Section 1: 10-Q (10-Q)

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 September 30, 2019
or
☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
Commission File Number: 1-9743

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

Delaware	**47-0684736**
(State or other jurisdiction of incorporation or organization)	(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)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01 per share	EOG	New York Stock Exchange

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 every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).
Yes ☒ No ☐

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

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

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

Title of each class	Number of shares
Common Stock, par value $0.01 per share	581,764,095 (as of October 25, 2019)

EOG RESOURCES, INC.

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EOG RESOURCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(In Thousands, Except Per Share Data)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	**2018**	**2019**	**2018**
Operating Revenues and Other				
Crude Oil and Condensate	$ 2,418,989	$ 2,655,278	$ 7,148,258	$ 7,134,114
Natural Gas Liquids	164,736	353,704	569,748	861,473
Natural Gas	269,625	311,713	874,489	912,324
Gains (Losses) on Mark-to-Market Commodity Derivative Contracts	85,902	(52,081)	242,622	(297,735)
Gathering, Processing and Marketing	1,334,450	1,360,992	4,121,490	3,899,250
Gains (Losses) on Asset Dispositions, Net	(523)	115,944	3,650	94,658
Other, Net	30,276	36,074	99,470	96,779
Total	4,303,455	4,781,624	13,059,727	12,700,863
Operating Expenses				
Lease and Well	348,883	321,568	1,032,455	936,236
Transportation Costs	199,365	196,027	549,988	550,781
Gathering and Processing Costs	127,549	114,063	351,487	324,577
Exploration Costs	34,540	32,823	103,386	115,137
Dry Hole Costs	24,138	358	28,001	5,260
Impairments	105,275	44,617	289,761	160,934
Marketing Costs	1,343,293	1,326,974	4,114,265	3,853,827
Depreciation, Depletion and Amortization	953,597	918,180	2,790,496	2,515,445
General and Administrative	135,758	111,284	364,210	310,065
Taxes Other Than Income	203,098	209,043	600,418	582,395
Total	3,475,496	3,274,937	10,224,467	9,354,657
Operating Income	827,959	1,506,687	2,835,260	3,346,206
Other Income (Expense), Net	9,118	3,308	23,233	(4,516)
Income Before Interest Expense and Income Taxes	837,077	1,509,995	2,858,493	3,341,690
Interest Expense, Net	39,620	63,632	144,434	189,032
Income Before Income Taxes	797,457	1,446,363	2,714,059	3,152,658
Income Tax Provision	182,335	255,411	615,670	626,386
Net Income	**$ 615,122**	**$ 1,190,952**	**$ 2,098,389**	**$ 2,526,272**
Net Income Per Share				
Basic	$ 1.06	$ 2.06	$ 3.63	$ 4.38
Diluted	$ 1.06	$ 2.05	$ 3.61	$ 4.35
Average Number of Common Shares				
Basic	577,839	577,254	577,498	576,431
Diluted	581,271	581,559	581,190	580,442
Comprehensive Income				
Net Income	$ 615,122	$ 1,190,952	$ 2,098,389	$ 2,526,272
Other Comprehensive Income (Loss)				
Foreign Currency Translation Adjustments	833	(1,952)	(2,616)	(179)
Other, Net of Tax	6	6	18	18
Other Comprehensive Income (Loss)	839	(1,946)	(2,598)	(161)
Comprehensive Income	**$ 615,961**	**$ 1,189,006**	**$ 2,095,791**	**$ 2,526,111**

The accompanying notes are an integral part of these condensed consolidated financial statements.

EOG RESOURCES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In Thousands, Except Share Data)
(Unaudited)

	September 30, 2019	December 31, 2018
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 1,583,105	$ 1,555,634
Accounts Receivable, Net	1,927,996	1,915,215
Inventories	778,120	859,359
Assets from Price Risk Management Activities	122,627	23,806
Income Taxes Receivable	135,680	427,909
Other	272,203	275,467
Total	4,819,731	5,057,390
Property, Plant and Equipment		
Oil and Gas Properties (Successful Efforts Method)	61,620,033	57,330,016
Other Property, Plant and Equipment	4,394,486	4,220,665
Total Property, Plant and Equipment	66,014,519	61,550,681
Less: Accumulated Depreciation, Depletion and Amortization	(35,810,197)	(33,475,162)
Total Property, Plant and Equipment, Net	30,204,322	28,075,519
Deferred Income Taxes	1,998	777
Other Assets	1,516,218	800,788
Total Assets	**$ 36,542,269**	**$ 33,934,474**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts Payable	$ 2,395,080	$ 2,239,850
Accrued Taxes Payable	302,774	214,726
Dividends Payable	166,215	126,971
Current Portion of Long-Term Debt	1,014,200	913,093
Current Portion of Operating Lease Liabilities	384,348	—
Other	211,096	233,724
Total	4,473,713	3,728,364
Long-Term Debt	4,163,115	5,170,169
Other Liabilities	1,858,357	1,258,355
Deferred Income Taxes	4,922,804	4,413,398
Commitments and Contingencies (Note 8)		
Stockholders' Equity		
Common Stock, $0.01 Par, 1,280,000,000 Shares Authorized and 582,066,483 Shares Issued at September 30, 2019 and 580,408,117 Shares Issued at December 31, 2018	205,821	205,804
Additional Paid in Capital	5,769,073	5,658,794
Accumulated Other Comprehensive Loss	(3,689)	(1,358)
Retained Earnings	15,179,381	13,543,130
Common Stock Held in Treasury, 289,903 Shares at September 30, 2019 and 385,042 Shares at December 31, 2018	(26,306)	(42,182)
Total Stockholders' Equity	21,124,280	19,364,188
Total Liabilities and Stockholders' Equity	**$ 36,542,269**	**$ 33,934,474**

The accompanying notes are an integral part of these condensed consolidated financial statements.

EOG RESOURCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In Thousands, Except Per Share Data)
(Unaudited)

	Common Stock	Additional Paid In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Common Stock Held In Treasury	Total Stockholders' Equity
Balance at June 30, 2019	$ 205,809	$ 5,729,318	$ (4,528)	$ 14,731,609	$ (31,932)	$ 20,630,276
Net Income	—	—	—	615,122	—	615,122
Common Stock Issued Under Stock Plans	—	—	—	—	—	—
Common Stock Dividends Declared, $0.2875 Per Share	—	—	—	(167,350)	—	(167,350)
Other Comprehensive Income	—	—	839	—	—	839
Change in Treasury Stock - Stock Compensation Plans, Net	—	(12,220)	—	—	(759)	(12,979)
Restricted Stock and Restricted Stock Units, Net	12	(2,270)	—	—	2,258	—
Stock-Based Compensation Expenses	—	54,670	—	—	—	54,670
Treasury Stock Issued as Compensation	—	(425)	—	—	4,127	3,702
Balance at September 30, 2019	**$ 205,821**	**$ 5,769,073**	**$ (3,689)**	**$ 15,179,381**	**$ (26,306)**	**$ 21,124,280**

	Common Stock	Additional Paid In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Common Stock Held In Treasury	Total Stockholders' Equity
Balance at June 30, 2018	$ 205,796	$ 5,591,643	$ (17,512)	$ 11,714,656	$ (42,189)	$ 17,452,394
Net Income	—	—	—	1,190,952	—	1,190,952
Common Stock Issued Under Stock Plans	2	(2)	—	—	—	—
Common Stock Dividends Declared, $0.22 Per Share	—	—	—	(127,504)	—	(127,504)
Other Comprehensive Loss	—	—	(1,946)	—	—	(1,946)
Change in Treasury Stock - Stock Compensation Plans, Net	—	(7,034)	—	—	(18,550)	(25,584)
Restricted Stock and Restricted Stock Units, Net	5	(7,548)	—	—	7,543	—
Stock-Based Compensation Expenses	—	49,001	—	—	—	49,001
Treasury Stock Issued as Compensation	—	199	—	—	958	1,157
Balance at September 30, 2018	**$ 205,803**	**$ 5,626,259**	**$ (19,458)**	**$ 12,778,104**	**$ (52,238)**	**$ 18,538,470**

The accompanying notes are an integral part of these condensed consolidated financial statements.

EOG RESOURCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In Thousands, Except Per Share Data)
(Unaudited)

	Common Stock	Additional Paid In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Common Stock Held In Treasury	Total Stockholders' Equity
Balance at December 31, 2018	$ 205,804	$ 5,658,794	$ (1,358)	$ 13,543,130	$ (42,182)	$ 19,364,188
Net Income	—	—	—	2,098,389	—	2,098,389
Common Stock Issued Under Stock Plans	—	—	—	—	—	—
Common Stock Dividends Declared, $0.795 Per Share	—	—	—	(461,871)	—	(461,871)
Other Comprehensive Loss	—	—	(2,598)	—	—	(2,598)
Change in Treasury Stock - Stock Compensation Plans, Net	—	(19,295)	—	—	6,719	(12,576)
Restricted Stock and Restricted Stock Units, Net	17	(1,886)	—	—	1,869	—
Stock-Based Compensation Expenses	—	132,323	—	—		132,323
Treasury Stock Issued as Compensation	—	(863)	—	—	7,288	6,425
Cumulative Effect of Adoption of ASU 2018-02, "Income Statement - Reporting Comprehensive Income (Topic 220)"	—	—	267	(267)	—	—
Balance at September 30, 2019	**$ 205,821**	**$ 5,769,073**	**$ (3,689)**	**$ 15,179,381**	**$ (26,306)**	**$ 21,124,280**

	Common Stock	Additional Paid In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Common Stock Held In Treasury	Total Stockholders' Equity
Balance at December 31, 2017	$ 205,788	$ 5,536,547	$ (19,297)	$ 10,593,533	$ (33,298)	$ 16,283,273
Net Income	—	—	—	2,526,272	—	2,526,272
Common Stock Issued Under Stock Plans	7	(7)	—	—	—	—
Common Stock Dividends Declared, $0.590 Per Share	—	—	—	(341,701)	—	(341,701)
Other Comprehensive Loss	—	—	(161)	—	—	(161)
Change in Treasury Stock - Stock Compensation Plans, Net	—	(23,458)	—	—	(23,002)	(46,460)
Restricted Stock and Restricted Stock Units, Net	8	(3,421)	—	—	3,413	—
Stock-Based Compensation Expenses	—	116,290	—	—	—	116,290
Treasury Stock Issued as Compensation	—	308	—	—	649	957
Balance at September 30, 2018	**$ 205,803**	**$ 5,626,259**	**$ (19,458)**	**$ 12,778,104**	**$ (52,238)**	**$ 18,538,470**

The accompanying notes are an integral part of these condensed consolidated financial statements.

EOG RESOURCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2019	**2018**
Cash Flows from Operating Activities		
Reconciliation of Net Income to Net Cash Provided by Operating Activities:		
Net Income	$ 2,098,389	$ 2,526,272
Items Not Requiring (Providing) Cash		
Depreciation, Depletion and Amortization	2,790,496	2,515,445
Impairments	289,761	160,934
Stock-Based Compensation Expenses	132,323	116,290
Deferred Income Taxes	508,576	681,702
Gains on Asset Dispositions, Net	(3,650)	(94,658)
Other, Net	4,155	15,314
Dry Hole Costs	28,001	5,260
Mark-to-Market Commodity Derivative Contracts		
Total (Gains) Losses	(242,622)	297,735
Net Cash Received from (Payments for) Settlements of Commodity Derivative Contracts	139,708	(180,228)
Other, Net	1,215	1,652
Changes in Components of Working Capital and Other Assets and Liabilities		
Accounts Receivable	(5,855)	(553,529)
Inventories	55,598	(286,817)
Accounts Payable	134,253	537,525
Accrued Taxes Payable	88,047	(36,891)
Other Assets	394,573	(103,334)
Other Liabilities	(18,315)	(14,776)
Changes in Components of Working Capital Associated with Investing and Financing Activities	(38,677)	95,484
Net Cash Provided by Operating Activities	6,355,976	5,683,380
Investing Cash Flows		
Additions to Oil and Gas Properties	(4,866,882)	(4,571,932)
Additions to Other Property, Plant and Equipment	(187,350)	(202,384)
Proceeds from Sales of Assets	35,409	11,582
Other Investing Activities	—	(19,993)
Changes in Components of Working Capital Associated with Investing Activities	38,677	(95,541)
Net Cash Used in Investing Activities	(4,980,146)	(4,878,268)
Financing Cash Flows		
Long-Term Debt Repayments	(900,000)	—
Dividends Paid	(420,851)	(311,075)
Treasury Stock Purchased	(22,238)	(58,558)
Proceeds from Stock Options Exercised and Employee Stock Purchase Plan	9,558	12,098
Debt Issuance Costs	(5,016)	—
Repayment of Finance Lease Liabilities	(9,638)	(5,052)
Changes in Components of Working Capital Associated with Financing Activities	—	57
Net Cash Used in Financing Activities	(1,348,185)	(362,530)
Effect of Exchange Rate Changes on Cash	(174)	(2,678)
Increase in Cash and Cash Equivalents	27,471	439,904
Cash and Cash Equivalents at Beginning of Period	1,555,634	834,228
Cash and Cash Equivalents at End of Period	**$ 1,583,105**	**$ 1,274,132**

The accompanying notes are an integral part of these condensed consolidated financial statements.

EOG RESOURCES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Summary of Significant Accounting Policies

General. The condensed consolidated financial statements of EOG Resources, Inc., together with its subsidiaries (collectively, EOG), included herein have been prepared by management without audit pursuant to the rules and regulations of the United States Securities and Exchange Commission (SEC). Accordingly, they reflect all normal recurring adjustments which are, in the opinion of management, necessary for a fair presentation of the financial results for the interim periods presented. Certain information and notes normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) have been condensed or omitted pursuant to such rules and regulations. However, management believes that the disclosures included either on the face of the financial statements or in these notes are sufficient to make the interim information presented not misleading. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereto included in EOG's Annual Report on Form 10-K for the year ended December 31, 2018, filed on February 26, 2019 (EOG's 2018 Annual Report).

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The operating results for the three and nine months ended September 30, 2019, are not necessarily indicative of the results to be expected for the full year.

Effective January 1, 2019, EOG adopted the provisions of Accounting Standards Update (ASU) 2016-02, "Leases (Topic 842)" (ASU 2016-02). ASU 2016-02 and other related ASUs require that lessees recognize a right-of-use (ROU) asset and related lease liability, representing the obligation to make lease payments for certain lease transactions, on the Condensed Consolidated Balance Sheets and disclose additional leasing information.

EOG elected to adopt ASU 2016-02 and other related ASUs using the modified retrospective approach with a cumulative-effect adjustment to the opening balance of retained earnings as of the effective date. Financial results reported in periods prior to January 1, 2019, are unchanged. Additionally, EOG elected the package of practical expedients within ASU 2016-02 that allows an entity to not reassess prior to the effective date (i) whether any expired or existing contracts are or contain leases, (ii) the lease classification for any expired or existing leases, or (iii) initial direct costs for any existing leases, but did not elect the practical expedient of hindsight when determining the lease term of existing contracts at the effective date. EOG also elected the practical expedient under ASU 2018-01, "Leases (Topic 842) - Land Easement Practical Expedient for Transition to Topic 842," and did not evaluate existing or expired land easements not previously accounted for as leases prior to the January 1, 2019 effective date. There was no impact to retained earnings upon adoption of ASU 2016-02 and other related ASUs. See Note 14.

2. Stock-Based Compensation

As more fully discussed in Note 7 to the Consolidated Financial Statements included in EOG's 2018 Annual Report, EOG maintains various stock-based compensation plans. Stock-based compensation expense is included on the Condensed Consolidated Statements of Income and Comprehensive Income based upon the job function of the employees receiving the grants as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Lease and Well	$ 13.3	$ 12.9	$ 40.6	$ 37.1
Gathering and Processing Costs	0.3	0.1	0.8	0.3
Exploration Costs	5.2	5.8	18.1	18.4
General and Administrative	35.9	30.2	72.8	60.5
Total	$ 54.7	$ 49.0	$ 132.3	$ 116.3

The Amended and Restated EOG Resources, Inc. 2008 Omnibus Equity Compensation Plan (2008 Plan) provides for grants of stock options, stock-settled stock appreciation rights (SARs), restricted stock and restricted stock units, performance units and other stock-based awards.

At September 30, 2019, approximately 7.7 million common shares remained available for grant under the 2008 Plan. EOG's policy is to issue shares related to 2008 Plan grants from previously authorized unissued shares or treasury shares to the extent treasury shares are available.

Stock Options and Stock-Settled Stock Appreciation Rights and Employee Stock Purchase Plan. The fair value of stock option grants and SAR grants is estimated using the Hull-White II binomial option pricing model. The fair value of Employee Stock Purchase Plan (ESPP) grants is estimated using the Black-Scholes-Merton model. Stock-based compensation expense related to stock option, SAR and ESPP grants totaled $20.4 million and $21.7 million during the three months ended September 30, 2019 and 2018, respectively, and $47.8 million and $45.4 million during the nine months ended September 30, 2019 and 2018, respectively.

Weighted average fair values and valuation assumptions used to value stock option, SAR and ESPP grants during the nine-month periods ended September 30, 2019 and 2018 are as follows:

	Stock Options/SARs		ESPP	
	Nine Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Weighted Average Fair Value of Grants	$ 19.49	$ 33.49	$ 22.83	$ 25.52
Expected Volatility	32.01%	28.22%	34.83%	24.36%
Risk-Free Interest Rate	1.69%	2.68%	2.28%	1.86%
Dividend Yield	1.39%	0.72%	1.04%	0.64%
Expected Life	5.1 years	5.0 years	0.5 years	0.5 years

Expected volatility is based on an equal weighting of historical volatility and implied volatility from traded options in EOG's common stock. The risk-free interest rate is based upon United States Treasury yields in effect at the time of grant. The expected life is based upon historical experience and contractual terms of stock option, SAR and ESPP grants.

The following table sets forth stock option and SAR transactions for the nine-month periods ended September 30, 2019 and 2018 (stock options and SARs in thousands):

	Nine Months Ended September 30, 2019		Nine Months Ended September 30, 2018	
	Number of Stock Options/SARs	Weighted Average Grant Price	Number of Stock Options/SARs	Weighted Average Grant Price
Outstanding at January 1	8,310	$ 96.90	9,103	$ 83.89
Granted	1,946	75.43	1,884	126.65
Exercised [(1)]	(586)	61.19	(2,144)	69.62
Forfeited	(200)	104.89	(167)	91.89
Outstanding at September 30 [(2)]	9,470	$ 94.53	8,676	$ 96.55
Vested or Expected to Vest [(3)]	9,127	$ 94.51	8,316	$ 96.08
Exercisable at September 30 [(4)]	5,307	$ 94.08	4,202	$ 85.80

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(1) The total intrinsic value of stock options/SARs exercised during the nine months ended September 30, 2019 and 2018 was $13.3 million and $103.7 million, respectively. The intrinsic value is based upon the difference between the market price of EOG's common stock on the date of exercise and the grant price of the stock options/SARs.

(2) The total intrinsic value of stock options/SARs outstanding at September 30, 2019 and 2018 was $4.8 million and $269.1 million, respectively. At September 30, 2019 and 2018, the weighted average remaining contractual life was 4.5 years and 4.8 years, respectively.

(3) The total intrinsic value of stock options/SARs vested or expected to vest at September 30, 2019 and 2018 was $4.8 million and $261.9 million, respectively. At September 30, 2019 and 2018, the weighted average remaining contractual life was 4.5 years and 4.7 years, respectively.

(4) The total intrinsic value of stock options/SARs exercisable at September 30, 2019 and 2018 was $4.7 million and $175.5 million, respectively. At September 30, 2019 and 2018, the weighted average remaining contractual life was 3.3 years and 3.4 years, respectively.

At September 30, 2019, unrecognized compensation expense related to non-vested stock option, SAR and ESPP grants totaled $100.5 million. Such unrecognized expense will be amortized on a straight-line basis over a weighted average period of 2.2 years.

Restricted Stock and Restricted Stock Units. Employees may be granted restricted (non-vested) stock and/or restricted stock units without cost to them. Stock-based compensation expense related to restricted stock and restricted stock units totaled $24.7 million and $17.5 million for the three months ended September 30, 2019 and 2018, respectively, and $71.1 million and $58.8 million for the nine months ended September 30, 2019 and 2018, respectively.

The following table sets forth restricted stock and restricted stock unit transactions for the nine-month periods ended September 30, 2019 and 2018 (shares and units in thousands):

	Nine Months Ended September 30, 2019		Nine Months Ended September 30, 2018	
	Number of Shares and Units	Weighted Average Grant Date Fair Value	Number of Shares and Units	Weighted Average Grant Date Fair Value
Outstanding at January 1	3,792	$ 96.64	3,905	$ 88.57
Granted	1,728	80.12	792	117.67
Released [1]	(732)	97.51	(708)	77.46
Forfeited	(129)	97.81	(150)	91.36
Outstanding at September 30 [2]	4,659	$ 90.34	3,839	$ 96.52

(1) The total intrinsic value of restricted stock and restricted stock units released during the nine months ended September 30, 2019 and 2018 was $61.2 million and $80.2 million, respectively. The intrinsic value is based upon the closing price of EOG's common stock on the date the restricted stock and restricted stock units are released.

(2) The total intrinsic value of restricted stock and restricted stock units outstanding at September 30, 2019 and 2018 was $345.8 million and $489.7 million, respectively.

At September 30, 2019, unrecognized compensation expense related to restricted stock and restricted stock units totaled $227.5 million. Such unrecognized expense will be amortized on a straight-line basis over a weighted average period of 2.0 years.

Performance Units. EOG grants performance units annually to its executive officers without cost to them. As more fully discussed in the grant agreements, the performance metric applicable to the performance units is EOG's total shareholder return over a three-year performance period relative to the total shareholder return of a designated group of peer companies (Performance Period). Upon the application of the performance multiple at the completion of the Performance Period, a minimum of 0% and a maximum of 200% of the performance units granted could be outstanding. The fair value of the performance units is estimated using a Monte Carlo simulation. Stock-based compensation expense related to the performance unit grants totaled $9.6 million and $9.8 million for the three months ended September 30, 2019 and 2018, respectively, and $13.4 million and $12.1 million for the nine months ended September 30, 2019 and 2018, respectively.

The following table sets forth the performance unit transactions for the nine-month periods ended September 30, 2019 and 2018 (units in thousands):

	Nine Months Ended September 30, 2019		Nine Months Ended September 30, 2018	
	Number of Units	Weighted Average Price per Grant Date	Number of Units	Weighted Average Price per Grant Date
Outstanding at January 1	539	$ 101.53	502	$ 90.96
Granted	172	75.09	107	127.00
Granted for Performance Multiple (1)	72	69.43	72	101.87
Released (2)	(185)	94.63	(148)	84.43
Forfeited	—	—	—	—
Outstanding at September 30 (3)	598 (4)	$ 92.19	533	$ 101.50

(1) Upon completion of the Performance Period for the performance units granted in 2015 and 2014, a performance multiple of 200% was applied to each of the grants resulting in additional grants of performance units in February 2019 and February 2018, respectively.

(2) The total intrinsic value of performance units released during the nine months ended September 30, 2019 and 2018, was $15.4 million and $17.7 million, respectively. The intrinsic value is based upon the closing price of EOG's common stock on the date the performance units are released.

(3) The total intrinsic value of performance units outstanding at September 30, 2019 and 2018 was approximately $44.4 million and $68.0 million, respectively.

(4) Upon the application of the relevant performance multiple at the completion of each of the remaining Performance Periods, a minimum of 102 thousand and a maximum of 1,094 thousand performance units could be outstanding.

At September 30, 2019, unrecognized compensation expense related to performance units totaled $10.1 million. Such unrecognized expense will be amortized on a straight-line basis over a weighted average period of 2.2 years.

3. Net Income Per Share

The following table sets forth the computation of Net Income Per Share for the three-month and nine-month periods ended September 30, 2019 and 2018 (in thousands, except per share data):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Numerator for Basic and Diluted Earnings Per Share -				
Net Income	$ 615,122	$ 1,190,952	$ 2,098,389	$ 2,526,272
Denominator for Basic Earnings Per Share -				
Weighted Average Shares	577,839	577,254	577,498	576,431
Potential Dilutive Common Shares -				
Stock Options/SARs	203	1,432	371	1,317
Restricted Stock/Units and Performance Units	3,229	2,873	3,321	2,694
Denominator for Diluted Earnings Per Share -				
Adjusted Diluted Weighted Average Shares	581,271	581,559	581,190	580,442
Net Income Per Share				
Basic	$ 1.06	$ 2.06	$ 3.63	$ 4.38
Diluted	$ 1.06	$ 2.05	$ 3.61	$ 4.35

The diluted earnings per share calculation excludes stock options and SARs that were anti-dilutive. Shares underlying the excluded stock options and SARs were 6.8 million and 0.5 million shares for the three months ended September 30, 2019 and 2018, respectively, and were 6.2 million and 0.2 million shares for the nine months ended September 30, 2019 and 2018, respectively.

4. Supplemental Cash Flow Information

Net cash paid (received) for interest and income taxes was as follows for the nine-month periods ended September 30, 2019 and 2018 (in thousands):

	Nine Months Ended September 30,	
	2019	2018
Interest [(1)]	$ 154,852	$ 172,076
Income Taxes, Net of Refunds Received	$ (314,689)	$ 81,059

(1) Net of capitalized interest of $28 million and $18 million for the nine months ended September 30, 2019 and 2018, respectively.

EOG's accrued capital expenditures at September 30, 2019 and 2018 were $568 million and $702 million, respectively.

Non-cash investing activities for the nine months ended September 30, 2019 and 2018, included additions of $85 million and $222 million, respectively, to EOG's oil and gas properties as a result of property exchanges. Non-cash investing activities for the nine months ended September 30, 2018 included additions of $49 million to EOG's other property, plant and equipment primarily in connection with a finance lease transaction in the Permian Basin.

Cash paid for leases for the nine months ended September 30, 2019, is disclosed in Note 14.

5. Segment Information

Selected financial information by reportable segment is presented below for the three-month and nine-month periods ended September 30, 2019 and 2018 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Operating Revenues and Other				
United States	$ 4,224,510	$ 4,653,342	$ 12,813,318	$ 12,339,086
Trinidad	64,726	84,648	205,726	247,272
Other International [(1)]	14,219	43,634	40,683	114,505
Total	$ 4,303,455	$ 4,781,624	$ 13,059,727	$ 12,700,863
Operating Income (Loss)				
United States	$ 825,983	$ 1,458,641	$ 2,784,793	$ 3,251,377
Trinidad	8,991	48,988	82,213	117,106
Other International [(1)]	(7,015)	(942)	(31,746)	(22,277)
Total	827,959	1,506,687	2,835,260	3,346,206
Reconciling Items				
Other Income (Expense), Net	9,118	3,308	23,233	(4,516)
Interest Expense, Net	(39,620)	(63,632)	(144,434)	(189,032)
Income Before Income Taxes	$ 797,457	$ 1,446,363	$ 2,714,059	$ 3,152,658

(1) Other International primarily consists of EOG's United Kingdom, China and Canada operations. The United Kingdom operations were sold in the fourth quarter of 2018.

Total assets by reportable segment are presented below at September 30, 2019 and December 31, 2018 (in thousands):

	At September 30, 2019	At December 31, 2018
Total Assets		
United States	$ 35,765,137	$ 33,178,733
Trinidad	617,465	629,633
Other International (1)	159,667	126,108
Total	$ 36,542,269	$ 33,934,474

(1) Other International primarily consists of EOG's China and Canada operations.

6. Asset Retirement Obligations

The following table presents the reconciliation of the beginning and ending aggregate carrying amounts of short-term and long-term legal obligations associated with the retirement of property, plant and equipment for the nine-month periods ended September 30, 2019 and 2018 (in thousands):

	Nine Months Ended September 30,	
	2019	2018
Carrying Amount at January 1	$ 954,377	$ 946,848
Liabilities Incurred	78,025	63,443
Liabilities Settled (1)	(52,443)	(15,319)
Accretion	31,890	27,306
Revisions	71,145	(39,137)
Foreign Currency Translations	154	(2,197)
Carrying Amount at September 30	$ 1,083,148	$ 980,944
Current Portion	$ 27,055	$ 18,209
Noncurrent Portion	$ 1,056,093	$ 962,735

(1) Includes settlements related to asset sales.

The current and noncurrent portions of EOG's asset retirement obligations are included in Current Liabilities - Other and Other Liabilities, respectively, on the Condensed Consolidated Balance Sheets.

7. Exploratory Well Costs

EOG's net changes in capitalized exploratory well costs for the nine-month period ended September 30, 2019, are presented below (in thousands):

	Nine Months Ended September 30, 2019
Balance at January 1	$ 4,121
Additions Pending the Determination of Proved Reserves	48,917
Reclassifications to Proved Properties	(6,286)
Costs Charged to Expense	(22,421)
Balance at September 30	$ 24,331

At September 30, 2019, all capitalized exploratory well costs had been capitalized for periods of less than one year.

8. Commitments and Contingencies

There are currently various suits and claims pending against EOG that have arisen in the ordinary course of EOG's business, including contract disputes, personal injury and property damage claims and title disputes. While the ultimate outcome and impact on EOG cannot be predicted, management believes that the resolution of these suits and claims will not, individually or in the aggregate, have a material adverse effect on EOG's consolidated financial position, results of operations or cash flow. EOG records reserves for contingencies when information available indicates that a loss is probable and the amount of the loss can be reasonably estimated.

9. Pension and Postretirement Benefits

EOG has defined contribution pension plans in place for most of its employees in the United States, and a defined benefit pension plan covering certain of its employees in Trinidad. For the nine months ended September 30, 2019 and 2018, EOG's total costs recognized for these pension plans were $34 million and $30 million, respectively. EOG also has postretirement medical and dental plans in place for eligible employees and their dependents in the United States and Trinidad, the costs of which are not material.

10. Long-Term Debt and Common Stock

Long-Term Debt. EOG had no outstanding commercial paper borrowings at September 30, 2019 and December 31, 2018 and did not utilize any such borrowings during the nine months ended September 30, 2019. During the nine months ended September 30, 2018, EOG utilized commercial paper borrowings, bearing market interest rates, for various corporate financing purposes. The average borrowings outstanding under the commercial paper program were $11 million during the nine months ended September 30, 2018. The weighted average interest rate for commercial paper borrowings during the nine months ended September 30, 2018, was 1.97%.

On June 3, 2019, EOG repaid upon maturity the $900 million aggregate principal amount of its 5.625% Senior Notes due 2019.

On June 27, 2019, EOG entered into a new $2.0 billion senior unsecured Revolving Credit Agreement (New Facility) with domestic and foreign lenders (Banks). The New Facility replaced EOG’s $2.0 billion senior unsecured Revolving Credit Agreement, dated as of July 21, 2015, with domestic and foreign lenders (2015 Facility), which had a scheduled maturity date of July 21, 2020 and which was terminated by EOG (without penalty), effective as of June 27, 2019, in connection with the completion of the New Facility.

The New Facility has a scheduled maturity date of June 27, 2024, and includes an option for EOG to extend, on up to two occasions, the term for successive one-year periods subject to certain terms and conditions. The New Facility (i) commits the Banks to provide advances up to an aggregate principal amount of $2.0 billion at any one time outstanding, with an option for EOG to request increases in the aggregate commitments to an amount not to exceed $3.0 billion, subject to certain terms and conditions, and (ii) includes a swingline subfacility and a letter of credit subfacility. Advances under the New Facility will accrue interest based, at EOG’s option, on either the London InterBank Offered Rate plus an applicable margin (Eurodollar Rate) or the Base Rate (as defined in the New Facility) plus an applicable margin. The applicable margin used in connection with interest rates and fees will be based on EOG’s credit rating for its senior unsecured long-term debt at the applicable time.

Consistent with the terms of the 2015 Facility, the New Facility contains representations, warranties, covenants and events of default that we believe are customary for investment grade, senior unsecured commercial bank credit agreements, including a financial covenant for the maintenance of a ratio of total debt-to-total capitalization (as such terms are defined in the New Facility) of no greater than 65%. At September 30, 2019, EOG was in compliance with this financial covenant.

There were no borrowings or letters of credit outstanding under the 2015 Facility as of (i) December 31, 2018 or (ii) the June 27, 2019 effective date of the closing of the New Facility and termination of the 2015 Facility. Further, at September 30, 2019, there were no borrowings or letters of credit outstanding under the New Facility. The Eurodollar Rate and Base Rate (inclusive of the applicable margin), had there been any amounts borrowed under the New Facility at September 30, 2019, would have been 2.92% and 5.0%, respectively.

Common Stock. On May 2, 2019, EOG's Board of Directors increased the quarterly cash dividend on the common stock from the previous $0.22 per share to $0.2875 per share, effective beginning with the dividend paid on July 31, 2019, to stockholders of record as of July 17, 2019.

11. Fair Value Measurements

As more fully discussed in Note 13 to the Consolidated Financial Statements included in EOG's 2018 Annual Report, certain of EOG's financial and nonfinancial assets and liabilities are reported at fair value on the Condensed Consolidated Balance Sheets. The following table provides fair value measurement information within the fair value hierarchy for certain of EOG's financial assets and liabilities carried at fair value on a recurring basis at September 30, 2019 and December 31, 2018 (in thousands):

	Fair Value Measurements Using:			
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
At September 30, 2019				
Financial Assets:				
Natural Gas Swaps	$ —	$ 3,629	$ —	$ 3,629
Crude Oil Swaps	—	119,088	—	119,088
Crude Oil Basis Swaps	—	1,162	—	1,162
Natural Gas Basis Swaps	—	230	—	230
Financial Liabilities:				
Crude Oil Basis Swaps	$ —	$ 1,482	$ —	$ 1,482
Natural Gas Basis Swaps	—	21	—	21
At December 31, 2018				
Financial Assets:				
Crude Oil Basis Swaps	$ —	$ 23,806	$ —	$ 23,806

The estimated fair value of commodity derivative contracts was based upon forward commodity price curves based on quoted market prices. Commodity derivative contracts were valued by utilizing an independent third-party derivative valuation provider who uses various types of valuation models, as applicable.

The initial measurement of asset retirement obligations at fair value is calculated using discounted cash flow techniques and based on internal estimates of future retirement costs associated with property, plant and equipment. Significant Level 3 inputs used in the calculation of asset retirement obligations include plugging costs and reserve lives. A reconciliation of EOG's asset retirement obligations is presented in Note 6.

Proved oil and gas properties and other assets with a carrying amount of $472 million were written down to their fair value of $340 million, resulting in pretax impairment charges of $132 million for the nine months ended September 30, 2019. Included in the $132 million pretax impairment charges are $89 million for a commodity price-related write-down of other assets.

EOG utilized average prices per acre from comparable market transactions and estimated discounted cash flows as the basis for determining the fair value of unproved and proved properties, respectively, received in non-cash property exchanges. See Note 4.

Fair Value of Debt. At September 30, 2019 and December 31, 2018, respectively, EOG had outstanding $5,140 million and $6,040 million aggregate principal amount of senior notes, which had estimated fair values at such dates of approximately $5,453 million and $6,027 million, respectively. The estimated fair value of debt was based upon quoted market prices and, where such prices were not available, other observable (Level 2) inputs regarding interest rates available to EOG at the end of each respective period.

12. Risk Management Activities

Commodity Price Risk. As more fully discussed in Note 12 to the Consolidated Financial Statements included in EOG's 2018 Annual Report, EOG engages in price risk management activities from time to time. These activities are intended to manage EOG's exposure to fluctuations in commodity prices for crude oil and natural gas. EOG utilizes financial commodity derivative instruments, primarily price swap, option, swaption, collar and basis swap contracts, as a means to manage this price risk. EOG has not designated any of its financial commodity derivative contracts as accounting hedges and, accordingly, accounts for financial commodity derivative contracts using the mark-to-market accounting method.

Commodity Derivative Contracts. Prices received by EOG for its crude oil production generally vary from U.S. New York Mercantile Exchange (NYMEX) West Texas Intermediate prices due to adjustments for delivery location (basis) and other factors. EOG has entered into crude oil basis swap contracts in order to fix the differential between pricing in Midland, Texas, and Cushing, Oklahoma (Midland Differential). Presented below is a comprehensive summary of EOG's Midland Differential basis swap contracts for the nine months ended September 30, 2019. The weighted average price differential expressed in dollars per barrel ($/Bbl) represents the amount of reduction to Cushing, Oklahoma, prices for the notional volumes expressed in barrels per day (Bbld) covered by the basis swap contracts.

Midland Differential Basis Swap Contracts

	Volume (Bbld)	Weighted Average Price Differential ($/Bbl)
2019		
January 1, 2019 through October 31, 2019 (closed)	20,000	$ 1.075
November 1, 2019 through December 31, 2019	20,000	1.075

EOG has also entered into crude oil basis swap contracts in order to fix the differential between pricing in the U.S. Gulf Coast and Cushing, Oklahoma (Gulf Coast Differential). Presented below is a comprehensive summary of EOG's Gulf Coast Differential basis swap contracts for the nine months ended September 30, 2019. The weighted average price differential expressed in $/Bbl represents the amount of addition to Cushing, Oklahoma, prices for the notional volumes expressed in Bbld covered by the basis swap contracts.

Gulf Coast Differential Basis Swap Contracts

	Volume (Bbld)	Weighted Average Price Differential ($/Bbl)
2019		
January 1, 2019 through October 31, 2019 (closed)	13,000	$ 5.572
November 1, 2019 through December 31, 2019	13,000	5.572

Presented below is a comprehensive summary of EOG's crude oil price swap contracts for the nine months ended September 30, 2019, with notional volumes expressed in Bbld and prices expressed in $/Bbl.

Crude Oil Price Swap Contracts

	Volume (Bbld)	Weighted Average Price ($/Bbl)
2019		
April 2019 (closed)	25,000	$ 60.00
May 1, 2019 through September 30, 2019 (closed)	150,000	62.50
October 1, 2019 through December 31, 2019	150,000	62.50

Prices received by EOG for its natural gas production generally vary from NYMEX Henry Hub prices due to adjustments for delivery location (basis) and other factors. EOG has entered into natural gas basis swap contracts in order to fix the differential between pricing in the Rocky Mountain area and NYMEX Henry Hub prices (Rockies Differential). Presented below is a comprehensive summary of EOG's Rockies Differential basis swap contracts for the nine months ended September 30, 2019. The weighted average price differential expressed in dollars per million British thermal units ($/MMBtu) represents the amount of reduction to NYMEX Henry Hub prices for the notional volumes expressed in MMBtu per day (MMBtud) covered by the basis swap contracts.

Rockies Differential Basis Swap Contracts

	Volume (MMBtud)	Weighted Average Price Differential ($/MMBtu)
2020		
January 1, 2020 through December 31, 2020	14,000	$ 0.55

Presented below is a comprehensive summary of EOG's natural gas price swap contracts for the nine months ended September 30, 2019, with notional volumes expressed in MMBtud and prices expressed in $/MMBtu.

Natural Gas Price Swap Contracts

	Volume (MMBtud)	Weighted Average Price ($/MMBtu)
2019		
April 1, 2019 through October 31, 2019 (closed)	250,000	$ 2.90

The following table sets forth the amounts and classification of EOG's outstanding financial derivative instruments at September 30, 2019 and December 31, 2018. Certain amounts may be presented on a net basis on the Condensed Consolidated Financial Statements when such amounts are with the same counterparty and subject to a master netting arrangement (in thousands):

Description	Location on Balance Sheet	Fair Value at September 30, 2019	Fair Value at December 31, 2018
Asset Derivatives			
Crude oil and natural gas derivative contracts -			
Current portion	Assets from Price Risk Management Activities (1)	$ 122,627	$ 23,806
Liability Derivatives			
Crude oil and natural gas derivative contracts -			
Noncurrent portion	Other Liabilities	$ 21	$ —

(1) The current portion of Assets from Price Risk Management Activities consists of gross assets of $124 million, partially offset by gross liabilities of $1 million at September 30, 2019.

Credit Risk. Notional contract amounts are used to express the magnitude of a financial derivative. The amounts potentially subject to credit risk, in the event of nonperformance by the counterparties, are equal to the fair value of such contracts (see Note 11). EOG evaluates its exposure to significant counterparties on an ongoing basis, including that arising from physical and financial transactions. In some instances, EOG renegotiates payment terms and/or requires collateral, parent guarantees or letters of credit to minimize credit risk.

All of EOG's derivative instruments are covered by International Swap Dealers Association Master Agreements (ISDAs) with counterparties. The ISDAs may contain provisions that require EOG, if it is the party in a net liability position, to post collateral when the amount of the net liability exceeds the threshold level specified for EOG's then-current credit ratings. In addition, the ISDAs may also provide that as a result of certain circumstances, including certain events that cause EOG's credit ratings to become materially weaker than its then-current ratings, the counterparty may require all outstanding derivatives under the ISDAs to be settled immediately. See Note 11 for the aggregate fair value of all derivative instruments that were in a net asset position at September 30, 2019 and December 31, 2018. EOG had no collateral posted or held at September 30, 2019, or at December 31, 2018.

13. Acquisitions and Divestitures

During the nine months ended September 30, 2019, EOG paid cash for property acquisitions of $311 million in the United States. Additionally, during the nine months ended September 30, 2019, EOG recognized net gains on asset dispositions of $4 million and received proceeds of approximately $35 million. During the nine months ended September 30, 2018, EOG recognized net gains on asset dispositions of $95 million, primarily due to non-cash exchanges of unproved leasehold in Texas, New Mexico and Wyoming and received proceeds of approximately $12 million.

14. Leases

In the ordinary course of business, EOG enters into contracts for drilling, fracturing, compression, real estate and other services which contain equipment and other assets and that meet the definition of a lease under ASU 2016-02. The lease term for these contracts, which includes any renewals at EOG's option that are reasonably certain to be exercised, ranges from one month to 30 years. ROU assets and related liabilities are recognized on commencement date on the Condensed Consolidated Balance Sheets based on future lease payments, discounted based on the rate implicit in the contract, if readily determinable, or EOG's incremental borrowing rate commensurate with the lease term of the contract. EOG estimates its incremental borrowing rate based on the approximate rate required to borrow on a collateralized basis. Contracts with lease terms of less than 12 months are not recorded on the Condensed Consolidated Balance Sheets, but instead are disclosed as short-term lease cost.

EOG has elected not to separate non-lease components from all leases, excluding those for fracturing services, real estate and salt water disposal, as lease payments under these contracts contain significant non-lease components, such as labor and operating costs.

Lease costs are classified by the function of the ROU asset. The lease costs related to exploration and development activities are initially included in the Oil and Gas Properties line on the Condensed Consolidated Balance Sheets and subsequently accounted for in accordance with the Extractive Industries - Oil and Gas Topic of the Accounting Standards Codification. Variable lease cost represents costs incurred above the contractual minimum payments for operating and finance leases. The components of lease cost for the three month and nine month periods ended September 30, 2019, were as follows (in millions):

	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2019
Operating Lease Cost	$ 138	$ 391
Finance Lease Cost:		
Amortization of Lease Assets	3	10
Interest on Lease Liabilities	—	1
Variable Lease Cost	39	167
Short-Term Lease Cost	67	295
Total Lease Cost	$ 247	$ 864

The following table sets forth the amounts and classification of EOG's outstanding ROU assets and related lease liabilities and supplemental information at September 30, 2019 (in millions, except lease terms and discount rates):

Description	Location on Balance Sheet	Amount
Assets		
Operating Leases	Other Assets	$ 842
Finance Leases	Property, Plant and Equipment, Net (1)	56
Total		$ 898
Liabilities		
Current		
Operating Leases	Current Portion of Operating Lease Liabilities	$ 384
Finance Leases	Current Portion of Long-Term Debt	15
Long-Term		
Operating Leases	Other Liabilities	485
Finance Leases	Long-Term Debt	46
Total		$ 930

(1) Finance lease assets are recorded net of accumulated amortization of $57 million at September 30, 2019.

	Nine Months Ended September 30, 2019
Weighted Average Remaining Lease Term (in years):	
Operating Leases	3.2
Finance Leases	4.9
Weighted Average Discount Rate:	
Operating Leases	3.5%
Finance Leases	3.0%

Cash paid for leases was as follows for the nine months ended September 30, 2019 (in millions):

	Nine Months Ended September 30, 2019
Repayment of Operating Lease Liabilities Associated with Operating Activities	$ 162
Repayment of Operating Lease Liabilities Associated with Investing Activities	225
Repayment of Finance Lease Liabilities	10

Upon adoption of ASU 2016-02 effective January 1, 2019, EOG recognized operating lease ROU assets of $566 million. Non-cash leasing activities for the nine months ended September 30, 2019, included the addition of $703 million of operating leases.

At September 30, 2019, the future minimum lease payments under non-cancellable leases were as follows (in millions):

	Operating Leases	Finance Leases
October 1, 2019 to December 31, 2019	$ 116	$ 3
2020	377	15
2021	198	15
2022	118	12
2023	50	8
2024 and Beyond	64	14
Total Lease Payments	923	67
Less: Discount to Present Value	54	6
Total Lease Liabilities	869	61
Less: Current Portion of Lease Liabilities	384	15
Long-Term Lease Liabilities	$ 485	$ 46

At September 30, 2019, EOG had additional leases of $675 million, of which $24 million, $446 million and $205 million were expected to commence in the remainder of 2019 and in 2020 and 2021, respectively, with lease terms of one month to 10 years.

At December 31, 2018 and prior to the adoption of ASU 2016-02 and other related ASUs, the future minimum commitments under non-cancellable leases, including non-lease components and excluding contracts with lease terms of less than 12 months, were as follows (in millions):

	Operating Leases	Finance Leases
2019	$ 380	$ 15
2020	213	15
2021	86	15
2022	39	12
2023	30	8
2024 and Beyond	62	14
Total Lease Payments	$ 810	$ 79

PART I. FINANCIAL INFORMATION

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS EOG RESOURCES, INC.

Overview

EOG Resources, Inc., together with its subsidiaries (collectively, EOG), is one of the largest independent (non-integrated) crude oil and natural gas companies in the United States with proved reserves in the United States, Trinidad and China. EOG operates under a consistent business and operational strategy that focuses predominantly on maximizing the rate of return on investment of capital by controlling operating and capital costs and maximizing reserve recoveries. Each prospective drilling location is evaluated by its estimated rate of return. This strategy is intended to enhance the generation of cash flow and earnings from each unit of production on a cost-effective basis, allowing EOG to deliver long-term production growth while maintaining a strong balance sheet. EOG implements its strategy primarily by emphasizing the drilling of internally generated prospects in order to find and develop low-cost reserves. Maintaining the lowest possible operating cost structure that is consistent with efficient, safe and environmentally responsible operations is also an important goal in the implementation of EOG's strategy.

United States. EOG's efforts to identify plays with large reserve potential have proven to be successful. EOG continues to drill numerous wells in large acreage plays, which in the aggregate have contributed substantially to, and are expected to continue to contribute substantially to, EOG's crude oil and liquids-rich natural gas production. EOG has placed an emphasis on applying its horizontal drilling and completion expertise to unconventional crude oil and liquids-rich reservoirs.

Crude oil, natural gas liquids (NGLs) and natural gas prices have been volatile, and this volatility is expected to continue. As a result of the many uncertainties associated with the world political environment, worldwide supplies of, and demand for, crude oil and condensate, NGLs and natural gas and the availability of other energy supplies, EOG is unable to predict what changes may occur in crude oil and condensate, NGLs, and natural gas prices in the future. The market prices of crude oil and condensate, NGLs and natural gas in 2019 will continue to impact the amount of cash generated from EOG's operating activities, which will in turn impact EOG's financial position and results of operations. For the first nine months of 2019, the average U.S. New York Mercantile Exchange (NYMEX) crude oil and natural gas prices were $57.06 per barrel and $2.66 per million British thermal units (MMBtu), respectively, representing decreases of 15% and 7%, respectively, from the average NYMEX prices for the same period in 2018. Market prices for NGLs are influenced by crude oil prices and the composition of NGL production, including ethane, propane and butane, among others. Based on its 2019 drilling and completion plans, EOG expects both its 2019 total production and total crude oil production to increase as compared to 2018.

During the first nine months of 2019, EOG continued to focus on increasing drilling, completion and operating efficiencies gained in prior years. In addition, EOG continued to evaluate certain potential crude oil and liquids-rich natural gas exploration and development prospects and to look for opportunities to add drilling inventory through leasehold acquisitions, farm-ins, exchanges or tactical acquisitions. On a volumetric basis, as calculated using the ratio of 1.0 barrel of crude oil and condensate or NGLs to 6.0 thousand cubic feet of natural gas, crude oil and condensate and NGL production accounted for approximately 77% of EOG's United States production during both the first nine months of 2019 and 2018, respectively. During the first nine months of 2019, EOG's drilling and completion activities occurred primarily in the Eagle Ford play, Delaware Basin play and Rocky Mountain area. EOG's major producing areas in the United States are in New Mexico, North Dakota, Texas and Wyoming.

Trinidad. In Trinidad, EOG continues to deliver natural gas under existing supply contracts. Several fields in the South East Coast Consortium (SECC) Block, Modified U(a) Block, Block 4(a), Modified U(b) Block, the Banyan Field and the Sercan Area have been developed and are producing natural gas which is sold to the National Gas Company of Trinidad and Tobago Limited and its subsidiary, and crude oil and condensate which is sold to Heritage Petroleum Company Limited. In the third quarter of 2019, EOG drilled two net wells, one of which was an unsuccessful exploratory well. During the remainder of 2019, EOG plans to drill two additional net wells.

Other International. In the Sichuan Basin, Sichuan Province, China, EOG drilled two wells in the first nine months of 2019 to complete the drilling program started in 2018. Additionally, EOG completed two drilled uncompleted wells from 2018 in 2019. All natural gas produced from the Baijaochang Field is sold under a long-term contract to PetroChina.

EOG continues to evaluate other select crude oil and natural gas opportunities outside the United States, primarily by pursuing exploitation opportunities in countries where indigenous crude oil and natural gas reserves have been identified.

Capital Structure. One of management's key strategies is to maintain a strong balance sheet with a consistently below average debt-to-total capitalization ratio as compared to those in EOG's peer group. EOG's debt-to-total capitalization ratio was 20% at September 30, 2019 and 24% at December 31, 2018. As used in this calculation, total capitalization represents the sum of total current and long-term debt and total stockholders' equity.

On June 3, 2019, EOG repaid upon maturity the $900 million aggregate principal amount of its 5.625% Senior Notes due 2019.

On June 27, 2019, EOG entered into a new $2.0 billion senior unsecured Revolving Credit Agreement (New Facility) with domestic and foreign lenders (Banks). The New Facility replaced EOG's $2.0 billion senior unsecured Revolving Credit Agreement, dated as of July 21, 2015, which had a scheduled maturity date of July 21, 2020. The New Facility has a scheduled maturity date of June 27, 2024, and includes an option for EOG to extend, on up to two occasions, the term for successive one-year periods subject to certain terms and conditions. The New Facility (i) commits the Banks to provide advances up to an aggregate principal amount of $2.0 billion at any one time outstanding, with an option for EOG to request increases in the aggregate commitments to an amount not to exceed $3.0 billion, subject to certain terms and conditions, and (ii) includes a swingline subfacility and a letter of credit subfacility.

Effective January 1, 2019, EOG adopted the provisions of Accounting Standards Update (ASU) 2016-02, "Leases (Topic 842)" (ASU 2016-02). ASU 2016-02 and other related ASUs resulted in the recognition of right-of-use assets and related lease liabilities representing the obligation to make lease payments for certain lease transactions and the disclosure of additional leasing information. The adoption of ASU 2016-02 and other related ASUs resulted in a significant increase to assets and liabilities related to operating leases on the Condensed Consolidated Balance Sheet at September 30, 2019. Financial results prior to January 1, 2019, are unchanged. See Note 1 "Summary of Significant Accounting Policies" and Note 14 "Leases" to EOG's Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q.

Total anticipated 2019 capital expenditures are estimated to range from approximately $6.2 billion to $6.4 billion, excluding acquisitions and non-cash transactions. The majority of 2019 expenditures will be focused on United States crude oil drilling activities. EOG has significant flexibility with respect to financing alternatives, including borrowings under its commercial paper program, bank borrowings, borrowings under its $2.0 billion senior unsecured revolving credit facility described above, joint development agreements and similar agreements and equity and debt offerings.

Management continues to believe EOG has one of the strongest prospect inventories in EOG's history. When it fits EOG's strategy, EOG will make acquisitions that bolster existing drilling programs or offer incremental exploration and/or production opportunities.

Results of Operations

The following review of operations for the three months and nine months ended September 30, 2019 and 2018 should be read in conjunction with the Condensed Consolidated Financial Statements of EOG and notes thereto included in this Quarterly Report on Form 10-Q.

Three Months Ended September 30, 2019 vs. Three Months Ended September 30, 2018

Operating Revenues. During the third quarter of 2019, operating revenues decreased $479 million, or 10%, to $4,303 million from $4,782 million for the same period of 2018. Total wellhead revenues, which are revenues generated from sales of EOG's production of crude oil and condensate, NGLs and natural gas, for the third quarter of 2019 decreased $468 million, or 14%, to $2,853 million from $3,321 million for the same period of 2018. EOG recognized net gains on the mark-to-market of financial commodity derivative contracts of $86 million for the third quarter of 2019 compared to net losses of $52 million for the same period of 2018. Gathering, processing and marketing revenues for the third quarter of 2019 decreased $27 million, or 2%, to $1,334 million from $1,361 million for the same period of 2018. Net losses on asset dispositions were $1 million for the third quarter of 2019 compared to net gains of $116 million for the same period of 2018.

Wellhead volume and price statistics for the three-month periods ended September 30, 2019 and 2018 were as follows:

	Three Months Ended September 30,	
	2019	2018
Crude Oil and Condensate Volumes (MBbld) (1)		
United States	463.2	409.2
Trinidad	0.8	0.8
Other International (2)	0.1	5.0
Total	464.1	415.0
Average Crude Oil and Condensate Prices ($/Bbl) (3)		
United States	$ 56.67	$ 69.53
Trinidad	48.36	61.71
Other International (2)	59.87	72.81
Composite	56.66	69.55
Natural Gas Liquids Volumes (MBbld) (1)		
United States	141.3	127.8
Other International (2)	—	—
Total	141.3	127.8
Average Natural Gas Liquids Prices ($/Bbl) (3)		
United States	$ 12.67	$ 30.09
Other International (2)	—	—
Composite	12.67	30.09
Natural Gas Volumes (MMcfd) (1)		
United States	1,079	948
Trinidad	260	260
Other International (2)	34	28
Total	1,373	1,236
Average Natural Gas Prices ($/Mcf) (3)		
United States	$ 1.97	$ 2.67
Trinidad	2.52	2.88
Other International (2)	4.25	3.83
Composite	2.13	2.74
Crude Oil Equivalent Volumes (MBoed) (4)		
United States	784.3	695.0
Trinidad	44.1	44.1
Other International (2)	5.8	9.7
Total	834.2	748.8
Total MMBoe (4)	76.7	68.9

(1) Thousand barrels per day or million cubic feet per day, as applicable.

(2) Other International includes EOG's United Kingdom, China and Canada operations. The United Kingdom operations were sold in the fourth quarter of 2018.

(3) Dollars per barrel or per thousand cubic feet, as applicable. Excludes the impact of financial commodity derivative instruments (see Note 12 to the Condensed Consolidated Financial Statements).

(4) Thousand barrels of oil equivalent per day or million barrels of oil equivalent, as applicable; includes crude oil and condensate, NGLs and natural gas. Crude oil equivalent volumes are determined using a ratio of 1.0 barrel of crude oil and condensate or NGLs to 6.0 thousand cubic feet of natural gas. MMBoe is calculated by multiplying the MBoed amount by the number of days in the period and then dividing that amount by one thousand.

Wellhead crude oil and condensate revenues for the third quarter of 2019 decreased $236 million, or 9%, to $2,419 million from $2,655 million for the same period of 2018. The decrease was due to a lower composite average price ($550 million), partially offset by an increase of 49 MBbld, or 12%, in wellhead crude oil and condensate production ($314 million). Increased production was primarily due to increases in the Permian Basin and the Eagle Ford. EOG's composite wellhead crude oil and condensate price for the third quarter of 2019 decreased 19% to $56.66 per barrel compared to $69.55 per barrel for the same period of 2018.

NGL revenues for the third quarter of 2019 decreased $189 million, or 53%, to $165 million from $354 million for the same period of 2018 due to a lower composite average price ($226 million), partially offset by an increase of 14 MBbld, or 11%, in production ($37 million). Increased production was primarily in the Permian Basin. EOG's composite NGL price for the third quarter of 2019 decreased 58% to $12.67 per barrel compared to $30.09 per barrel for the same period of 2018.

Wellhead natural gas revenues for the third quarter of 2019 decreased $42 million, or 14%, to $270 million from $312 million for the same period of 2018. The decrease was due to a lower average composite price ($76 million), partially offset by an increase in natural gas deliveries ($34 million). Natural gas deliveries for the third quarter of 2019 increased 137 MMcfd, or 11%, compared to the same period of 2018 due primarily to higher deliveries in the United States resulting from increased production of associated natural gas from the Permian Basin and higher natural gas volumes in South Texas, partially offset by lower volumes in the Marcellus Shale. EOG's composite wellhead natural gas price for the third quarter of 2019 decreased 22% to $2.13 per Mcf compared to $2.74 per Mcf for the same period of 2018.

During the third quarter of 2019, EOG recognized net gains on the mark-to-market of financial commodity derivative contracts of $86 million compared to net losses of $52 million for the same period of 2018. During the third quarter of 2019, net cash received from settlements of financial commodity derivative contracts was $108 million compared to net cash paid of $92 million for the same period of 2018.

Gathering, processing and marketing revenues are revenues generated from sales of third-party crude oil, NGLs and natural gas, as well as fees associated with gathering third-party natural gas and revenues from sales of EOG-owned sand. Purchases and sales of third-party crude oil and natural gas may be utilized in order to balance firm transportation capacity with production in certain areas and to utilize excess capacity at EOG-owned facilities. EOG sells sand in order to balance the timing of firm purchase agreements with completion operations and to utilize excess capacity at EOG-owned facilities. Marketing costs represent the costs to purchase third-party crude oil, natural gas and sand and the associated transportation costs, as well as costs associated with EOG-owned sand sold to third parties.

Gathering, processing and marketing revenues less marketing costs for the third quarter of 2019 decreased $43 million as compared to the same period of 2018 primarily due to lower margins on crude oil marketing activities, partially offset by higher margins on natural gas marketing activities.

Operating and Other Expenses. For the third quarter of 2019, operating expenses of $3,475 million were $200 million higher than the $3,275 million incurred during the third quarter of 2018. The following table presents the costs per barrel of oil equivalent (Boe) for the three-month periods ended September 30, 2019 and 2018:

	Three Months Ended September 30,	
	2019	**2018**
Lease and Well	$ 4.55	$ 4.67
Transportation Costs	2.60	2.85
Depreciation, Depletion and Amortization (DD&A) -		
Oil and Gas Properties	12.33	12.89
Other Property, Plant and Equipment	0.10	0.44
General and Administrative (G&A)	1.77	1.62
Interest Expense, Net	0.52	0.92
Total (1)	**$ 21.87**	**$ 23.39**

(1) Total excludes gathering and processing costs, exploration costs, dry hole costs, impairments, marketing costs and taxes other than income.

The primary factors impacting the cost components of per-unit rates of lease and well, DD&A, G&A and net interest expense for the three months ended September 30, 2019, compared to the same period of 2018, are set forth below. See "Operating Revenues" above for a discussion of wellhead volumes.

Lease and well expenses include expenses for EOG-operated properties, as well as expenses billed to EOG from other operators where EOG is not the operator of a property. Lease and well expenses can be divided into the following categories: costs to operate and maintain crude oil and natural gas wells, the cost of workovers and lease and well administrative expenses. Operating and maintenance costs include, among other things, pumping services, salt water disposal, equipment repair and maintenance, compression expense, lease upkeep and fuel and power. Workovers are operations to restore or maintain production from existing wells.

Each of these categories of costs individually fluctuates from time to time as EOG attempts to maintain and increase production while maintaining efficient, safe and environmentally responsible operations. EOG continues to increase its operating activities by drilling new wells in existing and new areas. Operating and maintenance costs within these existing and new areas, as well as the costs of services charged to EOG by vendors, fluctuate over time.

Lease and well expenses of $349 million for the third quarter of 2019 increased $27 million from $322 million for the same prior year period primarily due to increased operating and maintenance costs ($33 million) and lease and well administrative expenses ($9 million) in the United States, partially offset by decreased workover expenditures in the United States ($9 million). Lease and well expenses increased in the United States primarily due to increased operating activities resulting in increased production.

DD&A of the cost of proved oil and gas properties is calculated using the unit-of-production method. EOG's DD&A rate and expense are the composite of numerous individual DD&A group calculations. There are several factors that can impact EOG's composite DD&A rate and expense, such as field production profiles, drilling or acquisition of new wells, disposition of existing wells and reserve revisions (upward or downward) primarily related to well performance, economic factors and impairments. Changes to these factors may cause EOG's composite DD&A rate and expense to fluctuate from period to period. DD&A of the cost of other property, plant and equipment is generally calculated using the straight-line depreciation method over the useful lives of the assets.

DD&A expenses for the third quarter of 2019 increased $36 million to $954 million from $918 million for the same prior year period. DD&A expenses associated with oil and gas properties for the third quarter of 2019 were $58 million higher than the same prior year period. The increase primarily reflects increased production in the United States ($109 million), partially offset by lower unit rates in the United States ($42 million). Unit rates in the United States decreased primarily due to upward reserve revisions and reserves added at lower costs as a result of increased efficiencies.

G&A expenses of $136 million for the third quarter of 2019 increased $25 million from $111 million for the same prior year period primarily due to increased employee-related and information systems costs resulting from expanded operations.

Interest expense, net of $40 million for the third quarter of 2019 decreased $24 million compared to the same prior year period primarily due to repayment in June 2019 of the $900 million aggregate principal amount of 5.625% Senior Notes due 2019 ($13 million), repayment in October 2018 of the $350 million aggregate principal amount of 6.875% Senior Notes due 2018 ($6 million) and higher capitalized interest ($4 million).

Gathering and processing costs represent operating and maintenance expenses and administrative expenses associated with operating EOG's gathering and processing assets as well as natural gas processing fees and certain NGL fractionation fees from third parties. EOG pays third parties to process the majority of its natural gas production to extract NGLs.

Gathering and processing costs increased $14 million to $128 million for the third quarter of 2019 compared to $114 million for the same prior year period primarily due to increased operating costs and fees in the Permian Basin ($13 million) and the Eagle Ford ($5 million), partially offset by decreased operating costs in the United Kingdom ($7 million) due to the sale of operations in the fourth quarter of 2018.

Impairments include amortization of unproved oil and gas property costs as well as impairments of proved oil and gas properties; other property, plant and equipment; and other assets. Unproved properties with acquisition costs that are not individually significant are aggregated, and the portion of such costs estimated to be nonproductive is amortized over the remaining lease term. Unproved properties with individually significant acquisition costs are reviewed individually for impairment. When circumstances indicate that a proved property may be impaired, EOG compares expected undiscounted future cash flows at a DD&A group level to the unamortized capitalized cost of the asset. If the expected undiscounted future cash flows are lower than the unamortized capitalized cost, the capitalized cost is reduced to fair value. Fair value is generally calculated by using the Income Approach described in the Fair Value Measurement Topic of the Financial Accounting Standards Board's Accounting Standards Codification. In certain instances, EOG utilizes accepted offers from third-party purchasers as the basis for determining fair value.

Impairments of $105 million for the third quarter of 2019 were $61 million higher than impairments for the same prior year period primarily due to increased impairments of proved properties in the United States ($40 million), and increased amortization of unproved property costs in the United States ($21 million), which were caused by an increase in EOG's estimates of undeveloped properties not expected to be developed before lease expiration. EOG recorded impairments of proved properties, other property, plant and equipment and other assets of $41 million and $1 million for the third quarters of 2019 and 2018, respectively.

Taxes other than income include severance/production taxes, ad valorem/property taxes, payroll taxes, franchise taxes and other miscellaneous taxes. Severance/production taxes are generally determined based on wellhead revenues, and ad valorem/property taxes are generally determined based on the valuation of the underlying assets.

Taxes other than income for the third quarter of 2019 decreased $6 million to $203 million (7.1% of wellhead revenues) from $209 million (6.3% of wellhead revenues) for the same prior year period. The decrease in taxes other than income was primarily due to decreased severance/production taxes in the United States ($13 million) and an increase in credits available to EOG in the third quarter of 2019 for state incentive severance tax rate reductions ($3 million), partially offset by higher payroll taxes in Trinidad ($8 million) and an increase in ad valorem/property taxes in the United States ($4 million).

Other income, net of $9 million for the third quarter of 2019 increased $6 million compared to the same prior year period primarily due to a decrease in deferred compensation expense.

EOG recognized an income tax provision of $182 million for the third quarter of 2019 compared to an income tax provision of $255 million for the third quarter of 2018, primarily due to decreased pretax income, partially offset by the absence of tax benefits from certain tax reform measurement-period adjustments. The net effective tax rate for 2019 increased to 23% from 18% in 2018. The higher effective tax rate is mostly due to the absence of tax benefits from certain tax reform measurement-period adjustments.

Nine Months Ended September 30, 2019 vs. Nine Months Ended September 30, 2018

Operating Revenues. During the first nine months of 2019, operating revenues increased $359 million, or 3%, to $13,060 million from $12,701 million for the same period of 2018. Total wellhead revenues for the first nine months of 2019 decreased $316 million, or 4%, to $8,592 million from $8,908 million for the same period of 2018. During the first nine months of 2019, EOG recognized net gains on the mark-to-market of financial commodity derivative contracts of $243 million compared to net losses of $298 million for the same period of 2018. Gathering, processing and marketing revenues for the first nine months of 2019 increased $222 million, or 6%, to $4,121 million from $3,899 million for the same period of 2018. Net gains on asset dispositions were $4 million for the first nine months of 2019 compared to net gains of $95 million for the same period of 2018.

Wellhead volume and price statistics for the nine-month periods ended September 30, 2019 and 2018 were as follows:

	Nine Months Ended September 30,	
	2019	**2018**
Crude Oil and Condensate Volumes (MBbld)		
United States	451.2	382.9
Trinidad	0.7	0.8
Other International	0.1	4.1
Total	452.0	387.8
Average Crude Oil and Condensate Prices ($/Bbl) (1)		
United States	$ 57.95	$ 67.35
Trinidad	47.26	58.91
Other International	58.43	71.83
Composite	57.93	67.38
Natural Gas Liquids Volumes (MBbld)		
United States	130.8	113.9
Other International	—	—
Total	130.8	113.9
Average Natural Gas Liquids Prices ($/Bbl)		
United States	$ 15.96	$ 27.71
Other International	—	—
Composite	15.96	27.71
Natural Gas Volumes (MMcfd)		
United States	1,043	905
Trinidad	267	278
Other International	36	31
Total	1,346	1,214
Average Natural Gas Prices ($/Mcf) (1)		
United States	$ 2.23	$ 2.66
Trinidad	2.71	2.91
Other International	4.29	4.10
Composite	2.38	2.75
Crude Oil Equivalent Volumes (MBoed)		
United States	755.8	647.6
Trinidad	45.1	47.2
Other International	6.2	9.2
Total	807.1	704.0
Total MMBoe	220.3	192.2

(1) Excludes the impact of financial commodity derivative instruments (see Note 12 to the Condensed Consolidated Financial Statements).

Wellhead crude oil and condensate revenues for the first nine months of 2019 increased $14 million to $7,148 million from $7,134 million for the same period of 2018 due to an increase of 64 MBbld, or 17%, in wellhead crude oil and condensate production ($1,185 million), partially offset by a lower composite average price ($1,171 million). Increased production was primarily due to increases in the Permian Basin and the Eagle Ford. EOG's composite wellhead crude oil and condensate price for the first nine months of 2019 decreased 14% to $57.93 per barrel compared to $67.38 per barrel for the same period of 2018.

NGL revenues for the first nine months of 2019 decreased $292 million, or 34%, to $570 million from $862 million for the same period of 2018 due to a lower composite average price ($420 million), partially offset by an increase of 17 MBbld, or 15%, in NGL deliveries ($128 million). Increased production was primarily in the Permian Basin. EOG's composite NGL price for the first nine months of 2019 decreased 42% to $15.96 per barrel compared to $27.71 per barrel for the same period of 2018.

Wellhead natural gas revenues for the first nine months of 2019 decreased $38 million, or 4%, to $874 million from $912 million for the same period of 2018. The decrease was due to a lower composite wellhead natural gas price ($140 million), partially offset by an increase in natural gas deliveries ($102 million). Natural gas deliveries for the first nine months of 2019 increased 132 MMcfd, or 11%, compared to the same period of 2018 due primarily to higher deliveries in the United States resulting from increased production of associated natural gas from the Permian Basin and higher natural gas volumes from South Texas. EOG's composite wellhead natural gas price for the first nine months of 2019 decreased 14% to $2.38 per Mcf compared to $2.75 per Mcf for the same period of 2018.

During the first nine months of 2019, EOG recognized net gains on the mark-to-market of financial commodity derivative contracts of $243 million compared to net losses of $298 million for the same period of 2018. During the first nine months of 2019, net cash received from settlements of financial commodity derivative contracts was $140 million compared to net cash paid for settlements of financial commodity derivative contracts of $180 million for the same period of 2018.

Gathering, processing and marketing revenues less marketing costs for the first nine months of 2019 decreased $38 million as compared to the same period of 2018 primarily due to lower margins on crude oil marketing activities, partially offset by higher margins on natural gas marketing activities.

Operating and Other Expenses. For the first nine months of 2019, operating expenses of $10,224 million were $869 million higher than the $9,355 million incurred during the same period of 2018. The following table presents the costs per Boe for the nine-month periods ended September 30, 2019 and 2018:

	Nine Months Ended September 30,	
	2019	**2018**
Lease and Well	$ 4.69	$ 4.87
Transportation Costs	2.50	2.87
DD&A -		
Oil and Gas Properties	12.38	12.64
Other Property, Plant and Equipment	0.29	0.45
G&A	1.65	1.61
Interest Expense, Net	0.66	0.98
Total (1)	**$ 22.17**	**$ 23.42**

(1) Total excludes gathering and processing costs, exploration costs, dry hole costs, impairments, marketing costs and taxes other than income.

The primary factors impacting the cost components of per-unit rates of lease and well, DD&A, G&A and net interest expense for the nine months ended September 30, 2019, compared to the same period of 2018 are set forth below. See "Operating Revenues" above for a discussion of wellhead volumes.

Lease and well expenses of $1,032 million for the first nine months of 2019 increased $96 million from $936 million for the same prior year period primarily due to higher operating and maintenance costs ($81 million), higher lease and well administrative costs ($21 million) and higher workover expenditures ($8 million), all in the United States, partially offset by lower operating and maintenance costs in the United Kingdom ($11 million) due to the sale of operations in the fourth quarter of 2018. Lease and well expenses increased in the United States primarily due to increased operating activities resulting in increased production.

DD&A expenses for the first nine months of 2019 increased $275 million to $2,790 million from $2,515 million for the same prior year period. DD&A expenses associated with oil and gas properties for the first nine months of 2019 were $299 million higher than the same prior year period. The increase primarily reflects increased production in the United States ($384 million), partially offset by lower unit rates in the United States ($56 million). Unit rates in the United States decreased primarily due to upward reserve revisions and reserves added at lower costs as a result of increased efficiencies.

G&A expenses of $364 million for the first nine months of 2019 increased $54 million from $310 million for the same prior year period primarily due to increased employee-related and information systems expenses resulting from expanded operations.

Interest expense, net of $144 million for the first nine months of 2019 decreased $45 million compared to the same prior year period primarily due to repayment in October 2018 of the $350 million aggregate principal amount of 6.875% Senior Notes due 2018 ($18 million), repayment in June 2019 of the $900 million aggregate principal amount of 5.625% Senior Notes due 2019 ($17 million) and higher capitalized interest ($10 million).

Gathering and processing costs of $351 million for the first nine months of 2019 increased $27 million compared to the same prior year period primarily due to increased operating costs and fees in the Permian Basin ($41 million) and the Rocky Mountain area ($7 million), partially offset by decreased operating costs in the United Kingdom ($25 million) due to the sale of operations in the fourth quarter of 2018.

Exploration costs of $103 million for the first nine months of 2019 decreased $12 million from $115 million for the same prior year period primarily due to decreased geological and geophysical costs in Trinidad.

Impairments of $290 million for the first nine months of 2019 were $129 million higher than impairments for the same prior year period primarily due to increased impairments of proved properties and other assets in the United States ($98 million) and increased amortization of unproved property costs in the United States ($31 million), which was caused by an increase in EOG's estimate of undeveloped properties not expected to be developed before lease expiration. EOG recorded impairments of proved properties, other property, plant and equipment and other assets of $132 million and $34 million for the first nine months of 2019 and 2018, respectively.

Taxes other than income for the first nine months of 2019 increased $18 million to $600 million (7.0% of wellhead revenues) from $582 million (6.5% of wellhead revenues) for the same prior year period. The increase in taxes other than income was primarily due to increased ad valorem/property taxes in the United States ($41 million) primarily as a result of increased valuation of the underlying assets and higher payroll taxes in Trinidad ($8 million), partially offset by decreases in severance/production taxes in the United States ($14 million) and Trinidad ($4 million) and an increase in credits available to EOG in the first nine months of 2019 for state incentive severance tax rate reductions ($12 million).

Other income, net of $23 million for the first nine months of 2019 increased $28 million compared to the same prior year period primarily due to an increase in interest income ($14 million), a decrease in deferred compensation expense ($7 million) and higher foreign currency exchange gains ($6 million).

EOG recognized an income tax provision of $616 million for the first nine months of 2019 compared to an income tax provision of $626 million for the same period in 2018, primarily due to decreased pretax income, partially offset by the absence of tax benefits from certain tax reform measurement-period adjustments. The net effective tax rate for the first nine months of 2019 increased to 23% from 20% in 2018. The higher effective tax rate is mostly due to the absence of tax benefits from certain tax reform measurement-period adjustments.

Capital Resources and Liquidity

Cash Flow. The primary sources of cash for EOG during the nine months ended September 30, 2019, were funds generated from operations. The primary uses of cash were funds used in operations; exploration and development expenditures; long-term debt repayments; dividend payments to stockholders; and other property, plant and equipment expenditures. During the first nine months of 2019, EOG's cash balance increased $27 million to $1,583 million from $1,556 million at December 31, 2018.

Net cash provided by operating activities of $6,356 million for the first nine months of 2019 increased $673 million compared to the same period of 2018 primarily due to a favorable change in working capital ($474 million), a decrease in net cash paid for income taxes ($396 million) and an increase in cash received for settlements of commodity derivative contracts ($320 million), partially offset by a decrease in wellhead revenues ($315 million) and an increase in cash operating expenses ($167 million).

Net cash used in investing activities of $4,980 million for the first nine months of 2019 increased by $102 million compared to the same period of 2018 due to an increase in additions to oil and gas properties ($295 million), partially offset by a favorable change in components of working capital associated with investing activities ($134 million), an increase in proceeds from the sale of assets ($24 million), a decrease in other investing activities ($20 million) and a decrease in additions to other property, plant and equipment ($15 million).

Net cash used in financing activities of $1,348 million for the first nine months of 2019 included repayments of long-term debt ($900 million) and cash dividend payments ($421 million). Net cash used in financing activities of $363 million for the first nine months of 2018 included cash dividend payments ($311 million) and purchases of treasury stock in connection with stock compensation plans ($59 million).

Total Expenditures. For the year 2019, EOG's budget for exploration and development and other property, plant and equipment expenditures is approximately $6.2 billion to $6.4 billion, excluding acquisitions and non-cash transactions. The table below sets out components of total expenditures for the nine-month periods ended September 30, 2019 and 2018 (in millions):

	Nine Months Ended September 30,	
	2019	**2018**
Expenditure Category		
Capital		
Exploration and Development Drilling	$ 3,865	$ 3,843
Facilities	499	518
Leasehold Acquisitions [(1)]	201	331
Property Acquisitions [(2)]	332	79
Capitalized Interest	28	18
Subtotal	4,925	4,789
Exploration Costs	103	115
Dry Hole Costs	28	5
Exploration and Development Expenditures	5,056	4,909
Asset Retirement Costs	151	42
Total Exploration and Development Expenditures	5,207	4,951
Other Property, Plant and Equipment [(3)]	187	251
Total Expenditures	$ 5,394	$ 5,202

(1) Leasehold acquisitions included $64 million and $162 million for the nine-month periods ended September 30, 2019 and 2018, respectively, related to non-cash property exchanges.

(2) Property acquisitions included $21 million and $60 million for the nine-month periods ended September 30, 2019 and 2018, respectively, related to non-cash property exchanges.

(3) Other property, plant and equipment included $49 million of non-cash additions for the nine-month period ended September 30, 2018 made in connection with a finance lease transaction in the Permian Basin.

Exploration and development expenditures of $5,056 million for the first nine months of 2019 were $147 million higher than the same period of 2018 primarily due to increased property acquisitions ($253 million) and increased exploration and drilling expenditures in Trinidad ($28 million), partially offset by decreased leasehold acquisitions ($130 million) and decreased facilities expenditures ($19 million). Exploration and development expenditures for the first nine months of 2019 of $5,056 million consisted of $4,341 million in development drilling and facilities, $355 million in exploration, $332 million in property acquisitions and $28 million in capitalized interest. Exploration and development expenditures for the first nine months of 2018 of $4,909 million consisted of $4,353 million in development drilling and facilities, $459 million in exploration, $79 million in property acquisitions and $18 million in capitalized interest.

The level of exploration and development expenditures, including acquisitions, will vary in future periods depending on energy market conditions and other economic factors. EOG has significant flexibility with respect to financing alternatives and the ability to adjust its exploration and development expenditure budget as circumstances warrant. While EOG has certain continuing commitments associated with expenditure plans related to its operations, such commitments are not expected to be material when considered in relation to the total financial capacity of EOG.

Commodity Derivative Transactions. As more fully discussed in Note 12 to the Consolidated Financial Statements included in EOG's Annual Report on Form 10-K for the year ended December 31, 2018, filed on February 26, 2019, EOG engages in price risk management activities from time to time. These activities are intended to manage EOG's exposure to fluctuations in commodity prices for crude oil and natural gas. EOG utilizes financial commodity derivative instruments, primarily price swap, option, swaption, collar and basis swap contracts, as a means to manage this price risk. EOG has not designated any of its financial commodity derivative contracts as accounting hedges and, accordingly, accounts for financial commodity derivative contracts using the mark-to-market accounting method. Under this accounting method, changes in the fair value of outstanding financial instruments are recognized as gains or losses in the period of change and are recorded as Gains (Losses) on Mark-to-Market Commodity Derivative Contracts on the Condensed Consolidated Statements of Income and Comprehensive Income. The related cash flow impact is reflected in Cash Flows from Operating Activities on the Condensed Consolidated Statements of Cash Flows.

The total fair value of EOG's commodity derivative contracts was reflected on the Condensed Consolidated Balance Sheets at September 30, 2019, as a net asset of $123 million.

Prices received by EOG for its crude oil production generally vary from NYMEX West Texas Intermediate prices due to adjustments for delivery location (basis) and other factors. EOG has entered into crude oil basis swap contracts in order to fix the differential between pricing in Midland, Texas, and Cushing, Oklahoma (Midland Differential). Presented below is a comprehensive summary of EOG's Midland Differential basis swap contracts through October 29, 2019. The weighted average price differential expressed in dollars per barrel ($/Bbl) represents the amount of reduction to Cushing, Oklahoma, prices for the notional volumes expressed in barrels per day (Bbld) covered by the basis swap contracts.

Midland Differential Basis Swap Contracts

	Volume (Bbld)	Weighted Average Price Differential ($/Bbl)
2019		
January 1, 2019 through November 30, 2019 (closed)	20,000	$ 1.075
December 2019	20,000	1.075

EOG has also entered into crude oil basis swap contracts in order to fix the differential between pricing in the U.S. Gulf Coast and Cushing, Oklahoma (Gulf Coast Differential). Presented below is a comprehensive summary of EOG's Gulf Coast Differential basis swap contracts through October 29, 2019. The weighted average price differential expressed in $/Bbl represents the amount of addition to Cushing, Oklahoma, prices for the notional volumes expressed in Bbld covered by the basis swap contracts.

Gulf Coast Differential Basis Swap Contracts

	Volume (Bbld)	Weighted Average Price Differential ($/Bbl)
2019		
January 1, 2019 through November 30, 2019 (closed)	13,000	$ 5.572
December 2019	13,000	5.572

Presented below is a comprehensive summary of EOG's crude oil price swap contracts through October 29, 2019, with notional volumes expressed in Bbld and prices expressed in $/Bbl.

Crude Oil Price Swap Contracts

	Volume (Bbld)	Weighted Average Price ($/Bbl)
2019		
April 2019 (closed)	25,000	$ 60.00
May 1, 2019 through September 30, 2019 (closed)	150,000	62.50
October 1, 2019 through December 31, 2019	150,000	62.50

Prices received by EOG for its natural gas production generally vary from NYMEX Henry Hub prices due to adjustments for delivery location (basis) and other factors. EOG has entered into natural gas basis swap contracts in order to fix the differential between pricing in the Rocky Mountain area and NYMEX Henry Hub prices (Rockies Differential). Presented below is a comprehensive summary of EOG's Rockies Differential basis swap contracts through October 29, 2019. The weighted average price differential expressed in dollars per million British thermal units ($/MMBtu) represents the amount of reduction to NYMEX Henry Hub prices for the notional volumes expressed in MMBtu per day (MMBtud) covered by the basis swap contracts.

Rockies Differential Basis Swap Contracts

	Volume (MMBtud)	Weighted Average Price Differential ($/MMBtu)
2020		
January 1, 2020 through December 31, 2020	30,000	$ 0.549

Presented below is a comprehensive summary of EOG's natural gas price swap contracts through October 29, 2019, with notional volumes expressed in MMBtud and prices expressed in $/MMBtu.

Natural Gas Price Swap Contracts

	Volume (MMBtud)	Weighted Average Price ($/MMBtu)
2019		
April 1, 2019 through October 31, 2019 (closed)	250,000	$ 2.90

Information Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q 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, capital expenditures, 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, generate returns, replace or increase drilling locations, reduce or otherwise control operating costs and capital expenditures, generate cash flows, pay down or refinance 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. 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, storage, 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; climate change and other 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 tubulars) 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, storage 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;
- geopolitical factors and political conditions and developments around the world (such as the imposition of tariffs or trade or other economic sanctions, 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 cybersecurity breaches; and
- the other factors described under ITEM 1A, Risk Factors, on pages 13 through 22 of EOG's Annual Report on Form 10-K for the fiscal year ended December 31, 2018, 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 or 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.

PART I. FINANCIAL INFORMATION

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK
EOG RESOURCES, INC.

EOG's exposure to commodity price risk, interest rate risk and foreign currency exchange rate risk is discussed in (i) the "Derivative Transactions," "Financing," "Foreign Currency Exchange Rate Risk" and "Outlook" sections of "Management's Discussion and Analysis of Financial Condition and Results of Operations - Capital Resources and Liquidity" on pages 40 through 43 of EOG's Annual Report on Form 10-K for the year ended December 31, 2018, filed on February 26, 2019 (EOG's 2018 Annual Report); and (ii) Note 12, "Risk Management Activities," to EOG's Consolidated Financial Statements on pages F-29 through F-31 of EOG's 2018 Annual Report. There have been no material changes in this information. For additional information regarding EOG's financial commodity derivative contracts and physical commodity contracts, see (i) Note 12, "Risk Management Activities," to EOG's Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q; (ii) "Management's Discussion and Analysis of Financial Condition and Results of Operations - Results of Operations - Operating Revenues" in this Quarterly Report on Form 10-Q; and (iii) "Management's Discussion and Analysis of Financial Condition and Results of Operations - Capital Resources and Liquidity - Commodity Derivative Transactions" in this Quarterly Report on Form 10-Q.

ITEM 4. CONTROLS AND PROCEDURES
EOG RESOURCES, INC.

Disclosure Controls and Procedures. EOG's management, with the participation of EOG's principal executive officer and principal financial officer, evaluated the effectiveness of EOG's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (Exchange Act)) as of the end of the period covered by this Quarterly Report on Form 10-Q (Evaluation Date). Based on this evaluation, EOG's principal executive officer and principal financial officer have concluded that EOG's disclosure controls and procedures were effective as of the Evaluation Date in ensuring that information that is required to be disclosed in the reports EOG files or furnishes under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the United States Securities and Exchange Commission's rules and forms and (ii) accumulated and communicated to EOG's management, as appropriate, to allow timely decisions regarding required disclosure.

Internal Control Over Financial Reporting. There were no changes in EOG's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) promulgated under the Exchange Act) that occurred during the quarterly period covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, EOG's internal control over financial reporting.

PART II. OTHER INFORMATION

EOG RESOURCES, INC.

ITEM 1. LEGAL PROCEEDINGS

See Part I, Item 1, Note 8 to Condensed Consolidated Financial Statements, which is incorporated herein by reference.

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

The following table sets forth, for the periods indicated, EOG's share repurchase activity:

Period	Total Number of Shares Purchased (1)	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under The Plans or Programs (2)
July 1, 2019 - July 31, 2019	17,498	$ 92.82	—	6,386,200
August 1, 2019 - August 31, 2019	11,181	73.92	—	6,386,200
September 1, 2019 - September 30, 2019	149,912	75.87	—	6,386,200
Total	178,591	77.41	—	

(1) The 178,591 total shares for the quarter ended September 30, 2019, consist solely of shares that were withheld by or returned to EOG (i) in satisfaction of tax withholding obligations that arose upon the exercise of employee stock options or stock-settled stock appreciation rights or the vesting of restricted stock, restricted stock unit, or performance unit grants or (ii) in payment of the exercise price of employee stock options. These shares do not count against the 10 million aggregate share repurchase authorization by EOG's Board of Directors (Board) discussed below.

(2) In September 2001, the Board authorized the repurchase of up to 10 million shares of EOG's common stock. During the third quarter of 2019, EOG did not repurchase any shares under the Board-authorized repurchase program.

ITEM 4. MINE SAFETY DISCLOSURES

The information concerning mine safety violations and other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K (17 CFR 229.104) is included in Exhibit 95 to this Quarterly Report on Form 10-Q.

ITEM 6. EXHIBITS

Exhibit No.		Description
3.1(a)	-	Restated Certificate of Incorporation, dated September 3, 1987 (incorporated by reference to Exhibit 3.1(a) to EOG's Annual Report on Form 10-K for the year ended December 31, 2008) (SEC File No. 001-09743).
3.1(b)	-	Certificate of Amendment of Restated Certificate of Incorporation, dated May 5, 1993 (incorporated by reference to Exhibit 4.1(b) to EOG's Registration Statement on Form S-8, SEC File No. 33-52201, filed February 8, 1994).
3.1(c)	-	Certificate of Amendment of Restated Certificate of Incorporation, dated June 14, 1994 (incorporated by reference to Exhibit 4.1(c) to EOG's Registration Statement on Form S-8, SEC File No. 33-58103, filed March 15, 1995).
3.1(d)	-	Certificate of Amendment of Restated Certificate of Incorporation, dated June 11, 1996 (incorporated by reference to Exhibit 3(d) to EOG's Registration Statement on Form S-3, SEC File No. 333-09919, filed August 9, 1996).
3.1(e)	-	Certificate of Amendment of Restated Certificate of Incorporation, dated May 7, 1997 (incorporated by reference to Exhibit 3(e) to EOG's Registration Statement on Form S-3, SEC File No. 333-44785, filed January 23, 1998).
3.1(f)	-	Certificate of Ownership and Merger Merging EOG Resources, Inc. into Enron Oil & Gas Company, dated August 26, 1999 (incorporated by reference to Exhibit 3.1(f) to EOG's Annual Report on Form 10-K for the year ended December 31, 1999) (SEC File No. 001-09743).
3.1(g)	-	Certificate of Designations of Series E Junior Participating Preferred Stock, dated February 14, 2000 (incorporated by reference to Exhibit 2 to EOG's Registration Statement on Form 8-A, SEC File No. 001-09743, filed February 18, 2000).
3.1(h)	-	Certificate of Elimination of the Fixed Rate Cumulative Perpetual Senior Preferred Stock, Series A, dated September 13, 2000 (incorporated by reference to Exhibit 3.1(j) to EOG's Registration Statement on Form S-3, SEC File No. 333-46858, filed September 28, 2000).
3.1(i)	-	Certificate of Elimination of the Flexible Money Market Cumulative Preferred Stock, Series C, dated September 13, 2000 (incorporated by reference to Exhibit 3.1(k) to EOG's Registration Statement on Form S-3, SEC File No. 333-46858, filed September 28, 2000).
3.1(j)	-	Certificate of Elimination of the Flexible Money Market Cumulative Preferred Stock, Series D, dated February 24, 2005 (incorporated by reference to Exhibit 3.1(k) to EOG's Annual Report on Form 10-K for the year ended December 31, 2004) (SEC File No. 001-09743).
3.1(k)	-	Amended Certificate of Designations of Series E Junior Participating Preferred Stock, dated March 7, 2005 (incorporated by reference to Exhibit 3.1(m) to EOG's Annual Report on Form 10-K for the year ended December 31, 2007) (SEC File No. 001-09743).
3.1(l)	-	Certificate of Amendment of Restated Certificate of Incorporation, dated May 3, 2005 (incorporated by reference to Exhibit 3.1(l) to EOG's Quarterly Report on Form 10-Q for the quarter ended June 30, 2005) (SEC File No. 001-09743).
3.1(m)	-	Certificate of Elimination of Fixed Rate Cumulative Perpetual Senior Preferred Stock, Series B, dated March 6, 2008 (incorporated by reference to Exhibit 3.1 to EOG's Current Report on Form 8-K, filed March 6, 2008) (SEC File No. 001-09743).
3.1(n)	-	Certificate of Amendment of Restated Certificate of Incorporation, dated April 28, 2017 (incorporated by reference to Exhibit 3.1 to EOG's Current Report on Form 8-K, filed May 2, 2017) (SEC File No. 001-09743).
3.2	-	Bylaws, dated August 23, 1989, as amended and restated effective as of September 22, 2015 (incorporated by reference to Exhibit 3.1 to EOG's Current Report on Form 8-K, filed September 28, 2015) (SEC File No. 001-09743).
10.1	-	Form of Performance Unit Award Agreement for Amended and Restated EOG Resources, Inc. 2008 Omnibus Equity Compensation Plan (applicable to grants made effective September 26, 2019 and subsequent grants).
31.1	-	Section 302 Certification of Periodic Report of Principal Executive Officer.
31.2	-	Section 302 Certification of Periodic Report of Principal Financial Officer.
32.1	-	Section 906 Certification of Periodic Report of Principal Executive Officer.

Exhibit No.		Description
32.2	-	Section 906 Certification of Periodic Report of Principal Financial Officer.
95	-	Mine Safety Disclosure Exhibit.
101.INS	-	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
*101.SCH	-	Inline XBRL Schema Document.
*101.CAL	-	Inline XBRL Calculation Linkbase Document.
*101.DEF	-	Inline XBRL Definition Linkbase Document.
*101.LAB	-	Inline XBRL Label Linkbase Document.
*101.PRE	-	Inline XBRL Presentation Linkbase Document.
104	-	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

*Attached as Exhibit 101 to this report are the following documents formatted in XBRL (Extensible Business Reporting Language): (i) the Condensed Consolidated Statements of Income and Comprehensive Income - Three and Nine Months Ended September 30, 2019 and 2018, (ii) the Condensed Consolidated Balance Sheets - September 30, 2019 and December 31, 2018, (iii) the Condensed Consolidated Statements of Stockholders' Equity - Three and Nine Months Ended September 30, 2019 and 2018, (iv) the Condensed Consolidated Statements of Cash Flows - Nine Months Ended September 30, 2019 and 2018 and (v) the Notes to Condensed Consolidated Financial Statements.

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 thereunto duly authorized.

EOG RESOURCES, INC.
(Registrant)

Date:	November 6, 2019	By:	/s/ TIMOTHY K. DRIGGERS Timothy K. Driggers Executive Vice President and Chief Financial Officer (Principal Financial Officer and Duly Authorized Officer)

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Section 2: EX-10.1 (PERFORMANCE UNIT AWARD AGREEMENT)

EXHIBIT 10.1

This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933.

EOG RESOURCES, INC.
PERFORMANCE UNIT AWARD AGREEMENT

Grantee: [Name] [Employee ID]

Congratulations! You have been granted an Award of EOG Resources, Inc. Performance Units as follows:

Date of Grant:	**[Grant Date]**
Performance Units granted under this Award (subject to adjustment as set forth below):	**[Units Granted]**
Vesting Date:	**The February 28th immediately following the Certification Date (as defined below)**

The Compensation Committee of the Board of EOG Resources, Inc. (the ***"Company"***) hereby grants to you, the above-named Grantee, effective as of the Date of Grant set forth above, a Performance Unit Award (the "***Award***") in accordance with the terms set forth below.

General. This Performance Unit Award Agreement (this "***Agreement***") is governed by the terms and conditions of the Amended and Restated EOG Resources, Inc. 2008 Omnibus Equity Compensation Plan (as may be amended from time to time, the ***"Plan"***), which is hereby made a part of this Agreement. All capitalized terms that are not defined in this Agreement have the meanings ascribed to them under the Plan. Under the terms of this Agreement and the Plan, a Performance Unit ledger account will be maintained by the Company (or its agent) until you become vested in the Performance Units (i.e., the lapse of the forfeiture restrictions thereon) or the Performance Units are forfeited and canceled pursuant to this Agreement.

Performance Period; TSR Rank; Performance Multiple. Upon the completion of the Performance Period (as defined on Annex A) and the certification (in writing) by the Committee of the Total Shareholder Return (as defined on Annex A) over the Performance Period of the Company and each Peer Company (as defined on Annex A) and the Company's corresponding TSR Rank (see chart on Annex A) for the Performance Period and the applicable Performance Multiple (as specified in the chart on Annex A)(the date of such certification by the Committee, the "***Certification Date***"), such Performance Multiple shall be applied to the number of Performance Units granted hereunder and, except in the case of an applicable

Performance Multiple of 100% or an applicable Performance Multiple of 0% (in which case all Performance Units granted hereunder shall be deemed forfeited and canceled), your Performance Unit ledger account shall be adjusted to reflect (i) the additional Performance Units credited to you (in the case of a Performance Multiple greater than 100%) or (ii) your decreased Performance Units (in the case of a Performance Multiple less than 100% but greater than 0%).

Voting Rights; Dividend Equivalents. You will have no voting rights with respect to the Company common stock represented by your Performance Units (including any additional Performance Units which may be credited to you upon the completion of the Performance Period based on the applicable Performance Multiple) until such time as the Company common stock is issued to you upon your vesting in the Performance Units. Dividend equivalents on unvested Performance Units shall accrue and be credited by the Company for your benefit, and any such dividend equivalents accrued and credited for your benefit shall have the same Performance Multiple applied as is applied to your Performance Units. However, such dividend equivalents shall not be paid to you until you become vested in the related Performance Units and shall be forfeited in the event of the forfeiture and cancellation of the related Performance Units pursuant to this Agreement.

Vesting. Assuming your continuous employment with the Company or an Affiliate, this Award shall vest as of the close of business on the Vesting Date, and the shares of Company common stock represented (on a one-for-one basis) by the Performance Units granted hereunder (as adjusted for the applicable Performance Multiple) and all dividend equivalents with respect to such Performance Units shall be distributed to you on the first business day following the Vesting Date or as soon as administratively practicable thereafter, but no later than 60 days after such date.

Termination of Employment. If your employment with the Company or an Affiliate terminates prior to the Vesting Date, your Performance Units granted hereunder, and any dividend equivalents credited with respect to such Performance Units, shall vest and be distributed to you, or shall be forfeited and canceled, as set forth below.

Due to Death. If your employment with the Company or an Affiliate terminates due to death on or prior to the end date of the Performance Period, (i) all forfeiture restrictions on the Performance Units granted hereunder shall lapse effective as of the date of your death; (ii) the Performance Multiple to be applied to the number of Performance Units granted hereunder shall be 100%; and (iii) all shares of Company common stock represented by the Performance Units granted hereunder shall be distributed to your beneficiary as soon as administratively practicable following your date of death, but no later than 60 days after such date. If your employment with the Company or an Affiliate terminates due to death subsequent to the end date of the Performance Period, but prior to the Vesting Date, (i) all forfeiture restrictions on the Performance Units granted hereunder shall lapse effective as of the date of your death; (ii) the Performance Multiple to be applied to the number of Performance Units granted hereunder shall be the Performance Multiple for the Performance Period as certified by the Committee; and (iii) all shares of Company common stock represented by the Performance Units granted hereunder (as adjusted for the applicable Performance Multiple) shall be distributed to your beneficiary as soon as administratively practicable following the Vesting Date, but no later than 60 days after such date.

Due to Disability. If your employment with the Company or an Affiliate terminates due to Disability prior to the Vesting Date, (i) all forfeiture restrictions on the Performance Units granted hereunder shall lapse effective as of the date of such termination; (ii) the Performance Multiple to be applied to the number of Performance Units granted hereunder shall be the Performance Multiple for the Performance Period as certified by the Committee; and (iii) all shares of Company common stock represented by the Performance Units granted hereunder (as adjusted for the applicable Performance Multiple) shall be distributed to you as soon as administratively practicable following the later of (A) the date that is six months following the effective date of such termination (to account for the six-month delay applicable to specified employees described under "*Section 409A*" below) or (B) the Vesting Date, but no later than 60 days after the later of such dates.

Due to Retirement After Age 62. If your employment with the Company or an Affiliate terminates due to Retirement prior to the Vesting Date and after attaining age 62 with at least five years of service with the Company, (i) all forfeiture restrictions on the Performance Units granted hereunder shall lapse effective as of the date of such termination; (ii) the Performance Multiple to be applied to the number of Performance Units granted hereunder shall be the Performance Multiple for the Performance Period as certified by the Committee; and (iii) all shares of Company common stock represented by the Performance Units granted hereunder (as adjusted for the applicable Performance Multiple) shall be distributed to you as soon as administratively practicable following the later of (A) the date that is six months following the effective date of such Retirement (to account for the six-month delay applicable to specified employees described under "*Section 409A*" below) or (B) the Vesting Date, but no later than 60 days after the later of such dates.

Due to Retirement Prior to Age 62. If your employment with the Company or an Affiliate terminates voluntarily prior to the Vesting Date and your termination is designated in writing by the Company as a "Company-approved Retirement prior to age 62" with at least five years of service with the Company, subject to such restrictions as the Company may impose (including, but not limited to, a six-month post-employment non-competition agreement), (i) the Performance Multiple to be applied to the number of Performance Units granted hereunder shall be the Performance Multiple for the Performance Period as certified by the Committee; and (ii) for each whole year that has passed since the Date of Grant set forth above up to and including the effective date of such Retirement, you shall be eligible to receive a distribution of one-third (33%) of the shares of Company common stock represented by the Performance Units granted hereunder (as adjusted for the applicable Performance Multiple). Such shares of Company common stock shall be distributed to you as soon as administratively practicable following the later of (A) the date that is six months following the effective date of such Retirement or (B) the Vesting Date, but no later than 60 days after the later of such dates, *provided* that you do not violate the provisions of any restrictive covenants to which you are subject (including those set forth in any post-employment non-competition agreement between you and the Company), in which case all Performance Units (including any additional Performance Units which may have been credited to you upon the completion of the Performance Period based on the applicable Performance Multiple) shall be forfeited and canceled.

Due to Involuntary Termination for Other than Performance Reasons. In the event of your Involuntary Termination for any reason other than performance reasons prior to the Vesting Date, (i) the Performance Multiple to be applied to the number of Performance Units granted hereunder shall be the Performance Multiple for the Performance Period as certified by the Committee; (ii) for each whole year that has passed since the Date of Grant set forth above up to and including the effective date of such termination, you shall be eligible to receive a distribution of one-third (33%) of the shares of Company common stock represented by the Performance Units granted hereunder (as adjusted for the applicable Performance Multiple); and (iii) such shares of Company common stock shall be distributed to you as soon as administratively practicable following the later of (A) the date that is six months following the effective date of such termination (to account for the six-month delay applicable to specified employees described under "*Section 409A*" below) or (B) the Vesting Date, but no later than 60 days after the later of such dates.

Due to Performance Reasons, Cause or Voluntary Termination. In the event of your Involuntary Termination for performance reasons, Termination for Cause, or voluntary termination prior to the Vesting Date, all Performance Units granted hereunder shall be forfeited and canceled.

Vesting Upon a Change in Control. Upon a Change in Control of the Company (as defined in the Plan) with an effective date on or prior to the end date of the Performance Period, (i) all forfeiture restrictions on the Performance Units granted hereunder shall lapse effective as of the effective date of the Change in Control of the Company; and (ii) the Performance Multiple to be applied to the number of Performance Units granted hereunder shall be based on the respective Total Shareholder Return of the Company and each of the Peer Companies over the Performance Period (using, for purposes of such Total Shareholder Return calculations, the 30 calendar day period immediately preceding the effective date of the Change in Control of the Company as the end month of the Performance Period) as certified by the Committee (or its successor).

Upon a Change in Control of the Company (as defined in the Plan) with an effective date subsequent to the end date of the Performance Period, but prior to the Vesting Date, (i) all forfeiture restrictions on the Performance Units granted hereunder shall lapse effective as of the effective date of the Change in Control of the Company; and (ii) the Performance Multiple to be applied to the number of Performance Units granted hereunder shall be the Performance Multiple for the Performance Period as certified by the Committee (or its successor).

All shares of Company common stock represented by the Performance Units granted hereunder (as adjusted for the applicable Performance Multiple) shall be distributed to you as soon as administratively practicable following the effective date of such Change in Control of the Company, but no later than 60 days after such date; provided, however, that if the event constituting the Change in Control of the Company does not qualify as a change in effective ownership or control of the Company for purposes of Section 409A, then, pursuant to Section 13.2 of the Plan, such distribution shall be delayed until the earliest time that such distribution would be Permissible under Section 409A.

Section 409A. The Plan and this Agreement are intended to meet the requirements of Section 409A and shall be administered such that any payment, settlement, or deferrals of amounts hereunder shall not be subject to any excise penalty tax that may be imposed thereunder. The Company, in its sole discretion, shall determine if you are a "specified employee" of the Company (as that phrase is defined for purposes of Section 409A) on the date of your termination of employment or your Retirement prior to the Vesting Date and whether you are subject to any six-month delay in distribution of amounts due you under this Agreement.

Delivery of Documents. By accepting the terms of this Agreement, you consent to the electronic delivery of documents related to your current or future participation in the Plan (including the Plan documents; this Agreement; any other prospectus or other documents describing the terms and conditions of the Plan and this Award; and the Company's then-most recent annual report to stockholders, Annual Report on Form 10-K and definitive proxy statement), and you acknowledge that such electronic delivery may be made by the Company, in its sole discretion, by one or more of the following methods: (i) the posting of such documents on the Company's intranet website or external website; (ii) the posting of such documents on the UBS Financial Services, Inc. website; (iii) the delivery of such documents via the UBS Financial Services, Inc. website; (iv) the posting of such documents to another Company intranet website or third party internet website accessible by you; or (v) delivery via electronic mail, by attaching such documents to such electronic email and/or including a link to such documents on a Company intranet website or external website or third party internet website accessible by you. Notwithstanding the foregoing, you also acknowledge that the Company may, in its sole discretion (and as an alternative to, or in addition to, electronic delivery) deliver a paper copy of any such documents to you. You further acknowledge that you may receive from the Company a paper copy of any documents delivered electronically at no cost to you by contacting the Company (Attention: Human Resources Department) by telephone or in writing.

This Agreement does not amend the terms and conditions of your current employment. To read and print the applicable plan or document, select the appropriate link below:

- Annual Report
- Proxy Statement
- Amended and Restated EOG Resources, Inc. 2008 Omnibus Equity Compensation Plan

As part of your acceptance of this Agreement, you also agree to adhere to Company policies, including those listed below, some of which have terms or provisions that apply beyond the term of your employment with the Company.

- Code of Business Conduct and Ethics
- Conflicts of Interest Policy
- Policy on Confidential Information
- Policy on Inventions
- Information Systems Security Policy

By accepting this Agreement, you acknowledge that you have read and agree to all of the terms and conditions set forth above. If you decide to reject the terms and conditions of this Agreement, you will decline your right to the Award, and it may be cancelled.

You are advised to print a copy of this Agreement for your records and reference.

Annex A

Definitions of Certain Terms

"Performance Period" shall mean the three-year period from and including January 1 of the year immediately following the Grant Date through December 31 of the third year immediately following the year of the Grant Date.

"Total Shareholder Return" for a company (i.e., for the Company or a Peer Company) shall mean such company's average daily closing stock price for the month immediately preceding the commencement of the Performance Period (i.e., December of the year of the Grant Date) as compared to the average daily closing stock price for the end month of the Performance Period (i.e., December of the third year immediately following the year of the Grant Date), assuming the reinvestment of dividends and as adjusted for stock splits, recapitalizations, reorganizations or other similar adjustments or changes in the company's capital structure, and expressed as a percentage increase or decrease (as the case may be) over the Performance Period.

"Peer Company" shall mean each of (i) Apache Corporation (ticker symbol: APA); (ii) Concho Resources Inc. (ticker symbol: CXO); (iii) ConocoPhillips (ticker symbol: COP); (iv) Devon Energy Corporation (ticker symbol: DVN); (v) Hess Corporation (ticker symbol: HES); (vi) Marathon Oil Corporation (ticker symbol: MRO); (vii) Noble Energy, Inc. (ticker symbol: NBL); (viii) Occidental Petroleum Corporation (ticker symbol: OXY); and (ix) Pioneer Natural Resources Company (ticker symbol: PXD) (collectively, and including any replacement Peer Company (as discussed below), the "***Peer Companies***"); provided, however, that should any Peer Company (including any replacement Peer Company) cease to be a publicly traded company as the result of the consummation of a merger, acquisition, consolidation or similar transaction during the Performance Period, then (A) such Peer Company shall, for purposes of the Committee's certification referenced above, be replaced (1) by Diamondback Energy, Inc. (ticker symbol: FANG), or (2) if Diamondback Energy, Inc. has previously been selected as a replacement Peer Company pursuant to this proviso or it has ceased to be a publicly traded company as the result of the consummation of a merger, acquisition, consolidation or similar transaction during the Performance Period, by Continental Resources, Inc. (ticker symbol: CLR), and (B) the Total Shareholder Return over the Performance Period of such replacement Peer Company shall be measured from the beginning of the Performance Period; and, provided further, should any Peer Company (including any replacement Peer Company), due to its financial performance or financial condition (e.g., bankruptcy), cease to have its voting stock be publicly traded (either temporarily or permanently), such Peer Company shall nevertheless continue to be a Peer Company for purposes of the Committee's certification referenced above.

"TSR Rank" of the Company among the Ten Total Companies (i.e., the Company and Nine (9) Peer Companies)	Applicable ***"Performance Multiple"***
1	200%
2	175%
3	150%
4	125%
5	100%
6	75%
7	50%
8	25%
9	0%
10	0%

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Section 3: EX-31.1 (SECTION 302 CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER)

EXHIBIT 31.1

CERTIFICATIONS

I, William R. Thomas, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of EOG Resources, Inc.;

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(s) 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(s) 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.

Date: November 6, 2019

/s/ WILLIAM R. THOMAS
William R. Thomas
Chairman of the Board and Chief Executive Officer
(Principal Executive Officer)

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Section 4: EX-31.2 (SECTION 302 CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER)

EXHIBIT 31.2

CERTIFICATIONS

I, Timothy K. Driggers, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of EOG Resources, Inc.;

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(s) 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(s) 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.

Date: November 6, 2019

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

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Section 5: EX-32.1 (SECTION 906 CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER)

EXHIBIT 32.1

CERTIFICATION OF PERIODIC REPORT

I, William R. Thomas, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) The Quarterly Report on Form 10-Q of the Company for the quarter ended September 30, 2019 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

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

Date: November 6, 2019

/s/ WILLIAM R. THOMAS
William R. Thomas
Chairman of the Board and Chief Executive Officer
(Principal Executive Officer)

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Section 6: EX-32.2 (SECTION 906 CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER)

EXHIBIT 32.2

CERTIFICATION OF PERIODIC REPORT

I, Timothy K. Driggers, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) The Quarterly Report on Form 10-Q of the Company for the quarter ended September 30, 2019 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 6, 2019

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

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Section 7: EX-95 (MINE SAFETY DISCLOSURE)

Exhibit 95

Mine Safety Disclosure Exhibit

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act and the related rules promulgated thereunder by the United States Securities and Exchange Commission (SEC), each operator of a coal or other mine is required to disclose certain mine safety matters in its periodic reports filed with the SEC.

EOG Resources, Inc. (EOG) has sand mining operations in Texas and Wisconsin, which support EOG's exploration and development operations. EOG's sand mining operations are subject to regulation by the federal Mine Safety and Health Administration (MSHA) under the Federal Mine Safety and Health Act of 1977 (Mine Act). MSHA inspects mining facilities on a regular basis and issues citations and orders when it believes a violation has occurred under the Mine Act.

EOG was the operator of the following sand mining facilities during the quarter ended September 30, 2019:

- Hood County Sand Plant - Hood County, TX (MSHA ID 41-04696);
- Rawhide Sand Plant - Hood County, TX (MSHA ID 41-04777); and
- Chippewa Falls Sand Plant - Chippewa County, WI (MSHA ID 47-03624).

During the quarter ended September 30, 2019, EOG did not receive any of the following from MSHA: (i) a citation for a violation of a mandatory health or safety standard that could significantly and substantially contribute to the cause and effect of a mine safety or health hazard under Section 104 of the Mine Act; (ii) an order issued under Section 104(b) of the Mine Act; (iii) a citation or order for unwarrantable failure to comply with mandatory health or safety standards under Section 104(d) of the Mine Act; (iv) written notice of a flagrant violation under Section 110(b)(2) of the Mine Act; (v) an imminent danger order issued under Section 107(a) of the Mine Act; (vi) any proposed assessments under the Mine Act; (vii) written notice of a pattern of violations of mandatory health or safety standards that are of such nature as could have significantly and substantially contributed to the cause and effect of mine health or safety hazards under Section 104(e) of the Mine Act; or (viii) written notice of the potential to have such a pattern. Moreover, during the quarter ended September 30, 2019, EOG did not experience a mining-related fatality.

In addition, as of September 30, 2019, EOG did not have any legal action pending before the Federal Mine Safety and Health Review Commission (Mine Commission), and did not have any legal actions instituted or resolved before the Mine Commission during the quarter ended September 30, 2019.

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Section 13: 10-Q (10-Q PDF FILE)

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