SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **2012-04-30** | Period of Report: **2012-03-31**
SEC Accession No. 0001193125-12-195408

(HTML Version on secdatabase.com)

FILER

CONOCOPHILLIPS CIK:**1163165**| IRS No.: **010562944** | State of Incorp.:**DE** | Fiscal Year End: **1231** Type: **10-Q** | Act: **34** | File No.: **001-32395** | Film No.: **12794246** SIC: **2911** Petroleum refining	Mailing Address *CONOCOPHILLIPS* *600 NORTH DAIRY* *ASHFORD ROAD* *HOUSTON TX 77079*	Business Address *CONOCOPHILLIPS* *600 NORTH DAIRY* *ASHFORD ROAD* *HOUSTON TX 77079* *2812931000*

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2012

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______ to ______

Commission file number: 001-32395

ConocoPhillips
(Exact name of registrant as specified in its charter)

Delaware	**01-0562944**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

600 North Dairy Ashford, Houston, TX 77079
(Address of principal executive offices) (Zip Code)

281-293-1000
(Registrant' s telephone number, including area code)

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 by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

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

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The registrant had 1,264,556,506 shares of common stock, $.01 par value, outstanding at March 31, 2012.

CONOCOPHILLIPS

TABLE OF CONTENTS

Table of Contents

PART I. FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

Consolidated Income Statement		**ConocoPhillips**
	Millions of Dollars	
	Three Months Ended March 31	
	2012	2011
Revenues and Other Income		
Sales and other operating revenues*	**$56,132**	56,530
Equity in earnings of affiliates	**1,220**	1,017
Gain on dispositions	**942**	616
Other income	**60**	84
Total Revenues and Other Income	**58,354**	58,247
Costs and Expenses		
Purchased crude oil, natural gas and products	**41,889**	42,376
Production and operating expenses	**2,696**	2,628
Selling, general and administrative expenses	**685**	499
Exploration expenses	**679**	176
Depreciation, depletion and amortization	**1,838**	2,070
Impairments	**259**	–
Taxes other than income taxes*	**4,521**	4,364
Accretion on discounted liabilities	**114**	112
Interest and debt expense	**209**	262
Foreign currency transaction (gains) losses	**(11)**	(36)
Total Costs and Expenses	**52,879**	52,451
Income before income taxes	**5,475**	5,796
Provision for income taxes	**2,520**	2,754
Net income	**2,955**	3,042
Less: net income attributable to noncontrolling interests	**(18)**	(14)
Net Income Attributable to ConocoPhillips	**$2,937**	3,028
Net Income Attributable to ConocoPhillips Per Share of Common Stock *(dollars)*		
Basic	**$2.29**	2.11
Diluted	**2.27**	2.09
Dividends Paid Per Share of Common Stock *(dollars)*	**$.66**	.66
Average Common Shares Outstanding *(in thousands)*		
Basic	**1,283,493**	1,432,285
Diluted	**1,293,104**	1,445,477
**Includes excise taxes on petroleum products sales:*	***$3,321***	*3,382*

See Notes to Consolidated Financial Statements.

Consolidated Statement of Comprehensive Income **ConocoPhillips**

	Millions of Dollars	
	Three Months Ended March 31	
	2012	2011
Net Income	**$ 2,955**	3,042
Other comprehensive income		
Defined benefit plans		
Prior service cost arising during the period	**–**	–
Reclassification adjustment for amortization of prior service credit included in net income	**(1)**	–
Net change	**(1)**	–
Net actuarial loss arising during the period	**–**	–
Reclassification adjustment for amortization of prior net losses included in net income	**78**	51
Net change	**78**	51
Nonsponsored plans*	**3**	6
Income taxes on defined benefit plans	**(29)**	(20)
Defined benefit plans, net of tax	**51**	37
Unrealized holding gain on securities**	**–**	8
Reclassification adjustment for gain included in net income	**–**	(255)
Income taxes on unrealized holding gain on securities	**–**	89
Unrealized gain on securities, net of tax	**–**	(158)
Foreign currency translation adjustments	**852**	914
Reclassification adjustment for gain included in net income	**1**	–
Income taxes on foreign currency translation adjustments	**(19)**	(20)
Foreign currency translation adjustments, net of tax	**834**	894
Hedging activities	**1**	1
Income taxes on hedging activities	**–**	–
Hedging activities, net of tax	**1**	1
Other Comprehensive Income, Net of Tax	**886**	774
Comprehensive Income	**3,841**	3,816
Less: comprehensive income attributable to noncontrolling interests	**(18)**	(14)
Comprehensive Income Attributable to ConocoPhillips	**$ 3,823**	3,802

**Plans for which ConocoPhillips is not the primary obligor–primarily those administered by equity affiliates.*

***Available-for-sale securities of LUKOIL.*

See Notes to Consolidated Financial Statements.

Consolidated Balance Sheet **ConocoPhillips**

	Millions of Dollars	
	March 31 2012	December 31 2011
Assets		
Cash and cash equivalents	**$3,707**	5,780
Short-term investments*	**508**	581
Restricted cash	**6,050**	−
Accounts and notes receivable (net of allowance of $52 million in 2012 and $30 million in 2011)	**15,575**	14,648
Accounts and notes receivable−related parties	**1,908**	1,878
Inventories	**6,072**	4,631
Prepaid expenses and other current assets	**3,246**	2,700
Total Current Assets	**37,066**	30,218
Investments and long-term receivables	**33,574**	32,108
Loans and advances−related parties	**1,615**	1,675
Net properties, plants and equipment	**85,559**	84,180
Goodwill	**3,330**	3,332
Intangibles	**742**	745
Other assets	**995**	972
Total Assets	**$162,881**	153,230
Liabilities		
Accounts payable	**$19,637**	17,973
Accounts payable−related parties	**1,913**	1,680
Short-term debt	**7,002**	1,013
Accrued income and other taxes	**4,751**	4,220
Employee benefit obligations	**700**	1,111
Other accruals	**2,427**	2,071
Total Current Liabilities	**36,430**	28,068
Long-term debt	**21,358**	21,610
Asset retirement obligations and accrued environmental costs	**9,073**	9,329
Joint venture acquisition obligation−related party	**3,393**	3,582
Deferred income taxes	**18,709**	18,055
Employee benefit obligations	**4,033**	4,068
Other liabilities and deferred credits	**2,842**	2,784
Total Liabilities	**95,838**	87,496
Equity		
Common stock (2,500,000,000 shares authorized at $.01 par value)		
Issued (2012−1,753,755,416 shares; 2011−1,749,550,587 shares)		
Par value	**18**	17
Capital in excess of par	**44,936**	44,725
Treasury stock (at cost: 2012−489,198,910 shares; 2011−463,880,628 shares)	**(33,678)**	(31,787)
Accumulated other comprehensive income	**3,972**	3,086
Unearned employee compensation	**−**	(11)
Retained earnings	**51,286**	49,194

Total Common Stockholders' Equity	**66,534**	65,224
Noncontrolling interests	**509**	510
Total Equity	**67,043**	65,734
Total Liabilities and Equity	**$162,881**	153,230
**Includes marketable securities of:*	***$ 407***	*232*

See Notes to Consolidated Financial Statements.

Consolidated Statement of Cash Flows **ConocoPhillips**

	Millions of Dollars	
	Three Months Ended March 31	
	2012	2011
Cash Flows From Operating Activities		
Net income	**$ 2,955**	3,042
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation, depletion and amortization	**1,838**	2,070
Impairments	**259**	–
Dry hole costs and leasehold impairments	**518**	50
Accretion on discounted liabilities	**114**	112
Deferred taxes	**258**	87
Undistributed equity earnings	**(423)**	(523)
Gain on dispositions	**(942)**	(616)
Other	**(404)**	(185)
Working capital adjustments		
Decrease (increase) in accounts and notes receivable	**(913)**	(681)
Decrease (increase) in inventories	**(1,402)**	(2,669)
Decrease (increase) in prepaid expenses and other current assets	**(67)**	(546)
Increase (decrease) in accounts payable	**1,859**	1,753
Increase (decrease) in taxes and other accruals	**532**	53
Net Cash Provided by Operating Activities	**4,182**	1,947
Cash Flows From Investing Activities		
Capital expenditures and investments	**(4,260)**	(2,884)
Proceeds from asset dispositions	**1,109**	1,787
Net sales (purchases) of short-term investments	**92**	(1,170)
Long-term advances/loans−related parties	**4**	4
Collection of advances/loans−related parties	**38**	40
Other	**7**	12
Net Cash Used in Investing Activities	**(3,010)**	(2,211)
Cash Flows From Financing Activities		
Issuance of debt	**5,794**	–
Repayment of debt	**(54)**	(373)
Change in restricted cash	**(6,050)**	–
Issuance of company common stock	**36**	75
Repurchase of company common stock	**(1,899)**	(1,636)
Dividends paid on company common stock	**(843)**	(944)
Other	**(254)**	(183)
Net Cash Used in Financing Activities	**(3,270)**	(3,061)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	**25**	43
Net Change in Cash and Cash Equivalents	**(2,073)**	(3,282)
Cash and cash equivalents at beginning of period	**5,780**	9,454

Cash and Cash Equivalents at End of Period	**$ 3,707**	6,172

See Notes to Consolidated Financial Statements.

Note 1−Interim Financial Information

The interim-period financial information presented in the financial statements included in this report is unaudited and includes all known accruals and adjustments, in the opinion of management, necessary for a fair presentation of the consolidated financial position of ConocoPhillips and its results of operations and cash flows for such periods. All such adjustments are of a normal and recurring nature. Certain notes and other information have been condensed or omitted from the interim financial statements included in this report. Therefore, these financial statements should be read in conjunction with the consolidated financial statements and notes included in our 2011 Annual Report on Form 10-K.

Note 2−Variable Interest Entities (VIEs)

We hold variable interests in VIEs that have not been consolidated because we are not considered the primary beneficiary. Information on our significant VIE follows:

We have an agreement with Freeport LNG Development, L.P. (Freeport LNG) to participate in a liquefied natural gas (LNG) receiving terminal in Quintana, Texas. We have no ownership in Freeport LNG; however, we own a 50 percent interest in Freeport LNG GP, Inc. (Freeport GP), which serves as the general partner managing the venture. We entered into a credit agreement with Freeport LNG, whereby we agreed to provide loan financing for the construction of the terminal. We also entered into a long-term agreement with Freeport LNG to use 0.9 billion cubic feet per day of regasification capacity. The terminal became operational in June 2008, and we began making payments under the terminal use agreement. Freeport LNG began making loan repayments in September 2008, and the loan balance outstanding was $602 million at March 31, 2012, and $612 million at December 31, 2011. Freeport LNG is a VIE because Freeport GP holds no equity in Freeport LNG, and the limited partners of Freeport LNG do not have any substantive decision making ability. We performed an analysis of the expected losses and determined we are not the primary beneficiary. This expected loss analysis took into account that the credit support arrangement requires Freeport LNG to maintain sufficient commercial insurance to mitigate any loan losses. The loan to Freeport LNG is accounted for as a financial asset, and our investment in Freeport GP is accounted for as an equity investment.

Note 3−Inventories

Inventories consisted of the following:

	Millions of Dollars	
	March 31 2012	December 31 2011
Crude oil and petroleum products	**$ 5,071**	3,633
Materials, supplies and other	**1,001**	998
	$ 6,072	4,631

Inventories valued on the last-in, first-out (LIFO) basis totaled $4,789 million and $3,387 million at March 31, 2012, and December 31, 2011, respectively. The estimated excess of current replacement cost over LIFO cost of inventories amounted to approximately $9,500 million and $8,400 million at March 31, 2012, and December 31, 2011, respectively.

Note 4−Assets Held for Sale or Sold

In March 2012, we sold our Vietnam Exploration and Production (E&P) business for $1,100 million, including customary working capital adjustments, and recognized a gain of $937 million before-tax, which was included in the "Gain on dispositions" line on the consolidated income statement. The business had a net carrying value of approximately $163 million, which included $352 million of properties, plants and equipment (PP&E), $69 million of asset retirement obligations and $145 million of deferred income taxes.

In January 2012, we entered into an agreement to sell our interest in the Statfjord Field and associated satellites, all of which are located in the North Sea and included in our E&P segment. The sale is expected to be completed in the second quarter of 2012. Accordingly, on our consolidated balance sheet as of March 31, 2012, we reclassified $199 million of PP&E to "Prepaid expenses and other current assets," $446 million of asset retirement obligations to "Other accruals," and $322 million of noncurrent deferred income tax assets as current, based on their held for sale status.

Note 5−Investments, Loans and Long-Term Receivables

Australia Pacific LNG

In January 2012, Australia Pacific LNG (APLNG) and China Petrochemical Corporation (Sinopec) signed an amendment to their existing LNG sales agreement for the sale and purchase of an additional 3.3 million tonnes of LNG per year through 2035. This agreement, in combination with the binding Heads of Agreement with Kansai Electric Power Co. Inc., signed in November 2011, finalizes the marketing of the second train. In conjunction with the LNG sales agreement, the parties have also agreed for Sinopec to subscribe for additional shares in APLNG, which upon completion will raise its equity interest from 15 percent to 25 percent. As a result, both our ownership interest and Origin Energy' s ownership interest would dilute from 42.5 percent to 37.5 percent. The Subscription Agreement is subject to customary governmental approvals and, along with the amendment to the sales agreement, is conditional on a final investment decision on the second train, which is expected in the second quarter of 2012. We expect to record a loss of approximately $135 million after-tax from the dilution in the second quarter of 2012.

Loans and Long-Term Receivables

As part of our normal ongoing business operations and consistent with industry practice, we enter into numerous agreements with other parties to pursue business opportunities. Included in such activity are loans made to certain affiliated and non-affiliated companies. Significant loans to affiliated companies at March 31, 2012, included the following:

- $602 million in loan financing to Freeport LNG.
- $1,131 million in project financing to Qatar Liquefied Gas Company Limited (3) (QG3).

The long-term portion of these loans is included in the "Loans and advances−related parties" line on the consolidated balance sheet, while the short-term portion is in "Accounts and notes receivable−related parties."

Long-term receivables from non-affiliated companies are included in the "Investments and long-term receivables" line on the consolidated balance sheet, while the short-term portion related to non-affiliate loans is in "Accounts and notes receivable."

Other

We have investments remeasured at fair value on a recurring basis to support certain nonqualified deferred compensation plans. The fair value of these assets at March 31, 2012, was $352 million, and at December 31, 2011, was $336 million. The entire value is categorized in Level 1 of the fair value hierarchy. These investments are measured at fair value using a market approach based on quotations from national securities exchanges.

Table of Contents

Merey Sweeny, L.P. (MSLP) owns a delayed coker and related facilities at the Sweeny Refinery. MSLP processes our long residue, which is produced from heavy sour crude oil, for a processing fee. Fuel-grade petroleum coke is produced as a by-product and becomes the property of MSLP. Prior to August 28, 2009, MSLP was owned 50/50 by us and Petróleos de Venezuela S.A. (PDVSA). Under the agreements that govern the relationships between the partners, certain defaults by PDVSA with respect to supply of crude oil to the Sweeny Refinery gave us the right to acquire PDVSA' s 50 percent ownership interest in MSLP, which we exercised on August 28, 2009. PDVSA has initiated arbitration with the International Chamber of Commerce challenging the exercise of the call right and claiming it was invalid. The arbitral tribunal is scheduled to hold hearings on the merits of the dispute in December 2012. We continue to use the equity method of accounting for our investment in MSLP.

Note 6−Properties, Plants and Equipment

Our investment in PP&E, with the associated accumulated depreciation, depletion and amortization (Accum. DD&A), was:

	Millions of Dollars					
	March 31, 2012			December 31, 2011		
	Gross PP&E	Accum. DD&A	Net PP&E	Gross PP&E	Accum. DD&A	Net PP&E
Exploration and Production (E&P)	**$125,827**	**55,990**	**69,837**	124,111	55,565	68,546
Midstream	**134**	**85**	**49**	135	86	49
Refining and Marketing (R&M)	**22,364**	**8,329**	**14,035**	22,096	8,128	13,968
LUKOIL Investment	–	–	–	–	–	–
Chemicals	–	–	–	–	–	–
Emerging Businesses	**1,063**	**240**	**823**	1,023	220	803
Corporate and Other	**1,865**	**1,050**	**815**	1,844	1,030	814
	$151,253	**65,694**	**85,559**	149,209	65,029	84,180

Note 7−Suspended Wells

The capitalized cost of suspended wells at March 31, 2012, was $1,008 million, a decrease of $29 million from $1,037 million at year-end 2011. For the category of exploratory well costs capitalized for a period greater than one year as of December 31, 2011, no wells were charged to dry hole expense during the first three months of 2012.

Table of Contents

Note 8−Impairments

During the three-month periods of 2012 and 2011, we recognized the following before-tax impairment charges:

	Millions of Dollars	
	Three Months Ended March 31	
	2012	2011
E&P		
United States	**$ 2**	−
International	**214**	−
R&M		
United States	**1**	−
International	**42**	−
	$ 259	−

In the first quarter of 2012, we recorded a $213 million property impairment in our E&P segment for the carrying value of capitalized project development costs associated with our Mackenzie Gas Project. Advancement of the project was suspended indefinitely in the first quarter of 2012 due to a continued decline in market conditions and the lack of acceptable commercial terms. In addition, we recorded a $481 million impairment for the undeveloped leasehold costs associated with the project. The leasehold impairment was included in the "Exploration expenses" line on our consolidated income statement. We also recorded a $42 million impairment in our R&M segment related to equipment formerly associated with the canceled Wilhelmshaven Refinery upgrade project.

Note 9−Debt

We have two commercial paper programs supported by our $8.0 billion revolving credit facilities: the ConocoPhillips $6.35 billion program, primarily a funding source for short-term working capital needs, and the ConocoPhillips Qatar Funding Ltd. $1.5 billion commercial paper program, which is used to fund commitments relating to the QG3 Project. Commercial paper maturities are generally limited to 90 days.

At both March 31, 2012, and December 31, 2011, we had no direct outstanding borrowings under our revolving credit facilities, but $26 million in letters of credit had been issued as of March 31, 2012, and $40 million as of December 31, 2011. In addition, under the two commercial paper programs, there was $1,097 million of commercial paper outstanding at March 31, 2012, compared with $1,128 million at December 31, 2011. Since we had $1,097 million of commercial paper outstanding and had issued $26 million of letters of credit, we had access to $6.9 billion in borrowing capacity under our revolving credit facilities at March 31, 2012.

At March 31, 2012, we classified $1,010 million of short-term debt as long-term debt, based on our ability and intent to refinance the obligation on a long-term basis under our revolving credit facilities.

In anticipation of the separation of our downstream businesses into Phillips 66 (see Note 21−Planned Separation of Downstream Businesses, for additional information), in March 2012, Phillips 66 issued, through a private placement, the following Senior Notes. The Notes are fully and unconditionally guaranteed by Phillips 66 Company, a 100 percent owned subsidiary. These Notes are classified as short-term debt on the consolidated balance sheet as, under the terms of the Notes, they must be redeemed within one year unless retained by Phillips 66 in the separation.

$800 million aggregate principal amount at 1.950% due 2015.

$1.5 billion aggregate principal amount at 2.950% due 2017.

$2.0 billion aggregate principal amount at 4.300% due 2022.

$1.5 billion aggregate principal amount at 5.875% due 2042.

As of March 31, 2012, the net proceeds from this offering were deposited in two segregated escrow accounts for the benefit of the holders of the Notes. These funds were restricted as to withdrawal or usage pending a written notice from Phillips 66 to the escrow agents that, among other items, the contribution to Phillips 66 of the downstream business of ConocoPhillips, in connection with the separation from ConocoPhillips, has been consummated in all material respects. Accordingly, these funds, along with approximately $290 million of funds sufficient to pay a mandatory redemption price plus accrued interest to the note holders should the separation not occur, are included in the "Restricted cash" line on our consolidated balance sheet as of March 31, 2012.

Note 10−Joint Venture Acquisition Obligation

We are obligated to contribute $7.5 billion, plus interest, over a 10-year period that began in 2007, to FCCL Partnership. Quarterly principal and interest payments of $237 million began in the second quarter of 2007 and will continue until the balance is paid. Of the principal obligation amount, approximately $742 million was short-term and was included in the "Accounts payable−related parties" line on our March 31, 2012, consolidated balance sheet. The principal portion of these payments, which totaled $180 million in the first three months of 2012, is included in the "Other" line in the financing activities section on our consolidated statement of cash flows. Interest accrues at a fixed annual rate of 5.3 percent on the unpaid principal balance. Fifty percent of the quarterly interest payment is reflected as a capital contribution and is included in the "Capital expenditures and investments" line on our consolidated statement of cash flows.

Table of Contents

Note 11−Noncontrolling Interests

Activity for the equity attributable to noncontrolling interests for the first three months of 2012 and 2011 was as follows:

	Millions of Dollars					
	2012			2011		
	Common Stockholders' Equity	Non-Controlling Interest	Total Equity	Common Stockholders' Equity	Non-Controlling Interest	Total Equity
Balance at January 1	**$ 65,224**	**510**	**65,734**	68,562	547	69,109
Net income	**2,937**	**18**	**2,955**	3,028	14	3,042
Dividends	**(843)**	**−**	**(843)**	(944)	−	(944)
Repurchase of company common stock	**(1,899)**	**−**	**(1,899)**	(1,636)	−	(1,636)
Distributions to noncontrolling interests	**−**	**(19)**	**(19)**	−	(12)	(12)
Other changes, net*	**1,115**	**−**	**1,115**	962	−	962
Balance at March 31	**$ 66,534**	**509**	**67,043**	69,972	549	70,521

**Includes components of other comprehensive income, which are disclosed separately in the Consolidated Statement of Comprehensive Income.*

Note 12−Guarantees

At March 31, 2012, we were liable for certain contingent obligations under various contractual arrangements as described below. We recognize a liability, at inception, for the fair value of our obligation as a guarantor for newly issued or modified guarantees. Unless the carrying amount of the liability is noted below, we have not recognized a liability either because the guarantees were issued prior to December 31, 2002, or because the fair value of the obligation is immaterial. In addition, unless otherwise stated, we are not currently performing with any significance under the guarantee and expect future performance to be either immaterial or have only a remote chance of occurrence.

Guarantees of Joint Venture Debt

At March 31, 2012, we had guarantees outstanding for our portion of joint venture debt obligations, which have terms of up to 24 years. The maximum potential amount of future payments under the guarantees is approximately $120 million. Payment would be required if a joint venture defaults on its debt obligations.

Other Guarantees

In conjunction with our purchase of a 50 percent ownership interest in APLNG from Origin Energy in October 2008, we agreed to participate, if and when requested, in any parent company guarantees that were outstanding at the time we purchased our interest in APLNG. These parent company guarantees cover the obligation of APLNG to deliver natural gas under several sales agreements with remaining terms of 5 to 20 years. Our maximum potential amount of future payments, or cost of volume delivery, under these guarantees is estimated to be $1,288 million ($2,879 million in the event of intentional or reckless breach) at March 2012 exchange rates based on our 42.5 percent share of the remaining contracted volumes, which could become payable if APLNG fails to meet its obligations under these agreements and the obligations cannot otherwise be mitigated. Future payments are considered unlikely, as the payments, or cost of volume delivery, would only be triggered if APLNG does not have enough natural gas to meet these sales commitments and if the co-venturers do not make necessary equity contributions into APLNG. Additionally, we have guaranteed the performance of APLNG with regard to certain contracts executed in connection with APLNG' s issuance of the Train 1 Notice to Proceed. Our maximum potential amount of future payments related to these guarantees is estimated to be $250 million at March 2012 exchange rates based on our 42.5 percent ownership in APLNG.

We have other guarantees with maximum future potential payment amounts totaling $500 million, which consist primarily of guarantees to fund the short-term cash liquidity deficits of certain joint ventures, a guarantee of minimum charter revenue for an LNG vessel, one small construction completion guarantee, guarantees relating to the startup of a refining joint venture, guarantees of the lease payment obligations of a joint venture, guarantees of the residual value of leased corporate aircraft, and guarantees of the performance of a business partner or some of its customers. These guarantees generally extend up to 13 years or life of the venture.

Indemnifications

Over the years, we have entered into various agreements to sell ownership interests in certain corporations, joint ventures and assets that gave rise to qualifying indemnifications. Agreements associated with these sales include indemnifications for taxes, environmental liabilities, permits and licenses, employee claims, real estate indemnity against tenant defaults, and litigation. The terms of these indemnifications vary greatly. The majority of these indemnifications are related to environmental issues, the term is generally indefinite and the maximum amount of future payments is generally unlimited. The carrying amount recorded for these indemnifications at March 31, 2012, was $349 million. We amortize the indemnification liability over the relevant time period, if one exists, based on the facts and circumstances surrounding each type of indemnity. In cases where the indemnification term is indefinite, we will reverse the liability when we have information the liability is essentially relieved or amortize the liability over an appropriate time period as the fair value of our indemnification exposure declines. Although it is reasonably possible future payments may exceed amounts recorded, due to the nature of the indemnifications, it is not possible to make a reasonable estimate of the maximum potential amount of future payments. Included in the recorded carrying amount were $207 million of environmental accruals for known contamination that are included in asset retirement obligations and accrued environmental costs at March 31, 2012. For additional information about environmental liabilities, see Note 13−Contingencies and Commitments.

Note 13−Contingencies and Commitments

A number of lawsuits involving a variety of claims have been made against ConocoPhillips that arise in the ordinary course of business. We also may be required to remove or mitigate the effects on the environment of the placement, storage, disposal or release of certain chemical, mineral and petroleum substances at various active and inactive sites. We regularly assess the need for accounting recognition or disclosure of these contingencies. In the case of all known contingencies (other than those related to income taxes), we accrue a liability when the loss is probable and the amount is reasonably estimable. If a range of amounts can be reasonably estimated and no amount within the range is a better estimate than any other amount, then the minimum of the range is accrued. We do not reduce these liabilities for potential insurance or third-party recoveries. If applicable, we accrue receivables for probable insurance or other third-party recoveries. In the case of income-tax-related contingencies, we use a cumulative probability-weighted loss accrual in cases where sustaining a tax position is less than certain.

Based on currently available information, we believe it is remote that future costs related to known contingent liability exposures will exceed current accruals by an amount that would have a material adverse impact on our consolidated financial statements. As we learn new facts concerning contingencies, we reassess our position both with respect to accrued liabilities and other potential exposures. Estimates particularly sensitive to future changes include contingent liabilities recorded for environmental remediation, tax and legal matters. Estimated future environmental remediation costs are subject to change due to such factors as the uncertain magnitude of cleanup costs, the unknown time and extent of such remedial actions that may be required, and the determination of our liability in proportion to that of other responsible parties. Estimated future costs related to tax and legal matters are subject to change as events evolve and as additional information becomes available during the administrative and litigation processes.

Environmental

We are subject to international, federal, state and local environmental laws and regulations. When we prepare our consolidated financial statements, we record accruals for environmental liabilities based on management' s best estimates, using all information that is available at the time. We measure estimates and base liabilities on currently available facts, existing technology, and presently enacted laws and regulations, taking into account stakeholder and business considerations. When measuring environmental liabilities, we also consider our prior experience in remediation of contaminated sites, other companies' cleanup experience, and data released by the U.S. Environmental Protection Agency (EPA) or other organizations. We consider unasserted claims in our determination of environmental liabilities, and we accrue them in the period they are both probable and reasonably estimable.

Although liability of those potentially responsible for environmental remediation costs is generally joint and several for federal sites and frequently so for state sites, we are usually only one of many companies cited at a particular site. Due to the joint and several liabilities, we could be responsible for all cleanup costs related to any site at which we have been designated as a potentially responsible party. We have been successful to date in sharing cleanup costs with other financially sound companies. Many of the sites at which we are potentially responsible are still under investigation by the EPA or the state agencies concerned. Prior to actual cleanup, those potentially responsible normally assess the site conditions, apportion responsibility and determine the appropriate remediation. In some instances, we may have no liability or may attain a settlement of liability. Where it appears that other potentially responsible parties may be financially unable to bear their proportional share, we consider this inability in estimating our potential liability, and we adjust our accruals accordingly. As a result of various acquisitions in the past, we assumed certain environmental obligations. Some of these environmental obligations are mitigated by indemnifications made by others for our benefit and some of the indemnifications are subject to dollar and time limits.

We are currently participating in environmental assessments and cleanups at numerous federal Superfund and comparable state sites. After an assessment of environmental exposures for cleanup and other costs, we make accruals on an undiscounted basis (except in respect of sites acquired in a purchase business combination, which we record on a discounted basis) for planned investigation and remediation activities for sites where it is probable future costs will be incurred and these costs can be reasonably estimated. At March 31, 2012, our balance sheet included a total environmental accrual of $920 million, compared with $922 million at December 31, 2011. We expect to incur a substantial amount of these expenditures within the next 30 years. We have not reduced these accruals for possible insurance recoveries. In the future, we may be involved in additional environmental assessments, cleanups and proceedings.

Legal Proceedings

Our legal organization applies its knowledge, experience and professional judgment to the specific characteristics of our cases, employing a litigation management process to manage and monitor the legal proceedings against us. Our process facilitates the early evaluation and quantification of potential exposures in individual cases. This process also enables us to track those cases that have been scheduled for trial and/or mediation. Based on professional judgment and experience in using these litigation management tools and available information about current developments in all our cases, our legal organization regularly assesses the adequacy of current accruals and determines if adjustment of existing accruals, or establishment of new accruals, are required.

Other Contingencies

We have contingent liabilities resulting from throughput agreements with pipeline and processing companies not associated with financing arrangements. Under these agreements, we may be required to provide any such company with additional funds through advances and penalties for fees related to throughput capacity not utilized. In addition, at March 31, 2012, we had performance obligations secured by letters of credit of $2,551 million (of which $26 million was issued under the provisions of our revolving credit facility, and the remainder was issued as direct bank letters of credit) related to various purchase commitments for materials, supplies, services and items of permanent investment incident to the ordinary conduct of business.

In 2007, we announced we had been unable to reach agreement with respect to our migration to an *empresa mixta* structure mandated by the Venezuelan government' s Nationalization Decree. As a result, Venezuela' s national oil company, PDVSA, or its affiliates, directly assumed control over ConocoPhillips' interests in the Petrozuata and Hamaca heavy oil ventures and the offshore Corocoro development project. In response to this expropriation, we filed a request for international arbitration on November 2, 2007, with the World Bank' s International Centre for Settlement of Investment Disputes (ICSID). An arbitration hearing was held before an ICSID tribunal during the summer of 2010, and we are currently awaiting an interim decision on key legal and factual issues. A different arbitration hearing was held in January 2012 with the International Chamber of Commerce on ConocoPhillips' separate claims against PDVSA for certain breaches of their Association Agreements prior to the expropriation.

In 2008, Burlington Resources, Inc., a wholly owned subsidiary of ConocoPhillips, initiated arbitration before ICSID against The Republic of Ecuador, as a result of the newly enacted Windfall Profits Tax Law and government-mandated renegotiation of our production sharing contracts. Despite a restraining order issued by ICSID, Ecuador confiscated the crude oil production of Burlington and its co-venturer and sold the illegally seized crude oil. In 2009, Ecuador took over operations in Blocks 7 and 21, fully expropriating our assets. In June 2010, the ICSID tribunal concluded it has jurisdiction to hear the expropriation claim. An arbitration hearing on case merits occurred in March 2011, and we are awaiting a decision. On September 30, 2011, Ecuador filed a supplemental counterclaim asserting environmental damages, which we believe will not be material. The arbitration process is ongoing.

Note 14−Financial Instruments and Derivative Contracts

Financial Instruments

We invest excess cash in financial instruments with maturities based on our cash forecasts for the various currency pools we manage. The maturities of these investments may from time to time extend beyond 90 days. The types of financial instruments in which we currently invest include:

Time Deposits: Interest bearing deposits placed with approved financial institutions.

Commercial Paper: Unsecured promissory notes issued by a corporation, commercial bank, or government agency purchased at a discount, maturing at par.

Government or government agency obligations: Negotiable debt obligations issued by a government or government agency.

Table of Contents

These financial instruments appear in the "Cash and cash equivalents" line on our consolidated balance sheet if the maturities at the time we made the investments were 90 days or less; otherwise, these held-to-maturity investments are included in the "Short-term investments" line. We held the following financial instruments:

	Millions of Dollars			
	Carrying Amount			
	Cash & Cash Equivalents		Short-Term Investments*	
	March 31 2012	December 31 2011	**March 31 2012**	December 31 2011
Cash	**$ 1,066**	1,169	–	–
Time Deposits				
Remaining maturities from 1 to 90 days	**2,209**	4,318	**101**	349
Remaining maturities from 91 to 180 days	–	–	–	–
Commercial Paper				
Remaining maturities from 1 to 90 days	**96**	293	**407**	232
Remaining maturities from 91 to 180 days	–	–	–	–
Government Obligations				
Remaining maturities from 1 to 90 days	**336**	–	–	–
Remaining maturities from 91 to 180 days	–	–	–	–
	$ 3,707	5,780	**508**	581

**Carrying value approximates fair value.*

At March 31, 2012, we had $6,050 million of financial instruments designated as "Restricted cash" on our consolidated balance sheet, which represented the net funds received from a private bond offering by Phillips 66 issued in connection with its planned separation from ConocoPhillips, along with approximately $290 million of funds sufficient to pay a mandatory redemption price plus accrued interest to the note holders should the separation not occur. These amounts were deposited into two segregated escrow accounts for the benefit of the note holders and were restricted as to withdrawal and usage. At March 31, 2012, the funds in the escrow accounts were invested in U.S. Treasury Bills ($5,920 million) and U.S. Treasury Notes ($130 million), all with maturities within 30 days from March 31, 2012. For additional information, see Note 9−Debt.

Derivative Instruments

We use financial and commodity-based derivative contracts to manage exposures to fluctuations in foreign currency exchange rates, commodity prices, and interest rates, or to capture market opportunities. Since we are not currently using cash flow hedge accounting, all gains and losses, realized or unrealized, from derivative contracts have been recognized in the consolidated income statement. Gains and losses from derivative contracts held for trading not directly related to our physical business, whether realized or unrealized, have been reported net in other income.

Purchase and sales contracts with fixed minimum notional volumes for commodities that are readily convertible to cash (e.g., crude oil, natural gas and gasoline) are recorded on the balance sheet as derivatives unless the contracts are eligible for and we elect the normal purchases and normal sales exception (i.e., contracts to purchase or sell quantities we expect to use or sell over a reasonable period in the normal course of business). We record most of our contracts to buy or sell natural gas and the majority of our contracts to sell power as derivatives, but we do apply the normal purchases and normal sales exception to certain long-term contracts to sell our natural gas production. We generally apply this normal purchases and normal sales exception to eligible crude oil and refined product commodity purchase and sales contracts; however, we may elect not to apply this exception (e.g., when another derivative instrument will be used to mitigate the risk of the purchase or sales contract but hedge accounting will not be applied, in which case both the purchase or sales contract and the derivative contract mitigating the resulting risk will be recorded on the balance sheet at fair value).

We value our exchange-traded derivatives using closing prices provided by the exchange as of the balance sheet date, and these are classified as Level 1 in the fair value hierarchy. Where exchange-provided prices are adjusted, non-exchange quotes are used, or when the instrument lacks sufficient liquidity, we generally classify those exchange-cleared contracts as Level 2. Over-the-counter (OTC) financial swaps and physical commodity forward purchase and sales contracts are generally valued using quotations provided by brokers and price index developers, such as Platts and Oil Price Information Service. These quotes are corroborated with market data and are classified as Level 2. In certain less liquid markets or for longer-term contracts, forward prices are not as readily available. In these circumstances, OTC swaps and physical commodity purchase and sales contracts are valued using internally developed methodologies that consider historical relationships among various commodities that result in management' s best estimate of fair value. These contracts are classified as Level 3. A contract that is initially classified as Level 3 due to absence or insufficient corroboration of broker quotes over a material portion of the contract will transfer to Level 2 when the portion of the trade having no quotes or insufficient corroboration becomes an insignificant portion of the contract. A contract would also transfer to Level 2 if we began using a corroborated broker quote that has become available. Conversely, if a corroborated broker quote ceases to be available or used by us, the contract would transfer from Level 2 to Level 3. There were no material transfers in or out of Level 1.

Financial OTC and physical commodity options are valued using industry-standard models that consider various assumptions, including quoted forward prices for commodities, time value, volatility factors, and contractual prices for the underlying instruments, as well as other relevant economic measures. The degree to which these inputs are observable in the forward markets determines whether the options are classified as Level 2 or 3.

We use a mid-market pricing convention (the mid-point between bid and ask prices). When appropriate, valuations are adjusted to reflect credit considerations, generally based on available market evidence.

The fair value hierarchy for our derivative assets and liabilities accounted for at fair value on a recurring basis was:

	Millions of Dollars							
	March 31, 2012				December 31, 2011			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Commodity derivatives	**$3,344**	**2,009**	**66**	**5,419**	2,807	1,947	72	4,826
Interest rate derivatives	–	**27**	–	**27**	–	31	–	31
Foreign currency exchange derivatives	–	**22**	–	**22**	–	13	–	13
Total assets	**3,344**	**2,058**	**66**	**5,468**	2,807	1,991	72	4,870
Liabilities								
Commodity derivatives	**3,620**	**1,826**	**6**	**5,452**	2,970	1,722	10	4,702
Foreign currency exchange derivatives	–	**7**	–	**7**	–	23	–	23
Total liabilities	**3,620**	**1,833**	**6**	**5,459**	2,970	1,745	10	4,725
Net assets (liabilities)	**$(276)**	**225**	**60**	**9**	(163)	246	62	145

The derivative values above are based on analysis of each contract as the fundamental unit of account; therefore, derivative assets and liabilities with the same counterparty are not reflected net where the right of setoff exists. Gains or losses from contracts in one level may be offset by gains or losses on contracts in another level or by changes in values of physical contracts or positions that are not reflected in the table above.

As reflected in the table above, Level 3 activity was not material.

Table of Contents

Commodity Derivative Contracts−We operate in the worldwide crude oil, bitumen, refined product, natural gas, LNG, natural gas liquids and electric power markets and are exposed to fluctuations in the prices for these commodities. These fluctuations can affect our revenues, as well as the cost of operating, investing and financing activities. Generally, our policy is to remain exposed to the market prices of commodities; however, we use futures, forwards, swaps and options in various markets to balance physical systems, meet customer needs, manage price exposures on specific transactions, and do a limited, immaterial amount of trading not directly related to our physical business. We also use the market knowledge gained from these activities to capture market opportunities such as moving physical commodities to more profitable locations, storing commodities to capture seasonal or time premiums, and blending commodities to capture quality upgrades. Derivatives may be used to optimize these activities which may move our risk profile away from market average prices.

The fair value of commodity derivative assets and liabilities and the line items where they appear on our consolidated balance sheet were:

	Millions of Dollars	
	March 31 2012	December 31 2011
Assets		
Prepaid expenses and other current assets	**$ 5,048**	4,433
Other assets	**399**	415
Liabilities		
Other accruals	**5,047**	4,350
Other liabilities and deferred credits	**433**	374

Hedge accounting has not been used for any item in the table. The amounts shown are presented gross (i.e., without netting assets and liabilities with the same counterparty where the right of setoff exists).

The gains (losses) from commodity derivatives incurred, and the line items where they appear on our consolidated income statement were:

	Millions of Dollars	
	Three Months Ended March 31	
	2012	2011
Sales and other operating revenues*	**$ (726)**	(1,027)
Other income	**2**	(7)
Purchased crude oil, natural gas and products*	**576**	321

Hedgeaccounting has not been used for any items in the table.

** 2011 has been restated to eliminate certain non-derivative transactions and realign certain derivative transactions between sales and purchases.*

The table below summarizes our material net exposures resulting from outstanding commodity derivative contracts. These financial and physical derivative contracts are primarily used to manage price exposure on our underlying operations. The underlying exposures may be from non-derivative positions such as inventory volumes or firm natural gas transport contracts. Financial derivative contracts may also offset physical derivative contracts, such as forward sales contracts.

	Open Position Long / (Short)	
	March 31 2012	December 31 2011
Commodity		
Crude oil, refined products and natural gas liquids (millions of barrels)	**(23)**	(13)
Natural gas and power (billions of cubic feet equivalent)		
Fixed price	**(20)**	(57)
Basis	**50**	(25)

Interest Rate Derivative Contracts−During the second quarter of 2010, we executed interest rate swaps to synthetically convert $500 million of our 4.60% fixed-rate notes due in 2015 to a London Interbank Offered Rate (LIBOR)-based floating rate. These swaps qualify for and are designated as fair-value hedges using the short-cut method of hedge accounting. The short-cut method permits the assumption that changes in the value of the derivative perfectly offset changes in the value of the debt; therefore, no gain or loss has been recognized due to hedge ineffectiveness.

The adjustments to the fair values of the interest rate swaps and hedged debt have not been material.

Foreign Currency Exchange Derivatives−We have foreign currency exchange rate risk resulting from international operations. We do not comprehensively hedge the exposure to movements in currency exchange rates, although we may choose to selectively hedge certain foreign currency exchange rate exposures, such as firm commitments for capital projects or local currency tax payments, dividends, and cash returns from net investments in foreign affiliates to be remitted within the coming year.

The fair value of foreign currency exchange derivative assets and liabilities, and the line items where they appear on our consolidated balance sheet were:

	Millions of Dollars	
	March 31 2012	December 31 2011
Assets		
Prepaid expenses and other current assets	**$ 21**	12
Other assets	**1**	1
Liabilities		
Other accruals	**6**	23
Other liabilities and deferred credits	**1**	−

Hedgeaccounting has not been used for any item in the table. The amounts shown are presented gross.

Table of Contents

Gains and losses from foreign currency exchange derivatives, and the line item where they appear on our consolidated income statement were:

	Millions of Dollars	
	Three Months Ended March 31	
	2012	2011
Foreign exchange transaction (gains) losses	**$ (66)**	3

Hedgeaccounting has not been used for any item in the table.

We had the following net notional position of outstanding foreign currency exchange derivatives:

		In Millions Notional Currency(1)	
		March 31 2012	December 31 2011
Foreign Currency Exchange Derivatives			
Sell U.S. dollar, buy other currencies(2)	USD	**2,064**	1,949
Buy British pound, sell Canadian dollar	GBP	**94**	–
Buy euro, sell other currencies(3)	EUR	**154**	–
Sell euro, buy other currencies(4)	EUR	–	61

(1) Denominated in U.S. dollar, British pound and euro.

(2) Primarily euro, Canadian dollar, Norwegian krone and British pound.

(3) Primarily Canadian dollar and British pound.

(4) Primarily Canadian dollar and Norwegian krone.

Credit Risk

Financial instruments potentially exposed to concentrations of credit risk consist primarily of cash equivalents, OTC derivative contracts and trade receivables. Our cash equivalents and short-term investments are placed in high-quality commercial paper, money market funds, government debt securities and time deposits with major international banks and financial institutions.

The credit risk from our OTC derivative contracts, such as forwards and swaps, derives from the counterparty to the transaction. Individual counterparty exposure is managed within predetermined credit limits and includes the use of cash-call margins when appropriate, thereby reducing the risk of significant nonperformance. We also use futures, swaps and option contracts that have a negligible credit risk because these trades are cleared with an exchange clearinghouse and subject to mandatory margin requirements until settled; however, we are exposed to the credit risk of those exchange brokers for receivables arising from daily margin cash calls, as well as for cash deposited to meet initial margin requirements.

Our trade receivables result primarily from our petroleum operations and reflect a broad national and international customer base, which limits our exposure to concentrations of credit risk. The majority of these receivables have payment terms of 30 days or less, and we continually monitor this exposure and the creditworthiness of the counterparties. We do not generally require collateral to limit the exposure to loss; however, we will sometimes use letters of credit, prepayments, and master netting arrangements to mitigate credit risk with counterparties that both buy from and sell to us, as these agreements permit the amounts owed by us or owed to others to be offset against amounts due us.

Certain of our derivative instruments contain provisions that require us to post collateral if the derivative exposure exceeds a threshold amount. We have contracts with fixed threshold amounts and other contracts with variable threshold amounts that are contingent on our credit rating. The variable threshold amounts typically decline for lower credit ratings, while both the variable and fixed threshold amounts typically revert to zero if we fall below investment grade. Cash is the primary collateral in all contracts; however, many also permit us to post letters of credit as collateral.

The aggregate fair value of all derivative instruments with such credit-risk-related contingent features that were in a liability position on March 31, 2012, and December 31, 2011, was $249 million and $237 million, respectively, for which collateral of $4 million and $3 million, respectively, was posted. If our credit rating were lowered one level from its "A" rating (per Standard and Poor' s) on March 31, 2012, we would be required to post no additional collateral to our counterparties. If we were downgraded below investment grade, we would be required to post $245 million of additional collateral, either with cash or letters of credit.

Fair Values of Financial Instruments

We used the following methods and assumptions to estimate the fair value of financial instruments:

Cash, cash equivalents, restricted cash and short-term investments: The carrying amount reported on the balance sheet approximates fair value.

Accounts and notes receivable: The carrying amount reported on the balance sheet approximates fair value.

Debt: The carrying amount of our floating-rate debt approximates fair value. The fair value of the fixed-rate debt is estimated based on quoted market prices as a Level 2 fair value.

Fixed-rate 5.3 percent joint venture acquisition obligation: Fair value is estimated based on the net present value of the future cash flows as a Level 2 fair value, discounted at March 31, 2012, and December 31, 2011, effective yield rates of 0.97 percent and 1.24 percent, respectively, based on yields of U.S. Treasury securities of similar average duration adjusted for our average credit risk spread and the amortizing nature of the obligation principal. See Note 10−Joint Venture Acquisition Obligation, for additional information.

Commodity swaps: Fair value is estimated based on forward market prices and approximates the exit price at period end. When forward market prices are not available, fair value is estimated using the forward prices of a similar commodity with adjustments for differences in quality or location.

Futures: Fair values are based on quoted market prices obtained from the New York Mercantile Exchange, the IntercontinentalExchange (ICE) Futures, or other traded exchanges.

Interest rate swap contracts: Fair value is estimated based on a pricing model and market observable interest rate swap curves obtained from a third-party market data provider.

Forward-exchange contracts: Fair values are estimated by comparing the contract rate to the forward rates in effect at the end of the respective reporting periods, and approximate the exit prices at those dates.

Our commodity derivative and financial instruments were:

	Millions of Dollars			
	Carrying Amount		Fair Value	
	March 31 2012	December 31 2011	**March 31 2012**	December 31 2011
Financial Assets				
Foreign currency exchange derivatives	**$ 22**	13	**22**	13
Interest rate derivatives	**27**	31	**27**	31
Commodity derivatives	**781**	814	**781**	814
Financial Liabilities				
Total debt, excluding capital leases	**28,331**	22,592	**32,496**	27,065
Joint venture acquisition obligation	**4,135**	4,314	**4,627**	4,820
Foreign currency exchange derivatives	**7**	23	**7**	23
Commodity derivatives	**444**	446	**444**	446

The amounts shown for derivatives in the preceding table are presented net (i.e., assets and liabilities with the same counterparty are netted where the right of setoff and intent to net exist). In addition, the March 31, 2012, commodity derivative assets and liabilities appear net of $21 million of obligations to return cash collateral and $391 million of rights to reclaim cash collateral, respectively. The December 31, 2011, commodity derivative assets and liabilities appear net of no obligations to return cash collateral and $244 million of rights to reclaim cash collateral. No collateral was deposited or held for the foreign currency derivatives or interest rate derivatives.

Note 15−Accumulated Other Comprehensive Income

Accumulated other comprehensive income in the equity section of the balance sheet included:

	Millions of Dollars				
	Defined Benefit Plans	Net Unrealized Gain on Securities	Foreign Currency Translation	Hedging	Accumulated Other Comprehensive Income
December 31, 2011	$ (1,971)	−	5,063	(6)	3,086
Other comprehensive income	**51**	−	**834**	**1**	**886**
March 31, 2012	**$ (1,920)**	−	**5,897**	**(5)**	**3,972**

Table of Contents

Note 16−Cash Flow Information

	Millions of Dollars	
	Three Months Ended March 31	
	2012	2011
Cash Payments		
Interest	**$ 291**	286
Income taxes	**1,462**	2,722
Net Sales (Purchases) of Short-Term Investments		
Short-term investments purchased	**$ (497)**	(2,101)
Short-term investments sold	**589**	931
	$ 92	(1,170)

Note 17−Employee Benefit Plans

Pension and Postretirement Plans

	Millions of Dollars					
	Pension Benefits				Other Benefits	
	March 31				March 31	
	2012		2011		**2012**	**2011**
Three Months Ended	**U.S.**	**Int' l.**	U.S.	Int' l.		
Components of Net Periodic Benefit Cost						
Service cost	**$58**	**28**	64	24	**2**	3
Interest cost	**63**	**43**	62	44	**10**	10
Expected return on plan assets	**(74)**	**(43)**	(70)	(43)	**−**	−
Amortization of prior service cost (credit)	**2**	**(2)**	2	−	**(1)**	(2)
Recognized net actuarial loss (gain)	**59**	**18**	41	11	**(1)**	(1)
Net periodic benefit cost	**$108**	**44**	99	36	**10**	10

During the first three months of 2012, we contributed $114 million to our domestic benefit plans and $56 million to our international benefit plans.

[Table of Contents](#)

Note 18−Related Party Transactions

Significant transactions with related parties were:

	Millions of Dollars	
	Three Months Ended March 31	
	2012	2011
Operating revenues and other income (a)	**$ 1,991**	1,816
Purchases (b)	**5,088**	4,354
Operating expenses and selling, general and administrative expenses (c)	**67**	105
Net interest expense (d)	**14**	19

(a) We sold natural gas to DCP Midstream, LLC and crude oil to the Malaysian Refining Company Sdn. Bhd. (MRC), among others, for processing and marketing. Natural gas liquids, solvents and petrochemical feedstocks were sold to Chevron Phillips Chemical Company LLC (CPChem), and gas oil and hydrogen feedstocks were sold to Excel Paralubes. Natural gas, crude oil, blendstock and other intermediate products were sold to WRB Refining LP. In addition, we charged several of our affiliates, including CPChem and MSLP, for the use of common facilities, such as steam generators, waste and water treaters, and warehouse facilities.

(b) We purchased refined products from WRB. We purchased natural gas and natural gas liquids from DCP Midstream and CPChem for use in our refinery processes and other feedstocks from various affiliates. We purchased refined products from MRC. We also paid fees to various pipeline equity companies for transporting finished refined products and natural gas, as well as a price upgrade to MSLP for heavy crude processing. We purchased base oils and fuel products from Excel Paralubes for use in our refinery and specialty businesses.

(c) We paid processing fees to various affiliates. Additionally, we paid transportation fees to pipeline equity companies.

(d) We paid and/or received interest to/from various affiliates, including FCCL Partnership. See Note 5−Investments, Loans and Long-Term Receivables, for additional information on loans to affiliated companies.

[Table of Contents](#)

Note 19−Segment Disclosures and Related Information

We have organized our reporting structure based on the grouping of similar products and services, resulting in six operating segments:

1) **E&P**−This segment primarily explores for, produces, transports and markets crude oil, bitumen, natural gas, LNG and natural gas liquids on a worldwide basis.

2) **Midstream**−This segment gathers, processes and markets natural gas produced by ConocoPhillips and others, and fractionates and markets natural gas liquids, predominantly in the United States and Trinidad. The Midstream segment primarily consists of our 50 percent equity investment in DCP Midstream.

3) **R&M**−This segment purchases, refines, markets and transports crude oil and petroleum products, mainly in the United States, Europe and Asia.

4) **LUKOIL Investment**−This segment represents our prior investment in the ordinary shares of OAO LUKOIL, an international, integrated oil and gas company headquartered in Russia. We completed the divestiture of our entire interest in LUKOIL in the first quarter of 2011.

5) **Chemicals**−This segment manufactures and markets petrochemicals and plastics on a worldwide basis. The Chemicals segment consists of our 50 percent equity investment in CPChem.

6) **Emerging Businesses**−This segment represents our investment in new technologies or businesses outside our normal scope of operations.

Corporate and Other includes general corporate overhead, most interest expense and various other corporate activities. Corporate assets include all cash and cash equivalents, short-term investments and restricted cash.

We evaluate performance and allocate resources based on net income attributable to ConocoPhillips. Intersegment sales are at prices that approximate market.

[Table of Contents](#)

Analysis of Results by Operating Segment

	Millions of Dollars	
	Three Months Ended March 31	
	2012	2011
Sales and Other Operating Revenues		
E&P		
United States	**$7,514**	7,755
International	**7,221**	7,920
Intersegment eliminations–U.S.	**(2,028)**	(1,688)
Intersegment eliminations–international	**(2,192)**	(2,067)
E&P	**10,515**	11,920
Midstream		
Total sales	**2,027**	2,328
Intersegment eliminations	**(114)**	(156)
Midstream	**1,913**	2,172
R&M		
United States	**29,445**	29,953
International	**14,468**	12,744
Intersegment eliminations–U.S.	**(231)**	(265)
Intersegment eliminations–international	**(13)**	(13)
R&M	**43,669**	42,419
LUKOIL Investment	**–**	–
Chemicals	**3**	3
Emerging Businesses		
Total sales	**208**	156
Intersegment eliminations	**(182)**	(145)
Emerging Businesses	**26**	11
Corporate and Other	**6**	5
Consolidated sales and other operating revenues	**$56,132**	56,530
Net Income Attributable to ConocoPhillips		
E&P		
United States	**$870**	863
International	**1,678**	1,489
Total E&P	**2,548**	2,352
Midstream	**93**	73
R&M		
United States	**415**	402
International	**37**	80
Total R&M	**452**	482
LUKOIL Investment	**–**	239
Chemicals	**218**	193
Emerging Businesses	**(14)**	(7)
Corporate and Other	**(360)**	(304)

Net income attributable to ConocoPhillips	**$2,937**	3,028

	Millions of Dollars	
	March 31 2012	December 31 2011
Total Assets		
E&P		
United States	**$37,505**	37,150
International	**66,854**	64,752
Total E&P	**104,359**	101,902
Midstream	**1,981**	2,338
R&M		
United States	**26,073**	24,976
International	**10,600**	8,061
Goodwill	**3,330**	3,332
Total R&M	**40,003**	36,369
LUKOIL Investment	**–**	–
Chemicals	**3,312**	2,999
Emerging Businesses	**1,033**	974
Corporate and Other	**12,193**	8,648
Consolidated total assets	**$162,881**	153,230

Note 20−Income Taxes

Our effective tax rates for the first quarter of 2012 and 2011 were 46 percent and 48 percent, respectively. The change in the effective tax rate for the first quarter of 2012, versus the same period of 2011, was due to asset dispositions in 2012, offset in part by a higher proportion of income in higher tax rate jurisdictions and asset impairments in 2012. The effective tax rate in excess of the domestic federal statutory rate of 35 percent was primarily due to foreign taxes.

Note 21−Planned Separation of Downstream Businesses

On April 4, 2012, our Board of Directors approved the separation of our downstream businesses into a stand-alone, publicly traded corporation via a tax-free distribution. The new downstream company, Phillips 66, will be headquartered in Houston, Texas, and will include our refining, marketing and transportation businesses, most of our Midstream segment, our Chemicals segment, as well as our power generation and certain technology operations included in our Emerging Businesses segment.

In accordance with a separation and distribution agreement, the two companies will be separated through a stock dividend distribution after the market closes on April 30, 2012. Each ConocoPhillips shareholder will receive one share of Phillips 66 stock for every two shares of ConocoPhillips stock held at the close of business on the record date of April 16, 2012. Fractional shares of Phillips 66 common stock will not be distributed, and any fractional shares of Phillips 66 common stock otherwise issuable to a ConocoPhillips shareholder will be sold in the open market on such shareholder' s behalf, and such shareholder will receive cash payment with respect to that fractional share.

In conjunction with the separation, we received a private letter ruling from the Internal Revenue Service to the effect that, based on certain facts, assumptions, representations and undertakings set forth in the ruling, for U.S. federal income tax purposes, the distribution of Phillips 66 stock is not taxable to ConocoPhillips or U.S. holders of ConocoPhillips common stock, except in respect of cash received in lieu of fractional share interests. Following the separation, ConocoPhillips will retain no ownership interest in Phillips 66, and each company will have separate public ownership, boards of directors and management. A registration statement on Form 10, as amended through the time of its effectiveness and describing the separation, was filed by Phillips 66 with the U.S. Securities and Exchange Commission and was declared effective on April 12, 2012. On May 1, 2012, Phillips 66 stock will begin trading the "regular-way" on the New York Stock Exchange under the "PSX" stock symbol.

Note 22−Subsequent Events

In late April, we and China National Offshore Oil Corp. (CNOOC) reached agreement with China' s State Oceanic Administration (SOA) to resolve outstanding claims related to the 2011 seepage incidents. Under the terms of the agreement, we agreed to pay $173 million to the SOA over the next two years. We also agreed to contribute $18 million by December 2014 toward social projects benefiting Bohai Bay. As a result of this agreement, we expect to reflect an $89 million after-tax charge in our second quarter 2012 earnings.

Supplementary Information−Condensed Consolidating Financial Information

We have various cross guarantees among ConocoPhillips, ConocoPhillips Company, ConocoPhillips Australia Funding Company, ConocoPhillips Canada Funding Company I, and ConocoPhillips Canada Funding Company II, with respect to publicly held debt securities. ConocoPhillips Company is 100 percent owned by ConocoPhillips. ConocoPhillips Australia Funding Company, ConocoPhillips Canada Funding Company I and ConocoPhillips Canada Funding Company II are indirect, 100 percent owned subsidiaries of ConocoPhillips Company. ConocoPhillips and ConocoPhillips Company have fully and unconditionally guaranteed the payment obligations of ConocoPhillips Australia Funding Company, ConocoPhillips Canada Funding Company I, and ConocoPhillips Canada Funding Company II, with respect to their publicly held debt securities. Similarly, ConocoPhillips has fully and unconditionally guaranteed the payment obligations of ConocoPhillips Company with respect to its publicly held debt securities. In addition, ConocoPhillips Company has fully and unconditionally guaranteed the payment obligations of ConocoPhillips with respect to its publicly held debt securities. All guarantees are joint and several. The following condensed consolidating financial information presents the results of operations, financial position and cash flows for:

ConocoPhillips, ConocoPhillips Company, ConocoPhillips Australia Funding Company, ConocoPhillips Canada Funding Company I, and ConocoPhillips Canada Funding Company II (in each case, reflecting investments in subsidiaries utilizing the equity method of accounting).

All other nonguarantor subsidiaries of ConocoPhillips.

The consolidating adjustments necessary to present ConocoPhillips' results on a consolidated basis.

This condensed consolidating financial information should be read in conjunction with the accompanying consolidated financial statements and notes.

Table of Contents

Income Statement	Millions of Dollars Three Months Ended March 31, 2012 ConocoPhillips	ConocoPhillips Company	ConocoPhillips Australia Funding Company	ConocoPhillips Canada Funding Company I	ConocoPhillips Canada Funding Company II	All Other Subsidiaries	Consolidating Adjustments	Total Consolidated
Revenues and Other Income								
Sales and other operating revenues	$ –	33,652	–	–	–	22,480	–	56,132
Equity in earnings of affiliates	3,290	3,984	–	–	–	686	(6,740)	1,220
Gain on dispositions	–	1	–	–	–	941	–	942
Other income	1	42	–	–	–	17	–	60
Intercompany revenues	1	872	11	22	8	8,934	(9,848)	–
Total Revenues and Other Income	3,292	38,551	11	22	8	33,058	(16,588)	58,354
Costs and Expenses								
Purchased crude oil, natural gas and products	–	31,367	–	–	–	19,800	(9,278)	41,889
Production and operating expenses	–	1,166	–	–	–	1,603	(73)	2,696
Selling, general and administrative expenses	5	485	–	–	–	166	29	685
Exploration expenses	–	89	–	–	–	590	–	679
Depreciation, depletion and amortization	–	360	–	–	–	1,478	–	1,838
Impairments	–	2	–	–	–	257	–	259
Taxes other than income taxes	–	1,363	–	–	–	3,158	–	4,521
Accretion on discounted liabilities	–	18	–	–	–	96	–	114
Interest and debt expense	540	82	10	19	8	76	(526)	209
Foreign currency transaction (gains) losses	–	(28)	–	11	16	(10)	–	(11)
Total Costs and Expenses	545	34,904	10	30	24	27,214	(9,848)	52,879
Income (loss) before income taxes	2,747	3,647	1	(8)	(16)	5,844	(6,740)	5,475
Provision for income taxes	(190)	357	–	6	(1)	2,348	–	2,520

Net income (loss)	2,937	3,290	1	(14)	(15)	3,496	(6,740)	2,955
Less: net income attributable to noncontrolling interests	–	–	–	–	–	(18)	–	(18)
Net Income (Loss) Attributable to ConocoPhillips	$ 2,937	3,290	1	(14)	(15)	3,478	(6,740)	2,937
Comprehensive Income Attributable to ConocoPhillips	$ 2,937	3,371	1	19	(2)	4,237	(6,740)	3,823

Income Statement	Three Months Ended March 31, 2011							
Revenues and Other Income								
Sales and other operating revenues	$ –	35,729	–	–	–	20,801	–	56,530
Equity in earnings of affiliates	3,235	3,439	–	–	–	543	(6,200)	1,017
Gain on dispositions	–	268	–	–	–	348	–	616
Other income	–	53	–	–	–	31	–	84
Intercompany revenues	1	903	11	23	9	8,643	(9,590)	–
Total Revenues and Other Income	3,236	40,392	11	23	9	30,366	(15,790)	58,247
Costs and Expenses								
Purchased crude oil, natural gas and products	–	33,441	–	–	–	18,144	(9,209)	42,376
Production and operating expenses	–	1,152	–	–	–	1,566	(90)	2,628
Selling, general and administrative expenses	5	318	–	–	–	160	16	499
Exploration expenses	–	50	–	–	–	126	–	176
Depreciation, depletion and amortization	–	387	–	–	–	1,683	–	2,070
Taxes other than income taxes	–	1,248	–	–	–	3,116	–	4,364
Accretion on discounted liabilities	–	17	–	–	–	95	–	112
Interest and debt expense	315	107	10	19	8	110	(307)	262
Foreign currency transaction (gains) losses	–	(17)	–	37	(3)	(53)	–	(36)

Total Costs and Expenses	320	36,703	10	56	5	24,947	(9,590)	52,451
Income (loss) before income taxes	2,916	3,689	1	(33)	4	5,419	(6,200)	5,796
Provision for income taxes	(112)	454	–	1	10	2,401	–	2,754
Net income (loss)	3,028	3,235	1	(34)	(6)	3,018	(6,200)	3,042
Less: net income attributable to noncontrolling interests	–	–	–	–	–	(14)	–	(14)
Net Income (Loss) Attributable to ConocoPhillips	$ 3,028	3,235	1	(34)	(6)	3,004	(6,200)	3,028
Comprehensive Income Attributable to ConocoPhillips	$ 3,028	3,294	1	5	10	3,664	(6,200)	3,802

[Table of Contents](#)

Balance Sheet	Millions of Dollars							
	March 31, 2012							
	ConocoPhillips	ConocoPhillips Company	ConocoPhillips Australia Funding Company	ConocoPhillips Canada Funding Company I	ConocoPhillips Canada Funding Company II	All Other Subsidiaries	Consolidating Adjustments	Total Consolidated
Assets								
Cash and cash equivalents	$ –	169	1	37	1	3,499	–	3,707
Short-term investments	–	–	–	–	–	508	–	508
Restricted cash	–	–	–	–	–	6,050	–	6,050
Accounts and notes receivable	64	7,478	–	–	–	16,738	(6,797)	17,483
Inventories	–	2,659	–	–	–	3,413	–	6,072
Prepaid expenses and other current assets	20	1,026	–	1	–	2,199	–	3,246
Total Current Assets	84	11,332	1	38	1	32,407	(6,797)	37,066
Investments, loans and long-term receivables*	100,748	138,137	771	1,473	586	63,602	(270,128)	35,189
Net properties, plants and equipment	–	19,825	–	–	–	65,734	–	85,559
Goodwill	–	3,330	–	–	–	–	–	3,330
Intangibles	–	721	–	–	–	21	–	742
Other assets	58	299	–	2	4	632	–	995
Total Assets	$ 100,890	173,644	772	1,513	591	162,396	(276,925)	162,881
Liabilities and Stockholders' Equity								
Accounts payable	$ –	12,333	1	3	1	16,009	(6,797)	21,550
Short-term debt	891	207	–	–	–	5,904	–	7,002
Accrued income and other taxes	–	559	–	3	–	4,189	–	4,751
Employee benefit obligations	–	542	–	–	–	158	–	700
Other accruals	154	539	19	32	14	1,669	–	2,427
Total Current Liabilities	1,045	14,180	20	38	15	27,929	(6,797)	36,430
Long-term debt	10,952	3,397	750	1,250	499	4,510	–	21,358
Asset retirement obligations and accrued environmental costs	–	1,755	–	–	–	7,318	–	9,073

Joint venture acquisition obligation	–	–	–	–	–	3,393	–	3,393
Deferred income taxes	(5)	4,112	–	16	8	14,578	–	18,709
Employee benefit obligations	–	3,048	–	–	–	985	–	4,033
Other liabilities and deferred credits*	29,235	42,346	–	116	46	18,299	(87,200)	2,842
Total Liabilities	41,227	68,838	770	1,420	568	77,012	(93,997)	95,838
Retained earnings	44,787	38,355	1	(85)	(72)	30,985	(62,685)	51,286
Other common stockholders' equity	14,876	66,451	1	178	95	53,890	(120,243)	15,248
Noncontrolling interests	–	–	–	–	–	509	–	509
Total Liabilities and Stockholders' Equity	$ 100,890	173,644	772	1,513	591	162,396	(276,925)	162,881

Balance Sheet	December 31, 2011							
Assets								
Cash and cash equivalents	$ –	2,028	1	37	1	3,713	–	5,780
Short-term investments	–	–	–	–	–	581	–	581
Accounts and notes receivable	60	9,186	–	–	–	20,898	(13,618)	16,526
Inventories	–	2,239	–	–	–	2,392	–	4,631
Prepaid expenses and other current assets	22	1,090	–	1	–	1,587	–	2,700
Total Current Assets	82	14,543	1	38	1	29,171	(13,618)	30,218
Investments, loans and long-term receivables*	96,269	135,603	760	1,417	565	59,651	(260,482)	33,783
Net properties, plants and equipment	–	19,595	–	–	–	64,585	–	84,180
Goodwill	–	3,332	–	–	–	–	–	3,332
Intangibles	–	722	–	–	–	23	–	745
Other assets	64	301	–	2	3	602	–	972
Total Assets	$ 96,415	174,096	761	1,457	569	154,032	(274,100)	153,230
Liabilities and Stockholders' Equity								
Accounts payable	$ 10	18,747	–	1	1	14,512	(13,618)	19,653
Short-term debt	892	27	–	–	–	94	–	1,013

Accrued income and other taxes	–	315	–	2	–	3,903	–	4,220
Employee benefit obligations	–	835	–	–	–	276	–	1,111
Other accruals	244	634	9	14	6	1,164	–	2,071
Total Current Liabilities	1,146	20,558	9	17	7	19,949	(13,618)	28,068
Long-term debt	10,951	3,599	749	1,250	498	4,563	–	21,610
Asset retirement obligations and accrued environmental costs	–	1,766	–	–	–	7,563	–	9,329
Joint venture acquisition obligation	–	–	–	–	–	3,582	–	3,582
Deferred income taxes	(5)	3,982	–	11	9	14,058	–	18,055
Employee benefit obligations	–	3,092	–	–	–	976	–	4,068
Other liabilities and deferred credits*	25,959	40,479	–	104	29	20,047	(83,834)	2,784
Total Liabilities	38,051	73,476	758	1,382	543	70,738	(97,452)	87,496
Retained earnings	42,694	35,065	1	(70)	(55)	29,928	(58,369)	49,194
Other common stockholders' equity	15,670	65,555	2	145	81	52,856	(118,279)	16,030
Noncontrolling interests	–	–	–	–	–	510	–	510
Total Liabilities and Stockholders' Equity	$ 96,415	174,096	761	1,457	569	154,032	(274,100)	153,230

*Includes intercompany loans.

Table of Contents

Statement of Cash Flows	ConocoPhillips	ConocoPhillips Company	ConocoPhillips Australia Funding Company	ConocoPhillips Canada Funding Company I	ConocoPhillips Canada Funding Company II	All Other Subsidiaries	Consolidating Adjustments	Total Consolidated
	Millions of Dollars							
	Three Months Ended March 31, 2012							
Cash Flows From Operating Activities								
Net Cash Provided by (Used in) Operating Activities	$ 2,708	3,904	–	(1)	–	(8)	(2,421)	4,182
Cash Flows From Investing Activities								
Capital expenditures and investments	–	(633)	–	–	–	(3,627)	–	(4,260)
Proceeds from asset dispositions	–	–	–	–	–	1,109	–	1,109
Net purchases of short-term investments	–	–	–	–	–	92	–	92
Long-term advances/ loans–related parties	–	(2)	–	–	–	–	6	4
Collection of advances/ loans–related parties	–	92	–	–	–	5,228	(5,282)	38
Other	–	–	–	–	–	7	–	7
Net Cash Provided by (Used in) Investing Activities	–	(543)	–	–	–	2,809	(5,276)	(3,010)
Cash Flows From Financing Activities								
Issuance of debt	–	–	–	–	–	5,800	(6)	5,794
Repayment of debt	–	(5,220)	–	–	–	(116)	5,282	(54)
Change in restricted cash	–	–	–	–	–	(6,050)	–	(6,050)

Issuance of company common stock	36	–	–	–	–	–	–	36
Repurchase of company common stock	(1,899)	–	–	–	–	–	–	(1,899)
Dividends paid on common stock	(843)	–	–	–	–	(2,421)	2,421	(843)
Other	(2)	–	–	–	–	(252)	–	(254)
Net Cash Used in Financing Activities	(2,708)	(5,220)	–	–	–	(3,039)	7,697	(3,270)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	–	–	–	–	–	**25**	–	**25**
Net Change in Cash and Cash Equivalents	–	(1,859)	–	(1)	–	(213)	–	(2,073)
Cash and cash equivalents at beginning of period	–	2,028	1	38	1	3,712	–	5,780
Cash and Cash Equivalents at End of Period	$ –	169	1	37	1	3,499	–	3,707

Statement of Cash Flows	Three Months Ended March 31, 2011							
Cash Flows From Operating Activities								
Net Cash Provided by (Used in) Operating Activities	$ 2,506	(1,974)	–	(1)	(7)	1,711	(288)	1,947
Cash Flows From Investing Activities								
Capital expenditures and investments	–	(426)	–	–	–	(2,458)	–	(2,884)

Proceeds from asset dispositions	–	329	–	–	–	1,458	–	1,787
Net purchases of short-term investments	–	–	–	–	–	(1,170)	–	(1,170)
Long-term advances/ loans–related parties	–	2	–	(4)	–	(2,077)	2,083	4
Collection of advances/ loans–related parties	–	104	–	–	–	29	(93)	40
Other	–	–	–	–	–	12	–	12
Net Cash Provided by (Used in) Investing Activities	–	9	–	(4)	–	(4,206)	1,990	(2,211)
Cash Flows From Financing Activities								
Issuance of debt	–	2,073	–	–	4	6	(2,083)	–
Repayment of debt	–	(343)	–	–	–	(123)	93	(373)
Issuance of company common stock	75	–	–	–	–	–	–	75
Repurchase of company common stock	(1,636)	–	–	–	–	–	–	(1,636)
Dividends paid on common stock	(944)	–	–	–	–	(288)	288	(944)
Other	(1)	–	–	–	–	(182)	–	(183)
Net Cash Provided by (Used in) Financing Activities	(2,506)	1,730	–	–	4	(587)	(1,702)	(3,061)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	–	–	–	–	–	43	–	43
Net Change in Cash and Cash Equivalents	–	(235)	–	(5)	(3)	(3,039)	–	(3,282)

Cash and cash equivalents at beginning of period	–	718	–	29	4	8,703	–	9,454
Cash and Cash Equivalents at End of Period	$ –	483	–	24	1	5,664	–	6,172

Item 2. MANAGEMENT' S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management' s Discussion and Analysis is the company' s analysis of its financial performance and of significant trends that may affect future performance. It should be read in conjunction with the financial statements and notes. It contains forward-looking statements including, without limitation, statements relating to the company' s plans, strategies, objectives, expectations and intentions that are made pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. The words "anticipate," "estimate," "believe," "budget," "continue," "could," "intend," "may," "plan," "potential," "predict," "seek," "should," "will," "would," "expect," "objective," "projection," "forecast," "goal," "guidance," "outlook," "effort," "target" and similar expressions identify forward-looking statements. The company does not undertake to update, revise or correct any of the forward-looking information unless required to do so under the federal securities laws. Readers are cautioned that such forward-looking statements should be read in conjunction with the company' s disclosures under the heading: "CAUTIONARY STATEMENT FOR THE PURPOSES OF THE 'SAFE HARBOR' PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995," beginning on page 49.

The terms "earnings" and "loss" as used in Management' s Discussion and Analysis refer to net income (loss) attributable to ConocoPhillips.

BUSINESS ENVIRONMENT AND EXECUTIVE OVERVIEW

ConocoPhillips is an international, integrated energy company. We are the third-largest integrated energy company in the United States, based on market capitalization. At March 31, 2012, we had approximately 29,700 employees worldwide and total assets of $163 billion.

Earnings of the company depend largely on the profitability of our Exploration and Production (E&P) and Refining and Marketing (R&M) segments. Crude oil and natural gas prices, along with refining margins, are the most significant factors in our profitability. Industry crude oil prices for West Texas Intermediate (WTI) averaged $102.99 per barrel in the first quarter of 2012, an increase of 10 percent compared with the first quarter of 2011, and an increase of 9 percent compared with the fourth quarter of 2011. The increase in oil prices in the first quarter of 2012 was primarily due to concerns about the potential for supply disruptions associated with European sanctions on Iran. This impact on prices was partially offset by the continued slowing of economic growth in much of the world, including China, and concerns about the European sovereign debt crisis.

Henry Hub natural gas prices averaged $2.72 per million British thermal units (MMBTU) in the first quarter of 2012, a decrease of 34 percent compared with the first quarter of 2011, and a decrease of 23 percent compared with the fourth quarter of 2011. U.S. natural gas prices remained under pressure in the first quarter of 2012 due to continued production growth from shale plays, combined with lower heating demand as a result of an exceptionally warm winter across much of the United States. This combination led to record-high storage inventory levels by the end of the first quarter, with U.S. natural gas prices trending below $2.00 per MMBTU in April. Prolonged substantial decreases in U.S. natural gas prices could have an adverse effect on our results of operations.

E&P segment earnings were $2,548 million in the first quarter of 2012, which accounted for 87 percent of our total earnings in the quarter. This compares with E&P earnings of $2,352 million in the first quarter of 2011 and $1,604 million in the fourth quarter of 2011.

Domestic refining margins significantly improved in the first quarter of 2012, while international refining margins decreased. The U.S. 3:2:1 crack spread, which is primarily WTI-based, increased 24 percent in the first quarter of 2012, compared with the first quarter of 2011, and 21 percent compared with the fourth quarter of 2011. The improvement in domestic refining margins primarily resulted from increased crude oil production from shale plays and rising imports from Canada, in addition to infrastructure constraints, causing WTI to continue to trade at a deeper discount relative to waterborne crudes. Refineries capable of processing WTI and crude oils that are WTI-based, primarily the Midcontinent and Gulf Coast refineries, benefitted from these lower regional feedstock prices.

The Northwest Europe benchmark increased 3 percent in the first quarter of 2012, compared with the first quarter of 2011, and decreased 9 percent compared with the fourth quarter of 2011. Despite a cold winter in Europe, demand for refined products decreased in the first quarter of 2012, driven by slowing economic activity as a result of their recession.

Our R&M segment reported earnings of $452 million in the first quarter of 2012, compared with earnings of $482 million in the first quarter of 2011, and earnings of $1,714 million in the fourth quarter of 2011.

RESULTS OF OPERATIONS

Unless otherwise indicated, discussion of results for the three-month period ended March 31, 2012, is based on a comparison with the corresponding period of 2011.

Consolidated Results

A summary of net income (loss) attributable to ConocoPhillips by business segment follows:

	Millions of Dollars	
	Three Months Ended March 31	
	2012	2011
E&P	**$ 2,548**	2,352
Midstream	**93**	73
R&M	**452**	482
LUKOIL Investment	**-**	239
Chemicals	**218**	193
Emerging Businesses	**(14)**	(7)
Corporate and Other	**(360)**	(304)
Net income attributable to ConocoPhillips	**$ 2,937**	3,028

Earnings for ConocoPhillips were $2,937 million in the first quarter of 2012, a decrease of 3 percent compared with earnings of $3,028 million in the first quarter of 2011. The decrease was primarily the result of:

- Higher impairments. In the first quarter of 2012, non-cash impairments totaled $562 million after-tax.
- Lower production volumes from our E&P segment.
- Lower natural gas prices.

These items were partially offset by:

- Higher gains from asset sales. Gains from asset dispositions in the first quarter of 2012 primarily consisted of the $937 million after-tax gain from the disposition of our Vietnam business, compared with gains of $394 million after-tax in the first quarter of 2011, which mostly consisted of remaining LUKOIL share sales and Lower 48 asset dispositions.
- Substantially higher crude oil and liquefied natural gas (LNG) prices in our E&P segment. Commodity price benefits were somewhat offset by increased production taxes.

See the “Segment Results” section for additional information on our segment results.

Income Statement Analysis

Equity in earnings of affiliates increased 20 percent in the first quarter of 2012, which primarily resulted from:

Improved earnings from Qatar Liquefied Gas Company Limited (3) (QG3), mainly due to significantly higher LNG prices.
Improved earnings from WRB Refining LP, primarily due to higher refining margins in the Midcontinent region.
Higher earnings from FCCL Partnership, mainly as a result of the ramp-up of production from Christina Lake Phase C.
Improved earnings from Chevron Phillips Chemical Company LLC (CPChem), mostly due to higher margins in the olefins and polyolefins business line.

The increase in equity earnings was partially offset by:

Lower earnings from Merey Sweeny, L.P., mainly due to lower refining margins.
Lower earnings from Naryanmarneftegaz (NMNG), largely due to lower volumes.

Gain on dispositions increased 53 percent in the first quarter of 2012. The increase was mainly due to the $937 million gain on sale of our Vietnam business in the first quarter of 2012, partly offset by the first quarter 2011 disposition of certain E&P assets located in the Lower 48 and our remaining LUKOIL shares.

Selling, general and administrative expenses increased 37 percent in the first quarter of 2012, primarily as a result of costs associated with the separation of Phillips 66.

Exploration expenses increased $503 million in the first quarter of 2012. The increase was mostly due to the impairment of undeveloped leasehold costs associated with the Mackenzie Gas Project as a result of the suspension of the project.

Depreciation, depletion and amortization (DD&A) decreased 11 percent in the first quarter of 2012. The decrease was mostly associated with our E&P segment, reflecting lower production volumes primarily due to unplanned downtime and asset dispositions. These decreases were partially offset by higher production volumes in the Lower 48.

Impairments increased $259 million in the first quarter of 2012, primarily as a result of the impairment of capitalized project development costs associated with the Mackenzie Gas Project, in addition to the impairment of equipment formerly associated with the canceled Wilhelmshaven Refinery (WRG) upgrade project.

Interest and debt expense decreased 20 percent in the first quarter of 2012, primarily due to higher capitalized interest on projects.

See Note 20−Income Taxes, in the Notes to Consolidated Financial Statements, for information regarding our provision for income taxes and effective tax rate.

Table of Contents

Segment Results

E&P

	Three Months Ended March 31	
	2012	2011
	Millions of Dollars	
Net Income Attributable to ConocoPhillips		
Alaska	**$ 616**	549
Lower 48	**254**	314
United States	**870**	863
International	**1,678**	1,489
	$ 2,548	2,352
	Dollars Per Unit	
Average Sales Prices		
Crude oil and natural gas liquids (per barrel)		
United States	**$ 95.71**	85.36
International	**109.10**	96.86
Total consolidated operations	**101.23**	91.30
Equity affiliates	**107.41**	94.95
Total E&P	**101.56**	91.55
Bitumen (per barrel)		
International	**64.95**	47.94
Equity affiliates	**60.04**	56.15
Total E&P	**60.66**	54.77
Natural gas (per thousand cubic feet)		
United States	**2.72**	4.10
International	**6.65**	6.43
Total consolidated operations	**5.09**	5.54
Equity affiliates	**2.58**	2.59
Total E&P	**4.80**	5.22
	Millions of Dollars	
Worldwide Exploration Expenses		
General and administrative; geological and geophysical; and lease rentals	**$ 161**	126
Leasehold impairment	**512**	41
Dry holes	**6**	9
	$ 679	176

	Three Months Ended March 31	
	2012	2011
	Thousands of Barrels Daily	
Operating Statistics		
Crude oil and natural gas liquids produced		
Alaska	**226**	214
Lower 48	**201**	150
United States	**427**	364
Canada	**38**	37
Europe	**166**	196
Asia Pacific/Middle East	**79**	142
Africa	**64**	61
Total consolidated operations	**774**	800
Equity affiliates		
Asia Pacific/Middle East	**24**	22
Russia	**18**	38
	816	860
Bitumen produced		
Consolidated operations−Canada	**11**	11
Equity affiliates−Canada	**73**	53
	84	64
	Millions of Cubic Feet Daily	
Natural gas produced*		
Alaska	**59**	67
Lower 48	**1,502**	1,522
United States	**1,561**	1,589
Canada	**863**	944
Europe	**632**	751
Asia Pacific/Middle East	**697**	720
Africa	**164**	158
Total consolidated operations	**3,917**	4,162
Equity affiliates		
Asia Pacific/Middle East	**505**	507
	4,422	4,669

**Represents quantities available for sale. Excludes gas equivalent of natural gas liquids included above.*

The E&P segment explores for, produces, transports and markets crude oil, bitumen, natural gas, LNG and natural gas liquids on a worldwide basis. At March 31, 2012, our E&P operations were producing in the United States, Norway, the United Kingdom, Canada, Australia, offshore Timor-Leste in the Timor Sea, Indonesia, China, Libya, Nigeria, Algeria, Qatar and Russia. Total E&P production on a barrel-of-oil-equivalent (BOE) basis averaged 1,637,000 BOE per day in the first quarter of 2012, compared with 1,702,000 BOE per day in the first quarter of 2011.

Our E&P operations reported earnings of $2,548 million in the first quarter of 2012, an 8 percent increase compared with earnings of $2,352 million in the first quarter of 2011. See the "Business Environment and Executive Overview" section for additional information on industry crude oil and natural gas prices.

U.S. E&P

U.S. E&P earnings were $870 million in the first quarter of 2012, a 1 percent increase compared with earnings of $863 million for the same period in 2011. Earnings benefitted from higher crude oil prices and crude oil and natural gas liquids volumes, which were mostly offset by higher production taxes in Alaska, lower natural gas prices, lower gains from asset sales and higher DD&A.

U.S. E&P production averaged 687,000 BOE per day in the first quarter of 2012, an increase of 9 percent from 629,000 BOE per day in the first quarter of 2011. The increase was mainly due to new production, primarily from shale plays in the Lower 48, and lower unplanned downtime, partially offset by field decline.

International E&P

International E&P earnings were $1,678 million in the first quarter of 2012, a 13 percent increase compared with earnings of $1,489 million for the same period in 2011. The increase was primarily due to the $937 million after-tax gain on sale of our Vietnam business, higher crude oil and LNG prices and lower DD&A. These increases were partially offset by lower crude oil volumes, primarily in China, the $520 million after-tax impairment of the Mackenzie Gas Project and associated undeveloped leaseholds and higher taxes. For additional information, see Note 8−Impairments, in the Notes to Consolidated Financial Statements.

International E&P production averaged 950,000 BOE per day in the first quarter of 2012, a decrease of 11 percent from 1,073,000 BOE per day in the first quarter of 2011. The decrease primarily resulted from field decline, suspended operations in China and dispositions, partly offset by new production.

Table of Contents

Midstream

	Three Months Ended March 31	
	2012	2011
	Millions of Dollars	
Net Income Attributable to ConocoPhillips*	**$ 93**	73
**Includes DCP Midstream-related earnings:*	***$ 56***	*48*
	Dollars Per Barrel	
Average Sales Prices		
U.S. natural gas liquids*		
Consolidated	**$ 52.44**	53.55
Equity affiliates	**42.10**	47.64

**Based on index prices from the Mont Belvieu and Conway market hubs that are weighted by natural gas liquids component and location mix.*

	Thousands of Barrels Daily	
Operating Statistics		
Natural gas liquids extracted*	**213**	188
Natural gas liquids fractionated**	**136**	139

**Includes our share of equity affiliates.*

***Excludes DCP Midstream.*

The Midstream segment purchases raw natural gas from producers and gathers natural gas through an extensive network of pipeline gathering systems. The natural gas is then processed to extract natural gas liquids from the raw gas stream. The remaining “residue” gas is marketed to electrical utilities, industrial users and gas marketing companies. Most of the natural gas liquids are fractionated−separated into individual components like ethane, butane and propane−and marketed as chemical feedstock, fuel or blendstock. The Midstream segment consists of our 50 percent equity investment in DCP Midstream, LLC, as well as our other natural gas gathering and processing operations, and natural gas liquids fractionation, trading and marketing businesses, primarily in the United States and Trinidad.

Earnings from the Midstream segment were $93 million in the first quarter of 2012, an increase of 27 percent compared with the same period in 2011. This increase was largely due to higher gathering and processing volumes, primarily as a result of less weather-related downtime, increased volumes from expansion projects and improved marketing results. These increases were partially offset by lower natural gas liquids prices.

Table of Contents

R&M

	Three Months Ended March 31	
	2012	2011
	Millions of Dollars	
Net Income Attributable to ConocoPhillips		
United States	**$ 415**	402
International	**37**	80
	$ 452	482
	Dollars Per Gallon	
U.S. Average Wholesale Prices*		
Gasoline	**$ 2.98**	2.73
Distillates	**3.21**	2.92

**Excludes excise taxes.*

	Thousands of Barrels Daily		
Operating Statistics			
Refining operations*			
United States			
Crude oil capacity	**1,801**		1,986
Crude oil runs	**1,610**		1,735
Capacity utilization (percent)	**89**	**%**	87
Refinery production	**1,775**		1,914
International			
Crude oil capacity	**430**		426
Crude oil runs	**417**		410
Capacity utilization (percent)	**97**	**%**	96
Refinery production	**433**		417
Worldwide			
Crude oil capacity	**2,231**		2,412
Crude oil runs	**2,027**		2,145
Capacity utilization (percent)	**91**	**%**	89
Refinery production	**2,208**		2,331
Petroleum products sales volumes			
United States			
Gasoline	**958**		1,099
Distillates	**837**		852
Other products	**298**		437
	2,093		2,388
International	**625**		672
	2,718		3,060

**Includes our share of equity affiliates.*

The R&M segment refines crude oil and other feedstocks into petroleum products (such as gasoline, distillates and aviation fuels); buys, sells and transports crude oil; and buys, transports, distributes and markets petroleum products. R&M has operations mainly in the United States, Europe and Asia.

Table of Contents

R&M reported earnings of $452 million during the first quarter of 2012, a 6 percent decrease compared with earnings of $482 million in the corresponding quarter of 2011. See the "Business Environment and Executive Overview" section for additional information on industry refining margins.

U.S. R&M

U.S. R&M earnings were $415 million in the first quarter of 2012, a 3 percent increase compared with earnings of $402 million in the same period of 2011. This increase mainly resulted from processing higher refining volumes in our Central Region and from higher marketing margins, in addition to a favorable tax adjustment related to a fourth quarter 2011 disposition. These increases were partially offset by lower refining margins and higher operating expenses. Refining margins decreased as the impact of less favorable crude differentials more than offset improved market crack spreads.

In 2011, we idled the Trainer Refinery and announced plans to permanently close the facility by the end of the first quarter of 2012 if a sales transaction was unsuccessful. We have extended the sales deadline to the end of May 2012.

Our U.S. refining capacity utilization rate was 89 percent in the first quarter of 2012, compared with 87 percent in the first quarter of 2011. The current year rate primarily reflects lower maintenance and unplanned downtime, partly offset by higher turnaround activity.

International R&M

International R&M earnings were $37 million in the first quarter of 2012, a 54 percent decrease compared with earnings of $80 million in the same period of 2011. The decrease was mainly due to the $42 million after-tax property impairment related to equipment formerly associated with the canceled WRG upgrade project, lower refining margins and lower gains from foreign currency transactions. These decreases were partially offset by higher refining volumes and marketing margins, as well as lower operating expenses. For additional information on the impairment, see Note 8−Impairments, in the Notes to Consolidated Financial Statements.

Our international refining capacity utilization rate was 97 percent in the first quarter of 2012, compared with 96 percent in the first quarter of 2011. The current year rate primarily reflects lower maintenance, partly offset by higher turnaround activity.

LUKOIL Investment

	Millions of Dollars	
	Three Months Ended March 31	
	2012	2011
Net Income Attributable to ConocoPhillips	**$ -**	239

This segment represents our former investment in the ordinary shares of OAO LUKOIL, an international, integrated oil and gas company headquartered in Russia. We sold our remaining interest in LUKOIL in the first quarter of 2011. Earnings in the first quarter of 2011 primarily reflected the realized gain on remaining share sales.

Table of Contents

Chemicals

	Millions of Dollars	
	Three Months Ended March 31	
	2012	2011
Net Income Attributable to ConocoPhillips	**$ 218**	193

The Chemicals segment consists of our 50 percent interest in CPChem, which we account for under the equity method. CPChem uses natural gas liquids and other feedstocks to produce petrochemicals. These products are then marketed and sold, or used as feedstocks to produce plastics and commodity chemicals.

Earnings from the Chemicals segment increased $25 million in the first quarter of 2012, or 13 percent compared with the first quarter of 2011. The improvement in earnings primarily resulted from higher margins and lower operating costs in the olefins and polyolefins business line. These increases were partially offset by lower margins in the specialties, aromatics and styrenics business line.

Emerging Businesses

	Millions of Dollars	
	Three Months Ended March 31	
	2012	2011
Net Income (Loss) Attributable to ConocoPhillips		
Power	**$ 23**	22
Other	**(37)**	(29)
	$ (14)	(7)

The Emerging Businesses segment represents our investment in new technologies or businesses outside our normal scope of operations. Activities within this segment are currently focused on power generation and innovation of new technologies, such as those related to conventional and nonconventional hydrocarbon recovery, refining, alternative energy, biofuels and the environment.

The Emerging Businesses segment reported a loss of $14 million in the first quarter of 2012, compared with a loss of $7 million in the first quarter of 2011. The increase in "Other" losses was mainly due to higher technology development expenses.

Table of Contents

Corporate and Other

	Millions of Dollars	
	Three Months Ended March 31	
	2012	2011
Net Loss Attributable to ConocoPhillips		
Net interest	**$ (156)**	(181)
Corporate general and administrative expenses	**(78)**	(63)
Separation costs*	**(95)**	-
Other	**(31)**	(60)
	$ (360)	(304)

**Includes $10 million of interest expense.*

Net interest consists of interest and financing expense, net of interest income and capitalized interest, as well as premiums incurred on the early retirement of debt. Net interest decreased 14 percent in the first quarter of 2012, primarily as a result of higher capitalized interest on projects.

Corporate general and administrative expenses increased 24 percent in the first quarter of 2012. Higher contributions and advertising expenses were partly offset by lower costs related to compensation plans.

Separation costs consist of expenses incurred for the planned separation of our downstream businesses into a stand-alone, publicly traded company, Phillips 66. Expenses incurred in the first quarter of 2012 primarily included legal, accounting and information systems costs; expenses related to compensation and benefit plans; and interest expense associated with Phillips 66 senior notes.

The category "Other" includes certain foreign currency transaction gains and losses, environmental costs associated with sites no longer in operation, and other costs not directly associated with an operating segment. The decrease in "Other" expenses primarily resulted from the absence of various tax-related adjustments recorded in the first quarter of 2011 and lower environmental expenses in the first quarter of 2012.

CAPITAL RESOURCES AND LIQUIDITY

Financial Indicators

	Millions of Dollars		
	March 31 2012		December 31 2011
Short-term debt	$ 7,002		1,013
Total debt	28,360		22,623
Total equity	67,043		65,734
Percent of total debt to capital*	30	%	26
Percent of floating-rate debt to total debt**	7	%	10

**Capital includes total debt and total equity.*

***Includes effect of interest rate swaps.*

To meet our short- and long-term liquidity requirements, we look to a variety of funding sources. Cash generated from operating activities is the primary source of funding. In addition, during the first quarter of 2012, we received $1,109 million in proceeds from asset sales. During the first quarter of 2012, available cash was used to support our ongoing capital expenditures and investments program, repurchase common stock and pay dividends. Total dividends paid on our common stock during the first quarter were $843 million. During the first quarter of 2012, cash and cash equivalents decreased by $2,073 million to $3,707 million.

In addition to cash flows from operating activities and proceeds from asset sales, we rely on our commercial paper and credit facility programs, and our shelf registration statement to support our short- and long-term liquidity requirements. We believe current cash and short-term investment balances and cash generated by operations, together with access to external sources of funds as described below in the "Significant Sources of Capital" section, will be sufficient to meet our funding requirements in the near- and long-term, including our capital spending program, dividend payments, required debt payments and the funding requirements to FCCL Partnership.

Significant Sources of Capital

Operating Activities

During the first quarter of 2012, cash of $4,182 million was provided by operating activities, a 115 percent increase from cash from operations of $1,947 million in the corresponding period of 2011. The increase is primarily due to lower discretionary inventory builds in the first quarter of 2012 compared to the first quarter of 2011.

While the stability of our cash flows from operating activities benefits from geographic diversity and the effects of upstream and downstream integration, our short- and long-term operating cash flows are highly dependent upon prices for crude oil, bitumen, natural gas, LNG and natural gas liquids, as well as refining and marketing margins. Prices and margins in our industry are typically volatile, and are driven by market conditions over which we have no control. Absent other mitigating factors, as these prices and margins fluctuate, we would expect a corresponding change in our operating cash flows.

The level of our production volumes also impacts our cash flows. These production levels are impacted by such factors as acquisitions and dispositions of fields, field production decline rates, new technologies, operating efficiency, weather conditions, the addition of proved reserves through exploratory success, and their timely and cost-effective development. While we actively manage these factors, production levels can cause variability in cash flows, although generally this variability has not been as significant as that caused by commodity prices.

In addition, the level and quality of output from our refineries impacts our cash flows. The output at our refineries is impacted by such factors as operating efficiency, maintenance turnarounds, market conditions, feedstock availability and weather conditions. We actively manage the operations of our refineries and, typically, any variability in their operations has not been as significant to cash flows as that caused by refining margins.

Asset Sales

Proceeds from asset sales during the first quarter of 2012 were $1,109 million, primarily from the sale of our Vietnam E&P business. This compares with proceeds of $1,787 million in the first quarter of 2011. We plan to raise up to an additional $10 billion from asset sales over the next 12 months.

Commercial Paper and Credit Facilities

At March 31, 2012, we had two revolving credit facilities totaling $8.0 billion, consisting of a $7.5 billion facility expiring in August 2016 and a $500 million facility expiring in July 2012. Our revolving credit facilities may be used as direct bank borrowings, as support for issuances of letters of credit totaling up to $26 million, or as support for our commercial paper programs. The revolving credit facilities are broadly syndicated among financial institutions and do not contain any material adverse change provisions or any covenants requiring maintenance of specified financial ratios or ratings. The facility agreements contain a cross-default provision relating to the failure to pay principal or interest on other debt obligations of $200 million or more by ConocoPhillips, or by any of its consolidated subsidiaries.

Credit facility borrowings may bear interest at a margin above rates offered by certain designated banks in the London interbank market or at a margin above the overnight federal funds rate or prime rates offered by certain designated banks in the United States. The agreements call for commitment fees on available, but unused, amounts. The agreements also contain early termination rights if our current directors or their approved successors cease to be a majority of the Board of Directors.

Our primary funding source for short-term working capital needs is the ConocoPhillips $6.35 billion commercial paper program. Commercial paper maturities are generally limited to 90 days. We also have the ConocoPhillips Qatar Funding Ltd. $1.5 billion commercial paper program, which is used to fund commitments relating to the QG3 Project. At March 31, 2012, and December 31, 2011, we had no direct borrowings under the revolving credit facilities, but $26 million in letters of credit had been issued at March 31, 2012, and $40 million at December 31, 2011. In addition, under the two ConocoPhillips commercial paper programs, $1,097 million of commercial paper was outstanding at March 31, 2012, compared with $1,128 million at December 31, 2011. Since we had $1,097 million of commercial paper outstanding and had issued $26 million of letters of credit, we had access to $6.9 billion in borrowing capacity under our revolving credit facilities at March 31, 2012.

Shelf Registration

We have a universal shelf registration statement on file with the U.S. Securities and Exchange Commission (SEC) under which we, as a well-known seasoned issuer, have the ability to issue and sell an indeterminate amount of various types of debt and equity securities.

Off-Balance Sheet Arrangements

As part of our normal ongoing business operations and consistent with normal industry practice, we enter into numerous agreements with other parties to pursue business opportunities, which share costs and apportion risks among the parties as governed by the agreements.

For information about guarantees, see Note 12−Guarantees, in the Notes to Consolidated Financial Statements, which is incorporated herein by reference.

Table of Contents
Capital Requirements

For information about our capital expenditures and investments, see the “Capital Spending” section.

Our debt balance at March 31, 2012, was $28.4 billion, an increase of $5.7 billion from the balance at December 31, 2011. The increase is primarily due to the issuance of debt by Phillips 66 of $5.8 billion of fixed-rate Senior Notes in March 2012. The net proceeds of the issuance were deposited into two segregated escrow accounts pending the separation and are included in the “Restricted cash” line on our consolidated balance sheet as of March 31, 2012. Post separation, Phillips 66 will retain this debt, and ConocoPhillips will use a cash distribution from Phillips 66, estimated to be $5.8 billion plus working capital adjustments, solely to pay dividends, repurchase common stock, repay debt, or a combination of the foregoing, in each case within twelve months following the distribution.

We are obligated to contribute $7.5 billion, plus interest, over a 10-year period that began in 2007, to FCCL. Quarterly principal and interest payments of $237 million began in the second quarter of 2007 and will continue until the balance is paid. Of the principal obligation amount, approximately $742 million was short-term and was included in the “Accounts payable−related parties” line on our March 31, 2012, consolidated balance sheet. The principal portion of these payments, which totaled $180 million in the first three months of 2012, is included in the “Other” line in the financing activities section of our consolidated statement of cash flows. Interest accrues at a fixed annual rate of 5.3 percent on the unpaid principal balance. Fifty percent of the quarterly interest payment is reflected as a capital contribution and is included in the “Capital expenditures and investments” line on our consolidated statement of cash flows.

In February, 2012, we announced a dividend of 66 cents per share. The dividend was paid March 1, 2012, to stockholders of record at the close of business February 21, 2012.

On December 2, 2011, our Board of Directors authorized the purchase of up to an additional $10 billion of our common stock over the subsequent two years. Since our share repurchase programs began in 2010, share repurchases totaled 245 million shares at a cost of $16.9 billion through March 31, 2012.

[Table of Contents](#)

Capital Spending

Capital Expenditures and Investments

	Millions of Dollars	
	Three Months Ended March 31	
	2012	2011
E&P		
United States−Alaska	**$ 186**	195
United States−Lower 48	**1,267**	773
International	**2,528**	1,724
	3,981	2,692
Midstream	**4**	3
R&M		
United States	**176**	131
International	**38**	25
	214	156
LUKOIL Investment	**-**	-
Chemicals	**-**	-
Emerging Businesses	**15**	6
Corporate and Other	**46**	27
	$ 4,260	2,884
United States	**$ 1,692**	1,231
International	**2,568**	1,653
	$ 4,260	2,884

E&P

Capital spending for E&P during the first three months of 2012 totaled $4.0 billion. The expenditures supported key exploration and development projects including:

Oil and natural gas exploration and development activities in the Lower 48, including the Eagle Ford, Bakken and North Barnett shale plays, as well as the Permian Basin.

Alaska development activities related to existing producing fields.

Oil sands projects in Canada.

Further development of coalbed methane projects associated with the Australia Pacific LNG Pty Ltd (APLNG) joint venture in Australia.

New fields offshore Malaysia.

In the North Sea, development activities in the Greater Ekofisk area, Jasmine and Clair Ridge.

The Kashagan Field in the Caspian Sea.

In Africa, primarily leasehold acquisitions in Angola and offshore activity in Nigeria.

R&M

Capital spending for R&M during the first three months of 2012 totaled $214 million and included projects related to sustaining and improving the existing business with a focus on safety, regulatory compliance and reliability.

Contingencies

A number of lawsuits involving a variety of claims have been made against ConocoPhillips that arise in the ordinary course of business. We also may be required to remove or mitigate the effects on the environment of the placement, storage, disposal or release of certain chemical, mineral and petroleum substances at various active and inactive sites. We regularly assess the need for accounting recognition or disclosure of these contingencies. In the case of all known contingencies (other than those related to income taxes), we accrue a liability when the loss is probable and the amount is reasonably estimable. If a range of amounts can be reasonably estimated and no amount within the range is a better estimate than any other amount, then the minimum of the range is accrued. We do not reduce these liabilities for potential insurance or third-party recoveries. If applicable, we accrue receivables for probable insurance or other third-party recoveries. In the case of income-tax-related contingencies, we use a cumulative probability-weighted loss accrual in cases where sustaining a tax position is less than certain.

Based on currently available information, we believe it is remote that future costs related to known contingent liability exposures will exceed current accruals by an amount that would have a material adverse impact on our consolidated financial statements. As we learn new facts concerning contingencies, we reassess our position both with respect to accrued liabilities and other potential exposures. Estimates particularly sensitive to future changes include contingent liabilities recorded for environmental remediation, tax and legal matters. Estimated future environmental remediation costs are subject to change due to such factors as the uncertain magnitude of cleanup costs, the unknown time and extent of such remedial actions that may be required, and the determination of our liability in proportion to that of other responsible parties. Estimated future costs related to tax and legal matters are subject to change as events evolve and as additional information becomes available during the administrative and litigation processes.

Legal Matters

Our legal organization applies its knowledge, experience and professional judgment to the specific characteristics of our cases, employing a litigation management process to manage and monitor the legal proceedings against us. Our process facilitates the early evaluation and quantification of potential exposures in individual cases. This process also enables us to track those cases that have been scheduled for trial and/or mediation. Based on professional judgment and experience in using these litigation management tools and available information about current developments in all our cases, our legal organization regularly assesses the adequacy of current accruals and determines if adjustment of existing accruals, or establishment of new accruals, are required.

Environmental

We are subject to the same numerous international, federal, state and local environmental laws and regulations as other companies in our industry. For a discussion of the most significant of these environmental laws and regulations, including those with associated remediation obligations, see the "Environmental" section in Management' s Discussion and Analysis of Financial Condition and Results of Operations on pages 64, 65 and 66 of our 2011 Annual Report on Form 10-K.

We occasionally receive requests for information or notices of potential liability from the Environmental Protection Agency (EPA) and state environmental agencies alleging that we are a potentially responsible party under the Federal Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) or an equivalent state statute. On occasion, we also have been made a party to cost recovery litigation by those agencies or by private parties. These requests, notices and lawsuits assert potential liability for remediation costs at various sites that typically are not owned by us, but allegedly contain wastes attributable to our past operations. As of December 31, 2011, we reported we had been notified of potential liability under CERCLA and comparable state laws at 74 sites around the United States. During the quarter ended March 31, 2012, we were notified of 1 new site and resolved 12 sites, bringing the number to 63 unresolved sites with potential liability.

At March 31, 2012, our balance sheet included a total environmental accrual of $920 million, compared with $922 million at December 31, 2011. We expect to incur a substantial amount of these expenditures within the next 30 years.

Notwithstanding any of the foregoing, and as with other companies engaged in similar businesses, environmental costs and liabilities are inherent concerns in our operations and products, and there can be no assurance that material costs and liabilities will not be incurred. However, we currently do not expect any material adverse effect on our results of operations or financial position as a result of compliance with current environmental laws and regulations.

Climate Change

There has been a broad range of proposed or promulgated state, national and international laws focusing on greenhouse gas (GHG) reduction. These proposed or promulgated laws apply or could apply in countries where we have interests or may have interests in the future. Laws in this field continue to evolve, and while it is not possible to accurately estimate either a timetable for implementation or our future compliance costs relating to implementation, such laws, if enacted, could have a material impact on our results of operations and financial condition. Examples of legislation and precursors for possible regulation that do or could affect our operations include the EPA' s announcement on March 29, 2010 (published as "Interpretation of Regulations that Determine Pollutants Covered by Clean Air Act Permitting Programs," 75 Fed. Reg. 17004 (April 2, 2010)), and the EPA' s and U.S. Department of Transportation' s joint promulgation of a Final Rule on April 1, 2010, that trigger regulation of GHGs under the Clean Air Act, may trigger more climate-based claims for damages, and may result in longer agency review time for development projects.

For other examples of legislation or precursors for possible regulation that do or could affect our operations, see the "Climate Change" section in Management' s Discussion and Analysis of Financial Condition and Results of Operations on pages 66 and 67 of our 2011 Annual Report on Form 10-K.

OUTLOOK

Planned Separation of Downstream Businesses

On April 4, 2012, our Board of Directors approved the separation of our downstream businesses into a stand-alone, publicly traded corporation via a tax-free distribution. The new downstream company, Phillips 66, will be headquartered in Houston, Texas, and will include our refining, marketing and transportation businesses, most of our Midstream segment, our Chemicals segment, as well as our power generation and certain technology operations included in our Emerging Businesses segment.

In accordance with a separation and distribution agreement, the two companies will be separated through a stock dividend distribution after the market closes on April 30, 2012. Each ConocoPhillips shareholder will receive one share of Phillips 66 stock for every two shares of ConocoPhillips stock held at the close of business on the record date of April 16, 2012. Fractional shares of Phillips 66 common stock will not be distributed, and any fractional shares of Phillips 66 common stock otherwise issuable to a ConocoPhillips shareholder will be sold in the open market on such shareholder' s behalf, and such shareholder will receive cash payment with respect to that fractional share.

In conjunction with the separation, we received a private letter ruling from the Internal Revenue Service (IRS) to the effect that, based on certain facts, assumptions, representations and undertakings set forth in the ruling, for U.S. federal income tax purposes, the distribution of Phillips 66 stock is not taxable to ConocoPhillips or U.S. holders of ConocoPhillips common stock, except in respect of cash received in lieu of fractional share interests. Following the separation, ConocoPhillips will retain no ownership interest in Phillips 66, and each company will have separate public ownership, boards of directors and management. A registration statement on Form 10, as amended through the time of its effectiveness and describing the separation, was filed by Phillips 66 with the SEC and was declared effective on April 12, 2012. On May 1, 2012, Phillips 66 stock will begin trading the "regular-way" on the New York Stock Exchange under the "PSX" stock symbol.

As part of the separation, we expect to receive a cash distribution from Phillips 66 of approximately $5.8 billion plus working capital adjustments. Under the terms of the IRS ruling, these funds will be used solely to pay dividends, repurchase common stock, repay debt, or a combination of the foregoing, within twelve months following the distribution. We recognized one-time separation costs of $25 million and $95 million after-tax in 2011 and the first quarter of 2012, respectively, primarily related to legal, information technology, audit, advisor, and compensation and benefits. Prior to the separation, we expect to recognize additional one-time separation costs of approximately $75 million to $100 million after-tax, primarily related to remeasurement of deferred tax assets, as well as transfer taxes, interest expense, and information technology.

APLNG

In January 2012, APLNG and China Petrochemical Corporation (Sinopec) signed an amendment to their existing LNG sales agreement for the sale and purchase of an additional 3.3 million tonnes of LNG per year through 2035. This agreement, in combination with the binding Heads of Agreement with Kansai Electric Power Co., Inc., signed in November 2011, finalizes the marketing of the second train. In conjunction with the LNG sales agreement, the parties have also agreed for Sinopec to subscribe for additional shares in APLNG, which upon completion will raise its equity interest from 15 percent to 25 percent. As a result, both our ownership interest and Origin Energy' s ownership interest would dilute from 42.5 percent to 37.5 percent. The Subscription Agreement is subject to customary governmental approvals and, along with the amendment to the sales agreement, is conditional on a final investment decision on the second train, which is expected in the second quarter of 2012. We expect to record a loss of approximately $135 million after-tax from the dilution in the second quarter of 2012.

U.K. Tax Legislation

In the United Kingdom, legislation is expected to be enacted in July 2012 which would limit corporate tax relief on decommissioning costs to 50 percent. Upon enactment, we anticipate our third quarter 2012 earnings would be reduced by approximately $200 million due to the remeasurement of deferred tax balances.

China−Bohai Bay

Gross production from the Peng Lai fields in Bohai Bay is currently at approximately 40,000 barrels per day under an approved interim reservoir management plan. As previously announced, we and the China National Offshore Oil Corp. (CNOOC) reached an agreement with China' s Ministry of Agriculture (MOA) to resolve fishery-related issues in connection with the seepage incidents. Under this agreement, we paid approximately $160 million to settle public claims for alleged fishery damage and to fund settlement of private claims from potentially affected fishermen in relevant Bohai Bay communities. We also paid the MOA approximately $16 million to fund work to improve fishery resources and for related projects in the area. We hold a 49 percent ownership interest in the Peng Lai fields. A revised environmental impact assessment and overall development program have been submitted to the appropriate government agencies as part of the process for returning the field to normal operation. In late April, we and CNOOC reached agreement with China' s State Oceanic Administration (SOA) to resolve outstanding claims related to the 2011 seepage incidents. Under the terms of the agreement, we agreed to pay $173 million to the SOA over the next two years. We also agreed to contribute $18 million by December 2014 toward social projects benefiting Bohai Bay. As a result of this agreement, we expect to reflect an $89 million after-tax charge in our second quarter 2012 earnings.

E&P Production

In E&P, we expect our 2012 production will be approximately 1.55 million to 1.60 million BOE per day, dependent on the timing of asset dispositions. We expect production in the second quarter of 2012 to be negatively impacted by approximately 70,000 to 90,000 BOE per day due to turnaround activity in our international assets and the impact of dispositions. Normal seasonal factors will also impact the quarter.

CAUTIONARY STATEMENT FOR THE PURPOSES OF THE "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This report includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. You can identify our forward-looking statements by the words "anticipate," "estimate," "believe," "budget," "continue," "could," "intend," "may," "plan," "potential," "predict," "seek," "should," "will," "would," "expect," "objective," "projection," "forecast," "goal," "guidance," "outlook," "effort," "target" and similar expressions.

We based the forward-looking statements on our current expectations, estimates and projections about ourselves and the industries in which we operate in general. We caution you these statements are not guarantees of future performance as they involve assumptions that, while made in good faith, may prove to be incorrect, and involve risks and uncertainties we cannot predict. In addition, we based many of these forward-looking statements on assumptions about future events that may prove to be inaccurate. Accordingly, our actual outcomes and results may differ materially from what we have expressed or forecast in the forward-looking statements. Any differences could result from a variety of factors, including the following:

- Fluctuations in crude oil, bitumen, natural gas, LNG and natural gas liquids prices, refining and marketing margins and margins for our chemicals business.
- Potential failures or delays in achieving expected reserve or production levels from existing and future oil and gas development projects due to operating hazards, drilling risks and the inherent uncertainties in predicting reserves and reservoir performance.
- Unsuccessful exploratory drilling activities or the inability to obtain access to exploratory acreage.
- Failure of new products and services to achieve market acceptance.
- Unexpected changes in costs or technical requirements for constructing, modifying or operating facilities for exploration and production, manufacturing, refining or transportation projects.
- Unexpected technological or commercial difficulties in manufacturing, refining or transporting our products, including chemicals products.
- Lack of, or disruptions in, adequate and reliable transportation for our crude oil, natural gas, natural gas liquids, bitumen, LNG and refined products.
- Inability to timely obtain or maintain permits, including those necessary for drilling and/or development projects, construction of LNG terminals or regasification facilities, or refinery projects; comply with government regulations; or make capital expenditures required to maintain compliance.
- Failure to complete definitive agreements and feasibility studies for, and to timely complete construction of, announced and future exploration and production, LNG, refinery and transportation projects.
- Potential disruption or interruption of our operations due to accidents, extraordinary weather events, civil unrest, political events, terrorism or cyber attacks.
- International monetary conditions and exchange controls.
- Substantial investment or reduced demand for products as a result of existing or future environmental rules and regulations.
- Liability for remedial actions, including removal and reclamation obligations, under environmental regulations.
- Liability resulting from litigation.
- General domestic and international economic and political developments, including armed hostilities; expropriation of assets; changes in governmental policies relating to crude oil, bitumen, natural gas, LNG, natural gas liquids or refined product pricing, regulation or taxation; other political, economic or diplomatic developments; and international monetary fluctuations.
- Changes in tax and other laws, regulations (including alternative energy mandates), or royalty rules applicable to our business.
- Limited access to capital or significantly higher cost of capital related to illiquidity or uncertainty in the domestic or international financial markets.
- Delays in, or our inability to implement, our asset disposition plan.

Inability to obtain economical financing for projects, construction or modification of facilities and general corporate purposes.

The operation and financing of our midstream and chemicals joint ventures.

The effect of restructuring or reorganization of business components.

The effect of separation of our downstream businesses.

The factors generally described in Item 1A−Risk Factors in our 2011 Annual Report on Form 10-K.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Information about market risks for the three months ended March 31, 2012, does not differ materially from that discussed under Item 7A in our 2011 Annual Report on Form 10-K.

Item 4. CONTROLS AND PROCEDURES

As of March 31, 2012, with the participation of our management, our Chairman, President and Chief Executive Officer (principal executive officer) and our Senior Vice President, Finance and Chief Financial Officer (principal financial officer) carried out an evaluation, pursuant to Rule 13a-15(b) of the Securities Exchange Act of 1934, as amended (the Act), of ConocoPhillips' disclosure controls and procedures (as defined in Rule 13a-15(e) of the Act). Based upon that evaluation, our Chairman, President and Chief Executive Officer and our Senior Vice President, Finance and Chief Financial Officer concluded that our disclosure controls and procedures were operating effectively as of March 31, 2012.

There have been no changes in our internal control over financial reporting, as defined in Rule 13a-15(f) of the Act, in the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

The following is a description of reportable legal proceedings including those involving governmental authorities under federal, state and local laws regulating the discharge of materials into the environment for this reporting period. The following proceedings include those matters that arose during the first quarter of 2012 and any material developments with respect to matters previously reported in ConocoPhillips' 2011 Annual Report on Form 10-K. While it is not possible to accurately predict the final outcome of these pending proceedings, if any one or more of such proceedings was decided adversely to ConocoPhillips, we expect there would be no material effect on our consolidated financial position. Nevertheless, such proceedings are reported pursuant to the SEC regulations.

Our U.S. refineries are implementing two separate consent decrees regarding alleged violations of the Federal Clean Air Act with the EPA, six states and one local air pollution agency. Some of the requirements and limitations contained in the decrees provide for stipulated penalties for violations. Stipulated penalties under the decrees are not automatic, but must be requested by one of the agency signatories. As part of periodic reports under the decrees or other reports required by permits or regulations, we occasionally report matters that could be subject to a request for stipulated penalties. If a specific request for stipulated penalties meeting the reporting threshold set forth in SEC rules is made pursuant to these decrees based on a given reported exceedance, we will separately report that matter and the amount of the proposed penalty.

New Matters

ConocoPhillips recently received notice the EPA will be seeking penalties of approximately $150,000 relating to allegations that the company did not immediately notify the EPA of certain releases in 2010 and 2011 at the Wood River Refinery. We are working with the EPA to resolve this matter.

Matters Previously Reported

In 2009, ConocoPhillips notified the EPA and the U.S. Department of Justice that it had self-identified certain compliance issues related to Benzene Waste Operations National Emission Standard for Hazardous Air Pollutants requirements at its facilities in Trainer, Pennsylvania, and Borger, Texas. In a Third Amendment to the consent decree in Civil Action No. H-05-258, ConocoPhillips agreed to pay penalties of $249,000 for the self-identified items at Borger, Texas, and $98,000 for the self-identified items at Trainer, Pennsylvania. This Amendment was entered by the court on April 13, 2012, and penalties have been paid. These compliance issues are now resolved.

[Table of Contents](#)

Item 1A. RISK FACTORS

There have been no material changes from the risk factors disclosed in Item 1A of our 2011 Annual Report on Form 10-K.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

				Millions of Dollars
Period	Total Number of Shares Purchased *	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs **	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
January 1-31, 2012	6,802,323	$ 71.97	6,801,700	$ 9,510
February 1-29, 2012	5,560,816	71.88	5,560,100	9,111
March 1-31, 2012	13,081,609	77.23	13,075,200	8,101
Total	25,444,748	$ 74.66	25,437,000	

**Includes the repurchase of common shares from company employees in connection with the company' s broad-based employee incentive plans.*

***On December 2, 2011, we announced a share repurchase program for up to $10 billion of common stock over the next two years. Acquisitions for the share repurchase program are made at management' s discretion, at prevailing prices, subject to market conditions and other factors. Repurchases may be increased, decreased or discontinued at any time without prior notice. Shares of stock repurchased under the plan are held as treasury shares.*

Item 6. EXHIBITS

10*	Form of Stock Option Award Agreement under the ConocoPhillips Stock Option and Stock Appreciation Rights Program.
12*	Computation of Ratio of Earnings to Fixed Charges.
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
32*	Certifications pursuant to 18 U.S.C. Section 1350.
101.INS*	XBRL Instance Document.
101.SCH*	XBRL Schema Document.
101.CAL*	XBRL Calculation Linkbase Document.
101.LAB*	XBRL Labels Linkbase Document.
101.PRE*	XBRL Presentation Linkbase Document.
101.DEF*	XBRL Definition Linkbase Document.

* Filed herewith.

SIGNATURE

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

CONOCOPHILLIPS

/s/ Glenda M. Schwarz

Glenda M. Schwarz
Vice President and Controller
(Chief Accounting and Duly Authorized Officer)

April 30, 2012

Exhibit 10

RETIRING EXECUTIVE STOCK OPTION

TERMS AND CONDITIONS

These Terms and Conditions describe terms and conditions of Stock Option Awards granted under the 2011 Omnibus Stock and Performance Incentive Plan of ConocoPhillips (referred to as the Plan) by ConocoPhillips (Company) to certain eligible Employees (Employees). These Terms and Conditions, together with the Annual Award Summary given to each Employee receiving an Award, form the Award Agreement (the Agreement) relating to the Awards described.

1. **Type and Size of Grant**. Subject to the Plan and this Agreement, the Company grants to certain eligible Employees a Nonqualified Stock Option to purchase all or any part of an aggregate number of shares of Common Stock of the Company. Individual awards will be as set forth in the Annual Award Summary given to each Employee to whom an Award is granted. The Annual Award Summary for each Employee is made a part of this Agreement with regard to such Employee.

2. **Grant Date, Price, and Plan**. The grant date is and the Grant Price is $. Awards are made under the 2011 Omnibus Stock and Performance Incentive Plan.

3. **Term of Awards, Exercise Installments, and Last Date to Exercise**. Except as otherwise noted in this Agreement, the following summary table describes term of awards, exercise installments, and last date to exercise, subject to the more detailed provisions set forth below:

Exhibit 10

Summary Table

Summary of Exercise Rules

Status	Condition	Last Date to Exercise
Active Employee		10 years from grant date
Retirement (age 55 and 5 years of service)	Prior to Designated Date	Canceled upon Termination
	On or after Designated Date	10 years from grant date (award is prorated)
Layoff	Prior to Designated Date	Canceled upon Termination
	On or after Designated Date	10 years from grant date (award is prorated)
Disability	Any date after grant date	10 years from grant date
Death	Any date after grant date	10 years from grant date
Divestitures, outsourcing, and moves to joint ventures	Any date after grant date	Canceled upon Termination, unless approval otherwise
All other Terminations	Prior to Designated Date	Canceled upon Termination
	On or after Designated Date	10 years from grant date (award is prorated)

(a) Exercise Installments and Expiration. Stock Options granted under this Agreement will become exercisable to the extent that one third of the number of shares of Stock subject to the Stock Option (rounded down to nearest whole share) shall be exercisable on the first anniversary date of the Stock Option grant. On the second anniversary date of the Stock Option grant, an additional one third of the number of shares of Stock (rounded down to nearest whole share) shall become exercisable. On the third anniversary date of the Stock Option grant, the remaining shares shall become exercisable. To the extent that an installment is not exercised when it becomes first exercisable, it will remain exercisable at any time thereafter until the Award shall be canceled, expire, or be surrendered. A Stock Option expires on the tenth anniversary of the date on which it was granted.

(b) Last Date to Exercise (Terminations).

(i) General Rule for Termination. If, prior to the exercise of Stock Options, the Optionee' s employment with a Participating Company shall be terminated prior to the Designated Date for any reason except death or Disability, such Award shall be canceled and all rights thereunder shall cease; provided that the Authorized Party may, in its or his sole discretion, determine that all or any portion of any other Award shall not be canceled due to Termination of Employment. If, prior to the exercise of Stock Options, the Optionee' s employment with a Participating Company shall be terminated on or after the Designated Date for any reason except death or Disability, the Optionee shall retain a prorated number of the Award shares granted. The number of Award shares retained will be computed by multiplying the original number of Award shares granted by a fraction, the numerator of which is the number of full months of employment from the first day of the

first month of the year in which the Award was granted until the date the employee is terminated and the denominator of which is 12. Such calculation shall be rounded down to the nearest whole share. Employment terminated by reason of Layoff or Retirement shall also be subject to this provision.

(ii) Disability. If, after the date the Award is granted, an Optionee shall terminate employment following Disability of the Optionee, the Optionee shall retain all rights provided by the Award at the time of such Termination of Employment.

(iii) Death. If, after the date an Award is granted, an Optionee shall die while in the employ of a Participating Company**,** or after Termination of Employment by reason of Retirement, Disability, or Layoff (and prior to the cancellation of the Award), the executor or administrator of the estate of the Optionee or the person or persons to whom the Award shall have been validly transferred by the executor or the administrator pursuant to will or the laws of descent and distribution shall have the right to exercise the Award to the same extent the Optionee could have, had the Optionee not died. No transfer of an Award by the Optionee by will or by the laws of descent and distribution shall be effective to bind the Company unless the Company shall have been furnished with written notice thereof and a copy of the will and such other evidence as the Company may deem necessary to establish the validity of the transfer and the acceptance by the transferee or transferees of the terms and conditions of such Award.

(iv) Transfers and Leaves. Transfer of employment between Participating Companies shall not constitute Termination of Employment for the purpose of any Award granted under the Program. Whether any leave of absence shall constitute Termination of Employment for the purposes of any Award granted under the Program shall be determined in each case in accordance with applicable law and by application of the policies and procedures adopted by the Company in relation to such leave of absence.

(v) Divestiture, Outsourcing, or Move to Joint Venture. If, after the date the Award is granted, an Optionee ceases to be employed by a Participating Company as a result of (a) the outsourcing of a function, (b) the sale or transfer of all or a portion of the equity interest of such Participating Company (removing it from the controlled group of companies of which the Company is a part), (c) the sale of all or substantially all of the assets of such Participating Company to another employer outside of the controlled group of corporations (whether the Optionee is offered employment or accepts employment with the other employer), (d) the Termination of the Optionee by Participating Company followed by employment within a reasonable time with a company or other entity in which the Company owns, directly or indirectly, at least a 50% interest, prior to exercise of an Award, or (e) any other sale of assets determined by the Authorized Party to be considered a divestiture under this program, the Authorized Party may, in its or his sole discretion, determine that all or a portion of any such Award shall not be canceled.

(c) Detrimental Activities and Suspension of Exercises.

(i) If the Authorized Party determines that, subsequent to the grant of any Award, the Employee has engaged or is engaging in any activity which, in the sole judgment of the Authorized Party, is or may be detrimental to the Company or a subsidiary, the Authorized Party may suspend the right of the Employee to exercise, refuse to honor the exercise of such Employee' s Awards already requested, or cancel all or part of the Award or Awards granted to that Employee.

(ii) If the Authorized Party, in its or his sole discretion, determines that the exercise of any Award has the possibility of violating any law, regulation, or decree pertaining to the Company, a subsidiary, or the Employee, the Authorized Party may freeze or suspend the Employee' s right to exercise until such time as the exercise of the Award would no longer, in the sole discretion of the Authorized Party, have the possibility of violating such law, regulation, or decree.

(iii) Notwithstanding anything herein to the contrary, any Award is subject to forfeiture or recoupment, in whole or in part, under applicable law, including the Sarbanes-Oxley Act and the Dodd-Frank Act.

4. **Exercising the Stock Option**. The Company has retained outside firms to administer Stock Options granted under the Plans (the “third party administrators”). The Option must be exercised in accordance with methods and at times set by the third party administrator and by the Employee' s delivering to the third party administrators such authorization as may be required.

5. **Payment for Shares**. The Grant Price for all shares of Stock purchased upon the exercise of a Stock Option, or a portion thereof, shall be paid in full at the time of such exercise. Such payment may be made in cash or by tendering shares of Stock having a value on the date of exercise equal to the Grant Price. Such value shall be the average of the high and low trading prices of the stock on the day of exercise. If the Optionee makes payment of the Grant Price by tendering shares of Stock, such Stock must be registered in the sole name of the Optionee on the exercise date or an appropriate Stock Power acceptable to the Company to transfer such stock to the sole name of the Optionee must be provided at the time of exercise. In the case of an Optionee who makes payment of the Grant Price by tendering shares of Stock, if the Company deems it appropriate, and if allowed by the applicable laws, regulations and rulings, the Company may accept an attestation from the Optionee in lieu of actual physical delivery to the Company of the shares to be tendered. The attestation must indicate the number of shares held, and if deemed necessary by the Company, the certificate numbers if the Stock is held in certificate form, or the broker and brokerage account number if the shares are held in a brokerage account, and any other information necessary to confirm ownership of the shares. The Company may not accept an attestation in lieu of physical delivery of the shares unless the shares are held in the sole name of the Optionee either in certificate form, or in a single brokerage account, or in such other form as the Company may deem appropriate. Depending on its source, Stock tendered in the exercise of a Stock Option must have met the appropriate holding period required by current tax, accounting, legal, or other applicable rules and regulations. At the election of the Optionee (but subject to any administrative limitations on exercise of Stock Options or permissible methods of option exercise imposed), the Stock Option may also be exercised by a “net-share settlement” method for exercising outstanding nonqualified stock options. The Committee, in its sole discretion and judgment, limit the extent to which shares of Stock may be used in exercising Stock Options or limit the use of any method or time of option exercise.

6. **Assignment of Option and Exercises After Death**. Rights under the Plans and this Agreement cannot be assigned or transferred other than by (i) will, (ii) beneficiary designation, or (iii) the laws of descent and distribution. In the event that a beneficiary designation conflicts with an assignment by will or under the laws of descent and distribution, the beneficiary designation will prevail. Upon the death of an Employee, exercise of the grant will be permitted only by the Employee' s designated beneficiary, executor, or personal representative of the Employee' s estate.

7. **Tax Withholding**. In the U.S. and many countries, the difference between the Grant Price and the value of the stock at the time of an Option exercise multiplied by the number of shares purchased is

compensation subject to tax withholding. The Option exercise will not be completed until all federal, state, local and other governmental withholding tax requirements have been met. Should a withholding tax obligation arise upon the exercise of a Stock Option, the withholding tax may be satisfied by withholding shares of Stock or by payment of cash. This withholding obligation includes, but is not limited to, federal, state, and local taxes, including applicable non-U.S. taxes, such as U.K. PAYE. The plan administrator will take such steps, as it deems necessary or desirable for the withholding of any taxes that are required by laws or regulations of any governmental authority in connection with any exercise.

8. **Shareholder Rights**. The Employee shall not have the rights of a shareholder until the Option has been exercised and ownership of shares of Common Stock has been transferred to the Employee.

9. **Certain Adjustments**. In the event certain corporate transactions, recapitalizations, or stock splits occur while a Stock Option is outstanding, the Grant Price and the number of Stock Option Shares shall be correspondingly adjusted.

10. **Relationship to the Plan**. In addition to the terms and conditions described in this Agreement, Awards are subject to all other applicable provisions of the Plan. The decisions of the Committee with respect to questions arising as to the interpretation of the Plan or this Agreement and as to findings of fact shall be final, conclusive, and binding.

11. **No Employment Guarantee**. No provision of this Agreement shall confer any right upon the Employee to continued employment with any Participating Company.

12. **Governing Law**. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Delaware.

13. **Amendment**. Without the consent of the Employee, this Agreement may be amended or supplemented (i) to cure any ambiguity or to correct or supplement any provision herein which may be defective or inconsistent with any other provision herein, or (ii) to add to the covenants and agreements of the Company for the benefit of an Employee or to add to the rights of an Employee or to surrender any right or power reserved to or conferred upon the Company in this Agreement, provided, in each case, that such changes or corrections shall not adversely affect the rights of the Employee with respect to the grant of an Option evidenced hereby without the Employee' s consent, or (iii) to make such other changes as the Company, upon advice of counsel, determines are necessary or advisable because of the adoption or promulgation of, or change in or of the interpretation of, any law or governmental rule or regulation, including any applicable federal or state securities or tax laws.

Effective February 9, 2012

DEFINITIONS

Capitalized terms not defined below shall have the meanings set forth in the Plan under which the Award is granted.

"Authorized Party" means the person who is authorized to approve an Award, exercise discretion or take action under the Administrative Procedure for the Stock Option (and Stock Appreciation Rights) Program and pursuant to the Program. With regard to Senior Officers, the Committee is the Authorized Party. With regard to other Employees, the Chief Executive Officer, acting as the Special Equity Award Committee of the Board of Directors of the Company, is the Authorized Party, although the Committee may act concurrently as the Authorized Party.

"Award" means any Stock Option granted to an Employee pursuant to such applicable terms, conditions, and limitations as the Authorized Party may establish in order to fulfill the objectives of the Program.

"Change of Control" has the meaning set forth in Attachment A to these Terms and Conditions.

"Committee" means the Human Resources and Compensation Committee of the Board of Directors of the Company, or any successor committee to it.

"Common Stock" means common stock, par value $.01 per share, of the Company.

"Company" means ConocoPhillips, a Delaware corporation.

"Designated Date" means the date set forth on the Employee' s Award Summary as the Designated Date.

"Disability" means a disability for which the employee in question has been determined to be entitled to either (i) benefits under the applicable plan of long-term disability of the Company or its subsidiaries or (ii) disability benefits under the Social Security Act. In the absence of any such determination, the Authorized Party may make a determination that the employee has a Disability.

"Fair Market Value" means, as of a particular date, the mean between the highest and lowest sales price per share of such Common Stock on the consolidated transaction reporting system for the principal national securities exchange on which shares of Common Stock are listed on that date, or, if there shall have been no such sale so reported on that date, on the next succeeding date on which such a sale was so reported, or, at the discretion of the Committee, the price prevailing on the exchange at the time of exercise.

"Grant Price" means the price at which an Employee may exercise his or her right to receive cash or Common Stock, as applicable, under the terms of an Award.

"Layoff" means an applicable Termination of Employment due to layoff under the ConocoPhillips Severance Pay Plan, the ConocoPhillips Executive Severance Plan, or the ConocoPhillips Key Employee Change in Control Severance Plan, or layoff or redundancy under any similar layoff or redundancy plan which the Company or its subsidiaries may adopt from time to time. If all or any portion of the benefits under the redundancy or layoff plan are contingent on the employee' s signing a general release of liability, such Termination shall not be considered as a "Layoff" for purposes of this Award unless the employee executes and does not revoke a general release of liability, acceptable to the Company, under the terms of such layoff or redundancy plan.

Effective February 9, 2012

"Nonqualified Stock Option" means a Stock Option that is not an Incentive Stock Option.

"Optionee" means an individual holding a Stock Option.

"Option Shares" means the shares of Common Stock issuable upon exercise of a Stock Option covered by this Agreement.

"Participating Company" includes ConocoPhillips and its 100% owned subsidiaries, including both those directly owned and those owned through subsidiaries, whose participation has been approved by the Authorized Party.

"Retirement" means Termination at age 55 or older with a minimum of 5 years service with a Participating Company; provided, however, that with regard to an Employee not on the United States payroll, the CEO may approve the use of a different definition. Service is defined by the policies of the Participating Company.

"Senior Officer" means the Chairman of the Board, the CEO, all other executive officers of the Company (determined in accordance with the Company' s custom and practice pursuant to section 16(b) of the Securities Exchange Act of 1934, as amended), all other employees of the Company who report directly to the CEO and whose salary grade is 23 or higher, and all other employees of the Company whose salary grade is 26 or higher.

"Stock" means shares of common stock of the Company, par value $.01.

"Stock Option" means the right to purchase a specified number of shares of Common Stock at a specified Grant Price pursuant to such applicable terms, conditions, and limitations established by the Authorized Party.

"Termination" and *"Termination of Employment"* mean cessation of employment with the Participating Companies, determined in accordance with the policies and practices of the Participating Company for whom the Employee was last performing services.

Effective February 9, 2012

Attachment "A"

"Change of Control"

The following definitions apply to the Change of Control provision in Paragraph 10 of the Plan.

"Affiliate" shall have the meaning ascribed to such term in Rule 12b-2 of the General Rules and Regulations under the Exchange Act, as in effect at the time of determination.

"Associate" shall mean, with reference to any Person, (a) any corporation, firm, partnership, association, unincorporated organization or other entity (other than the Company or a subsidiary of the Company) of which such Person is an officer or general partner (or officer or general partner of a general partner) or is, directly or indirectly, the Beneficial Owner of 10% or more of any class of equity securities, (b) any trust or other estate in which such Person has a substantial beneficial interest or as to which such Person serves as trustee or in a similar fiduciary capacity and (c) any relative or spouse of such Person, or any relative of such spouse, who has the same home as such Person.

"Beneficial Owner" shall mean, with reference to any securities, any Person if:

(a) such Person or any of such Person' s Affiliates and Associates, directly or indirectly, is the "beneficial owner" of (as determined pursuant to Rule 13d-3 of the General Rules and Regulations under the Exchange Act, as in effect at the time of determination) such securities or otherwise has the right to vote or dispose of such securities;

(b) such Person or any of such Person' s Affiliates and Associates, directly or indirectly, has the right or obligation to acquire such securities (whether such right or obligation is exercisable or effective immediately or only after the passage of time or the occurrence of an event) pursuant to any agreement, arrangement or understanding (whether or not in writing) or upon the exercise of conversion rights, exchange rights, other rights, warrants or options, or otherwise; provided, however, that a Person shall not be deemed the Beneficial Owner of, or to "beneficially own," (i) securities tendered pursuant to a tender or exchange offer made by such Person or any of such Person' s Affiliates or Associates until such tendered securities are accepted for purchase or exchange or (ii) securities issuable upon exercise of Exempt Rights; or

(c) such Person or any of such Person' s Affiliates or Associates (i) has any agreement, arrangement or understanding (whether or not in writing) with any other Person (or any Affiliate or Associate thereof) that beneficially owns such securities for the purpose of acquiring, holding, voting (except as set forth in the provision to subsection (a) of this definition) or disposing of such securities or (ii) is a member of a group (as that term is used in Rule 13d-5(b) of the General Rules and Regulations under the Exchange Act) that includes any other Person that beneficially owns such securities;

provided, however, that nothing in this definition shall cause a Person engaged in business as an underwriter of securities to be the Beneficial Owner of, or to "beneficially own," any securities acquired through such Person' s participation in good faith in a firm commitment underwriting until the expiration of 40 days after the date of such acquisition. For purposes hereof, "voting" a security shall include voting, granting a proxy, consenting or making a request or demand relating to corporate action (including, without limitation, a demand for a shareholder list, to call a shareholder meeting or to inspect corporate books and records) or otherwise giving an authorization (within the meaning of Section 14(a) of the Exchange Act) in respect of such security.

Effective February 9, 2012

The terms "beneficially own" and "beneficially owning" shall have meanings that are correlative to this definition of the term "Beneficial Owner."

"Board" shall have the meaning set forth in the foregoing Plan.

"Change of Control" shall mean any of the following occurring on or after May 11, 2011:

(a) any Person (other than an Exempt Person) shall become the Beneficial Owner of 20% or more of the shares of Common Stock then outstanding or 20% or more of the combined voting power of the Voting Stock of the Company then outstanding; provided, however, that no Change of Control shall be deemed to occur for purposes of this subsection (a) if such Person shall become a Beneficial Owner of 20% or more of the shares of Common Stock or 20% or more of the combined voting power of the Voting Stock of the Company solely as a result of (i) an Exempt Transaction or (ii) an acquisition by a Person pursuant to a reorganization, merger or consolidation, if, following such reorganization, merger or consolidation, the conditions described in clauses (i), (ii) and (iii) of subsection (c) of this definition are satisfied;

(b) individuals who, as of May 11, 2011, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to May 11, 2011 whose election, or nomination for election by the Company' s shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board; provided, further, that there shall be excluded, for this purpose, any such individual whose initial assumption of office occurs as a result of any actual or threatened Election Contest that is subject to the provisions of Rule 14a-11 of the General Rules and Regulations under the Exchange Act;

(c) the Company shall consummate a reorganization, merger, or consolidation, in each case, unless, following such reorganization, merger, or consolidation, (i) 50% or more of the then outstanding shares of common stock of the corporation, or common equity securities of an entity other than a corporation, resulting from such reorganization, merger, or consolidation and the combined voting power of the then outstanding Voting Stock of such corporation or other entity are beneficially owned, directly or indirectly, by all or substantially all of the Persons who were the Beneficial Owners of the outstanding Common Stock immediately prior to such reorganization, merger, or consolidation in substantially the same proportions as their ownership, immediately prior to such reorganization, merger, or consolidation, of the outstanding Common Stock, (ii) no Person (excluding any Exempt Person or any Person beneficially owning, immediately prior to such reorganization, merger, or consolidation, directly or indirectly, 20% or more of the Common Stock then outstanding or 20% or more of the combined voting power of the Voting Stock of the Company then outstanding) beneficially owns, directly or indirectly, 20% or more of the then outstanding shares of common stock of the corporation, or common equity securities of an entity other than a corporation, resulting from such reorganization, merger, or consolidation or the combined voting power of the then outstanding Voting Stock of such corporation or other entity, and (iii) at least a majority of the members of the board of directors of the corporation, or the body which is most analogous to the board of directors of a corporation if not a corporation, resulting from such reorganization, merger, or consolidation were members of the Incumbent Board at the time of the initial agreement or initial action by the Board providing for such reorganization, merger, or consolidation; or

(d)(i) the shareholders of the Company shall approve a complete liquidation or dissolution of the Company unless such liquidation or dissolution is approved as part of a plan of liquidation and dissolution involving a sale or disposition of all or substantially all of the assets of the Company to a corporation with respect to which, following such sale or other disposition, all of the requirements of clauses (ii)(A), (B), and (C) of this subsection (d) are satisfied, or (ii) the Company shall consummate the sale or other disposition of all or substantially all of the assets of the Company, other than to a corporation or other entity, with respect to which, following such sale or other disposition, (A) 50% or more of the then outstanding shares of common stock of such corporation, or common equity securities of an entity other than a corporation, and the combined voting power of the Voting Stock of such corporation or other entity is then beneficially owned, directly or indirectly, by all or substantially all of the Persons who were the Beneficial Owners of the outstanding Common Stock immediately prior to such sale or other disposition in substantially the same proportion as their ownership, immediately prior to such sale or other disposition, of the outstanding Common Stock, (B) no Person (excluding any Exempt Person and any Person beneficially owning, immediately prior to such sale or other disposition, directly or indirectly, 20% or more of the Common Stock then outstanding or 20% or more of the combined voting power of the Voting Stock of the Company then outstanding) beneficially owns, directly or indirectly, 20% or more of the then outstanding shares of common stock of such corporation, or common equity securities of an entity other than a corporation, and the combined voting power of the then outstanding Voting Stock of such corporation or other entity, and (C) at least a majority of the members of the board of directors of such corporation, or the body which is most analogous to the board of directors of a corporation if not a corporation, were members of the Incumbent Board at the time of the initial agreement or initial action of the Board providing for such sale or other disposition of assets of the Company.

"Common Stock" shall have the meaning set forth in the foregoing Plan.

"Company" shall have the meaning set forth in the foregoing Plan.

"Election Contest" shall mean a solicitation of proxies of the kind described in Rule 14a-12(c) under the Exchange Act.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Exempt Person" shall mean any of the Company, any subsidiary of the Company, any employee benefit plan of the Company or any subsidiary of the Company, and any Person organized, appointed, or established by the Company for or pursuant to the terms of any such plan.

"Exempt Rights" shall mean any rights to purchase shares of Common Stock or other Voting Stock of the Company if at the time of the issuance thereof such rights are not separable from such Common Stock or other Voting Stock (*i.e.*, are not transferable otherwise than in connection with a transfer of the underlying Common Stock or other Voting Stock), except upon the occurrence of a contingency, whether such rights exist as of May 11, 2011 or are thereafter issued by the Company as a dividend on shares of Common Stock or other Voting Securities or otherwise.

"Exempt Transaction" shall mean an increase in the percentage of the outstanding shares of Common Stock or the percentage of the combined voting power of the outstanding Voting Stock of the Company beneficially owned by any Person solely as a result of a reduction in the number of shares of Common Stock then outstanding due to the repurchase of Common Stock or Voting Stock by the Company, unless and until such time as (a) such Person or any Affiliate or Associate of such Person shall purchase or otherwise become the Beneficial Owner of additional shares of Common Stock constituting 1% or more of the then outstanding shares of Common Stock or additional Voting Stock representing 1% or more of the combined voting power of the then outstanding Voting Stock, or (b) any other Person (or

Persons) who is (or collectively are) the Beneficial Owner of shares of Common Stock constituting 1% or more of the then outstanding shares of Common Stock or Voting Stock representing 1% or more of the combined voting power of the then outstanding Voting Stock shall become an Affiliate or Associate of such Person.

"Person" shall mean any individual, firm, corporation, partnership, association, trust, unincorporated organization, or other entity.

"Voting Stock" shall mean, (1) with respect to a corporation, all securities of such corporation of any class or series that are entitled to vote generally in the election of, or to appoint by contract, directors of such corporation (excluding any class or series that would be entitled so to vote by reason of the occurrence of any contingency, so long as such contingency has not occurred) and (ii) with respect to an entity which is not a corporation, all securities of any class or series that are entitled to vote generally in the election of, or to appoint by contract, members of the body which is most analogous to the board of directors of a corporation .

Effective February 9, 2012

Exhibit 12

CONOCOPHILLIPS AND CONSOLIDATED SUBSIDIARIES
TOTAL ENTERPRISE

Computation of Ratio of Earnings to Fixed Charges

	Millions of Dollars	
	Three Months Ended March 31	
	2012	2011
Earnings Available for Fixed Charges		
Income from continuing operations before income taxes and noncontrolling interests that have not incurred fixed charges	**$ 5,459**	5,783
Distributions less than equity in earnings of affiliates	**(423)**	(523)
Fixed charges, excluding capitalized interest*	**489**	348
	$ 5,525	5,608
Fixed Charges		
Interest and debt expense, excluding capitalized interest	**$ 355**	262
Capitalized interest	**146**	112
Interest portion of rental expense	**45**	46
	$ 546	420
Ratio of Earnings to Fixed Charges	**10.1**	13.4

**Includesamortization of capitalized interest totaling approximately $89 million in 2012 and $40 million in 2011.*

Exhibit 31.1

CERTIFICATION

I, James J. Mulva, certify that:

1. I have reviewed this report on Form 10-Q of ConocoPhillips;

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

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

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

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

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

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

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

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

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

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

April 30, 2012

/s/ James J. Mulva

James J. Mulva
Chairman, President and
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Jeff W. Sheets, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ConocoPhillips;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant' s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant' s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant' s internal control over financial reporting that occurred during the registrant' s most recent fiscal quarter (the registrant' s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant' s internal control over financial reporting; and
5. The registrant' s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant' s auditors and the audit committee of the registrant' s board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant' s ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant' s internal control over financial reporting.

April 30, 2012

/s/ Jeff W. Sheets

Jeff W. Sheets
Senior Vice President, Finance and
Chief Financial Officer

Exhibit 32

CERTIFICATIONS PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the Quarterly Report of ConocoPhillips (the Company) on Form 10-Q for the period ended March 31, 2012, as filed with the U.S. Securities and Exchange Commission on the date hereof (the Report), each of the undersigned hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to their knowledge:

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

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

April 30, 2012

/s/ James J. Mulva

James J. Mulva
Chairman, President and
Chief Executive Officer

/s/ Jeff W. Sheets

Jeff W. Sheets
Senior Vice President, Finance and
Chief Financial Officer

Related Party Transactions (Tables)	3 Months Ended Mar. 31, 2012
Related Party Transactions [Abstract]	
Significant transactions with related parties	

	Millions of Dollars	
	Three Months Ended March 31	
	2012	2011
Operating revenues and other income (a)	**$ 1,991**	1,816
Purchases (b)	**5,088**	4,354
Operating expenses and selling, general and administrative expenses (c)	**67**	105
Net interest expense (d)	**14**	19

(a) We sold natural gas to DCP Midstream, LLC and crude oil to the Malaysian Refining Company Sdn. Bhd. (MRC), among others, for processing and marketing. Natural gas liquids, solvents and petrochemical feedstocks were sold to Chevron Phillips Chemical Company LLC (CPChem), and gas oil and hydrogen feedstocks were sold to Excel Paralubes. Natural gas, crude oil, blendstock and other intermediate products were sold to WRB Refining LP. In addition, we charged several of our affiliates, including CPChem and MSLP, for the use of common facilities, such as steam generators, waste and water treaters, and warehouse facilities.

(b) We purchased refined products from WRB. We purchased natural gas and natural gas liquids from DCP Midstream and CPChem for use in our refinery processes and other feedstocks from various affiliates. We purchased refined products from MRC. We also paid fees to various pipeline equity companies for transporting finished refined products and natural gas, as well as a price upgrade to MSLP for heavy crude processing. We purchased base oils and fuel products from Excel Paralubes for use in our refinery and specialty businesses.

(c) We paid processing fees to various affiliates. Additionally, we paid transportation fees to pipeline equity companies.

(d) We paid and/or received interest to/from various affiliates, including FCCL Partnership. See Note 5—Investments, Loans and Long-Term Receivables, for additional information on loans to affiliated companies.

Contingencies and Commitments (Details) (USD $) In Millions, unless otherwise specified	3 Months Ended Mar. 31, 2012	Dec. 31, 2011
Contingencies and Commitments (Textual) [Abstract]		
Total environmental accrual included in balance sheet	$ 920	$ 922
Expected years to incur the majority of expenditures	30 years	
Performance obligations secured by letters of credit	2,551	
Letters of credit issued under revolving credit facilities	$ 26	$ 40

Impairments (Details) (USD $) In Millions, unless otherwise specified	3 Months Ended	
	Mar. 31, 2012	Mar. 31, 2011
Impairment charges by segment, before-tax		
Tangible asset impairment charges	$ 259	
Exploration and Production (E&P) [Member] | United States [Member]		
Impairment charges by segment, before-tax		
Tangible asset impairment charges	2	
Exploration and Production (E&P) [Member] | International [Member]		
Impairment charges by segment, before-tax		
Tangible asset impairment charges	214	
Refining and Marketing (R&M) [Member]		
Impairment charges by segment, before-tax		
Tangible asset impairment charges	42	
Refining and Marketing (R&M) [Member] | United States [Member]		
Impairment charges by segment, before-tax		
Tangible asset impairment charges	1	
Refining and Marketing (R&M) [Member] | International [Member]		
Impairment charges by segment, before-tax		
Tangible asset impairment charges	$ 42	

Segment Disclosures and Related Information (Details Textual)	Mar. 31, 2012
DCP Midstream, LLC [Member]	
Segment Disclosures and Related Information (Textual) [Abstract]	
Equity interest of ConocoPhillips	50.00%
Chevron Phillips Chemical Company LLC [Member]	
Segment Disclosures and Related Information (Textual) [Abstract]	
Equity interest of ConocoPhillips	50.00%

Financial Instruments and Derivative Contracts (Details) (USD $) In Millions, unless otherwise specified	Mar. 31, 2012	Dec. 31, 2011	Mar. 31, 2011	Dec. 31, 2010
Financial Instruments				
Cash	$ 1,066	$ 1,169		
Short-term Investments	508 [1]	581 [1]		
Cash and cash equivalents	3,707	5,780	6,172	9,454
Time Deposits [Member] | Remaining maturities from 1 to 90 days [Member]				
Financial Instruments				
Cash & Cash Equivalents, Carrying Amount	2,209	4,318		
Short-term Investments, Carrying Amount	101	349		
Time Deposits [Member] | Remaining maturities from 91 to 180 days [Member]				
Financial Instruments				
Cash & Cash Equivalents, Carrying Amount				
Short-term Investments, Carrying Amount				
Commercial Paper [Member] | Remaining maturities from 1 to 90 days [Member]				
Financial Instruments				
Short-term Investments, Carrying Amount	407	232		
Cash & Cash Equivalents, Carrying Amount	96	293		
Commercial Paper [Member] | Remaining maturities from 91 to 180 days [Member]				
Financial Instruments				
Short-term Investments, Carrying Amount				
Cash & Cash Equivalents, Carrying Amount				
Government Obligations [Member] | Remaining maturities from 1 to 90 days [Member]				
Financial Instruments				
Short-term Investments, Carrying Amount				
Cash & Cash Equivalents, Carrying Amount	336			
Government Obligations [Member] | Remaining maturities from 91 to 180 days [Member]				
Financial Instruments				
Short-term Investments, Carrying Amount				
Cash & Cash Equivalents, Carrying Amount				

[1] * Includes marketable securities of: $407 for March 31 , 2012 and $232 for December 31, 2011

Properties, Plants and Equipment (Details) (USD $) In Millions, unless otherwise specified	Mar. 31, 2012	Dec. 31, 2011
Properties, Plants and Equipment		
Property, plant and equipment, gross	$ 151,253	$ 149,209
Accumulated depreciation, depletion and amortization	65,694	65,029
Properties, plants and equipment, net	85,559	84,180
Exploration and Production (E&P) [Member]		
Properties, Plants and Equipment		
Property, plant and equipment, gross	125,827	124,111
Accumulated depreciation, depletion and amortization	55,990	55,565
Properties, plants and equipment, net	69,837	68,546
Midstream [Member]		
Properties, Plants and Equipment		
Property, plant and equipment, gross	134	135
Accumulated depreciation, depletion and amortization	85	86
Properties, plants and equipment, net	49	49
Refining and Marketing (R&M) [Member]		
Properties, Plants and Equipment		
Property, plant and equipment, gross	22,364	22,096
Accumulated depreciation, depletion and amortization	8,329	8,128
Properties, plants and equipment, net	14,035	13,968
Emerging Businesses [Member]		
Properties, Plants and Equipment		
Property, plant and equipment, gross	1,063	1,023
Accumulated depreciation, depletion and amortization	240	220
Properties, plants and equipment, net	823	803
Corporate and Other [Member]		
Properties, Plants and Equipment		
Property, plant and equipment, gross	1,865	1,844
Accumulated depreciation, depletion and amortization	1,050	1,030
Properties, plants and equipment, net	$ 815	$ 814

Impairments (Tables)	3 Months Ended Mar. 31, 2012

Impairments [Abstract]

Impairment Charges by Segment Before Tax

	Millions of Dollars	
	Three Months Ended March 31	
	2012	2011
E&P		
United States	**$ 2**	—
International	**214**	—
R&M		
United States	**1**	—
International	**42**	—
	$ 259	—

Supplementary Information - Condensed Consolidating Financial Information (Details 1) (USD $) In Millions, unless otherwise specified	3 Months Ended	
	Mar. 31, 2012	Mar. 31, 2011
Revenues and Other Income		
Sales and other operating revenues	$ 56,132 [1]	$ 56,530 [1]
Equity in earnings of affiliates	1,220	1,017
Gain on dispositions	942	616
Other income	60	84
Total Revenues and Other Income	58,354	58,247
Costs and Expenses		
Purchased crude oil, natural gas and products	41,889	42,376
Production and operating expenses	2,696	2,628
Selling, general and administrative expenses	685	499
Exploration expenses	679	176
Depreciation, depletion and amortization	1,838	2,070
Impairments	259	
Taxes other than income taxes	4,521 [1]	4,364 [1]
Accretion on discounted liabilities	114	112
Interest and debt expense	209	262
Foreign currency transaction (gains) losses	(11)	(36)
Total Costs and Expenses	52,879	52,451
Income (loss) before income taxes	5,475	5,796
Provision for income taxes	2,520	2,754
Net income (loss)	2,955	3,042
Less: net income attributable to noncontrolling interests	(18)	(14)
Net Income Attributable to ConocoPhillips	2,937	3,028
Comprehensive Income Attributable to ConocoPhillips	3,823	3,802
ConocoPhillips [Member]		
Revenues and Other Income		
Equity in earnings of affiliates	3,290	3,235
Other income	1	
Intercompany revenues	1	1
Total Revenues and Other Income	3,292	3,236
Costs and Expenses		
Selling, general and administrative expenses	5	5
Interest and debt expense	540	315
Total Costs and Expenses	545	320
Income (loss) before income taxes	2,747	2,916
Provision for income taxes	(190)	(112)
Net income (loss)	2,937	3,028

Net Income Attributable to ConocoPhillips	2,937	3,028
Comprehensive Income Attributable to ConocoPhillips	2,937	3,028
ConocoPhillips Company [Member]		
Revenues and Other Income		
Sales and other operating revenues	33,652	35,729
Equity in earnings of affiliates	3,984	3,439
Gain on dispositions	1	268
Other income	42	53
Intercompany revenues	872	903
Total Revenues and Other Income	38,551	40,392
Costs and Expenses		
Purchased crude oil, natural gas and products	31,367	33,441
Production and operating expenses	1,166	1,152
Selling, general and administrative expenses	485	318
Exploration expenses	89	50
Depreciation, depletion and amortization	360	387
Impairments	2	
Taxes other than income taxes	1,363	1,248
Accretion on discounted liabilities	18	17
Interest and debt expense	82	107
Foreign currency transaction (gains) losses	(28)	(17)
Total Costs and Expenses	34,904	36,703
Income (loss) before income taxes	3,647	3,689
Provision for income taxes	357	454
Net income (loss)	3,290	3,235
Net Income Attributable to ConocoPhillips	3,290	3,235
Comprehensive Income Attributable to ConocoPhillips	3,371	3,294
ConocoPhillips Australia Funding Company [Member]		
Revenues and Other Income		
Intercompany revenues	11	11
Total Revenues and Other Income	11	11
Costs and Expenses		
Interest and debt expense	10	10
Total Costs and Expenses	10	10
Income (loss) before income taxes	1	1
Net income (loss)	1	1
Net Income Attributable to ConocoPhillips	1	1
Comprehensive Income Attributable to ConocoPhillips	1	1
ConocoPhillips Canada Funding Company I [Member]		
Revenues and Other Income		
Intercompany revenues	22	23
Total Revenues and Other Income	22	23
Costs and Expenses		
Interest and debt expense	19	19

Foreign currency transaction (gains) losses	11	37
Total Costs and Expenses	30	56
Income (loss) before income taxes	(8)	(33)
Provision for income taxes	6	1
Net income (loss)	(14)	(34)
Net Income Attributable to ConocoPhillips	(14)	(34)
Comprehensive Income Attributable to ConocoPhillips	19	5
ConocoPhillips Canada Funding Company II [Member]		
Revenues and Other Income		
Intercompany revenues	8	9
Total Revenues and Other Income	8	9
Costs and Expenses		
Interest and debt expense	8	8
Foreign currency transaction (gains) losses	16	(3)
Total Costs and Expenses	24	5
Income (loss) before income taxes	(16)	4
Provision for income taxes	(1)	10
Net income (loss)	(15)	(6)
Net Income Attributable to ConocoPhillips	(15)	(6)
Comprehensive Income Attributable to ConocoPhillips	(2)	10
All Other Subsidiaries [Member]		
Revenues and Other Income		
Sales and other operating revenues	22,480	20,801
Equity in earnings of affiliates	686	543
Gain on dispositions	941	348
Other income	17	31
Intercompany revenues	8,934	8,643
Total Revenues and Other Income	33,058	30,366
Costs and Expenses		
Purchased crude oil, natural gas and products	19,800	18,144
Production and operating expenses	1,603	1,566
Selling, general and administrative expenses	166	160
Exploration expenses	590	126
Depreciation, depletion and amortization	1,478	1,683
Impairments	257	
Taxes other than income taxes	3,158	3,116
Accretion on discounted liabilities	96	95
Interest and debt expense	76	110
Foreign currency transaction (gains) losses	(10)	(53)
Total Costs and Expenses	27,214	24,947
Income (loss) before income taxes	5,844	5,419
Provision for income taxes	2,348	2,401
Net income (loss)	3,496	3,018
Less: net income attributable to noncontrolling interests	(18)	(14)

Net Income Attributable to ConocoPhillips	3,478	3,004
Comprehensive Income Attributable to ConocoPhillips	4,237	3,664
Consolidating Adjustments [Member]		
Revenues and Other Income		
Equity in earnings of affiliates	(6,740)	(6,200)
Intercompany revenues	(9,848)	(9,590)
Total Revenues and Other Income	(16,588)	(15,790)
Costs and Expenses		
Purchased crude oil, natural gas and products	(9,278)	(9,209)
Production and operating expenses	(73)	(90)
Selling, general and administrative expenses	29	16
Interest and debt expense	(526)	(307)
Total Costs and Expenses	(9,848)	(9,590)
Income (loss) before income taxes	(6,740)	(6,200)
Net income (loss)	(6,740)	(6,200)
Net Income Attributable to ConocoPhillips	(6,740)	(6,200)
Comprehensive Income Attributable to ConocoPhillips	$ (6,740)	$ (6,200)

[1] * Includes excise taxes on petroleum products sales: $3321 , $3382 for Three Months Ended March 31, 2012, 2011 respectively.

Financial Instruments and Derivative Contracts (Details 2) (Commodity derivatives [Member], USD $) In Millions, unless otherwise specified	Mar. 31, 2012	Dec. 31, 2011
Prepaid expenses and other current assets [Member]		
fair value of commodity derivative assets and liabilities ,without netting		
Commodity derivative assets	$ 5,048	$ 4,433
Other assets [Member]		
fair value of commodity derivative assets and liabilities ,without netting		
Commodity derivative assets	399	415
Other accruals [Member]		
fair value of commodity derivative assets and liabilities ,without netting		
Commodity derivative liabilities	5,047	4,350
Other liabilities and deferred credits [Member]		
fair value of commodity derivative assets and liabilities ,without netting		
Commodity derivative liabilities	$ 433	$ 374

Income Taxes (Details)	3 Months Ended	
	Mar. 31, 2012	Mar. 31, 2011
Income Taxes (Textual) [Abstract]		
Effective tax rate	46.00%	48.00%
Domestic federal statutory rate	35.00%	

Related Party Transactions	3 Months Ended Mar. 31, 2012
Related Party Transactions [Abstract]	
Related Party Transactions	**Note 18—Related Party Transactions**

Significant transactions with related parties were:

	Millions of Dollars	
	Three Months Ended March 31	
	2012	2011
Operating revenues and other income (a)	**$ 1,991**	1,816
Purchases (b)	**5,088**	4,354
Operating expenses and selling, general and administrative expenses (c)	**67**	105
Net interest expense (d)	**14**	19

(a) We sold natural gas to DCP Midstream, LLC and crude oil to the Malaysian Refining Company Sdn. Bhd. (MRC), among others, for processing and marketing. Natural gas liquids, solvents and petrochemical feedstocks were sold to Chevron Phillips Chemical Company LLC (CPChem), and gas oil and hydrogen feedstocks were sold to Excel Paralubes. Natural gas, crude oil, blendstock and other intermediate products were sold to WRB Refining LP. In addition, we charged several of our affiliates, including CPChem and MSLP, for the use of common facilities, such as steam generators, waste and water treaters, and warehouse facilities.

(b) We purchased refined products from WRB. We purchased natural gas and natural gas liquids from DCP Midstream and CPChem for use in our refinery processes and other feedstocks from various affiliates. We purchased refined products from MRC. We also paid fees to various pipeline equity companies for transporting finished refined products and natural gas, as well as a price upgrade to MSLP for heavy crude processing. We purchased base oils and fuel products from Excel Paralubes for use in our refinery and specialty businesses.

(c) We paid processing fees to various affiliates. Additionally, we paid transportation fees to pipeline equity companies.

(d) We paid and/or received interest to/from various affiliates, including FCCL Partnership. See Note 5—Investments, Loans and Long-Term Receivables, for additional information on loans to affiliated companies.

Debt (Details Textual) (USD $)	3 Months Ended Mar. 31, 2012	Dec. 31, 2011
Additional One Debt (Textual) [Abstract]		
Total amount under revolving credit facilities	$ 8,000,000,000	
Debt (Textual) [Abstract]		
Maturity period of commercial paper (in days)	90 days	
Direct outstanding borrowings under the revolving credit facilities	0	0
Letters of credit issued under revolving credit facilities	26,000,000	40,000,000
Commercial paper outstanding	1,097,000,000	1,128,000,000
Credit facilities remaining after commercial paper outstanding and issuance of letters of credit	6,900,000,000	
Classification of short-term debt as long-term debt	1,010,000,000	
Redemption price plus accrued interest	290,000,000	
ConocoPhillips [Member]		
Additional One Debt (Textual) [Abstract]		
ConocoPhillips Commercial Paper Program	6,350,000,000	
ConocoPhillips Qatar Funding Ltd. [Member]		
Additional One Debt (Textual) [Abstract]		
ConocoPhillips Commercial Paper Program	1,500,000,000	
Subsidiaries one [Member]		
Additional One Debt (Textual) [Abstract]		
Percentage share of the remaining contracted volumes	100.00%	
Senior Notes due 2015 [Member]		
Additional One Debt (Textual) [Abstract]		
Aggregate principal amount through a private placement	800,000,000	
Stated percentage of debt	1.95%	
Senior Notes due 2017 [Member]		
Additional One Debt (Textual) [Abstract]		
Aggregate principal amount through a private placement	1,500,000,000	
Stated percentage of debt	2.95%	
Senior Notes due 2022 [Member]		
Additional One Debt (Textual) [Abstract]		
Aggregate principal amount through a private placement	2,000,000,000	
Stated percentage of debt	4.30%	
Senior Notes due 2042 [Member]		
Additional One Debt (Textual) [Abstract]		
Aggregate principal amount through a private placement	$ 1,500,000,000	
Stated percentage of debt	5.875%	

Variable Interest Entities (VIEs) (Details) (USD $) In Millions, unless otherwise specified	3 Months Ended Mar. 31, 2012 ft3	Dec. 31, 2011
Freeport GP [Member]		
Variable Interest Entities (VIEs) (Textual) [Abstract]		
Percentage share of the remaining contracted volumes	50.00%	
Freeport LNG [Member]		
Variable Interest Entities (VIEs) (Textual) [Abstract]		
Long-term agreement with Freeport LNG to use LNG regasification capacity, cubic feet per day	900,000,000	
Loan balance outstanding	$ 602	$ 612

Supplementary Information - Condensed Consolidating Financial Information (Details 3) (USD $) In Millions, unless otherwise specified	3 Months Ended								3 Months Ended							3 Months Ended			
	Mar. 31, 2012	Mar. 31, 2011	Mar. 31, 2012 ConocoPhillips [Member]	Mar. 31, 2011 ConocoPhillips [Member]	Mar. 31, 2012 ConocoPhillips Company [Member]	Mar. 31, 2011 ConocoPhillips Company [Member]	Mar. 31, 2012 ConocoPhillips Australia Funding Company [Member]	Dec. 31, 2011 ConocoPhillips Australia Funding Company [Member]	Mar. 31, 2012 ConocoPhillips Canada Funding Company I [Member]	Mar. 31, 2011 ConocoPhillips Canada Funding Company I [Member]	Mar. 31, 2011 ConocoPhillips Canada Funding Company II [Member]	Mar. 31, 2012 ConocoPhillips Canada Funding Company II [Member]	Dec. 31, 2011 ConocoPhillips Canada Funding Company II [Member]	Mar. 31, 2012 All Other Subsidiaries [Member]	Mar. 31, 2011 All Other Subsidiaries [Member]	Mar. 31, 2012 Consolidating Adjustments [Member]	Mar. 31, 2011 Consolidating Adjustments [Member]
Cash Flows From Operating Activities																	
Net Cash Provided by (Used in) Operating Activities	$ 4,182	$ 1,947	$ 2,708	$ 2,506	$ 3,904	$ (1,974)			$ (1)	$ (1)	$ (7)			$ (8)	$ 1,711	$ (2,421)	$ (288)
Cash Flows From Investing Activities																	
Capital expenditures and investments	(4,260)	(2,884)			(633)	(426)								(3,627)	(2,458)		
Proceeds from asset dispositions	1,109	1,787				329								1,109	1,458		
Net sales (purchases) of short-term investments	92	(1,170)												92	(1,170)		
Long-term advances/loans-related parties	4	4			(2)	2				(4)					(2,077)	6	2,083
Collection of advances/loans-related parties	38	40			92	104								5,228	29	(5,282)	(93)
Other	7	12												7	12		
Net Cash Used in Investing Activities	(3,010)	(2,211)			(543)	9				(4)				2,809	(4,206)	(5,276)	1,990
Cash Flows From Financing Activities																	
Issuance of debt	5,794					2,073					4			5,800	6	(6)	(2,083)
Repayment of debt	(54)	(373)			(5,220)	(343)								(116)	(123)	5,282	93
Change in restricted cash	(6,050)													(6,050)			
Issuance of company common stock	36	75	36	75													
Repurchase of company common stock	(1,899)	(1,636)	(1,899)	(1,636)													
Dividends paid on company common stock	(843)	(944)	(843)	(944)										(2,421)	(288)	2,421	288
Other	(254)	(183)	(2)	(1)										(252)	(182)		
Net Cash Used in Financing Activities	(3,270)	(3,061)	(2,708)	(2,506)	(5,220)	1,730					4			(3,039)	(587)	7,697	(1,702)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	25	43												25	43		
Net Change in Cash and Cash Equivalents	(2,073)	(3,282)			(1,859)	(235)			(1)	(5)	(3)			(213)	(3,039)		
Cash and cash equivalent at beginning of period	5,780	9,454			2,028	718	1	1	38	29	4	1	1	3,712	8,703		
Cash and Cash Equivalent at End of Period	$ 3,707	$ 6,172			$ 169	$ 483	$ 1	$ 1	$ 37	$ 24	$ 1	$ 1	$ 1	$ 3,499	$ 5,664		

Cash Flow Information (Tables)	3 Months Ended Mar. 31, 2012
Cash Flow Information [Abstract]	
Cash Flow Information	

	Millions of Dollars Three Months Ended March 31	
	2012	2011
Cash Payments		
Interest	**$ 291**	286
Income taxes	**1,462**	2,722
Net Sales (Purchases) of Short-Term Investments		
Short-term investments purchased	**$ (497)**	(2,101)
Short-term investments sold	**589**	931
	$ 92	(1,170)

Noncontrolling Interests (Details) (USD $) In Millions, unless otherwise specified	3 Months Ended	
	Mar. 31, 2012	Mar. 31, 2011
Activity for equity attributable to noncontrolling interests		
Beginning Balance	$ 65,734	$ 69,109
Net Income	2,955	3,042
Dividends paid on company common stock	(843)	(944)
Repurchase of company common stock	(1,899)	(1,636)
Distributions to noncontrolling interests	(19)	(12)
Other changes, net	1,115	962
Ending Balance	67,043	70,521
Noncontrolling Interest [Member]		
Activity for equity attributable to noncontrolling interests		
Beginning Balance	510	547
Net Income	18	14
Distributions to noncontrolling interests	(19)	(12)
Ending Balance	509	549
Common Stockholders' Equity [Member]		
Activity for equity attributable to noncontrolling interests		
Beginning Balance	65,224	68,562
Net Income	2,937	3,028
Dividends paid on company common stock	(843)	(944)
Repurchase of company common stock	(1,899)	(1,636)
Other changes, net	1,115	962
Ending Balance	$ 66,534	$ 69,972

Related Party Transactions (Details) (USD $) In Millions, unless otherwise specified	3 Months Ended	
	Mar. 31, 2012	Mar. 31, 2011
Significant transactions with related parties		
Operating revenues and other income	$ 1,991	$ 1,816
Purchases	5,088	4,354
Operating expenses and selling, general and administrative expenses	67	105
Net interest expense	$ 14	$ 19

Financial Instruments and Derivative Contracts (Details 6) (USD $) In Millions, unless otherwise specified	Mar. 31, 2012	Dec. 31, 2011
Foreign currency exchange derivatives [Member] | Carrying Amount [Member]		
Financial Assets		
Foreign currency exchange derivatives	$ 22	$ 13
Financial Liabilities		
Foreign currency exchange derivatives	7	23
Foreign currency exchange derivatives [Member] | Fair Value [Member]		
Financial Assets		
Foreign currency exchange derivatives	22	13
Financial Liabilities		
Foreign currency exchange derivatives	7	23
Interest rate derivatives [Member] | Carrying Amount [Member]		
Financial Assets		
Interest rate derivatives	27	31
Interest rate derivatives [Member] | Fair Value [Member]		
Financial Assets		
Interest rate derivatives	27	31
Commodity derivatives [Member] | Carrying Amount [Member]		
Financial Assets		
Price risk derivative assets	781	814
Financial Liabilities		
Price risk derivative liabilities	444	446
Commodity derivatives [Member] | Fair Value [Member]		
Financial Assets		
Price risk derivative assets	781	814
Financial Liabilities		
Price risk derivative liabilities	444	446
Total debt, excluding capital leases [Member] | Carrying Amount [Member]		
Financial Liabilities		
Total debt, excluding capital leases, carrying amount	28,331	22,592
Total debt, excluding capital leases [Member] | Fair Value [Member]		
Financial Liabilities		
Total debt, excluding capital leases, carrying amount	32,496	27,065
Joint venture acquisition obligation [Member] | Carrying Amount [Member]		
Financial Liabilities		
Joint venture acquisition obligation, carrying amount	4,135	4,314
Joint venture acquisition obligation [Member] | Fair Value [Member]		
Financial Liabilities		
Joint venture acquisition obligation, fair value	$ 4,627	$ 4,820

Suspended Wells (Details) (USD $) In Millions, unless otherwise specified	3 Months Ended Mar. 31, 2012	Dec. 31, 2011
Suspended Wells		
Capitalized cost of suspended wells	$ 1,008	$ 1,037
Decrease capitalized cost of suspended wells	$ 29	

Variable Interest Entities (VIEs)	3 Months Ended Mar. 31, 2012
Variable Interest Entities VIEs [Abstract]	
Variable Interest Entities (VIEs)	**Note 2—Variable Interest Entities (VIEs)** We hold variable interests in VIEs that have not been consolidated because we are not considered the primary beneficiary. Information on our significant VIE follows: We have an agreement with Freeport LNG Development, L.P. (Freeport LNG) to participate in a liquefied natural gas (LNG) receiving terminal in Quintana, Texas. We have no ownership in Freeport LNG; however, we own a 50 percent interest in Freeport LNG GP, Inc. (Freeport GP), which serves as the general partner managing the venture. We entered into a credit agreement with Freeport LNG, whereby we agreed to provide loan financing for the construction of the terminal. We also entered into a long-term agreement with Freeport LNG to use 0.9 billion cubic feet per day of regasification capacity. The terminal became operational in June 2008, and we began making payments under the terminal use agreement. Freeport LNG began making loan repayments in September 2008, and the loan balance outstanding was $602 million at March 31, 2012, and $612 million at December 31, 2011. Freeport LNG is a VIE because Freeport GP holds no equity in Freeport LNG, and the limited partners of Freeport LNG do not have any substantive decision making ability. We performed an analysis of the expected losses and determined we are not the primary beneficiary. This expected loss analysis took into account that the credit support arrangement requires Freeport LNG to maintain sufficient commercial insurance to mitigate any loan losses. The loan to Freeport LNG is accounted for as a financial asset, and our investment in Freeport GP is accounted for as an equity investment.

Financial Instruments and Derivative Contracts (Details Textual) (USD $) In Millions, unless otherwise specified	3 Months Ended Mar. 31, 2012	Dec. 31, 2011	Jun. 30, 2010 4.6% Bonds [Member]	Mar. 31, 2012 Treasury Bills [Member]	Mar. 31, 2012 Treasury Notes [Member]
Debt Instrument [Line Items]					
Amount converted by interest rate swap execution			$ 500		
Interest rate of fixed bonds			4.60%		
Funds in the escrow accounts invested in U.S. Treasury Bills & Notes				5,920	130
Financial Instruments and Derivative Contracts (Textual) [Abstract]					
Financial instruments designated as Restricted cash	6,050				
Redemption price plus accrued interest	290				
Payment term of receivables	30 days or less				
Aggregate fair value of all derivative instruments in a liability position	249	237			
Collateral was posted for derivative instruments in a liability position	4	3			
Additional collateral, either in the form of cash or letters of credit	245				
Fixed-rate on joint venture acquisition obligation	5.30%				
Effective yield rate	0.97%	1.24%			
Obligations to return cash collateral	21				
Rights to reclaim cash collateral	$ 391	$ 244			

Inventories (Details) (USD $) In Millions, unless otherwise specified	Mar. 31, 2012	Dec. 31, 2011
Inventories		
Crude oil and petroleum products	$ 5,071	$ 3,633
Materials, supplies and other	1,001	998
Total Inventories	6,072	4,631
Inventories (Textual) [Abstract]		
Inventories valued on the LIFO basis	4,789	3,387
Excess of current replacement cost over LIFO cost of inventories	$ 9,500	$ 8,400

Subsequent Events	3 Months Ended Mar. 31, 2012
Subsequent Events [Abstract]	
Subsequent Events	**Note 22—Subsequent Events** In late April, we and China National Offshore Oil Corp. (CNOOC) reached agreement with China's State Oceanic Administration (SOA) to resolve outstanding claims related to the 2011 seepage incidents. Under the terms of the agreement, we agreed to pay $173 million to the SOA over the next two years. We also agreed to contribute $18 million by December 2014 toward social projects benefiting Bohai Bay. As a result of this agreement, we expect to reflect an $89 million after-tax charge in our second quarter 2012 earnings.

Planned Separation of Downstream Businesses	3 Months Ended Mar. 31, 2012
Planned Separation of Downstream Businesses [Abstract]	
Planned Separation of Downstream Businesses	**Note 21—Planned Separation of Downstream Businesses** On April 4, 2012, our Board of Directors approved the separation of our downstream businesses into a stand-alone, publicly traded corporation via a tax-free distribution. The new downstream company, Phillips 66, will be headquartered in Houston, Texas, and will include our refining, marketing and transportation businesses, most of our Midstream segment, our Chemicals segment, as well as our power generation and certain technology operations included in our Emerging Businesses segment. In accordance with a separation and distribution agreement, the two companies will be separated through a stock dividend distribution after the market closes on April 30, 2012. Each ConocoPhillips shareholder will receive one share of Phillips 66 stock for every two shares of ConocoPhillips stock held at the close of business on the record date of April 16, 2012. Fractional shares of Phillips 66 common stock will not be distributed, and any fractional shares of Phillips 66 common stock otherwise issuable to a ConocoPhillips shareholder will be sold in the open market on such shareholder's behalf, and such shareholder will receive cash payment with respect to that fractional share. In conjunction with the separation, we received a private letter ruling from the Internal Revenue Service to the effect that, based on certain facts, assumptions, representations and undertakings set forth in the ruling, for U.S. federal income tax purposes, the distribution of Phillips 66 stock is not taxable to ConocoPhillips or U.S. holders of ConocoPhillips common stock, except in respect of cash received in lieu of fractional share interests. Following the separation, ConocoPhillips will retain no ownership interest in Phillips 66, and each company will have separate public ownership, boards of directors and management. A registration statement on Form 10, as amended through the time of its effectiveness and describing the separation, was filed by Phillips 66 with the U.S. Securities and Exchange Commission and was declared effective on April 12, 2012. On May 1, 2012, Phillips 66 stock will begin trading the "regular-way" on the New York Stock Exchange under the "PSX" stock symbol.

Financial Instruments and Derivative Contracts (Details 1) (Fair Value, Measurements, Recurring [Member], USD $) In Millions, unless otherwise specified	Mar. 31, 2012	Dec. 31, 2011
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Total assets	$ 5,468	$ 4,870
Total liabilities	5,459	4,725
Net assets (liabilities)	9	145
Commodity derivatives [Member]		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Total assets	5,419	4,826
Total liabilities	5,452	4,702
Interest rate derivatives [Member]		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Total assets	27	31
Foreign currency exchange derivatives [Member]		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Total assets	22	13
Total liabilities	7	23
Level 1 Inputs [Member]		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Total assets	3,344	2,807
Total liabilities	3,620	2,970
Net assets (liabilities)	(276)	(163)
Level 1 Inputs [Member] | Commodity derivatives [Member]		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Total assets	3,344	2,807
Total liabilities	3,620	2,970
Level 2 [Member]		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Total assets	2,058	1,991
Total liabilities	1,833	1,745
Net assets (liabilities)	225	246
Level 2 [Member] | Commodity derivatives [Member]		

Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Total assets	2,009	1,947
Total liabilities	1,826	1,722
Level 2 [Member] | Interest rate derivatives [Member]		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Total assets	27	31
Level 2 [Member] | Foreign currency exchange derivatives [Member]		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Total assets	22	13
Total liabilities	7	23
Level 3 Inputs [Member]		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Total assets	66	72
Total liabilities	6	10
Net assets (liabilities)	60	62
Level 3 Inputs [Member] | Commodity derivatives [Member]		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Total assets	66	72
Total liabilities	$ 6	$ 10

Assets Held for Sale or Sold (Details) (USD $) In Millions, unless otherwise specified	3 Months Ended Mar. 31, 2012
Vietnam E&P [Member]	
Assets Held for Sale or Sold (Textual) [Abstract]	
Proceeds from Asset Sale	$ 1,100
Gain (Loss) on Sale of Oil and Gas Property	937
Net carrying value of asset	163
Amount of PP&E in carrying value of asset	352
Amount of asset retirement obligations in carrying value of asset	69
Amount of deferred taxes in carrying value of asset	145
Statfjord [Member]	
Assets Held for Sale or Sold (Textual) [Abstract]	
Amount of PP&E in carrying value of asset	199
Amount of asset retirement obligations in carrying value of asset	446
Amount of deferred taxes in carrying value of asset	$ 322

Supplementary Information - Condensed Consolidating Financial Information	3 Months Ended Mar. 31, 2012

Supplementary Information - Condensed Consolidating Financial Information [Abstract]

Supplementary Information - Condensed Consolidating Financial Information

Supplementary Information—Condensed Consolidating Financial Information

We have various cross guarantees among ConocoPhillips, ConocoPhillips Company, ConocoPhillips Australia Funding Company, ConocoPhillips Canada Funding Company I, and ConocoPhillips Canada Funding Company II, with respect to publicly held debt securities. ConocoPhillips Company is 100 percent owned by ConocoPhillips. ConocoPhillips Australia Funding Company, ConocoPhillips Canada Funding Company I and ConocoPhillips Canada Funding Company II are indirect, 100 percent owned subsidiaries of ConocoPhillips Company. ConocoPhillips and ConocoPhillips Company have fully and unconditionally guaranteed the payment obligations of ConocoPhillips Australia Funding Company, ConocoPhillips Canada Funding Company I, and ConocoPhillips Canada Funding Company II, with respect to their publicly held debt securities. Similarly, ConocoPhillips has fully and unconditionally guaranteed the payment obligations of ConocoPhillips Company with respect to its publicly held debt securities. In addition, ConocoPhillips Company has fully and unconditionally guaranteed the payment obligations of ConocoPhillips with respect to its publicly held debt securities. All guarantees are joint and several. The following condensed consolidating financial information presents the results of operations, financial position and cash flows for:

- ConocoPhillips, ConocoPhillips Company, ConocoPhillips Australia Funding Company, ConocoPhillips Canada Funding Company I, and ConocoPhillips Canada Funding Company II (in each case, reflecting investments in subsidiaries utilizing the equity method of accounting).
- All other nonguarantor subsidiaries of ConocoPhillips.
- The consolidating adjustments necessary to present ConocoPhillips' results on a consolidated basis.

This condensed consolidating financial information should be read in conjunction with the accompanying consolidated financial statements and notes.

	Millions of Dollars							
	Three Months Ended March 31, 2012							
Income Statement	ConocoPhillips	ConocoPhillips Company	ConocoPhillips Australia Funding Company	ConocoPhillips Canada Funding Company I	ConocoPhillips Canada Funding Company II	All Other Subsidiaries	Consolidating Adjustments	Total Consolidated
Revenues and Other Income								
Sales and other operating revenues	$ —	33,652	—	—	—	22,480	—	56,132
Equity in earnings of affiliates	3,290	3,984	—	—	—	686	(6,740)	1,220
Gain on dispositions	—	1	—	—	—	941	—	942
Other income	1	42	—	—	—	17	—	60
Intercompany revenues	1	872	11	22	8	8,934	(9,848)	—
Total Revenues and Other Income	3,292	38,551	11	22	8	33,058	(16,588)	58,354
Costs and Expenses								
Purchased crude oil, natural gas and products	—	31,367	—	—	—	19,800	(9,278)	41,889

Production and operating expenses	—	1,166	—	—	—	1,603	(73)	2,696
Selling, general and administrative expenses	5	485	—	—	—	166	29	685
Exploration expenses	—	89	—	—	—	590	—	679
Depreciation, depletion and amortization	—	360	—	—	—	1,478	—	1,838
Impairments	—	2	—	—	—	257	—	259
Taxes other than income taxes	—	1,363	—	—	—	3,158	—	4,521
Accretion on discounted liabilities	—	18	—	—	—	96	—	114
Interest and debt expense	540	82	10	19	8	76	(526)	209
Foreign currency transaction (gains) losses	—	(28)	—	11	16	(10)	—	(11)
Total Costs and Expenses	545	34,904	10	30	24	27,214	(9,848)	52,879
Income (loss) before income taxes	2,747	3,647	1	(8)	(16)	5,844	(6,740)	5,475
Provision for income taxes	(190)	357	—	6	(1)	2,348	—	2,520
Net income (loss)	2,937	3,290	1	(14)	(15)	3,496	(6,740)	2,955
Less: net income attributable to noncontrolling interests	—	—	—	—	—	(18)	—	(18)
Net Income (Loss) Attributable to ConocoPhillips	$ 2,937	3,290	1	(14)	(15)	3,478	(6,740)	2,937
Comprehensive Income Attributable to ConocoPhillips	$ 2,937	3,371	1	19	(2)	4,237	(6,740)	3,823

Income Statement	Three Months Ended March 31, 2011							
Revenues and Other Income								
Sales and other operating revenues	$ —	35,729	—	—	—	20,801	—	56,530
Equity in earnings of affiliates	3,235	3,439	—	—	—	543	(6,200)	1,017
Gain on dispositions	—	268	—	—	—	348	—	616
Other income	—	53	—	—	—	31	—	84
Intercompany revenues	1	903	11	23	9	8,643	(9,590)	—
Total Revenues and Other Income	3,236	40,392	11	23	9	30,366	(15,790)	58,247

Costs and Expenses								
Purchased crude oil, natural gas and products	—	33,441	—	—	—	18,144	(9,209)	42,376
Production and operating expenses	—	1,152	—	—	—	1,566	(90)	2,628
Selling, general and administrative expenses	5	318	—	—	—	160	16	499
Exploration expenses	—	50	—	—	—	126	—	176
Depreciation, depletion and amortization	—	387	—	—	—	1,683	—	2,070
Taxes other than income taxes	—	1,248	—	—	—	3,116	—	4,364
Accretion on discounted liabilities	—	17	—	—	—	95	—	112
Interest and debt expense	315	107	10	19	8	110	(307)	262
Foreign currency transaction (gains) losses	—	(17)	—	37	(3)	(53)	—	(36)
Total Costs and Expenses	320	36,703	10	56	5	24,947	(9,590)	52,451
Income (loss) before income taxes	2,916	3,689	1	(33)	4	5,419	(6,200)	5,796
Provision for income taxes	(112)	454	—	1	10	2,401	—	2,754
Net income (loss)	3,028	3,235	1	(34)	(6)	3,018	(6,200)	3,042
Less: net income attributable to noncontrolling interests	—	—	—	—	—	(14)	—	(14)
Net Income (Loss) Attributable to ConocoPhillips	$ 3,028	3,235	1	(34)	(6)	3,004	(6,200)	3,028
Comprehensive Income Attributable to ConocoPhillips	$ 3,028	3,294	1	5	10	3,664	(6,200)	3,802

	Millions of Dollars							
	March 31, 2012							
Balance Sheet	ConocoPhillips	ConocoPhillips Company	ConocoPhillips Australia Funding Company	ConocoPhillips Canada Funding Company I	ConocoPhillips Canada Funding Company II	All Other Subsidiaries	Consolidating Adjustments	Total Consolidated
Assets								
Cash and cash equivalents	$ —	169	1	37	1	3,499	—	3,707

Short-term investments	—	—	—	—	—	508	—	508
Restricted cash	—	—	—	—	—	6,050	—	6,050
Accounts and notes receivable	64	7,478	—	—	—	16,738	(6,797)	17,483
Inventories	—	2,659	—	—	—	3,413	—	6,072
Prepaid expenses and other current assets	20	1,026	—	1	—	2,199	—	3,246
Total Current Assets	84	11,332	1	38	1	32,407	(6,797)	37,066
Investments, loans and long-term receivables*	100,748	138,137	771	1,473	586	63,602	(270,128)	35,189
Net properties, plants and equipment	—	19,825	—	—	—	65,734	—	85,559
Goodwill	—	3,330	—	—	—	—	—	3,330
Intangibles	—	721	—	—	—	21	—	742
Other assets	58	299	—	2	4	632	—	995
Total Assets	$ 100,890	173,644	772	1,513	591	162,396	(276,925)	162,881
Liabilities and Stockholders' Equity								
Accounts payable	$ —	12,333	1	3	1	16,009	(6,797)	21,550
Short-term debt	891	207	—	—	—	5,904	—	7,002
Accrued income and other taxes	—	559	—	3	—	4,189	—	4,751
Employee benefit obligations	—	542	—	—	—	158	—	700
Other accruals	154	539	19	32	14	1,669	—	2,427
Total Current Liabilities	1,045	14,180	20	38	15	27,929	(6,797)	36,430
Long-term debt	10,952	3,397	750	1,250	499	4,510	—	21,358
Asset retirement obligations and accrued environmental costs	—	1,755	—	—	—	7,318	—	9,073
Joint venture acquisition obligation	—	—	—	—	—	3,393	—	3,393
Deferred income taxes	(5)	4,112	—	16	8	14,578	—	18,709
Employee benefit obligations	—	3,048	—	—	—	985	—	4,033
Other liabilities and deferred credits*	29,235	42,346	—	116	46	18,299	(87,200)	2,842
Total Liabilities	41,227	68,838	770	1,420	568	77,012	(93,997)	95,838
Retained earnings	44,787	38,355	1	(85)	(72)	30,985	(62,685)	51,286
Other common stockholders' equity	14,876	66,451	1	178	95	53,890	(120,243)	15,248
Noncontrolling interests	—	—	—	—	—	509	—	509

Total Liabilities and Stockholders' Equity	$ 100,890	173,644	772	1,513	591	162,396	(276,925)	162,881

Balance Sheet	December 31, 2011							
Assets								
Cash and cash equivalents	$ —	2,028	1	37	1	3,713	—	5,780
Short-term investments	—	—	—	—	—	581	—	581
Accounts and notes receivable	60	9,186	—	—	—	20,898	(13,618)	16,526
Inventories	—	2,239	—	—	—	2,392	—	4,631
Prepaid expenses and other current assets	22	1,090	—	1	—	1,587	—	2,700
Total Current Assets	82	14,543	1	38	1	29,171	(13,618)	30,218
Investments, loans and long-term receivables*	96,269	135,603	760	1,417	565	59,651	(260,482)	33,783
Net properties, plants and equipment	—	19,595	—	—	—	64,585	—	84,180
Goodwill	—	3,332	—	—	—	—	—	3,332
Intangibles	—	722	—	—	—	23	—	745
Other assets	64	301	—	2	3	602	—	972
Total Assets	$ 96,415	174,096	761	1,457	569	154,032	(274,100)	153,230
Liabilities and Stockholders' Equity								
Accounts payable	$ 10	18,747	—	1	1	14,512	(13,618)	19,653
Short-term debt	892	27	—	—	—	94	—	1,013
Accrued income and other taxes	—	315	—	2	—	3,903	—	4,220
Employee benefit obligations	—	835	—	—	—	276	—	1,111
Other accruals	244	634	9	14	6	1,164	—	2,071
Total Current Liabilities	1,146	20,558	9	17	7	19,949	(13,618)	28,068
Long-term debt	10,951	3,599	749	1,250	498	4,563	—	21,610
Asset retirement obligations and accrued environmental costs	—	1,766	—	—	—	7,563	—	9,329
Joint venture acquisition obligation	—	—	—	—	—	3,582	—	3,582
Deferred income taxes	(5)	3,982	—	11	9	14,058	—	18,055
Employee benefit obligations	—	3,092	—	—	—	976	—	4,068

Other liabilities and deferred credits*	25,959	40,479	—	104	29	20,047	(83,834)	2,784
Total Liabilities	38,051	73,476	758	1,382	543	70,738	(97,452)	87,496
Retained earnings	42,694	35,065	1	(70)	(55)	29,928	(58,369)	49,194
Other common stockholders' equity	15,670	65,555	2	145	81	52,856	(118,279)	16,030
Noncontrolling interests	—	—	—	—	—	510	—	510
Total Liabilities and Stockholders' Equity	$ 96,415	174,096	761	1,457	569	154,032	(274,100)	153,230

*Includes intercompany loans.

	Millions of Dollars							
	Three Months Ended March 31, 2012							
Statement of Cash Flows	ConocoPhillips	ConocoPhillips Company	ConocoPhillips Australia Funding Company	ConocoPhillips Canada Funding Company I	ConocoPhillips Canada Funding Company II	All Other Subsidiaries	Consolidating Adjustments	Total Consolidated
Cash Flows From Operating Activities								
Net Cash Provided by (Used in) Operating Activities	$ 2,708	3,904	—	(1)	—	(8)	(2,421)	4,182
Cash Flows From Investing Activities								
Capital expenditures and investments	—	(633)	—	—	—	(3,627)	—	(4,260)
Proceeds from asset dispositions	—	—	—	—	—	1,109	—	1,109
Net purchases of short-term investments	—	—	—	—	—	92	—	92
Long-term advances/ loans—related parties	—	(2)	—	—	—	—	6	4
Collection of advances/ loans—related parties	—	92	—	—	—	5,228	(5,282)	38
Other	—	—	—	—	—	7	—	7

Net Cash Provided by (Used in) Investing Activities	—	(543)	—	—	—	2,809	(5,276)	(3,010)
Cash Flows From Financing Activities								
Issuance of debt	—	—	—	—	—	5,800	(6)	5,794
Repayment of debt	—	(5,220)	—	—	—	(116)	5,282	(54)
Change in restricted cash	—	—	—	—	—	(6,050)	—	(6,050)
Issuance of company common stock	36	—	—	—	—	—	—	36
Repurchase of company common stock	(1,899)	—	—	—	—	—	—	(1,899)
Dividends paid on common stock	(843)	—	—	—	—	(2,421)	2,421	(843)
Other	(2)	—	—	—	—	(252)	—	(254)
Net Cash Used in Financing Activities	(2,708)	(5,220)	—	—	—	(3,039)	7,697	(3,270)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	**—**	**—**	**—**	**—**	**—**	**25**	**—**	**25**
Net Change in Cash and Cash Equivalents	—	(1,859)	—	(1)	—	(213)	—	(2,073)
Cash and cash equivalents at beginning of period	—	2,028	1	38	1	3,712	—	5,780
Cash and Cash Equivalents at End of Period	$ —	169	1	37	1	3,499	—	3,707

Statement of Cash Flows	Three Months Ended March 31, 2011							
Cash Flows From Operating Activities								
Net Cash Provided by (Used in)	$ 2,506	(1,974)	—	(1)	(7)	1,711	(288)	1,947

Operating Activities								
Cash Flows From Investing Activities								
Capital expenditures and investments	—	(426)	—	—	—	(2,458)	—	(2,884)
Proceeds from asset dispositions	—	329	—	—	—	1,458	—	1,787
Net purchases of short-term investments	—	—	—	—	—	(1,170)	—	(1,170)
Long-term advances/ loans—related parties	—	2	—	(4)	—	(2,077)	2,083	4
Collection of advances/ loans—related parties	—	104	—	—	—	29	(93)	40
Other	—	—	—	—	—	12	—	12
Net Cash Provided by (Used in) Investing Activities	—	9	—	(4)	—	(4,206)	1,990	(2,211)
Cash Flows From Financing Activities								
Issuance of debt	—	2,073	—	—	4	6	(2,083)	—
Repayment of debt	—	(343)	—	—	—	(123)	93	(373)
Issuance of company common stock	75	—	—	—	—	—	—	75
Repurchase of company common stock	(1,636)	—	—	—	—	—	—	(1,636)
Dividends paid on common stock	(944)	—	—	—	—	(288)	288	(944)
Other	(1)	—	—	—	—	(182)	—	(183)
Net Cash Provided by (Used in) Financing Activities	(2,506)	1,730	—	—	4	(587)	(1,702)	(3,061)
Effect of Exchange Rate Changes on Cash and	—	—	—	—	—	43	—	43

Cash Equivalents								
Net Change in Cash and Cash Equivalents	—	(235)	—	(5)	(3)	(3,039)	—	(3,282)
Cash and cash equivalents at beginning of period	—	718	—	29	4	8,703	—	9,454
Cash and Cash Equivalents at End of Period	$ —	483	—	24	1	5,664	—	6,172

Inventories (Tables)	3 Months Ended Mar. 31, 2012
Inventories [Abstract]	
Inventories	

	Millions of Dollars	
	March 31 2012	December 31 2011
Crude oil and petroleum products	**$ 5,071**	3,633
Materials, supplies and other	**1,001**	998
	$ 6,072	4,631

Interim Financial Information	3 Months Ended Mar. 31, 2012
Interim Financial Information [Abstract]	
Interim Financial Information	**Note 1—Interim Financial Information** The interim-period financial information presented in the financial statements included in this report is unaudited and includes all known accruals and adjustments, in the opinion of management, necessary for a fair presentation of the consolidated financial position of ConocoPhillips and its results of operations and cash flows for such periods. All such adjustments are of a normal and recurring nature. Certain notes and other information have been condensed or omitted from the interim financial statements included in this report. Therefore, these financial statements should be read in conjunction with the consolidated financial statements and notes included in our 2011 Annual Report on Form 10-K.

Properties, Plants and Equipment (Tables)

3 Months Ended Mar. 31, 2012

Properties, Plants and Equipment [Abstract]

Properties, Plants and Equipment

	Millions of Dollars					
	March 31, 2012			December 31, 2011		
	Gross PP&E	Accum. DD&A	Net PP&E	Gross PP&E	Accum. DD&A	Net PP&E
Exploration and Production (E&P)	**$125,827**	**55,990**	**69,837**	124,111	55,565	68,546
Midstream	**134**	**85**	**49**	135	86	49
Refining and Marketing (R&M)	**22,364**	**8,329**	**14,035**	22,096	8,128	13,968
LUKOIL Investment	**—**	**—**	**—**	—	—	—
Chemicals	**—**	**—**	**—**	—	—	—
Emerging Businesses	**1,063**	**240**	**823**	1,023	220	803
Corporate and Other	**1,865**	**1,050**	**815**	1,844	1,030	814
	$151,253	**65,694**	**85,559**	149,209	65,029	84,180

Segment Disclosures and Related Information (Tables)	3 Months Ended Mar. 31, 2012

[Segment Disclosures and Related Information [Abstract]]

[Net Income Attributable to ConocoPhillips]

	Millions of Dollars Three Months Ended March 31	
	2012	2011
Sales and Other Operating Revenues		
E&P		
United States	**$7,514**	7,755
International	**7,221**	7,920
Intersegment eliminations—U.S.	**(2,028)**	(1,688)
Intersegment eliminations—international	**(2,192)**	(2,067)
E&P	**10,515**	11,920
Midstream		
Total sales	**2,027**	2,328
Intersegment eliminations	**(114)**	(156)
Midstream	**1,913**	2,172
R&M		
United States	**29,445**	29,953
International	**14,468**	12,744
Intersegment eliminations—U.S.	**(231)**	(265)
Intersegment eliminations—international	**(13)**	(13)
R&M	**43,669**	42,419
LUKOIL Investment	**—**	—
Chemicals	**3**	3
Emerging Businesses		
Total sales	**208**	156
Intersegment eliminations	**(182)**	(145)
Emerging Businesses	**26**	11
Corporate and Other	**6**	5
Consolidated sales and other operating revenues	**$56,132**	56,530
Net Income Attributable to ConocoPhillips		
E&P		
United States	**$870**	863
International	**1,678**	1,489
Total E&P	**2,548**	2,352
Midstream	**93**	73

R&M		
United States	**415**	402
International	**37**	80
Total R&M	**452**	482
LUKOIL Investment	**—**	239
Chemicals	**218**	193
Emerging Businesses	**(14)**	(7)
Corporate and Other	**(360)**	(304)
Net income attributable to ConocoPhillips	**$2,937**	3,028

	Millions of Dollars	
	March 31 2012	December 31 2011
Total Assets		
E&P		
United States	**$37,505**	37,150
International	**66,854**	64,752
Total E&P	**104,359**	101,902
Midstream	**1,981**	2,338
R&M		
United States	**26,073**	24,976
International	**10,600**	8,061
Goodwill	**3,330**	3,332
Total R&M	**40,003**	36,369
LUKOIL Investment	**—**	—
Chemicals	**3,312**	2,999
Emerging Businesses	**1,033**	974
Corporate and Other	**12,193**	8,648
Consolidated total assets	**$162,881**	153,230

Guarantees (Details) (USD $) In Millions, unless otherwise specified	Mar. 31, 2012	Dec. 31, 2011	3 Months Ended Mar. 31, 2012 Australia Pacific LNG [Member]	Mar. 31, 2012 Indemnification Agreement [Member]	Mar. 31, 2012 Guarantees of Joint Venture Debt [Member]	Mar. 31, 2012 Other Guarantees [Member]	Mar. 31, 2012 Train 1 [Member]
Guarantees (Textual) [Abstract]							
Percentage share of the remaining contracted volumes			42.50%				
Ownership percentage in equity investment			50.00%				
Maximum potential amount of future payments to third-party lenders under the guarantee			$ 1,288		$ 120	$ 500	$ 250
Carrying value of the guarantee to third-party lenders				349			
Terms of guarantees outstanding					Up to 24 years	13 years or life of the venture	
Terms to deliver natural gas under sales agreements in years, minimum			5 years				
Terms to deliver natural gas under sales agreements in years, maximum			20 years				
Maximum potential amount of future payments under the guarantees in the event of intentional or reckless breach			2,879				
Environmental accruals for known contamination in carrying amount recorded for indemnifications	$ 920	$ 922		$ 207			

Subsequent Events (Details) (USD $) In Millions, unless otherwise specified	3 Months Ended Mar. 31, 2012
Subsequent Events (Textual) [Abstract]	
Amount to Resolve Outstanding Claims	$ 173
Amount of Contribution	18
Subsequent Event, Amount	$ 89

Consolidated Income Statement (USD $) In Millions, except Share data in Thousands, unless otherwise specified	3 Months Ended			
	Mar. 31, 2012		Mar. 31, 2011	
Revenues and Other Income				
Sales and other operating revenues	$ 56,132	[1]	$ 56,530	[1]
Equity in earnings of affiliates	1,220		1,017	
Gain on dispositions	942		616	
Other income	60		84	
Total Revenues and Other Income	58,354		58,247	
Costs and Expenses				
Purchased crude oil, natural gas and products	41,889		42,376	
Production and operating expenses	2,696		2,628	
Selling, general and administrative expenses	685		499	
Exploration expenses	679		176	
Depreciation, depletion and amortization	1,838		2,070	
Impairments	259			
Taxes other than income taxes	4,521	[1]	4,364	[1]
Accretion on discounted liabilities	114		112	
Interest and debt expense	209		262	
Foreign currency transaction (gains) losses	(11)		(36)	
Total Costs and Expenses	52,879		52,451	
Income before income taxes	5,475		5,796	
Provision for income taxes	2,520		2,754	
Net Income	2,955		3,042	
Less: net income attributable to noncontrolling interests	(18)		(14)	
Net Income Attributable to ConocoPhillips	$ 2,937		$ 3,028	
Net Income Attributable to ConocoPhillips Per Share of Common Stock (dollars)				
Basic	$ 2.29		$ 2.11	
Diluted	$ 2.27		$ 2.09	
Dividends Paid Per Share of Common Stock (dollars)	$ 0.66		$ 0.66	
Average Common Shares Outstanding (in thousands)				
Basic	1,283,493		1,432,285	
Diluted	1,293,104		1,445,477	

[1] * Includes excise taxes on petroleum products sales: $3321 , $3382 for Three Months Ended March 31, 2012, 2011 respectively.

Investments, Loans and Long-Term Receivables (Details) (USD $) In Millions, unless otherwise specified	Mar. 31, 2012	Mar. 31, 2012 Fair Value, Measurements, Recurring [Member]	Dec. 31, 2011 Fair Value, Measurements, Recurring [Member]	Mar. 31, 2012 Australia Pacific LNG [Member]	Mar. 31, 2012 Australia Pacific LNG [Member] China Petrochemical Corporation Sinopec [Member]	Jan. 31, 2012 Australia Pacific LNG [Member] China Petrochemical Corporation Sinopec [Member] T	Mar. 31, 2012 Australia Pacific LNG [Member] Origin Energy [Member]	Mar. 31, 2012 Qatar Gas 3 [Member]	Mar. 31, 2012 Freeport LNG Development, L.P. [Member]
Loans to Related Parties									
Loan/project financing to affiliated company								$ 1,131	$ 602
Equity method investments and joint ventures									
Additional amount of LNG sales agreement						3,300,000			
Equity interest of others					15.00%		42.50%		
Expected equity interest after Sinopec share subscription				37.50%	25.00%		37.50%		
Equity interest of ConocoPhillips				42.50%					
Additional equity method ownership interest acquired in Merey Sweeny Limited Partnership	50.00%								
Expected loss after-tax from dilution				135					
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]									
Fair value of investments re-measured on a recurring basis, valued at Level 1 of the fair value hierarchy		$ 352	$ 336						

Consolidated Balance Sheet (Parenthetical) (USD $) In Millions, except Share data, unless otherwise specified	Mar. 31, 2012	Dec. 31, 2011
Consolidated Balance Sheet [Abstract]		
Allowance for accounts and notes receivable	$ 52	$ 30
Marketable securities	$ 407	$ 232
Common stock, shares authorized	2,500,000,000	2,500,000,000
Common stock, par value	$ 0.01	$ 0.01
Common stock, shares issued	1,753,755,416	1,749,550,587
Treasury stock, shares	489,198,910	463,880,628

Financial Instruments and Derivative Contracts (Details 4) In Millions, unless otherwise specified	Mar. 31, 2012 USD ($)	Mar. 31, 2012 EUR (€)	Mar. 31, 2012 GBP (£)	Dec. 31, 2011 USD ($)	Dec. 31, 2011 EUR (€)	Mar. 31, 2012 Natural gas and power, Basis [Member] Billion_of_Cubic_Feet	Dec. 31, 2011 Natural gas and power, Basis [Member] Billion_of_Cubic_Feet	Mar. 31, 2012 Commodity derivative [Member] Crude oil, refined products and natural gas liquids [Member] MMBbls	Dec. 31, 2011 Commodity derivative [Member] Crude oil, refined products and natural gas liquids [Member] MMBbls	Mar. 31, 2012 Commodity derivative [Member] Natural gas and power, Fixed price [Member] Billion_of_Cubic_Feet	Dec. 31, 2011 Commodity derivative [Member] Natural gas and power, Fixed price [Member] Billion_of_Cubic_Feet
Net exposures from outstanding commodity derivative contracts											
Open Position Long (Short)						50,000,000,000	(25,000,000,000)	(23,000,000)	(13,000,000)	(20,000,000,000)	(57,000,000,000)
Net notional position of outstanding foreign currency exchange derivatives											
Sell U.S. Dollar, buy other currencies	$ 2,064	€ 154	£ 94	$ 1,949							
Sell euro, buy other currencies					€ 61						

Financial Instruments and Derivative Contracts (Tables)	3 Months Ended Mar. 31, 2012
Financial Instruments and Derivative Contracts [Abstract]	
Net carrying amount of held to maturity investments	

	Millions of Dollars			
	Carrying Amount			
	Cash & Cash Equivalents		Short-Term Investments*	
	March 31 2012	December 31 2011	**March 31 2012**	December 31 2011
Cash	**$ 1,066**	1,169	**—**	—
Time Deposits				
Remaining maturities from 1 to 90 days	**2,209**	4,318	**101**	349
Remaining maturities from 91 to 180 days	**—**	—	**—**	—
Commercial Paper				
Remaining maturities from 1 to 90 days	**96**	293	**407**	232
Remaining maturities from 91 to 180 days	**—**	—	**—**	—
Government Obligations				
Remaining maturities from 1 to 90 days	**336**	—	**—**	—
Remaining maturities from 91 to 180 days	**—**	—	**—**	—
	$ 3,707	5,780	**508**	581

**Carrying value approximates fair value.*

Assets and liabilities accounted for at fair value on a recurring basis

	Millions of Dollars							
	March 31, 2012				December 31, 2011			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Commodity derivatives	**$3,344**	**2,009**	**66**	**5,419**	2,807	1,947	72	4,826
Interest rate derivatives	**—**	**27**	**—**	**27**	—	31	—	31
Foreign currency exchange derivatives	**—**	**22**	**—**	**22**	—	13	—	13
Total assets	**3,344**	**2,058**	**66**	**5,468**	2,807	1,991	72	4,870

Liabilities								
Commodity derivatives	**3,620**	**1,826**	**6**	**5,452**	2,970	1,722	10	4,702
Foreign currency exchange derivatives	**—**	**7**	**—**	**7**	—	23	—	23
Total liabilities	**3,620**	**1,833**	**6**	**5,459**	2,970	1,745	10	4,725
Net assets (liabilities)	**$(276)**	**225**	**60**	**9**	(163)	246	62	145

Fair value of derivative contracts and gains(losses) from derivative contracts

	Millions of Dollars	
	March 31 2012	December 31 2011
Assets		
Prepaid expenses and other current assets	**$ 5,048**	4,433
Other assets	**399**	415
Liabilities		
Other accruals	**5,047**	4,350
Other liabilities and deferred credits	**433**	374

Hedge accounting has not been used for any item in the table. The amounts shown are presented gross (i.e., without netting assets and liabilities with the same counterparty where the right of setoff exists).

	Millions of Dollars Three Months Ended March 31	
	2012	2011
Sales and other operating revenues*	**$ (726)**	(1,027)
Other income	**2**	(7)
Purchased crude oil, natural gas and products*	**576**	321

Hedgeaccounting has not been used for any items in the table.

**2011 has been restated to eliminate certain non-derivative transactions and realign certain derivative transactions between sales and purchases.*

Net exposures from outstanding commodity derivative contracts

	Open Position Long / (Short)	
	March 31 2012	December 31 2011
Commodity		
Crude oil, refined products and natural gas liquids (millions of barrels)	**(23)**	(13)
Natural gas and power (billions of cubic feet equivalent)		
Fixed price	**(20)**	(57)
Basis	**50**	(25)

		In Millions Notional Currency [1]	
		March 31 2012	December 31 2011
Foreign Currency Exchange Derivatives			
Sell U.S. dollar, buy other currencies [2]	USD	**2,064**	1,949
Buy British pound, sell Canadian dollar	GBP	**94**	—
Buy euro, sell other currencies [3]	EUR	**154**	—
Sell euro, buy other currencies [4]	EUR	**—**	61

(1) Denominated in U.S. dollar, British pound and euro.

(2) Primarily euro, Canadian dollar, Norwegian krone and British pound.

(3) Primarily Canadian dollar and British pound.

(4) Primarily Canadian dollar and Norwegian krone.

Fair value of derivative contracts

	Millions of Dollars	
	March 31 2012	December 31 2011
Assets		
Prepaid expenses and other current assets	**$ 21**	12
Other assets	**1**	1
Liabilities		
Other accruals	**6**	23
Other liabilities and deferred credits	**1**	—

Hedgeaccounting has not been used for any item in the table. The amounts shown are presented gross.

Gains (losses) from derivatives contracts

	Millions of Dollars Three Months Ended March 31	
	2012	2011
Foreign exchange transaction (gains) losses	**$ (66)**	3

Hedgeaccounting has not been used for any item in the table.

Commodity derivative and financial instruments

	Millions of Dollars			
	Carrying Amount		Fair Value	
	March 31 2012	December 31 2011	**March 31 2012**	December 31 2011
Financial Assets				
Foreign currency exchange derivatives	**$ 22**	13	**22**	13
Interest rate derivatives	**27**	31	**27**	31
Commodity derivatives	**781**	814	**781**	814
Financial Liabilities				
Total debt, excluding capital leases	**28,331**	22,592	**32,496**	27,065
Joint venture acquisition obligation	**4,135**	4,314	**4,627**	4,820

Foreign currency exchange derivatives	**7**	23	**7**	23
Commodity derivatives	**444**	446	**444**	446

Employee Benefit Plans (Details) (USD $) In Millions, unless otherwise specified	3 Months Ended	
	Mar. 31, 2012	Mar. 31, 2011
U.S. (Pension Benefits) [Member]		
Components of Net Periodic Benefit Cost		
Service cost	$ 58	$ 64
Interest cost	63	62
Expected return on plan assets	(74)	(70)
Amortization of prior service cost (credit)	2	2
Recognized net actuarial loss (gain)	59	41
Net periodic benefit cost	108	99
Int'l (Pension Benefits) [Member]		
Components of Net Periodic Benefit Cost		
Service cost	28	24
Interest cost	43	44
Expected return on plan assets	(43)	(43)
Amortization of prior service cost (credit)	(2)	
Recognized net actuarial loss (gain)	18	11
Net periodic benefit cost	44	36
Other Benefits [Member]		
Components of Net Periodic Benefit Cost		
Service cost	2	3
Interest cost	10	10
Amortization of prior service cost (credit)	(1)	(2)
Recognized net actuarial loss (gain)	(1)	(1)
Net periodic benefit cost	$ 10	$ 10

Accumulated Other Comprehensive Income	3 Months Ended Mar. 31, 2012
Accumulated Other Comprehensive Income [Abstract]	
Accumulated Other Comprehensive Income	**Note 15—Accumulated Other Comprehensive Income** Accumulated other comprehensive income in the equity section of the balance sheet included:

	Millions of Dollars				
	Defined Benefit Plans	Net Unrealized Gain on Securities	Foreign Currency Translation	Hedging	Accumulated Other Comprehensive Income
December 31, 2011	$ (1,971)	—	5,063	(6)	3,086
Other comprehensive income	**51**	**—**	**834**	**1**	**886**
March 31, 2012	**$ (1,920)**	**—**	**5,897**	**(5)**	**3,972**

Accumulated Other Comprehensive Income (Tables)	3 Months Ended Mar. 31, 2012
Accumulated Other Comprehensive Income [Abstract]	
Accumulated other comprehensive income in the equity section of the balance sheet included	

	Millions of Dollars				
	Defined Benefit Plans	Net Unrealized Gain on Securities	Foreign Currency Translation	Hedging	Accumulated Other Comprehensive Income
December 31, 2011	$ (1,971)	—	5,063	(6)	3,086
Other comprehensive income	**51**	**—**	**834**	**1**	**886**
March 31, 2012	**$ (1,920)**	**—**	**5,897**	**(5)**	**3,972**

Employee Benefit Plans

3 Months Ended Mar. 31, 2012

Employee Benefit Plans [Abstract]

Employee Benefit Plans

Note 17—Employee Benefit Plans

Pension and Postretirement Plans

	Millions of Dollars					
	Pension Benefits				Other Benefits	
	March 31				March 31	
	2012		2011		**2012**	**2011**
Three Months Ended	**U.S.**	**Int'l.**	U.S.	Int'l.		
Components of Net Periodic Benefit Cost						
Service cost	**$58**	**28**	64	24	**2**	3
Interest cost	**63**	**43**	62	44	**10**	10
Expected return on plan assets	**(74)**	**(43)**	(70)	(43)	**—**	—
Amortization of prior service cost (credit)	**2**	**(2)**	2	—	**(1)**	(2)
Recognized net actuarial loss (gain)	**59**	**18**	41	11	**(1)**	(1)
Net periodic benefit cost	**$108**	**44**	99	36	**10**	10

During the first three months of 2012, we contributed $114 million to our domestic benefit plans and $56 million to our international benefit plans.

Segment Disclosures and Related Information (Details) (USD $) In Millions, unless otherwise specified	3 Months Ended	
	Mar. 31, 2012	Mar. 31, 2011
Sales and Other Operating Revenues		
Sales and other operating revenues	$ 56,132 [1]	$ 56,530 [1]
Exploration and Production (E&P) [Member]		
Sales and Other Operating Revenues		
Sales and other operating revenues	10,515	11,920
Exploration and Production (E&P) [Member] | UNITED STATES		
Sales and Other Operating Revenues		
Sales and other operating revenues	7,514	7,755
Exploration and Production (E&P) [Member] | International [Member]		
Sales and Other Operating Revenues		
Sales and other operating revenues	7,221	7,920
Exploration and Production (E&P) [Member] | Intersegment eliminations - U.S. [Member]		
Sales and Other Operating Revenues		
Sales and other operating revenues	(2,028)	(1,688)
Exploration and Production (E&P) [Member] | Intersegment eliminations - international [Member]		
Sales and Other Operating Revenues		
Sales and other operating revenues	(2,192)	(2,067)
Midstream [Member]		
Sales and Other Operating Revenues		
Sales and other operating revenues	1,913	2,172
Midstream [Member] | Total Sales [Member]		
Sales and Other Operating Revenues		
Sales and other operating revenues	2,027	2,328
Midstream [Member] | Intersegment eliminations [Member]		
Sales and Other Operating Revenues		
Sales and other operating revenues	(114)	(156)
Refining and Marketing (R&M) [Member]		
Sales and Other Operating Revenues		
Sales and other operating revenues	43,669	42,419
Refining and Marketing (R&M) [Member] | UNITED STATES		
Sales and Other Operating Revenues		
Sales and other operating revenues	29,445	29,953
Refining and Marketing (R&M) [Member] | International [Member]		
Sales and Other Operating Revenues		
Sales and other operating revenues	14,468	12,744
Refining and Marketing (R&M) [Member] | Intersegment eliminations - U.S. [Member]		

Sales and Other Operating Revenues			
Sales and other operating revenues	(231)	(265)	
Refining and Marketing (R&M) [Member] | Intersegment eliminations - international [Member]			
Sales and Other Operating Revenues			
Sales and other operating revenues	(13)	(13)	
Chemicals [Member]			
Sales and Other Operating Revenues			
Sales and other operating revenues	3	3	[2]
Emerging Businesses [Member]			
Sales and Other Operating Revenues			
Sales and other operating revenues	26	11	
Emerging Businesses [Member] | Total Sales [Member]			
Sales and Other Operating Revenues			
Sales and other operating revenues	208	156	
Emerging Businesses [Member] | Intersegment eliminations [Member]			
Sales and Other Operating Revenues			
Sales and other operating revenues	(182)	(145)	
Corporate and Other [Member]			
Sales and Other Operating Revenues			
Sales and other operating revenues	$ 6	$ 5	

[1] * Includes excise taxes on petroleum products sales: $3321 , $3382 for Three Months Ended March 31, 2012, 2011 respectively.

[2] Available-for-sale securities of LUKOIL.

Consolidated Statement of Cash Flows (USD $) In Millions, unless otherwise specified	3 Months Ended	
	Mar. 31, 2012	Mar. 31, 2011
Cash Flows From Operating Activities		
Net Income	$ 2,955	$ 3,042
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation, depletion and amortization	1,838	2,070
Impairments	259	
Dry hole costs and leasehold impairments	518	50
Accretion on discounted liabilities	114	112
Deferred taxes	258	87
Undistributed equity earnings	(423)	(523)
Gain on dispositions	(942)	(616)
Other	(404)	(185)
Working capital adjustments		
Decrease (increase) in accounts and notes receivable	(913)	(681)
Decrease (increase) in inventories	(1,402)	(2,669)
Decrease (increase) in prepaid expenses and other current assets	(67)	(546)
Increase (decrease) in accounts payable	1,859	1,753
Increase (decrease) in taxes and other accruals	532	53
Net Cash Provided by Operating Activities	4,182	1,947
Cash Flows From Investing Activities		
Capital expenditures and investments	(4,260)	(2,884)
Proceeds from asset dispositions	1,109	1,787
Net sales (purchases) of short-term investments	92	(1,170)
Long-term advances/loans-related parties	4	4
Collection of advances/loans-related parties	38	40
Other	7	12
Net Cash Used in Investing Activities	(3,010)	(2,211)
Cash Flows From Financing Activities		
Issuance of debt	5,794	
Repayment of debt	(54)	(373)
Change in restricted cash	(6,050)	
Issuance of company common stock	36	75
Repurchase of company common stock	(1,899)	(1,636)
Dividends paid on company common stock	(843)	(944)
Other	(254)	(183)
Net Cash Used in Financing Activities	(3,270)	(3,061)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	25	43
Net Change in Cash and Cash Equivalents	(2,073)	(3,282)
Cash and cash equivalents at beginning of period	5,780	9,454
Cash and Cash Equivalents at End of Period	$ 3,707	$ 6,172

Consolidated Income Statement (Parenthetical) (USD $) In Millions, unless otherwise specified	3 Months Ended	
	Mar. 31, 2012	Mar. 31, 2011
Consolidated Income Statement [Abstract]		
Excise taxes on petroleum products sales	$ 3,321	$ 3,382

Joint Venture Acquisition Obligation	3 Months Ended Mar. 31, 2012
Joint Venture Acquisition Obligation [Abstract]	
Joint Venture Acquisition Obligation	**Note 10—Joint Venture Acquisition Obligation** We are obligated to contribute $7.5 billion, plus interest, over a 10-year period that began in 2007, to FCCL Partnership. Quarterly principal and interest payments of $237 million began in the second quarter of 2007 and will continue until the balance is paid. Of the principal obligation amount, approximately $742 million was short-term and was included in the “Accounts payable—related parties” line on our March 31, 2012, consolidated balance sheet. The principal portion of these payments, which totaled $180 million in the first three months of 2012, is included in the “Other” line in the financing activities section on our consolidated statement of cash flows. Interest accrues at a fixed annual rate of 5.3 percent on the unpaid principal balance. Fifty percent of the quarterly interest payment is reflected as a capital contribution and is included in the “Capital expenditures and investments” line on our consolidated statement of cash flows.

Document and Entity Information	3 Months Ended Mar. 31, 2012
Document and Entity Information [Abstract]	
Entity Registrant Name	CONOCOPHILLIPS
Entity Central Index Key	0001163165
Document Type	10-Q
Document Period End Date	Mar. 31, 2012
Amendment Flag	false
Document Fiscal Year Focus	2012
Document Fiscal Period Focus	Q1
Current Fiscal Year End Date	--12-31
Entity Filer Category	Large Accelerated Filer
Entity Common Stock, Shares Outstanding	1,264,556,506

Noncontrolling Interests

3 Months Ended Mar. 31, 2012

Noncontrolling Interests [Abstract]

Noncontrolling Interests

Note 11—Noncontrolling Interests

Activity for the equity attributable to noncontrolling interests for the first three months of 2012 and 2011 was as follows:

	Millions of Dollars					
	2012			2011		
	Common Stockholders' Equity	Non-Controlling Interest	Total Equity	Common Stockholders' Equity	Non-Controlling Interest	Total Equity
Balance at January 1	**$ 65,224**	**510**	**65,734**	68,562	547	69,109
Net income	**2,937**	**18**	**2,955**	3,028	14	3,042
Dividends	**(843)**	**—**	**(843)**	(944)	—	(944)
Repurchase of company common stock	**(1,899)**	**—**	**(1,899)**	(1,636)	—	(1,636)
Distributions to noncontrolling interests	**—**	**(19)**	**(19)**	—	(12)	(12)
Other changes, net*	**1,115**	**—**	**1,115**	962	—	962
Balance at March 31	**$ 66,534**	**509**	**67,043**	69,972	549	70,521

**Includes components of other comprehensive income, which are disclosed separately in the Consolidated Statement of Comprehensive Income.*

Consolidated Statement of Comprehensive Income (USD $) In Millions, unless otherwise specified	3 Months Ended			
	Mar. 31, 2012		Mar. 31, 2011	
Consolidated Statement of Comprehensive Income				
Net Income	$ 2,955		$ 3,042	
Defined benefit plans				
Prior service cost arising during the period				
Reclassification adjustment for amortization of prior service credit included in net income	(1)			
Net change	(1)			
Net actuarial loss arising during the period				
Reclassification adjustment for amortization of prior net losses included in net income	78		51	
Net change	78		51	
Nonsponsored plans	3	[1]	6	[1]
Income taxes on defined benefit plans	(29)		(20)	
Defined benefit plans, net of tax	51		37	
Unrealized holding gain on securities			8	[2]
Reclassification adjustment for gain included in net income			(255)	
Income taxes on unrealized holding gain on securities			89	
Unrealized gain on securities, net of tax			(158)	
Foreign currency translation adjustments	852		914	
Reclassification adjustment for gain included in net income	1			
Income taxes on foreign currency translation adjustments	(19)		(20)	
Foreign currency translation adjustments, net of tax	834		894	
Hedging activities	1		1	
Income taxes on hedging activities				
Hedging activities, net of tax	1		1	
Other Comprehensive Income, Net of Tax	886		774	
Comprehensive Income	3,841		3,816	
Less: comprehensive income attributable to noncontrolling interests	(18)		(14)	
Comprehensive Income Attributable to ConocoPhillips	$ 3,823		$ 3,802	

[1] Plans for which ConocoPhillips is not the primary obligor-primarily those administered by equity affiliates.
[2] Available-for-sale securities of LUKOIL.

Investments, Loans and Long-Term Receivables	3 Months Ended Mar. 31, 2012
Joint Venture Acquisition Obligation [Abstract]	
Investments, Loans and Long-Term Receivables	**Note 5—Investments, Loans and Long-Term Receivables** **Australia Pacific LNG** In January 2012, Australia Pacific LNG (APLNG) and China Petrochemical Corporation (Sinopec) signed an amendment to their existing LNG sales agreement for the sale and purchase of an additional 3.3 million tonnes of LNG per year through 2035. This agreement, in combination with the binding Heads of Agreement with Kansai Electric Power Co. Inc., signed in November 2011, finalizes the marketing of the second train. In conjunction with the LNG sales agreement, the parties have also agreed for Sinopec to subscribe for additional shares in APLNG, which upon completion will raise its equity interest from 15 percent to 25 percent. As a result, both our ownership interest and Origin Energy's ownership interest would dilute from 42.5 percent to 37.5 percent. The Subscription Agreement is subject to customary governmental approvals and, along with the amendment to the sales agreement, is conditional on a final investment decision on the second train, which is expected in the second quarter of 2012. We expect to record a loss of approximately $135 million after-tax from the dilution in the second quarter of 2012. **Loans and Long-Term Receivables** As part of our normal ongoing business operations and consistent with industry practice, we enter into numerous agreements with other parties to pursue business opportunities. Included in such activity are loans made to certain affiliated and non-affiliated companies. Significant loans to affiliated companies at March 31, 2012, included the following: • $602 million in loan financing to Freeport LNG. • $1,131 million in project financing to Qatar Liquefied Gas Company Limited (3) (QG3). The long-term portion of these loans is included in the "Loans and advances—related parties" line on the consolidated balance sheet, while the short-term portion is in "Accounts and notes receivable—related parties." Long-term receivables from non-affiliated companies are included in the "Investments and long-term receivables" line on the consolidated balance sheet, while the short-term portion related to non-affiliate loans is in "Accounts and notes receivable." **Other** We have investments remeasured at fair value on a recurring basis to support certain nonqualified deferred compensation plans. The fair value of these assets at March 31, 2012, was $352 million, and at December 31, 2011, was $336 million. The entire value is categorized in Level 1 of the fair value hierarchy. These investments are measured at fair value using a market approach based on quotations from national securities exchanges. Merey Sweeny, L.P. (MSLP) owns a delayed coker and related facilities at the Sweeny Refinery. MSLP processes our long residue, which is produced from heavy sour crude oil, for a processing fee. Fuel-grade petroleum coke is produced as a by-product and becomes the property of MSLP.

Prior to August 28, 2009, MSLP was owned 50/50 by us and Petróleos de Venezuela S.A. (PDVSA). Under the agreements that govern the relationships between the partners, certain defaults by PDVSA with respect to supply of crude oil to the Sweeny Refinery gave us the right to acquire PDVSA's 50 percent ownership interest in MSLP, which we exercised on August 28, 2009. PDVSA has initiated arbitration with the International Chamber of Commerce challenging the exercise of the call right and claiming it was invalid. The arbitral tribunal is scheduled to hold hearings on the merits of the dispute in December 2012. We continue to use the equity method of accounting for our investment in MSLP.

Assets Held for Sale or Sold	3 Months Ended Mar. 31, 2012
Assets Held for Sale or Sold [Abstract]	
Assets Held For Sale or sold	**Note 4—Assets Held for Sale or Sold** In March 2012, we sold our Vietnam Exploration and Production (E&P) business for $1,100 million, including customary working capital adjustments, and recognized a gain of $937 million before-tax, which was included in the "Gain on dispositions" line on the consolidated income statement. The business had a net carrying value of approximately $163 million, which included $352 million of properties, plants and equipment (PP&E), $69 million of asset retirement obligations and $145 million of deferred income taxes. In January 2012, we entered into an agreement to sell our interest in the Statfjord Field and associated satellites, all of which are located in the North Sea and included in our E&P segment. The sale is expected to be completed in the second quarter of 2012. Accordingly, on our consolidated balance sheet as of March 31, 2012, we reclassified $199 million of PP&E to "Prepaid expenses and other current assets," $446 million of asset retirement obligations to "Other accruals," and $322 million of noncurrent deferred income tax assets as current, based on their held for sale status.

Cash Flow Information	3 Months Ended Mar. 31, 2012
Cash Flow Information [Abstract]	
Cash Flow Information	**Note 16—Cash Flow Information**

	Millions of Dollars	
	Three Months Ended March 31	
	2012	2011
Cash Payments		
Interest	**$ 291**	286
Income taxes	**1,462**	2,722
Net Sales (Purchases) of Short-Term Investments		
Short-term investments purchased	**$ (497)**	(2,101)
Short-term investments sold	**589**	931
	$ 92	(1,170)

Guarantees	3 Months Ended Mar. 31, 2012

Guarantees [Abstract]

Guarantees

Note 12—Guarantees

At March 31, 2012, we were liable for certain contingent obligations under various contractual arrangements as described below. We recognize a liability, at inception, for the fair value of our obligation as a guarantor for newly issued or modified guarantees. Unless the carrying amount of the liability is noted below, we have not recognized a liability either because the guarantees were issued prior to December 31, 2002, or because the fair value of the obligation is immaterial. In addition, unless otherwise stated, we are not currently performing with any significance under the guarantee and expect future performance to be either immaterial or have only a remote chance of occurrence.

Guarantees of Joint Venture Debt

At March 31, 2012, we had guarantees outstanding for our portion of joint venture debt obligations, which have terms of up to 24 years. The maximum potential amount of future payments under the guarantees is approximately $120 million. Payment would be required if a joint venture defaults on its debt obligations.

Other Guarantees

- In conjunction with our purchase of a 50 percent ownership interest in APLNG from Origin Energy in October 2008, we agreed to participate, if and when requested, in any parent company guarantees that were outstanding at the time we purchased our interest in APLNG. These parent company guarantees cover the obligation of APLNG to deliver natural gas under several sales agreements with remaining terms of 5 to 20 years. Our maximum potential amount of future payments, or cost of volume delivery, under these guarantees is estimated to be $1,288 million ($2,879 million in the event of intentional or reckless breach) at March 2012 exchange rates based on our 42.5 percent share of the remaining contracted volumes, which could become payable if APLNG fails to meet its obligations under these agreements and the obligations cannot otherwise be mitigated. Future payments are considered unlikely, as the payments, or cost of volume delivery, would only be triggered if APLNG does not have enough natural gas to meet these sales commitments and if the co-venturers do not make necessary equity contributions into APLNG. Additionally, we have guaranteed the performance of APLNG with regard to certain contracts executed in connection with APLNG’s issuance of the Train 1 Notice to Proceed. Our maximum potential amount of future payments related to these guarantees is estimated to be $250 million at March 2012 exchange rates based on our 42.5 percent ownership in APLNG.
- We have other guarantees with maximum future potential payment amounts totaling $500 million, which consist primarily of guarantees to fund the short-term cash liquidity deficits of certain joint ventures, a guarantee of minimum charter revenue for an LNG vessel, one small construction completion guarantee, guarantees relating to the startup of a refining joint venture, guarantees of the lease payment obligations of a joint venture, guarantees of the residual value of leased corporate aircraft, and guarantees of the

performance of a business partner or some of its customers. These guarantees generally extend up to 13 years or life of the venture.

Indemnifications

Over the years, we have entered into various agreements to sell ownership interests in certain corporations, joint ventures and assets that gave rise to qualifying indemnifications. Agreements associated with these sales include indemnifications for taxes, environmental liabilities, permits and licenses, employee claims, real estate indemnity against tenant defaults, and litigation. The terms of these indemnifications vary greatly. The majority of these indemnifications are related to environmental issues, the term is generally indefinite and the maximum amount of future payments is generally unlimited. The carrying amount recorded for these indemnifications at March 31, 2012, was $349 million. We amortize the indemnification liability over the relevant time period, if one exists, based on the facts and circumstances surrounding each type of indemnity. In cases where the indemnification term is indefinite, we will reverse the liability when we have information the liability is essentially relieved or amortize the liability over an appropriate time period as the fair value of our indemnification exposure declines. Although it is reasonably possible future payments may exceed amounts recorded, due to the nature of the indemnifications, it is not possible to make a reasonable estimate of the maximum potential amount of future payments. Included in the recorded carrying amount were $207 million of environmental accruals for known contamination that are included in asset retirement obligations and accrued environmental costs at March 31, 2012. For additional information about environmental liabilities, see Note 13—Contingencies and Commitments.

Impairments	3 Months Ended Mar. 31, 2012
Impairments [Abstract]	
Impairments	**Note 8—Impairments**

Note 8—Impairments

During the three-month periods of 2012 and 2011, we recognized the following before-tax impairment charges:

	Millions of Dollars	
	Three Months Ended March 31	
	2012	2011
E&P		
United States	**$ 2**	—
International	**214**	—
R&M		
United States	**1**	—
International	**42**	—
	$ 259	—

In the first quarter of 2012, we recorded a $213 million property impairment in our E&P segment for the carrying value of capitalized project development costs associated with our Mackenzie Gas Project. Advancement of the project was suspended indefinitely in the first quarter of 2012 due to a continued decline in market conditions and the lack of acceptable commercial terms. In addition, we recorded a $481 million impairment for the undeveloped leasehold costs associated with the project. The leasehold impairment was included in the "Exploration expenses" line on our consolidated income statement. We also recorded a $42 million impairment in our R&M segment related to equipment formerly associated with the canceled Wilhelmshaven Refinery upgrade project.

Financial Instruments and Derivative Contracts (Details 5) (USD $) In Millions, unless otherwise specified	Mar. 31, 2012	Dec. 31, 2011
Other liabilities and deferred credits [Member]		
Fair value of foreign currency exchange derivative assets and liabilities, without netting		
Foreign currency exchange derivative liabilities at fair value	$ 1	
Foreign currency exchange derivatives [Member] | Prepaid expenses and other current assets [Member]		
Fair value of foreign currency exchange derivative assets and liabilities, without netting		
Foreign currency exchange derivative assets at fair value	21	12
Foreign currency exchange derivatives [Member] | Other assets [Member]		
Fair value of foreign currency exchange derivative assets and liabilities, without netting		
Foreign currency exchange derivative assets at fair value	1	1
Foreign currency exchange derivatives [Member] | Other accruals [Member]		
Fair value of foreign currency exchange derivative assets and liabilities, without netting		
Foreign currency exchange derivative liabilities at fair value	$ 6	$ 23

Properties, Plants and Equipment	3 Months Ended Mar. 31, 2012
Properties, Plants and Equipment [Abstract]	
Properties, Plants and Equipment	**Note 6—Properties, Plants and Equipment** Our investment in PP&E, with the associated accumulated depreciation, depletion and amortization (Accum. DD&A), was:

	Millions of Dollars					
	March 31, 2012			December 31, 2011		
	Gross PP&E	Accum. DD&A	Net PP&E	Gross PP&E	Accum. DD&A	Net PP&E
Exploration and Production (E&P)	**$125,827**	**55,990**	**69,837**	124,111	55,565	68,546
Midstream	**134**	**85**	**49**	135	86	49
Refining and Marketing (R&M)	**22,364**	**8,329**	**14,035**	22,096	8,128	13,968
LUKOIL Investment	**—**	**—**	**—**	—	—	—
Chemicals	**—**	**—**	**—**	—	—	—
Emerging Businesses	**1,063**	**240**	**823**	1,023	220	803
Corporate and Other	**1,865**	**1,050**	**815**	1,844	1,030	814
	$151,253	**65,694**	**85,559**	149,209	65,029	84,180

Suspended Wells	3 Months Ended Mar. 31, 2012
Extractive Industries [Abstract]	
Suspended Wells	**Note 7—Suspended Wells** The capitalized cost of suspended wells at March 31, 2012, was $1,008 million, a decrease of $29 million from $1,037 million at year-end 2011. For the category of exploratory well costs capitalized for a period greater than one year as of December 31, 2011, no wells were charged to dry hole expense during the first three months of 2012.

Debt	3 Months Ended Mar. 31, 2012
Debt [Abstract]	
Debt	

Note 9—Debt

We have two commercial paper programs supported by our $8.0 billion revolving credit facilities: the ConocoPhillips $6.35 billion program, primarily a funding source for short-term working capital needs, and the ConocoPhillips Qatar Funding Ltd. $1.5 billion commercial paper program, which is used to fund commitments relating to the QG3 Project. Commercial paper maturities are generally limited to 90 days.

At both March 31, 2012, and December 31, 2011, we had no direct outstanding borrowings under our revolving credit facilities, but $26 million in letters of credit had been issued as of March 31, 2012, and $40 million as of December 31, 2011. In addition, under the two commercial paper programs, there was $1,097 million of commercial paper outstanding at March 31, 2012, compared with $1,128 million at December 31, 2011. Since we had $1,097 million of commercial paper outstanding and had issued $26 million of letters of credit, we had access to $6.9 billion in borrowing capacity under our revolving credit facilities at March 31, 2012.

At March 31, 2012, we classified $1,010 million of short-term debt as long-term debt, based on our ability and intent to refinance the obligation on a long-term basis under our revolving credit facilities.

In anticipation of the separation of our downstream businesses into Phillips 66 (see Note 21—Planned Separation of Downstream Businesses, for additional information), in March 2012, Phillips 66 issued, through a private placement, the following Senior Notes. The Notes are fully and unconditionally guaranteed by Phillips 66 Company, a 100 percent owned subsidiary. These Notes are classified as short-term debt on the consolidated balance sheet as, under the terms of the Notes, they must be redeemed within one year unless retained by Phillips 66 in the separation.

- $800 million aggregate principal amount at 1.950% due 2015.
- $1.5 billion aggregate principal amount at 2.950% due 2017.
- $2.0 billion aggregate principal amount at 4.300% due 2022.
- $1.5 billion aggregate principal amount at 5.875% due 2042.

As of March 31, 2012, the net proceeds from this offering were deposited in two segregated escrow accounts for the benefit of the holders of the Notes. These funds were restricted as to withdrawal or usage pending a written notice from Phillips 66 to the escrow agents that, among other items, the contribution to Phillips 66 of the downstream business of ConocoPhillips, in connection with the separation from ConocoPhillips, has been consummated in all material respects. Accordingly, these funds, along with approximately $290 million of funds sufficient to pay a mandatory redemption price plus accrued interest to the note holders should the separation not occur, are included in the “Restricted cash” line on our consolidated balance sheet as of March 31, 2012.

Cash Flow Information (Details) (USD $) In Millions, unless otherwise specified	3 Months Ended	
	Mar. 31, 2012	Mar. 31, 2011
Cash payments		
Interest	$ 291	$ 286
Income taxes	1,462	2,722
Net Sales (Purchases) of Short-Term Investments		
Short-term investments purchased	(497)	(2,101)
Short-term investments sold	589	931
Net Sales (Purchases) of Short-Term Investments	$ 92	$ (1,170)

Employee Benefit Plans (Details Textual) (USD $) In Millions, unless otherwise specified	3 Months Ended Mar. 31, 2012
U.S. (Pension Benefits) [Member]	
Employee Benefit Plans (Textual) [Abstract]	
Company contributions	$ 114
Int'l (Pension Benefits) [Member]	
Employee Benefit Plans (Textual) [Abstract]	
Company contributions	$ 56

Accumulated Other Comprehensive Income (Details) (USD $) In Millions, unless otherwise specified	3 Months Ended	
	Mar. 31, 2012	Mar. 31, 2011
Accumulated other comprehensive income in the equity section of the balance sheet included		
Defined Benefit Plans, Beginning Balance	$ (1,971)	
Net Unrealized Gain on Securities, Beginning Balance		
Foreign Currency Translation, Beginning Balance	5,063	
Hedging, Beginning Balance	(6)	
Accumulated Other Comprehensive Income, Beginning Balance	3,086	
Defined Benefit Plans	51	37
Net Unrealized Gain on Securities		(158)
Foreign Currency Translation	834	894
Hedging	1	1
Accumulated Other Comprehensive Income	886	774
Defined Benefit Plans, Ending Balance	(1,920)	
Net Unrealized Gain on Securities, Ending Balance		
Foreign Currency Translation, Ending Balance	5,897	
Hedging, Ending Balance	(5)	
Accumulated Other Comprehensive Income, Ending Balance	$ 3,972	

Noncontrolling Interests (Tables)

3 Months Ended Mar. 31, 2012

Noncontrolling Interests [Abstract]

Change in equity attributable to non-controlling interests

	Millions of Dollars					
	2012			2011		
	Common Stockholders' Equity	Non-Controlling Interest	Total Equity	Common Stockholders' Equity	Non-Controlling Interest	Total Equity
Balance at January 1	**$ 65,224**	**510**	**65,734**	68,562	547	69,109
Net income	**2,937**	**18**	**2,955**	3,028	14	3,042
Dividends	**(843)**	**—**	**(843)**	(944)	—	(944)
Repurchase of company common stock	**(1,899)**	**—**	**(1,899)**	(1,636)	—	(1,636)
Distributions to noncontrolling interests	**—**	**(19)**	**(19)**	—	(12)	(12)
Other changes, net*	**1,115**	**—**	**1,115**	962	—	962
Balance at March 31	**$ 66,534**	**509**	**67,043**	69,972	549	70,521

**Includes components of other comprehensive income, which are disclosed separately in the Consolidated Statement of Comprehensive Income.*

Joint Venture Acquisition Obligation (Details) (USD $)	3 Months Ended Mar. 31, 2012	12 Months Ended Dec. 31, 2007
Joint Venture Acquisition Obligation (Textual) [Abstract]		
Initial acquisition obligation to joint venture		$ 7,500,000,000
Time period for contribution		10 years
Quarterly principal and interest payments for joint venture acquisition obligation	237,000,000	
Short-term portion of principal obligation amount	742,000,000	
Principal payment for joint venture obligation	$ 180,000,000	
Fixed annual interest rate	5.30%	
Percentage of quarterly interest payment as capital contribution	50.00%	

Financial Instruments and Derivative Contracts	3 Months Ended Mar. 31, 2012
Financial Instruments and Derivative Contracts [Abstract]	
Financial Instruments and Derivative Contracts	(see below)

Note 14—Financial Instruments and Derivative Contracts

Financial Instruments

We invest excess cash in financial instruments with maturities based on our cash forecasts for the various currency pools we manage. The maturities of these investments may from time to time extend beyond 90 days. The types of financial instruments in which we currently invest include:

- Time Deposits: Interest bearing deposits placed with approved financial institutions.
- Commercial Paper: Unsecured promissory notes issued by a corporation, commercial bank, or government agency purchased at a discount, maturing at par.
- Government or government agency obligations: Negotiable debt obligations issued by a government or government agency.

These financial instruments appear in the "Cash and cash equivalents" line on our consolidated balance sheet if the maturities at the time we made the investments were 90 days or less; otherwise, these held-to-maturity investments are included in the "Short-term investments" line. We held the following financial instruments:

	Millions of Dollars			
	Carrying Amount			
	Cash & Cash Equivalents		Short-Term Investments*	
	March 31 2012	December 31 2011	**March 31 2012**	December 31 2011
Cash	**$ 1,066**	1,169	**—**	—
Time Deposits				
Remaining maturities from 1 to 90 days	**2,209**	4,318	**101**	349
Remaining maturities from 91 to 180 days	**—**	—	**—**	—
Commercial Paper				
Remaining maturities from 1 to 90 days	**96**	293	**407**	232
Remaining maturities from 91 to 180 days	**—**	—	**—**	—
Government Obligations				
Remaining maturities from 1 to 90 days	**336**	—	**—**	—
Remaining maturities from 91 to 180 days	**—**	—	**—**	—
	$ 3,707	5,780	**508**	581

*Carrying value approximates fair value.

At March 31, 2012, we had $6,050 million of financial instruments designated as “Restricted cash” on our consolidated balance sheet, which represented the net funds received from a private bond offering by Phillips 66 issued in connection with its planned separation from ConocoPhillips, along with approximately $290 million of funds sufficient to pay a mandatory redemption price plus accrued interest to the note holders should the separation not occur. These amounts were deposited into two segregated escrow accounts for the benefit of the note holders and were restricted as to withdrawal and usage. At March 31, 2012, the funds in the escrow accounts were invested in U.S. Treasury Bills ($5,920 million) and U.S. Treasury Notes ($130 million), all with maturities within 30 days from March 31, 2012. For additional information, see Note 9—Debt.

Derivative Instruments

We use financial and commodity-based derivative contracts to manage exposures to fluctuations in foreign currency exchange rates, commodity prices, and interest rates, or to capture market opportunities. Since we are not currently using cash flow hedge accounting, all gains and losses, realized or unrealized, from derivative contracts have been recognized in the consolidated income statement. Gains and losses from derivative contracts held for trading not directly related to our physical business, whether realized or unrealized, have been reported net in other income.

Purchase and sales contracts with fixed minimum notional volumes for commodities that are readily convertible to cash (e.g., crude oil, natural gas and gasoline) are recorded on the balance sheet as derivatives unless the contracts are eligible for and we elect the normal purchases and normal sales exception (i.e., contracts to purchase or sell quantities we expect to use or sell over a reasonable period in the normal course of business). We record most of our contracts to buy or sell natural gas and the majority of our contracts to sell power as derivatives, but we do apply the normal purchases and normal sales exception to certain long-term contracts to sell our natural gas production. We generally apply this normal purchases and normal sales exception to eligible crude oil and refined product commodity purchase and sales contracts; however, we may elect not to apply this exception (e.g., when another derivative instrument will be used to mitigate the risk of the purchase or sales contract but hedge accounting will not be applied, in which case both the purchase or sales contract and the derivative contract mitigating the resulting risk will be recorded on the balance sheet at fair value).

We value our exchange-traded derivatives using closing prices provided by the exchange as of the balance sheet date, and these are classified as Level 1 in the fair value hierarchy. Where exchange-provided prices are adjusted, non-exchange quotes are used, or when the instrument lacks sufficient liquidity, we generally classify those exchange-cleared contracts as Level 2. Over-the-counter (OTC) financial swaps and physical commodity forward purchase and sales contracts are generally valued using quotations provided by brokers and price index developers, such as Platts and Oil Price Information Service. These quotes are corroborated with market data and are classified as Level 2. In certain less liquid markets or for longer-term contracts, forward prices are not as readily available. In these circumstances, OTC swaps and physical commodity purchase and sales contracts are valued using internally developed methodologies that consider historical relationships among various commodities that result in management’s best estimate of fair value. These contracts are classified as Level 3. A contract that is initially classified as Level 3 due to absence or insufficient corroboration of broker quotes over a material portion of the contract will transfer to Level 2 when the portion of the trade having no quotes or insufficient corroboration becomes an insignificant portion of the contract. A contract would also transfer to

Level 2 if we began using a corroborated broker quote that has become available. Conversely, if a corroborated broker quote ceases to be available or used by us, the contract would transfer from Level 2 to Level 3. There were no material transfers in or out of Level 1.

Financial OTC and physical commodity options are valued using industry-standard models that consider various assumptions, including quoted forward prices for commodities, time value, volatility factors, and contractual prices for the underlying instruments, as well as other relevant economic measures. The degree to which these inputs are observable in the forward markets determines whether the options are classified as Level 2 or 3.

We use a mid-market pricing convention (the mid-point between bid and ask prices). When appropriate, valuations are adjusted to reflect credit considerations, generally based on available market evidence.

The fair value hierarchy for our derivative assets and liabilities accounted for at fair value on a recurring basis was:

	Millions of Dollars							
	March 31, 2012				December 31, 2011			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Commodity derivatives	**$3,344**	**2,009**	**66**	**5,419**	2,807	1,947	72	4,826
Interest rate derivatives	**—**	**27**	**—**	**27**	—	31	—	31
Foreign currency exchange derivatives	**—**	**22**	**—**	**22**	—	13	—	13
Total assets	**3,344**	**2,058**	**66**	**5,468**	2,807	1,991	72	4,870
Liabilities								
Commodity derivatives	**3,620**	**1,826**	**6**	**5,452**	2,970	1,722	10	4,702
Foreign currency exchange derivatives	**—**	**7**	**—**	**7**	—	23	—	23
Total liabilities	**3,620**	**1,833**	**6**	**5,459**	2,970	1,745	10	4,725
Net assets (liabilities)	**$(276)**	**225**	**60**	**9**	(163)	246	62	145

The derivative values above are based on analysis of each contract as the fundamental unit of account; therefore, derivative assets and liabilities with the same counterparty are not reflected net where the right of setoff exists. Gains or losses from contracts in one level may be offset by gains or losses on contracts in another level or by changes in values of physical contracts or positions that are not reflected in the table above.

As reflected in the table above, Level 3 activity was not material.

Commodity Derivative Contracts—We operate in the worldwide crude oil, bitumen, refined product, natural gas, LNG, natural gas liquids and electric power markets and are exposed to fluctuations in the prices for these commodities. These fluctuations can affect our revenues, as well as the cost of operating, investing and financing activities. Generally, our policy is to remain exposed to the market prices of commodities; however, we use futures, forwards, swaps and options in various markets to balance physical systems, meet customer needs, manage price exposures on specific transactions, and do a limited, immaterial amount of trading not directly related to our physical business. We also use the market knowledge gained from these activities to capture market opportunities such as moving physical commodities to more profitable locations, storing commodities to capture seasonal or time premiums, and blending commodities to capture quality upgrades. Derivatives may be used to optimize these activities which may move our risk profile away from market average prices.

The fair value of commodity derivative assets and liabilities and the line items where they appear on our consolidated balance sheet were:

	Millions of Dollars	
	March 31 2012	December 31 2011
Assets		
Prepaid expenses and other current assets	**$ 5,048**	4,433
Other assets	**399**	415
Liabilities		
Other accruals	**5,047**	4,350
Other liabilities and deferred credits	**433**	374

Hedge accounting has not been used for any item in the table. The amounts shown are presented gross (i.e., without netting assets and liabilities with the same counterparty where the right of setoff exists).

The gains (losses) from commodity derivatives incurred, and the line items where they appear on our consolidated income statement were:

	Millions of Dollars	
	Three Months Ended March 31	
	2012	2011
Sales and other operating revenues*	**$ (726)**	(1,027)
Other income	**2**	(7)
Purchased crude oil, natural gas and products*	**576**	321

Hedgeaccounting has not been used for any items in the table.

**2011 has been restated to eliminate certain non-derivative transactions and realign certain derivative transactions between sales and purchases.*

The table below summarizes our material net exposures resulting from outstanding commodity derivative contracts. These financial and physical derivative contracts are primarily used to manage price exposure on our underlying operations. The underlying exposures may be from non-derivative positions such as inventory volumes or firm natural gas transport contracts. Financial derivative contracts may also offset physical derivative contracts, such as forward sales contracts.

	Open Position Long / (Short)	
	March 31 2012	December 31 2011
Commodity		

Crude oil, refined products and natural gas liquids (millions of barrels)	**(23)**	(13)
Natural gas and power (billions of cubic feet equivalent)		
Fixed price	**(20)**	(57)
Basis	**50**	(25)

Interest Rate Derivative Contracts—During the second quarter of 2010, we executed interest rate swaps to synthetically convert $500 million of our 4.60% fixed-rate notes due in 2015 to a London Interbank Offered Rate (LIBOR)-based floating rate. These swaps qualify for and are designated as fair-value hedges using the short-cut method of hedge accounting. The short-cut method permits the assumption that changes in the value of the derivative perfectly offset changes in the value of the debt; therefore, no gain or loss has been recognized due to hedge ineffectiveness.

The adjustments to the fair values of the interest rate swaps and hedged debt have not been material.

Foreign Currency Exchange Derivatives—We have foreign currency exchange rate risk resulting from international operations. We do not comprehensively hedge the exposure to movements in currency exchange rates, although we may choose to selectively hedge certain foreign currency exchange rate exposures, such as firm commitments for capital projects or local currency tax payments, dividends, and cash returns from net investments in foreign affiliates to be remitted within the coming year.

The fair value of foreign currency exchange derivative assets and liabilities, and the line items where they appear on our consolidated balance sheet were:

	Millions of Dollars	
	March 31 2012	December 31 2011
Assets		
Prepaid expenses and other current assets	**$ 21**	12
Other assets	**1**	1
Liabilities		
Other accruals	**6**	23
Other liabilities and deferred credits	**1**	—

Hedgeaccounting has not been used for any item in the table. The amounts shown are presented gross.

Gains and losses from foreign currency exchange derivatives, and the line item where they appear on our consolidated income statement were:

	Millions of Dollars Three Months Ended March 31	
	2012	2011
Foreign exchange transaction (gains) losses	**$ (66)**	3

Hedgeaccounting has not been used for any item in the table.

We had the following net notional position of outstanding foreign currency exchange derivatives:

		In Millions Notional Currency (1)	
		March 31 2012	December 31 2011
Foreign Currency Exchange Derivatives			
Sell U.S. dollar, buy other currencies (2)	USD	**2,064**	1,949
Buy British pound, sell Canadian dollar	GBP	**94**	—
Buy euro, sell other currencies (3)	EUR	**154**	—
Sell euro, buy other currencies (4)	EUR	**—**	61

(1) Denominated in U.S. dollar, British pound and euro.

(2) Primarily euro, Canadian dollar, Norwegian krone and British pound.

(3) Primarily Canadian dollar and British pound.

(4) Primarily Canadian dollar and Norwegian krone.

Credit Risk

Financial instruments potentially exposed to concentrations of credit risk consist primarily of cash equivalents, OTC derivative contracts and trade receivables. Our cash equivalents and short-term investments are placed in high-quality commercial paper, money market funds, government debt securities and time deposits with major international banks and financial institutions.

The credit risk from our OTC derivative contracts, such as forwards and swaps, derives from the counterparty to the transaction. Individual counterparty exposure is managed within predetermined credit limits and includes the use of cash-call margins when appropriate, thereby reducing the risk of significant nonperformance. We also use futures, swaps and option contracts that have a negligible credit risk because these trades are cleared with an exchange clearinghouse and subject to mandatory margin requirements until settled; however, we are exposed to the credit risk of those exchange brokers for receivables arising from daily margin cash calls, as well as for cash deposited to meet initial margin requirements.

Our trade receivables result primarily from our petroleum operations and reflect a broad national and international customer base, which limits our exposure to concentrations of credit risk. The majority of these receivables have payment terms of 30 days or less, and we continually monitor this exposure and the creditworthiness of the counterparties. We do not generally require collateral to limit the exposure to loss; however, we will sometimes use letters of credit, prepayments, and master netting arrangements to mitigate credit risk with counterparties that both buy from and sell to us, as these agreements permit the amounts owed by us or owed to others to be offset against amounts due us.

Certain of our derivative instruments contain provisions that require us to post collateral if the derivative exposure exceeds a threshold amount. We have contracts with fixed threshold amounts and other contracts with variable threshold amounts that are contingent on our credit rating. The variable threshold amounts typically decline for lower credit ratings, while both the variable and fixed threshold amounts typically revert to zero if we fall below investment grade. Cash is the primary collateral in all contracts; however, many also permit us to post letters of credit as collateral.

The aggregate fair value of all derivative instruments with such credit-risk-related contingent features that were in a liability position on March 31, 2012, and December 31, 2011, was $249 million and $237 million, respectively, for which collateral of $4 million and $3 million, respectively, was posted. If our credit rating were lowered one level from its "A" rating (per Standard and Poor's) on March 31, 2012, we would be required to post no additional collateral to our counterparties. If we were downgraded below investment grade, we would be required to post $245 million of additional collateral, either with cash or letters of credit.

Fair Values of Financial Instruments

We used the following methods and assumptions to estimate the fair value of financial instruments:

- Cash, cash equivalents, restricted cash and short-term investments: The carrying amount reported on the balance sheet approximates fair value.
- Accounts and notes receivable: The carrying amount reported on the balance sheet approximates fair value.
- Debt: The carrying amount of our floating-rate debt approximates fair value. The fair value of the fixed-rate debt is estimated based on quoted market prices as a Level 2 fair value.
- Fixed-rate 5.3 percent joint venture acquisition obligation: Fair value is estimated based on the net present value of the future cash flows as a Level 2 fair value, discounted at March 31, 2012, and December 31, 2011, effective yield rates of 0.97 percent and 1.24 percent, respectively, based on yields of U.S. Treasury securities of similar average duration adjusted for our average credit risk spread and the amortizing nature of the obligation principal. See Note 10—Joint Venture Acquisition Obligation, for additional information.
- Commodity swaps: Fair value is estimated based on forward market prices and approximates the exit price at period end. When forward market prices are not available, fair value is estimated using the forward prices of a similar commodity with adjustments for differences in quality or location.
- Futures: Fair values are based on quoted market prices obtained from the New York Mercantile Exchange, the IntercontinentalExchange (ICE) Futures, or other traded exchanges.
- Interest rate swap contracts: Fair value is estimated based on a pricing model and market observable interest rate swap curves obtained from a third-party market data provider.
- Forward-exchange contracts: Fair values are estimated by comparing the contract rate to the forward rates in effect at the end of the respective reporting periods, and approximate the exit prices at those dates.

Our commodity derivative and financial instruments were:

	Millions of Dollars			
	Carrying Amount		Fair Value	
	March 31 2012	December 31 2011	**March 31 2012**	December 31 2011
Financial Assets				

Foreign currency exchange derivatives	**$ 22**	13	**22**	13
Interest rate derivatives	**27**	31	**27**	31
Commodity derivatives	**781**	814	**781**	814
Financial Liabilities				
Total debt, excluding capital leases	**28,331**	22,592	**32,496**	27,065
Joint venture acquisition obligation	**4,135**	4,314	**4,627**	4,820
Foreign currency exchange derivatives	**7**	23	**7**	23
Commodity derivatives	**444**	446	**444**	446

The amounts shown for derivatives in the preceding table are presented net (i.e., assets and liabilities with the same counterparty are netted where the right of setoff and intent to net exist). In addition, the March 31, 2012, commodity derivative assets and liabilities appear net of $21 million of obligations to return cash collateral and $391 million of rights to reclaim cash collateral, respectively. The December 31, 2011, commodity derivative assets and liabilities appear net of no obligations to return cash collateral and $244 million of rights to reclaim cash collateral. No collateral was deposited or held for the foreign currency derivatives or interest rate derivatives.

Segment Disclosures and Related Information	3 Months Ended Mar. 31, 2012
Segment Disclosures and Related Information [Abstract]	
Segment Disclosures and Related Information	**Note 19—Segment Disclosures and Related Information**

We have organized our reporting structure based on the grouping of similar products and services, resulting in six operating segments:

1) **E&P**—This segment primarily explores for, produces, transports and markets crude oil, bitumen, natural gas, LNG and natural gas liquids on a worldwide basis.
2) **Midstream**—This segment gathers, processes and markets natural gas produced by ConocoPhillips and others, and fractionates and markets natural gas liquids, predominantly in the United States and Trinidad. The Midstream segment primarily consists of our 50 percent equity investment in DCP Midstream.
3) **R&M**—This segment purchases, refines, markets and transports crude oil and petroleum products, mainly in the United States, Europe and Asia.
4) **LUKOIL Investment**—This segment represents our prior investment in the ordinary shares of OAO LUKOIL, an international, integrated oil and gas company headquartered in Russia. We completed the divestiture of our entire interest in LUKOIL in the first quarter of 2011.
5) **Chemicals**—This segment manufactures and markets petrochemicals and plastics on a worldwide basis. The Chemicals segment consists of our 50 percent equity investment in CPChem.
6) **Emerging Businesses**—This segment represents our investment in new technologies or businesses outside our normal scope of operations.

Corporate and Other includes general corporate overhead, most interest expense and various other corporate activities. Corporate assets include all cash and cash equivalents, short-term investments and restricted cash.

We evaluate performance and allocate resources based on net income attributable to ConocoPhillips. Intersegment sales are at prices that approximate market.

Analysis of Results by Operating Segment

	Millions of Dollars	
	Three Months Ended March 31	
	2012	2011
Sales and Other Operating Revenues		
E&P		
United States	**$7,514**	7,755
International	**7,221**	7,920
Intersegment eliminations—U.S.	**(2,028)**	(1,688)
Intersegment eliminations—international	**(2,192)**	(2,067)

E&P	**10,515**	11,920
Midstream		
Total sales	**2,027**	2,328
Intersegment eliminations	**(114)**	(156)
Midstream	**1,913**	2,172
R&M		
United States	**29,445**	29,953
International	**14,468**	12,744
Intersegment eliminations—U.S.	**(231)**	(265)
Intersegment eliminations—international	**(13)**	(13)
R&M	**43,669**	42,419
LUKOIL Investment	**—**	—
Chemicals	**3**	3
Emerging Businesses		
Total sales	**208**	156
Intersegment eliminations	**(182)**	(145)
Emerging Businesses	**26**	11
Corporate and Other	**6**	5
Consolidated sales and other operating revenues	**$56,132**	56,530

Net Income Attributable to ConocoPhillips		
E&P		
United States	**$870**	863
International	**1,678**	1,489
Total E&P	**2,548**	2,352
Midstream	**93**	73
R&M		
United States	**415**	402
International	**37**	80
Total R&M	**452**	482
LUKOIL Investment	**—**	239
Chemicals	**218**	193
Emerging Businesses	**(14)**	(7)
Corporate and Other	**(360)**	(304)
Net income attributable to ConocoPhillips	**$2,937**	3,028

	Millions of Dollars	
	March 31 2012	December 31 2011
Total Assets		
E&P		
United States	**$37,505**	37,150
International	**66,854**	64,752
Total E&P	**104,359**	101,902
Midstream	**1,981**	2,338

R&M		
United States	**26,073**	24,976
International	**10,600**	8,061
Goodwill	**3,330**	3,332
Total R&M	**40,003**	36,369
LUKOIL Investment	**—**	—
Chemicals	**3,312**	2,999
Emerging Businesses	**1,033**	974
Corporate and Other	**12,193**	8,648
Consolidated total assets	**$162,881**	153,230

Impairments (Details Textual) (USD $) In Millions, unless otherwise specified	3 Months Ended	
	Mar. 31, 2012	Mar. 31, 2011
Impairments (Textual) [Abstract]		
Tangible asset impairment charges	$ 259	
Leasehold Costs [Member]		
Impairments (Textual) [Abstract]		
Tangible asset impairment charges	481	
Mackenzie Gas Project [Member]		
Impairments (Textual) [Abstract]		
Tangible asset impairment charges	213	
Refining and Marketing (R&M) [Member]		
Impairments (Textual) [Abstract]		
Tangible asset impairment charges	$ 42	

Supplementary Information - Condensed Consolidating - Financial Information (Tables)

3 Months Ended

Mar. 31, 2012

Supplementary Information - Condensed Consolidating Financial Information [Abstract]

Condensed Consolidated Income Statement

Millions of Dollars

Three Months Ended March 31, 2012

Income Statement	ConocoPhillips	ConocoPhillips Company	ConocoPhillips Australia Funding Company	ConocoPhillips Canada Funding Company I	ConocoPhillips Canada Funding Company II	All Other Subsidiaries	Consolidating Adjustments	Total Consolidated
Revenues and Other Income								
Sales and other operating revenues	$ —	33,652	—	—	—	22,480	—	56,132
Equity in earnings of affiliates	3,290	3,984	—	—	—	686	(6,740)	1,220
Gain on dispositions	—	1	—	—	—	941	—	942
Other income	1	42	—	—	—	17	—	60
Intercompany revenues	1	872	11	22	8	8,934	(9,848)	—
Total Revenues and Other Income	3,292	38,551	11	22	8	33,058	(16,588)	58,354
Costs and Expenses								
Purchased crude oil, natural gas and products	—	31,367	—	—	—	19,800	(9,278)	41,889
Production and operating expenses	—	1,166	—	—	—	1,603	(73)	2,696
Selling, general and administrative expenses	5	485	—	—	—	166	29	685
Exploration expenses	—	89	—	—	—	590	—	679
Depreciation, depletion and amortization	—	360	—	—	—	1,478	—	1,838
Impairments	—	2	—	—	—	257	—	259
Taxes other than income taxes	—	1,363	—	—	—	3,158	—	4,521
Accretion on discounted liabilities	—	18	—	—	—	96	—	114
Interest and debt expense	540	82	10	19	8	76	(526)	209
Foreign currency transaction (gains) losses	—	(28)	—	11	16	(10)	—	(11)

Total Costs and Expenses	545	34,904	10	30	24	27,214	(9,848)	52,879
Income (loss) before income taxes	2,747	3,647	1	(8)	(16)	5,844	(6,740)	5,475
Provision for income taxes	(190)	357	—	6	(1)	2,348	—	2,520
Net income (loss)	2,937	3,290	1	(14)	(15)	3,496	(6,740)	2,955
Less: net income attributable to noncontrolling interests	—	—	—	—	—	(18)	—	(18)
Net Income (Loss) Attributable to ConocoPhillips	$ 2,937	3,290	1	(14)	(15)	3,478	(6,740)	2,937
Comprehensive Income Attributable to ConocoPhillips	$ 2,937	3,371	1	19	(2)	4,237	(6,740)	3,823

Income Statement	Three Months Ended March 31, 2011							
Revenues and Other Income								
Sales and other operating revenues	$ —	35,729	—	—	—	20,801	—	56,530
Equity in earnings of affiliates	3,235	3,439	—	—	—	543	(6,200)	1,017
Gain on dispositions	—	268	—	—	—	348	—	616
Other income	—	53	—	—	—	31	—	84
Intercompany revenues	1	903	11	23	9	8,643	(9,590)	—
Total Revenues and Other Income	3,236	40,392	11	23	9	30,366	(15,790)	58,247
Costs and Expenses								
Purchased crude oil, natural gas and products	—	33,441	—	—	—	18,144	(9,209)	42,376
Production and operating expenses	—	1,152	—	—	—	1,566	(90)	2,628
Selling, general and administrative expenses	5	318	—	—	—	160	16	499
Exploration expenses	—	50	—	—	—	126	—	176
Depreciation, depletion and amortization	—	387	—	—	—	1,683	—	2,070
Taxes other than income taxes	—	1,248	—	—	—	3,116	—	4,364
Accretion on discounted liabilities	—	17	—	—	—	95	—	112

Interest and debt expense	315	107	10	19	8	110	(307)	262
Foreign currency transaction (gains) losses	—	(17)	—	37	(3)	(53)	—	(36)
Total Costs and Expenses	320	36,703	10	56	5	24,947	(9,590)	52,451
Income (loss) before income taxes	2,916	3,689	1	(33)	4	5,419	(6,200)	5,796
Provision for income taxes	(112)	454	—	1	10	2,401	—	2,754
Net income (loss)	3,028	3,235	1	(34)	(6)	3,018	(6,200)	3,042
Less: net income attributable to noncontrolling interests	—	—	—	—	—	(14)	—	(14)
Net Income (Loss) Attributable to ConocoPhillips	$ 3,028	3,235	1	(34)	(6)	3,004	(6,200)	3,028
Comprehensive Income Attributable to ConocoPhillips	$ 3,028	3,294	1	5	10	3,664	(6,200)	3,802

[Condensed Consolidated Balance Sheet](#)

	Millions of Dollars							
	March 31, 2012							
Balance Sheet	ConocoPhillips	ConocoPhillips Company	ConocoPhillips Australia Funding Company	ConocoPhillips Canada Funding Company I	ConocoPhillips Canada Funding Company II	All Other Subsidiaries	Consolidating Adjustments	Total Consolidated
Assets								
Cash and cash equivalents	$ —	169	1	37	1	3,499	—	3,707
Short-term investments	—	—	—	—	—	508	—	508
Restricted cash	—	—	—	—	—	6,050	—	6,050
Accounts and notes receivable	64	7,478	—	—	—	16,738	(6,797)	17,483
Inventories	—	2,659	—	—	—	3,413	—	6,072
Prepaid expenses and other current assets	20	1,026	—	1	—	2,199	—	3,246
Total Current Assets	84	11,332	1	38	1	32,407	(6,797)	37,066
Investments, loans and long-term receivables*	100,748	138,137	771	1,473	586	63,602	(270,128)	35,189
Net properties, plants and equipment	—	19,825	—	—	—	65,734	—	85,559
Goodwill	—	3,330	—	—	—	—	—	3,330
Intangibles	—	721	—	—	—	21	—	742
Other assets	58	299	—	2	4	632	—	995
Total Assets	$ 100,890	173,644	772	1,513	591	162,396	(276,925)	162,881

Liabilities and Stockholders' Equity								
Accounts payable	$ —	12,333	1	3	1	16,009	(6,797)	21,550
Short-term debt	891	207	—	—	—	5,904	—	7,002
Accrued income and other taxes	—	559	—	3	—	4,189	—	4,751
Employee benefit obligations	—	542	—	—	—	158	—	700
Other accruals	154	539	19	32	14	1,669	—	2,427
Total Current Liabilities	1,045	14,180	20	38	15	27,929	(6,797)	36,430
Long-term debt	10,952	3,397	750	1,250	499	4,510	—	21,358
Asset retirement obligations and accrued environmental costs	—	1,755	—	—	—	7,318	—	9,073
Joint venture acquisition obligation	—	—	—	—	—	3,393	—	3,393
Deferred income taxes	(5)	4,112	—	16	8	14,578	—	18,709
Employee benefit obligations	—	3,048	—	—	—	985	—	4,033
Other liabilities and deferred credits*	29,235	42,346	—	116	46	18,299	(87,200)	2,842
Total Liabilities	41,227	68,838	770	1,420	568	77,012	(93,997)	95,838
Retained earnings	44,787	38,355	1	(85)	(72)	30,985	(62,685)	51,286
Other common stockholders' equity	14,876	66,451	1	178	95	53,890	(120,243)	15,248
Noncontrolling interests	—	—	—	—	—	509	—	509
Total Liabilities and Stockholders' Equity	$ 100,890	173,644	772	1,513	591	162,396	(276,925)	162,881

Balance Sheet				December 31, 2011				
Assets								
Cash and cash equivalents	$ —	2,028	1	37	1	3,713	—	5,780
Short-term investments	—	—	—	—	—	581	—	581
Accounts and notes receivable	60	9,186	—	—	—	20,898	(13,618)	16,526
Inventories	—	2,239	—	—	—	2,392	—	4,631
Prepaid expenses and other current assets	22	1,090	—	1	—	1,587	—	2,700
Total Current Assets	82	14,543	1	38	1	29,171	(13,618)	30,218
Investments, loans and long-term receivables*	96,269	135,603	760	1,417	565	59,651	(260,482)	33,783

Net properties, plants and equipment	—	19,595	—	—	—	64,585	—	84,180
Goodwill	—	3,332	—	—	—	—	—	3,332
Intangibles	—	722	—	—	—	23	—	745
Other assets	64	301	—	2	3	602	—	972
Total Assets	$ 96,415	174,096	761	1,457	569	154,032	(274,100)	153,230
Liabilities and Stockholders' Equity								
Accounts payable	$ 10	18,747	—	1	1	14,512	(13,618)	19,653
Short-term debt	892	27	—	—	—	94	—	1,013
Accrued income and other taxes	—	315	—	2	—	3,903	—	4,220
Employee benefit obligations	—	835	—	—	—	276	—	1,111
Other accruals	244	634	9	14	6	1,164	—	2,071
Total Current Liabilities	1,146	20,558	9	17	7	19,949	(13,618)	28,068
Long-term debt	10,951	3,599	749	1,250	498	4,563	—	21,610
Asset retirement obligations and accrued environmental costs	—	1,766	—	—	—	7,563	—	9,329
Joint venture acquisition obligation	—	—	—	—	—	3,582	—	3,582
Deferred income taxes	(5)	3,982	—	11	9	14,058	—	18,055
Employee benefit obligations	—	3,092	—	—	—	976	—	4,068
Other liabilities and deferred credits*	25,959	40,479	—	104	29	20,047	(83,834)	2,784
Total Liabilities	38,051	73,476	758	1,382	543	70,738	(97,452)	87,496
Retained earnings	42,694	35,065	1	(70)	(55)	29,928	(58,369)	49,194
Other common stockholders' equity	15,670	65,555	2	145	81	52,856	(118,279)	16,030
Noncontrolling interests	—	—	—	—	—	510	—	510
Total Liabilities and Stockholders' Equity	$ 96,415	174,096	761	1,457	569	154,032	(274,100)	153,230

*Includes intercompany loans.

Condensed Consolidated Statement of Cash Flows

	Millions of Dollars							
	Three Months Ended March 31, 2012							
Statement of Cash Flows	ConocoPhillips	ConocoPhillips Company	ConocoPhillips Australia Funding Company	ConocoPhillips Canada Funding Company I	ConocoPhillips Canada Funding Company II	All Other Subsidiaries	Consolidating Adjustments	Total Consolidated
Cash Flows From								

Operating Activities								
Net Cash Provided by (Used in) Operating Activities	$ 2,708	3,904	—	(1)	—	(8)	(2,421)	4,182
Cash Flows From Investing Activities								
Capital expenditures and investments	—	(633)	—	—	—	(3,627)	—	(4,260)
Proceeds from asset dispositions	—	—	—	—	—	1,109	—	1,109
Net purchases of short-term investments	—	—	—	—	—	92	—	92
Long-term advances/ loans—related parties	—	(2)	—	—	—	—	6	4
Collection of advances/ loans—related parties	—	92	—	—	—	5,228	(5,282)	38
Other	—	—	—	—	—	7	—	7
Net Cash Provided by (Used in) Investing Activities	—	(543)	—	—	—	2,809	(5,276)	(3,010)
Cash Flows From Financing Activities								
Issuance of debt	—	—	—	—	—	5,800	(6)	5,794
Repayment of debt	—	(5,220)	—	—	—	(116)	5,282	(54)
Change in restricted cash	—	—	—	—	—	(6,050)	—	(6,050)
Issuance of company common stock	36	—	—	—	—	—	—	36
Repurchase of company common stock	(1,899)	—	—	—	—	—	—	(1,899)
Dividends paid on common stock	(843)	—	—	—	—	(2,421)	2,421	(843)
Other	(2)	—	—	—	—	(252)	—	(254)

Net Cash Used in Financing Activities	(2,708)	(5,220)	—	—	—	(3,039)	7,697	(3,270)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	**—**	**—**	**—**	**—**	**—**	**25**	**—**	**25**
Net Change in Cash and Cash Equivalents	**—**	**(1,859)**	**—**	**(1)**	**—**	**(213)**	**—**	**(2,073)**
Cash and cash equivalents at beginning of period	—	2,028	1	38	1	3,712	—	5,780
Cash and Cash Equivalents at End of Period	$ —	169	1	37	1	3,499	—	3,707

Statement of Cash Flows	Three Months Ended March 31, 2011							
Cash Flows From Operating Activities								
Net Cash Provided by (Used in) Operating Activities	$ 2,506	(1,974)	—	(1)	(7)	1,711	(288)	1,947
Cash Flows From Investing Activities								
Capital expenditures and investments	—	(426)	—	—	—	(2,458)	—	(2,884)
Proceeds from asset dispositions	—	329	—	—	—	1,458	—	1,787
Net purchases of short-term investments	—	—	—	—	—	(1,170)	—	(1,170)
Long-term advances/ loans—related parties	—	2	—	(4)	—	(2,077)	2,083	4
Collection of advances/ loans—related parties	—	104	—	—	—	29	(93)	40
Other	—	—	—	—	—	12	—	12
Net Cash Provided by	—	9	—	(4)	—	(4,206)	1,990	(2,211)

(Used in) Investing Activities								
Cash Flows From Financing Activities								
Issuance of debt	—	2,073	—	—	4	6	(2,083)	—
Repayment of debt	—	(343)	—	—	—	(123)	93	(373)
Issuance of company common stock	75	—	—	—	—	—	—	75
Repurchase of company common stock	(1,636)	—	—	—	—	—	—	(1,636)
Dividends paid on common stock	(944)	—	—	—	—	(288)	288	(944)
Other	(1)	—	—	—	—	(182)	—	(183)
Net Cash Provided by (Used in) Financing Activities	(2,506)	1,730	—	—	4	(587)	(1,702)	(3,061)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	—	—	—	—	—	43	—	43
Net Change in Cash and Cash Equivalents	—	(235)	—	(5)	(3)	(3,039)	—	(3,282)
Cash and cash equivalents at beginning of period	—	718	—	29	4	8,703	—	9,454
Cash and Cash Equivalents at End of Period	$ —	483	—	24	1	5,664	—	6,172

Consolidated Balance Sheet (USD $) In Millions, unless otherwise specified	Mar. 31, 2012	Dec. 31, 2011
Assets		
Cash and cash equivalents	$ 3,707	$ 5,780
Short-term Investments	508 [1]	581 [1]
Restricted cash	6,050	
Accounts and notes receivable (net of allowance of $52 million in 2012 and $30 million in 2011)	15,575	14,648
Accounts and notes receivable-related parties	1,908	1,878
Inventories	6,072	4,631
Prepaid expenses and other current assets	3,246	2,700
Total Current Assets	37,066	30,218
Investments and long-term receivables	33,574	32,108
Loans and advances-related parties	1,615	1,675
Net properties, plants and equipment	85,559	84,180
Goodwill	3,330	3,332
Intangibles	742	745
Other assets	995	972
Total Assets	162,881	153,230
Liabilities		
Accounts payable	19,637	17,973
Accounts payable-related parties	1,913	1,680
Short-term debt	7,002	1,013
Accrued income and other taxes	4,751	4,220
Employee benefit obligations	700	1,111
Other accruals	2,427	2,071
Total Current Liabilities	36,430	28,068
Long-term debt	21,358	21,610
Asset retirement obligations and accrued environmental costs	9,073	9,329
Joint venture acquisition obligation-related party	3,393	3,582
Deferred income taxes	18,709	18,055
Employee benefit obligations	4,033	4,068
Other liabilities and deferred credits	2,842	2,784
Total Liabilities	95,838	87,496
Equity		
Common stock (2,500,000,000 shares authorized at $.01 par value) Issued (2012 - 1,753,755,416 shares; 2011 - 1,749,550,587 shares) Par value	18	17
Capital in excess of par	44,936	44,725
Treasury stock (at cost: 2012-489,198,910 shares ; 2011-463,880,628 shares)	(33,678)	(31,787)
Accumulated other comprehensive income	3,972	3,086
Unearned employee compensation	0	(11)
Retained earnings	51,286	49,194

Total Common Stockholders' Equity	66,534	65,224
Noncontrolling interests	509	510
Total Equity	67,043	65,734
Total Liabilities and Equity	$ 162,881	$ 153,230

[1] * Includes marketable securities of: $407 for March 31 , 2012 and $232 for December 31, 2011

Inventories	**3 Months Ended Mar. 31, 2012**

Inventories [Abstract]

Inventories

Note 3—Inventories

Inventories consisted of the following:

	Millions of Dollars	
	March 31 2012	December 31 2011
Crude oil and petroleum products	**$ 5,071**	3,633
Materials, supplies and other	**1,001**	998
	$ 6,072	4,631

Inventories valued on the last-in, first-out (LIFO) basis totaled $4,789 million and $3,387 million at March 31, 2012, and December 31, 2011, respectively. The estimated excess of current replacement cost over LIFO cost of inventories amounted to approximately $9,500 million and $8,400 million at March 31, 2012, and December 31, 2011, respectively.

Financial Instruments and Derivative Contracts (Details 3) (USD $) In Millions, unless otherwise specified	3 Months Ended	
	Mar. 31, 2012	Mar. 31, 2011
Purchased crude oil, natural gas and products [Member]		
Gains (losses) from derivatives		
Gains (losses) from derivatives contracts	$ 576	$ 321
Commodity derivatives [Member] | Sales and other operating revenues [Member]		
Gains (losses) from derivatives		
Gains (losses) from derivatives contracts	(726)	(1,027)
Commodity derivatives [Member] | Other Income [Member]		
Gains (losses) from derivatives		
Gains (losses) from derivatives contracts	2	(7)
Foreign currency exchange derivatives [Member] | Foreign currency transaction (gains) losses [Member]		
Gains and losses from foreign currency exchange derivatives		
Foreign exchange transaction (gains) losses	$ (66)	$ 3

Segment Disclosures and Related Information (Details 1) (USD $) In Millions, unless otherwise specified	3 Months Ended		
	Mar. 31, 2012	Mar. 31, 2011	Dec. 31, 2011
Net Income Attributable to ConocoPhillips			
Consolidated net income attributable to ConocoPhillips	$ 2,937	$ 3,028	
Total Assets			
Assets	162,881		153,230
Exploration and Production (E&P) [Member]			
Net Income Attributable to ConocoPhillips			
Consolidated net income attributable to ConocoPhillips	2,548	2,352	
Total Assets			
Assets	104,359		101,902
Exploration and Production (E&P) [Member] | UNITED STATES			
Net Income Attributable to ConocoPhillips			
Consolidated net income attributable to ConocoPhillips	870	863	
Total Assets			
Assets	37,505		37,150
Exploration and Production (E&P) [Member] | International [Member]			
Net Income Attributable to ConocoPhillips			
Consolidated net income attributable to ConocoPhillips	1,678	1,489	
Total Assets			
Assets	66,854		64,752
Midstream [Member]			
Net Income Attributable to ConocoPhillips			
Consolidated net income attributable to ConocoPhillips	93	73	
Total Assets			
Assets	1,981		2,338
Refining and Marketing (R&M) [Member]			
Net Income Attributable to ConocoPhillips			
Consolidated net income attributable to ConocoPhillips	452	482	
Total Assets			
Assets	40,003		36,369
Refining and Marketing (R&M) [Member] | UNITED STATES			
Net Income Attributable to ConocoPhillips			
Consolidated net income attributable to ConocoPhillips	415	402	
Total Assets			
Assets	26,073		24,976
Refining and Marketing (R&M) [Member] | International [Member]			
Net Income Attributable to ConocoPhillips			
Consolidated net income attributable to ConocoPhillips	37	80	
Total Assets			

Assets	10,600		8,061
LUKOIL Investment [Member]			
Net Income Attributable to ConocoPhillips			
Consolidated net income attributable to ConocoPhillips		239	
Chemicals [Member]			
Net Income Attributable to ConocoPhillips			
Consolidated net income attributable to ConocoPhillips	218	193	
Total Assets			
Assets	3,312		2,999
Emerging Businesses [Member]			
Net Income Attributable to ConocoPhillips			
Consolidated net income attributable to ConocoPhillips	(14)	(7)	
Total Assets			
Assets	1,033		974
Corporate and Other [Member]			
Net Income Attributable to ConocoPhillips			
Consolidated net income attributable to ConocoPhillips	(360)	(304)	
Total Assets			
Assets	12,193		8,648
Goodwill [Member] | Refining and Marketing (R&M) [Member]			
Total Assets			
Assets	$ 3,330		$ 3,332

Income Taxes	3 Months Ended Mar. 31, 2012
Income Taxes [Abstract]	
Income Taxes	**Note 20—Income Taxes** Our effective tax rates for the first quarter of 2012 and 2011 were 46 percent and 48 percent, respectively. The change in the effective tax rate for the first quarter of 2012, versus the same period of 2011, was due to asset dispositions in 2012, offset in part by a higher proportion of income in higher tax rate jurisdictions and asset impairments in 2012. The effective tax rate in excess of the domestic federal statutory rate of 35 percent was primarily due to foreign taxes.

Supplementary Information - Condensed Consolidating Financial Information (Details 2) (USD $) In Millions, unless otherwise specified	Mar. 31, 2012	Dec. 31, 2011	Mar. 31, 2011	Dec. 31, 2010
Assets				
Cash and cash equivalents	$ 3,707	$ 5,780	$ 6,172	$ 9,454
Short-term Investments	508 [1]	581 [1]		
Restricted cash	6,050			
Accounts and notes receivable	17,483	16,526		
Inventories	6,072	4,631		
Prepaid expenses and other current assets	3,246	2,700		
Total Current Assets	37,066	30,218		
Investments, loans and long-term receivables	35,189	33,783		
Net properties, plants and equipment	85,559	84,180		
Goodwill	3,330	3,332		
Intangibles	742	745		
Other assets	995	972		
Total Assets	162,881	153,230		
Liabilities and Stockholders' Equity				
Accounts payable	21,550	19,653		
Short-term debt	7,002	1,013		
Accrued income and other taxes	4,751	4,220		
Employee benefit obligations	700	1,111		
Other accruals	2,427	2,071		
Total Current Liabilities	36,430	28,068		
Long-term debt	21,358	21,610		
Asset retirement obligations and accrued environmental costs	9,073	9,329		
Joint venture acquisition obligation	3,393	3,582		
Deferred income taxes	18,709	18,055		
Employee benefit obligations	4,033	4,068		
Other liabilities and deferred credits	2,842	2,784		
Total Liabilities	95,838	87,496		
Retained earnings	51,286	49,194		
Other common stockholders' equity	15,248	16,030		
Noncontrolling interests	509	510		
Total Liabilities and Equity	162,881	153,230		
ConocoPhillips [Member]				
Assets				
Accounts and notes receivable	64	60		
Prepaid expenses and other current assets	20	22		
Total Current Assets	84	82		

Investments, loans and long-term receivables	100,748	96,269	
Other assets	58	64	
Total Assets	100,890	96,415	
Liabilities and Stockholders' Equity			
Accounts payable		10	
Short-term debt	891	892	
Other accruals	154	244	
Total Current Liabilities	1,045	1,146	
Long-term debt	10,952	10,951	
Deferred income taxes	(5)	(5)	
Other liabilities and deferred credits	29,235		25,959
Total Liabilities	41,227	38,051	
Retained earnings	44,787	42,694	
Other common stockholders' equity	14,876	15,670	
Total Liabilities and Equity	100,890	96,415	
ConocoPhillips Company [Member]			
Assets			
Cash and cash equivalents	169	2,028	
Accounts and notes receivable	7,478	9,186	
Inventories	2,659	2,239	
Prepaid expenses and other current assets	1,026	1,090	
Total Current Assets	11,332	14,543	
Investments, loans and long-term receivables	138,137	135,603	
Net properties, plants and equipment	19,825	19,595	
Goodwill	3,330 [2]	3,332	
Intangibles	721	722	
Other assets	299	301	
Total Assets	173,644	174,096	
Liabilities and Stockholders' Equity			
Accounts payable	12,333	18,747	
Short-term debt	207	27	
Accrued income and other taxes	559	315	
Employee benefit obligations	542	835	
Other accruals	539	634	
Total Current Liabilities	14,180	20,558	
Long-term debt	3,397	3,599	
Asset retirement obligations and accrued environmental costs	1,755	1,766	
Deferred income taxes	4,112	3,982	
Employee benefit obligations	3,048	3,092	
Other liabilities and deferred credits	42,346	40,479	
Total Liabilities	68,838	73,476	
Retained earnings	38,355	35,065	
Other common stockholders' equity	66,451	65,555	

Total Liabilities and Equity	173,644	174,096
ConocoPhillips Australia Funding Company [Member]		
Assets		
Cash and cash equivalents	1	1
Total Current Assets	1	1
Investments, loans and long-term receivables	771	760
Total Assets	772	761
Liabilities and Stockholders' Equity		
Accounts payable	1	
Other accruals	19	9
Total Current Liabilities	20	9
Long-term debt	750	749
Total Liabilities	770	758
Retained earnings	1	1
Other common stockholders' equity	1	2
Total Liabilities and Equity	772	761
ConocoPhillips Canada Funding Company I [Member]		
Assets		
Cash and cash equivalents	37	37
Prepaid expenses and other current assets	1	1
Total Current Assets	38	38
Investments, loans and long-term receivables	1,473	1,417
Other assets	2	2
Total Assets	1,513	1,457
Liabilities and Stockholders' Equity		
Accounts payable	3	1
Accrued income and other taxes	3	2
Other accruals	32	14
Total Current Liabilities	38	17
Long-term debt	1,250	1,250
Deferred income taxes	16	11
Other liabilities and deferred credits	116	104
Total Liabilities	1,420	1,382
Retained earnings	(85)	(70)
Other common stockholders' equity	178	145
Total Liabilities and Equity	1,513	1,457
ConocoPhillips Canada Funding Company II [Member]		
Assets		
Cash and cash equivalents	1	1
Total Current Assets	1	1
Investments, loans and long-term receivables	586	565
Other assets	4	3
Total Assets	591	569
Liabilities and Stockholders' Equity		

Accounts payable	1	1
Other accruals	14	6
Total Current Liabilities	15	7
Long-term debt	499	498
Deferred income taxes	8	9
Other liabilities and deferred credits	46	29
Total Liabilities	568	543
Retained earnings	(72)	(55)
Other common stockholders' equity	95	81
Total Liabilities and Equity	591	569
All Other Subsidiaries [Member]		
Assets		
Cash and cash equivalents	3,499	3,713
Short-term Investments	508	581
Restricted cash	6,050	
Accounts and notes receivable	16,738	20,898
Inventories	3,413	2,392
Prepaid expenses and other current assets	2,199	1,587
Total Current Assets	32,407	29,171
Investments, loans and long-term receivables	63,602	59,651
Net properties, plants and equipment	65,734	64,585
Intangibles	21	23
Other assets	632	602
Total Assets	162,396	154,032
Liabilities and Stockholders' Equity		
Accounts payable	16,009	14,512
Short-term debt	5,904	94
Accrued income and other taxes	4,189	3,903
Employee benefit obligations	158	276
Other accruals	1,669	1,164
Total Current Liabilities	27,929	19,949
Long-term debt	4,510	4,563
Asset retirement obligations and accrued environmental costs	7,318	7,563
Joint venture acquisition obligation	3,393	3,582
Deferred income taxes	14,578	14,058
Employee benefit obligations	985	976
Other liabilities and deferred credits	18,299	20,047
Total Liabilities	77,012	70,738
Retained earnings	30,985	29,928
Other common stockholders' equity	53,890	52,856
Noncontrolling interests	509	510
Total Liabilities and Equity	162,396	154,032
Consolidating Adjustments [Member]		

Assets		
Accounts and notes receivable	(6,797)	(13,618)
Total Current Assets	(6,797)	(13,618)
Investments, loans and long-term receivables	(270,128)	(260,482)
Total Assets	(276,925)	(274,100)
Liabilities and Stockholders' Equity		
Accounts payable	(6,797)	(13,618)
Total Current Liabilities	(6,797)	(13,618)
Other liabilities and deferred credits	(87,200)	(83,834)
Total Liabilities	(93,997)	(97,452)
Retained earnings	(62,685)	(58,369)
Other common stockholders' equity	(120,243)	(118,279)
Total Liabilities and Equity	$ (276,925)	$ (274,100)

[1] * Includes marketable securities of: $407 for March 31 , 2012 and $232 for December 31, 2011

[2] * Includes excise taxes on petroleum products sales: $3321 , $3382 for Three Months Ended March 31, 2012, 2011 respectively.

Employee Benefit Plans (Tables)	3 Months Ended Mar. 31, 2012
Employee Benefit Plans [Abstract]	
Pension and Postretirement Plans	

	Millions of Dollars					
	Pension Benefits				Other Benefits	
	March 31				March 31	
	2012		2011		**2012**	**2011**
Three Months Ended	**U.S.**	**Int'l.**	U.S.	Int'l.		
Components of Net Periodic Benefit Cost						
Service cost	**$58**	**28**	64	24	**2**	3
Interest cost	**63**	**43**	62	44	**10**	10
Expected return on plan assets	**(74)**	**(43)**	(70)	(43)	**—**	—
Amortization of prior service cost (credit)	**2**	**(2)**	2	—	**(1)**	(2)
Recognized net actuarial loss (gain)	**59**	**18**	41	11	**(1)**	(1)
Net periodic benefit cost	**$108**	**44**	99	36	**10**	10

Contingencies and Commitments	3 Months Ended Mar. 31, 2012
Contingencies and Commitments [Abstract]	
Contingencies and Commitments	

Note 13—Contingencies and Commitments

A number of lawsuits involving a variety of claims have been made against ConocoPhillips that arise in the ordinary course of business. We also may be required to remove or mitigate the effects on the environment of the placement, storage, disposal or release of certain chemical, mineral and petroleum substances at various active and inactive sites. We regularly assess the need for accounting recognition or disclosure of these contingencies. In the case of all known contingencies (other than those related to income taxes), we accrue a liability when the loss is probable and the amount is reasonably estimable. If a range of amounts can be reasonably estimated and no amount within the range is a better estimate than any other amount, then the minimum of the range is accrued. We do not reduce these liabilities for potential insurance or third-party recoveries. If applicable, we accrue receivables for probable insurance or other third-party recoveries. In the case of income-tax-related contingencies, we use a cumulative probability-weighted loss accrual in cases where sustaining a tax position is less than certain.

Based on currently available information, we believe it is remote that future costs related to known contingent liability exposures will exceed current accruals by an amount that would have a material adverse impact on our consolidated financial statements. As we learn new facts concerning contingencies, we reassess our position both with respect to accrued liabilities and other potential exposures. Estimates particularly sensitive to future changes include contingent liabilities recorded for environmental remediation, tax and legal matters. Estimated future environmental remediation costs are subject to change due to such factors as the uncertain magnitude of cleanup costs, the unknown time and extent of such remedial actions that may be required, and the determination of our liability in proportion to that of other responsible parties. Estimated future costs related to tax and legal matters are subject to change as events evolve and as additional information becomes available during the administrative and litigation processes.

Environmental

We are subject to international, federal, state and local environmental laws and regulations. When we prepare our consolidated financial statements, we record accruals for environmental liabilities based on management’s best estimates, using all information that is available at the time. We measure estimates and base liabilities on currently available facts, existing technology, and presently enacted laws and regulations, taking into account stakeholder and business considerations. When measuring environmental liabilities, we also consider our prior experience in remediation of contaminated sites, other companies’ cleanup experience, and data released by the U.S. Environmental Protection Agency (EPA) or other organizations. We consider unasserted claims in our determination of environmental liabilities, and we accrue them in the period they are both probable and reasonably estimable.

Although liability of those potentially responsible for environmental remediation costs is generally joint and several for federal sites and frequently so for state sites, we are usually only one of many companies cited at a particular site. Due to the joint and several liabilities, we could be responsible for all cleanup costs related to any site at which we have been designated as a potentially responsible party. We have been successful to date in sharing cleanup costs with other financially sound companies. Many of the sites at which we are potentially responsible are still under investigation by the EPA or the state agencies concerned. Prior to actual cleanup, those potentially responsible normally assess the site conditions, apportion responsibility and determine the appropriate remediation. In some instances, we may have no liability or may attain a settlement of liability. Where it appears that other potentially responsible parties may be financially unable to bear their proportional share, we consider this inability in estimating our potential liability, and we adjust our accruals accordingly. As a result of various acquisitions in the past, we assumed certain environmental obligations. Some of these environmental obligations are mitigated by indemnifications made by others for our benefit and some of the indemnifications are subject to dollar and time limits.

We are currently participating in environmental assessments and cleanups at numerous federal Superfund and comparable state sites. After an assessment of environmental exposures for cleanup and other costs, we make accruals on an undiscounted basis (except in respect of sites acquired in a purchase business combination, which we record on a discounted basis) for planned investigation and remediation activities for sites where it is probable future costs will be incurred and these costs can be reasonably estimated. At March 31, 2012, our balance sheet included a total environmental accrual of $920 million, compared with $922 million at December 31, 2011. We expect to incur a substantial amount of these expenditures within the next 30 years. We have not reduced these accruals for possible insurance recoveries. In the future, we may be involved in additional environmental assessments, cleanups and proceedings.

Legal Proceedings

Our legal organization applies its knowledge, experience and professional judgment to the specific characteristics of our cases, employing a litigation management process to manage and monitor the legal proceedings against us. Our process facilitates the early evaluation and quantification of potential exposures in individual cases. This process also enables us to track those cases that have been scheduled for trial and/or mediation. Based on professional judgment and experience in using these litigation management tools and available information about current developments in all our cases, our legal organization regularly assesses the adequacy of current accruals and determines if adjustment of existing accruals, or establishment of new accruals, are required.

Other Contingencies

We have contingent liabilities resulting from throughput agreements with pipeline and processing companies not associated with financing arrangements. Under these agreements, we may be required to provide any such company with additional funds through advances and penalties for fees related to throughput capacity not utilized. In addition, at March 31, 2012, we had performance obligations secured by letters of credit of $2,551 million (of which $26 million was issued under the provisions of our revolving credit facility, and the remainder was issued as direct bank letters of credit) related to various purchase commitments for materials, supplies, services and items of permanent investment incident to the ordinary conduct of business.

In 2007, we announced we had been unable to reach agreement with respect to our migration to an *empresa mixta* structure mandated by the Venezuelan government's Nationalization Decree. As a result, Venezuela's national oil company, PDVSA, or its affiliates, directly assumed control over ConocoPhillips' interests in the Petrozuata and Hamaca heavy oil ventures and the offshore Corocoro development project. In response to this expropriation, we filed a request for international arbitration on November 2, 2007, with the World Bank's International Centre for Settlement of Investment Disputes (ICSID). An arbitration hearing was held before an ICSID tribunal during the summer of 2010, and we are currently awaiting an interim decision on key legal and factual issues. A different arbitration hearing was held in January 2012 with the International Chamber of Commerce on ConocoPhillips' separate claims against PDVSA for certain breaches of their Association Agreements prior to the expropriation.

In 2008, Burlington Resources, Inc., a wholly owned subsidiary of ConocoPhillips, initiated arbitration before ICSID against The Republic of Ecuador, as a result of the newly enacted Windfall Profits Tax Law and government-mandated renegotiation of our production sharing contracts. Despite a restraining order issued by ICSID, Ecuador confiscated the crude oil production of Burlington and its co-venturer and sold the illegally seized crude oil. In 2009, Ecuador took over operations in Blocks 7 and 21, fully expropriating our assets. In June 2010, the ICSID tribunal concluded it has jurisdiction to hear the expropriation claim. An arbitration hearing on case merits occurred in March 2011, and we are awaiting a decision. On September 30, 2011, Ecuador filed a supplemental counterclaim asserting environmental damages, which we believe will not be material. The arbitration process is ongoing.