
Section 1: 8-K (8-K)

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 (Date of earliest event reported): November 1, 2018

EOG RESOURCES, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-9743
(Commission File
Number)

47-0684736
(I.R.S. Employer
Identification No.)

1111 Bagby, Sky Lobby 2
Houston, Texas 77002
(Address of principal executive offices) (Zip Code)

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

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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

EOG RESOURCES, INC.

Item 2.02 Results of Operations and Financial Condition.

On November 1, 2018, EOG Resources, Inc. issued a press release announcing third quarter 2018 financial and operational results and fourth quarter and full year 2018 forecast and benchmark commodity pricing information (see Item 7.01 below). A copy of this release is attached as Exhibit 99.1 to this filing and is incorporated herein by reference. This information shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, and is not incorporated by reference into any filing under the Securities Act of 1933, as amended, or Securities Exchange Act of 1934, as amended.

Item 7.01 Regulation FD Disclosure.

Accompanying the press release announcing third quarter 2018 financial and operational results attached hereto as Exhibit 99.1 is fourth quarter and full year 2018 forecast and benchmark commodity pricing information for EOG Resources, Inc., which information is incorporated herein by reference. This information shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, and is not incorporated by reference into any filing under the Securities Act of 1933, as amended, or Securities Exchange Act of 1934, as amended.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

99.1 [Press Release of EOG Resources, Inc. dated November 1, 2018 \(including the accompanying fourth quarter and full year 2018 forecast and benchmark commodity pricing information\).](#)

SIGNATURES

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

EOG RESOURCES, INC.
(Registrant)

Date: November 1, 2018

By: /s/ TIMOTHY K. DRIGGERS
Timothy K. Driggers
Executive Vice President and Chief Financial Officer
(Principal Financial Officer and Duly Authorized Officer)

3

[\(Back To Top\)](#)

Section 2: EX-99.1 (PRESS RELEASE OF EOG RESOURCES, INC.)

EXHIBIT 99.1



November 1, 2018

EOG Resources Announces Outstanding Third Quarter 2018 Results

- Exceeds High End of Oil and NGL Production Targets
- Generates Significant Free Cash Flow
- Achieves Improved Well Performance and Lower Costs in Delaware Basin
- Secures 2019 Services at Competitive Prices and Raises 2018 Capex Guidance Range to \$5.8-\$6.0 Billion
- Targets Further Well Cost Reductions in 2019

HOUSTON - EOG Resources, Inc. (EOG) today reported third quarter 2018 net income of \$1.2 billion, or \$2.05 per share. This compares to third quarter 2017 net income of \$101 million, or \$0.17 per share. Net cash from operating activities in the third quarter 2018 was \$2.2 billion.

Adjusted non-GAAP net income for the third quarter 2018 was \$1.0 billion, or \$1.75 per share, compared to adjusted non-GAAP net income of \$111 million, or \$0.19 per share, for the same prior year period. Please refer to the attached tables for the reconciliation of non-GAAP measures to GAAP measures.

Third Quarter Review

EOG set a company record and exceeded the high end of its target range for crude oil volumes in the third quarter 2018 by producing 415,000 barrels of oil per day (Bopd), an increase of 27 percent compared to the same prior year period. Natural gas liquids (NGL) production increased 46 percent while natural gas volumes grew 13 percent, contributing to total company production growth of 25 percent.

Per-unit operating expenses declined during the third quarter 2018 compared to the same prior year period. General and administrative expenses fell 20 percent, transportation costs declined 15 percent and depreciation, depletion and amortization expenses fell 13 percent, all on a per-unit basis.

EOG generated \$2.3 billion of discretionary cash flow in the third quarter 2018. After considering exploration and development expenditures of \$1.7 billion and dividend payments of \$107 million, EOG produced free cash flow during the third quarter of \$503 million. Please refer to the attached tables for the reconciliation of non-GAAP measures to GAAP measures.

“EOG delivered a compelling combination of production growth, high returns and free cash flow in the third quarter 2018 due to disciplined capital allocation. These results demonstrate the value of EOG’s sustainable business model,” said William R. “Bill” Thomas, Chairman and Chief Executive Officer. “EOG is making significant progress lowering costs and improving well performance. Our culture of innovation, experimentation

and entrepreneurship combined with our ability to capture and quickly analyze real-time data and make rapid changes in the field are resulting in significant performance improvements company-wide.”

Updated 2018 Outlook

EOG has raised its target for full-year 2018 crude oil production growth to 19 percent. To maintain operational continuity into 2019, the company elected to retain high performing service providers for the remainder of 2018. Approximately 65 percent of its anticipated 2019 services have been secured at competitive pricing. As a result, EOG increased its 2018 exploration and development expenditure forecast to \$5.8 to \$6.0 billion, excluding acquisitions and non-cash transactions. The company is on track to reduce total well costs by five percent in 2018, and targets further well cost reductions in 2019. EOG now expects to complete approximately 720 net wells in 2018, an increase of 20 net wells from its prior forecast.

“We are positioning EOG to carry the operating efficiencies gained this year into 2019. We secured a significant proportion of our service costs, which along with disciplined execution will help further reduce well costs and improve returns,” Thomas continued. “With a deep inventory of premium drilling locations across multiple plays, EOG will continue to allocate capital to

the highest return areas while maintaining a disciplined operating pace. EOG is well positioned to continue delivering its unique combination of high returns, disciplined growth and strong free cash flow for years to come.”

Operating Highlights

EOG’s South Texas Eagle Ford remained the most active area of the company in the third quarter 2018. EOG now expects to complete 290 net wells in 2018, an addition of 20 net wells from the prior forecast. EOG also continued to delineate the South Texas Austin Chalk, completing 14 wells in the third quarter.

In the Delaware Basin, EOG made significant progress on well cost reductions and optimizing targeting and development patterns. The company increased the number of wells developed in a single package and drilled longer laterals. Packages of four wells or more accounted for 87 percent of the wells brought on line in the third quarter. EOG also made additional progress towards its cost reduction goals. Drilling speeds and the pace of completion operations increased markedly during the quarter. In addition, the company now supplies nearly all of its Delaware Basin sand from local sources and has further increased its use of low-cost recycled water.

EOG continued development of its premium play in the Eastern Anadarko Basin Woodford Oil Window. EOG is testing spacing patterns and various targets across the play. The company completed 11 wells in the third quarter. EOG completed a package of four wells spaced 660 feet apart late in the second quarter. The Ted 2326 #1H-#4H were completed with an average treated lateral length of 10,000 feet per well and average 30-day initial production rates per well of 800 barrels of oil equivalent per day, or 660 Bopd, 90 barrels per day of NGLs and 0.3 million cubic feet per day of natural gas. These low-decline wells support our initial spacing assessment of 660 feet. EOG is also making significant progress reducing well costs in this new play. Recent wells have been brought to production at costs at or below the company’s \$7.8 million target.

EOG continued development of its premium plays across the Rocky Mountain region. The company brought 20 wells on line in the Powder River Basin during the third quarter 2018, including 13 wells from the Turner formation. In the Wyoming DJ Basin, EOG began production from 25 wells in the third quarter 2018. EOG completed 19 wells in the Williston Basin during the third quarter as part of its seasonal development program.

Financial Review

At September 30, 2018, EOG’s total debt outstanding was \$6.4 billion for a debt-to-total capitalization ratio of 26 percent. Considering cash on the balance sheet at the end of the third quarter, EOG’s net debt was \$5.2 billion for a net debt-to-total capitalization ratio of 22 percent. For a reconciliation of non-GAAP measures to GAAP measures, please refer to the attached tables.

EOG reached an agreement to divest all of its U.K. operations. Closing is anticipated in the fourth quarter 2018.

During the third quarter ended September 30, 2018, EOG entered into additional crude oil derivative contracts. A comprehensive summary of EOG’s crude oil and natural gas derivative contracts is provided in the attached tables.

Third Quarter 2018 Results Webcast

Friday, November 2, 2018, 9:00 a.m. Central time (10:00 a.m. Eastern time)

Webcast will be available on EOG website for one year.

<http://investors.eogresources.com/Investors>

About EOG

EOG Resources, Inc. (NYSE: EOG) is one of the largest crude oil and natural gas exploration and production companies in the United States with proved reserves in the United States, Trinidad, the United Kingdom and China. To learn more visit www.eogresources.com.

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This press release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, including, among others, statements and projections regarding EOG's future financial position, operations, performance, business strategy, returns, budgets, reserves, levels of production, costs and asset sales, statements regarding future commodity prices and statements regarding the plans and objectives of EOG's management for future operations, are forward-looking statements. EOG typically uses words such as "expect," "anticipate," "estimate," "project," "strategy," "intend," "plan," "target," "aims," "goal," "may," "will," "should" and "believe" or the negative of those terms or other variations or comparable terminology to identify its forward-looking statements. In particular, statements, express or implied, concerning EOG's future operating results and returns or EOG's ability to replace or increase reserves, increase production, reduce or otherwise control operating and capital costs, generate income or cash flows, pay down indebtedness or pay and/or increase dividends are forward-looking statements. Forward-looking statements are not guarantees of performance. Although EOG believes the expectations reflected in its forward-looking statements are reasonable and are based on reasonable assumptions, no assurance can be given that these assumptions are accurate or that any of these expectations will be achieved (in full or at all) or will prove to have been correct. Moreover, EOG's forward-looking statements may be affected by known, unknown or currently unforeseen risks, events or circumstances that may be outside EOG's control. Furthermore, EOG has presented or referenced herein or in its accompanying disclosures certain forward-looking, non-GAAP financial measures, such as free cash flow and discretionary cash flow, and certain related estimates regarding future performance, results and financial position. These forward-looking measures and estimates are intended to be illustrative only and are not intended to reflect the results that EOG will necessarily achieve for the period(s) presented. EOG's actual results may differ materially from the measure and estimates presented or referenced herein. Important factors that could cause EOG's actual results to differ materially from the expectations reflected in EOG's forward-looking statements include, among others:

- the timing, extent and duration of changes in prices for, supplies of, and demand for, crude oil and condensate, natural gas liquids, natural gas and related commodities;
- the extent to which EOG is successful in its efforts to acquire or discover additional reserves;
- the extent to which EOG is successful in its efforts to economically develop its acreage in, produce reserves and achieve anticipated production levels from, and maximize reserve recovery from, its existing and future crude oil and natural gas exploration and development projects;
- the extent to which EOG is successful in its efforts to market its crude oil and condensate, natural gas liquids, natural gas and related commodity production;
- the availability, proximity and capacity of, and costs associated with, appropriate gathering, processing, compression, transportation and refining facilities;
- the availability, cost, terms and timing of issuance or execution of, and competition for, mineral licenses and leases and governmental and other permits and rights-of-way, and EOG's ability to retain mineral licenses and leases;
- the impact of, and changes in, government policies, laws and regulations, including tax laws and regulations; environmental, health and safety laws and regulations relating to air emissions, disposal of produced water, drilling fluids and other wastes, hydraulic fracturing and access to and use of water; laws and regulations imposing conditions or restrictions on drilling and completion operations and on the transportation of crude oil and natural gas; laws and regulations with respect to derivatives and hedging activities; and laws and regulations with respect to the import and export of crude oil, natural gas and related commodities;
- EOG's ability to effectively integrate acquired crude oil and natural gas properties into its operations, fully identify existing and potential problems with respect to such properties and accurately estimate reserves, production and costs with respect to such properties;
- the extent to which EOG's third-party-operated crude oil and natural gas properties are operated successfully and economically;
- competition in the oil and gas exploration and production industry for the acquisition of licenses, leases and properties, employees and other personnel, facilities, equipment, materials and services;
- the availability and cost of employees and other personnel, facilities, equipment, materials (such as water) and services;
- the accuracy of reserve estimates, which by their nature involve the exercise of professional judgment and may therefore be imprecise;
- weather, including its impact on crude oil and natural gas demand, and weather-related delays in drilling and in the installation and operation (by EOG or third parties) of production, gathering, processing, refining, compression and transportation facilities;
- the ability of EOG's customers and other contractual counterparties to satisfy their obligations to EOG and, related thereto, to access the credit and capital markets to obtain financing needed to satisfy their obligations to EOG;
- EOG's ability to access the commercial paper market and other credit and capital markets to obtain financing on terms it deems acceptable, if at all, and to otherwise satisfy its capital expenditure requirements;
- the extent to which EOG is successful in its completion of planned asset dispositions;
- the extent and effect of any hedging activities engaged in by EOG;

- the timing and extent of changes in foreign currency exchange rates, interest rates, inflation rates, global and domestic financial market conditions and global and domestic general economic conditions;
- political conditions and developments around the world (such as political instability and armed conflict), including in the areas in which EOG operates;
- the use of competing energy sources and the development of alternative energy sources;
- the extent to which EOG incurs uninsured losses and liabilities or losses and liabilities in excess of its insurance coverage;
- acts of war and terrorism and responses to these acts;
- physical, electronic and cyber security breaches; and
- the other factors described under ITEM 1A, Risk Factors, on pages 14 through 23 of EOG's Annual Report on Form 10-K for the fiscal year ended December 31, 2017, and any updates to those factors set forth in EOG's subsequent Quarterly Reports on Form 10-Q or Current Reports on Form 8-K.

In light of these risks, uncertainties and assumptions, the events anticipated by EOG's forward-looking statements may not occur, and, if any of such events do, we may not have anticipated the timing of their occurrence or the duration and extent of their impact on our actual results. Accordingly, you should not place any undue reliance on any of EOG's forward-looking statements. EOG's forward-looking statements speak only as of the date made, and EOG undertakes no obligation, other than as required by applicable law, to update or revise its forward-looking statements, whether as a result of new information, subsequent events, anticipated or unanticipated circumstances or otherwise.

The United States Securities and Exchange Commission (SEC) permits oil and gas companies, in their filings with the SEC, to disclose not only "proved" reserves (i.e., quantities of oil and gas that are estimated to be recoverable with a high degree of confidence), but also "probable" reserves (i.e., quantities of oil and gas that are as likely as not to be recovered) as well as "possible" reserves (i.e., additional quantities of oil and gas that might be recovered, but with a lower probability than probable reserves). Statements of reserves are only estimates and may not correspond to the ultimate quantities of oil and gas recovered. Any reserve estimates provided in this press release that are not specifically designated as being estimates of proved reserves may include "potential" reserves and/or other estimated reserves not necessarily calculated in accordance with, or contemplated by, the SEC's latest reserve reporting guidelines. Investors are urged to consider closely the disclosure in EOG's Annual Report on Form 10-K for the fiscal year ended December 31, 2017, available from EOG at P.O. Box 4362, Houston, Texas 77210-4362 (Attn: Investor Relations). You can also obtain this report from the SEC by calling 1-800-SEC-0330 or from the SEC's website at www.sec.gov. In addition, reconciliation and calculation schedules for non-GAAP financial measures can be found on the EOG website at www.eogresources.com.

EOG RESOURCES, INC.
Financial Report
(Unaudited; in millions, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Operating Revenues and Other	\$ 4,781.6	\$ 2,644.8	\$ 12,700.9	\$ 7,867.9
Net Income	\$ 1,191.0	\$ 100.5	\$ 2,526.3	\$ 152.1
Net Income Per Share				
Basic	\$ 2.06	\$ 0.17	\$ 4.38	\$ 0.26
Diluted	\$ 2.05	\$ 0.17	\$ 4.35	\$ 0.26

Average Number of Common Shares <font
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