deemed to apply, would not allow for enforcement of indemnification for gross negligence, and may not allow for enforcement of indemnification of persons who are found to be negligent with respect to personal injury claims.

In addition to the contractual indemnities discussed above, we have a general liability insurance program of $600 million. Our insurance is designed to cover claims by businesses and individuals made against us in the event of property damage, injury, or death and, among other things, claims relating to environmental damage, as well as legal fees incurred in defending against those claims. We have received and expect to continue to receive payments from our insurers with respect to covered legal fees incurred in connection with the Macondo well incident. Through March 31, 2014, we have incurred legal fees and related expenses of approximately $278 million, of which $249 million has been reimbursed under or is expected to be covered by our insurance program. To the extent we incur any losses beyond those covered by indemnification, there can be no assurance that our insurance policies will cover all potential claims and expenses relating to the Macondo well incident. In addition, we may not be insured with respect to civil or criminal fines or penalties, if any, pursuant to the terms of our insurance policies. Insurance coverage can be the subject of uncertainties and, particularly in the event of large claims, potential disputes with insurance carriers, as well as other potential parties claiming insured status under our insurance policies.

BP's public filings indicate that BP has recognized in excess of $40 billion in pre-tax charges, excluding offsets for settlement payments received from certain defendants in the proceedings described above under "Litigation," as a result of the Macondo well incident. BP's public filings also indicate that the amount of, among other things, certain natural resource damages with respect to certain OPA claims, some of which may be included in such charges, cannot be reliably estimated as of the dates of those filings.

Securities and related litigation

In June 2002, a class action lawsuit was filed against us in federal court alleging violations of the federal securities laws after the Securities and Exchange Commission (SEC) initiated an investigation in connection with our change in accounting for revenue on long-term construction projects and related disclosures. In the weeks that followed, approximately twenty similar class actions were filed against us. Several of those lawsuits also named as defendants several of our present or former officers and directors. The class action cases were later consolidated, and the amended consolidated class action complaint, styled *Richard Moore, et al. v. Halliburton Company, et al.*, was filed and served upon us in April 2003. As a result of a substitution of lead plaintiffs, the case was styled *Archdiocese of Milwaukee Supporting Fund (AMSF) v. Halliburton Company, et al*. AMSF has changed its name to Erica P. John Fund, Inc. (the Fund). We settled with the SEC in the second quarter of 2004.

In June 2003, the lead plaintiffs filed a motion for leave to file a second amended consolidated complaint, which was granted by the court. In addition to restating the original accounting and disclosure claims, the second amended consolidated complaint included claims arising out of our 1998 acquisition of Dresser Industries, Inc., including that we failed to timely disclose the resulting asbestos liability exposure.

In April 2005, the court appointed new co-lead counsel and named the Fund the new lead plaintiff, directing that it file a third consolidated amended complaint and that we file our motion to dismiss. The court held oral arguments on that motion in August 2005. In March 2006, the court entered an order in which it granted the motion to dismiss with respect to claims arising prior to June 1999 and granted the motion with respect to certain other claims while permitting the Fund to re-plead some of those claims to correct deficiencies in its earlier complaint. In April 2006, the Fund filed its fourth amended consolidated complaint. We filed a motion to dismiss those portions of the complaint that had been re-pled. A hearing was held on that motion in July 2006, and in March 2007 the court ordered dismissal of the claims against all individual defendants other than our Chief Executive Officer (CEO). The court ordered that the case proceed against our CEO and us.

In September 2007, the Fund filed a motion for class certification, and our response was filed in November 2007. The district court held a hearing in March 2008, and issued an order in November 2008 denying the motion for class certification. The Fund appealed the district court’s order to the Fifth Circuit Court of Appeals. The Fifth Circuit affirmed the district court’s order denying class certification. In May 2010, the Fund filed a writ of certiorari in the United States Supreme Court. In January 2011, the Supreme Court granted the writ of certiorari and accepted the appeal. The Court heard oral arguments in April 2011 and issued its decision in June 2011, reversing the Fifth Circuit ruling that the Fund needed to prove loss causation in order to obtain class certification. The Court’s ruling was limited to the Fifth Circuit’s loss causation requirement, and the case was returned to the Fifth Circuit for further consideration of our other arguments for denying class certification. The Fifth Circuit returned the case to the district court, and in January 2012 the court issued an order certifying the class. We filed a Petition for Leave to Appeal with the Fifth Circuit, which was granted. In April 2013, the Fifth Circuit issued an order affirming the District Court's order certifying the class.

We filed a writ of certiorari with the United States Supreme Court seeking an appeal of the Fifth Circuit decision. In November 2013, the Supreme Court granted our writ. Oral argument was held before the Supreme Court in March 2014. We expect the Supreme Court to issue its decision no later than June 2014. Fact discovery in this case has resumed. We cannot predict the outcome or consequences of this case, which we intend to vigorously defend.

Investigations

We are conducting internal investigations of certain areas of our operations in Angola and Iraq, focusing on compliance with certain company policies, including our Code of Business Conduct (COBC), and the FCPA and other applicable laws.

In December 2010, we received an anonymous e-mail alleging that certain current and former personnel violated our COBC and the FCPA, principally through the use of an Angolan vendor. The e-mail also alleges conflicts of interest, self-dealing, and the failure to act on alleged violations of our COBC and the FCPA. We contacted the DOJ to advise them that we were initiating an internal investigation.

During the second quarter of 2012, in connection with a meeting with the DOJ and the SEC regarding the above investigation, we advised the DOJ and the SEC that we were initiating unrelated, internal investigations into payments made to a third-party agent relating to certain customs matters in Angola and to third-party agents relating to certain customs and visa matters in Iraq.

Since the initiation of the investigations described above, we have participated in meetings with the DOJ and the SEC to brief them on the status of the investigations and have been producing documents to them both voluntarily and as a result of SEC subpoenas to us and certain of our current and former officers and employees.

We expect to continue to have discussions with the DOJ and the SEC regarding the Angola and Iraq matters described above and have indicated that we would further update them as our investigations progress. We have engaged outside counsel and independent forensic accountants to assist us with these investigations.

During the second quarter of 2013, we received a civil investigative demand from the Antitrust Division of the DOJ regarding pressure pumping services. We have engaged in discussions with the DOJ on this matter and have provided responses to the DOJ's information requests. We understand there have been others in our industry who have received similar correspondence from the DOJ, and we do not believe that we are being singled out for any particular scrutiny.

We intend to continue to cooperate with the DOJ's and the SEC's inquiries and requests in these investigations. Because these investigations are ongoing, we cannot predict their outcome or the consequences thereof.

Environmental

We are subject to numerous environmental, legal, and regulatory requirements related to our operations worldwide. In the United States, these laws and regulations include, among others:

- the Comprehensive Environmental Response, Compensation, and Liability Act;
- the Resource Conservation and Recovery Act;
- the Clean Air Act;
- the Federal Water Pollution Control Act;
- the Toxic Substances Control Act; and
- the Oil Pollution Act.

In addition to the federal laws and regulations, states and other countries where we do business often have numerous environmental, legal, and regulatory requirements by which we must abide. We evaluate and address the environmental impact of our operations by assessing and remediating contaminated properties in order to avoid future liabilities and comply with environmental, legal, and regulatory requirements. Our Health, Safety, and Environment group has several programs in place to maintain environmental leadership and to help prevent the occurrence of environmental contamination. On occasion, in addition to the matters relating to the Macondo well incident described above, we are involved in other environmental litigation and claims, including the remediation of properties we own or have operated, as well as efforts to meet or correct compliance-related matters. We do not expect costs related to those claims and remediation requirements to have a material adverse effect on our liquidity, consolidated results of operations, or consolidated financial position. Excluding our loss contingency for the Macondo well incident, our accrued liabilities for environmental matters were $60 million as of March 31, 2014 and $66 million as of December 31, 2013. Because our estimated liability is typically within a range and our accrued liability may be the amount on the low end of that range, our actual liability could eventually be well in excess of the amount accrued. Our total liability related to environmental matters covers numerous properties.

Additionally, we have subsidiaries that have been named as potentially responsible parties along with other third parties for nine federal and state Superfund sites for which we have established reserves. As of March 31, 2014, those nine sites accounted for approximately $4 million of our $60 million total environmental reserve. Despite attempts to resolve these Superfund matters, the relevant regulatory agency may at any time bring suit against us for amounts in excess of the amount accrued. With respect to some Superfund sites, we have been named a potentially responsible party by a regulatory agency; however, in each of those cases, we do not believe we have any material liability. We also could be subject to third-party claims with respect to environmental matters for which we have been named as a potentially responsible party.

Guarantee arrangements

In the normal course of business, we have agreements with financial institutions under which approximately $2.1 billion of letters of credit, bank guarantees, or surety bonds were outstanding as of March 31, 2014, including $182 million of surety bond guarantees related to our Venezuelan operations. Some of the outstanding letters of credit have triggering events that would entitle a bank to require cash collateralization.

Note 7. Income per Share

Basic income per share is based on the weighted average number of common shares outstanding during the period. Diluted income per share includes additional common shares that would have been outstanding if potential common shares with a dilutive effect had been issued.

For the three months ended March 31, 2014, differences between basic and diluted weighted average common shares outstanding resulted from the dilutive effect of awards granted under our stock incentive plans. There were no antidilutive shares outstanding for the quarter.

For the three months ended March 31, 2013, we incurred losses from continuing operations attributable to company shareholders and accordingly excluded all potentially dilutive securities from the determination of diluted loss per share as their impact was antidilutive. Excluded from this computation are four million shares of common stock associated with awards granted under stock incentive plans as well as options to purchase four million shares of common stock that were outstanding during the three months ended March 31, 2013.

Note 8. Fair Value of Financial Instruments

At March 31, 2014, we held $378 million of investments in fixed income securities with maturities ranging from less than one year to March 2017, compared to $373 million of investments in fixed income securities held at December 31, 2013. These securities are accounted for as available-for-sale and recorded at fair value as follows:

	March 31, 2014			December 31, 2013		
Millions of dollars	Level 1	Level 2	Total	Level 1	Level 2	Total
Fixed income securities:						
U.S. treasuries (a)	$ 100	$ —	$ 100	$ 100	$ —	$ 100
Other (b)	—	278	278	—	273	273
Total	$ 100	$ 278	$ 378	$ 100	$ 273	$ 373

(a) These securities are classified as "Other current assets" in our condensed consolidated balance sheets.
(b) Of these securities, $138 million are classified as “Other current assets” and $140 million are classified as “Other assets” on our condensed consolidated balance sheets as of March 31, 2014, compared to $139 million classified as “Other current assets” and $134 million classified as “Other assets” as of December 31, 2013. These securities consist primarily of municipal bonds, corporate bonds, and other debt instruments.

Our Level 1 asset fair values are based on quoted prices in active markets and our Level 2 asset fair values are based on quoted prices for identical assets in less active markets. We have no financial instruments measured at fair value using unobservable inputs (Level 3). The carrying amount of cash and equivalents, receivables, and accounts payable, as reflected in the condensed consolidated balance sheets, approximates fair value due to the short maturities of these instruments.

The carrying amount and fair value of our long-term debt is as follows:

	March 31, 2014				December 31, 2013			
Millions of dollars	Level 1	Level 2	Total fair value	Carrying value	Level 1	Level 2	Total fair value	Carrying value
Long-term debt	$ 8,712	$ 294	$ 9,006	$ 7,816	$ 8,405	$ 292	$ 8,697	$ 7,816

Our Level 1 debt fair values are calculated using quoted prices in active markets for identical liabilities with transactions occurring on the last two days of period-end. Our Level 2 debt fair values are calculated using significant observable inputs for similar liabilities where estimated values are determined from observable data points on our other bonds and on other similarly rated corporate debt or from observable data points of transactions occurring prior to two days from period-end and adjusting for changes in market conditions. We have no debt measured at fair value using unobservable inputs (Level 3).

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

EXECUTIVE OVERVIEW

Organization

We are a leading provider of services and products to the energy industry. We serve the upstream oil and natural gas industry throughout the lifecycle of the reservoir, from locating hydrocarbons and managing geological data, to drilling and formation evaluation, well construction and completion, and optimizing production through the life of the field. Activity levels within our operations are significantly impacted by spending on upstream exploration, development, and production programs by major, national, and independent oil and natural gas companies. We report our results under two segments, the Completion and Production segment and the Drilling and Evaluation segment:

- our Completion and Production segment delivers cementing, stimulation, intervention, pressure control, specialty chemicals, artificial lift, and completion services. The segment consists of Production Enhancement, Cementing, Completion Tools, Boots & Coots, Multi-Chem, and Artificial Lift.
- our Drilling and Evaluation segment provides field and reservoir modeling, drilling, evaluation, and precise wellbore placement solutions that enable customers to model, measure, drill, and optimize their well construction activities. The segment consists of Baroid, Sperry Drilling, Wireline and Perforating, Drill Bits and Services, Landmark Software and Services, Testing and Subsea, and Consulting and Project Management.

The business operations of our segments are organized around four primary geographic regions: North America, Latin America, Europe/Africa/CIS, and Middle East/Asia. We have significant manufacturing operations in various locations, including the United States, Canada, Malaysia, Mexico, Singapore, and the United Kingdom.

With over 78,000 employees, we operate in approximately 80 countries around the world, and our corporate headquarters are in Houston, Texas and Dubai, United Arab Emirates.

Financial results

During the first quarter of 2014, we produced revenue of $7.3 billion and operating income of $1.0 billion. Revenue increased $374 million, or 5%, from the first quarter of 2013, mainly due to increased activity in the Eastern Hemisphere and higher production enhancement activity in the United States land market, partially offset by lower activity levels in Latin America. Revenue outside of North America comprised approximately 47% of consolidated revenue in the first quarters of both 2014 and 2013, and represents our ongoing strategy to grow our international business and balance our geographic mix.

The $1.1 billion increase in operating income during the first quarter of 2014, as compared to the first quarter of 2013, was primarily due to a $1.0 billion, pre-tax, increase in our loss contingency reserve related to the Macondo well incident recorded in the first quarter of 2013.

Business outlook

We continue to believe in the strength of the long-term fundamentals of our business. Energy demand is expected to increase over the long term driven by economic growth in developing countries despite current underlying downside risks in the industry, such as sluggish growth in developed countries and uncertainties associated with geopolitical tension in North Africa. Furthermore, development of new resources is expected to be more complex, resulting in higher service intensity as our customers move increasingly to horizontal drilling.

In North America, we continue to experience pricing pressures, which have impacted our margins. However, we believe the current environment and our focus on an efficient cost structure continues to favor us. As a result of the industry's activity shift from natural gas plays to oil and liquids-rich basins, operators have been allocating their budgets to basins with better economics. In addition, we are observing a meaningful switch to multi-well pad activity among our customer base, which is resulting in increased drilling and completion service efficiency. We believe the incremental efficiency gains provided by multi-well pad drilling will enable us to leverage our operational scale and expertise.

Outside of North America, both revenue and operating income increased in the first quarter of 2014 compared to the first quarter of 2013. We believe that international growth in 2014 will come from volume increases as we deploy resources on our recent contract wins and new projects, continued improvement in markets where we have made strategic investments, the introduction of new technology, and increased pricing and cost recovery on select contracts. We also believe that international unconventional oil and natural gas, mature field, and deepwater projects will contribute to activity improvements over the long term, and we plan to leverage our extensive experience in North America to capitalize on these opportunities. Consistent with our long-term strategy to grow our operations outside of North America, we also expect to continue to invest in capital equipment for our international operations. In Latin America, we expect 2014 to be a challenging year due to a decline in existing integrated project management work in Mexico as we begin transitioning to newly-tendered projects, and due to reduced activity in Brazil. However, this does not change our long-term outlook for Latin America, which we expect to contribute significantly to our future growth and profitability.

We are continuing to execute several key initiatives in 2014, which include the following strategies:

- focusing on unconventional plays, mature fields, and deepwater markets by leveraging our broad technology offerings to provide value to our customers through integrated solutions and enabling them to more efficiently drill and complete their wells;
- exploring opportunities for acquisitions that will enhance or augment our current portfolio of services and products, including those with unique technologies or distribution networks in areas where we do not already have significant operations;
- making key investments in technology and infrastructure to maximize growth opportunities. To that end, we are continuing to push our technology and manufacturing capacity, as well as our supply chain, closer to our customers in the Eastern Hemisphere;
- improving working capital, and managing our balance sheet to maximize our financial flexibility. We are deploying a project to improve service delivery that we expect to result in, among other things, additional investments in our systems and significant improvements to our current order-to-cash and purchase-to-pay processes;
- growing our international revenues and margins by continuing to invest capital and resources in these markets;
- improving our North America margins by leveraging technologies and reducing costs through more efficient operations; and
- continuing to seek ways to be one of the most cost efficient service providers in the industry by maintaining capital discipline and leveraging our scale and breadth of operations.

Our operating performance and business outlook are described in more detail in “Business Environment and Results of Operations.”

Financial markets, liquidity, and capital resources

We believe we have invested our cash balances conservatively and secured sufficient financing to help mitigate any near-term negative impact on our operations from adverse market conditions. For additional information, see “Liquidity and Capital Resources” and “Business Environment and Results of Operations.”

LIQUIDITY AND CAPITAL RESOURCES

We ended the first quarter of 2014 with cash and equivalents of $2.1 billion, compared to $2.4 billion at the end of 2013. As of March 31, 2014, approximately $402 million of the $2.1 billion of cash and equivalents was held by our foreign subsidiaries and would be subject to United States tax if repatriated. However, our intent is to permanently reinvest these funds outside of the United States and our current plans do not suggest a need to repatriate them to fund our United States operations. At March 31, 2014, we also held $378 million of investments in fixed income securities compared to $373 million at December 31, 2013. These securities are reflected in "Other current assets" and "Other assets" in our condensed consolidated balance sheets.

Significant sources and uses of cash

Cash flows from operating activities were $1.0 billion in the first quarter of 2014.

Capital expenditures were $643 million in the first quarter of 2014, and were predominantly made in our Production Enhancement, Sperry Drilling, Wireline and Perforating, Cementing, and Boots & Coots product service lines.

During the quarter ended March 31, 2014, we repurchased approximately 8.9 million shares of our common stock for a total cost of $500 million.

During the first quarter of 2014, we received a $155 million income tax refund, including interest, for agreed upon tax items for the tax years 2003 through 2006 and 2008 through 2009.

We paid $127 million in dividends to our shareholders in the first quarter of 2014.

During the first quarter of 2014, our primary components of working capital (receivables, inventories, and accounts payable) increased by a net $120 million, primarily due to increased business activity.

Future sources and uses of cash

In 2013, we were awarded $105 million by an arbitrator regarding amounts owed by KBR under our Tax Sharing Agreement with KBR. KBR is contesting the award and, although the arbitrator recently issued a supplemental report that reaffirmed the original award, there is uncertainty as to the ultimate timing and amount of any payment. See Note 5 to the condensed consolidated financial statements for further information.

Capital spending for 2014 is currently expected to be approximately $3 billion. The capital expenditures plan for 2014 is primarily directed toward our Production Enhancement, Sperry Drilling, Cementing, Wireline and Perforating, and Boots & Coots product service lines, with an increasing amount dedicated to our international operations.

Subject to Board of Directors approval, our intention is to pay dividends representing at least 15% to 20% of our net income on an annual basis. Currently, our dividend rate is $0.15 per common share, or approximately $127 million per quarter. Additionally, we have approximately $1.2 billion available under our share repurchase authorization, which may be used for open market and other share purchases.

We are continuing to explore opportunities for acquisitions that will enhance or augment our current portfolio of services and products, including those with unique technologies or distribution networks in areas where we do not already have significant operations.

Other factors affecting liquidity

Financial position in current market. As of March 31, 2014, we had $2.1 billion of cash and equivalents, $378 million in fixed income investments, and a total of $3.0 billion of available committed bank credit under our revolving credit facility. Furthermore, we have no financial covenants or material adverse change provisions in our bank agreements, and our debt maturities extend over a long period of time. Although a portion of earnings from our foreign subsidiaries is reinvested outside the United States indefinitely, we do not consider this to have a significant impact on our liquidity. We currently believe that our capital expenditures, working capital investments, and dividends, if any, during the remainder of 2014 can be fully funded through cash from operations.

As a result, we believe we have a reasonable amount of liquidity and, if necessary, additional financing flexibility given the current market environment to fund our potential contingent liabilities, if any. However, as discussed in Note 6 to the condensed consolidated financial statements, there are numerous future developments that may arise as a result of the Macondo well incident that could have a material adverse effect on our liquidity.

Guarantee agreements. In the normal course of business, we have agreements with financial institutions under which approximately $2.1 billion of letters of credit, bank guarantees, or surety bonds were outstanding as of March 31, 2014. Some of the outstanding letters of credit have triggering events that would entitle a bank to require cash collateralization.

Credit ratings. Credit ratings for our long-term debt remain A2 with Moody’s Investors Service and A with Standard & Poor’s. The credit ratings on our short-term debt remain P-1 with Moody’s Investors Service and A-1 with Standard & Poor’s.

Customer receivables. In line with industry practice, we bill our customers for our services in arrears and are, therefore, subject to our customers delaying or failing to pay our invoices. In weak economic environments, we may experience increased delays and failures to pay our invoices due to, among other reasons, a reduction in our customers' cash flow from operations and their access to the credit markets as well as unsettled political conditions. If our customers delay paying or fail to pay us a significant amount of our outstanding receivables, it could have a material adverse effect on our liquidity, consolidated results of operations, and consolidated financial condition. See "Business Environment and Results of Operations – International operations – Venezuela" for further discussion related to Venezuela.

BUSINESS ENVIRONMENT AND RESULTS OF OPERATIONS

We operate in approximately 80 countries throughout the world to provide a comprehensive range of discrete and integrated services and products to the energy industry related to the exploration, development, and production of oil and natural gas. A significant amount of our consolidated revenue is derived from the sale of services and products to major, national, and independent oil and natural gas companies worldwide. The industry we serve is highly competitive with many substantial competitors in each segment of our business. In the first quarter of 2014, based upon the location of the services provided and products sold, 50% of our consolidated revenue was from the United States, compared to 49% of consolidated revenue from the United States in the first quarter of 2013. No other country accounted for more than 10% of our revenue during these periods.

Operations in some countries may be adversely affected by unsettled political conditions, acts of terrorism, civil unrest, force majeure, war or other armed conflict, expropriation or other governmental actions, inflation, foreign currency exchange restrictions, and highly inflationary currencies, as well as other geopolitical factors. We believe the geographic diversification of our business activities reduces the risk that loss of operations in any one country, other than the United States, would be materially adverse to our consolidated results of operations.

Activity levels within our business segments are significantly impacted by spending on upstream exploration, development, and production programs by our customers. Also impacting our activity is the status of the global economy, which impacts oil and natural gas consumption.

Some of the more significant determinants of current and future spending levels of our customers are oil and natural gas prices, the world economy, the availability of credit, government regulation, and global stability, which together drive worldwide drilling activity. Our financial performance is significantly affected by oil and natural gas prices and worldwide rig activity, which are summarized in the following tables. Additionally, due to improved drilling and completion efficiencies as
more of our customers move to multi-well pad drilling, our financial performance is impacted by well count in the North America market.

The following table shows the average oil and natural gas prices for West Texas Intermediate (WTI), United Kingdom Brent crude oil, and Henry Hub natural gas:

	Three Months Ended March 31		Year Ended December 31
	2014	2013	2013
Oil price - WTI (1)	$ 98.80	$ 94.34	$ 97.99
Oil price - Brent (1)	107.81	112.49	108.71
Natural gas price - Henry Hub (2)	5.20	3.49	3.73

(1) Oil price measured in dollars per barrel

(2) Natural gas price measured in dollars per million British thermal units (Btu), or MMBtu

The historical quarterly and yearly average rig counts based on the weekly Baker Hughes Incorporated rig count information were as follows:

	Three Months Ended March 31		Year Ended December 31
Land vs. Offshore	2014	2013	2013
United States:			
Land	1,725	1,706	1,705
Offshore (incl. Gulf of Mexico)	55	52	56
Total	1,780	1,758	1,761
Canada:			
Land	526	535	352
Offshore	1	1	2
Total	527	536	354
International (excluding Canada):			
Land	1,019	959	978
Offshore	318	315	318
Total	1,337	1,274	1,296
Worldwide total	3,644	3,568	3,411
Land total	3,270	3,200	3,035
Offshore total	374	368	376

	Three Months Ended March 31		Year Ended December 31
Oil vs. Natural Gas	2014	2013	2013
United States (incl. Gulf of Mexico):			
Oil	1,433	1,332	1,375
Natural gas	347	426	386
Total	1,780	1,758	1,761
Canada:			
Oil	338	398	234
Natural gas	189	138	120
Total	527	536	354
International (excluding Canada):			
Oil	1,070	1,021	1,029
Natural gas	267	253	267
Total	1,337	1,274	1,296
Worldwide total	3,644	3,568	3,411
Oil total	2,841	2,751	2,638
Natural gas total	803	817	773

	Three Months Ended March 31		Year Ended December 31
Drilling Type	2014	2013	2013
United States (incl. Gulf of Mexico):			
Horizontal	1,184	1,127	1,102
Vertical	387	441	435
Directional	209	190	224
Total	1,780	1,758	1,761

Our customers’ cash flows, in most instances, depend upon the revenue they generate from the sale of oil and natural gas. Lower oil and natural gas prices usually translate into lower exploration and production budgets, while the opposite is true for higher oil and natural gas prices.

During the first quarter of 2014, WTI and Brent crude oil spot prices averaged approximately $99 and $108 per barrel, respectively. Relative to first quarter averages in 2013, WTI crude oil spot prices experienced a slight increase from $94 per barrel, while Brent crude oil spot prices experienced a slight decrease from $112 per barrel. According to the United States Energy Information Administration (EIA), the WTI crude oil spot prices increased towards the latter part of the first quarter of 2014 as a result of strong midwestern refinery runs and the startup of the Marketlink pipeline moving crude from Cushing, Oklahoma to the Gulf Coast. In 2014, the EIA projects WTI and Brent crude oil spot prices to average $96 and $105 per barrel, respectively.

According to the International Energy Agency's (IEA) April 2014 "Oil Market Report," 2014 global oil demand is expected to average approximately 92.7 million barrels per day, which is up 1.5% from 2013. The IEA also forecasts overall demand momentum to accelerate modestly in 2014, supported by a strengthening global macroeconomic backdrop.

During the first quarter of 2014, average Henry Hub natural gas prices in the United States increased approximately 49% compared to the first quarter of 2013, primarily due to an unseasonably harsh winter, which caused natural gas storage levels to decline to the lowest they have been in eleven years. Although the average of natural gas prices was high in the first quarter, the spot price began to decline in March as the cold weather became less extreme. The EIA projects that Henry Hub natural gas spot prices will continue to decline in the spring and average $4.44 per MMBtu in 2014.

North America operations

Volatility in oil and natural gas prices can impact our customers’ drilling and production activities, particularly in North America. For the first quarter of 2014, the average natural gas directed rig count fell by 5% while the average oil directed rig count increased 2%, compared to the first quarter of 2013. Relative to the first quarter of 2013, in the first quarter of 2014 our North America revenue increased 5% while operating income was flat. The first quarter of 2014 was impacted by lower pressure pumping pricing, severe weather related disruptions, and higher logistics costs. We are optimistic about the potential of increased activity levels in the second half of the year and expect our North America margins to expand over the remainder of 2014.

In the United States land market, we have seen a moderate increase in rig count over the past year, which is primarily driven by an increase in horizontal rigs in the Permian Basin. We see service intensity expanding across many basins which is evidenced by longer laterals, increased stage density, and rising volumes per stage. This trend is beneficial to our overall business and should enable us to leverage our broad technology offerings.

In the Gulf of Mexico, our deepwater activity outlook remains positive as we are expecting additional rigs to arrive by the end of 2014. Over the long term, the continued growth in the Gulf of Mexico is dependent on, among other things, governmental approvals for permits, our customers' actions, and new deepwater rigs entering the market.

International operations

The industry experienced steady volume increases in the first quarter of 2014, with average international rig count improving by 5% compared to the first quarter of 2013, and by 3% compared to levels at the end of 2013. In the Eastern Hemisphere, we continue to execute our growth strategy. Relative to the first quarter of 2013, we grew our Eastern Hemisphere revenue and operating income by 11% and 16%, respectively, as a result of growth in both the Middle East/Asia and Europe/Africa/CIS regions. We saw strong growth in our Saudi Arabia operations due to an increase in integrated project activity. We are seeing our Eastern Hemisphere activity expand at a steady rate and expect to continue this growth for the remainder of 2014.

We expect 2014 to be a transitional year for Latin America. Over the long term, however, we are optimistic about our position in Latin America and the future growth potential of this market. Constitutional changes in Mexico seem to be progressing as planned by the government, and we believe the opportunity for foreign investment in this market will be beneficial to our business.

Venezuela. As of March 31, 2014, our total net investment in Venezuela was approximately $457 million, including net monetary assets of $115 million denominated in Bolívares. Also, at March 31, 2014 we had $182 million of surety bond guarantees outstanding relating to our Venezuelan operations.

We continue to experience delays in collecting payment on our receivables from our primary customer in Venezuela. These receivables are not disputed, and we have not historically had material write-offs relating to this customer. Additionally, we routinely monitor the financial stability of our customers. Our total outstanding trade receivables in Venezuela were $577 million, or approximately 9% of our gross trade receivables, as of March 31, 2014, compared to $486 million, or approximately 8% of our gross trade receivables, as of December 31, 2013. Of the $577 million receivables in Venezuela as of March 31, 2014, $233 million has been classified as long-term and included within “Other assets” on our condensed consolidated balance sheets.

In February 2013, the Venezuelan government devalued the Bolívar, from the preexisting exchange rate of 4.3 Bolívares per United States dollar to 6.3 Bolívares per United States dollar.

In recent months, the Venezuelan government has made available two new foreign exchange rate mechanisms through which a company may be able to legally convert Bolívares to United States dollars, in addition to the National Center of Foreign Commerce official rate of 6.3 Bolívares per United States dollar:

(1) a bid rate established via weekly auctions under the Complementary System of Foreign Currency Acquirement (SICAD I); and
(2) an auction rate which is intended to more closely resemble a market-driven exchange rate (SICAD II).

The availability of new currency mechanisms had no impact on our results of operations during the quarter ended March 31, 2014 as we continue to use the official exchange rate to remeasure net assets denominated in Bolívares. We believe that the current official exchange rate continues to reflect the economics of our business activity in the country, and we have not utilized nor do we intend at this time to utilize any of the newly available exchange mechanisms to transact business in Venezuela. Had we used the SICAD I rate of 10.8 Bolívares per United States dollar to remeasure our net monetary position as of March 31, 2014, we would have incurred a foreign currency loss of $48 million for the first quarter of 2014.

We will continue to monitor any future impact of these mechanisms on the exchange rate we use to remeasure our Venezuelan subsidiary’s financial statements.

For additional information, see Part I, Item 1(a), “Risk Factors” in our 2013 Annual Report on Form 10-K.

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RESULTS OF OPERATIONS IN 2014 COMPARED TO 2013

Three Months Ended March 31, 2014 Compared with Three Months Ended March 31, 2013

REVENUE:	Three Months Ended March 31		Favorable	Percentage
Millions of dollars	2014	2013	(Unfavorable)	Change
Completion and Production	$ 4,420	$ 4,100	$ 320	8 %
Drilling and Evaluation	2,928	2,874	54	2
Total revenue	$ 7,348	$ 6,974	$ 374	5 %

By geographic region:				
Completion and Production:				
North America	$ 2,927	$ 2,745	$ 182	7 %
Latin America	355	355	—	—
Europe/Africa/CIS	607	532	75	14
Middle East/Asia	531	468	63	13
Total	4,420	4,100	320	8
Drilling and Evaluation:				
North America	974	961	13	1
Latin America	504	590	(86)	(15)
Europe/Africa/CIS	692	655	37	6
Middle East/Asia	758	668	90	13
Total	2,928	2,874	54	2
Total revenue by region:				
North America	3,901	3,706	195	5
Latin America	859	945	(86)	(9)
Europe/Africa/CIS	1,299	1,187	112	9
Middle East/Asia	1,289	1,136	153	13

OPERATING INCOME:	Three Months Ended March 31		Favorable	Percentage
Millions of dollars	2014	2013	(Unfavorable)	Change
Completion and Production	$ 661	$ 615	$ 46	7 %
Drilling and Evaluation	398	407	(9)	(2)
Corporate and other	(89)	(1,120)	1,031	92
Total operating income (loss)	$ 970	$ (98)	$ 1,068	1,090 %

By geographic region:				
Completion and Production:				
North America	$ 446	$ 432	$ 14	3 %
Latin America	48	28	20	71
Europe/Africa/CIS	78	64	14	22
Middle East/Asia	89	91	(2)	(2)
Total	661	615	46	7
Drilling and Evaluation:				
North America	156	173	(17)	(10)
Latin America	52	81	(29)	(36)
Europe/Africa/CIS	68	57	11	19
Middle East/Asia	122	96	26	27
Total	398	407	(9)	(2)
Total operating income by region				
(excluding Corporate and other):				
North America	602	605	(3)	—
Latin America	100	109	(9)	(8)
Europe/Africa/CIS	146	121	25	21
Middle East/Asia	211	187	24	13

The 5% increase in consolidated revenue in the first quarter of 2014, as compared to the first quarter of 2013, was primarily attributable to increased drilling activity in the Eastern Hemisphere and higher production enhancement activity in the United States land market, partially offset by lower activity levels in Latin America. On a consolidated basis, over half of our product service lines experienced revenue growth from the first quarter of 2013. Revenue outside of North America was 47% of consolidated revenue in the first quarters of both 2014 and 2013.

The $1.1 billion increase in consolidated operating income during the first quarter of 2014, as compared to the first quarter of 2013, was primarily due to a $1.0 billion increase in our loss contingency reserve related to Macondo well incident recorded in the first quarter of 2013. Additionally, we experienced higher stimulation activity in United States land market and strong results in the Eastern Hemisphere.

Completion and Production consolidated revenue in the first quarter of 2014 rose 8%, as compared to the first quarter of 2013, primarily due to increased stimulation activity in the United States land market and higher completion tools sales in all of our regions. North America revenue increased 7% due to increased production enhancement services and higher completion tools sales in the United States, which more than offset reduced activity levels in Canada. Latin America revenue was flat, as increased stimulation and cementing activity in Argentina was offset by a decline in production enhancement services in Mexico. Europe/Africa/CIS revenue rose 14%, driven by higher completions tools sales in Angola and Norway, improved Boots & Coots activity in Algeria, and increased stimulation activity in the United Kingdom. These increases were partially offset by decreased stimulation activity in Denmark and reduced Boots & Coots activity in Norway. Middle East/Asia revenue grew 13% as a result of improved activity levels in Saudi Arabia, increased completion tools sales in China, and higher cementing activity in Thailand, which more than offset a decline in Boots & Coots activity in Australia and India and lower completion tools sales in Malaysia. Revenue outside of North America was 34% of total segment revenue in the first quarter of 2014 and 33% of total segment revenue in the first quarter of 2013.

Completion and Production operating income improved by 7% in the first quarter of 2014, as compared to the first quarter of 2013, due to stronger stimulation activity in the United States land market and higher completion tools sales in the Eastern Hemisphere. North America operating income increased 3% due to increased stimulation activity in the United States land market, which was partially offset by pricing pressures associated with pressure pumping services. Latin America operating income grew 71% as a result of improved profitability for pressure pumping in Argentina, which was partially offset by pricing pressures associated with completion tools sales in Brazil and activity reductions in Mexico. Europe/Africa/CIS operating income rose 22% due to higher completion tools sales in Angola and Norway, and increased Boots & Coots activity in Algeria. Middle East/Asia operating income was down 2% compared to first quarter of 2013, due to lower demand for completion tools sales in Malaysia and decreased Boots & Coots activity in Australia and India, which were partially offset by increased completion tools sales in Saudi Arabia and China.

Drilling and Evaluation revenue was up 2% in the first quarter of 2014, as compared to the first quarter of 2013, primarily driven by higher drilling activity in the Eastern Hemisphere and improved testing activity in all regions, which more than offset the decline in Latin America activity. North America revenue was essentially flat compared to the first quarter of 2013, as increased demand for fluid services in the United States land market was offset by a decline in activity levels in Canada. Latin America revenue declined by 15% as a result of a decline in drilling related activity in Brazil and activity reduction in Mexico. Europe/Africa/CIS revenue increased 6% led by increased drilling activity in the United Kingdom and Angola, which was partially offset by lower fluid services in Norway. Middle East/Asia revenue grew 13%, primarily due to higher activity levels in Saudi Arabia and Malaysia, as well as increased drilling activity in Thailand, which more than offset a decline in logging activity in China. Revenue outside of North America was 67% of total segment revenue in the first quarters of both 2014 and 2013.

Drilling and Evaluation operating income decreased 2% in the first quarter of 2014, as compared to the first quarter of 2013, primarily due to reduced activity in the Western Hemisphere, which was partially offset by growth in the Eastern Hemisphere. North America operating income declined 10% as a result of reduced activity levels in Canada and reduced logging services in the United States land market, which were partially offset by increased testing services in the Gulf of Mexico. Latin America operating income decreased 36%, primarily due to a decline in drilling activity in Brazil and activity reduction in Mexico. Europe/Africa/CIS operating income improved 19% as a result of increased drilling activity in the United Kingdom and Angola, which was partially offset by declines in fluid services in Norway and logging services in Nigeria. Middle East/Asia operating income grew 27% driven by increased drilling services in Thailand and Saudi Arabia, which more than offset lower demand for logging services in China.

Corporate and other expenses were $89 million in the first quarter of 2014 and $1.1 billion in the first quarter of 2013. The significant decrease was due to a $1.0 billion Macondo-related loss contingency recorded in the first quarter of 2013.

NONOPERATING ITEMS

Interest expense, net of interest income increased $22 million in the first quarter of 2014 as compared to the first quarter of 2013, primarily due to higher interest expense as a result of the issuance of $3.0 billion aggregate principal amount of senior notes in August 2013.

Other, net increased $17 million as compared to the first quarter of 2013, primarily as a result of foreign currency exchange losses driven by currency devaluations in Argentina and Kazakhstan in the first quarter of 2014.

Effective tax rate. Our effective tax rate on continuing operations was 27.1% for the quarter ended March 31, 2014, and was positively impacted by a revised estimate of the tax basis of foreign leased assets as well as lower tax rates in certain foreign jurisdictions, as we continue to reposition our technology, supply chain, and manufacturing infrastructure to more effectively serve our international customers. Our effective tax rate on continuing operations in the first quarter of 2013 was also positively impacted by lower tax rates in certain foreign jurisdictions, as well as federal tax benefits of approximately $50 million due to the reinstatement of certain tax benefits and credits related to the first quarter of 2013 enactment of the American Taxpayer Relief Act of 2012. Also contributing to lower tax rate in the first quarter of 2013 was a $1.0 billion loss contingency related to the Macondo well incident, which was tax-effected at the United States statutory rate.

ENVIRONMENTAL MATTERS

We are subject to numerous environmental, legal, and regulatory requirements related to our operations worldwide. For information related to environmental matters, see Note 6 to the condensed consolidated financial statements.

FORWARD-LOOKING INFORMATION

The Private Securities Litigation Reform Act of 1995 provides safe harbor provisions for forward-looking information. Forward-looking information is based on projections and estimates, not historical information. Some statements in this Form 10-Q are forward-looking and use words like “may,” “may not,” “believes,” “do not believe,” “plans,” “estimates,” “intends,” “expects,” “do not expect,” “anticipates,” “do not anticipate,” “should,” “likely,” and other expressions. We may also provide oral or written forward-looking information in other materials we release to the public. Forward-looking information involves risk and uncertainties and reflects our best judgment based on current information. Our results of operations can be affected by inaccurate assumptions we make or by known or unknown risks and uncertainties. In addition, other factors may affect the accuracy of our forward-looking information. As a result, no forward-looking information can be guaranteed. Actual events and the results of our operations may vary materially.

We do not assume any responsibility to publicly update any of our forward-looking statements regardless of whether factors change as a result of new information, future events, or for any other reason. You should review any additional disclosures we make in our press releases and Forms 10-K, 10-Q, and 8-K filed with or furnished to the SEC. We also suggest that you listen to our quarterly earnings release conference calls with financial analysts.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

For quantitative and qualitative disclosures about market risk, see Part II, Item 7(a), “Quantitative and Qualitative Disclosures About Market Risk,” in our 2013 Annual Report on Form 10-K. Our exposure to market risk has not changed materially since December 31, 2013.

Item 4. Controls and Procedures

In accordance with the Securities Exchange Act of 1934 Rules 13a-15 and 15d-15, we carried out an evaluation, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of March 31, 2014 to provide reasonable assurance that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms. Our disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

There has been no change in our internal control over financial reporting that occurred during the three months ended March 31, 2014 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Information related to Item 1. Legal Proceedings is included in Note 6 to the condensed consolidated financial statements on page 8 of this quarterly report.

Item 1(a). Risk Factors

As of March 31, 2014, there have been no material changes from the risk factors previously disclosed in Part I, Item 1(a), of our Annual Report on Form 10-K for the fiscal year ended December 31, 2013.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Following is a summary of our repurchases of our common stock during the three months ended March 31, 2014.

Period	Total Number of Shares Purchased (a)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (b)	Maximum Number (or Approximate Dollar Value) of Shares that may yet be Purchased Under the Program (b)
January 1 - 31	187,791	$50.33	—	$1,693,971,527
February 1 - 28	3,961,963	$54.85	3,949,574	$1,477,305,265
March 1 - 31	5,009,392	$56.68	4,998,635	$1,193,971,545
Total	9,159,146	$55.76	8,948,209	

(a) Of the 9,159,146 shares purchased during the first quarter of 2014, 210,937 shares were acquired from employees in connection with the settlement of income tax and related benefit withholding obligations arising from vesting in restricted stock grants. These shares were not part of a publicly announced program to purchase common shares.

(b) Our Board of Directors has authorized a program to repurchase our common stock from time to time. During the quarter ended March 31, 2014, under that program we repurchased approximately 8.9 million shares of our common stock for a total cost of $500 million. As of March 31, 2014, approximately $1.2 billion remains available under the stock purchase authorization. From the inception of this program in February 2006 through March 31, 2014, we repurchased approximately 197 million shares of our common stock for a total cost of approximately $8.1 billion.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Our barite and bentonite mining operations, in support of our fluid services business, are subject to regulation by the federal Mine Safety and Health Administration under the Federal Mine Safety and Health Act of 1977. Information concerning mine safety violations or other regulatory matters required by section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K (17 CFR 229.104) is included in Exhibit 95 to this quarterly report.

Item 5. Other Information

None.

Item 6. Exhibits

	3.1	By-laws of Halliburton Company revised effective February 12, 2014 (incorporated by reference to Exhibit 3.1 to Halliburton's Form 8-K filed February 18, 2014, File No. 001-03492).
*	12.1	Statement Regarding the Computation of Ratio of Earnings to Fixed Charges.
*	31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*	31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
**	32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
**	32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
*	95	Mine Safety Disclosures
*	101.INS	XBRL Instance Document
*	101.SCH	XBRL Taxonomy Extension Schema Document
*	101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
*	101.LAB	XBRL Taxonomy Extension Label Linkbase Document
*	101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
*	101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
	*	Filed with this Form 10-Q
	**	Furnished with this Form 10-Q

SIGNATURES

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

HALLIBURTON COMPANY

/s/ Mark A. McCollum	/s/ Christian A. Garcia
Mark A. McCollum	Christian A. Garcia
Executive Vice President and	Senior Vice President and
Chief Financial Officer	Chief Accounting Officer

Date: April 25, 2014

Exhibit 12.1

HALLIBURTON COMPANY
Computation of Ratio of Earnings to Fixed Charges
(Unaudited)
(Millions of dollars, except ratios)

	Three Months Ended March 31, 2014	Year Ended December 31				
		2013	2012	2011	2010	2009
Earnings available for fixed charges:						
Income from continuing operations before income taxes	$ 846	$ 2,764	$ 3,822	$ 4,449	$ 2,655	$ 1,682
Add:						
Distributed earnings from equity in unconsolidated affiliates	—	19	4	13	13	17
Fixed charges	139	511	445	384	402	361
Subtotal	985	3,294	4,271	4,846	3,070	2,060
Less:						
Equity in earnings of unconsolidated affiliates	6	9	14	20	20	16
Total earnings available for fixed charges	$ 979	$ 3,285	$ 4,257	$ 4,826	$ 3,050	$ 2,044
Fixed charges:						
Interest expense	$ 96	$ 339	$ 305	$ 268	$ 308	$ 297
Rental expense representative of interest	43	172	140	116	94	64
Total fixed charges	$ 139	$ 511	$ 445	$ 384	$ 402	$ 361
Ratio of earnings to fixed charges	7.0	6.4	9.6	12.6	7.6	5.7

Exhibit 31.1

Section 302 Certification

I, David J. Lesar, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended March 31, 2014 of Halliburton Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 25, 2014

/s/ David J. Lesar
David J. Lesar
Chief Executive Officer
Halliburton Company

Exhibit 31.2

Section 302 Certification

I, Mark A. McCollum, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended March 31, 2014 of Halliburton Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 25, 2014

/s/ Mark A. McCollum
Mark A. McCollum
Chief Financial Officer
Halliburton Company

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

This certification is provided pursuant to § 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. § 1350, and accompanies the Quarterly Report on Form 10-Q for the period ended March 31, 2014 of Halliburton Company (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report").

I, David J. Lesar, Chief Executive Officer of the Company, certify that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ David J. Lesar
David J. Lesar
Chief Executive Officer

Date: April 25, 2014

Exhibit 32.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

This certification is provided pursuant to § 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. § 1350, and accompanies the Quarterly Report on Form 10-Q for the period ended March 31, 2014 of Halliburton Company (the “Company”) as filed with the Securities and Exchange Commission on the date hereof (the “Report”).

I, Mark A. McCollum, Chief Financial Officer of the Company, certify that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Mark A. McCollum
Mark A. McCollum
Chief Financial Officer

Date: April 25, 2014

Exhibit 95

Mine Safety Disclosures

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, each operator of a mine is required to include certain mine safety results in its periodic reports filed with the SEC. The operation of our mines is subject to regulation by the federal Mine Safety and Health Administration (MSHA) under the Federal Mine Safety and Health Act of 1977 (Mine Act). Below, we present the following items regarding certain mining safety and health matters for the quarter ended March 31, 2014:

- total number of violations of mandatory health or safety standards that could significantly and substantially contribute to the cause and effect of a mine safety or health hazard under section 104 of the Mine Act for which we have received a citation from MSHA;
- total number of orders issued under section 104(b) of the Mine Act, which covers violations that had previously been cited under section 104(a) that, upon follow-up inspection by MSHA, are found not to have been totally abated within the prescribed time period, which results in the issuance of an order requiring the mine operator to immediately withdraw all persons (except certain authorized persons) from the mine;
- total number of citations and orders for unwarrantable failure of the mine operator to comply with mandatory health or safety standards under Section 104(d) of the Mine Act;
- total number of flagrant violations (i.e., reckless or repeated failure to make reasonable efforts to eliminate a known violation of a mandatory health or safety standard that substantially and proximately caused, or reasonably could have been expected to cause, death or serious bodily injury) under section 110(b)(2) of the Mine Act;
- total number of imminent danger orders (i.e., the existence of any condition or practice in a mine which could reasonably be expected to cause death or serious physical harm before such condition or practice can be abated) issued under section 107(a) of the Mine Act;
- total dollar value of proposed assessments from MSHA under the Mine Act;
- total number of mining-related fatalities; and
- total number of pending legal actions before the Federal Mine Safety and Health Review Commission involving such mine.

HALLIBURTON COMPANY

Mine Safety Disclosures

Three Months Ended March 31, 2014:

(Unaudited)

(Whole dollars)

Operation/ MSHA Identification Number[(1)]	Section 104 Citations	Section 104(b) Orders	104(d)Citations and Orders	Section 110(b)(2) Violations	Section 107(a) Orders	Proposed MSHA Assessments[(2)]	Fatalities	Pending Legal Actions
BPM Colony Mill/4800070	1	—	—	—	—	$ —	—	—
BPM Colony Mine/4800889	—	—	—	—	—	—	—	—
BPM Lovell Mill/4801405	—	—	—	—	—	—	—	—
BPM Lovell Mine/4801016	—	—	—	—	—	—	—	—
Corpus Christi Grinding Plant/4104010	—	—	—	—	—	—	—	—
Dunphy Mill/2600412	—	—	—	—	—	—	—	—
Lake Charles Plant/1601032	—	—	—	—	—	—	—	—
Larose Grinding Plant/1601504	—	—	—	—	—	—	—	—
Rossi Jig Plant/2602239	—	—	—	—	—	—	—	—
Total	1	—	—	—	—	$ —	—	—

(1) The definition of a mine under section 3 of the Mine Act includes the mine, as well as other items used in, or to be used in, or resulting from, the work of extracting minerals, such as land, structures, facilities, equipment, machines, tools, and preparation facilities. Unless otherwise indicated, any of these other items associated with a single mine have been aggregated in the totals for that mine.

(2) Amounts included are the total dollar value of proposed or outstanding assessments received from MSHA on or before April 9, 2014 regardless of whether the assessment has been challenged or appealed, for citations and orders occurring during the three months ended March 31, 2014.

In addition, as required by the reporting requirements regarding mine safety included in §1503(a)(2) of the Dodd-Frank Act, the following is a list for the quarter ended March 31, 2014, of each mine of which we or a subsidiary of ours is an operator, that has received written notice from MSHA of:

(a) a pattern of violations of mandatory health or safety standards that are of such nature as could have significantly and substantially contributed to the cause and effect of mine health or safety hazards under
§104(e) of the Mine Act:
None; or
(b) the potential to have such a pattern:
None.

Citations and orders can be contested and appealed, and as part of that process, are sometimes reduced in severity and amount, and are sometimes dismissed. The number of citations, orders, and proposed assessments vary by inspector and also vary depending on the size and type of the operation.