

EOG RESOURCES INC
Form 8-K
February 01, 2007

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report: February 1, 2007

EOG RESOURCES, INC.

(Exact name of registrant as specified in its charter)

Delaware	1-9743	47-0684736
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

333 Clay
Suite 4200
Houston, Texas

(Address of principal executive offices)

77002

(Zip code)

713-651-7000

(Registrant's telephone number, including area code)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions.

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

EOG RESOURCES, INC.

Item 7.01 Regulation FD Disclosure.

I. First Quarter and Full Year 2007 Forecast and Benchmark Commodity Pricing

(a) First Quarter and Full Year 2007 Forecast

The forecast items for the first quarter and full year 2007 set forth below for EOG Resources, Inc. (EOG) are based on current available information and expectations as of the date of this document. This forecast replaces and supersedes any previously issued guidance or forecast.

Estimates are provided in the attached table, which is incorporated by reference herein.

(b) Benchmark Commodity Pricing

EOG bases United States and Canada natural gas price differentials upon the natural gas price at Henry Hub, Louisiana using the average of the NYMEX settlement prices for the last three trading days for the subject (prompt) month.

EOG bases United States, Canada and Trinidad crude oil and condensate price differentials upon the West Texas Intermediate crude oil price at Cushing, Oklahoma using the simple average of the NYMEX settlement prices for the prompt month for each trading day within the subject calendar month.

II. Forward-Looking Statements

This document 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. All statements other than statements of historical facts, including, among others, statements regarding EOG's future financial position, business strategy, budgets, reserve information, projected levels of production, projected costs and plans and objectives of management for future operations, are forward-looking statements. EOG typically uses words such as "expect," "anticipate," "estimate," "strategy," "intend," "plan," "target" and "believe" or the negative of those terms or other variations of them or by comparable terminology to identify its forward-looking statements. In particular, statements, express or implied, concerning future operating results, the ability to replace or increase reserves or to increase production, or the ability to generate income or cash flows are forward-looking statements. Forward-looking statements are not guarantees of performance. Although EOG believes its expectations reflected in forward-looking statements are based on reasonable assumptions, no assurance can be given that these expectations will be achieved. Important factors that could cause actual results to differ materially from the expectations reflected in the forward-looking statements include, among others: the timing and extent of changes in commodity prices for crude oil, natural gas and related products, foreign

currency exchange rates and interest rates; the timing and impact of liquefied natural gas imports and changes in demand or prices for ammonia or methanol; the extent and effect of any hedging activities engaged in by EOG; the extent of EOG's success in discovering, developing, marketing and producing reserves and in acquiring oil and gas properties; the accuracy of reserve estimates, which by their nature involve the exercise of professional judgment and may therefore be imprecise; the availability and cost of drilling rigs, experienced drilling crews, materials and equipment used in well completions, and tubular steel; the availability, terms and timing of governmental and other permits and rights of way; the availability of pipeline transportation capacity; the availability of compression uplift capacity; the extent to which EOG can economically develop its Barnett Shale acreage outside of Johnson County, Texas; whether EOG is successful in its efforts to more densely develop its acreage in the Barnett Shale and other production areas; political developments around the world; acts of war and terrorism and responses to these acts; weather; and financial market conditions. In light of these risks, uncertainties and assumptions, the events anticipated by EOG's forward-looking statements might not occur. Forward-looking statements speak only as of the date made and EOG undertakes no obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.

Definitions

\$/Bbl	US Dollars per barrel
\$/Mcf	US Dollars per thousand cubic feet
\$/Mcfe	US Dollars per thousand cubic feet equivalent
\$MM	US Dollars in millions
MBbld	Thousand barrels per day
MMcfd	Million cubic feet per day
MMcfd	Million cubic feet equivalent per day
NYMEX	New York Mercantile Exchange
WTI	West Texas Intermediate

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.

EOG RESOURCES, INC.
(Registrant)

Date: February 1, 2007

By: /s/ TIMOTHY K. DRIGGERS

Timothy K. Driggers
Vice President and Chief Accounting Officer
(Principal Accounting Officer)

Estimated Ranges
(See text for additional information)

1Q 2007

Full Year 2007

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Daily Production

Natural Gas (MMcfd)

United States	890	-	930	960	-	1,045
Canada	210	-	230	220	-	245
Trinidad	235	-	255	225	-	245
United Kingdom	25	-	35	20	-	30
Total	1,360	-	1,450	1,425	-	1,565

Crude Oil and Condensate (MBbld)

United States	20.0	-	22.5	20.0	-	24.0
Canada	2.2	-	2.6	2.3	-	2.6
Trinidad	3.5	-	4.5	3.5	-	4.0
Total	25.7	-	29.6	25.8	-	30.6

Natural Gas Liquids (MBbld)

United States	8.0	-	9.5	6.7	-	9.3
Canada	0.8	-	1.2	0.6	-	1.2
Total	8.8	-	10.7	7.3	-	10.5

Natural Gas Equivalent Volumes (MMcfd)

United States	1,058	-	1,122	1,120	-	1,245
Canada	228	-	253	238	-	268
Trinidad	256	-	282	246	-	269
United Kingdom	25	-	35	20	-	30
Total	1,567	-	1,692	1,624	-	1,812

Operating Costs

Unit Costs (\$/Mcfe)

Lease and Well	\$ 0.65	-	\$ 0.69	\$ 0.65	-	\$ 0.70
Transportation Costs	\$ 0.22	-	\$ 0.25	\$ 0.22	-	\$ 0.30
Depreciation, Depletion and Amortization	\$ 1.53	-	\$ 1.64	\$ 1.50	-	\$ 1.75

Expenses (\$MM)

Exploration, Dry Hole and Impairment	\$ 70.0	-	\$ 90.0	\$ 320.0	-	\$ 375.0
General and Administrative	\$ 42.0	-	\$ 48.0	\$ 165.0	-	\$ 200.0
Capitalized Interest	\$ 5.0	-	\$ 6.0	\$ 22.0	-	\$ 26.0
Net Interest	\$ 7.0	-	\$ 8.6	\$ 28.0	-	\$ 38.0

Taxes Other Than Income (% of Revenue)

5.0%	-	6.5%	5.0%	-	6.5%
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Income Taxes

Effective Rate	33%	-	37%	33%	-	37%
Deferred Ratio	65%	-	90%	65%	-	90%

Preferred Dividends (\$MM)

\$ 0.9	-	\$ 1.1	\$ 3.8	-	\$ 4.2
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Capital Expenditures, excluding Acquisitions (\$MM) - FY 2007

\$ 3,400

Pricing - Refer to I.(b) Benchmark Commodity Pricing in text

Natural Gas (\$/Mcf)

Differentials (include the effect of physical contracts)

United States - below NYMEX Henry Hub	\$ 0.20	-	\$ 0.50	\$ 0.25	-	\$ 0.50
Canada - below NYMEX Henry Hub	\$ 0.40	-	\$ 0.85	\$ 0.75	-	\$ 1.25

Realizations

Trinidad	\$ 2.00	-	\$ 3.00	\$ 1.85	-	\$ 2.45
United Kingdom	\$ 5.00	-	\$ 7.50	\$ 5.00	-	\$ 7.00

Crude Oil and Condensate (\$/Bbl)

Differentials

United States - below WTI	\$ 2.75	-	\$ 4.00	\$ 2.75	-	\$ 4.00
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Canada - below WTI	\$ 6.00	-	\$ 8.25	\$ 5.50	-	\$ 7.00
Trinidad - below WTI	\$ 0.75	-	\$ 1.25	\$ 0.75	-	\$ 1.25