

EOG RESOURCES INC  
Form 10-Q  
May 02, 2019

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 March 31, 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 (I.R.S. Employer of incorporation or organization) 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)

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 and post 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.

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

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 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	580,324,615 (as of April 26, 2019)

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EOG RESOURCES, INC.

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## PART I. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

## EOG RESOURCES, INC.

## CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

(In Thousands, Except Per Share Data)

(Unaudited)

	Three Months Ended	
	March 31,	
	2019	2018
Operating Revenues and Other		
Crude Oil and Condensate	\$2,200,403	\$2,101,308
Natural Gas Liquids	218,638	221,415
Natural Gas	334,972	299,766
Losses on Mark-to-Market Commodity Derivative Contracts	(20,580 )	(59,771 )
Gathering, Processing and Marketing	1,285,654	1,101,822
Losses on Asset Dispositions, Net	(3,836 )	(14,969 )
Other, Net	43,391	31,591
Total	4,058,642	3,681,162
Operating Expenses		
Lease and Well	336,291	300,064
Transportation Costs	176,522	176,957
Gathering and Processing Costs	111,295	101,345
Exploration Costs	36,324	34,836
Dry Hole Costs	94	—
Impairments	72,356	64,609
Marketing Costs	1,270,057	1,106,390
Depreciation, Depletion and Amortization	879,595	748,591
General and Administrative	106,672	94,698
Taxes Other Than Income	192,906	179,084
Total	3,182,112	2,806,574
Operating Income	876,530	874,588
Other Income, Net	5,612	727
Income Before Interest Expense and Income Taxes	882,142	875,315
Interest Expense, Net	54,906	61,956
Income Before Income Taxes	827,236	813,359
Income Tax Provision	191,810	174,770
Net Income	\$635,426	\$638,589
Net Income Per Share		
Basic	\$1.10	\$1.11
Diluted	\$1.10	\$1.10
Average Number of Common Shares		
Basic	577,207	575,775
Diluted	580,222	579,726
Comprehensive Income		
Net Income	\$635,426	\$638,589
Other Comprehensive Income (Loss)		
Foreign Currency Translation Adjustments	(1,784 )	5,002

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Other, Net of Tax	6	6
Other Comprehensive Income (Loss)	(1,778	) 5,008
Comprehensive Income	\$633,648	\$643,597

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

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

	March 31, 2019	December 31, 2018
<b>ASSETS</b>		
Current Assets		
Cash and Cash Equivalents	\$1,135,810	\$1,555,634
Accounts Receivable, Net	2,203,438	1,915,215
Inventories	860,764	859,359
Assets from Price Risk Management Activities	3,909	23,806
Income Taxes Receivable	440,217	427,909
Other	263,747	275,467
Total	4,907,885	5,057,390
Property, Plant and Equipment		
Oil and Gas Properties (Successful Efforts Method)	58,691,746	57,330,016
Other Property, Plant and Equipment	4,277,888	4,220,665
Total Property, Plant and Equipment	62,969,634	61,550,681
Less: Accumulated Depreciation, Depletion and Amortization	(33,840,631 )	(33,475,162 )
Total Property, Plant and Equipment, Net	29,129,003	28,075,519
Deferred Income Taxes	1,224	777
Other Assets	1,625,423	800,788
Total Assets	\$35,663,535	\$33,934,474
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities		
Accounts Payable	\$2,452,337	\$2,239,850
Accrued Taxes Payable	239,524	214,726
Dividends Payable	126,979	126,971
Liabilities from Price Risk Management Activities	746	—
Current Portion of Long-Term Debt	914,861	913,093
Current Portion of Operating Lease Liabilities	396,294	—
Other	170,527	233,724
Total	4,301,268	3,728,364
Long-Term Debt		
Long-Term Debt	5,166,050	5,170,169
Other Liabilities	1,772,248	1,258,355
Deferred Income Taxes	4,520,172	4,413,398
Commitments and Contingencies (Note 8)		
Stockholders' Equity		
Common Stock, \$0.01 Par, 1,280,000,000 Shares Authorized and 580,740,395 Shares Issued at March 31, 2019 and 580,408,117 Shares Issued at December 31, 2018	205,807	205,804
Additional Paid in Capital	5,695,197	5,658,794
Accumulated Other Comprehensive Loss	(2,869 )	(1,358 )
Retained Earnings	14,050,676	13,543,130
	(45,014 )	(42,182 )

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Common Stock Held in Treasury, 425,637 Shares at March 31, 2019 and 385,042 Shares  
at December 31, 2018

Total Stockholders' Equity	19,903,797	19,364,188
Total Liabilities and Stockholders' Equity	\$35,663,535	\$33,934,474

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

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## EOG RESOURCES, INC.

## CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In Thousands, Except Per Share Data)

	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	—	—	—	635,426	—	635,426
Common Stock Issued Under Stock Plans	—	(1,235 )	—	—	1,694	459
Common Stock Dividends Declared, \$0.22 Per Share	—	—	—	(127,613 )	—	(127,613 )
Other Comprehensive Loss	—	—	(1,778 )	—	—	(1,778 )
Change in Treasury Stock - Stock Compensation Plans, Net	—	(5 )	—	—	(6,243 )	(6,248 )
Restricted Stock and Restricted Stock Units, Net	3	(1,404 )	—	—	1,401	—
Stock-Based Compensation Expenses	—	39,087	—	—	—	39,087
Treasury Stock Issued as Compensation	—	(40 )	—	—	316	276
Cumulative Effect of Adoption of ASU 2018-02, "Income Statement - Reporting Comprehensive Income (Topic 220)"	—	—	267	(267 )	—	—
Balance at March 31, 2019	\$205,807	\$5,695,197	\$ (2,869 )	\$14,050,676	\$(45,014)	\$19,903,797
	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	—	—	—	638,589	—	638,589
Common Stock Issued Under Stock Plans	2	1,452	—	—	—	1,454
Common Stock Dividends Declared, \$0.185 Per Share	—	—	—	(107,071 )	—	(107,071 )
Other Comprehensive Loss	—	—	5,008	—	—	5,008
Change in Treasury Stock - Stock Compensation Plans, Net	—	(7,607 )	—	—	(9,169 )	(16,776 )
Restricted Stock and Restricted Stock Units, Net	3	3,209	—	—	(3,212 )	—
Stock-Based Compensation Expenses	—	35,486	—	—	—	35,486
Treasury Stock Issued as Compensation	—	107	—	—	569	676
Balance at March 31, 2018	\$205,793	\$5,569,194	\$ (14,289 )	\$11,125,051	\$(45,110)	\$16,840,639

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)

	Three Months Ended March 31,	
	2019	2018
Cash Flows from Operating Activities		
Reconciliation of Net Income to Net Cash Provided by Operating Activities:		
Net Income	\$635,426	\$638,589
Items Not Requiring (Providing) Cash		
Depreciation, Depletion and Amortization	879,595	748,591
Impairments	72,356	64,609
Stock-Based Compensation Expenses	39,087	35,486
Deferred Income Taxes	106,324	171,362
Losses on Asset Dispositions, Net	3,836	14,969
Other, Net	2,952	2,013
Dry Hole Costs	94	—
Mark-to-Market Commodity Derivative Contracts		
Total Losses	20,580	59,771
Net Cash Received from (Payments for) Settlements of Commodity Derivative Contracts	20,846	(21,965 )
Other, Net	976	(478 )
Changes in Components of Working Capital and Other Assets and Liabilities		
Accounts Receivable	(308,996 )	(109,654 )
Inventories	(18,979 )	(106,799 )
Accounts Payable	194,082	53,652
Accrued Taxes Payable	114,998	21,950
Other Assets	(6,935 )	(8,863 )
Other Liabilities	(54,092 )	(29,055 )
Changes in Components of Working Capital Associated with Investing and Financing Activities	(94,381 )	17,988
Net Cash Provided by Operating Activities	1,607,769	1,552,166
Investing Cash Flows		
Additions to Oil and Gas Properties	(1,939,473 )	(1,365,111 )
Additions to Other Property, Plant and Equipment	(60,963 )	(76,100 )
Proceeds from Sales of Assets	15,049	2,829
Changes in Components of Working Capital Associated with Investing Activities	94,381	(18,045 )
Net Cash Used in Investing Activities	(1,891,006 )	(1,456,427 )
Financing Cash Flows		
Dividends Paid	(127,546 )	(97,026 )
Treasury Stock Purchased	(6,248 )	(16,776 )
Proceeds from Stock Options Exercised and Employee Stock Purchase Plan	403	1,453
Repayment of Finance Lease Liabilities	(3,190 )	(1,671 )
Changes in Components of Working Capital Associated with Financing Activities	—	57
Net Cash Used in Financing Activities	(136,581 )	(113,963 )
Effect of Exchange Rate Changes on Cash	(6 )	90
Decrease in Cash and Cash Equivalents	(419,824 )	(18,134 )
Cash and Cash Equivalents at Beginning of Period	1,555,634	834,228
Cash and Cash Equivalents at End of Period	\$1,135,810	\$816,094

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

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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 months ended March 31, 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 March 31,	
	2019	2018
Lease and Well	\$13.7	\$12.8
Gathering and Processing Costs	0.2	0.1
Exploration Costs	6.5	6.9
General and Administrative	18.7	15.7
Total	\$39.1	\$35.5

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.

EOG RESOURCES, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(Unaudited)

At March 31, 2019, approximately 12.9 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 \$13.9 million and \$12.0 million during the three months ended March 31, 2019 and 2018, respectively.

Weighted average fair values and valuation assumptions used to value stock option, SAR and ESPP grants during the three-month periods ended March 31, 2019 and 2018 are as follows:

	Stock Options/SARs		ESPP	
	Three Months Ended March 31,		Three Months Ended March 31,	
	2019	2018	2019	2018
Weighted Average Fair Value of Grants	\$27.19	\$28.19	\$22.98	\$23.27
Expected Volatility	31.81 %	29.01 %	36.31 %	22.04 %
Risk-Free Interest Rate	2.51 %	2.09 %	2.48 %	1.60 %
Dividend Yield	0.88 %	0.66 %	0.83 %	0.66 %
Expected Life	5.0	5.0	0.5	0.5
	years	years	years	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 three-month periods ended March 31, 2019 and 2018 (stock options and SARs in thousands):

	Three Months Ended March 31, 2019		Three Months Ended March 31, 2018	
	Number of Stock Options	Weighted Average Grant PSARs	Number of Stock Options	Weighted Average Grant PSARs
Outstanding at January 1	8,310	\$ 96.90	9,103	\$ 83.89
Granted	17	96.67	16	106.76
Exercised <sup>(1)</sup>	(43 )	69.94	(752 )	74.65
Forfeited	(48 )	105.43	(77 )	91.94
Outstanding at March 31 <sup>(2)</sup>	8,236	\$ 96.99	8,290	\$ 84.70
Vested or Expected to Vest <sup>(3)</sup>	7,892	\$ 96.53	7,940	\$ 84.38
Exercisable at March 31 <sup>(4)</sup>	3,997	\$ 86.25	3,803	\$ 76.16

The total intrinsic value of stock options/SARs exercised for the three months ended March 31, 2019 and 2018 was (1) \$1.1 million and \$28.4 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.

The total intrinsic value of stock options/SARs outstanding at March 31, 2019 and 2018 was \$51.8 million and (2) \$170.7 million, respectively. At March 31, 2019 and 2018, the weighted average remaining contractual life was 4.2 years and 4.3 years, respectively.

The total intrinsic value of stock options/SARs vested or expected to vest at March 31, 2019 and 2018 was \$51.1 (3) million and \$166.1 million, respectively. At March 31, 2019 and 2018, the weighted average remaining contractual life was 4.1 years and 4.2 years, respectively.

The total intrinsic value of stock options/SARs exercisable at March 31, 2019 and 2018 was \$43.1 million and (4) \$110.8 million, respectively. At March 31, 2019 and 2018, the weighted average remaining contractual life was 2.7 years and 2.6 years, respectively.



## EOG RESOURCES, INC.

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(Unaudited)

At March 31, 2019, unrecognized compensation expense related to non-vested stock option, SAR and ESPP grants totaled \$94.6 million. Such unrecognized expense will be amortized on a straight-line basis over a weighted average period of 1.9 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 \$23.3 million and \$22.4 million for the three months ended March 31, 2019 and 2018, respectively.

The following table sets forth restricted stock and restricted stock unit transactions for the three-month periods ended March 31, 2019 and 2018 (shares and units in thousands):

	Three Months Ended March 31, 2019		Three Months Ended March 31, 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	371	96.72	279	102.27
Released <sup>(1)</sup>	(247 )	93.37	(276 )	66.46
Forfeited	(26 )	98.11	(75 )	90.65
Outstanding at March 31 <sup>(2)</sup>	3,890	\$ 96.85	3,833	\$ 91.12

The total intrinsic value of restricted stock and restricted stock units released for the three months ended March 31, (1) 2019 and 2018 was \$22.0 million and \$28.4 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 March 31, 2019 and 2018 was \$370.2 million and \$403.5 million, respectively.

At March 31, 2019, unrecognized compensation expense related to restricted stock and restricted stock units totaled \$182.8 million. Such unrecognized expense will be amortized on a straight-line basis over a weighted average period of 1.9 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 \$1.9 million and \$1.1 million for the three-month periods ended March 31, 2019 and 2018, respectively.



EOG RESOURCES, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(Unaudited)

The following table sets forth the performance unit transactions for the three-month periods ended March 31, 2019 and 2018 (units in thousands):

	Three Months Ended March 31, 2019		Three Months Ended March 31, 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	—	—	—	—
Granted for Performance Multiple <sup>(1)</sup>	72	69.43	72	101.87
Released	—	—	—	—
Forfeited	—	—	—	—
Outstanding at March 31 <sup>(2)</sup>	611(3)	\$ 97.75	574	\$ 92.33

Upon completion of the Performance Period for the performance units granted in 2015 and 2014, a performance (1) 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 outstanding at March 31, 2019 and 2018 was approximately \$58.1 million and \$60.4 million, respectively.

(3) Upon the application of the relevant performance multiple at the completion of each of the remaining Performance Periods, a minimum of 287 and a maximum of 934 performance units could be outstanding.

At March 31, 2019, unrecognized compensation expense related to performance units totaled \$7.9 million. Such unrecognized expense will be amortized on a straight-line basis over a weighted average period of 1.6 years.

### 3. Net Income Per Share

The following table sets forth the computation of Net Income Per Share for the three-month periods ended March 31, 2019 and 2018 (in thousands, except per share data):

	Three Months Ended March 31,	
	2019	2018
Numerator for Basic and Diluted Earnings Per Share - Net Income	\$635,426	\$638,589
Denominator for Basic Earnings Per Share - Weighted Average Shares	577,207	575,775
Potential Dilutive Common Shares - Stock Options/SARs	472	1,217
Restricted Stock/Units and Performance Units	2,543	2,734
Denominator for Diluted Earnings Per Share - Adjusted Diluted Weighted Average Shares	580,222	579,726

Net Income Per Share

Basic	\$ 1.10	\$ 1.11
Diluted	\$ 1.10	\$ 1.10

The diluted earnings per share calculation excludes stock options and SARs that were anti-dilutive. Shares underlying the excluded stock options and SARs were 4.9 million and 0.2 million shares for the three months ended March 31, 2019 and 2018, respectively.

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## EOG RESOURCES, INC.

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(Unaudited)

## 4. Supplemental Cash Flow Information

Net cash paid (received) for interest and income taxes was as follows for the three-month periods ended March 31, 2019 and 2018 (in thousands):

	Three Months Ended March 31,	
	2019	2018
Interest <sup>(1)</sup>	\$47,771	\$50,103
Income Taxes, Net of Refunds Received	\$(9,307)	\$3,554

<sup>(1)</sup> Net of capitalized interest of \$7 million and \$5 million for the three months ended March 31, 2019 and 2018, respectively.

EOG's accrued capital expenditures at March 31, 2019 and 2018 were \$706 million and \$593 million, respectively.

Non-cash investing activities for the three months ended March 31, 2019 and 2018, included additions of \$62 million and \$9 million, respectively, to EOG's oil and gas properties as a result of property exchanges. Non-cash investing activities for the three months ended March 31, 2018 included additions of \$48 million to EOG's other property, plant and equipment primarily in connection with a capital lease transaction in the Permian Basin.

Cash paid for leases for the three months ended March 31, 2019, are disclosed in Note 14.

## 5. Segment Information

Selected financial information by reportable segment is presented below for the three-month periods ended March 31, 2019 and 2018 (in thousands):

	Three Months Ended March 31,	
	2019	2018
Operating Revenues and Other		
United States	\$3,977,019	\$3,571,134
Trinidad	69,868	81,013
Other International <sup>(1)</sup>	11,755	29,015
Total	\$4,058,642	\$3,681,162
Operating Income (Loss)		
United States	\$850,900	\$845,853
Trinidad	38,832	40,297
Other International <sup>(1)</sup>	(13,202)	(11,562)
Total	876,530	