

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Quarterly Report Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934
For the quarterly period ended September 30, 1998

OR

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

Commission File Number 1-3492

HALLIBURTON COMPANY

(a Delaware Corporation)
75-2677995

3600 Lincoln Plaza
500 N. Akard
Dallas, Texas 75201

Telephone Number - Area Code (214) 978-2600

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

Yes No

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

Common stock, par value \$2.50 per share:
Outstanding at October 31, 1998 - 439,653,499

HALLIBURTON COMPANY

Index

Page No.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Quarterly Condensed Consolidated Financial Statements

o Statements of Income for the three and nine months ended September 30, 1998 and 1997	2
o Balance Sheets at September 30, 1998 and December 31, 1997	3
o Statements of Cash Flows for the nine months ended September 30, 1998 and 1997	4
o Notes to Financial Statements	
1. Management representations	5
2. Acquisitions and dispositions	5
3. Business segment information	6
4. Inventories	7
5. Dresser financial information	7
6. Commitments and contingencies	7
7. Income per share	8
8. Comprehensive income	8
9. Special charges	9

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations 9

PART II. OTHER INFORMATION

Item 6. Listing of Exhibits and Reports on Form 8-K 17

Signatures 19

Exhibits: Financial data schedules for the nine months ended September 30, 1998 (included only in the copy of this report filed electronically with the Commission)

PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

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

	Three Months Ended September 30		Nine Months Ended September 30	
	1998	1997	1998	1997
Revenues:				
Services	\$ 2,938.4	\$ 2,909.8	\$ 9,204.3	\$ 8,196.3
Sales	1,231.1	1,229.2	3,692.4	3,467.5
Equity in earnings of unconsolidated affiliates	54.5	38.0	167.3	117.6
Total revenues	\$ 4,224.0	\$ 4,177.0	\$ 13,064.0	\$ 11,781.4
Operating costs and expenses:				
Cost of services	\$ 2,762.7	\$ 2,612.3	\$ 8,361.3	\$ 7,447.6
Cost of sales	983.7	1,048.4	3,102.5	2,945.1
General and administrative	110.0	125.8	435.4	434.1
Special charges	945.1	18.3	945.1	18.3
Total operating costs and expenses	4,801.5	3,804.8	12,844.3	10,845.1
Operating income (loss)	(577.5)	372.2	219.7	936.3
Interest expense	(34.6)	(30.1)	(95.9)	(80.2)
Interest income	7.2	5.0	21.4	15.8
Foreign currency losses	(7.9)	(1.5)	(9.7)	(3.7)
Other nonoperating income (expense) net	3.3	(0.2)	2.7	0.4
Income (loss) before taxes and minority interest	(609.5)	345.4	138.2	868.6
Benefit (provision) for income taxes	96.6	(130.0)	(184.1)	(325.0)
Minority interest in net income of subsidiaries	(14.1)	(12.8)	(34.5)	(29.2)
Net income (loss)	\$ (527.0)	\$ 202.6	\$ (80.4)	\$ 514.4
Income (loss) per share:				
Basic	\$ (1.20)	\$ 0.47	\$ (0.18)	\$ 1.20
Diluted	\$ (1.20)	\$ 0.47	\$ (0.18)	\$ 1.19
Cash dividends per share *	\$ 0.125	\$ 0.125	\$ 0.375	\$ 0.375
Weighted average common shares outstanding:				
Basic	439.1	428.9	438.6	429.0
Diluted	439.1	433.5	438.6	432.9

* Amounts represent Halliburton Company prior to the merger with Dresser.

See notes to quarterly financial statements.

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

	September 30 1998	December 31 1997
Assets		
Current assets:		
Cash and equivalents	\$ 228.5	\$ 384.1
Receivables:		
Notes and accounts receivable	3,498.0	2,980.4
Unbilled work on uncompleted contracts	497.1	407.2
Total receivables	3,995.1	3,387.6
Inventories	1,437.1	1,299.2
Deferred income taxes, current	435.3	202.6
Other current assets	201.0	169.7
Total current assets	6,297.0	5,443.2
Property, plant and equipment:		
Less accumulated depreciation of \$3,995.2 and \$3,879.6	2,971.6	2,766.4
Equity in and advances to related companies	521.6	659.0
Excess of cost over net assets acquired	1,131.2	1,126.8
Deferred income taxes, noncurrent	250.0	273.0
Other assets	470.6	433.4
Total assets	\$ 11,642.0	\$ 10,701.8
Liabilities and Shareholders' Equity		
Current liabilities:		
Short-term notes payable	\$ 572.3	\$ 50.5
Current maturities of long-term debt	8.4	7.4
Accounts payable	1,122.6	1,132.4
Accrued employee compensation and benefits	494.9	516.1
Advance billings on uncompleted contracts	523.2	638.3
Income taxes payable	264.5	335.2
Accrued warranty cost	50.9	56.6
Deferred revenues	36.1	38.4
Accrued special charges	922.1	-
Other current liabilities	704.7	685.4
Total current liabilities	4,699.7	3,460.3
Long-term debt	1,284.9	1,296.9
Employee compensation and benefits	984.9	1,013.7
Other liabilities	450.5	450.6
Minority interest in consolidated subsidiaries	173.9	163.4
Total liabilities and minority interest	7,593.9	6,384.9
Shareholders' equity:		
Common shares, par value \$2.50 per share - Authorized 600.0 shares, issued 445.7 and 453.7 shares	1,114.2	1,134.3
Paid-in capital in excess of par value	-	123.9
Accumulated other comprehensive income	(146.1)	(131.1)
Retained earnings	3,183.6	3,563.4
Total shareholders' equity	4,151.7	4,690.5
Less 6.3 and 15.8 shares of treasury stock, at cost	103.6	373.6
Total shareholders' equity	4,048.1	4,316.9
Total liabilities and shareholders' equity	\$ 11,642.0	\$ 10,701.8

See notes to quarterly financial statements.

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

	Nine Months Ended September 30	
	1998	1997
<hr/>		
Cash flows from operating activities:		
Net income (loss)	\$ (80.4)	\$ 514.4
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	441.5	419.3
Benefit for deferred income taxes	(201.8)	(7.7)
Distributions from (advances to) related companies, net of equity in (earnings) or losses	(76.5)	(90.5)
Accrued special charges	922.1	-
Other non-cash items	43.1	32.7
Other changes, net of non-cash items:		
Receivables	(380.8)	(401.3)
Inventories	(125.1)	(113.1)
Accounts payable	12.0	(71.7)
Other working capital, net	(246.9)	(7.8)
Other, net	6.4	44.2
Total cash flows from operating activities	313.6	318.5
<hr/>		
Cash flows from investing activities:		
Capital expenditures	(687.0)	(613.7)
Sales of property, plant and equipment	61.4	189.3
Sales (purchases) of businesses, net of cash (disposed) acquired	(32.2)	(150.6)
Other investing activities	(3.6)	(30.9)
Total cash flows from investing activities	(661.4)	(605.9)
<hr/>		
Cash flows from financing activities:		
Borrowings of long-term debt	1.4	300.8
Payments on long-term debt	(13.1)	(14.8)
Net borrowings (repayments) of short-term debt	426.7	(67.5)
Payments of dividends to shareholders	(199.3)	(184.4)
Proceeds from exercises of stock options	45.0	61.9
Payments to reacquire common stock	(18.5)	(43.0)
Other financing activities	(6.4)	2.5
Total cash flows from financing activities	235.8	55.5
<hr/>		
Effect of exchange rate changes on cash	(5.8)	2.7
<hr/>		
Decrease in cash and equivalents	(117.8)	(229.2)
Cash and equivalents at beginning of year	346.3 *	446.0
<hr/>		
Cash and equivalents at end of period	\$ 228.5	\$ 216.8
<hr/>		
Supplemental disclosure of cash flow information: Cash payments during the period for:		
Interest	\$ 109.5	\$ 82.1
Income taxes	\$ 395.9	\$ 215.1
Non-cash investing and financing activities:		
Liabilities assumed in acquisitions of businesses	\$ 34.1	\$ 337.3
Liabilities disposed of in dispositions of businesses	\$ 0.2	\$ 211.5

* To conform Dresser's fiscal year to Halliburton's calendar year, Dresser's cash flows are measured from December 31, 1997, rather than from the October 31, 1997 balances included on the condensed consolidated balance sheets.

See notes to quarterly financial statements.

HALLIBURTON COMPANY
Notes to Quarterly Financial Statements
(Unaudited)

Note 1. Management Representations

The Company employs accounting policies that are in accordance with generally accepted accounting principles in the United States. The preparation of financial statements in conformity with generally accepted accounting principles requires Company management 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 revenues and expenses during the reporting period. Ultimate results could differ from those estimates.

The accompanying unaudited condensed consolidated financial statements present information in accordance with generally accepted accounting principles for interim financial information and the instructions to Form 10-Q and applicable rules of Regulation S-X. Accordingly, they do not include all information or footnotes required by generally accepted accounting principles for complete financial statements and should be read in conjunction with the Company's 1997 supplemental annual financial statements on Form 8-K/A filed October 23, 1998.

In the opinion of the Company, the condensed consolidated financial statements include all adjustments necessary to present fairly the Company's financial position as of September 30, 1998, and the results of its operations for the three and nine months ended September 30, 1998 and 1997 and its cash flows for the nine months then ended. The results of operations for the three and nine months ended September 30, 1998 and 1997 may not be indicative of results for the full year. Certain prior year amounts have been reclassified to conform with the current year presentation.

Note 2. Acquisitions and Dispositions

On September 29, 1998 the Company completed the acquisition of Dresser Industries, Inc. (the Merger), by converting the outstanding Dresser common stock into an aggregate of approximately 176 million shares of Common Stock of the Company. The Company has also reserved approximately 7.3 million shares of common stock for outstanding Dresser stock options and other employee and directors plans. The Merger qualified as a tax-free exchange to Dresser's shareholders for U.S. federal income tax purposes and was accounted for using the pooling of interests method of accounting for business combinations. Accordingly, the Company's financial statements have been restated to include the results of Dresser for all periods presented. See Note 2 to the supplemental annual financial statements on Form 8-K/A filed October 23, 1998. Beginning in 1998, Dresser's year-end of October 31 has been conformed to Halliburton's calendar year-end. Periods through December 1997 contain Dresser's information on a fiscal year-end basis combined with Halliburton's information on a calendar year-end basis. For the two months ended December 31, 1997, Dresser had revenues of \$1,110.2 million, operating income of \$53.2 million, and net income of \$35.8 million. Operating income for the two-month period includes a pretax special charge of \$30.2 million (\$12.0 million after tax and minority interest) related to Dresser's share of profit improvement initiatives at the Dresser-Rand and Ingersoll-Dresser Pump joint ventures. Results for the two-month period have been included in retained earnings and dividends of \$33.2 million paid in December, 1997 have been deducted from retained earnings in the condensed consolidated balance sheets at September 30, 1998. In addition, for the period between October 31, 1997 and December 31, 1997 the change to Dresser's cumulative translation adjustment account was \$14.8 million. There were no material transactions between Halliburton and Dresser prior to the Merger.

The Company sold its 36% ownership interest in M-I L.L.C. to Smith International, Inc. on August 31, 1998. This transaction completed Halliburton's commitment to the United States Department of Justice to sell its M-I interest in connection with the Merger. The purchase price of \$265 million was paid by Smith in the form of a non-interest bearing promissory note due April, 1999. All of M-I's debt remains an obligation of M-I. In connection with the Merger, the Company entered into a consent decree with the United States Department of Justice requiring divestiture of Halliburton's current worldwide logging-while-drilling (LWD) business. In 1997 the affected business had revenues of less than \$50 million, or approximately 0.4% of the combined revenues of Halliburton and Dresser. Halliburton's existing directional drilling service line and Dresser's Sperry-Sun division are not impacted by the decree. While Halliburton agreed in the consent decree to divest one-half of its sonic LWD tools, it will continue to provide customers with sonic LWD services using its existing sonic technologies. The consent decree requires Halliburton to divest such LWD business by March 28, 1999.

The results of operations for Halliburton and Dresser as of the Merger and the combined amounts are presented in the consolidated financial statements below:

Millions of dollars	Three Months Ended September 30		Nine Months Ended September 30	
	1998	1997	1998	1997
Revenues:				
Halliburton	\$ 2,213.6	\$ 2,304.7	\$ 7,044.5	\$ 6,433.3
Dresser	2,010.4	1,872.3	6,019.5	5,348.1
Combined	\$ 4,224.0	\$ 4,177.0	\$ 13,064.0	\$ 11,781.4
Net income:				
Halliburton	\$ 105.0	\$ 121.1	\$ 359.3	\$ 306.0
Dresser	90.0	81.5	282.3	208.4
1998 Special charge, net of tax	(722.0)	-	(722.0)	-
Combined	\$ (527.0)	\$ 202.6	\$ (80.4)	\$ 514.4

Note 3. Business Segment Information

The Company has three business segments. The Energy Services Group includes pressure pumping equipment and services, logging and perforating, drilling systems and services, drilling fluids systems, drill bits, specialized completion and production equipment and services and well control. Also included in the Energy Services Group are upstream oil and gas engineering, construction and maintenance services, integrated exploration and production information systems and professional services to the petroleum industry. The Engineering and Construction Group provides engineering, procurement, construction, project management, and facilities operation and maintenance for hydrocarbon processing and other industrial and governmental customers. The Dresser Equipment Group designs, manufactures and markets highly engineered products and systems for oil and gas producers, transporters, processors, distributors and petroleum users throughout the world.

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

Millions of dollars	Three Months Ended September 30		Nine Months Ended September 30	
	1998	1997	1998	1997
Revenues:				
Energy Services Group	\$ 2,163.4	\$ 2,220.8	\$ 6,828.9	\$ 6,080.7
Engineering and Construction Group	1,379.4	1,268.6	4,164.5	3,722.2
Dresser Equipment Group	681.2	687.6	2,070.6	1,978.5
Total	\$ 4,224.0	\$ 4,177.0	\$ 13,064.0	\$ 11,781.4
Operating income:				
Energy Services Group	\$ 262.7	\$ 287.0	\$ 850.1	\$ 705.4
Engineering and Construction Group	54.0	53.2	187.3	152.6
Dresser Equipment Group	71.0	66.6	187.1	148.0
Special charges	(945.1)	(18.3)	(945.1)	(18.3)
General corporate	(20.1)	(16.3)	(59.7)	(51.4)
Total	\$ (577.5)	\$ 372.2	\$ 219.7	\$ 936.3

Note 4. Inventories

Millions of dollars	September 30	December 31
	1998	1997
Finished products and parts	\$ 731.9	\$ 670.9
Raw materials and supplies	264.7	213.7
Work in process	624.8	535.8
Progress payments	(184.3)	(121.2)
Total	\$ 1,437.1	\$ 1,299.2

The cost of certain U.S. inventories is determined using the last-in, first-out (LIFO) method. If the average cost method had been in use for inventories on the LIFO basis, total inventories would have been about \$109.7 million and \$100.8 million higher than reported at September 30, 1998 and December 31, 1997, respectively.

Note 5. Dresser Financial Information

Dresser has ceased filing periodic reports with the Securities and Exchange Commission. The Company has fully guaranteed Dresser's 8% senior notes due 2003 (the Notes). As long as the Notes remain outstanding, summarized financial information of Dresser will be presented in periodic reports filed by the Company.

Dresser Industries, Inc.
Financial Position

Millions of dollars	September 30	Year-end
	1998	1997
Current assets	\$ 2,469.9	\$ 2,471.6
Noncurrent assets	2,671.3	2,627.2
Total	\$ 5,141.2	\$ 5,098.8
Current liabilities	\$ 1,597.2	\$ 1,687.4
Noncurrent liabilities	1,661.6	1,679.2
Shareholders' equity	1,882.4	1,732.2
Total	\$ 5,141.2	\$ 5,098.8

Dresser Industries, Inc.
Operating Results

Millions of dollars	Third Quarter		First Nine Months	
	1998	1997	1998	1997
Revenues	\$ 2,010.4	\$ 1,872.3	\$ 6,019.5	\$ 5,348.1
Operating income	\$ 176.6	\$ 155.2	\$ 531.4	\$ 398.6
Income before taxes and minority interest	\$ 158.3	\$ 139.3	\$ 478.9	\$ 350.0
Income taxes	(56.7)	(48.7)	(172.4)	(122.5)
Minority interest	(11.6)	(9.1)	(24.2)	(19.1)
Net income	\$ 90.0	\$ 81.5	\$ 282.3	\$ 208.4

Note 6. Commitments and Contingencies

Asbestosis Litigation. The Company has approximately 63,000 pending claims with approximately 26,000 new claims filed and approximately 29,000 claims resolved during the current year. Certain settlements previously reported, covering approximately 14,900 claims, are carried as pending until releases are signed. The settlements reached during the year are consistent with the Company's historical experience and management continues to believe that provisions recorded are adequate to cover the estimated loss from asbestosis litigation.

Environmental. The Company is involved as a potentially responsible party (PRP) in remedial activities to clean up various "Superfund" sites under applicable Federal law which imposes joint and several liability, if the harm is indivisible, on certain persons without regard to fault, the legality of the original disposal, or ownership of the site. Although it is very difficult to

quantify the potential impact of compliance with environmental protection laws, management of the Company believes that any liability of the Company with respect to all but one of such sites will not have a material adverse effect on the results of operations of the Company. With respect to a site in Jasper County, Missouri (Jasper County Superfund Site), sufficient information has not been developed to permit management to make such a determination and management believes the process of determining the nature and extent of remediation at this site and the total costs thereof will be lengthy. Brown & Root, Inc. (Brown & Root), a subsidiary of the Company has been named as a PRP with respect to the Jasper County Superfund Site by the Environmental Protection Agency (EPA). In addition to the superfund issues, the State of Missouri has indicated that it may pursue natural resource damage claims against the PRPs. At the present time Brown & Root cannot determine the extent of its liability, if any, for remediation costs or natural resource damages on any reasonably practicable basis.

Merger Litigation. In connection with the Merger, Dresser and its directors have been named as defendants in three lawsuits filed in late February of 1998 and early March of 1998 in the Delaware Court of Chancery. The lawsuits each purport to be a class action filed on behalf of Dresser's stockholders and allege that the consideration to be paid to Dresser's stockholders in the Merger is inadequate and does not reflect the true value of Dresser. The complaints also each allege that the directors of Dresser have breached their fiduciary duties in approving the Merger. One of the actions further alleges self-dealing on the part of the individual defendants and assert that the directors are obliged to conduct an auction to assure that stockholders receive the maximum realizable value for their shares. All three actions seek preliminary and permanent injunctive relief as well as damages. On June 10, 1998 the court issued an order consolidating the three lawsuits which requires the plaintiffs to file an amended consolidated complaint "as soon as practicable." To date, plaintiffs have not filed an amended complaint. The Company believes that the lawsuits are without merit and intends to defend the lawsuits vigorously.

Other. The Company and its subsidiaries are parties to various other legal proceedings. Although the ultimate dispositions of such proceedings are not presently determinable, in the opinion of the Company any liability that may ensue will not be material in relation to the consolidated financial position and results of operations of the Company.

Note 7. Income Per Share

Basic income per share amounts are based on the weighted average number of common shares outstanding during the period. Diluted income per share includes additional common shares that would have been outstanding if potential common shares with a dilutive effect had been issued. Options to purchase 1.2 million shares of common stock which were outstanding during the nine months ended September 30, 1998 were not included in the computation of diluted net income per share because the option exercise price was greater than the average market price of the common shares.

Note 8. Comprehensive Income

Millions of dollars	Three Months Ended September 30		Nine Months Ended September 30	
	1998	1997	1998	1997
Net income (loss)	\$ (527.0)	\$ 202.6	\$ (80.4)	\$ 514.4
Cumulative translation adjustment, net of tax	15.8	(22.1)	(0.2)	(48.5)
Total comprehensive income (loss)	\$ (511.2)	\$ 180.5	\$ (80.6)	\$ 465.9

The cumulative translation adjustment of certain foreign entities and minimum pension liability are the only comprehensive income adjustments recorded by the Company. Adjustments to the minimum pension liability are typically made once a year in the fourth quarter.

Accumulated other comprehensive income at September 30, 1998 and December 31, 1997 consisted of the following:

Millions of dollars	September 30	December 31
	1998	1997
Cumulative translation adjustment	\$ (142.2)	\$ (127.2)
Minimum pension liability	(3.9)	(3.9)
Total accumulated other comprehensive income	\$ (146.1)	\$ (131.1)

Note 9. Special Charges

The third quarter of 1998 financial results include a pretax special charge of \$945 million (\$722 million after tax) to provide for consolidation, restructuring and merger related expenses. Components of the pretax special charge include \$509 million of asset related writeoffs, writedowns and charges; \$205 million related to personnel reduction costs (covering approximately 8,100 employees); \$121 million of facility consolidation charges; \$64 million of merger transaction costs; and \$46 million of other merger related costs. Approximately 2,700 terminations at a severance cost of \$23 million took place as a part of these actions in the third quarter of 1998.

The third quarter of 1997 financial results include a pretax special charge of \$18.3 million. The Company recorded charges of \$9.7 million (\$6.3 million after tax) and \$8.6 million (\$8.6 million after tax), related to the loss on sale of certain assets of the Company's Subsea business and transaction costs associated with the NUMAR acquisition, respectively.

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

BUSINESS ENVIRONMENT

The Company operates in over 120 countries around the world to provide a variety of energy services, energy equipment and engineering and construction services to energy, industrial and governmental customers. The industries served by the Company are highly competitive with many substantial competitors. Operations in some countries may be affected by unsettled political conditions, expropriation or other governmental actions, exchange controls and currency devaluations. The Company believes the geographic diversification of its business activities reduces the risk that loss of its operations in any one country would be material to its consolidated results of operations.

The majority of the Company's revenues are derived from the sale of services and products, including construction activities, to the energy industry. The Company offers a comprehensive range of integrated and discrete services and products as well as project management for oil and natural gas activities throughout the world. The decline in oil prices during 1998 caused a decrease in the worldwide average rotary drilling rig count and hesitation on the part of some customers of the Company to commit to longer-term projects. In response to potentially weakening markets in some areas of the world, the Company is implementing plans to reduce the number of employees in those geographic areas where activity levels are lower than anticipated at the beginning of 1998, to scale back discretionary spending on capital expenditures and to curtail discretionary travel and other expenses. The Company recognized a pretax special charge of \$945.1 million (\$722 million after tax or \$1.64 per diluted share) in the third quarter of 1998. The special charge was recorded to provide for consolidation, restructuring and Merger related expenses. See Note 9 for additional information on the special charge.

RESULTS OF OPERATIONS - 1998 COMPARED TO 1997

Third Quarter of 1998 Compared with the Third Quarter of 1997

REVENUES Millions of dollars	Third Quarter		Increase (decrease)
	1998	1997	
Energy Services Group	\$ 2,163.4	\$ 2,220.8	\$ (57.4)
Engineering and Construction Group	1,379.4	1,268.6	110.8
Dresser Equipment Group	681.2	687.6	(6.4)
Total revenues	\$ 4,224.0	\$ 4,177.0	\$ 47.0

Consolidated revenues increased 1% to \$4,224.0 million in the third quarter of 1998 compared with \$4,177.0 million in the same quarter of the prior year. International revenues for the quarter increased approximately 12% compared to the prior year third quarter.

Energy Services Group revenues were \$2,163.4 million reflecting a 3% decrease for the third quarter of 1998 over the same quarter of the prior year while drilling activity as measured by the worldwide rotary rig count decreased 21%. Activities for pressure pumping were lower than the prior year in domestic markets, including the Gulf of Mexico shelf and in Venezuela. Activities in other international areas remained relatively stable. Revenues from upstream oil and gas engineering services, particularly floating production and engineering, procurement and construction projects, showed an increase over the prior year quarter. The Company began reporting its interest in the Bredero-Shaw joint venture, which was fully consolidated in 1997, under the equity method beginning in 1998. After adjusting for the effect of deconsolidating Bredero-Shaw, revenues for the Energy Services Group for the third quarter of 1998 were flat compared to the prior year quarter. International revenues were 72% of total Energy Services Group revenues for the quarter compared to 66% for the prior year quarter.

Engineering and Construction Group revenues increased to \$1,379.4 million in the third quarter of 1998 compared to \$1,268.6 million in the same quarter of the prior year. Revenues increased 9% due to active projects in Algeria, Norway, Qatar, and the United States, offset by lower revenues from projects that are nearing completion. Revenues were negatively impacted by the sale of the environmental services business in December 1997.

Dresser Equipment Group revenues decreased slightly to \$681.2 million for the third quarter of 1998 as compared to \$687.6 million for the third quarter of 1997. Most product lines had flat or lower revenues for the third quarter of 1998 compared to the prior year quarter.

OPERATING INCOME	Third Quarter		Increase
	1998	1997	
Millions of dollars			
Energy Services Group	\$ 262.7	\$ 287.0	\$ (24.3)
Engineering and Construction Group	54.0	53.2	0.8
Dresser Equipment Group	71.0	66.6	4.4
General corporate	(20.1)	(16.3)	(3.8)
Operating income before special charges	367.6	390.5	(22.9)
Special charges	(945.1)	(18.3)	(926.8)
Operating income (loss)	\$ (577.5)	\$ 372.2	\$ (949.7)

Consolidated operating income for the third quarter of 1998 was a loss of \$577.5 million after recognizing a special charge of \$945.1 million to provide for consolidation, restructuring and Merger related expense. Consolidated operating income excluding special charges decreased 6% to \$367.6 million in the third quarter of 1998 compared with \$390.5 million in the same quarter of the prior year. Approximately 64% of the Company's operating income before special charges was from international activities in the third quarter of 1998 as compared to 56% from the prior year quarter. See Note 9 for information on the special charge.

Energy Services Group operating income decreased 8% to \$262.7 million in the third quarter of 1998 compared with \$287.0 million in the same quarter of the prior year. After adjusting for the effect of deconsolidating Bredero-Shaw, operating income decreased 7% for the third quarter compared to the prior year quarter. The operating margin for the third quarter of 1998 was 12.1% compared to the prior year third quarter operating margin of 12.9%. Operating income from upstream oil and gas engineering activities increased approximately 17% over the prior year third quarter. However, operating income was negatively impacted by tropical storms in the Gulf of Mexico in the third quarter. In addition, pressure pumping in North America was lower due to market conditions and slightly increased discounts compared to the third quarter of 1997.

Engineering and Construction Group operating income increased slightly to \$54.0 million in the third quarter of 1998 compared to \$53.2 million in the third quarter of the prior year. Operating margins were 3.9% in the third quarter of 1998 compared to 4.2% in the prior year third quarter. The decrease in operating margin was due partly to high levels of procurement related revenues which carry relatively lower margins than engineering revenues within Kellogg-Brown & Root. Included in third quarter operating income are improved results from construction and engineering services for the chemicals and refining lines of business.

Dresser Equipment Group operating income for the third quarter was \$71.0 million, an increase of 7% over the prior year third quarter of \$66.6 million. The benefits of the Dresser-Rand restructuring initiatives begun in late 1997, contributed to improved results for the compression and pumping product line. Operating income for the power systems product line was up slightly as compared to the prior year quarter as a result of cost control efforts. Measurement product line earnings for the quarter were lower than the

prior year due to weakness in the gas meter business as a result of gas utilities working off excess inventories. Earnings improvements from flow control energy valve products were offset by lower process control and industrial valve earnings which were impacted by delays in refinery and power plant maintenance projects.

NONOPERATING ITEMS

Interest expense increased to \$34.6 million in the third quarter of 1998 compared to \$30.1 million in the same quarter of the prior year due primarily to increased short-term borrowings and the Company's issuance of debt under the Company's medium-term note program in 1997 for working capital, capital expenditures and acquisitions.

Interest income in the third quarter of 1998 increased to \$7.2 million from \$5.0 million in the third quarter of 1997 primarily due to higher levels of invested cash.

The effective income tax rate excluding special charges increased slightly to 37.7% for the third quarter of 1998 from 36.7% for the third quarter of 1997.

Minority interest in net income of consolidated subsidiaries for the third quarter of 1998 increased to \$14.1 million compared to \$12.8 million for the third quarter of 1997 primarily driven by improvements from Dresser-Rand.

Net income excluding special charges in the third quarter of 1998 decreased 10% to \$195.0 million, or \$0.44 per diluted share, compared with \$217.6 million, or \$0.50 per diluted share, in the same quarter of the prior year. After recording the special charges, the Company incurred a net loss of \$527.0 million or \$1.20 per diluted share in the third quarter of 1998 compared to net income of \$202.6 million or \$0.47 per diluted share in the prior year quarter.

First Nine Months of 1998 Compared with the First Nine Months of 1997

REVENUES	Nine Months		Increase (decrease)
	1998	1997	
Millions of dollars			
Energy Services Group	\$ 6,828.9	\$ 6,080.7	\$ 748.2
Engineering and Construction Group	4,164.5	3,722.2	442.3
Dresser Equipment Group	2,070.6	1,978.5	92.1
Total revenues	\$ 13,064.0	\$ 11,781.4	\$ 1,282.6

Consolidated revenues increased 11% to \$13,064.0 million in the first nine months of 1998 compared with \$11,781.4 million in the same period of the prior year. Approximately 63% of consolidated revenues were from international activities in the first nine months of 1998 compared to 58% in the prior year period.

Energy Services Group revenues increased 12% for the first nine months of 1998 over the same period of the prior year compared with a 7% decrease in drilling activity as measured by the worldwide rotary rig count. A majority of the increase in revenues was from upstream oil and gas engineering services with pressure pumping, drilling fluids and drilling systems also reporting increased revenues primarily related to activities in the first half of the year. International revenues were about 70% of the group's total revenues for the period compared to approximately 66% for the prior year nine month period.

Engineering and Construction Group revenues increased 12% to \$4,164.5 million in the first nine months of 1998 compared with \$3,722.2 million in the same nine month period of the prior year. Active projects include major LNG projects in Asia and Africa, an enhanced oil recovery project in Africa and a major ethylene project in Singapore and increased revenues in Asia/Pacific from Kinhill, which was acquired in the third quarter of 1997. Revenues were negatively impacted by the sale of the environmental services business in December 1997, lower activity in the pulp and paper industry and lower activity levels for repair and refitting services for the British Royal Navy's fleet of submarines and surface ships.

Dresser Equipment Group revenues of \$2,070.6 million in the first nine months of 1998 were about 5% higher than 1997 revenues of \$1,978.5 million. About half of the increase in revenues came from the compression and pumping product line. The flow control and measurement product lines also reported increased revenues as compared to the first nine months of 1997. The flow control increase is a result of increased demand for pipeline valve products whereas the increase within the measurement product line was driven by strengthened demand for fuel dispensing systems.

OPERATING INCOME	Nine Months		Increase
	1998	1997	
Millions of dollars			
Energy Services Group	\$ 850.1	\$ 705.4	\$ 144.7
Engineering and Construction Group	187.3	152.6	34.7
Dresser Equipment Group	187.1	148.0	39.1
General corporate	(59.7)	(51.4)	(8.3)
Operating income before special charges	1,164.8	954.6	210.2
Special charges	(945.1)	(18.3)	(926.8)
Operating income	\$ 219.7	\$ 936.3	\$ (716.6)

Consolidated operating income for the first nine months of 1998 was \$219.7 million after recognizing a special charge of \$945.1 million to provide for consolidation, restructuring and Merger related expense. Consolidated operating income before special charges increased 22% to \$1,164.8 million in the first nine months of 1998 compared with \$954.6 million in the same period of the prior year.

Energy Services Group operating income increased 21% to \$850.1 million in the first nine months of 1998 compared with \$705.4 million in the same period of the prior year. The operating margin for the first nine months of 1998 was 12.4% compared operating margin of 11.6% for the same period of the prior year. The improvement in operating income was due largely to increased activities in the first half of the current year in pressure pumping, drilling fluids and drilling services, improved margins on sales of completion products and increased upstream oil and gas engineering services in Europe and North America.

Engineering and Construction Group operating income for the first nine months of 1998 increased 23% to \$187.3 million compared to 1997 operating income of \$152.6 million for the same period. Operating margins improved to 4.5% for the first nine months of 1998 from 4.1% for the same period in 1997. Operating income for the first nine months of 1998 include improved results from construction and engineering services for the chemicals and refining lines of business resulting from activities from major LNG projects in Asia and Africa, an enhanced oil recovery project in Africa and a major ethylene project in Singapore. Operating income includes settlement of a claim on a Middle Eastern construction project. Excluding this settlement, operating margins for the first nine months of 1998 for the Group were about 4.1%.

Dresser Equipment Group operating income was \$187.1 million for the first nine months of 1998 for an increase of 26% compared to \$148.0 million operating income for the first nine months of 1997. Except for power systems, operating profit for the nine months increased in virtually all product lines, due to the restructuring initiatives and increased revenues at Dresser-Rand; cost improvements, better product mix, and increased volume at flow control; and successful product introductions in the United States, Europe and South America within the measurement product line.

NONOPERATING ITEMS

Interest expense increased to \$95.9 million in the first nine months of 1998 compared to \$80.2 million in the same period of the prior year due primarily to increased short-term borrowings and the Company's issuance of debt under the Company's medium-term note program in 1997 for working capital, capital expenditures and acquisitions.

Interest income in the first nine months of 1998 increased to \$21.4 million from \$15.8 million in the same period of 1997 primarily due to higher levels of invested cash.

The effective income tax rate before special charges was 37.6% for the first nine months of 1998 and 37.0% for the same period of 1997. The effective tax rate, excluding special charges, is expected to remain approximately 38% during 1998.

Net income before special charges in the first nine months of 1998 increased 21% to \$641.6 million, or \$1.46 per diluted share, compared with \$529.4 million, or \$1.22 per diluted share, in the same period of the prior year. After recording special charges, the Company incurred a net loss of \$80.4 million or \$0.18 per diluted share compared to net income of \$514.4 million or \$1.19 per diluted share in the first nine months of 1997.

LIQUIDITY AND CAPITAL RESOURCES

The Company ended the third quarter of 1998 with cash and equivalents of \$228.5 million, a decrease of \$117.8 million from the end of 1997. To conform Dresser's fiscal year-end to Halliburton's calendar year-end, Dresser's cash flows are measured from December 31, 1997, rather than from the October 31, 1997 balances included on the condensed consolidated balance sheets.

Operating activities. Cash flows from operating activities provided \$313.6 million in the first nine months of 1998, as compared to \$318.5 million in the first nine months of 1997. Special charges for personnel reductions required approximately \$23 million of cash in the first nine months of the current year.

Investing activities. Capital expenditures were \$687.0 million for the first nine months of 1998, an increase of 12% over the same period of the prior year. The increase in capital spending primarily reflects investments in equipment and infrastructure for the Energy Services Group which includes strategic investments in oil and gas projects. The Company also continued its planned investments in its enterprise-wide information system.

During March 1997, DML, which is 51% owned by the Company, completed the acquisition of Devonport Royal Dockyard plc, which owns and operates the Government of the United Kingdom's Royal Dockyard in Plymouth, England, for approximately \$64.9 million. Concurrent with the acquisition of the Royal Dockyard, the Company's ownership interest in DML increased from about 30% to 51% and DML borrowed \$56.3 million under term loans (the Dockyard Loans) bearing interest at approximately LIBOR plus 0.75% payable in semi-annual installments through March 2004. Pursuant to certain terms of the Dockyard Loans, the Company was required to provide a compensating balance of \$28.7 million which is restricted as to use by the Company. The compensating balance amount decreases in proportion to the outstanding debt related to the Dockyard Loans and earns interest at a rate equal to that of the Dockyard Loans. The compensating balance was \$17.3 million at September 30, 1998.

During April 1997, the Company completed its acquisition of the outstanding common stock of OGC International plc (OGC) for approximately \$118.3 million. OGC is engaged in providing a variety of engineering, operations and maintenance services, primarily to the North Sea oil and gas production industry.

Also in April 1997, the Company purchased a 26% ownership interest in Petroleum Engineering Services (PES) for approximately \$33.6 million. PES provides specialist well completions and interventions, completion services and completion solutions.

During July 1997, the Company acquired all of the outstanding common stock of Kinhill Holdings Limited (Kinhill) for approximately \$34 million. Kinhill, headquartered in Australia, provides engineering services in mining and minerals processing, petroleum and chemicals, water and wastewater, transportation and commercial and civil infrastructure. Kinhill markets its services primarily in Australia, Indonesia, Thailand, Singapore, India and the Philippines.

Financing activities. Cash flows from financing activities were \$235.8 million in the first nine months of 1998 compared to cash flows of \$55.5 million in the first nine months of 1997. The Company borrowed \$426.7 million in short-term funds consisting of commercial paper and bank loans in the first nine months of 1998. Proceeds from exercises of stock options provided cash flows of \$45.0 million in the first nine months of 1998 compared to \$61.9 million in the same period of the prior year.

In the first nine months of 1997, the Company borrowed \$67.5 million in short-term funds net of repayments consisting of commercial paper and bank loans. Also in the first nine months of 1997, the Company issued \$300.0 million principal amount of notes under the Company's medium-term note program.

The Company believes it has sufficient borrowing capacity to fund its working capital requirements and investing activities. The Company's combined short-term notes payable and long-term debt was 32% of total capitalization at September 30, 1998 compared to 24% at December 31, 1997. The Company's outstanding corporate credit and senior debt rating was upgraded by Standard & Poor's from A+ to AA - in October, 1998.

FINANCIAL INSTRUMENT MARKET RISK

The Company is currently exposed to market risk from changes in foreign currency exchange rates, and to a lesser extent, to changes in interest rates. To mitigate market risk, the Company selectively hedges its foreign currency exposure through the use of currency derivative instruments. The objective of such hedging is to protect the Company's cash flows from fluctuations in currency rates of sales or purchases of goods or services. Inherent in the use of derivative instruments are certain types of market risk: volatility of the currency rates, tenor (time horizon) of the derivative instruments, market cycles and the type of derivative instruments used. The Company does not use derivative instruments for trading purposes.

The Company uses a statistical model to estimate the potential loss related to derivative instruments used to hedge the market risk of its foreign exchange exposure. The model utilizes historical price and volatility patterns to estimate the change in value of the derivative instruments which could occur from adverse movements in foreign exchange rates for a specified time period at a specified confidence interval. The model is an undiversified calculation based on the variance-covariance statistical modeling technique and includes all foreign exchange derivative instruments outstanding at September 30, 1998. The resulting value at risk of \$3.4 million estimates with a 95% confidence interval the potential loss the Company could incur in a one-day period from foreign exchange derivative instruments due to adverse foreign exchange rate changes.

The Company's interest rate exposures at September 30, 1998 were not materially changed from December 31, 1997.

ENVIRONMENTAL MATTERS

The Company is involved as a potentially responsible party in remedial activities to clean up several "Superfund" sites under applicable federal law which imposes joint and several liability, if the harm is indivisible, on certain persons without regard to fault, the legality of the original disposal or ownership of the site. Although it is very difficult to quantify the potential impact of compliance with environmental protection laws, management of the Company believes that any liability of the Company with respect to all but one of such sites will not have a material adverse effect on the results of operations of the Company. See Note 6 to the condensed consolidated financial statements for additional information on the one site.

YEAR 2000 READINESS STATEMENT

The Year 2000 (Y2K) issue is the risk that systems, products and equipment utilizing date-sensitive software or computer chips with two-digit date fields will fail to properly recognize the Year 2000. Such failures by the Company's software and hardware or that of government entities, service providers, suppliers and customers could result in interruptions of the Company's business which could have a material adverse impact on the Company.

In response to the Y2K issue, the Company has implemented an enterprise-wide Y2K Program designed to identify, assess and address significant Y2K issues in the Company's key business operations, including products and services, suppliers, business and engineering applications, information technology systems, facilities and infrastructure and joint venture projects.

The Y2K Program is a comprehensive, integrated, multi-phase process covering information technology systems and hardware as well as equipment and products with embedded computer chip technology. The primary phases of the program are: (1) inventorying existing equipment and systems; (2) assessment of equipment and systems to identify those which are not Y2K ready and to prioritize critical items; (3) remediating, repairing or replacing non-Y2K ready equipment and systems; (4) testing to verify Y2K readiness has been achieved; and (5) deployment and certification.

At the end of the third quarter of 1998, the Company completed most of its inventory and assessment phases which should be completed by the end of 1998. The Company estimates that it will complete the majority of its remediation phase by the third quarter of 1999.

Overall the Company estimates that it is approximately 30% to 35% complete with its Y2K Program and anticipates having its products and mission-critical systems and equipment Y2K ready during the third quarter of 1999. The balance of 1999 will be focused on deployment, certification, testing and implementation of new and modified programs as required.

Through September 30, 1998 the Company has incurred approximately \$20 million in costs related to its Y2K Program. The Company estimates that prior to January 1, 2000 it will have spent approximately \$60-\$65 million to address the Y2K issue. These estimates do not include the costs associated with the installation of the Company's enterprise-wide information system project discussed below. Costs associated with the Y2K Program are being treated as period costs and expensed as incurred.

The Y2K issue is a pervasive problem for most companies due to the interdependence of computer systems. Therefore the Company is continually assessing the risks surrounding this issue and its potential impact on the Company. This includes the initial phases of business continuity planning, audits by customers and meetings with its material customers and suppliers. Meetings and presentations with suppliers to date have indicated that there are no identified suppliers who expect significant interruption of services or supplies to the Company. Failure to address Y2K issues could result in business disruption that could materially affect the Company's operations. In an effort to minimize business interruptions, the Company is currently in the process of developing contingency plans in the event circumstances prevent the

Company from meeting any portion of its current program schedule. These contingency plans will be complete and in place by the end of the first quarter of 1999.

Independent of, but concurrent with, the Company's Y2K review, the Company is installing an enterprise-wide business information system which is scheduled to replace some of the Company's key finance, administrative and marketing software systems by the end of 1999 and is Y2K ready. In addition, the Company is in the process of replacing its desktop computing equipment and software and updating its communications infrastructure to be Y2K ready. This replacement/update program will be completed by the end of 1999.

ACCOUNTING PRONOUNCEMENTS

In February 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits." This standard revises existing requirements for employers' disclosures for pensions and other postretirement benefit plans. The standard does not change measurement or recognition standards for these plans. The Company plans to present the revised disclosure requirements in its 1998 Annual Report.

In March 1998, the American Institute of Certified Public Accountants issued Statement of Position No. 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use" (SOP 98-1). SOP 98-1 provides guidelines for companies to capitalize or expense costs incurred to develop or obtain internal use software. The guidelines set forth in SOP 98-1 do not differ significantly from the Company's current accounting policy for internal use software and therefore the Company does not expect a material impact on its results of operations or financial position from the adoption of SOP 98-1. The Company plans to adopt SOP 98-1 effective January 1, 1999.

In April 1998, the American Institute of Certified Public Accountants issued Statement of Position 98-5, "Reporting on the Costs of Start-Up Activities" (SOP 98-5). SOP 98-5 requires costs of start-up activities and organization costs to be expensed as incurred. The Company is evaluating when it will adopt SOP 98-5 and is currently analyzing the impact on its results of operations from the adoption of SOP 98-5.

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and for Hedging Activities" (SFAS 133). This standard requires entities to recognize all derivatives on the statement of financial position as assets or liabilities and to measure the instruments at fair value. Accounting for gains and losses from changes in those fair values are specified in the standard depending on the intended use of the derivative and other criteria. SFAS 133 is effective for the Company beginning July 1, 1999. The Company is currently evaluating SFAS 133 to identify implementation and compliance methods and has not yet determined the effect, if any, on its results of operations or financial position.

FORWARD-LOOKING INFORMATION

In accordance with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, the Company cautions that the statements in this quarterly report and elsewhere, which are forward-looking and which provide other than historical information, involve risks and uncertainties that may impact the Company's actual results of operations. While such forward-looking information reflects the Company's best judgment based on current information, it involves a number of risks and uncertainties and there can be no assurance that other factors will not affect the accuracy of such forward-looking information. While it is not possible to identify all factors, the Company continues to face many risks and uncertainties that could cause actual results to differ from those forward-looking statements. Such factors include: litigation; unsettled political conditions, war, civil unrest, currency controls and governmental actions in over 100 countries of operation; trade restrictions and economic embargoes imposed by the United States and other countries; environmental laws, including those that require emission performance standards for new and existing facilities; the magnitude of governmental spending for military and logistical support of the type provided by the Company; operations in countries with significant amounts of political risk, including, without limitation, Algeria and Nigeria; technological and structural changes in the industries served by the Company; computer software and hardware and other equipment utilizing computer technology used by governmental entities, service providers, vendors, customers and the Company which may be impacted by the Y2K issue; integration of acquired businesses, including Dresser and its subsidiaries, into the Company; the risk inherent in the use of derivative instruments which could cause a change in value of the derivative instruments from adverse movements in foreign exchange rates; changes in the price of oil and natural gas; changes in the price of commodity chemicals used by the Company; changes in capital spending by customers in the hydrocarbon industry for exploration, development, production, processing, refining and pipeline delivery networks; increased competition in the hiring and retention of employees in certain areas coupled with an announced reduction-in-force in other

areas; changes in capital spending by customers in the wood pulp and paper industries for plants and equipment; risks from entering into fixed fee engineering, procurement and construction projects where failure to meet schedule, cost estimates or performance targets could result in non-reimbursable costs which cause the project not to meet expected profit margins; and changes in capital spending by governments for infrastructure. In addition, future trends for pricing, margins, revenues and profitability remain difficult to predict in the industries served by the Company.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

- * 3 By-laws of Halliburton Company, as amended and restated effective September 29, 1998.
- * 10(a) Employment Agreement and amendment thereto.
- * 10(b) Employment Agreement and amendment thereto.
- * 27 Financial data schedules for the nine months ended September 30, 1998.
- * Filed with this Form 10-Q

(b) Reports on Form 8-K

During the third quarter of 1998:

A Current Report on Form 8-K dated June 25, 1998, was filed reporting on Item 5. Other Events, regarding a press release dated June 25, 1998 announcing the results of the Company's special shareholders' meeting.

A Current Report on Form 8-K dated July 6, 1998, was filed reporting on Item 5. Other Events, regarding a press release dated July 6, 1998 announcing the proposed merger of the Company and Dresser was cleared by the European Commission.

A Current Report on Form 8-K dated July 7, 1998, was filed reporting on Item 5. Other Events, regarding a press release dated July 7, 1998 announcing the Company's Halliburton Energy Services business unit was awarded a contract to provide zonal isolation and pumping services to Phillips Petroleum Norway.

A Current Report on Form 8-K dated July 9, 1998, was filed reporting on Item 5. Other Events, regarding a press release dated July 9, 1998 announcing receipt of an Advance Ruling Certificate from the Canadian Bureau of Competition Policy clearing the merger of the Company and Dresser.

A Current Report on Form 8-K dated July 16, 1998, was filed reporting on Item 5. Other Events, regarding a press release dated July 16, 1998 announcing declaration of the third quarter dividend.

A Current Report on Form 8-K dated July 22, 1998, was filed reporting on Item 5. Other Events, regarding a press release dated July 22, 1998 announcing 1998 second quarter earnings.

A Current Report on Form 8-K dated August 21, 1998, was filed reporting on Item 5. Other Events, regarding a press release dated August 21, 1998 announcing the impending sale of the Company's interest in M-I L.L.C.

A Current Report on Form 8-K dated August 31, 1998, was filed reporting on Item 5. Other Events, regarding a press release dated August 31, 1998 announcing the completion of the sale of the Company's interest in M-I L.L.C.

During the fourth quarter of 1998 to the date hereof:

A Current Report on Form 8-K dated September 29, 1998, was filed reporting on Item 5. Other Events, regarding a press release dated September 29, 1998 announcing the completion of the merger between the Company and Dresser Industries, Inc.

A Current Report on Form 8-K dated September 29, 1998, was filed reporting on Item 2. Acquisition or Disposition of Assets, regarding the acquisition of Dresser Industries, Inc., pursuant to the plan of merger dated as of February 25, 1998.

A Current Report on Form 8-K/A dated September 29, 1998, was filed reporting on Item 2. Acquisition or Disposition of Assets, regarding the acquisition of Dresser Industries, Inc., and included supplemental financial statements for Halliburton Company for the three years ended December 31, 1997 and six months ended June 30, 1998.

A Current Report on Form 8-K dated October 29, 1998, was filed reporting on Item 5. Other Events, regarding a press release dated October 29, 1998, announcing third quarter earnings.

A Current Report on Form 8-K dated October 30, 1998, was filed reporting on Item 5. Other Events, regarding a press release dated October 30, 1998 announcing fourth quarter dividend.

SIGNATURES

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

HALLIBURTON COMPANY

Date November 16, 1998

By: /s/ Gary V. Morris

Gary V. Morris
Executive Vice President and
Chief Financial Officer

/s/ R. Charles Muchmore, Jr.

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

Index to exhibits filed with this quarterly report.

Exhibit Number -----	Description -----
3	By-laws of Halliburton Company, as amended and restated effective September 29, 1998.
10(a)	Employment Agreement and amendment thereto.
10(b)	Employment Agreement and amendment thereto.
27	Financial data schedules for the nine months ended September 30, 1998.

HALLIBURTON COMPANY
BY-LAWS
AS AMENDED

Offices

1. The registered office of the Corporation required by the Delaware General Corporation Law to be maintained in the State of Delaware shall be in the City of Wilmington, County of New Castle, State of Delaware, or at such other office (which need not be a place of business or principal office of the Corporation) as may be designated from time to time by the Board of Directors in the manner provided by law, and the name of the agent in charge thereof shall be The Corporation Trust Company. The Corporation shall also have offices in the Cities of Dallas and Houston, State of Texas, and at such other places as the Board of Directors may, from time to time, appoint.

Seal

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

Stockholders' Meetings

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

1

4. Annual meetings of the stockholders shall be held on the third Tuesday in the month of May each year if not a legal holiday, and if a legal holiday, then on the next succeeding business day, at 9:00 a.m., or at such other date and time as shall be designated, from time to time, by the Board of Directors and stated in the notice of meeting, at which time they shall elect by a plurality vote a Board of Directors, in the manner provided for in the Certificate of Incorporation, and transact such other business as may be brought before the meeting.

5. At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be (i) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board, (ii) otherwise properly brought before the meeting by or at the direction of the Board, or (iii) otherwise properly brought before the meeting by a stockholder. In addition to any other applicable requirements, for business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation, not less than ninety (90) days prior to the first anniversary date of the immediately preceding annual meeting of stockholders of the Corporation. A stockholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the annual meeting, (a) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (b) the name and address, as they appear on the Corporation's books, of the stockholder proposing such business, (c) the class and number of shares of the Corporation which are beneficially owned by the stockholder, (d) a representation that the stockholder or a qualified representative of the stockholder intends to appear in person at the meeting to bring the proposed business before the annual meeting, and (e) any material interest of the stockholder in such business.

2

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

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

Notwithstanding the foregoing provisions of this Section 5, a stockholder shall also comply with all applicable requirements of the Securities and Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder with respect to the matters set forth in this Section 5.

6. Only persons who are nominated in accordance with the following procedures shall be eligible for election as Directors. Nominations of persons for election to the Board of Directors of the Corporation may be made at a meeting of stockholders (i) by or at the direction of the Board of Directors by any nominating committee or person appointed by the Board or (ii) by any stockholder of the Corporation entitled to vote for the election of Directors at the meeting and who complies with the notice procedures set forth in this Section 6. Such nominations, other than those made by or at the direction of the Board, shall be made pursuant to timely notice in writing to the Secretary. To

be timely, a stockholder's notice shall be delivered to or mailed and received at the principal executive offices of the Corporation (a) with respect to an election to be held at the annual meeting of stockholders, not less than ninety (90) days prior to the first anniversary date of the immediately preceding annual meeting of stockholders of the Corporation and (b) with respect to an election to be held at a special meeting of stockholders, not later than the close of business on the tenth (10th) day following the day on which notice of the date of the special meeting was mailed to stockholders or public disclosure of the date of the special meeting was made, whichever first occurs. Such stockholder's notice to the Secretary shall set forth (x) as to each person whom the stockholder proposes to nominate for election or re-election as a Director, (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class and number of shares of capital stock of the Corporation which are beneficially owned by the person, and (iv) all other information relating to the person that is required to be disclosed in solicitations for proxies for election of Directors, or is otherwise required, pursuant to Regulation 14A under the Securities Exchange Act of 1934 as amended (including such person's written consent to being named in the proxy statement as a nominee and to serve as a Director, if elected; and (y) as to the stockholder giving the notice (i) the name and address, as they appear on the Corporation's books, of such stockholder and (ii) the class and number of shares of capital stock of the Corporation which are beneficially owned by the stockholder. The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as Director of the Corporation. Other than Directors chosen pursuant to the provisions of Section 13, no person shall be eligible for election as a Director of the Corporation unless nominated in accordance with the procedures set forth herein.

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

Notwithstanding the foregoing provisions of this Section 6, a stockholder shall also comply with all applicable requirements of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder with respect to the matters set forth in this Section 6.

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

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

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

10. A complete list of the stockholders entitled to vote at each meeting of the stockholders, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder shall be prepared and shall be open to the examination of any stockholder, for any purpose germane to the meeting during ordinary business

hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

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

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

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

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

Directors

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

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

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

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

Meetings of the Board

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

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

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

21. Special meetings of the Board may be called by the Chairman of the Board, the Chief Executive Officer or the President (if a Director) upon one (1) day's notice to each Director either personally or in the manner permitted by Section 42 hereof. Special meetings shall be called by the Chairman of the Board, the Chief Executive Officer, the President or Secretary in like manner and on like notice on the written request of two (2) Directors.

Officers

22. The officers of the Corporation shall be a Chairman of the Board, a Chief Executive Officer, a President, one or more Vice Presidents (any one or more of whom may be designated Executive Vice President or Senior Vice President), a Secretary, a Treasurer, a Controller, one or more Assistant Secretaries, one or more Assistant Treasurers, and, if the Board of Directors so elects, one or more Vice Chairmen. Such officers shall be elected or appointed by the Board of Directors. All officers as between themselves and the Corporation, shall have such authority and perform such duties in the management of the Corporation as may be provided in these By-laws, or, to the extent not provided, as may be prescribed by the Board of Directors or by the Chief Executive Officer acting under authority delegated to him by the Board.

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

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

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

Officer Duties

Chairman of the Board

26. The Chairman of the Board shall preside at all meetings of the Board of Directors and stockholders. The Chairman of the Board shall have authority to call meetings of the stockholders and the Board of Directors and of any standing or special committee appointed by or upon the authority of the Board of Directors and shall have such other powers and duties as may, from time to time, be prescribed by the Board of Directors.

Chief Executive Officer

27. In the absence or disability of the Chairman of the Board, the Chief Executive Officer shall preside at meetings of the stockholders and the Board of Directors. The Chief Executive Officer shall have authority to call meetings of the stockholders and the Board of Directors and of any standing or special committee appointed by or upon authority of the Board of Directors. The Chief Executive Officer shall have the general management and direction of the

business and affairs of the Corporation, subject to the control of the Board of Directors. Such officer shall have the power to appoint and discharge any and all agents and employees of the Corporation not elected or appointed directly by the Board of Directors. The Chief Executive Officer shall sign all papers and documents to which such officer's signature may be necessary or appropriate and shall have such other powers and duties as usually devolve upon the chief executive officer of a corporation, and such further powers and duties as may, from time to time, be prescribed for him by the Board of Directors.

Vice Chairman

28. The Vice Chairman or, if there be more than one, the Vice Chairmen, shall be subject to the direction and control of the Chief Executive Officer and, in turn, the Board of Directors. The Vice Chairman or, if there be more than one, the Vice Chairmen, shall assist the Chief Executive Officer in the general management and direction of the business and affairs of the Corporation, shall sign such papers and documents as may be necessary or appropriate in connection with the operations of the Corporation, make reports to the Board of Directors and have such further powers and duties as may, from time to time, be prescribed by the Board of Directors or the Chief Executive Officer. A Vice Chairman need not be a Director.

President

29. The President shall be the Chief Operating Officer of the Corporation and shall have general management of the operations of the Corporation, subject to the direction and control of the Chief Executive Officer, and, in turn, the Board of Directors. The President shall sign all papers and documents to which such officer's signature may be necessary or appropriate in connection with the operations of the Corporation, make reports to the Board of Directors and have such further powers and duties as may, from

time to time, be prescribed by the Board of Directors or the Chief Executive Officer. In the absence or disability of the Chief Executive Officer, the powers and duties of the Chief Executive Officer shall be vested in the President; provided, however, that the President shall not have authority to call meetings of the stockholders, the Board of Directors or the committees appointed by the Board, or to preside at meetings of the stockholders or the Board of Directors, unless he is also a Director.

The Vice Presidents

30. The Vice President or, if there be more than one, the Vice Presidents shall assist in the management of the business of the Corporation and the implementation of resolutions and orders of the Board of Directors. If there be more than one Vice President, the Board of Directors may designate one or more of them as Executive Vice President or Senior Vice President among the Vice Presidents and may also grant to such officers and other Vice Presidents such titles as shall be descriptive of their respective functions or indicative of their relative seniority. The Vice President or, if there be more than one, the Vice Presidents, shall have such other powers and duties as may, from time to time, be prescribed by the Board of Directors or the Chief Executive Officer.

The Secretary and Assistant Secretary

31. The Secretary shall attend all sessions of the Board of Directors and all meetings of the stockholders and record all votes and the minutes of all proceedings in a book to be kept for that purpose. The Secretary shall have custody of the corporate seal and the Secretary, or an assistant secretary, shall have authority to affix the same to any instrument requiring it and, when so affixed, it may be attested by the Secretary's signature or by the signature

of such assistant secretary. The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors, and shall have such other duties as may, from time to time, be assigned by the Board of Directors or the Chief Executive Officer.

The Assistant Secretary or, if there be more than one, the Assistant Secretaries in the order of their election shall, in the absence of the Secretary or in the event of the Secretary's inability or refusal to act, perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer may from time to time prescribe.

The Treasurer and Assistant Treasurer

32. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements. The Treasurer shall distribute the funds of the Corporation as may be ordered by the Board of Directors and shall render to the Chief Executive Officer and Board of Directors, whenever they may require it, an account of all such transactions and of the financial condition of the Corporation. The Treasurer shall give the Corporation a bond, if required by the Board of Directors, in a sum and with sureties satisfactory to the Board of Directors. The Treasurer shall have such other duties as may, from time to time, be assigned by the Board of Directors or the Chief Executive Officer.

The Assistant Treasurer or, if there shall be more than one, the Assistant Treasurers in the order of their election shall, in the absence of the Treasurer or in the event of the Treasurer's inability or refusal to act, perform the duties and exercise the powers of the Treasurer and shall perform such duties and have such other powers as the Board of Directors or the Chief Executive Officer may from time to time prescribe.

The Controller

33. The Controller shall be the chief accounting officer of the Corporation; shall keep full and accurate accounts of all assets, liabilities, commitments, receipts, disbursements and other financial transactions of the Corporation and its subsidiaries in books belonging to the Corporation; shall cause regular audits of such books and records to be made and shall furnish financial statements and reports as, from time to time, may be required by the Board of Directors or the Chief Executive Officer; and shall have such other duties as may, from time to time, be assigned by the Board of Directors or the Chief Executive Officer.

Vacancies

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

Duties of Officers May Be Delegated

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

Capital Stock

36. (a) Shares. The shares of the Corporation shall be represented by certificates or shall be uncertificated. Each registered holder of shares, upon request to the Corporation, shall be provided with a certificate of stock, representing the number of shares owned by such holder. Absent a specific request for such a certificate by the registered owner or transferee thereof, all shares shall be uncertificated upon the original issuance thereof by the Corporation or upon the surrender of the certificate representing such shares to the Corporation.

The Board of Directors shall have power and authority to make such rules and regulations as it may deem expedient concerning the issue, transfer and registration of uncertificated shares or certificates for shares of stock of the Corporation.

(b) Certificates For Shares of Stock. The certificates for shares of stock of the Corporation shall be in such form, not inconsistent with the Certificate of Incorporation, as shall be approved by the Board of Directors. All certificates shall be signed by the Chairman of the Board, the President or any Vice President, and by the Secretary or an Assistant Secretary of the Corporation and countersigned by an independent transfer agent and registered by an independent registrar. Any or all of the signatures may be facsimiles unless the regulations of the New York Stock Exchange then in effect shall require to the contrary.

In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall cease to be such officer, transfer agent or registrar before such certificate is issued, it may nevertheless be issued and delivered by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

All certificates for shares of stock shall be consecutively numbered as the same are issued. The name of the person owning the shares represented thereby with the number of such shares and the date of issue thereof shall be entered on the books of the Corporation.

(c) Statements Relating to Uncertificated Shares. Within two business days after uncertificated shares have been registered, the Corporation or its transfer agent shall send to the registered owner thereof a written statement containing a description of the issue of which such shares are a part, the number of shares registered, the date of registration and such other information as may be required or appropriate.

Transfer of Shares

37. Upon surrender to the Corporation or the transfer agent of the Corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer, the Corporation shall issue or cause to be issued uncertificated shares or, if requested by the appropriate person, a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books. Upon receipt of proper transfer instructions from the registered owner of uncertificated shares, such uncertificated shares shall be canceled and issuance of new equivalent uncertificated shares shall be made to the person entitled thereto and the transaction shall be recorded upon the books of the Corporation.

Record Dates

38. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board may fix, in advance, a record date, which shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for the adjourned meeting.

Checks and Debt Instruments

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

Dividends

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

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

Notice

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

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

Amendment or Repeal of By-laws

44. These By-laws may be altered or repealed at any regular meeting of the stockholders, or at any special meeting of the stockholders at which a quorum is present or represented, provided notice of the proposed alteration or repeal be contained in the notice of such special meeting, by the affirmative vote of the majority of the stockholders entitled to vote at such meeting and present or represented thereat, or by the affirmative vote of the majority of the Board of Directors at any regular meeting of the Board, or at any special meeting of the Board, if notice of the proposed alteration or repeal be contained in the notice of such special meeting; provided, however, that no change in these By-laws setting the time or place of the meeting for the election of Directors shall be made within sixty (60) days next before the day on which such meeting is to be held, and that in case of any change in such time or place, notice thereof shall be given to each stockholder in person or by letter mailed to his last known post office address at least twenty (20) days before the meeting is held.

Provisions for National Emergencies

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

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

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

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

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

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

Divisions and Divisional Officers

Groups and Group Officers

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

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

To the extent not inconsistent with these By-laws or a resolution of the Board of Directors of the Corporation, the officers of each division shall perform such duties and have such authority with respect to the business and affairs of that division as may be granted, from time to time, by the Chief Executive Officer, or his delegate. With respect to the affairs of such division and in the regular course of business of such division, officers

of each division may sign contracts and other documents in the name of the division, where so authorized; provided, however, subject to the provisions of the next succeeding sentence of this paragraph, that an officer of one division shall not have authority to bind any other division of the Corporation, nor to bind the Corporation, except as to the normal and usual business and affairs of the division of which he is an officer. Notwithstanding the provisions of the preceding sentence, if a division of the Corporation is formed to provide shared services for the Corporation and/or its operating units, officers, to the extent that and with respect to matters to which they have been delegated such authority in writing by the Chief Executive Officer or his delegate, may execute contracts in the name of and bind the Corporation or any of its divisions; provided, however, that no officer of a division formed to perform shared services shall contract in the name of or otherwise bind a subsidiary or other legal entity in which the Corporation owns an interest with respect to shared services matters unless such officer of such division taking such action (i) is an officer of such subsidiary or such other legal entity and is duly authorized to take such action in the name of and on behalf of such subsidiary or other legal entity or (ii) takes such action on behalf of such subsidiary or other legal entity pursuant to the grant of a duly authorized power of attorney. A divisional officer, unless specifically elected to one of the designated offices of the Corporation, shall not be construed as an officer of the Corporation.

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

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

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

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

Indemnification

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

indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors of the Corporation. The right to indemnification conferred in this Section 47 shall be a contract right and shall include the right to be paid by the Corporation the expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that, if the Delaware General Corporation Law requires, the payment of such expenses incurred by a director or officer in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of a proceeding, shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified under this Section or otherwise.

(b) If a claim under Paragraph (a) of this Section 47 is not paid in full by the Corporation within ninety days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Corporation) that the claimant has not met the standards of conduct which make it permissible under the Delaware General Corporation Law for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be

on the Corporation. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

(c) The right to indemnification and the advancement and payment of expenses conferred in this Section 47 shall not be exclusive of any other right which any person may have or hereafter acquire under any law (common or statutory), provision of the Certificate of Incorporation of the Corporation, By-law, agreement, vote of stockholders or disinterested directors or otherwise.

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

(e) If this Section 47 or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify and hold harmless each director or officer of the Corporation as to costs, charges and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative to the full extent permitted by any applicable portion of this Section 47 that shall not have been invalidated and to the full extent permitted by applicable law.

Revised effective September 29, 1998

EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement ("Agreement"), including the attached Exhibits "A" and "B", is entered into by and between Halliburton Company, a Delaware corporation having offices at 3600 Lincoln Plaza, 500 N. Akard Street, Dallas, Texas 75201-3391 ("Employer"), and William E. Bradford, an individual currently residing at 3835 Potomac, Dallas, Texas 75205 ("Employee"), to be effective on the later of the date of execution of this Agreement by the parties hereto or the effective date of the merger between Halliburton N.C., Inc. and Dresser Industries, Inc. (the "Merger") pursuant to the terms of that certain Agreement and Plan of Merger (the "Merger Agreement") by and among Employer, Halliburton N.C., Inc. and Dresser Industries, Inc. ("Dresser") dated February 25, 1998 (the "Effective Date").

WITNESSETH:

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

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

ARTICLE 1: EMPLOYMENT AND DUTIES

- 1.1 Employer agrees to employ Employee, and Employee agrees to be employed by Employer, beginning as of the Effective Date and continuing until January 31, 2000 (the "Term"), subject to the terms and conditions of this Agreement.
- 1.2 Beginning on the Effective Date, Employee shall be employed as Chairman of the Board of Directors of Employer. Employee agrees to serve in the assigned position and to perform diligently and to the best of Employee's abilities the duties and services appertaining to such position as determined by Employer, as well as such additional or different duties and services appropriate to such position which Employee from time to time may be reasonably directed to perform by Employer. As of the Effective Date, Employee shall be elected as a member of Employer's Board of Directors. Employee shall at all times comply with and be subject to such policies and procedures as Employer may establish from time to time, including, without limitation, the Halliburton Company Code of Business Conduct.
- 1.3 Employee shall, during the period of Employee's employment by Employer, devote Employee's full business time, energy, and best efforts to the business and affairs of Employer. Employee may not engage, directly or indirectly, in any other business, investment, or activity that interferes with Employee's performance of Employee's duties hereunder, is contrary to the interests of Employer, or requires any significant

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

- 1.4 Employee acknowledges and agrees that Employee owes a fiduciary duty of loyalty, fidelity and allegiance to act at all times in the best interests of the Employer and to do no act which would intentionally injure Employer's business, its interests, or its reputation. It is agreed that any direct or indirect interest in, connection with, or benefit from any outside activities, particularly commercial activities, which interest might in any way adversely affect Employer, or any of its affiliates, involves a possible conflict of interest. In keeping with Employee's fiduciary duties to Employer, Employee agrees that Employee shall not knowingly become involved in a conflict of interest with Employer, or its affiliates, or upon discovery thereof, allow such a conflict to continue. Moreover, Employee agrees that Employee shall disclose to the Audit Committee of the Employer's Board of Directors any facts which might involve a possible conflict of interest.
- 1.5 Effective as of the Effective Date, Employer and Employee shall enter into an Indemnification Agreement containing the terms and conditions

set forth in Exhibit A attached to, and forming a part of, this Agreement.

ARTICLE 2: COMPENSATION AND BENEFITS

2.1 Employee's base salary during the Term shall be payable at the rate of not less than \$925,000.00 per annum which shall be paid in accordance with the Employer's standard payroll practice for its executives. Employee's base salary may be increased from time to time during the Term in a manner similar to that used to establish the base salary of other members of the Executive Committee of Employer, with the approval of the Compensation Committee of Employer's Board of Directors. Such

increased base salary shall become the minimum base salary under this Agreement and may not be decreased during the Term.

- 2.2 Employee shall be entitled to receive the bonus earned under the Dresser 1998 Executive Incentive Compensation Plan (the "Dresser EVA Plan") for its fiscal year ended October 31, 1998, based upon the actual level of attainment of Dresser's established performance targets for the period ended October 31, 1998 or, if the actual level of performance cannot be determined, a reasonable estimate thereof, provided he remains employed by the Employer during the entirety of such period. Such bonus shall be payable by Dresser in a single lump sum payment as soon as practicable following October 31, 1998. For the period November 1, 1998 through December 31, 1998, Employee shall be entitled to a bonus in an amount determined as follows: (i) Employee's base salary shall be multiplied by the same percentage of base salary as used in the calculation of Employee's bonus earned under the Dresser EVA Plan for the period ended October 31, 1998 and (ii) the product thereof shall be multiplied by two-twelfths (2/12). Beginning January 1, 1999 and for the remainder of the Term, Employee shall participate in Employer's Annual Performance Pay Plan, or any successor annual incentive plan approved by the Compensation Committee of Employer's Board of Directors (the "CVA Plan"); provided, however, that if the bonus amount earned by Employee for any plan year during the Term is less than the average of bonus amounts earned by Employee under the Dresser EVA Plan or the predecessor annual incentive plan for the fiscal years ended October 31, 1997 and 1998 (the "Average Dresser Bonus"), Employer shall pay to Employee an additional cash bonus equal to the difference. For plan year 2000, the CVA Plan bonus earned shall be prorated through the last day of the Term and the Average Dresser Bonus shall likewise be prorated through such period for the purpose of determining whether or not an additional bonus is payable.
- 2.3 During the Term, Employee shall participate in the Halliburton Company 1993 Stock and Long-Term Incentive Plan, or any successor stock-related plan adopted by Employer's Board of Directors, in the same grant cycle for awards under such plan as the other members of Employer's Executive Committee.
- 2.4. Employer shall, as of the effective time of the Merger, adopt Dresser's Supplemental Executive Retirement Plan, with such amendments thereto as may be necessary or appropriate to reflect the Merger and the applicable provisions of Section 7.09 of the Merger Agreement, and Employee shall continue to participate in such plan in accordance with its terms, as such may be revised.
- 2.5 From and after the Effective Date, Employer shall pay, or reimburse Employee, for all ordinary, reasonable and necessary expenses which Employee incurs in performing his duties under this Agreement including, but not limited to, travel, entertainment, professional dues

and subscriptions, and all dues, fees and expenses associated with membership in various professional, business and civic associations and societies of which Employee's participation is in the best interest of Employer.

- 2.6 While employed by Employer, Employee shall be allowed to participate, on the same basis generally as other executive employees of Employer, in all general employee benefit plans and programs, including improvements or modifications of the same, which on the Effective Date or thereafter are made available by Employer to all or substantially all of Employer's executive employees. Such benefits, plans, and programs may include, without limitation, medical, health, and dental care, life insurance, disability protection, and qualified and non-qualified retirement plans. Except as specifically provided herein, nothing in this Agreement is to be construed or interpreted to increase or alter in any way the rights, participation, coverage, or benefits under such benefit plans or programs than provided to executive employees pursuant to the terms and conditions of such benefit plans and programs.
- 2.7 Except for the programs and/or plans provided in Sections 2.1, 2.2 and 2.9 herein, Employer shall not by reason of this Article 2 be obligated to institute, maintain, or refrain from changing, amending, or discontinuing, any incentive compensation or employee benefit program or plan, so long as such actions are similarly applicable to covered employees generally.
- 2.8 Employer may withhold from any compensation, benefits, or amounts payable under this Agreement all federal, state, city, or other taxes as may be required pursuant to any law or governmental regulation or ruling.
- 2.9 Employer has assumed certain obligations with respect to certain plans and programs of Dresser pursuant to Section 7.09 of the Merger Agreement. With respect to Employee, such plans and programs include the following:
- a. Exhibit B hereto sets forth the Dresser stock options and tandem restricted shares held by Employee as of May 12, 1998. Employer acknowledges its obligations to assume the Dresser stock options and the Dresser stock plans as, and to the extent provided, under Section 7.09 of the Merger Agreement and to issue upon exercise of outstanding stock options shares of Employer common stock on a one-to-one ratio (adjusted pursuant to Section 3.01(a) of the Merger Agreement, if applicable) in accordance with the terms of the Dresser stock plans and the underlying stock option agreements. As of the Effective Date, Employee shall continue to be entitled to all his stock option and tandem restricted share rights under outstanding stock options held by Employee prior to the Effective Date.

- b. Employee has 93,374 stock units in Dresser's Deferred Compensation Plan, and Employer hereby recognizes its obligation to perform and pay out such compensation pursuant to the terms of such plan.
- c. Employee is a participant in Dresser's Performance Stock Unit Program for the four (4) year cycles FY 1994 - 1997 and FY 1996 - 1999. Employer hereby recognizes its obligation to pay and perform under such plan pursuant to its terms with such reasonable estimates of the earnings and equity of Dresser for the latter cycle as may be necessitated by the Merger. Employer recognizes that the performance target for the FY 1996-1999 cycle of such plan is average Return on Equity of 15% or greater.
- d. Employee is a participant in Dresser's Executive Life Insurance Program. Employer acknowledges its obligations to maintain such program for the benefit of Employee.
- e. Employee is a participant in Dresser's Supplemental Executive Retirement Plan. Employer hereby acknowledges its obligations under Section 2.4 hereof and its obligations under Section 7.09 of the Merger Agreement to maintain such plan with respect to Employee with the offset under such plan to take into account any employer provided retirement benefits under any plans or programs of Employer or any of its subsidiaries.
- f. Employee is a participant in Dresser's Retirement Saving Plan and as such receives "pension equalizer" contributions under such plan. Employer hereby acknowledges its obligations to Employee to maintain such "pension equalizer" contributions to such plan, the related nonqualified savings plan or a successor plan that will provide at least the same level of benefits as the "pension equalizer" arrangement after taking into account any retirement benefits provided to Employee by any plans or programs of the Employer or any of its subsidiaries.
- g. Employee is eligible for Dresser's Retiree Medical Benefit Plan and Employer hereby acknowledges its obligations to maintain such plan for the benefit of Employee, except to the extent that any modifications thereto are consistent with changes in the medical plans provided by Employer and its subsidiaries for similarly situated active employees.

2.10 Employee shall be eligible to participate in the Halliburton Elective Deferral Plan of Employer.

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

3.1 Employee's employment with Employer shall be terminated (i) upon the death of Employee, (ii) upon Employee's permanent disability (permanent disability being defined as Employee's physical or mental incapacity to perform his usual duties as an employee with such condition likely to remain continuously and permanently); provided, however, that in the event of such permanent disability, Employee's employment and full compensation and benefits shall be continued hereunder until the end of the Term, with Employee's compensation during such period being reduced by any Employer-financed disability benefits, (iii) at any time during the Term by Employer upon notice to Employee or by Employee upon sixty (60) days' notice to Employer for any or no reason.

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

3.3 If Employee's employment is terminated for any reason other than as described in the first sentence of Section 3.2 above during the Term, Employee shall nevertheless continue to receive his full compensation (base salary and bonus) and benefits under this Agreement for the duration of the Term. The amounts paid pursuant to this Section 3.3 to Employee shall be in consideration of Employee's continuing obligations hereunder after such termination (including, without limitation, Employee's non-competition obligations). Employee shall not be under any duty or obligation to seek or accept other employment following a termination of employment pursuant to which payments under this Section 3.3 are owing and the amounts due Employee pursuant to this Section 3.3 shall not be reduced or suspended if Employee accepts subsequent employment or earns any amounts as a self-employed individual. If Employee should die while receiving compensation and benefits pursuant to this Section 3.3, such compensation and benefits shall be prorated through the date of his death and paid to his estate, but all future compensation and benefits shall cease and terminate as of the date of Employee's death except for those which may be payable pursuant to the terms of Dresser's or Employer's employee benefit plans (as hereinafter defined), stock, stock option, incentive compensation or deferred compensation plans or the applicable agreements underlying such plans. Employee's rights under this Section 3.3 are Employee's sole and exclusive rights against the Employer or its affiliates and the Employer's sole and exclusive liability to Employee under this Agreement, in contract, tort or otherwise, for the termination of his employment relationship with Employer. Employee covenants not to sue or lodge any claim, demand or cause of action against Employer based upon Employee's termination of employment for any monies other than those specified in this Section 3.3. If Employee breaches this covenant, Employer shall be entitled to recover from Employee all sums expended by Employer (including costs and attorneys' fees), in connection with such suit, claim, demand or cause of action. Nothing contained in this Section 3.3 shall be construed to be a waiver by Employee of any benefits accrued for or due Employee under any employee benefit plan (as such term is defined in the Employees' Retirement Income Security Act of 1974, as amended) or any of the benefits, plans or programs provided for in Section 2.09 hereof maintained by Dresser or Employer except that Employee shall not be entitled to any severance benefits pursuant to any severance plan or program of Employer.

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

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

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

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

4.2 Employee acknowledges that the businesses of Employer and its affiliates are highly competitive and that their strategies, methods, books, records, and documents, their technical information concerning their products, equipment, services, and processes, procurement procedures and pricing techniques, the names of and other information (such as credit and financial data) concerning their customers and business affiliates, all comprise confidential business information and trade secrets which are valuable, special, and unique assets which Employer, or its affiliates use in their business to obtain a competitive advantage over their competitors. Employee further acknowledges that protection of such confidential business information and trade secrets against unauthorized disclosure and use is of critical importance to Employer and its affiliates in maintaining their competitive position. Employee hereby agrees that Employee will not, at any time during or after his employment by Employer, make any unauthorized disclosure of any confidential business information or trade secrets of Employer, or its affiliates, or make any use thereof, except in the carrying out of his employment responsibilities hereunder. The above notwithstanding, a disclosure shall not be unauthorized if (i) it is required by law or by a court of competent jurisdiction or (ii) it is in connection with any judicial or other

legal proceeding in which Employee's legal rights and obligations as an employee or under this Agreement are at issue; provided, however, that Employee shall, to the extent practicable and lawful in any such events, give prior notice to Employer of his intent to disclose any such confidential business information in such context so as to allow Employer an opportunity (which Employee will not oppose) to obtain such protective orders or similar relief with respect thereto as it may deem appropriate.

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

ARTICLE 5: POST-EMPLOYMENT AND NON-COMPETITION OBLIGATIONS

- 5.1 As part of the consideration for the compensation and benefits to be paid to Employee hereunder, and as an additional incentive for Employer to enter into this Agreement, Employer and Employee agree to the non-competition provisions of this Article 5. Employee agrees that during the period of Employee's non-competition obligations hereunder, Employee will not, directly or indirectly for Employee or for others, in any geographic area or market where Employer or any of their affiliated companies are conducting any business (other than de minimis business operations) as of the date of termination of the employment relationship or have during the previous twelve (12) months conducted any business (other than de minimis business operations):

- (i) engage in any business directly competitive with any business (other than de minimis business operations) conducted by Employer or any of Employer's affiliates:
- (ii) render advice or services to, or otherwise assist, any other person, association, or entity who is engaged, directly or indirectly, in any business directly competitive with any business (other than de minimis business operations) conducted by Employer or any of Employer's affiliates; or
- (iii) induce any employee of Employer or any of its affiliates (other than Employee's personal secretary or administrative assistant) to terminate his employment with Employer, or its affiliates, or hire or assist in the hiring of any such induced employee by any person, association, or entity not affiliated with Employer.

These non-competition obligations shall extend until one (1) year after termination of the employment relationship between Employer and Employee. The above notwithstanding, nothing in this Section 5.1 shall prohibit Employee from engaging in or being employed by any entity that engages in the provision of management consulting or other consulting services to third parties, even where such entity on occasion renders advice or services to, or otherwise assists, any other person, association, or entity who is engaged, directly or indirectly, in any business directly competitive with any business conducted by Employer or any of Employer's affiliates, so long as Employee does not personally, directly or indirectly (i) participate in rendering such advice, services or assistance to any such competing person, association or entity, (ii) provide any information or other assistance to any other person employed by Employee or by any such consulting entity for use, directly or indirectly, in rendering such assistance to any competing person, association or entity or (iii) engage in any conduct which would be violative of the provisions of Article 4 hereof.

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

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

ARTICLE 6:

MISCELLANEOUS

- 6.1 For purposes of this Agreement, (i) the terms "affiliates" or "affiliated" means an entity who directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with Employer or in which Employer has a 50% or more equity interest, and (ii) any action or omission permitted to be taken or omitted by Employer hereunder shall only be taken or omitted by Employer upon the express authority of the Board of Directors of Employer or of any Committee of the Board to which authority over such matters may have been delegated.
- 6.2 For purposes of this Agreement, notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly given when received by or tendered to Employee or Employer, as applicable, by prepaid courier or by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:
- If to Employer, Halliburton Company at its corporate headquarters to the attention of the General Counsel of Halliburton Company.
- If to Employee, to his last known personal residence.
- 6.3 This Agreement shall be governed in all respects by the laws of the State of Texas, without regard to any conflict-of-law rule or principle, unless preempted by federal law, in which case federal law shall govern.
- 6.4 No failure by either party hereto at any time to give notice of any breach by the other party of, or to require compliance with, any condition or provision of this Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.
- 6.5 It is a desire and intent of the parties that the terms, provisions, covenants, and remedies contained in this Agreement shall be enforceable to the fullest extent permitted by law. If any such term, provision, covenant, or remedy of this Agreement or the application thereof to any person, association, or entity or circumstances shall, to any extent, be construed to be invalid or unenforceable in whole or in part, then such term, provision, covenant, or remedy shall be construed in a manner so as to permit its enforceability under the applicable law to the fullest extent permitted by law. In any case, the remaining provisions of this Agreement or the application thereof to any person, association, or entity or circumstances other than those to which they have been held invalid or unenforceable, shall remain in full force and effect.

- 6.6 This Agreement shall be binding upon and inure to the benefit of Employer and any other person, association, or entity which may hereafter acquire or succeed to all or substantially all of the business or assets of Employer by any means whether direct or indirect, by purchase, merger, consolidation, or otherwise. Employee's rights and obligations under this Agreement are personal and such rights, benefits, and obligations of Employee shall not be voluntarily or involuntarily assigned, alienated, or transferred, whether by operation of law or otherwise, without the prior written consent of Employer, other than in the case of death or incompetence of Employee.
- 6.7 This Agreement replaces and merges any previous agreements and discussions pertaining to the subject matter covered herein. Further, this Agreement specifically replaces and terminates that certain Employee Severance Agreement between Employee and Dresser dated February 25, 1998. This Agreement constitutes the entire agreement of the parties with regard to such subject matter, and contains all of the covenants, promises, representations, warranties, and agreements between the parties with respect to such subject matter. Each party to this Agreement acknowledges that no representation, inducement, promise, or agreement, oral or written, has been made by either party with respect to such subject matter, which is not embodied herein, and that no agreement, statement, or promise relating to the employment of Employee by Employer that is not contained in this Agreement shall be valid or binding. Any modification of this Agreement will be effective only if it is in writing and signed by each party whose rights hereunder are affected thereby, provided that any such modification must be authorized or approved by the Board of Directors of Employer.

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

HALLIBURTON COMPANY

By: /s/ Richard B. Cheney

Richard B. Cheney
Chairman of the Board and
Chief Executive Officer

EMPLOYEE

By: /s/ William E. Bradford

Name: William E. Bradford

Date: 13 May 1998

Exhibit A To
Executive Employment Agreement
By and Between William E. Bradford and
Halliburton Company

INDEMNIFICATION AGREEMENT

THIS AGREEMENT is made this day of , 1998, by and between Halliburton Company, a Delaware corporation, (the "Company") and William E. Bradford (the "Indemnitee").

- A. The Indemnitee has been requested to serve, or is presently serving, as a Director and/or an officer of the Company. The Company desires the Indemnitee to serve or to continue to serve in such capacity. The Company believes that the Indemnitee's undertaking or continued undertaking of such responsibilities is important to the Company and that the protection afforded by this Agreement will enhance the Indemnitee's ability to discharge such responsibilities under existing circumstances. The Indemnitee is willing, subject to certain conditions including, without limitation, the execution and performance of this Agreement by the Company and the Company's agreement to provide the Indemnitee at all times the broadest and most favorable (to Indemnitee) indemnification permitted by applicable law (whether by legislative action or judicial decision), to serve or to continue to serve in that capacity.
- B. In addition to the indemnification to which the Indemnitee is entitled under the Restated Certificate of Incorporation of the Company (the "Charter") or the By-laws, as amended, of the Company (the "By-laws"), the Company has purchased and currently maintains insurance protecting its officers and directors and certain other persons (including the Indemnitee) against certain losses arising out of actual or threatened actions, suits or proceedings to which such persons may be made or threatened to be made parties ("D&O Insurance").

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

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

Although there can be no assurance as to the continuation or renewal of the D&O Insurance or that any such D&O Insurance will provide coverage for losses to which the Indemnitee may be exposed, the Company will use commercially reasonable efforts, taking into consideration availability of D&O Insurance in the marketplace, to continue D&O Insurance in effect at current levels for the duration of Indemnitee's service and for six (6) years thereafter.

2. Proceedings Other than Proceedings by or in the Right of the Company. Indemnitee shall be entitled to the indemnification rights provided in this Section 2 if, by reason of his Corporate Status (as hereinafter defined), he is, or is threatened to be made, a party to, or otherwise incurs Expenses in connection with, any threatened, pending or completed Proceeding (as hereinafter defined), other than a Proceeding by or in the right of the Company. Pursuant to this Section 2, Indemnitee shall be indemnified against Expenses, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him or on his behalf in connection with such Proceeding or any claim issue or matter therein, if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Company, and, with respect to any criminal Proceeding, had no reasonable cause to believe his conduct was unlawful.
3. Proceedings by or in the Right of the Company. Indemnitee shall be entitled to the indemnification rights provided in this Section 3, if, by reason of his Corporate Status, he is, or is threatened to be made, a party to, or otherwise incurs Expenses in connection with, any threatened, pending or completed Proceeding brought by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified against Expenses actually and reasonably incurred by him or on his behalf in connection with such Proceeding if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Company. Notwithstanding the forgoing, no indemnification against such Expenses shall be made in respect of any claim, issue or matter in such Proceeding as to which Indemnitee shall have been adjudged to be liable to the Company if applicable law prohibits such indemnification; provided, however, that, if applicable law so permits, indemnification against Expenses shall nevertheless be made by the Company despite such adjudication of liability, if and only to the extent that the Court of Chancery of the State of Delaware, or the court in which such Proceeding shall have been brought or is pending, shall determine.

4. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of his Corporate Status, a party to and is successful, on the merits or otherwise, in any Proceeding, he shall be indemnified against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or on his behalf in connection with each successfully resolved claim, issue or matter. For the purposes of this Section 4 and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.
5. Contribution. In the event that the indemnity contained in Sections 2, 3 or 4 of this Agreement is unavailable or insufficient to hold Indemnitee harmless in a Proceeding described therein, then in accordance with the non-exclusivity provisions of the Delaware General Corporation Law and the Charter and By-laws, and separate from and in addition to, the indemnity provided elsewhere herein, the Company shall contribute to Expenses, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by or on behalf of Indemnitee in connection with such Proceeding or any claim, issue or matter therein, in such proportion as appropriately reflects the relative benefits received by, and fault of, the Company on the one hand and Indemnitee on the other in the acts, transactions or matters to which the Proceeding relates and other equitable considerations.
6. Procedure for Determination of Entitlement to Indemnification
 - (a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request, including such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification. The determination of Indemnitee's entitlement to indemnification shall be made not later than 90 days after receipt by the Company of the written request for indemnification. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board of Directors in writing that Indemnitee has requested indemnification.
 - (b) Indemnitee's entitlement to indemnification under any of Sections 2, 3, 4 and 5 of this Agreement shall be determined in the specific case: (i) by the Board of Directors by a majority vote of a quorum of the Board consisting of Disinterested Directors

(as hereinafter defined); (ii) by Independent Counsel (as hereinafter defined), in a written opinion if a quorum of the Board of Directors consisting of Disinterested Directors is not obtainable or, even if obtainable, such quorum of Disinterested Directors so directs; or (iii) by the stockholders of the Company. If, with regard to Section 5 of this Agreement, such a determination is not permitted by law or if a quorum of Disinterested Directors so directs, such determination shall be made by the Chancery Court of the State of Delaware or the court in which the Proceeding giving rise to the claim for indemnification is brought.

(c) In the event that the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 6(b) of this Agreement, the Independent Counsel shall be selected as provided in this Section 6(c). The Independent Counsel shall be selected by the Board of Directors, and the Company shall give written notice to Indemnitee advising him of the identity of the Independent Counsel so selected. Indemnitee may, within 7 days after receipt of such written notice of selection shall have been given, deliver to the Company a written objection to such selection. Such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 13 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. If such written objection is made, the Independent Counsel so selected shall be disqualified from acting as such. If, within 20 days after submission by Indemnitee of a written request for indemnification pursuant to Section 6(a) of this Agreement, no Independent Counsel shall have been selected, or if selected shall have been objected to, in accordance with this Section 6(c), either the Company or Indemnitee may petition the Court of Chancery of the State of Delaware for the appointment as Independent Counsel of a person selected by such court or by such other person as such court shall designate, and the person so appointed shall act as Independent Counsel under Section 6(b) of this Agreement, and the Company shall pay all reasonable fees and expenses incident to the procedures of this Section 6(c), regardless of the manner in which such Independent Counsel was selected or appointed.

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

8. Presumptions and Effect of Certain Proceedings. The termination of any proceeding described in any of Sections 2, 3 or 4 of this Agreement, or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his conduct was unlawful.
9. Term of Agreement. All agreements and obligations of the Company contained herein shall commence as of the time the Indemnitee commenced to serve as a director, officer, employee or agent of the Company (or commenced to serve at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise) and shall continue for so long as Indemnitee shall so serve or shall be, or could become, subject to any possible Proceeding in respect of which Indemnitee is granted rights of indemnification or advancement of Expenses hereunder.
10. Notification and Defense of Claim. Promptly after receipt by Indemnitee of notice of the commencement of any Proceeding, Indemnitee will, if a claim in respect thereof is to be made against the Company under this Agreement, notify the Company of the commencement thereof; but the omission to notify the Company will not relieve it from any liability which it may have to Indemnitee otherwise than under this Agreement. With respect to any such Proceeding as to which Indemnitee notifies the Company of the commencement thereof:
 - (a) The Company will be entitled to participate therein at its own expense.
 - (b) Except as otherwise provided below, to the extent that it may wish, the Company jointly with any other indemnifying party similarly notified will be entitled to assume the defense thereof, with counsel satisfactory to Indemnitee. After notice from the Company to Indemnitee of its election so to assume the defense thereof, the Company will not be liable to Indemnitee under this Agreement for any legal or other Expenses subsequently incurred by Indemnitee in connection with the defense thereof other than reasonable costs of investigation or as otherwise provided below. Indemnitee shall have the right to employ its

counsel in such Proceeding but the fees and Expenses of such counsel incurred after notice from the Company of its assumption of the defense thereof shall be at the expense of Indemnatee unless (i) the employment of counsel by Indemnatee has been authorized by the Company, or (ii) Indemnatee shall have reasonably concluded that there may be a conflict of interest between the Company and Indemnatee in the conduct of the defense of such Proceeding, or (iii) the Company shall not in fact have employed counsel to assume the defense of such Proceeding, in each of which cases the fees and Expenses of counsel shall be at the expense of the Company. The Company shall not be entitled to assume the defense of any Proceeding brought by or on behalf of the Company or as to which Indemnatee shall have made the conclusion provided for in (ii) above.

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

11. Enforcement

- (a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnatee to serve or continue to serve as a director and/or officer of the Company, and acknowledges that Indemnatee is relying upon this Agreement in serving or continuing to serve in such capacity.
- (b) In the event Indemnatee is required to bring any action to enforce rights or to collect moneys due under this Agreement and is successful in such action, the Company shall reimburse Indemnatee for all of Indemnatee's reasonable fees and Expenses in bringing and pursuing such action.

12. Non-Exclusivity of Rights. The rights of indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnatee may at any time be entitled under applicable law, the Charter, the By-laws, any agreement, a vote of stockholders or a resolution of directors, or otherwise.

13. Definitions. For purposes of this Agreement:

- (a) "Corporate Status" describes the status of a person who is or was a director, officer, employee, agent or fiduciary of the Company or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which such person is or was serving at the request of the Company.
- (b) "Disinterested Director" means a director of the Company who is not and was not at any time a party to the Proceeding in respect of which indemnification is sought by Indemnitee.
- (c) "Expenses" shall include all reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or Expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend or investigating a Proceeding.
- (d) "Independent Counsel" means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement.
- (e) "Proceeding" includes any action, suit, arbitration, alternate dispute resolution mechanism, investigation, administrative hearing or any other proceeding whether civil, criminal, administrative or investigative.

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

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

- (a) THIS AGREEMENT SHALL BE INTERPRETED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, EXCLUDING ANY CONFLICT-OF-LAW RULE OR PRINCIPLE THAT MIGHT REFER TO THE LAWS OF ANOTHER STATE OR COUNTRY.
- (b) This Agreement shall be binding upon Indemnitee and upon the Company, its successors and assigns, and shall inure to the benefit of Indemnitee, his heirs, personal representatives and assigns and to the benefit of the Company, its successors and assigns.
- (c) No amendment, modification, termination or cancellation of this Agreement shall be effective unless in writing by the parties.

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

HALLIBURTON COMPANY

By:

Richard B. Cheney
Chief Executive Officer

By:

William E. Bradford
Indemnitee

AMENDMENT TO
EXECUTIVE EMPLOYMENT AGREEMENT

This Amendment dated as of September 29, 1998 ("Amendment") amends that certain Executive Employment Agreement ("Agreement") entered into by and between Halliburton Company ("Employer") and William E. Bradford ("Employee"). Capitalized terms used herein but not defined shall have the meanings ascribed to them in the Agreement.

1. Section 1.1 of the Agreement is hereby amended to read in its entirety as follows:

"1.1 The term of the Agreement is from the Effective Date through January 31, 2000 (the "Term"). Employer agrees to employ Employee, and Employee agrees to be employed by Employer, subject to the terms and conditions of the Agreement; provided, however, that from the Effective Date through December 31, 1998, Employee shall remain an employee of Dresser while performing his duties hereunder."

2. Section 2.3 of the Agreement is hereby amended by adding the following sentence to the end of such Section:

"As of the Effective Date, Employer shall grant to Employee under such Plan 50,000 shares of Employer's common stock subject to the restriction and other terms and conditions set forth in Exhibit C attached hereto."

3. No amendment, change or supplement of or to the Agreement is intended hereby except for those expressly set forth herein and, as so expressly amended, changed and supplemented, such Agreement shall continue in full force and effect.

IN WITNESS WHEREOF, Employee and Employer have duly executed this Amendment in multiple originals to be effective on the Effective Date.

HALLIBURTON COMPANY

By: /s/ Richard B. Cheney

Richard B. Cheney
Chairman of the Board and
Chief Executive Officer

EMPLOYEE

/s/ William E. Bradford

William E. Bradford

Exhibit C to
Executive Employment Agreement
By and Between William E. Bradford
and Halliburton Company

RESTRICTED STOCK AGREEMENT

AGREEMENT made as of the ___ day of _____, 1998, between HALLIBURTON COMPANY, a Delaware corporation (the "Company"), and William E. Bradford ("Employee").

1. Award.

(a) Shares. Pursuant to the Halliburton Company 1993 Stock and Long-Term Incentive Plan (the "Plan"), and the Executive Employment Agreement by and between the Company and Employee, 50,000 shares (the "Restricted Shares") of the Company's common stock, par value \$2.50 per share ("Stock"), shall be issued as hereinafter provided in Employee's name subject to certain restrictions thereon.

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

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

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

(a) Forfeiture Restrictions. The Restricted Shares may not be sold, assigned, pledged, exchanged, hypothecated or otherwise transferred, encumbered or disposed of to the extent then subject to the Forfeiture Restrictions (as hereinafter defined), and in the event of termination of Employee's employment with the Company or employing subsidiary for any reason other than as provided in the last two sentences of subparagraph (b) of this

Paragraph 2, Employee shall, for no consideration, forfeit to the Company all Restricted Shares to the extent then subject to the Forfeiture Restrictions. The prohibition against transfer and the obligation to forfeit and surrender Restricted Shares to the Company upon termination of employment are herein referred to as "Forfeiture Restrictions." The Forfeiture Restrictions shall be binding upon and enforceable against any transferee of Restricted Shares.

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

Lapse Date -----	Percentage of Total Number of Restricted Shares as to Which Forfeiture Restrictions Lapse -----
First Anniversary of the date of this Agreement	10%
Second Anniversary of the date of this Agreement	10%
Third Anniversary of the date of this Agreement	10%
Fourth Anniversary of the date of this Agreement	10%
Fifth Anniversary of the date of this Agreement	10%
Sixth Anniversary of the date of this Agreement	10%
Seventh Anniversary of the date of this Agreement	10%
Eighth Anniversary of the date of this Agreement	10%

Ninth Anniversary of the
date of this Agreement 10%

Tenth Anniversary of the
date of this Agreement 10%

Notwithstanding the foregoing, the Forfeiture Restrictions shall lapse as to all of the Restricted Shares on the earlier of (i) the occurrence of a Corporate Change (as such term is defined in the Plan), (ii) the date Employee's employment with the Company is terminated by reason of death, disability (as determined by the Company or employing subsidiary) or normal retirement on or after age sixty-five or (iii) the date on which Employee shall become entitled to the severance benefits set forth in Section 3.3 of that certain Executive Employment Agreement by and between Employee and the Company. In the event Employee's employment is terminated for any other reason, including retirement prior to age sixty-five with the approval of the Company or employing subsidiary, the Committee which administers the Plan (the "Committee") or its delegate, as appropriate, may, in the Committee's or such delegate's sole discretion, approve the lapse of Forfeiture Restrictions as to any or all Restricted Shares still subject to such restrictions, such lapse to be effective on the date of such approval or Employee's termination date, if later.

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

3. Withholding of Tax. To the extent that the receipt of the Restricted Shares or the lapse of any Forfeiture Restrictions results in income to Employee for federal or state income tax purposes, Employee shall deliver to the Company at the time of such receipt or lapse, as the case may be, such amount of money or shares of unrestricted Stock as the Company may require to meet its withholding obligation under applicable tax laws or regulations, and, if Employee fails to do so, the Company is authorized to withhold from any cash or Stock remuneration then or thereafter payable to Employee any tax required to be withheld by reason of such resulting compensation income.

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

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

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

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

8. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas.

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

HALLIBURTON COMPANY

By: _____
Name: _____
Title: _____

William E. Bradford

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

- +), I do not desire the alternative tax treatment provided for in the Internal Revenue Code Section 83(b).
- .)-
- +) , * I do desire the alternative tax treatment provided for in Internal Revenue Code Section 83(b) and desire that forms for such purpose be forwarded to me.
- .)-

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

Please furnish the following information for shareholder records:

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

United States Citizen: Yes___ No___

PROMPTLY NOTIFY THIS OFFICE OF ANY CHANGE IN ADDRESS.

EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement ("Agreement"), including the attached Exhibit "A", is entered into by and between Halliburton Company, a Delaware corporation having offices at 3600 Lincoln Plaza, 500 N. Akard Street, Dallas, Texas 75201-3391 ("Employer"), and Donald C. Vaughn, an individual currently residing at 6119 Glendora, Dallas, Texas 75230 ("Employee"), to be effective on the later of the date of execution of this Agreement by the parties hereto or the effective date of the merger between Halliburton N.C., Inc. and Dresser Industries, Inc. (the "Merger") pursuant to the terms of that certain Agreement and Plan of Merger (the "Merger Agreement") by and among Employer, Halliburton N.C., Inc. and Dresser Industries, Inc. ("Dresser") dated February 25, 1998 (the "Effective Date").

WITNESSETH:

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

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

ARTICLE 1: EMPLOYMENT AND DUTIES

- 1.1 Employer agrees to employ Employee, and Employee agrees to be employed by Employer, beginning as of the Effective Date and continuing until March 31, 2001 (the "Term"), subject to the terms and conditions of this Agreement.
- 1.2 Beginning on the Effective Date, Employee shall be employed as Vice Chairman of Employer. Employee agrees to serve in the assigned position and to perform diligently and to the best of Employee's abilities the duties and services appertaining to such position as determined by Employer, as well as such additional or different duties and services appropriate to such position which Employee from time to time may be reasonably directed to perform by Employer. Employee shall at all times comply with and be subject to such policies and procedures as Employer may establish from time to time, including, without limitation, the Halliburton Company Code of Business Conduct.
- 1.3 Employee shall, during the period of Employee's employment by Employer, devote Employee's full business time, energy, and best efforts to the business and affairs of Employer. Employee may not engage, directly or indirectly, in any other business, investment, or activity that interferes with Employee's performance of Employee's duties hereunder, is contrary to the interests of Employer, or requires any significant

portion of Employee's business time. The foregoing notwithstanding, the parties recognize and agree that Employee may engage in passive personal investments and other business activities which do not conflict with the business and affairs of the Employer or interfere with Employee's performance of his duties hereunder. In that regard, Employee may serve on the board of directors of up to three unaffiliated corporations of his choice. Except as provided in the preceding sentence, Employee may not serve on the board of directors of any entity other than the Employer during the Term without the approval of the Audit Committee of the Employer's Board of Directors in accordance with the Employer's policies and procedures regarding such service, which approval will not be unreasonably withheld. Employee shall be permitted to retain any compensation received for such service on other corporations' boards of directors.

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

ARTICLE 2: COMPENSATION AND BENEFITS

- 2.1 Employee's base salary during the Term shall be payable at the rate of not less than \$600,000.00 per annum which shall be paid in accordance with the Employer's standard payroll practice for its executives. Employee's base salary may be increased from time to time during the Term in a manner similar to that used to establish the base salary of other members of the Executive Committee of Employer, with the approval

of the Compensation Committee of Employer's Board of Directors. Such increased base salary shall become the minimum base salary under this Agreement and may not be decreased during the Term.

2.2 Employee shall be entitled to receive the bonus earned under the Dresser 1998 Executive Incentive Compensation Plan (the "Dresser EVA Plan") for its fiscal year ended October 31, 1998, based upon the actual level of attainment of Dresser's established performance targets for the period ended October 31, 1998 or, if the actual level of

performance cannot be determined, a reasonable estimate thereof, provided he remains employed by the Employer during the entirety of such period. Such bonus shall be payable by Dresser in a single lump sum payment as soon as practicable following October 31, 1998. For the period November 1, 1998 through December 31, 1998, Employee shall be entitled to a bonus in an amount determined as follows: (i) Employee's base salary shall be multiplied by the same percentage of base salary as used in the calculation of Employee's bonus earned under the Dresser EVA Plan for the period ended October 31, 1998 and (ii) the product thereof shall be multiplied by two-twelfths (2/12). Beginning January 1, 1999 and for the remainder of the Term, Employee shall participate in Employer's Annual Performance Pay Plan, or any successor annual incentive plan approved by the Compensation Committee of Employer's Board of Directors (the "CVA Plan"); provided, however, that if the bonus amount earned by Employee for any plan year during the Term is less than the average of bonus amounts earned by Employee under the Dresser EVA Plan or the predecessor annual incentive plan for the fiscal years ended October 31, 1997 and 1998 (the "Average Dresser Bonus"), Employer shall pay to Employee an additional cash bonus equal to the difference. For plan year 2000, the CVA Plan bonus earned shall be prorated through the last day of the Term and the Average Dresser bonus shall likewise be prorated through such period for the purpose of determining whether or not an additional bonus is payable.

- 2.3 During the Term, Employee shall participate in the Halliburton Company 1993 Stock and Long-Term Incentive Plan, or any successor stock-related plan adopted by Employer's Board of Directors, in the same grant cycle for awards under such plan as the other members of Employer's Executive Committee.
- 2.4 Employer shall, as of the effective time of the Merger, adopt Dresser's Supplemental Executive Retirement Plan, with such amendments thereto as may be necessary or appropriate to reflect the Merger and the applicable provisions of Section 7.09 of the Merger Agreement, and Employee shall continue to participate in such plan in accordance with its terms, as such may be revised.
- 2.5 From and after the Effective Date, Employer shall pay, or reimburse Employee, for all ordinary, reasonable and necessary expenses which Employee incurs in performing his duties under this Agreement including, but not limited to, travel, entertainment, professional dues and subscriptions, and all dues, fees and expenses associated with membership in various professional, business and civic associations and societies of which Employee's participation is in the best interest of Employer.

- 2.6 While employed by Employer, Employee shall be allowed to participate, on the same basis generally as other executive employees of Employer, in all general employee benefit plans and programs, including improvements or modifications of the same, which on the Effective Date or thereafter are made available by Employer to all or substantially all of Employer's executive employees. Such benefits, plans, and programs may include, without limitation, medical, health, and dental care, life insurance, disability protection, and qualified and non-qualified retirement plans. Except as specifically provided herein, nothing in this Agreement is to be construed or interpreted to increase or alter in any way the rights, participation, coverage, or benefits under such benefit plans or programs than provided to executive employees pursuant to the terms and conditions of such benefit plans and programs.
- 2.7 Except for the programs and/or plans provided in Sections 2.1, 2.2 and 2.9 herein, Employer shall not by reason of this Article 2 be obligated to institute, maintain, or refrain from changing, amending, or discontinuing, any incentive compensation or employee benefit program or plan, so long as such actions are similarly applicable to covered employees generally.
- 2.8 Employer may withhold from any compensation, benefits, or amounts payable under this Agreement all federal, state, city, or other taxes as may be required pursuant to any law or governmental regulation or ruling.
- 2.9 Employer has assumed certain obligations with respect to certain plans and programs of Dresser pursuant to Section 7.09 of the Merger Agreement. With respect to Employee, such plans and programs include the following:
- a. Exhibit A hereto sets forth the Dresser stock options and tandem restricted shares held by Employee as of May 12, 1998. Employer acknowledges its obligations to assume the Dresser stock options and the Dresser stock plans as, and to the extent provided, under Section 7.09 of the Merger Agreement and to issue upon exercise of outstanding stock options shares of Employer common stock on a one-to-one ratio (adjusted pursuant to Section 3.01(a) of the Merger Agreement, if applicable) in accordance with the terms of the Dresser stock plans and the underlying stock option agreements. As of the Effective Date, Employee shall continue to be entitled to all his stock option and tandem restricted share rights under outstanding stock options held by Employee prior to the Effective Date.

- b. Employee has 55,109 stock units in Dresser's Deferred Compensation Plan, and Employer hereby recognizes its obligation to perform and pay out such compensation pursuant to the terms of such plan.
- c. Employee is a participant in Dresser's Performance Stock Unit Program for the four (4) year cycles FY 1994 - 1997 and FY 1996 - 1999. Employer hereby recognizes its obligation to pay and perform under such plan pursuant to its terms with such reasonable estimates of the earnings and equity of Dresser for the latter cycle as may be necessitated by the Merger. Employer recognizes that the performance target for the FY 1996-1999 cycle of such plan is average Return on Equity of 15% or greater.
- d. Employee is a participant in Dresser's Executive Life Insurance Program. Employer acknowledges its obligations to maintain such program for the benefit of Employee.
- e. Employee is a participant in Dresser's Supplemental Executive Retirement Plan. Employer hereby acknowledges its obligations under Section 2.4 hereof and its obligations under Section 7.09 of the Merger Agreement to maintain such plan with respect to Employee with the offset under such plan to take into account any employer provided retirement benefits under any plans or programs of Employer or any of its subsidiaries.
- f. Employee is eligible for Dresser's Retiree Medical Benefit Plan and Employer hereby acknowledges its obligations to maintain such plan for the benefit of Employee, except to the extent that any modifications thereto are consistent with changes in the medical plans provided by Employer and its subsidiaries for similarly situated active employees.
- g. Employee is fully vested in the M. W. Kellogg Long-Term Performance Plan and the M. W. Kellogg Retirement Plan. Employer recognizes its obligation to Employee pursuant to these plans.

2.10 Employee shall be eligible to participate in the Halliburton Elective Deferral Plan of Employer.

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

- 3.1 Employee's employment with Employer shall be terminated (i) upon the death of Employee, (ii) upon Employee's permanent disability (permanent disability being defined as Employee's physical or mental incapacity to perform his usual duties as an employee with such condition likely to remain continuously and permanently); provided, however, that in the event of such permanent disability, Employee's employment and full compensation and benefits shall be continued hereunder until the end of the Term, with Employee's compensation during such period being reduced by any Employer-financed disability benefits, (iii) at any time during the Term by Employer upon notice to Employee or by Employee upon sixty (60) days notice to Employer for any or no reason.
- 3.2 If Employee's employment is terminated by reason of a "Voluntary Termination" (as hereinafter defined), the death of Employee, permanent disability of Employee (as defined in Section 3.1) or by the Employer for "Cause" (as hereinafter defined), all future compensation to which Employee is otherwise entitled and all future benefits for which Employee is eligible shall cease and terminate as of the date of termination, except as specifically provided in this Section 3.2 and in Section 3.1(ii). Employee, or his estate in the case of Employee's death, shall be entitled to pro rata base salary through the date of such termination and shall be entitled to any individual bonuses or individual incentive compensation not yet paid but payable under Employer's plans for years prior to the year of Employee's termination of employment, but shall not be entitled to any bonus or incentive compensation for the year in which Employee's employment is terminated or any other payments or benefits by or on behalf of Employer except for those which may be payable pursuant to the terms of Dresser's or Employer's employee benefit plans (as hereinafter defined), stock, stock option, incentive compensation or deferred compensation plans or the applicable agreements underlying such plans. For purposes of this Section 3.2, a "Voluntary Termination" of the employment relationship by Employee prior to expiration of the Term shall be a termination of employment in the sole discretion of and at the election of Employee, other than (i) a termination of Employee's employment because of a material breach by Employer of any material provision of this Agreement which remains uncorrected for thirty (30) days following written notice of such breach by Employee to Employer or (ii) a termination of Employee's employment within six (6) months of a material reduction in Employee's rank or responsibility with Employer. For purposes of this Section 3.2, the term "Cause" shall mean any of (i) Employee's gross negligence or willful misconduct in the performance of the duties and services required of Employee pursuant to this Agreement; (ii) Employee's final conviction of a felony; or (iii) Employee's material breach of any material provision of this Agreement which remains uncorrected for thirty (30) days following written notice to Employee by Employer of such breach.

3.3 If Employee's employment is terminated for any reason other than as described in the first sentence of Section 3.2 above during the Term, Employee shall nevertheless continue to receive his full compensation (base salary and bonus) and benefits under this Agreement for the duration of the Term. The amounts paid pursuant to this Section 3.3 to Employee shall be in consideration of Employee's continuing obligations hereunder after such termination (including, without limitation, Employee's non-competition obligations). Employee shall not be under any duty or obligation to seek or accept other employment following a termination of employment pursuant to which payments under this Section 3.3 are owing and the amounts due Employee pursuant to this Section 3.3 shall not be reduced or suspended if Employee accepts subsequent employment or earns any amounts as a self-employed individual. If Employee should die while receiving compensation and benefits pursuant to this Section 3.3, such compensation and benefits shall be prorated through the date of his death and paid to his estate, but all future compensation and benefits shall cease and terminate as of the date of Employee's death except for those which may be payable pursuant to the terms of Dresser's or Employer's employee benefit plans (as hereinafter defined), stock, stock option, incentive compensation or deferred compensation plans or the applicable agreements underlying such plans. Employee's rights under this Section 3.3 are Employee's sole and exclusive rights against the Employer or its affiliates and the Employer's sole and exclusive liability to Employee under this Agreement, in contract, tort or otherwise, for the termination of his employment relationship with Employer. Employee covenants not to sue or lodge any claim, demand or cause of action against Employer based upon Employee's termination of employment for any monies other than those specified in this Section 3.3. If Employee breaches this covenant, Employer shall be entitled to recover from Employee all sums expended by Employer (including costs and attorneys' fees), in connection with such suit, claim, demand or cause of action. Nothing contained in this Section 3.3 shall be construed to be a waiver by Employee of any benefits accrued for or due Employee under any employee benefit plan (as such term is defined in the Employees' Retirement Income Security Act of 1974, as amended) or any of the benefits, plans or programs provided for in Section 2.09 hereof maintained by Dresser or Employer except that Employee shall not be entitled to any severance benefits pursuant to any severance plan or program of Employer.

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

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

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

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

4.2 Employee acknowledges that the businesses of Employer and its affiliates are highly competitive and that their strategies, methods, books, records, and documents, their technical information concerning their products, equipment, services, and processes, procurement procedures and pricing techniques, the names of and other information (such as credit and financial data) concerning their customers and business affiliates, all comprise confidential business information and trade secrets which are valuable, special, and unique assets which Employer, or its affiliates use in their business to obtain a competitive advantage over their competitors. Employee further acknowledges that protection of such confidential business information and trade secrets against unauthorized disclosure and use is of critical importance to Employer, and its affiliates in maintaining their competitive position. Employee hereby agrees that Employee will not, at any time during or after his employment by Employer, make any unauthorized disclosure of any confidential business information or trade secrets of Employer, or its affiliates, or make any use thereof,

except in the carrying out of his employment responsibilities hereunder. The above notwithstanding, a disclosure shall not be unauthorized if (i) it is required by law or by a court of competent jurisdiction or (ii) it is in connection with any judicial or other legal proceeding in which Employee's legal rights and obligations as an employee or under this Agreement are at issue; provided, however, that Employee shall, to the extent practicable and lawful in any such events, give prior notice to Employer of his intent to disclose any such confidential business information in such context so as to allow Employer an opportunity (which Employee will not oppose) to obtain such protective orders or similar relief with respect thereto as it may deem appropriate.

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

ARTICLE 5: POST-EMPLOYMENT AND NON-COMPETITION OBLIGATIONS

5.1 As part of the consideration for the compensation and benefits to be paid to Employee hereunder, and as an additional incentive for Employer to enter into this Agreement, Employer and Employee agree to the non-competition provisions of this Article 5. Employee agrees that during the period of Employee's non-competition obligations hereunder, Employee will not, directly or indirectly for Employee or for others, in any geographic area or market where Employer or any of their affiliated companies are conducting any business (other than de minimis business operations) as of the date of termination of the employment relationship or have during the previous twelve (12) months conducted any business (other than de minimis business operations):

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

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

These non-competition obligations shall extend until one (1) year after termination of the employment relationship between Employer and Employee. The above notwithstanding, nothing in this Section 5.1 shall prohibit Employee from engaging in or being employed by any entity that engages in the provision of management consulting or other consulting services to third parties, even where such entity on occasion renders advice or services to, or otherwise assists, any other person, association, or entity who is engaged, directly or indirectly, in any business directly competitive with any business conducted by Employer or any of Employer's affiliates, so long as Employee does not personally, directly or indirectly (i) participate in rendering such advice, services or assistance to any such competing person, association or entity, (ii) provide any information or other assistance to any other person employed by Employee or by any such consulting entity for use, directly or indirectly, in rendering such assistance to any competing person, association or entity or (iii) engage in any conduct which would be violative of the provisions of Article 4 hereof.

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

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

ARTICLE 6:

MISCELLANEOUS

- 6.1 For purposes of this Agreement, (i) the terms "affiliates" or "affiliated" means an entity who directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with Employer or in which Employer has a 50% or more equity interest, and (ii) any action or omission permitted to be taken or omitted by Employer hereunder shall only be taken or omitted by Employer upon the express authority of the Board of Directors of Employer or of any Committee of the Board to which authority over such matters may have been delegated.
- 6.2 For purposes of this Agreement, notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly given when received by or tendered to Employee or Employer, as applicable, by prepaid courier or by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:
- If to Employer, Halliburton Company at its corporate headquarters to the attention of the General Counsel of Halliburton Company.
- If to Employee, to his last known personal residence.
- 6.3 This Agreement shall be governed in all respects by the laws of the State of Texas, without regard to any conflict-of-law rule or principle, unless preempted by federal law, in which case federal law shall govern.
- 6.4 No failure by either party hereto at any time to give notice of any breach by the other party of, or to require compliance with, any condition or provision of this Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.
- 6.5 It is a desire and intent of the parties that the terms, provisions, covenants, and remedies contained in this Agreement shall be enforceable to the fullest extent permitted by law. If any such term, provision, covenant, or remedy of this Agreement or the application thereof to any person, association, or entity or circumstances shall, to any extent, be construed to be invalid or unenforceable in whole or in part, then such term, provision, covenant, or remedy shall be construed in a manner so as to permit its enforceability under the applicable law to the fullest extent permitted by law. In any case, the remaining provisions of this Agreement or the application thereof to any person, association, or entity or circumstances other than those to which they have been held invalid or unenforceable, shall remain in full force and effect.

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

6.7 This Agreement replaces and merges any previous agreements and discussions pertaining to the subject matter covered herein. Further, this Agreement specifically replaces and terminates that certain Employee Severance Agreement between Employee and Dresser dated February 25, 1998. This Agreement constitutes the entire agreement of the parties with regard to such subject matter, and contains all of the covenants, promises, representations, warranties, and agreements between the parties with respect to such subject matter. Each party to this Agreement acknowledges that no representation, inducement, promise, or agreement, oral or written, has been made by either party with respect to such subject matter, which is not embodied herein, and that no agreement, statement, or promise relating to the employment of Employee by Employer that is not contained in this Agreement shall be valid or binding. Any modification of this Agreement will be effective only if it is in writing and signed by each party whose rights hereunder are affected thereby, provided that any such modification must be authorized or approved by the Board of Directors of Employer.

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

HALLIBURTON COMPANY

By /s/ Richard B. Cheney

Richard B. Cheney
Chairman of the Board and
Chief Executive Officer

EMPLOYEE

By: /s/ D. C. Vaughn

Name: Donald C. Vaughn

Date: 13 May 1998

AMENDMENT TO
EXECUTIVE EMPLOYMENT AGREEMENT

This Amendment dated as of September 29, 1998 ("Amendment") amends that certain Executive Employment Agreement ("Agreement") entered into by and between Halliburton Company ("Employer") and Donald C. Vaughn ("Employee"). Capitalized terms used herein but not defined shall have the meanings ascribed to them in the Agreement.

1. Section 1.1 of the Agreement is hereby amended to read in its entirety as follows:

"1.1 The term of the Agreement is from the Effective Date through March 31, 2001 (the "Term"). Employer agrees to employ Employee, and Employee agrees to be employed by Employer, subject to the terms and conditions of the Agreement; provided, however, that from the Effective Date through December 31, 1998, Employee shall remain an employee of Dresser while performing his duties hereunder."

2. Section 2.3 of the Agreement is hereby amended by adding the following sentence to the end of such Section:

"As of the Effective Date, Employer shall grant to Employee under such Plan 50,000 shares of Employer's common stock subject to the restriction and other terms and conditions set forth in Exhibit B attached hereto."

3. No amendment, change or supplement of or to the Agreement is intended hereby except for those expressly set forth herein and, as so expressly amended, changed and supplemented, such Agreement shall continue in full force and effect.

IN WITNESS WHEREOF, Employee and Employer have duly executed this Amendment in multiple originals to be effective on the Effective Date.

HALLIBURTON COMPANY

By: /s/ Richard B. Cheney

Richard B. Cheney
Chairman of the Board and
Chief Executive Officer

EMPLOYEE

/s/ D. C. Vaughn

Donald C. Vaughn

Exhibit B to
Executive Employment Agreement
By and Between Donald C. Vaughn
and Halliburton Company

RESTRICTED STOCK AGREEMENT

AGREEMENT made as of the ___ day of _____, 1998, between HALLIBURTON COMPANY, a Delaware corporation (the "Company"), and Donald C. Vaughn ("Employee").

1. Award.

(a) Shares. Pursuant to the Halliburton Company 1993 Stock and Long-Term Incentive Plan (the "Plan"), and the Executive Employment Agreement by and between the Company and Employee, 50,000 shares (the "Restricted Shares") of the Company's common stock, par value \$2.50 per share ("Stock"), shall be issued as hereinafter provided in Employee's name subject to certain restrictions thereon.

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

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

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

(a) Forfeiture Restrictions. The Restricted Shares may not be sold, assigned, pledged, exchanged, hypothecated or otherwise transferred, encumbered or disposed of to the extent then subject to the Forfeiture Restrictions (as hereinafter defined), and in the event of termination of Employee's employment with the Company or employing subsidiary for any reason other than as provided in the last two sentences of subparagraph (b) of this

Paragraph 2, Employee shall, for no consideration, forfeit to the Company all Restricted Shares to the extent then subject to the Forfeiture Restrictions. The prohibition against transfer and the obligation to forfeit and surrender Restricted Shares to the Company upon termination of employment are herein referred to as "Forfeiture Restrictions." The Forfeiture Restrictions shall be binding upon and enforceable against any transferee of Restricted Shares.

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

Lapse Date -----	Percentage of Total Number of Restricted Shares as to Which Forfeiture Restrictions Lapse -----
First Anniversary of the date of this Agreement	10%
Second Anniversary of the date of this Agreement	10%
Third Anniversary of the date of this Agreement	10%
Fourth Anniversary of the date of this Agreement	10%
Fifth Anniversary of the date of this Agreement	10%
Sixth Anniversary of the date of this Agreement	10%
Seventh Anniversary of the date of this Agreement	10%
Eighth Anniversary of the date of this Agreement	10%

Ninth Anniversary of the
date of this Agreement 10%

Tenth Anniversary of the
date of this Agreement 10%

Notwithstanding the foregoing, the Forfeiture Restrictions shall lapse as to all of the Restricted Shares on the earlier of (i) the occurrence of a Corporate Change (as such term is defined in the Plan), (ii) the date Employee's employment with the Company is terminated by reason of death, disability (as determined by the Company or employing subsidiary) or normal retirement on or after age sixty-five or (iii) the date on which Employee shall become entitled to the severance benefits set forth in Section 3.3 of that certain Executive Employment Agreement by and between Employee and the Company. In the event Employee's employment is terminated for any other reason, including retirement prior to age sixty-five with the approval of the Company or employing subsidiary, the Committee which administers the Plan (the "Committee") or its delegate, as appropriate, may, in the Committee's or such delegate's sole discretion, approve the lapse of Forfeiture Restrictions as to any or all Restricted Shares still subject to such restrictions, such lapse to be effective on the date of such approval or Employee's termination date, if later.

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

3. Withholding of Tax. To the extent that the receipt of the Restricted Shares or the lapse of any Forfeiture Restrictions results in income to Employee for federal or state income tax purposes, Employee shall deliver to the Company at the time of such receipt or lapse, as the case may be, such amount of money or shares of unrestricted Stock as the Company may require to meet its withholding obligation under applicable tax laws or regulations, and, if Employee fails to do so, the Company is authorized to withhold from any cash or Stock remuneration then or thereafter payable to Employee any tax required to be withheld by reason of such resulting compensation income.

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

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

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

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

8. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas.

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

HALLIBURTON COMPANY

By: -----
Name: -----
Title: -----

Donald C. Vaughn

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

- +), I do not desire the alternative tax treatment provided for in the Internal Revenue Code Section 83(b).
- .)-
- +) , * I do desire the alternative tax treatment provided for in Internal Revenue Code Section 83(b) and desire that forms for such purpose be forwarded to me.
- .)-

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

Please furnish the following information for shareholder records:

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

United States Citizen: Yes___ No___

PROMPTLY NOTIFY THIS OFFICE OF ANY CHANGE IN ADDRESS.

This schedule contains summary financial information extracted from the Halliburton Company consolidated financial statements for the nine months ended September 30, 1998 and is qualified in its entirety by reference to such financial statements.

1000000	
U.S. Dollars	
9-mos	
Dec-31-1998	
Jan-1-1998	
Sep-30-1998	
1	229
0	3995
0	1437
6297	6967
3995	11642
4700	1285
0	0
0	1114
11642	2934
0	3692
13064	3103
0	9306
0	0
96	138
138	184
(80)	0
0	0
0	(80)
0	(0.18)
0	(0.18)