

Edgar Filing: EOG RESOURCES INC - Form 8-K

EOG RESOURCES INC
Form 8-K
April 30, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report: April 30, 2004

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

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

EOG RESOURCES, INC.

Item 9. Regulation FD Disclosure

I. Second Quarter and Full Year 2004 Forecast

The forecast items for the second quarter and full year 2004 set forth below for EOG Resources, Inc. (EOG) are based on current available information and expectations as of the date of this document. This forecast replaces and supersedes any previously issued guidance or forecast.

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Estimates are provided in the attached table, which is incorporated by reference herein.

II. 2004 Natural Gas and Crude Oil Financial Price Swap and Natural Gas Financial Collar Contracts

With the objective of enhancing the certainty of future revenues, from time to time EOG enters into NYMEX-related financial commodity price swap and collar contracts. EOG has not entered into any additional natural gas or crude oil financial price swap contracts or natural gas financial collar contracts since EOG filed its Current Report on Form 8-K on April 5, 2004, which provided an update of all such financial contracts as of that date. EOG accounts for these price swap and collar contracts using the mark-to-market accounting method.

III. Forward-Looking Statements

This document includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are not guarantees of performance. Although EOG believes its expectations reflected in forward-looking statements are based on reasonable assumptions, no assurance can be given that these expectations will be achieved. Important factors that could cause actual results to differ materially from the expectations reflected in the forward-looking statements include, among others: the timing and extent of changes in commodity prices for crude oil, natural gas and related products, foreign currency exchange rates and interest rates; the timing and impact of liquefied natural gas imports and changes in demand or prices for ammonia or methanol; the extent and effect of any hedging activities engaged in by EOG; the extent of EOG's success in discovering, developing, marketing and producing reserves and in acquiring oil and gas properties; the accuracy of reserve estimates, which by their nature involve the exercise of professional judgment and may therefore be imprecise; political developments around the world; acts of war and terrorism and responses to these acts; and financial market conditions. In light of these risks, uncertainties and assumptions, the events anticipated by EOG's forward-looking statements might not occur. EOG undertakes no obligations to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.

Definitions

\$/Bbl	US Dollars per barrel
\$/Mcf	US Dollars per thousand cubic feet
\$/Mcfe	US Dollars per thousand cubic feet equivalent
\$MM	US Dollars in millions
Mbd	Thousand barrels per day
MM	Millions
MMcfd	Million cubic feet per day
NYMEX	New York Mercantile Exchange
WTI	West Texas Intermediate

SIGNATURE

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

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EOG RESOURCES, INC.
(Registrant)

Date: April 30, 2004

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

Estimated Ranges
(See text for additional information)

	2Q 2004	Full Year 2004
Daily Production		
Natural Gas (MMcfd)		
US	615 - 640	630 - 658
Canada	180 - 220	195 - 228
Trinidad	150 - 170	160 - 180
UK North Sea		5 - 15
Total	945 - 1,030	990 - 1,081
Crude Oil (Mbd)		
US	18.4 - 21.0	18.0 - 20.0
Canada	2.3 - 2.9	2.2 - 2.6
Trinidad	2.5 - 3.2	2.4 - 3.4
Total	23.2 - 27.1	22.6 - 26.0
Natural Gas Liquids (Mbd)		
US	2.8 - 4.6	2.8 - 3.7
Canada	0.5 - 1.0	0.5 - 0.9
Total	3.3 - 5.6	3.3 - 4.6
Operating Costs		
Unit Costs (\$/Mcf)		
Lease and Well	\$0.56 - \$0.60	\$0.54 - \$0.60
Depreciation, Depletion and Amortization	\$1.06 - \$1.12	\$1.04 - \$1.12
Expenses (\$MM)		
Exploration, Dry Hole and Impairment	45.0 - 60.0	210.0 - 245.0
General and Administrative	27.0 - 30.0	105.0 - 120.0
Capitalized Interest	1.8 - 2.2	7.5 - 8.5
Net Interest	14.0 - 18.0	55.0 - 70.0
Taxes Other than Income (% of Revenue)		
Taxes		
Effective Rate	32% - 36%	32% - 36%
Deferred Ratio	55% - 80%	55% - 80%
Preferred Dividends (\$MM)	2.4 - 3.0	10.5 - 11.5
Average Shares Outstanding (MM) for Quarter ended March 31, 2004		
Basic	115.6	
Diluted	117.6	
Capital Expenditures Excluding Acquisitions (\$MM) - FY 2004		
		Approximately 1,100

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Pricing

Natural Gas (\$/Mcf)

Differentials (include the effect
of physical contracts)

United States - below NYMEX Henry Hub	\$0.27	- \$0.37	\$0.20	- \$0.40
Canada - below NYMEX Henry Hub	\$0.65	- \$1.00	\$0.70	- \$0.95

Realizations

Trinidad	\$1.25	- \$1.45	\$1.25	- \$1.50
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Crude Oil (\$/Bbl)

Differentials

US - below WTI	\$0.85	- \$1.25	\$0.80	- \$1.00
Canada - below WTI	\$3.00	- \$4.00	\$2.50	- \$4.00
Trinidad - below WTI	\$3.75	- \$4.25	\$3.25	- \$4.25