



## **EOG RESOURCES REPORTS SECOND QUARTER 2007 RESULTS, INCREASES FULL YEAR 2007 PRODUCTION GROWTH TARGET TO 11.5 PERCENT**

- High Rate Oil Wells Announced in North Dakota
- Improved Completions Reflected in Johnson County Well Results
- Plans to Divest Shallow Natural Gas Assets in Appalachia

FOR IMMEDIATE RELEASE: Thursday, August 2, 2007

HOUSTON - EOG Resources, Inc. (EOG) today reported second quarter 2007 net income available to common of \$306.1 million, or \$1.24 per share. This compares to second quarter 2006 net income available to common of \$329.6 million, or \$1.34 per share.

The results for the second quarter 2007 included a previously disclosed \$44.1 million (\$28.4 million after tax, or \$0.12 per share) net gain on the mark-to-market of financial commodity price transactions. During the quarter, the net cash realized related to financial commodity contracts was \$18.6 million (\$12.0 million after tax, or \$0.05 per share). Consistent with some analysts' practice of matching realizations to settlement months, adjusted non-GAAP net income available to common for the quarter was \$289.7 million, or \$1.17 per share. Adjusted non-GAAP net income available to common for the second quarter 2006 was \$285.3 million, or \$1.16 per share. (Please refer to the attached tables for the reconciliation of adjusted non-GAAP net income available to common to net income available to common.)

### **2007 Production Growth Target Increased**

"Based on the increased momentum of our production growth, we are raising our full year 2007 total company growth target from 10 to 11.5 percent," said Mark G. Papa, Chairman and Chief Executive Officer. "One hundred percent of this growth is organic, which is significant for a company our size."

The increased 2007 production growth target is primarily driven by higher than anticipated United States crude oil and natural gas liquids (NGL) production for the second half of the year. Outstanding results from recent horizontal oil wells drilled in the North Dakota Bakken Play have boosted EOG's confidence in increasing oil production targets. In the western counties of the Fort Worth Basin Barnett Shale, recent wells have produced natural gas yielding stronger than anticipated NGL production.

### **Operational Highlights**

EOG's natural gas production in the United States increased approximately 24 percent for the second quarter over the same period a year ago with particularly robust growth from the Fort Worth Basin Barnett Shale, East Texas, Rocky Mountain and Mid Continent areas.

In the Barnett Shale, EOG continues to make improvements in the application of well completion technology that has led to higher initial production rates and potentially higher recovery efficiencies, particularly in Johnson County. In East Texas, a new natural gas processing facility has provided additional capacity for EOG's natural gas production from the Branton Field where eight wells are producing approximately 14 million cubic feet per day (MMcfd), net.

Outside of the Barnett Shale, total production in the United States and Canada increased approximately 7 percent for the first six months of 2007 as compared to the same period a year ago, in part due to a 12 percent increase in United States crude oil and condensate production driven by drilling programs in North Dakota, Texas and Kansas. EOG is applying horizontal drilling technology to oil plays in both North Dakota and the Mid Continent. Currently operating a four-rig drilling program in the North Dakota Bakken, EOG plans to add an additional rig in the fourth quarter. In the Mid Continent area, recent success has set up several offset drilling locations for the second half of 2007.

While maintaining an active exploration effort in the pursuit of shale gas opportunities in Appalachia, EOG announced its intention to sell its shallow gas assets and associated 18 MMcfd of current natural gas production in the area. The sale is expected to close in either late 2007 or early 2008. Proceeds from the sale will be used to fund EOG's core portfolio and resource plays that have greater potential for production and reserve growth. Following the divestiture, EOG will continue to target an average of 9 percent total company production growth for 2008.

## Well Highlights

### North Dakota Bakken

- *Zacher 1-24H* - EOG has a 75 percent working interest in the Zacher 1-24H that was completed in June with a peak production rate of 1,774 barrels of oil per day (Bopd), gross.
- *Hoff 1-10H* - EOG has a 75 percent working interest in the Hoff 1-10H, which began flowing to sales in June at a peak rate of 2,034 Bopd, gross.
- *N&D 1-05H* - EOG holds a 67 percent working interest in the N&D 1-05H, which was completed in July at an initial peak production rate of 1,610 Bopd, gross.

### Fort Worth Basin Barnett Shale - Johnson, Palo Pinto and Hood Counties

- *Hughes Unit #1H* - EOG completed the Hughes Unit #1H during the second quarter. The well, located in central Johnson County, flowed to sales at a peak production rate of 12 MMcfd, gross. EOG has an 86 percent working interest in the well.
- *Eagle Ford C Unit #4H and #5H* - Drilled in the eastern part of Johnson County, the two wells were completed in June with initial production rates of 6.7 and 7.7 MMcfd, respectively. EOG has a 100 percent working interest in both wells.
- *Maples Unit #1H, #2H and #3H* - EOG completed the three Maples Unit wells during July in eastern Johnson County. EOG has a 54 percent working interest in these three wells that began flowing to sales at initial production rates ranging from 5.8 to 9.9 MMcfd, gross.
- *McInroe A Unit #1H* - EOG has a 100 percent working interest in this western extension well in Palo Pinto County. The McInroe A Unit #1H, which tested at a rate of 2.6 MMcfd, will be connected to sales during the third quarter.
- *Mabery A and B Unit #1H* - Drilled in EOG's western extension acreage in Hood County, the wells began initial production in July at 1.8 and 2.1 MMcfd, gross, respectively. EOG has a 78 percent working interest in both the Mabery A and B Unit #1H.

### Mid Continent

- *Willis 23 #1* - EOG's second oil discovery from the St. Louis Formation in Kansas, the Willis 23 #1, began flowing to sales at a rate of 800 Bopd. EOG has a 100 percent working interest in the well.
- *Cooper 358 #1H* - A horizontal Cleveland well in the Texas Panhandle, the Cooper 358 #1H tested at 3.0 MMcfd and 700 Bopd. EOG has a 100 percent working interest in the well.

### Conference Call Scheduled for August 3, 2007

EOG's second quarter 2007 conference call will be available via live audio webcast at 9 a.m. Central Daylight Time (10 a.m. Eastern Daylight Time) Friday, August 3, 2007. To listen, log on to [www.eogresources.com](http://www.eogresources.com). The webcast will be archived on EOG's website through Friday, August 17, 2007.

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, offshore Trinidad and the United Kingdom North Sea. 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 and Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical facts, including, among others, statements regarding EOG's future financial position, business strategy, budgets, reserve information, projected levels of production, projected costs and plans and objectives of management for future operations, are forward-looking statements. EOG typically uses words such as "expect," "anticipate," "estimate," "strategy," "intend," "plan," "target" and "believe" or the negative of those terms or other variations of them or by comparable terminology to identify its forward-looking statements. In particular, statements, express or implied, concerning future operating results, the ability to replace or increase reserves or to increase production, or the ability to generate income or cash flows are forward-looking statements. 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, interest rates and financial market conditions;
- the extent and effect of any hedging activities engaged in by EOG;
- the timing and impact of liquefied natural gas imports;
- changes in demand or prices for ammonia or methanol;
- 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;
- the ability to achieve production levels from existing and future oil and gas development projects due to operating hazards, drilling risks and the inherent uncertainties in predicting oil and gas reservoir performance;
- the availability and cost of drilling rigs, experienced drilling crews, tubular steel and other materials, equipment and services used in drilling and well completions;
- the availability, terms and timing of mineral licenses and leases and governmental and other permits and rights of way;
- access to surface locations for drilling and production facilities;
- the availability and capacity of gathering, processing and pipeline transportation facilities;
- the availability of compression uplift capacity;
- the extent to which EOG can economically develop its Barnett Shale acreage outside of Johnson County, Texas;
- whether EOG is successful in its efforts to more densely develop its acreage in the Barnett Shale and other production areas;
- political developments around the world and the enactment of new government policies, legislation and regulations;
- acts of war and terrorism and responses to these acts; and
- weather, including weather-related delays in the installation of gathering and production facilities.

In light of these risks, uncertainties and assumptions, the events anticipated by EOG's forward-looking statements might not occur. Forward-looking statements speak only as of the date made and EOG undertakes no obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.

The United States Securities and Exchange Commission (SEC) permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. As noted above, statements of proved reserves are only estimates and may be imprecise. Any reserve estimates provided in this press release that are not specifically designated as being estimates of proved reserves may include not only proved reserves, but also other categories of reserves that the SEC's guidelines strictly prohibit EOG from including in filings with the SEC. Investors are urged to consider closely the disclosure in EOG's Annual Report on Form 10-K for fiscal year ended December 31, 2006, available from EOG at P.O. Box 4362, Houston, Texas 77210-4362 (Attn: Investor Relations). You can also obtain this form from the SEC by calling 1-800-SEC-0330 or from the SEC's website at [www.sec.gov](http://www.sec.gov).

[Click here to see Financial Tables](#)

[Earnings Release](#)

[Financial Reports](#)

**Investors**

Maire A. Baldwin  
(713) 651-6EOG (651-6364)

**Media and Investors**

Elizabeth M. Ivers  
(713) 651-7132