

Edgar Filing: EOG RESOURCES INC - Form 8-K

EOG RESOURCES INC
Form 8-K
October 22, 2002

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: October 21, 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.)
---	--	---

333 Clay Suite 4200 Houston, Texas (Address of principal executive offices)	77002 (Zip code)
---	---------------------

713/651-7000
(Registrant's telephone number, including area code)

EOG RESOURCES, INC.

Item 9. Regulation FD Disclosure

I. Fourth Quarter and Full Year 2002

Edgar Filing: EOG RESOURCES INC - Form 8-K

The forecast items for the fourth quarter and full year 2002 set forth below for EOG Resources, Inc. (EOG) are based on current available information and expectations as of the date of this document. The company continuously monitors commodity prices and in the event that prices and/or location differentials significantly change, EOG may modify drilling and production as appropriate.

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. Natural Gas and Crude Oil Financial Price Swap and Costless Collar Contracts

- Natural Gas Financial Price Swap and Costless Collar Contracts - Presented below is a summary of EOG's natural gas financial price swap contracts and costless collar contracts. EOG accounts for these price swap and costless collar contracts utilizing the mark-to-market accounting method.

Price Swaps

	Average Price (\$/MMBtu)	Volume (MMBtud)
2002		
October (closed)	\$ 3.13	200,000
November and December	\$ 3.35	75,000

Costless Collars

EOG has costless collar contracts in place with a floor price of \$3.10 per MMBtu and ceiling prices that average \$3.43 per MMBtu covering notional volumes of 100,000 MMBtud for October 2002 which are closed.

- Crude Oil Financial Price Swap Contracts - EOG has contracts in place covering notional volumes of two thousand barrels of oil per day at a price of \$21.50 per barrel for the period October 2002 through December 2002. For the full year 2003, EOG has contracts in place covering notional volumes of one thousand barrels of oil per day at an average price of \$25.89 per barrel. EOG accounts for these price swap contracts utilizing the mark-to-market accounting method.

III. 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 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

Edgar Filing: EOG RESOURCES INC - Form 8-K

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 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; political developments around the world, including terrorist activities and responses to terrorist activities; and financial market conditions. In light of these risks, uncertainties and assumptions, the events anticipated by EOG's forward-looking statements might not occur. EOG 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
\$/MMBtu	US Dollars per million British thermal units
\$/Mcf	US Dollars per thousand cubic feet
\$/Mcfe	US Dollars per thousand cubic feet equivalent
MMBtu	Million British thermal units
MMBtud	Million British thermal units per day
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: October 21, 2002

By: /s/ TIMOTHY K. DRIGGERS
Timothy K. Driggers
Vice President, Accounting
and Land Administration
(Principal Accounting Officer)

Edgar Filing: EOG RESOURCES INC - Form 8-K

EOG Resources, Inc.
Estimated Ranges

	4Q 2002 -----	Full Year 2002 -----
Daily Production		
Natural Gas (MMcfd)		
US	625 - 650	629 - 636
Canada	150 - 165	151 - 155
Trinidad	120 - 150	126 - 133
Total	895 - 965	906 - 924
Crude Oil (Mbd)		
US	17.0 - 19.5	18.6 - 19.2
Canada	1.5 - 2.0	1.9 - 2.0
Trinidad	2.0 - 2.9	2.2 - 2.4
Total	20.5 - 24.4	22.7 - 23.6
Natural Gas Liquids (Mbd)		
US	2.0 - 3.0	2.9 - 3.1
Canada	0.5 - 1.0	0.7 - 0.8
Total	2.5 - 4.0	3.6 - 3.9
Operating Costs		
Unit Costs (\$/Mcf)		
Lease and Well	\$0.44 - \$0.47	\$0.44 - \$0.46
Total Depreciation, Depletion and Amortization	\$0.98 - \$1.02	\$0.99 - \$1.01
Expenses (\$MM)		
Exploration, Dry Hole and Impairment	40.0 - 60.0	150.0 - 170.0
General and Administrative	20.0 - 22.0	84.0 - 86.0
Capitalized Interest	2.0 - 2.3	9.1 - 9.4
Net Interest	15.0 - 18.0	60.0 - 63.0
Taxes Other than Income (% of Revenue)	6.0 - 7.2	6.5 - 7.0
Taxes		
Effective Rate	30% - 33%	30% - 33%
Deferred Ratio	>100%	>100%
Preferred Dividends (\$MM)	2.5 - 3.0	11.0 - 11.5
Shares Outstanding (MM) at September 30, 2002		
Basic	115.2	
Diluted (based on stock price of \$35.96)	116.7	
Capital Expenditures Excluding Acquisitions and Trinidad Ammonia Investments (\$MM) - FY 2002		
North America		700 - 745
International		50 - 55
Total		750 - 800
Pricing		
Natural Gas (\$/Mcf)		
Differentials (include the effect of physical contracts)		
United States - below NYMEX Henry Hub	\$0.20 - \$0.40	\$0.15 - \$0.20
Canada - below NYMEX Henry Hub	\$0.55 - \$0.75	\$0.55 - \$0.60
Realizations		

Edgar Filing: EOG RESOURCES INC - Form 8-K

Trinidad	\$1.10 - \$1.20	\$1.18 - \$1.21
Crude Oil (\$/Bbl)		
Differentials		
US - below WTI	\$1.50 - \$2.00	\$1.30 - \$1.50
Canada - below WTI	\$2.50 - \$3.75	\$2.30 - \$2.65
Trinidad - below WTI	\$3.25 - \$4.00	\$3.00 - \$3.30