

Edgar Filing: EOG RESOURCES INC - Form 8-K

EOG RESOURCES INC
Form 8-K
October 26, 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: October 26, 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.) |
|---|--|---|

| | |
|---|---------------------|
| 333 Clay Suite 4200 Houston, Texas (Address of principal executive offices) | 77002 (Zip code) |
|---|---------------------|

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions.

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

EOG RESOURCES, INC.

Item 7.01 Regulation FD Disclosure.

I. Fourth Quarter and Full Year 2004 Forecast

Edgar Filing: EOG RESOURCES INC - Form 8-K

The forecast items for the fourth quarter and full year 2004 set forth in, and incorporated herein by reference from, the table 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.

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

With the objective of enhancing the certainty of future revenues, from time to time EOG enters into New York Mercantile Exchange related financial commodity collar and price swap contracts. In addition to these financial transactions, EOG is a party to various physical commodity contracts for the sale of hydrocarbons that cover varying periods of time and have varying pricing provisions. The financial impact of these various physical commodity contracts is included in revenues at the time of settlement, which in turn affects average realized hydrocarbon prices.

(a) Natural Gas Financial Collar Contracts

Since EOG filed its Current Report on Form 8-K on October 1, 2004, EOG has entered into additional natural gas financial collar contracts covering notional volumes of 50,000 MMBtud for the month of December 2004 with a floor price of \$7.65 per MMBtu and a ceiling price of \$8.90 per MMBtu, and notional volumes of 75,000 MMBtud for the period January 2005 through March 2005 with an average floor price of \$7.77 per MMBtu and an average ceiling price of \$9.24 per MMBtu. EOG accounts for these financial collar contracts using the mark-to-market accounting method.

(b) Natural Gas Financial Price Swap Contracts

Since EOG filed its Current Report on Form 8-K on October 1, 2004, EOG has entered into additional natural gas financial price swap contracts covering notional volumes of 200,000 MMBtud for the month of November 2004 at an average price of \$6.82 per MMBtu. EOG accounts for these financial price swap contracts using the mark-to-market accounting method.

(c) Crude Oil Financial Price Swap Contracts

EOG has not entered into any additional crude oil financial price swap contracts since EOG filed its Current Report on Form 8-K on October 1, 2004, which provided an update of all such financial price swap contracts as of that date. Currently, EOG does not have any crude oil financial price swap contracts.

(d) Summary of EOG's natural gas financial collar and price swap contracts as of October 26, 2004

| Natural Gas Financial Contracts | | | | | | |
|---------------------------------|--------------|------------|----------------|------------|----------------------|------------|
| Collar Contracts | | | | | Price Swap Contracts | |
| | Floor Price | | Ceiling Price | | | Weighted |
| | Floor Range/ | Weighted | Ceiling Range/ | Weighted | | Average |
| Volume | Floor | Average | Ceiling | Average | Volume | Price |
| (MMBtud) | (\$/MMBtu) | (\$/MMBtu) | (\$/MMBtu) | (\$/MMBtu) | (MMBtud) | (\$/MMBtu) |

Edgar Filing: EOG RESOURCES INC - Form 8-K

2004

| | | | | | | | |
|-----|---------|---------------|--------|---------------|--------|---------|--------|
| Oct | 375,000 | \$4.47 - 4.75 | \$4.58 | \$4.93 - 5.19 | \$5.09 | 30,000 | \$4.80 |
| Nov | 100,000 | 6.35 | 6.35 | 7.60 - 7.64 | 7.61 | 200,000 | 6.82 |
| Dec | 50,000 | 7.65 | 7.65 | 8.90 | 8.90 | - | - |

2005

| | | | | | | | |
|---------|--------|---------------|--------|---------------|---------|---|------|
| Jan (1) | 75,000 | \$7.65 - 8.00 | \$7.77 | \$8.90 - 9.50 | \$ 9.10 | - | \$ - |
| Feb (2) | 75,000 | 7.65 - 8.00 | 7.77 | 9.19 - 9.50 | 9.32 | - | - |
| Mar (2) | 75,000 | 7.65 - 8.00 | 7.77 | 9.19 - 9.50 | 9.32 | - | - |