

Edgar Filing: EOG RESOURCES INC - Form 8-K

EOG RESOURCES INC
Form 8-K
January 29, 2002

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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: January 29, 2002

EOG RESOURCES, INC.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	1-9743 (Commission File Number)	47-0684736 I.R.S. Employer (Identification No.)
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333 Clay Suite 4200 Houston, Texas (Address of principal executive offices)	77002 (Zip code)
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713/651-7000
(Registrant's telephone number, including area code)

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EOG RESOURCES, INC.

Item 9. Regulation FD Disclosure

I. First Quarter and Full Year 2002

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The forecasts for first quarter and full year 2002 set forth below for EOG Resources, Inc. ('the Company') are given as of the date of this document only and are based on current available information and expectations.

The Company does not provide guidance on other income, other expense, or gain or loss on sales of reserves and related assets unless specifically noted.

Estimates are provided in the attached table.

II. 2002 Natural Gas Financial and Physical Contracts

The outstanding Natural Gas Financial Price Swaps and Natural Gas Physical Contracts for 2002 were delineated in the Company's Form 8-K filing on January 16, 2002.

III. North America 2002 Production Target

As previously stated, the Company had targeted four percent 2002 production growth for North America predicated on the assumption of \$3.00 per MMBtu average annualized Henry Hub natural gas price. In view of the current price environment, the Company believes that \$3.00 per MMBtu average annualized natural gas price will most likely not be achieved during 2002. The Company's North American production forecast in the attached table uses a \$2.50 (+/- \$0.10) per MMBtu average annualized Henry Hub assumption for 2002. The midpoint of the estimated ranges in the attached table results in flat production in North America for the full year 2002 as compared to 2001.

IV. Income Taxes

No guidance is given at this time for income taxes, reflecting the current forward price strip for natural gas and crude oil and the volatility in taxes caused by small movements in prices.

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V. 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. Forward-looking statements are not guarantees of performance. Although the

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Company 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 and interest rates; the extent and effect of any hedging activities engaged in by the Company; the extent of the Company'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; political developments around the world, including terrorist activities and responses to such activities; and financial market conditions. In light of these risks, uncertainties and assumptions, the events anticipated by the Company's forward-looking statements might not occur. The Company undertakes no obligations 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
MMBtu	Million British thermal units
MMcfd	Million cubic feet per day
Mbd	Thousand barrels per day
WTI	West Texas Intermediate
MM	Millions
NYMEX	New York Mercantile Exchange
\$MM	US Dollars in millions

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.

Date: January 29, 2002

By: /s/ TIMOTHY K. DRIGGERS

Timothy K. Driggers
Vice President, Accounting

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and Land Administration
(Principal Accounting Officer)

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EOG Resources, Inc.
Estimated Ranges

	1Q 2002	Full Year 2002
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Daily Production		
Natural Gas (MMcfd)		
US	640 - 655	650 - 680
Canada	135 - 145	145 - 155
Trinidad	110 - 115	125 - 135
Total	885 - 915	920 - 970
Crude Oil (Mbd)		
US	19.0 - 20.0	20.0 - 21.0
Canada	1.5 - 2.0	1.5 - 2.0
Trinidad	1.7 - 2.1	1.8 - 2.5
Total	22.2 - 24.1	23.3 - 25.5
Natural Gas Liquids (Mbd)		
US	3.0 - 3.5	3.0 - 3.5
Canada	0.5 - 0.7	0.5 - 1.0
Total	3.5 - 4.2	3.5 - 4.5
Operating Costs		
Unit Costs (\$/Mcfe)		
Lease and Well	\$0.43 - \$0.46	\$0.41 - \$0.45
Depreciation, Depletion and Amortization	\$0.98 - \$1.01	\$0.97 - \$1.00
Expenses (\$MM)		
Exploration, Dry Hole and Impairment	35.0 - 50.0	120.0 - 180.0
General and Administrative	20.0 - 22.0	85.0 - 90.0
Capitalized Interest	2.0 - 2.5	8.0 - 9.0
Net Interest	12.0 - 14.0	50.0 - 58.0

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Taxes Other than Income (% of Revenue)	7.0 - 8.0	7.0 - 8.0
Preferred Dividends (\$MM)	2.7 - 2.8	11.0 - 11.2
Basic Shares Outstanding (MM) at December 31, 2001	115.1	
Capital Expenditures Excluding Acquisitions (\$MM)		
North America		560 - 700
International		40 - 50
Total		600 - 750
Pricing		
Natural Gas (\$/Mcf)		
Differentials		
US - below NYMEX Henry Hub	\$0.10 - \$0.20	\$0.10 - \$0.20
Canada - below NYMEX Henry Hub	\$0.30 - \$0.60	\$0.30 - \$0.60
Realizations		
Trinidad	\$1.26	\$1.15 - \$1.26
Crude Oil (\$/Bbl)		
Differentials		
US - below WTI	\$1.10 - \$1.40	\$1.00 - \$1.30
Canada - below WTI	\$2.00 - \$4.00	\$2.00 - \$4.00
Trinidad - below WTI	\$3.50 - \$4.00	\$3.00 - \$4.00