

EOG Resources, Inc.

EOG Resources Pledges to Work Closely With Pennsylvania Authorities on Well Control Reviews

HOUSTON, June 7 /PRNewswire/ -- As a result of a recent well control incident during the final stages of completing the Punxsutawney Hunt Club #36H natural gas well in Clearfield County, PA, EOG Resources, Inc. (NYSE: EOG) (EOG) is cooperating fully with the Pennsylvania Department of Environmental Protection (PADEP) and has voluntarily suspended operations in the Commonwealth of Pennsylvania, effective immediately.

In Bradford and Clearfield Counties where EOG has been operating a four rig drilling program, EOG has suspended drilling operations for up to seven days. Hydraulic fracturing operations have been suspended for up to 14 days and post-fracture completion and well clean-out operations have been suspended for up to 30 days. EOG will cooperate with the PADEP in the event these time periods need to be modified. During the suspension period, both EOG and the PADEP will be conducting thorough reviews of EOG's operations. EOG has hired an independent industry expert who has already begun an investigation into this incident and these findings will be shared with the PADEP.

"EOG regrets this incident and will continue to cooperate and work with the PADEP and other Pennsylvania authorities," said Gary L. Smith, Vice President and General Manager, Pittsburgh. "After the investigations are complete, we will carefully review the findings with the goal of enhancing our practices. When all outstanding issues are resolved, we look forward to resuming full operations in Pennsylvania."

The incident occurred at approximately 8:00 p.m. EDT on Thursday, June 3, 2010 when a service rig operated by a contractor was in the final stages of completing this natural gas well prior to bringing the well on production. When the incident occurred, containment trenches and sump pumps were immediately put in place to capture fluid release and well control specialists were dispatched to the wellsite. At sundown, for safety reasons, the area was secured and all personnel were moved away from the well site. The following morning the well control specialists and EOG assessed the situation and took steps to shut-in the well. They determined that no detectable amounts of natural gas were present in the area of the well. The PADEP was notified of the situation and representatives of the agency were also on location to oversee the securing of the well. At approximately 12:15 p.m. EDT on June 4, 2010, the well was secured and shut-in. The well site is in an unpopulated location approximately 11 miles from Penfield, PA. There were no fires, no injuries and no significant impact to the environment as a result of this incident.

During the 16-hour period, the well released a limited amount of flowback water, salt water and some natural gas, but the well has been completely shut-in and secured since approximately 12:15 p.m. EDT on June 4th. The containment trenches and sump pumps captured the majority of the fluids that flowed from the well during this time period. As of the morning of June 6, 2010, approximately 834 barrels (35,000 gallons) of these fluids had been recovered and are contained on location. EOG believes this is the majority of the fluids that were released from the well prior to being shut-in. EOG also immediately began monitoring nearby streams and springs to identify and respond to any impact to area water. At this time, EOG believes that any impact to area streams and springs and to the environment is minimal. All operations at this well site have been suspended and all applicable equipment has been secured pending the incident investigation.

In a preliminary assessment of the cause, it appears that the seal integrity between the pipe rams of the blow-out preventer (BOP) and the tubing was compromised allowing pressurized fluids and some natural gas to flow. The cause of this compromise is being investigated. As part of EOG's routine operating and safety procedures, the BOP had been successfully tested the morning of June 3, 2010.

EOG does not expect these voluntary suspensions to impact its previously issued 13 percent total company production growth target for 2010. Current EOG production in the Pennsylvania Marcellus Shale is approximately 11 million cubic feet per day, net, less than 1 percent of the company's current total daily production volumes.

In the Pennsylvania Marcellus, EOG has been operating a four rig drilling program. Two smaller rigs have been used to initially drill the vertical sections of the wells. Once the vertical sections are drilled, the rigs move off location to allow larger primary drilling rigs to complete the drilling operation. EOG has been operating two larger primary drilling rigs with deeper extended reach to drill the horizontal sections of the Marcellus well locations.

EOG Resources, Inc. is one of the largest independent (non-integrated) oil and natural gas companies in the United States with proved reserves in the United States, Canada, Trinidad, the United Kingdom and China. EOG Resources, Inc. is listed on the New York Stock Exchange and is traded under the ticker symbol "EOG."

This press release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, including, among others, statements and projections regarding EOG's future financial position, operations, performance, business strategy, returns, budgets, reserves, levels of production and costs 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," "goal," "may," "will" 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 or generate income or cash flows 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 and unknown 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 and extent of changes in prices for natural gas, crude oil and related commodities;
- changes in demand for natural gas, crude oil and related commodities, including ammonia and methanol;
- the extent to which EOG is successful in its efforts to discover and market reserves and to acquire natural gas and crude oil properties;
- the extent to which EOG can optimize reserve recovery and economically develop its plays utilizing horizontal and vertical drilling and advanced completion technologies;
- the extent to which EOG is successful in its efforts to economically develop its acreage in, and to produce reserves and achieve anticipated production levels from, its existing and future natural gas and crude oil exploration and development projects, given the risks and uncertainties inherent in drilling, completing and operating natural gas and crude oil wells and the potential for interruptions of production, whether involuntary or intentional as a result of market or other conditions;
- the availability, proximity and capacity of, and costs associated with, gathering, processing, compression and transportation 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;
- changes in government policies, laws and regulations, including environmental and tax laws and regulations;
- competition in the oil and gas exploration and production industry for employees and other personnel, equipment, materials and services and, related thereto, the availability and cost of employees and other personnel, equipment, materials and services;
- EOG's ability to obtain access to surface locations for drilling and production facilities;
- the extent to which EOG's third-party-operated natural gas and crude oil properties are operated successfully and economically;
- EOG's ability to effectively integrate acquired natural gas and crude oil 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;
- weather, including its impact on natural gas and crude oil demand, and weather-related delays in drilling and in the installation and operation of production, gathering, processing, compression and transportation facilities;
- the ability of EOG's customers and other contractual counterparties to satisfy their obligations to EOG and, related thereto, to access the credit and capital markets to obtain financing needed to satisfy their obligations to EOG;
- EOG's ability to access the commercial paper market and other credit and capital markets to obtain financing on terms it deems acceptable, if at all;
- the accuracy of reserve estimates, which by their nature involve the exercise of professional judgment and may therefore be imprecise;
- the timing and extent of changes in foreign currency exchange rates, interest rates, inflation rates, global and domestic financial market conditions and global and domestic general economic conditions;
- political developments around the world, including in the areas in which EOG operates;
- the extent and effect of any hedging activities engaged in by EOG;
- the timing and impact of liquefied natural gas imports;
- the use of competing energy sources and the development of alternative energy sources;
- the extent to which EOG incurs uninsured losses and liabilities;
- acts of war and terrorism and responses to these acts; and

- the other factors described under Item 1A, "Risk Factors," on pages 14 through 19 of EOG's Annual Report on Form 10-K for the fiscal year ended December 31, 2009 and any updates to those factors set forth in EOG's subsequent Quarterly Reports on Form 10-Q.

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 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.

SOURCE EOG Resources, Inc.

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