

EOG Resources (EOG)

Energy – Exploration and Production

April 10, 2024

Stock Rating

BUY

Investment Thesis

We recommend a **BUY** rating with a target price of \$145-\$155 for EOG Resources, amounting to a potential upside of 13%. What will differentiate upstream players going forward is their operational efficiency and cost-effectiveness. EOG Resources, despite its relatively small scale to large players, has proven to be at the forefront of the utilization of technology to optimize operations. Their production, which we forecast to increase by 7%, has the potential to see both short-term and long-term gains.

Drivers of Thesis

- EOG Resources is a low-cost producer at \$4.02 a barrel of equivalent.
- Current high oil prices are temporary. The upstream players that will do well going forward are those with operational efficiency such as EOG.
- The Verde pipeline set to be completed this year will connect Dorado gas play to the Agua Dulce gas market saving \$0.20 to \$0.30 per Mcf.
- EOG Resources increased their regular dividend by 10% last year and plans for future growth which we anticipate will be upwards of 10%.

Risks to Thesis

- If domestic and global activity increases substantially, EOG is not investing into new exploration activities to capitalize on large production growth.
- As OPEC cuts continue to be deep, they have built substantial reserve capacity and can flush the market and stunt U.S. production.
- EOG is developing its natural gas portfolio and optimizing its distribution, if the pause on LNG exports is not as short-lived as expected, EOG may not be able to utilize their infrastructure as they otherwise would.

Earnings Estimates

Year	2021	2022	2023	2024E	2025E	2026E
EPS	\$7.99	\$13.22	\$13.00	\$11.43	\$11.89	\$12.10
HF est.				\$12.45	\$12.95	\$10.56
growth		65.4%	-1.6%	-12%	4.0%	14.6%

12 Month Performance



Target Price

\$145-155

Henry Fund DCF	\$145
Henry Fund DDM	\$120
Relative Multiple	\$142

Price Data

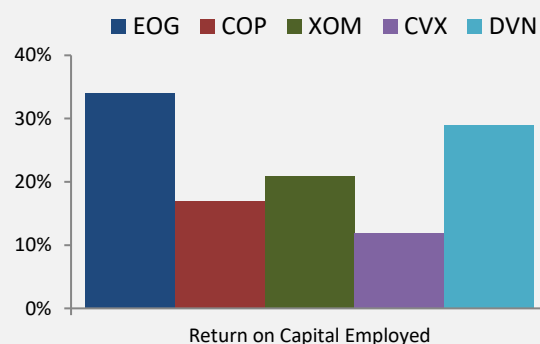
Current Price	\$137
52wk Range	\$106 – 137
Consensus 1yr Target	\$138.66

Key Statistics

Market Cap (B)	\$76.95
Shares Outstanding (M)	\$581
Institutional Ownership	91.2%
Beta	0.96
Dividend Yield	2.75%
Est. 5yr Growth	-1.00%
Price/Earnings (TTM)	10.17
Price/Earnings (FY1)	8.97
Price/Sales (TTM)	3.33
Price/Book (mrq)	2.71

Profitability

Operating Margin	41.8%
Profit Margin	32.63%
Return on Assets (TTM)	13.99%
Return on Equity (TTM)	28.73%



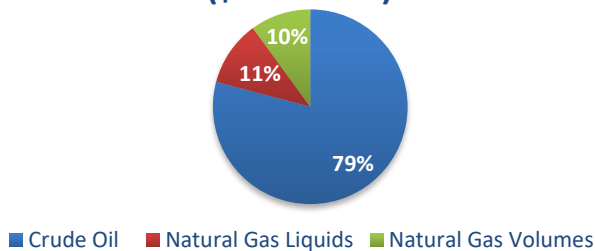
Company Description

EOG Resources is a prominent U.S. exploration and production company headquartered in Houston, Texas. EOG Resources is known for its innovative approach in the energy sector and its early adoption of technologies such as horizontal drilling and hydraulic fracturing. EOG's business strategy focuses on cost efficiency and premium plays that offer high returns on investment. They have plays across the Permian, Eagle Ford, and Bakken Formations.

COMPANY DESCRIPTION

Previously known as Enron Oil & Gas Company in their inception in 1985 when they were a part of Enron, headquartered in Houston, Texas, EOG Resources gained independence from its parent company in 1999¹. EOG’s operations primarily revolve around key producing basins within the United States but maintain some activities internationally. EOG largely focuses its operations on crude oil extraction, but it also engages in natural gas plays to a lesser extent. The chart below highlights the revenue contributions of EOG Resource’s different products:

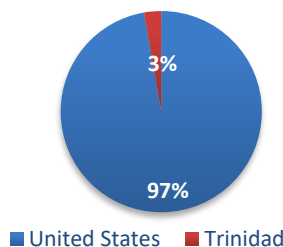
Revenue Breakdown by Product (\$23 Billion)



Source: EOG 10k

With regards to their international operations, EOG mainly operates in the Republic of Trinidad and Tobago (Trinidad) due to their substantial natural gas reserves and supportive government policies. EOG is also preparing to enter offshore Australia, as they have acquired a 100% interest in a block located offshore Western Australia in 2021¹. Nonetheless, their operations internationally are dwarfed in comparison to domestic operations as is illustrated below:

Production By Geographic Location



Source: EOG 10k

A key differentiator of EOG Resources is their industry leading cost efficiency, high returns, and innovation

exemplified by metrics relative to their peers. Technologies such as three-dimensional seismic and micro seismic data, enhanced drilling and completion technologies tailored for horizontal drilling amongst others are at the forefront of their operations.

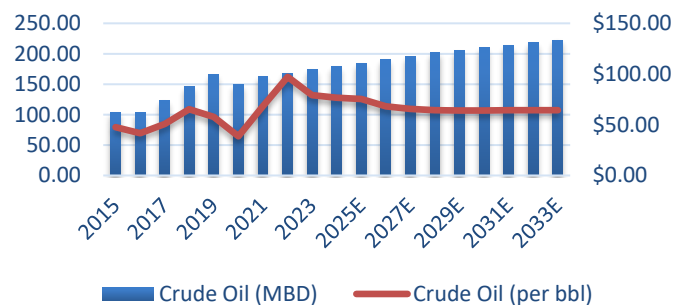
REVENUE DRIVERS

Crude Oil

Most of EOG’s crude oil production takes place in the Delaware Basin and Eagle Ford Play in the South Texas Area; these operations account for 88.72% of crude oil production¹. Within the Delaware Basin, particularly in the Wolf Camp and Bone Spring plays, EOG has leveraged co-development plays to optimize the use of its acreage. Co-development in the context of oil and gas refers to the development of multiple layers or zones of hydrocarbon-bearing formations which allows for greater cost efficiency and increased recovery rates.

Only 0.12% of crude oil production in 2023 took place outside the United States (in Trinidad), highlighting their focus on domestic operations. Over the last 10 years, oil has accounted for 52% of their production and 78% of their revenues¹. We forecast crude oil production will continue to account for most of EOG’s production, though we anticipate its proportion of total production will decrease slightly to 47% in 2024; our forecasts reflect the decline in crude oil production contribution to total production in recent years. Crude oil production growth will be similar to 2023 as we anticipate a marginal growth in production of 3.2%. We also anticipate average sales prices for crude oil, derived from CME Group futures prices, to decline marginally over the next 5 years and consolidate around \$64. The chart below highlights our crude oil production and price forecasts for EOG Resources:

Crude Oil Production vs Price



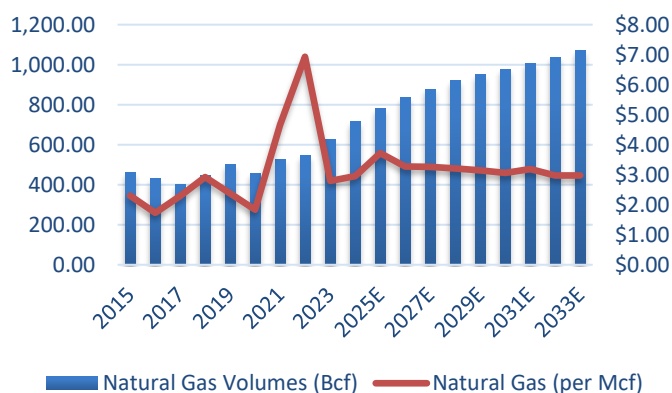
Source: EOG 10k

Given current reserves and annual production rates, EOG can continue to produce for 12 years if no new discoveries are made.

Natural Gas

Though natural gas only accounted for 29% of total production in 2023, we anticipate this number to increase relatively quickly as EOG continually looks to develop their natural gas production. Our current estimates indicate natural gas will account for 33% of total production in two years' time as they expand natural gas activities. The South Texas Dorado gas play has seen the completion of 28 net wells in 2023 and EOG expects to complete 25 more in 2024¹. Moreover, EOG is planning to improve the value chain of their natural gas operations with regards to linking the Dorado gas play to the Agua Duce gas market near Corpus Christi in Texas; Agua Duce is a major hub for the distribution and sale of natural gas and is a vital component of the United States natural gas infrastructure¹. We believe such a move will increase market access, achieve better natural gas pricing due to reduced transportation costs, and increase strategic flexibility in adjusting to the demands of the market. We forecast natural gas production to increase 14.2% in 2024 to 713 billion cubic feet (Bcf) per year, representing strong yet a marginally lower growth rate from the previous year of 14.5%. Though natural gas sales prices have dipped in 2023, in large part due to a milder winter and increased inventory, we anticipate prices will continue to rise over the next three years, reaching \$3.7 in 2025. The chart below highlights our forecasts for EOG Resource's natural gas production and sales prices.

Natural Gas Production vs Price



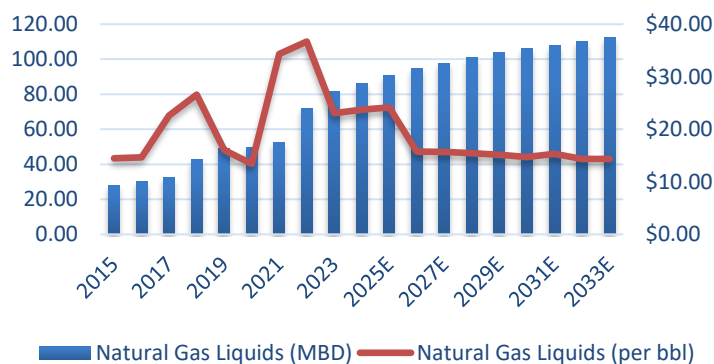
Source: EOG 10k

As with their crude oil operations, most of their operations are within the United States; though, in the case of natural gas, 9% of production is from international operations, namely within Trinidad. EOG Resources, through subsidiaries such as EOG Resources Trinidad Limited, holds natural gas interests in multiple areas such as the Southeast Coast Consortium (SECC) Block and the Sercan Area. EOG is also looking to expand offshore Trinidad natural gas production in 2024 with plans to complete wells in the Modified U(a) block, drill exploratory wells in the SECC block, and construct platforms in the Mento Area¹. Such efforts reinforce our forecasts for increased natural gas production in the coming years.

Natural Gas Liquids

EOG Resources processes its natural gas production to obtain natural gas liquids (NGLs) using undisclosed third party facilities in addition to facilities owned by EOG. Though NGLs accounted for 6% less than natural gas in total production in 2023 at 23%, they accounted for 1% more in total revenues than natural gas at 11%. The main driver is NGL prices, which have not seen the same decline as natural gas prices have in in the last year. Going forward, we anticipate prices will slowly decline since they are still elevated post-2022, the year that saw elevated natural gas prices specifically due to geopolitical events such as the weaponization of natural gas supplies by Russia. The chart below highlights our forecasts for both NGL production and prices:

NGL Production vs Price



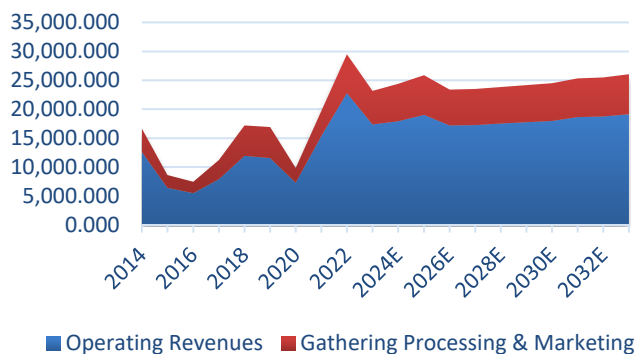
Source: EOG 10k

Gathering Processing and Marketing

Beyond selling their own products, EOG Resources earns revenues through the selling of third-party commodities.

EOG adds value by gathering and processing the products using excess capacity at EOG-owned facilities. Additionally, EOG also earns money by charging fees for the gathering and processing of natural gas for other companies and selling EOG-owned sand. EOG has made significant investments in sand mines and processing plants in Wisconsin to produce high-quality quartz sand which is a key material in the hydraulic fracturing of oil and natural gas wells¹. As a result, though many upstream oil and gas firms tend to break even with their purchased commodities, through their additional tangent revenue streams in gathering, processing, and marketing products, EOG is able to compliment the sales of their own products with additional revenue streams. Though this segment saw 13% lower revenues from 2022 due to lower margins, we forecast revenue from this segment will continue to increase as prices stabilize with an 11% increase in 2024. The chart below highlights the contribution of gathering, processing and marketing to operating revenues:

Gathering, Processing & Marketing Contribution



Source: EOG 10k

COST DRIVERS

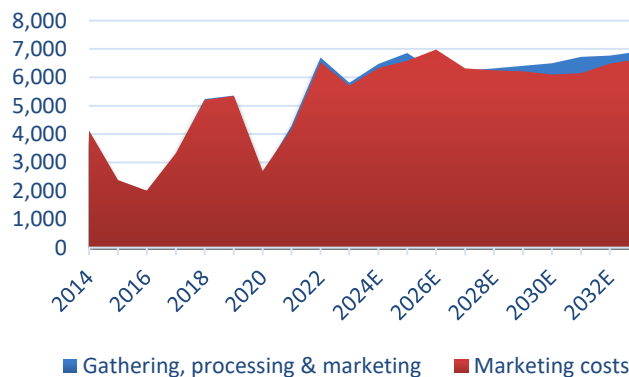
Recent inflationary pressures on cost structure impacted finding and development costs due to increased prices for drilling services and materials. Excluding depreciation and amortization, the following costs represented roughly 75% of total operating costs in the previous year: Marketing costs, lease and well costs, and transportation costs.

Marketing Costs

Marketing costs are the largest cost driver in EOG Resource’s expenses, representing the expenses related to the purchasing of third-party products and their respective

transportation costs, accounting for 38% of total operating expenses over the last three years. Additionally, marketing costs encompass costs tied to the sale of EOG-owned sand to third parties. Though marketing costs are substantial in comparison to other expenses, they are negated through the sale of purchased commodities. Nonetheless, over the last three years, marketing costs have averaged 97.7% of gathering, processing, and marketing revenues, down from 101.3% in the previous three years. In the short term, we forecast the marketing costs will increase beyond the revenue generated in the gathering, processing, and marketing segment as a result of margins on energy prices which we forecast will decrease. Over the long term, however, we anticipate that marketing costs will continue to grow with gathering, processing, and marketing revenues, but will represent a smaller fraction of the revenue segment due to increased efficiencies contributing to the corresponding revenue segment. By 2030, we forecast marketing costs will have grown by 7.6% from current dollar amounts but will only account for 91.4% of the corresponding revenue segment. The chart below superimposes marketing costs on the revenue segment, highlighting the increased marketing costs that we forecast will result in a net loss in the purchasing and selling of commodities followed by a net profit starting in 2028:

Marketing Costs & Gathering Processing and Marketing Revenues



Source: EOG 10k

Lease and Well

Lease and well expenses represent the costs to operate and maintain the natural gas and crude oil wells, lease and well administrative expenses and workover operations.

Though lease and well expenses have increased 9% in 2023 from the previous year due to higher operating and maintenance costs in the United States and Trinidad, the ratio of lease and well expenses to operating revenues have decreased from 8.7% to 5.5% over the last three years from the three years before that¹, amounting to a significant 37% decline. We believe this highlights the increased efficiency related to this cost segment and we anticipate the previous three years to be more indicative of lease and well expenses as a proportion of operating sales going forward.

Transportation Costs

Transportation costs entail the costs related to the delivery of hydrocarbon products, which include transportation fees, compression and dehydration costs, storage and terminal fees, and other expenses related to EOG-owned transportation assets. EOG saw slight decreases in transportation costs in 2023, down to \$957 million from \$966 million the previous year, largely due to decreased activity in the Eagle Ford play (\$37 million) and Rocky Mountain area (\$6 million). Though there were substantial decreases in transportation costs in these areas, there were increases in these costs in the Permian Basin (\$20 million) and the Dorado gas play (\$9 million) due to increased activity in these areas. As such, the decreases in transportation costs in 2023 were marginal and the average ratio of transportation costs to operational revenues has been relatively constant over the last few years as they reflect the activity level in different regions. We forecast future transportation costs to be in line with the historical average over the most recent three years of 3.9% of operating revenues.

Debt Maturity Analysis

Currently possessing a A- credit rating by S&P Global, EOG repaid \$1,250 million in 2.625% Senior Notes upon their maturity in March of 2023. Additionally, in June 2023, EOG entered into a \$1.9 billion senior unsecured revolving credit agreement with a maturity of June 2028 that also entails a provision to allow EOG to request increasing credit to \$3 billion⁷. As of December of 2023, EOG had \$3,640 million in senior notes outstanding, representing a decrease from \$4,890 the previous year¹. The future maturities of EOG's debt as of December 2023 are staggered with no maturities in 2024, \$500 million due in 2025, \$750 million due in 2026, and \$140 million due in 2028. EOG possesses short-term liquidity advantages

having no maturities in 2024 which we believe is beneficial given the uncertain operating environment in the current year, granting them flexibility in allocating resources to operational needs. The following table highlights EOG Resources' debt maturity schedule:

Five-Year Debt Maturity Schedule		
Fiscal Year	Coupon (%)	Payment (\$mil)
2024		0
2025	3.15%	\$500
2026	4.15%	\$750
2027		0
2028	6.65%	\$140
Thereafter		\$2250
Total		\$3640

Source: EOG Resources 10-K

EOG's debt to total capitalization ratio decreased in 2023 from 2022, from 17% to 12%, respectively. This change is reflective of a reduction in EOG's use of leverage and lower reliance on debt financing.

RECENT DEVELOPMENTS

Recent Earnings Announcement

EOG Resources hit record production in 2023, producing more than one million barrels of oil equivalent per day (MBOED) with an adjusted net income of \$6.8 billion and a return on capital employed of 31%. EOG generated \$5.1 billion in free cash flow and returned more than 85% of this to shareholders⁷, which is higher than their cash return commitment. Additionally, EOG's dividend strategy entails growth, having already increased its regular dividend by 10% last year. The company is conservative and disciplined with regard to capital and will continue to opt for investments with the potential to earn 30% after-tax returns at \$40 oil and \$2.50 natural gas⁷, which we believe will continue to place great emphasis on healthy free cash flow and shareholder return commitments.

EOG forecasts increasing operations that entail a \$6.2 billion capital plan in 2024 (expenditures), growing oil production and total production by 3% and 7% respectively¹. The company is currently focused on operational execution through enhancing its use of propriety technology and technical expertise to aid cost reductions and well performance. Similarly, strategic infrastructure assets are being developed, such as the

Janus natural gas processing plant and Verde natural gas pipeline, to enhance margins.

Ohio Utica

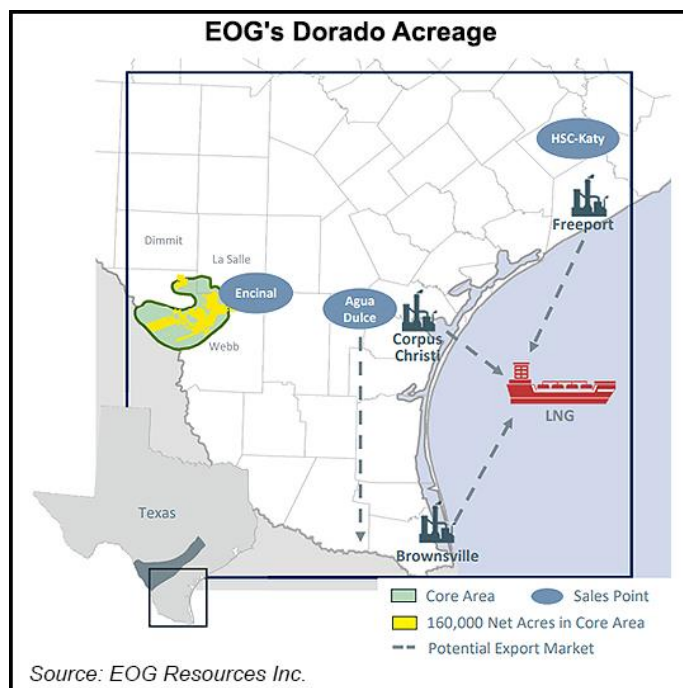
EOG Resources has substantially increased its focus on Ohio Utica Shale, as it now controls over 430,000 acres¹. The Ohio Utica play is one of EOG's premium plays in that it offers high return potential due to its high organic content and its ideal depth and pressure conditions for drilling. In 2024, EOG is planning to increase activity in the area and employ a full-time rig. The initial testing phase has offered optimistic results with the four-well Timberwolf package (a group of wells drilled within a defined area to maximize extraction efficiency), featuring 1,000ft spacing, performing exceptionally well; each three-mile lateral averaged 2,150 barrels of oil equivalent per day (BOED) over the span of 30 days⁷. The output EOG has experienced during the testing phase is greater than the general curve of the play and what average performance typically looks for wells in this area.

Moreover, EOG is developing the Xavier well package in Ohio Utica which is an advanced drilling project that includes completion designs tested in the Wolf camp formation of the Delaware Basin; it will use 800-ft spacing, a tighter spacing designed to further enhance efficiency and output through improved reservoir management and increased well density. We anticipate that EOG's more aggressive commitment to the Ohio Utica play will offer greater and more cost-effective production as well as provide further diversification to its portfolio.

Dorado Gas

The Dorado play in South Texas is a significant expansion in EOG's natural gas portfolio. The Dorado gas play possesses an estimated 21 trillion cubic feet (Tcf) of natural gas and is one of the most economically attractive gas opportunities in the United States with breakeven prices at less than \$1.25 per thousand cubic feet equivalent (Mcf)⁷. In 2024, EOG expects to complete 25 net Dorado wells and complete major infrastructure projects to connect the Dorado gas play to the Agua Dulce gas market near Corpus Christi in Texas¹. The aforementioned projects include the Verde 36-inch natural gas pipeline that will significantly reduce transportation costs and potentially save \$0.20 to \$0.30 per Mcf over the life of the asset⁷. The first phase of this pipeline, ending in Freer, Texas is currently operational,

and the second phase extending it to Agua Dulce is expected to reach completion later this year. As a result, we forecast EOG will see significant increases in natural gas production capacity in the coming two years. The following image highlights the Dorado gas plays' location in relation to the Agua Dulce gas market (does not extend into Mexico):



Source: EOG 10k

OPEC

Going into 2024, OPEC had deepened its cuts in pursuit of price stability, amounting to roughly 2 million barrels a day. The production cuts have proved to be effective as WTI crude prices currently sit at \$86.9, a 24% increase year to date. The success of the current production regime is likely to mean an unchanged output policy until their next meeting in June at the very least. If cuts were to extend into the second half of 2024, a tight market and higher oil prices would be beneficial for EOG, where crude oil represents 79% of revenue. Oil prices of \$80 - \$90 have proved comfortable for OPEC countries who now collectively maintain spare capacity of roughly 6.1 million barrels per day. Such spare capacity allows OPEC to further adjust supply to mitigate price volatility in the case of supply disruptions or potential spikes in demand. The consequence of this is greater predictability in EOG's pricing environment. As OPEC has been adjusting its output, non-OPEC producers, especially those from North America, have been gaining market share. Over the past

decade, OPEC’s share of the global oil market has decreased by about 10 percentage points, while North American shale operators have increased their share by 9 percentage points. Consequently, analysts from the IEA expect that the continued shift in market dynamics will decrease the needed amount of oil to balance global markets. Such dynamic shifts may also incentivize participating OPEC countries who have lower fiscal breakeven prices to oppose limiting production as Angola did in December of 2023, leading to their departure in January of 2024. Countries like Gabon, Equatorial Guinea, and the Republic of Congo, who have already left OPEC in the past, might reconsider their membership depending on the longevity of current production cuts.

INDUSTRY TRENDS

ESG Analysis

EOG Resources has outlined targets revolving around a reduction of emissions with current goals to achieve net zero emissions for Scope 1 and Scope 2 greenhouse gas emissions (GHG) by 2040. Scope 1 emissions pertaining to those that emerge from company operations directly and Scope 2 emissions pertaining to those resulting from the generation of purchased electricity consumed by the company. EOG Resource’s last update with regards to ESG efforts is their 2022 sustainability report, where in one year they had decreased GHG intensity rates by 5% and decreased methane emissions by 33%. Methane emissions in 2022 were 0.04%, lower than their targeted 0.06%, signifying successful efforts to reduce emissions. Moreover, in 2023, EOG had zero routine flaring (a practice that burns off excess natural gas released during the oil extraction process since there is no economical way to capture or transport it). The table below details EOG’s ESG rating alongside their industry peers.

Company	ESG Rating	
EOG Resources	34.1	High
ExxonMobil	41.6	Severe
Chevron	36.8	High
Marathon Petroleum	30.5	High
Devon Energy	32.6	High

Source: *Sustainalytics*

Mergers & Acquisitions

The exploration and production sector has seen increased mergers and acquisitions activity throughout 2023, a trend that we believe will continue. ExxonMobil, aiming to be the top oil producer in the Permian Basin, is involved in a deal to acquire Pioneer Natural Resources for \$64.5 billion. The acquisition to is set to double ExxonMobil’s holdings in the Permian as well as improve current upstream assets. Additionally, ExxonMobil purchased Denbury Inc for \$4.9 billion.

Similarly, Chevron has sought expansion through acquisitions, agreeing to purchase Hess Corporation for \$60 billion after acquiring PDC Energy for \$6.2 billion earlier in August of 2023. The addition of PDC Energy increased Chevron’s global production from 3.15 million barrels of oil equivalent per day (BOED) in the third quarter to 3.4 BOED in the fourth quarter¹³. The exploration and production oil and gas industry in the United States has seen mergers and acquisitions in 2023 totaling \$192 billion¹⁴.

Following their acquisition of Yates Petroleum Corp. in 2016, EOG Resources has not been involved in any recent mergers and acquisitions activity. The company has favored organic growth in recent years and continues to focus on expanding and developing their current portfolio, as they have done in the Utica Shale with the acquisition of a substantial acreage in late 2022 for a little under \$500 million. Looking forward, we anticipate EOG will remain an independent firm and will not be involved in any deals, but we expect continued expansions to their current operations.

E&P Technology and Advancements

U.S. oil production has nearly tripled in the last two decades as a result of technological advancements and innovations within the industry. According to S&P Global Commodity Insights, the last two years have seen a 10% increase in the amount of feet drilled per day as a result of enhanced drilling efficiencies. In devoting substantial resources towards increasing operating efficiency, EOG employs advanced technology such as three-dimensional seismic and micro seismic data, alongside the development of reservoir simulation models. By providing detailed images of the geological subsurface and monitoring the fracturing process as it takes place, EOG is able to reduce costs related to unsuccessful drilling

operations and optimize fracture designs to minimize waste and increase efficiency. EOG also uses advanced drilling motors in their Motor Program which has led to a 15% improvement in the footage drilled per rig over the course of 2023. EOG has also expanded its super zipper frac operations across its multi-basin portfolio, reducing the time between fracs and decreasing the required number of frac fleets (the practice involves staggered fracturing of two horizontal wells that are parallel and close to each other) ⁷. EOG’s hydraulic fracturing operations have also been seeing improvements as each frac fleet was able to complete 7% more well footage in 2023⁷. Though we anticipate efficiency gains to continue to increase across the entire upstream segment, we believe EOG Resources will continue to outpace their peers with regard to efficient use of technology to decrease costs and improve operations.

MARKETS AND COMPETITION

Power of Buyers

Global market forces primarily direct the prices for oil and gas as opposed to the influence of individual producers and consumers. Major purchasers include refineries and distribution chains as well as international and national oil companies which choose oil based on established international benchmarks such as the Brent Blend for the Atlantic region, WTI for the Americas and Dubai/Oman for Asia.

Power of Suppliers

The supplier landscape is dominated by large integrated oils that maintain a comprehensive role in the energy industry’s ecosystem as well as oil-rich countries such as those in OPEC that are able to collectively leverage substantial pricing power. Nonetheless, there are those oil-rich countries that lack the technology to develop their oil reserves, such as Venezuela and Mexico, that face disadvantages with regards to bargaining power.

Barriers to Entry & Substitutes

The oil industry exhibits high barriers to entry as a result of the substantial capital necessary and the existing dominance of well-established corporations that also grow increasingly more consolidated. Though the FTC enforces antitrust laws to prevent monopolistic practices, new entrants are still rare. Substitutive renewable energy

sources like wind and solar are gaining momentum in areas like Texas due to cost competitiveness, but we do not anticipate them to displace fossil fuels in the near future, in large part due to the consistent reliability of oil-based fuels that renewable energy currently lacks.

Peers

The table aggregates EOG’s peer group with respect to their market capitalizations, sales and net incomes:

Company	Market Cap	Total Sales	Net Income
ExxonMobil	474.9	\$344.6	\$36.1
ConocoPhillips	153.2	\$58.6	\$11.0
Devon Energy	33.1	\$15.3	\$3.7
Chevron	292.7	\$200.9	\$21.4
EOG Resources	76.8	\$24.2	\$7.6

Source: FactSet

ExxonMobil - XOM

ExxonMobil is one of the world’s largest integrated oil companies with heavy exploration and production activity within the Guyana-Suriname Basin, Permian Basin, and offshore Brazil. Their production amounted to almost 3.8 million barrels of oil equivalent (MMBOED) in 2023. ExxonMobil is also expanding their ventures in the LNG market, specifically within Papua New Guinea and Mozambique.

ConocoPhillips - COP

ConocoPhillips is an independent exploration and production firm with operations in 13 countries. They possess significant operations in the Permian Basin, North Sea and Eagle Ford shale. They produced 1.3 (MMBOED) in 2023 and possess a diverse portfolio of both resource-rich unconventional assets as well as conventional assets.

Devon Energy - DVN

Devon Energy is an independent upstream player that operates primarily within the United States, with activities in the Delaware Basin and Eagle Ford shale. The company produced over 600,000 BOED in 2023. Devon Energy is committed to adopting technological advancements in drilling and production processes and maintain significant investments in sustainability and reducing emissions.

Chevron - CVX

Chevron has a prominent presence in the energy sector, with significant exploration and production activities in the Permian Basin, Gulf of Mexico, and Kazakhstan. Chevron’s production in 2023 amounted to 3 MMBOED. They also operate a strong downstream business, possessing refineries as well as thousands of retail locations worldwide.

PEER COMPARISON METRICS

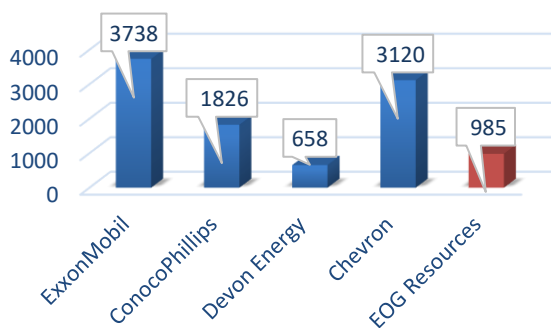
Industry Operating Metrics

Operating metrics specific to the upstream exploration and production segment can serve as a better measure to understand and compare companies.

Daily BOE

The daily production of barrels of oil equivalent (BOE) metric is helpful in comparing upstream players as it provides a standardized measure of their total production output. The metric allows for the comparison of productivity and output of a company relative to it’s peers and highlights a company’s scale and, by extension their market positioning. Looking at the chart below, denoting 2023 production, ExxonMobil has the highest daily production of 3.7 million BOE, reflecting their strong production capacity and large market share. Chevron comes in second place, with 3.1 million barrels per day.

Daily BOE (Thousands)



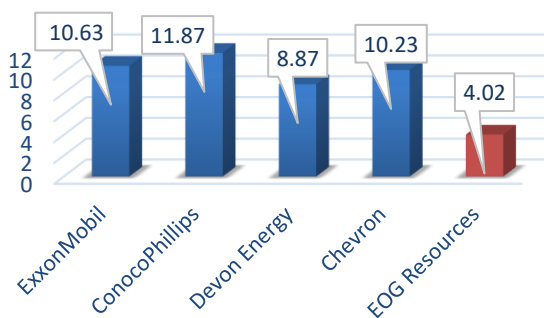
Source: Factset

Cost per BOE

The cost per BOE metric allows for the assessment of an exploration and production company’s efficiency and competitiveness. It measures the cost of producing one

barrel of oil equivalent. As illustrated in the chart below, EOG Resources maintains the lowest cost per BOE at \$4.02, which suggests exceptional operational efficiency and cost-effectiveness. EOG has stressed their efforts to continue lowering their production costs, which are already substantially lower than other upstream players that are larger in size and scale.

Cost per BOE

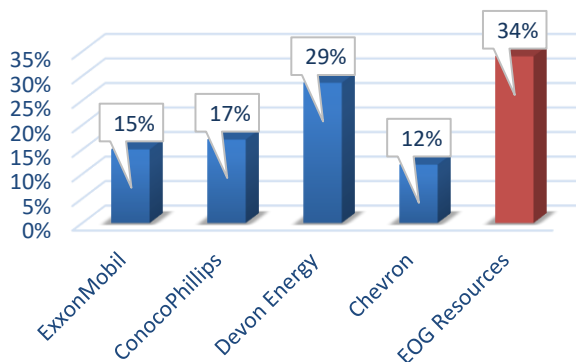


Source: Factset

Return on Capital Employed (ROCE)

Return on capital employed (ROCE) is a financial ratio that examines a company’s profitability and efficiency given the capital employed in it’s operations (unlike ROIC, it excludes short term liabilities and focuses on capital employed in operations). EOG Resources possesses the highest ROCE at 34% as indicated by the table below. This denotes significant efficient use of capital relative to it’s peers. Given their low costs per unit of oil equivalent production, such a high ROCE is confirmation of their successful production optimization efforts. Devon Energy also exhibits an ROCE above the industry average at 28%.

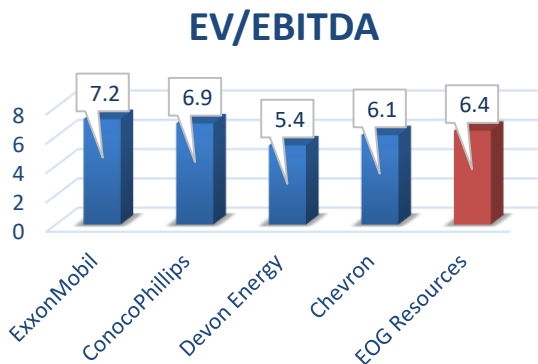
Return on Capital Employed



Source: Factset

EV/EBITDA

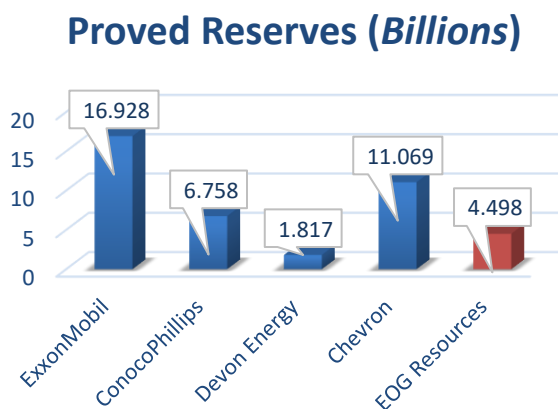
The EV/EBITDA ratio is a good metric to value a company in relation to its core earnings for exploration and production companies as they are capital intensive. Devon Energy possesses the lowest EV/EBITDA at 5.4, signaling it may be potentially undervalued. Conversely, ExxonMobil has the highest EV/EBITDA at 7.2, which may indicate it is overvalued.



Source: Factset

Proved Reserves

Proved reserves represent the estimated volumes of hydrocarbon resources that are expected to be commercially recoverable from identified reservoirs given current operating and economic conditions. The metric may offer insight into future production potential and the company's current asset base. Though ExxonMobil and Chevron have the highest proved reserves, it is key to consider their scale as the largest U.S. integrated oils. EOG Resources and ConocoPhillips, independent U.S. upstream players, still have noteworthy proved reserves, at 4.5 and 6.6 billion BOE respectively as depicted in the chart below:



Source: Factset

The number of years left of current "inventory" or production capacity was derived by dividing proved reserves by annual production. The table below highlights the number of years left to extract with current reserves:

Company Name	Years of Inventory
ExxonMobil	12
ConocoPhillips	10
Devon Energy	8
Chevron	10
EOG Resources	13

Source: FactSet

ECONOMIC OUTLOOK

Real GDP Growth

GDP growth estimates suggest a generally moderated economic outlook both globally and domestically in the United States. Analysts at the Atlanta Fed⁹ forecast a real GDP growth rate of 2.5%, while Henry Fund forecasts it marginally higher at 2.8%. The International Monetary Fund (IMF)¹⁰, projects global GDP growth at 3.1% in 2024, up from previous estimates. Overall, while we forecast growth, we believe the growth will be relatively muted and tempered by economic pressures and inflation control. Such tempered growth will affect exploration and production companies' capital expenditure decisions and would result in more cautious use of capital expenditures; EOG Resources' activity supports this theory as they prioritize cost efficiency and high return projects over new exploration projects. We also foresee moderate growth to place a ceiling on energy prices which would cause EOG Resource's revenues to be suboptimal yet more predictable.

Inflation

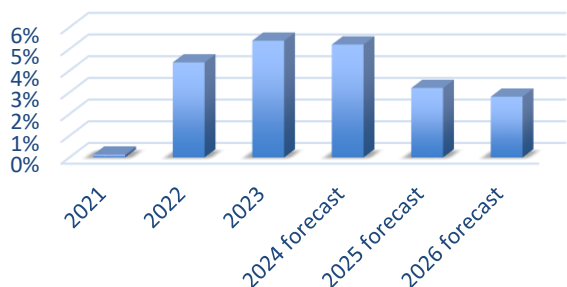
Inflation has several implications on exploration and production companies as it impacts operational costs, capital expenditures and commodity prices. Recently, inflation has caused EOG's finding and development costs to increase to \$7.2 per BOE in 2023, up from \$5.1 per BOE the previous year, highlighting the effects of direct cost inflation. Inflation is forecasted to moderate in the United States, with J.P. Morgan¹¹ placing their predictions around 3%; the Henry Fund forecasts are no different at 3.1%. As

inflation moderates, the operational expenses for labor and machinery will ease and potentially improve profit margins. Moreover, lower inflation may stabilize global purchasing power, thereby increasing demand for energy leading to higher energy prices. As a result, we anticipate moderating inflation to have a positive impact on EOG Resources through lower operational costs and increased demand.

Interest Rates

Expectations in the United States suggest a reduction in the federal funds rate from the current 5.25%-5.50% range to roughly 4.75%-5.00% by the end of 2024¹⁶. We believe this is a somewhat aggressive stance and instead anticipate one to two cuts throughout the year with the fed funds rate sitting at 5.00%-5.25% by year end. Interest rate cuts would have several implications on upstream players such as EOG Resources such as lower cost of capital and higher energy demand coinciding with general economic growth with lower rates. Though EOG has focused its efforts on operational efficiency and funding existing projects, we believe that aggressive rate cuts would influence its strategy and increase the likelihood of new exploration projects. Given our interest rate forecasts, however, we anticipate a continued focus on cost-reduction and efficiencies with current operations. The chart below highlights current interest rate forecasts:

U.S. Federal Funds Rate



Source: Statista

VALUATION

Production Growth

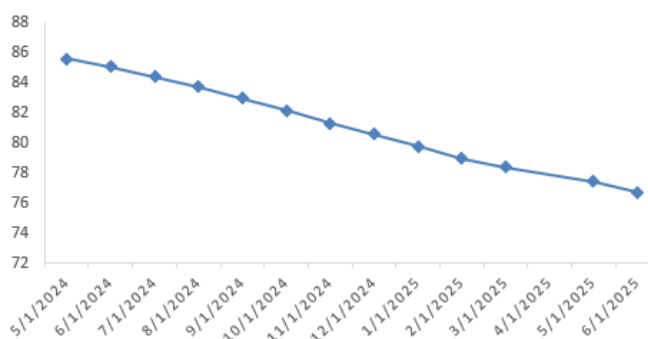
We forecast EOG Resources will see a 7% increase in the production of oil equivalents in 2024, corresponding to 384 million BOE. The main driver behind the increase of

total production is natural gas, which we anticipate will see a 14.2% growth in production in 2024, marginally lower than the 14.5% growth seen in 2023. Increases in gas production can be attributed to their developments in the Dorado play in South Texas as well as the Delaware Basin, where new wells and the development of the 36-inch pipeline facilitate higher production levels. Following the developments surrounding the Dorado gas play, we do not anticipate any large exploration projects in the coming years given EOG's focus on current operations, which tempers our total production estimates for the latter half of the decade.

Revenue Growth

EOG Resources experienced 21% lower revenue in 2023 from the preceding year as a result of lower demand for energy. Since 79% of EOG's revenue is attributed to crude oil, the near 20% reduction in average crude oil sales prices in 2023 relative to 2022 can explain the majority of the 21% lower revenue. Looking forward, though WTI crude oil prices currently sit at \$86, we forecast an average sales price of roughly \$77 in 2024. We believe prices are artificially high as a result of deep OPEC cuts that will inevitably ease as well as tensions in the Middle East whose impact on prices will eventually subside. Reinforcing our outlook, we used futures prices from the CME Group to forecast crude oil prices in our model, and futures prices also depict lower prices through 2033. Futures prices for crude oil are currently in backwardation as indicated by the oil futures chart below, and we foresee this trend to continue given near-term uncertain domestic and global environments.

CME CRUDE OIL FUTURES PRICES



Since oil represents such a large proportion of EOG's performance, the sensitivity table below highlights how production and price assumptions would alter our forecasted price:

2024 Crude Oil Price	DCF							
		2024 Crude oil Production Growth						
	0.00	0.01	0.02	0.03	0.04	0.05	0	
145.95								
61.81	137.63	139.37	141.12	142.86	144.60	146.34	148	
66.81	138.64	140.39	142.14	143.89	145.64	147.39	149	
71.81	139.64	141.40	143.16	144.92	146.68	148.44	150	
76.81	140.64	142.41	144.18	145.95	147.72	149.49	151	
81.81	141.64	143.42	145.20	146.99	148.77	150.55	152	
86.81	142.65	144.44	146.23	148.02	149.81	151.60	153	
91.81	143.65	145.45	147.25	149.05	150.85	152.65	154	

Source: EOG 10k

Price estimates for natural gas were also retrieved from the CME group and are forecasted to peak in 2025 at \$3.72 per Mcf and decrease through 2033. With respect to natural gas liquids, there is no benchmark for prices; to mitigate this in our model, natural gas liquid prices were forecasted from future natural gas prices using the ratio of natural gas liquids to natural gas over the previous 10 years. The interpolation makes sense as natural gas liquids are components of natural gas isolated from the gas state. Cumulatively, we forecast EOG will experience marginally higher revenue growth in 2024 for a total of \$24.4 billion in operating revenues.

Capital Expenditures

EOG Resources disclosed their management’s guidance for capital expenditures in 2024, amounting to \$6.2 billion, a 6% decrease from capital expenditures the previous year. The capital expenditures for 2024 highlight the investments in their Ohio Utica play and the infrastructure projects surrounding the Dorado Gas play with the Verde pipeline set to reach completion this year. Beyond 2024, we forecasted capital expenditures using a 10 year historical average.

Operating Expenses

In forecasting marketing costs, which represent costs incurred in the purchase of commodities, we used a 10-year average of the ratio of marketing costs to their corresponding revenue segment, gathering, processing, and marketing. Transportation, gathering, and processing costs were forecasted based on the volume of production by calculating the average transportation, gathering, and processing costs per BOE. The average cost per BOE of the most recent three years was used to forecast future costs since EOG has optimized its operations and reduced costs per BOE over the years.

WACC Assumptions

The Henry Fund constructed a Weighted Average Cost of Capital of 8.73% for EOG Resources using the following assumptions:

- **Risk-Free Rate:** The risk-free rate of 4.26% is the current 10 US year treasury note.
- **Beta:** A raw (historical) beta of 0.96 was sourced from Bloomberg.
- **Equity Risk Premium:** A Henry Fund consensus of an equity risk premium of 5% was utilized.
- **Pre-Tax Cost of Debt:** A pre-tax cost of debt of 5.23% was derived as an interpolated point on Bloomberg’s issuer curve.
- **Tax Rate:** Using their historical average, we derived an implied marginal tax rate of 22.17%.

DCF / EP Models

The DCF and EP models produced an implied price of \$145, representing a nearly 6% increase from the current price. We believe the implied prices is a fair estimate that considers the Henry Fund’s relatively conservative assumptions with regard to energy prices. The continuing value growth rate used was 2%, as we anticipate hydrocarbon energy to lose momentum passed 2033. The 5% equity risk premium assumption used also reflects a rather conservative estimate that was derived as an average between Damodaran’s equity risk premium and the historical geometric average. Lower equity risk premiums significantly raise our implied price; therefore, we feel confident with the implied price of \$145 serving as the bottom of the target range.

Relative Valuation

In our relative valuation model, we assessed EOG Resources relative to its peers within the industry. With the exception of Marathon Petroleum, peers used in the relative valuation were upstream players of varying sizes. The P/E valuation model produced a price of \$143 based on 2024 EPS figures. These implied prices indicate that EOG is undervalued relative to its peers, which we believe to be an accurate assessment given the vast differences in their operating efficiencies as discussed earlier in the operating metrics section. Nonetheless, we are cautious to depend on this valuation measure as some of its peers are

integrated oils and the revenue-driving forces are not entirely equivalent.

DDM Model

The DDM model produced the lowest stock price compared to the other models with an implied price of \$120. We are not relying heavily on this model as EOG does not have predefined regular dividend schedules, having issued dividend payments in 2023, 8 in 2022, and 4 in 2020. Based on the historical trend, we forecast dividend payment frequency to rely heavily on the specific operating environment in the respective year. As a result, we recommend utilizing the DDM model as a sanity check.

RECOMMENDATION SUMMARY

In assessing EOG's performance with respect to the current operating climate, the following are the key drivers behind our recommendation:

- We forecast EOG will continue to see efficiency gains in their low-cost operations, offering a competitive edge when energy prices decrease.
- Current high oil prices are temporary and the result of OPEC cuts and global volatilities; stripping these factors that are driving upstream performance, operations dictate the longevity of a company in this space.
- The Verde natural gas pipeline will allow for greater strategic flexibility in their growing natural gas portfolio.
- Domestic and global activity will see growth even if muted, resulting in stable increases in production and revenues.

Despite EOG Resource's relatively small operations, it is our view that, regardless of scale, the operations will define the longevity of the business and the value brought to shareholders. EOG's conservative use of capital and emphasis on generating free cash flow is vital to an investment decision for such a company in a capital-intensive industry.

Looking at the operating environment, domestic and international growth will continue to provide upward pressure on prices when temporary influences subside. Nevertheless, such upward pressures will not be enough to keep prices in the \$80-\$90 range that upstream players currently enjoy.

In summary, the Henry Fund has placed a BUY rating on EOG Resources but advocates for the buy order to be placed when the transient high energy prices subside as that will have a dramatic difference on the entry price.

REFERENCES

1. EOG Resources 10k
2. ConocoPhillips 10k
3. Chevron 10k
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5. Marathon Petroleum 10k
6. ExxonMobil 10k
7. Bloomberg
8. Factset
9. Atlanta Fed
10. IMF
11. J.P. Morgan
12. Statista
13. Reuters
14. Evaluate Energy
15. Conference Board
16. CME Group

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EOG Resources
Revenue Decomposition

<i>Fiscal Years Ending Dec. 31</i>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Operating Revenues	16,639	8,656	7,463	11,206	17,177	16,942	9,873	19,669	29,492	23,182	24,392.79	25,869.72	23,396.96	23,508.66	23,829.87	24,327.34	24,675.73	25,521.97	25,689.67	26,245.55
		-48%	-14%	50%	53%	-1%	-42%	99%	50%	-21%	5%	6%	-10%	0%	1%	2%	1%	3%	1%	2%
Average Net Production (Yearly)																				
Crude Oil (MBD)	105.40	103.80	103.40	122.70	146.00	166.60	149.80	162.30	168.30	173.70	179.29	184.51	190.05	195.75	201.62	207.67	211.82	216.06	220.38	224.79
		-1.5%	-0.4%	18.7%	19.0%	14.1%	-10.1%	8.3%	3.7%	3.2%	3.2%	2.9%	3.0%	3.0%	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%
Natural Gas Liquids (MBD)	29.30	28.10	29.90	32.30	42.50	48.90	49.80	52.70	72.10	81.70	86.10	90.45	94.97	97.82	100.76	103.78	105.86	107.97	110.13	112.34
		-4.1%	6.4%	8.0%	31.6%	15.1%	1.8%	5.8%	36.8%	13.3%	5.4%	5.1%	5.0%	3.0%	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%
Natural Gas Volumes (Bcf)	494.00	462.00	430.00	402.00	445.00	499.00	458.00	524.00	546.00	625.00	713.94	781.55	836.26	878.07	921.97	949.63	978.12	1,007.46	1,037.69	1,068.82
		-6.5%	-6.9%	-6.5%	10.7%	12.1%	-8.2%	14.4%	4.2%	14.5%	14.2%	9.5%	7.0%	5.0%	5.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Total Production (MBOED)	217.10	208.90	205.00	222.30	262.50	298.60	275.90	302.50	331.50	359.40	384.38	405.22	424.40	439.92	456.04	469.72	480.70	491.94	503.46	515.26
	217.03																			
Average Sales Price																				
Crude Oil (per bbl)		47.53	41.76	50.91	65.21	57.72	38.63	68.50	97.21		76.81	75.42	68.20	65.78	64.45	64.09	64.10	64.25	64.45	64.45
Natural Gas Liquids (per bbl)	31.91	14.49	14.63	22.61	26.60	16.03	13.41	34.35	36.70	23.07	23.76	24.16	15.75	15.69	15.44	15.17	14.74	15.35	14.35	14.35
Natural Gas (per Mcf)	3.88	2.30	1.73	2.29	2.92	2.38	1.83	4.66	6.93	2.79	2.95	3.72	3.27	3.26	3.21	3.15	3.06	3.19	2.98	2.98
Sales by Product																				
Crude oil & condensate	9,742.48	4,934.56	4,317.34	6,256.40	9,517.44	9,612.53	5,785.61	11,125.00	16,367.00	13,748.00	13,771.51	13,915.79	12,961.13	12,876.26	12,994.39	13,309.46	13,577.77	13,881.73	14,203.44	14,487.51
Natural gas liquids	934.05	407.66	437.25	729.56	1,127.51	784.82	667.51	1,812.00	2,648.00	1,884.00	2,045.63	2,185.32	1,495.85	1,534.85	1,555.71	1,574.36	1,560.33	1,657.40	1,580.41	1,612.02
Natural gas	1,916.39	1,061.04	742.15	921.93	1,301.54	1,184.10	837.13	2,444.00	3,781.00	1,744.00	2,106.12	2,907.36	2,734.56	2,862.50	2,959.53	2,991.34	2,993.05	3,213.81	3,092.31	3,185.08
Purchased Commodities																				
Gathering, processing & marketing	4,046.32	2,253.14	1,966.26	3,298.09	5,230.36	5,360.28	2,582.98	4,288.00	6,696.00	5,806.00	6,469.54	6,861.26	6,205.42	6,235.05	6,320.24	6,452.18	6,544.58	6,769.03	6,813.51	6,960.94

EOG Resources
Income Statement

Fiscal Years Ending Dec. 31	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Operating Revenues and Other																				
Crude oil & condensate	9,742	4,935	4,317	6,256	9,517	9,613	5,786	11,125	16,367	13,748	13,772	13,916	12,961	12,876	12,994	13,309	13,578	13,882	14,203	14,488
Natural gas liquids	934	408	437	730	1,128	785	668	1,812	2,648	1,884	2,046	2,185	1,496	1,535	1,556	1,574	1,560	1,657	1,580	1,612
Natural gas	1,916	1,061	742	922	1,302	1,184	837	2,444	3,781	1,744	2,106	2,907	2,735	2,863	2,960	2,991	2,993	3,214	3,092	3,185
Gains (losses) on mark-to-market commodity derivative contracts	834	62	-100	20	-166	180	1,145	-1,152	-3,982	818	0	0	0	0	0	0	0	0	0	0
Gathering, processing & marketing	4,046	2,253	1,966	3,298	5,230	5,360	2,583	4,288	6,696	5,806	6,470	6,861	6,205	6,235	6,320	6,452	6,545	6,769	6,814	6,961
Gains (losses) on asset dispositions, net	508	-9	206	-99	175	124	-47	17	74	95	95	95	95	95	95	95	95	95	95	95
Other operating revenues, net	54	48	81	82	90	134	61	108	118	91	146	155	140	140	142	145	147	152	153	157
Total operating revenues & other	18,035	8,757	7,651	11,208	17,275	17,380	11,032	18,642	25,702	24,186	24,633	26,119	23,632	23,744	24,067	24,568	24,918	25,769	25,938	26,497
Operating Expenses																				
Lease & well	1,416	1,182	927	1,045	1,283	1,367	1,063	1,135	1,331	1,454	1,346	1,428	1,291	1,297	1,315	1,343	1,362	1,408	1,418	1,448
Transportation costs	972	849	764	740	747	758	735	863	966	957	983	1,036	1,085	1,125	1,166	1,201	1,229	1,258	1,287	1,317
Gathering & processing costs	146	146	123	149	437	479	459	559	621	663	681	718	752	779	808	832	851	871	892	912
Exploration costs	184	149	125	145	149	140	146	154	159	181	270	287	259	260	264	270	273	283	285	291
Dry hole costs	48	15	11	5	5	28	13	71	45	1	36	39	35	35	36	36	37	38	38	39
Impairments	744	6,614	620	479	347	518	2,100	376	382	202	0	0	0	0	0	0	0	0	0	0
Marketing costs	4,126	2,386	2,008	3,330	5,203	5,352	2,698	4,173	6,535	5,709	6,521	6,908	6,215	6,233	6,311	6,446	6,538	6,732	6,790	6,952
Depreciation, depletion & amortization	3,997	3,314	3,553	3,409	3,435	3,750	3,400	3,651	3,542	3,492	3,519	3,764	3,968	4,156	4,308	4,466	4,600	4,707	4,817	4,930
General & administrative	402	367	395	434	427	489	484	511	570	640	699	736	780	706	709	719	734	744	770	775
Taxes other than income	758	422	350	545	772	800	478	1,047	1,585	1,284	1,260	1,347	1,420	1,488	1,542	1,599	1,646	1,685	1,724	1,765
Total operating expenses	12,794	15,444	8,876	10,282	12,806	13,681	11,576	12,540	15,736	14,583	15,315	16,261	15,806	16,078	16,458	16,910	17,270	17,726	18,021	18,429
Operating income (loss)	5,242	-6,686	-1,225	926	4,469	3,699	-544	6,102	9,966	9,603	9,318	9,858	7,826	7,666	7,609	7,658	7,648	8,043	7,917	8,068
Other income (expense), net	-45	2	-51	9	17	31	10	9	114	234	254	91	292	402	576	745	969	1,131	1,346	1,562
Income (loss) before interest expense & income taxes	5,197	-6,684	-1,276	936	4,486	3,730	-534	6,111	10,080	9,837	9,572	9,949	8,118	8,068	8,185	8,404	8,617	9,174	9,262	9,630
Net interest expense	201	237	282	274	245	185	205	178	179	148	283	294	247	248	234	265	217	207	197	186
Income (loss) before income taxes	4,995	-6,922	-1,558	661	4,241	3,545	-739	5,933	9,901	9,689	9,289	9,655	7,871	7,820	7,951	8,139	8,400	8,967	9,065	9,444
Income tax provision (benefit)	2,080	-2,397	-461	-1,921	822	810	-134	1,269	2,142	2,095	2,059	2,140	1,745	1,733	1,762	1,804	1,862	1,988	2,010	2,093
Net income (loss)	2,915	-4,525	-1,097	2,583	3,419	2,735	-605	4,664	7,759	7,594	7,230	7,515	6,127	6,086	6,188	6,335	6,538	6,979	7,056	7,351
Weighted average shares outstanding - basic	543	546	553	575	577	578	579	581	583	581	581	580	580	580	579	578	577	576	575	575
Year end shares outstanding	548	550	577	578	580	582	584	585	588	581	580	580	580	579	578	577	576	576	575	574
Net income (loss) per share - basic	5.60	-8.29	-1.98	4.49	5.93	4.73	-1.04	8.03	13.31	13.07	12.45	12.95	10.56	10.50	10.69	10.96	11.33	12.11	12.26	12.79
Dividends declared per common share	0.59	0.67	0.67	0.67	0.81	1.08	1.50	4.99	8.88	5.89	7.21	7.50	6.12	6.08	6.20	6.35	6.57	7.02	7.11	7.41

EOG Resources
Balance Sheet

Fiscal Years Ending Dec. 31	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Current Assets																				
Cash & cash equivalents	2,087	719	1,600	834	1,556	2,028	3,329	5,209	5,972	5,278	1,880	6,066	8,339	11,947	15,466	20,102	23,455	27,916	32,416	37,204
Accounts receivable, net	1,779	931	1,216	1,597	1,915	2,002	1,522	2,335	2,774	2,716	2,683	2,845	2,573	2,585	2,621	2,675	2,714	2,807	2,825	2,886
Inventories	707	599	350	484	859	767	629	584	1,058	1,275	1,030	1,086	1,137	1,179	1,222	1,259	1,288	1,318	1,349	1,381
Assets from price risk management activities	465	-	-	8	24	1	65	-	-	106										
Income taxes receivable	72	41	12	113	428	152	23	-	97	0										
Other current assets	287	156	207	242	275	323	294	456	574	560	543	576	521	523	531	542	549	568	572	584
Total current assets	5,416	2,592	3,555	3,279	5,057	5,273	5,862	8,584	10,475	9,935	6,136	10,574	12,570	16,235	19,840	24,578	28,006	32,609	37,163	42,055
Property Plant and Equipment																				
Oil & gas properties (successful efforts method)	46,504	50,613	49,592	52,556	57,330	62,830	64,793	67,644	67,322	72,090	78,090	80,933	83,776	86,619	89,462	92,305	95,148	97,991	100,834	103,676
Other property, plant & equipment	3,751	3,987	4,009	3,961	4,221	4,472	4,479	4,753	4,786	5,497	5,836	6,176	6,515	6,854	7,194	7,533	7,872	8,212	8,551	8,890
Total property, plant & equipment	50,254	54,600	53,601	56,517	61,551	67,303	69,272	72,397	72,108	77,587	83,926	87,109	90,291	93,473	96,655	99,838	103,020	106,202	109,385	112,567
Less: accumulated depreciation, depletion & amortization	-21,082	-30,389	-27,894	-30,851	-33,475	-36,938	-40,673	-43,971	-42,679	-45,290	-48,809	-52,573	-56,542	-60,697	-65,005	-69,471	-74,071	-78,778	-83,595	-88,525
Total property, plant & equipment, net	29,173	24,211	25,707	25,665	28,076	30,365	28,599	28,426	29,429	32,297	35,117	34,535	33,749	32,776	31,650	30,367	28,949	27,424	25,789	24,041
Deferred income taxes	20	148	169	18	1	2	2	11	33	42	64	87	106	125	144	163	183	205	226	249
Other assets	174	172	198	871	801	1,484	1,342	1,215	1,434	1,583	1,453	1,541	1,394	1,400	1,419	1,449	1,470	1,520	1,530	1,563
Total assets	34,763	26,975	29,459	29,833	33,934	37,125	35,805	38,236	41,371	43,857	42,769	46,737	47,819	50,536	53,053	56,557	58,609	61,758	64,709	67,909
Current Liabilities																				
Accounts payable	2,861	1,472	1,512	1,847	2,240	2,429	1,681	2,242	2,532	2,437	2,480	2,630	2,378	2,390	2,422	2,473	2,508	2,594	2,611	2,668
Accrued taxes payable	140	94	118	149	215	255	206	518	405	466	563	585	477	474	482	493	509	543	549	572
Dividends payable	92	92	96	96	127	166	217	436	482	526	558	580	473	470	478	489	505	539	545	567
Liabilities from price risk management activities	-	-	62	50	-	20	-	269	169	0	0	0	0	0	0	0	0	0	0	0
Current portion of long-term debt	7	7	7	356	913	1,015	781	37	1,283	34	500	750		140		750				
Current portion of operating lease liabilities	-	-	-	-	-	369	295	240	296	325	349	370	334	336	341	348	353	365	367	375
Other current liabilities	175	156	233	226	234	233	280	300	346	286	320	339	307	308	312	319	323	335	337	344
Total current liabilities	3,384	1,819	2,027	2,726	3,728	4,487	3,460	4,042	5,513	4,074	4,769	5,254	3,969	4,117	4,035	4,871	4,198	4,376	4,409	4,527
Long-term debt	5,903	6,654	6,980	6,031	5,170	4,161	5,035	5,072	3,795	3,765	4,923	4,874	4,756	4,639	4,505	4,353	4,180	3,999	3,797	3,585
Other liabilities	939	971	1,282	1,275	1,258	1,790	2,148	2,193	2,574	2,526	2,502	2,654	2,400	2,411	2,444	2,495	2,531	2,618	2,635	2,692
Deferred income taxes	6,823	4,588	5,189	3,518	4,413	5,046	4,859	4,749	4,710	5,402	5,703	6,016	6,271	6,524	6,782	7,045	7,318	7,608	7,902	8,208
Common Stock	3,043	3,129	5,626	5,742	5,865	6,023	6,151	6,293	6,393	6,372	274	342	411	431	431	431	431	431	431	431
Accumulated other comprehensive income (loss)	-23	-33	-19	-19	-1	-5	-12	-12	-8	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9
Retained earnings	14,763	9,871	8,398	10,594	13,543	15,649	14,170	15,919	18,472	22,634	25,676	28,838	31,415	33,978	36,583	39,250	42,003	44,941	47,911	51,006
Common stock held in treasury	-70	-23	-24	-33	-42	-27	-7	-20	-78	-907	-1,069	-1,232	-1,394	-1,556	-1,719	-1,881	-2,043	-2,206	-2,368	-2,530
Total stockholders' equity	17,713	12,943	13,982	16,283	19,364	21,641	20,302	22,180	24,779	28,090	24,872	27,940	30,423	32,843	35,287	37,792	40,382	43,158	45,966	48,898
Total Liabilities and Stockholders Equity	34,763	26,975	29,459	29,833	33,934	37,125	35,805	38,236	41,371	43,857	42,769	46,737	47,819	50,536	53,053	56,557	58,609	61,758	64,709	67,909

EOG Resources

Historical Cash Flow Statement

Fiscal Years Ending Dec. 31	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
As Reported Annual Cash Flow																				
Report Date	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023										
Reconciliation of Net Income to Net Cash Provided by Operating Activities:																				
Net income (loss)	2,915	-4,525	-1,097	2,583	3,419	2,735	-605	4,664	7,759	7,594										
Depreciation, depletion & amortization	3,997	3,314	3,553	3,409	3,435	3,750	3,400	3,651	3,542	3,492										
Impairments	744	6,614	620	479	347	518	2,100	376	382	202										
Stock-based compensation expenses	145	131	128	134	155	175	146	152	133	177										
Deferred income taxes	1,705	-2,482	-515	-1,474	894	632	-186	-122	-61	683										
Losses (gains) on asset dispositions, net	-508	9	-206	99	-175	-124	47	-17	-74	-95										
Other items, net	48	12	62	7	7	4	13	13	-	27										
Dry hole costs	48	15	11	5	5	28	13	71	45	1										
Total losses (gains) on mark-to-market commodity derivative contracts	-834	-62	100	-20	166	-180	-1,145	1,152	3,982	-818										
Net cash received from (payments for) settlements of financial commodity derivative contracts	34	730	-22	7	-259	231	1,071	-638	-3,501	-112										
Other adjustments, net	13	13	11	1	3	1	1	7	45	-2										
Accounts receivable	85	641	-233	-392	-368	-92	467	-821	-347	-38										
Inventories	-162	58	171	-175	-395	90	123	-13	-534	-231										
Accounts payable	544	-1,409	-74	324	439	169	-795	456	90	-119										
Accrued taxes payable	16	12	93	-64	-92	40	-49	312	-113	61										
Other assets	-14	118	-41	-659	-125	358	325	-136	-364	39										
Other liabilities	75	-66	-16	-90	11	-57	8	-116	-266	184										
Changes in components of working capital associated with investing activities	-103	500	-156	90	301	-115	75	-200	375	295										
Net cash flows from operating activities	8,649	3,595	2,359	4,265	7,769	8,163	5,008	8,791	11,093	11,340										
Investing Cash Flows																				
Additions to oil & gas properties	-7,520	-4,725	-2,490	-3,951	-5,839	-6,152	-3,243	-3,638	-4,619	-5,385										
Additions to other property, plant & equipment	-727	-288	-93	-173	-237	-271	-221	-212	-381	-800										
Proceeds from sales of assets	569	193	1,119	227	227	140	192	231	349	140										
Changes in components of working capital associated with investing activities	104	-500	156	-90	-301	115	-75	200	-375	-295										
Other investing activities	-	-	-	-	-20	-10	-	-	-30	-										
Net cash flows from investing activities	-7,514	-5,320	-1,253	-3,987	-6,170	-6,177	-3,348	-3,419	-5,056	-6,340										
Financing Cash Flows																				
Long-term debt repayments	-500	-500	-564	-600	-350	-900	-1,000	-750	-	-1,250										
Dividends paid	-280	-367	-373	-387	-438	-588	-821	-2,684	-5,148	-3,386										
Treasury stock purchased	-127	-49	-82	-63	-63	-25	-16	-41	-118	-1,038										
Proceeds from stock options exercised & employee stock purchase plan	22	23	23	21	21	18	16	19	28	20										
Debt issuance costs	-1	-6	-2	-	-	-5	-3	-	-	-8										
Repayment of finance lease liabilities	-6	-6	-6	-7	-8	-13	-19	-37	-35	-32										
Net cash flows from financing activities	-328	371	-243	-1,036	-839	-1,513	-359	-3,493	-5,273	-5,694										
Effect of exchange rate changes on cash	-39	-15	18	-8	-38	0	0	1	-1	-										
Increase (decrease) in cash & cash equivalents	769	-1,369	881	-766	721	472	1,301	1,880	763	-694										
Cash & cash equivalents at beginning of year	1,318	2,087	719	1,600	834	1,556	2,028	3,329	5,209	5,972										
Cash & cash equivalents at end of year	2,087	719	1,600	834	1,556	2,028	3,329	5,209	5,972	5,278										

EOG Resources

Forecasted Cash Flow Statement

<i>Fiscal Years Ending Dec. 31</i>	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Net Income	7230	7515	6127	6086	6188	6335	6538	6979	7056	7351
Depreciation, depletion & amortization	3519	3764	3968	4156	4308	4466	4600	4707	4817	4930
Change in Deferred Taxes	279	290	236	235	239	244	252	269	272	283
Adjustments to Reconcile Net Income										
Accounts Receivable, net	33	-162	272	-12	-35	-55	-38	-93	-18	-61
Inventories	245	-56	-51	-42	-43	-37	-29	-30	-31	-32
Assets from price risk management activities	106	0	0	0	0	0	0	0	0	0
Income Tax Receivable	0	0	0	0	0	0	0	0	0	0
Other Current Assets	17	-33	55	-2	-7	-11	-8	-19	-4	-12
Accounts Payable	43	150	-251	11	33	51	35	86	17	57
Accrued Taxes Payable	97	22	-108	-3	8	11	16	34	6	23
Dividends payable	32	22	-107	-3	8	11	16	34	6	23
Liabilities from Price Risk management	0	0	0	0	0	0	0	0	0	0
Other Current Liabilities	34	19	-32	1	4	7	5	11	2	7
Net Cash from Operating Activities	11635	11531	10108	10427	10702	11022	11386	11979	12123	12569
Other property, plant and equipment	-339	-339	-339	-339	-339	-339	-339	-339	-339	-339
Capital Expenditures	-6000	-2843	-2843	-2843	-2843	-2843	-2843	-2843	-2843	-2843
Other Assets	130	-88	147	-7	-19	-30	-21	-50	-10	-33
Other Liabilities	-24	152	-254	11	33	51	36	87	17	57
Net Cash from Investing Activities	-6233	-3119	-3289	-3177	-3168	-3161	-3167	-3146	-3175	-3158
Long Term Debt	1158	-49	-118	-117	-134	-153	-173	-181	-202	-212
Current Portion of Operating Lease Liabilities	24	21	-35	2	5	7	5	12	2	8
Current Portion of Long Term Debt	466	250	-750	140	-140	750	-750	0	0	0
Additional Paid in Capital	-6098	68	68	20	0	0	0	0	0	0
Accumulated other Comprehensive Income (loss)	0	0	0	0	0	0	0	0	0	0
Common stock held in treasury	-162	-162	-162	-162	-162	-162	-162	-162	-162	-162
Payments of Dividends	-4188	-4353	-3549	-3524	-3583	-3667	-3785	-4041	-4086	-4257
Net Cash from Financing Activities	-8800	-4225	-4547	-3641	-4014	-3226	-4865	-4372	-4448	-4623
Change in Cash	-3398	4187	2272	3608	3519	4635	3353	4461	4501	4787
Cash at beginning of the year	5278	1880	6066	8339	11947	15466	20102	23455	27916	32416
Cash at the end of the year	1880	6066	8339	11947	15466	20102	23455	27916	32416	37204

EOG Resources
Value Driver Estimation

Fiscal Years Ending Dec. 31	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	
NOPLAT:																					
EBIT																					
Crude oil & condensate	9,742	4,935	4,317	6,256	9,517	9,613	5,786	11,125	16,367	13,748	13,772	13,916	12,961	12,876	12,994	13,309	13,578	13,882	14,203	14,488	
Natural gas liquids	934	408	437	730	1,128	785	668	1,812	2,648	1,884	2,046	2,185	1,496	1,535	1,556	1,574	1,560	1,657	1,580	1,612	
Natural gas	1,916	1,061	742	922	1,302	1,184	837	2,444	3,781	1,744	2,106	2,907	2,735	2,863	2,960	2,991	2,993	3,214	3,092	3,185	
Gathering, processing & marketing	4,046	2,253	1,966	3,298	5,230	5,360	2,583	4,288	6,696	5,806	6,470	6,861	6,205	6,235	6,320	6,452	6,545	6,769	6,814	6,961	
Other operating revenues, net	54	48	81	82	90	134	61	108	118	91	146	155	140	140	142	145	147	152	153	157	
Operating Expenses																					
Lease and Well	1416	1182	927	1045	1283	1367	1063	1135	1331	1454	1346	1428	1291	1297	1315	1343	1362	1408	1418	1448	
Transportation Costs	972	849	964	740	747	758	735	863	966	957	983	1036	1085	1125	1166	1201	1229	1258	1287	1317	
Gathering and Processing Costs	146	146	123	149	437	479	459	559	621	663	681	718	752	779	808	832	851	871	892	912	
Exploration costs	184	149	125	145	149	140	146	154	159	181	270	287	259	260	264	270	273	283	285	291	
Dry hole costs	48	15	11	5	5	5	13	71	45	1	36	39	35	35	36	36	37	38	38	39	
Marketing Costs	4,126	2,386	2,008	3,330	5,203	5,352	2,698	4,173	6,535	5,709	6,521	6,908	6,215	6,233	6,311	6,446	6,538	6,732	6,790	6,952	
Depreciation, depletion and amortization	3,997	3,314	3,553	3,409	3,435	3,750	3,400	3,651	3,542	3,492	3,519	3,764	3,968	4,156	4,308	4,466	4,600	4,707	4,817	4,930	
General & Administrative	402	367	395	434	427	489	484	511	570	640	699	736	780	706	709	719	734	744	770	775	
Interest on Operating Leases	259	220	193	258	309	40	45	39	44	51	55	54	53	52	50	48	46	43	41	38	
Taxes other than income	758	422	350	545	772	800	478	1,047	1,585	1,284	1,260	1,347	1,420	1,488	1,542	1,599	1,646	1,685	1,724	1,765	
EBIT	4,903	94	-519	1,743	5,116	3,953	503	7,652	14,300	8,943	9,278	9,818	7,784	7,622	7,564	7,611	7,599	7,991	7,863	8,011	
Less: Adjusted Taxes																					
Income tax provision (benefit)	2,080	-2,397	-461	-1,921	822	810	-134	1,269	2,142	2,095	2,059	2,140	1,745	1,733	1,762	1,804	1,862	1,988	2,010	2,093	
+Impairments	165	1,466	137	106	77	115	465	83	85	45	0	0	0	0	0	0	0	0	0	0	
- Tax on Other Income	-10	0	-11	2	4	7	2	2	25	52	56	20	65	89	128	165	215	251	298	346	
-Gains (losses) on mark-to-market commodity	185	14	-22	4	-37	40	254	-255	-883	181	0	0	0	0	0	0	0	0	0	0	
-Gains (losses) on asset dispositions, net	113	-2	46	-22	39	27	-10	4	16	21	21	21	21	21	21	21	21	21	21	21	
+Tax shield on Operating Leases	57	49	43	57	68	9	10	9	10	11	12	12	12	11	11	11	10	10	9	8	
+Net interest expense	45	53	62	61	54	41	46	39	40	33	63	65	55	55	52	59	48	46	44	41	
Total Adjusted Taxes	2,059	-842	-231	-1,682	1,016	901	141	1,650	3,117	1,930	2,057	2,176	1,726	1,690	1,677	1,687	1,684	1,771	1,743	1,776	
Change in Deferred Income Taxes	1,705	-2,482	-515	-1,474	894	632	-186	-122	-61	683	279	290	236	235	239	244	252	269	272	283	
NOPLAT	4,548	-1,546	-803	1,950	4,994	3,684	176	5,880	11,122	7,696	7,501	7,931	6,295	6,168	6,126	6,168	6,166	6,489	6,392	6,518	
Invested Capital (IC):																					
Operating Current Assets																					
Normal Cash	1239	644	556	834	1279	1261	735	1464	2196	1726	1816	1926	1742	1750	1774	1811	1837	1900	1912	1954	
Accounts receivable, net	1,779	931	1,216	1,597	1,915	2,002	1,522	2,335	2,774	2,716	2,683	2,845	2,573	2,585	2,621	2,675	2,714	2,807	2,825	2,886	
Inventories	707	599	350	484	859	767	629	584	1,058	1,275	1,030	1,086	1,137	1,179	1,222	1,259	1,288	1,318	1,349	1,381	
Other current assets	287	156	207	242	275	323	294	456	574	560	543	576	521	523	531	542	549	568	572	584	
Income taxes receivable	72	41	12	113	428	152	23	-	0	0	0	0	0	0	0	0	0	0	0	0	
Total Operating Current Assets	4083	2370	2341	3271	4757	4505	3204	4839	6699	6277	6072	6433	5973	6038	6148	6287	6389	6594	6659	6806	
Operating Current Liabilities																					
Accounts payable	2,861	1,472	1,512	1,847	2,240	2,429	1,681	2,242	2,532	2,437	2,480	2,630	2,378	2,390	2,422	2,473	2,508	2,594	2,611	2,668	
Accrued taxes payable	140	94	118	149	215	255	206	518	405	466	563	585	477	474	482	493	509	543	549	572	
Dividends payable	92	92	96	96	127	166	217	436	482	526	558	580	473	470	478	489	505	539	545	567	
Other current liabilities	175	156	233	226	234	233	280	300	346	286	320	339	307	308	312	319	323	335	337	344	
Total Operating Current Liabilities	3,267	1,813	1,959	2,319	2,815	3,083	2,384	3,496	3,765	3,715	3,920	4,134	3,635	3,641	3,694	3,774	3,845	4,011	4,042	4,151	
Net Operating Working Capital	816	558	382	953	1941	1422	820	1343	2934	2562	2152	2299	2338	2397	2454	2513	2543	2583	2617	2654	
Total property, plant & equipment, net	29,173	24,211	25,707	25,665	28,076	30,365	28,599	28,426	29,429	32,297	35,117	34,535	33,749	32,776	31,650	30,367	28,949	27,424	25,789	24,041	
Other Operating Assets																					
PV of Operating Leases	4953	4207	3682	4928	5900	773	869	743	846	974	1059	1041	1018	988	954	916	873	827	778	725	
Other Assets (net of Operating Leases)	174	172	198	871	801	711	473	472	588	609	394	499	376	412	465	533	597	693	752	838	
Other Operating Liabilities																					
Other liabilities	939	971	1,282	1,275	1,258	1,790	2,148	2,193	2,574	2,526	2,502	2,654	2,400	2,411	2,444	2,495	2,531	2,618	2,635	2,692	
Invested Capital	34176	28176	28686	31142	35460	31481	28612	28791	31223	33916	36219	35721	35081	34161	33079	31834	30431	28909	27301	25567	
Free Cash Flow (FCF):																					
NOPLAT	4,548	-1,546	-803	1,950	4,994	3,684	176	5,880	11,122	7,696	7,501	7,931	6,295	6,168	6,126	6,168	6,166	6,489	6,392	6,518	
Change in IC	-6000	510	2455	4318	-3978	-2869	179	2431	2693	2303	-498	-640	-920	-1082	-1245	-1403	-1522	-1608	-1735		
FCF	4,454	-1,313	-505	676	7,662	3,045	5,701	8,691	5,003	5,197	8,429	6,935	7,088	7,208	7,413	7,569	8,011	8,000	8,253		
Return on Invested Capital (ROIC):																					
NOPLAT	4548	-1546	-803	1950	4994	3684	176	5880	11122	7696	7501	7931	6295	6168	6126	6168	6166	6489	6392	6518	
Beginning IC	34176	28176	28686	31142	35460	31481	28612	28791	31223	33916	36219	35721	35081	34161	33079	31834	30431	28909	27301		
ROIC	-4.52%	-2.85%	6.80%	16.04%	10.39%	0.56%	20.55%	38.63%	24.65%	22.12%	21.90%	17.62%	17.58%	17.93%	18.65%	19.37%	21.32%	22.11%	23.88%		
Economic Profit (EP):																					
Beginning IC	34176	28176	28686	31142	35460	31481	28612	28791	31223	33916	36219	35721	35081	34161	33079	31834	30431	28909	27301		
x (ROIC - WACC)	-8.73%	-13.25%	-11.58%	-1.93%	7.3																

EOG Resources
Common Size Income Statement

Fiscal Years Ending Dec. 31	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Operating Revenues and Other																					
Crude oil & condensate	58.6%	57.0%	57.8%	55.8%	55.4%	56.7%	58.6%	56.6%	55.5%	59.3%	56.5%	53.8%	55.4%	54.8%	54.5%	54.7%	55.0%	54.4%	55.3%	55.2%	55.2%
Natural gas liquids	5.6%	4.7%	5.9%	6.5%	6.6%	4.6%	6.8%	9.2%	9.0%	8.1%	8.4%	8.4%	6.4%	6.5%	6.5%	6.5%	6.3%	6.5%	6.2%	6.1%	6.1%
Natural gas	11.5%	12.3%	9.9%	8.2%	7.6%	7.0%	8.5%	12.4%	12.8%	7.5%	8.6%	11.2%	11.7%	12.2%	12.4%	12.3%	12.1%	12.6%	12.0%	12.1%	12.1%
Gains (losses) on mark-to-market commodity der	5.0%	0.7%	-1.3%	0.2%	-1.0%	1.1%	11.6%	-5.9%	-13.5%	3.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gathering, processing & marketing	32.1%	35.2%	35.8%	41.7%	43.8%	46.3%	35.4%	27.9%	29.4%	33.4%	36.1%	36.1%	36.1%	36.1%	36.1%	36.1%	36.1%	36.1%	36.1%	36.1%	36.1%
Gains (losses) on asset dispositions, net	3.1%	-0.1%	2.8%	-0.9%	1.0%	0.7%	-0.5%	0.1%	0.3%	0.4%	0.7%	0.4%	0.5%	0.3%	0.4%	0.3%	0.3%	0.4%	0.4%	0.4%	0.4%
Other operating revenues, net	0.3%	0.6%	1.1%	0.7%	0.5%	0.8%	0.6%	0.5%	0.4%	0.4%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
Total operating revenues & other	108.4%	101.2%	102.5%	100.0%	100.6%	102.6%	111.7%	94.8%	87.1%	104.3%	101.0%	101.0%	101.0%	101.0%	101.0%	101.0%	101.0%	101.0%	101.0%	101.0%	101.0%
Operating Expenses																					
Lease & well	8.5%	13.7%	12.4%	9.3%	7.5%	8.1%	10.8%	5.8%	4.5%	6.3%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Transportation costs	5.8%	9.8%	10.2%	6.6%	4.3%	4.5%	7.4%	4.4%	3.3%	4.1%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%
Gathering & processing costs	0.9%	1.7%	1.6%	1.3%	2.5%	2.8%	4.7%	2.8%	2.1%	2.9%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
Exploration costs	1.1%	1.7%	1.7%	1.3%	0.9%	0.8%	1.5%	0.8%	0.5%	0.8%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%
Dry hole costs	0.3%	0.2%	0.1%	0.0%	0.0%	0.2%	0.1%	0.4%	0.2%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Impairments	4.5%	76.4%	8.3%	4.3%	2.0%	3.1%	21.3%	1.9%	1.3%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Marketing costs	102.0%	105.9%	102.1%	101.0%	99.5%	99.8%	104.4%	97.3%	97.6%	98.3%	100.8%	100.7%	100.2%	100.0%	99.9%	99.9%	99.9%	99.4%	99.7%	99.9%	99.9%
Depreciation, depletion & amortization	24.0%	38.3%	47.6%	30.4%	20.0%	22.1%	34.4%	18.6%	12.0%	15.1%	14.4%	14.5%	17.0%	17.7%	18.1%	18.4%	18.6%	18.4%	18.8%	18.8%	18.8%
General & administrative	2.4%	4.2%	5.3%	3.9%	2.5%	2.9%	4.9%	2.6%	1.9%	2.8%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Taxes other than income	4.6%	4.9%	4.7%	4.9%	4.5%	4.7%	4.8%	5.3%	5.4%	5.5%	5.2%	5.2%	6.1%	6.3%	6.5%	6.6%	6.7%	6.6%	6.7%	6.7%	6.7%
Total operating expenses	76.9%	178.4%	118.9%	91.8%	74.6%	80.8%	117.2%	63.8%	53.4%	62.9%	62.8%	62.9%	67.6%	68.4%	69.1%	69.5%	70.0%	69.5%	70.1%	70.2%	70.2%
Operating income (loss)	31.5%	-77.2%	-16.4%	8.3%	26.0%	21.8%	-5.5%	31.0%	33.8%	41.4%	38.2%	38.1%	33.4%	32.6%	31.9%	31.5%	31.0%	31.5%	30.8%	30.7%	30.7%
Other income (expense), net	-0.3%	0.0%	-0.7%	0.1%	0.1%	0.2%	0.1%	0.0%	0.4%	1.0%	1.0%	0.4%	1.2%	1.7%	2.4%	3.1%	3.9%	4.4%	5.2%	6.0%	6.0%
Income (loss) before interest expense & incor	31.2%	-77.2%	-17.1%	8.3%	26.1%	22.0%	-5.4%	31.1%	34.2%	42.4%	39.2%	38.5%	34.7%	34.3%	34.3%	34.5%	34.9%	35.9%	36.1%	36.7%	36.7%
Net interest expense	1.2%	2.7%	3.8%	2.4%	1.4%	1.1%	2.1%	0.9%	0.6%	0.6%	1.2%	1.1%	1.1%	1.1%	1.0%	1.1%	0.9%	0.8%	0.8%	0.8%	0.7%
Income (loss) before income taxes	30.0%	-80.0%	-20.9%	5.9%	24.7%	20.9%	-7.5%	30.2%	33.6%	41.8%	38.1%	37.3%	33.6%	33.3%	33.4%	33.5%	34.0%	35.1%	35.3%	36.0%	36.0%
Income tax provision (benefit)	12.5%	-27.7%	-6.2%	-17.1%	4.8%	4.8%	-1.4%	6.5%	7.3%	9.0%	8.4%	8.3%	7.5%	7.4%	7.4%	7.4%	7.5%	7.8%	7.8%	8.0%	8.0%
Net income (loss)	17.5%	-52.3%	-14.7%	23.0%	19.9%	16.1%	-6.1%	23.7%	26.3%	32.8%	29.6%	29.0%	26.2%	25.9%	26.0%	26.0%	26.5%	27.3%	27.5%	28.0%	28.0%
Weighted average shares outstanding - basic	3.3%	6.3%	7.4%	5.1%	3.4%	3.4%	5.9%	3.0%	2.0%	2.5%	2.4%	2.2%	2.5%	2.5%	2.4%	2.4%	2.3%	2.3%	2.2%	2.2%	2.2%
Year end shares outstanding	3.3%	6.4%	7.7%	5.2%	3.4%	3.4%	5.9%	3.0%	2.0%	2.5%	2.4%	2.2%	2.5%	2.5%	2.4%	2.4%	2.3%	2.3%	2.2%	2.2%	2.2%
Comprehensive Income (Loss)	14.9%	-52.4%	-14.5%	23.0%	20.0%	16.1%	-6.2%	23.7%	26.3%	32.8%	29.6%	29.0%	26.2%	25.9%	26.0%	26.0%	26.5%	27.3%	27.5%	28.0%	28.0%

EOG Resources
Common Size Balance Sheet

Fiscal Years Ending Dec. 31	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	
Current Assets																						
Cash & cash equivalents	12.5%	8.3%	21.4%	7.4%	9.1%	12.0%	33.7%	26.5%	20.2%	22.8%	7.7%	23.4%	35.6%	50.8%	64.9%	82.6%	95.1%	109.4%	126.2%	141.8%		
Accounts receivable, net	10.7%	10.8%	16.3%	14.3%	11.1%	11.8%	15.4%	11.9%	9.4%	11.7%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	
Inventories	4.2%	6.9%	4.7%	4.3%	5.0%	4.5%	6.4%	3.0%	3.6%	5.5%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	
Assets from price risk management activities	2.8%			0.1%	0.1%	0.0%	0.7%			0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Income taxes receivable	3.4%	-1.7%	-2.7%	-5.9%	52.1%	18.7%	-17.1%	0.0%	4.5%	0.0%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	
Other current assets	1.7%	1.8%	2.8%	2.2%	1.6%	1.9%	3.0%	2.3%	1.9%	2.4%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	
Total current assets	32.5%	29.9%	47.6%	29.3%	29.4%	31.1%	59.4%	43.6%	35.5%	42.9%	25.2%	40.9%	53.7%	69.1%	83.3%	101.0%	113.5%	127.8%	144.7%	160.2%		
Property Plant and Equipment																						
Oil & gas properties (successful efforts method)	279.5%	584.7%	664.5%	469.0%	333.8%	370.9%	656.2%	343.9%	228.3%	311.0%	320.1%	312.8%	358.1%	368.5%	375.4%	379.4%	385.6%	383.9%	392.5%	395.0%		
Other property, plant & equipment	22.5%	46.1%	53.7%	35.3%	24.6%	26.4%	45.4%	24.2%	16.2%	23.7%	31.8%	32.7%	31.4%	29.2%	28.6%	29.0%	29.2%	27.6%	27.9%	29.1%		
Total property, plant & equipment	302.0%	630.7%	718.2%	504.3%	358.3%	397.3%	701.6%	368.1%	244.5%	334.7%	344.1%	336.7%	385.9%	397.6%	405.6%	410.4%	417.5%	416.1%	425.8%	428.9%		
Less: accumulated depreciation, depletion & amo	-126.7%	-351.1%	-373.8%	-275.3%	-194.9%	-218.0%	-412.0%	-223.6%	-144.7%	-195.4%	-200.1%	-203.2%	-241.7%	-258.2%	-272.8%	-285.6%	-300.2%	-308.7%	-325.4%	-337.3%		
Total property, plant & equipment, net	175.3%	279.7%	344.5%	229.0%	163.4%	179.2%	289.7%	144.5%	99.8%	139.3%	144.0%	133.5%	144.2%	139.4%	132.8%	124.8%	117.3%	107.5%	100.4%	91.6%		
Deferred income taxes	0.1%	1.7%	2.3%	0.2%	0.0%	0.0%	0.0%	0.1%	0.1%	0.2%	0.3%	0.3%	0.5%	0.5%	0.6%	0.7%	0.7%	0.8%	0.9%	0.9%		
Other assets	1.0%	2.0%	2.6%	7.8%	4.7%	8.8%	13.6%	6.2%	4.9%	6.8%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%		
Total assets	208.9%	311.6%	394.7%	266.2%	197.6%	219.1%	362.6%	194.4%	140.3%	189.2%	175.3%	180.7%	204.4%	215.0%	222.6%	232.5%	237.5%	242.0%	251.9%	258.7%		
Current Liabilities																						
Accounts payable	17.2%	17.0%	20.3%	16.5%	13.0%	14.3%	17.0%	11.4%	8.6%	10.5%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%		
Accrued taxes payable	0.8%	1.1%	1.6%	1.3%	1.3%	1.5%	2.1%	2.6%	1.4%	2.0%	2.3%	2.3%	2.0%	2.0%	2.0%	2.0%	2.1%	2.1%	2.1%	2.2%		
Dividends payable	0.6%	1.1%	1.3%	0.9%	0.7%	1.0%	2.2%	2.2%	1.6%	2.3%	2.3%	2.2%	2.0%	2.0%	2.0%	2.0%	2.0%	2.1%	2.1%	2.2%		
Liabilities from price risk management activities				0.8%	0.5%	0.1%		1.4%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
Current portion of long-term debt	0.0%	0.1%	0.1%	3.2%	5.3%	6.0%	7.9%	0.2%	4.4%	0.1%	2.0%	2.9%	0.0%	0.6%	0.0%	3.1%	0.0%	0.0%	0.0%	0.0%		
Current portion of operating lease liabilities						20.6%	13.7%	10.9%	11.5%	12.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%		
Other current liabilities	1.1%	1.8%	3.1%	2.0%	1.4%	1.4%	2.8%	1.5%	1.2%	1.2%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%		
Total current liabilities	20.3%	21.0%	27.2%	24.3%	21.7%	26.5%	35.0%	20.6%	18.7%	17.6%	19.6%	20.3%	17.0%	17.5%	16.9%	20.0%	17.0%	17.1%	17.2%	17.2%		
Long-term debt	35.5%	76.9%	93.5%	53.8%	30.1%	24.6%	51.0%	25.8%	12.9%	16.2%	20.2%	18.8%	20.3%	19.7%	18.9%	17.9%	16.9%	15.7%	14.8%	13.7%		
Other liabilities	5.6%	11.2%	17.2%	11.4%	7.3%	10.6%	21.8%	11.1%	8.7%	10.9%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%		
Deferred income taxes	41.0%	53.0%	69.5%	31.4%	25.7%	29.8%	49.2%	24.1%	16.0%	23.3%	23.4%	23.3%	26.8%	27.8%	28.5%	29.0%	29.7%	29.8%	30.8%	31.3%		
Common stock	1.2%	2.4%	2.8%	1.8%	1.2%	1.2%	2.1%	1.0%	0.7%	0.9%	1.1%	1.3%	1.8%	1.8%	1.8%	1.8%	1.7%	1.7%	1.7%	1.6%		
Additional paid in capital	17.1%	33.8%	72.6%	49.4%	32.9%	34.3%	60.2%	30.9%	21.0%	26.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
Accumulated other comprehensive income (loss)	-0.1%	-0.4%	-0.3%	-0.2%	0.0%	0.0%	-0.1%	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
Retained earnings	88.7%	114.0%	112.5%	94.5%	78.8%	92.4%	143.5%	80.9%	62.6%	97.6%	105.3%	111.5%	134.3%	144.5%	153.5%	161.3%	170.2%	176.1%	186.5%	194.3%		
Common stock held in treasury	-0.4%	-0.3%	-0.3%	-0.3%	-0.2%	-0.2%	-0.1%	-0.1%	-0.3%	-3.9%	-4.4%	-4.8%	-6.0%	-6.6%	-7.2%	-7.7%	-8.3%	-8.6%	-9.2%	-9.6%		
Total stockholders' equity	106.5%	149.5%	187.3%	145.3%	112.7%	127.7%	205.6%	112.8%	84.0%	121.2%	102.0%	108.0%	130.0%	139.7%	148.1%	155.3%	163.6%	169.1%	178.9%	186.3%		
Total Liabilities and Stockholders Equity	208.9%	311.6%	394.7%	266.2%	197.6%	219.1%	362.6%	194.4%	140.3%	189.2%	175.3%	180.7%	204.4%	215.0%	222.6%	232.5%	237.5%	242.0%	251.9%	258.7%		

EOG Resources

Weighted Average Cost of Capital (WACC) Estimation

Cost of Equity:

Risk-Free Rate	4.26%
Beta	0.96
Equity Risk Premium	5.00%
Cost of Equity	9.04%

ASSUMPTIONS:

10 year treasury
Retrieved from Bloomberg Raw Beta
Henry Fund Assumptions

Cost of Debt:

Risk-Free Rate	4.26%
Implied Default Premium	0.97%
Pre-Tax Cost of Debt	5.23%
Marginal Tax Rate	22%
After-Tax Cost of Debt	4.07%

10 Year Treasury bond

Market Value of Common Equity:

Total Shares Outstanding	581
Current Stock Price	\$132.24
MV of Equity	76,812.93

MV Weights

93.78%

Market Value of Debt:

Short-Term Debt	
Current Portion of LTD	34
Long-Term Debt	3,765
Current Portion of Operating Lease Liabilities	325
PV of Operating Leases	974
MV of Total Debt	5,098.00

6.22%

Market Value of the Firm

81,910.93

100.00%

Estimated WACC

8.73%

EOG Resources*Dividend Discount Model (DDM) or Fundamental P/E Valuation Model*

Fiscal Years Ending	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
EPS	\$ 12.45	\$ 12.95	\$ 10.56	\$ 10.50	\$ 10.69	\$ 10.96	\$ 11.33	\$ 12.11	\$ 12.26	\$ 12.79
Key Assumptions										
CV growth of EPS	2.50%									
CV Year ROE	15.99%									
Cost of Equity	9.04%									
Future Cash Flows										
P/E Multiple (CV Year)										12.91
EPS (CV Year)										\$ 12.79
Future Stock Price										\$ 165.16
Dividends Per Share	7.21	7.50	6.12	6.08	6.20	6.35	6.57	7.02	7.11	
Discounted Cash Flows	\$6.62	\$6.31	\$4.72	\$4.30	\$4.02	\$3.78	\$3.58	\$3.51	\$3.26	\$ 82.68
Intrinsic Value as of Last FYE	\$ 122.79									
Implied Price as of Today	\$ 124.04									

EOG Resources*Relative Valuation Models*

Ticker	Company	Price	EPS		P/E 24	P/E 25
			2024E	2025E		
XOM	ExxonMobil	\$104.44	\$8.73	\$9.60	11.96	10.88
CVX	Chevron	\$154.55	\$12.58	\$14.60	12.29	10.59
MPC	Marathon Petroleum	\$169.23	\$15.11	\$14.76	11.20	11.47
DVN	Devon Energy	\$51.62	\$4.91	\$5.27	10.51	9.80
Average					11.49	10.68

EOG EOG Resources \$132.24 \$12.45 \$12.95 10.6 10.2

Implied Relative Value:

P/E (EPS24) \$ 143.07

P/E (EPS25) \$ 138.31

EOG Resources

Present Value of Operating Lease Obligations

Fiscal Years Ending Dec. 31	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Year 1	300.0	310.0	320.0	330.0	1643.1	1275.7	1201.1	1855.0	2151.0	390.0	400.0
Year 2	250.0	260.0	270.0	280.0	1000.0	994.3	934.0	1069.0	1417.0	340.0	350.0
Year 3	225.0	230.0	235.0	240.0	982.0	781.3	673.5	800.1	996.3	270.0	275.0
Year 4	175.0	180.0	185.0	190.0	1000.0	547.3	460.2	567.8	803.2	220.0	225.0
Year 5	100.0	104.0	108.0	112.0	221.2	431.2	334.6	478.5	509.4	136.0	140.0
Thereafter	290.0	300.0	310.0	320.0	974.1	901.0	674.3	944.9	931.1	380.0	390.0
Total Minimum Payments	1340.0	1384.0	1428.0	1472.0	5820.3	4930.8	4277.6	5715.3	6808.0	1736.0	1780.0
Less: Cumulative Interest	212.2	219.1	226.0	232.9	867.1	723.9	596.1	787.5	907.9	274.3	281.2
PV of Minimum Payments	1127.8	1164.9	1202.0	1239.1	4953.3	4206.8	3681.5	4927.8	5900.2	1461.7	1498.8
Implied Interest in Year 1 Payment		59.0	60.9	62.9	64.8	259.1	220.0	192.5	257.7	308.6	76.4
Pre-Tax Cost of Debt	5.23%	5.23%	5.23%	5.23%	5.23%	5.23%	5.23%	5.23%	5.23%	5.23%	5.23%
Years Implied by Year 6 Payment	2.9	2.9	2.9	2.9	4.4	2.1	2.0	2.0	1.8	2.8	2.8
Expected Obligation in Year 6 & Beyond	100	104	108	112	221.216	431.221	334.601	478.48	509.373	136	140
Present Value of Lease Payments											
PV of Year 1	285.1	294.6	304.1	313.6	1561.4	1212.2	1141.4	1762.8	2044.1	370.6	380.1
PV of Year 2	225.8	234.8	243.8	252.9	903.1	897.9	843.5	965.4	1279.6	307.0	316.1
PV of Year 3	193.1	197.4	201.7	206.0	842.7	670.5	577.9	686.6	855.0	231.7	236.0
PV of Year 4	142.7	146.8	150.9	155.0	815.5	446.3	375.3	463.1	655.1	179.4	183.5
PV of Year 5	77.5	80.6	83.7	86.8	171.4	334.2	259.3	370.8	394.8	105.4	108.5
PV of 6 & beyond	203.6	210.7	217.9	225.0	659.1	645.6	484.1	679.0	671.6	267.6	274.6
Capitalized PV of Payments	1127.8	1164.9	1202.0	1239.1	4953.3	4206.8	3681.5	4927.8	5900.2	1461.7	1498.8

EOG Resources*Effects of ESOP Exercise and Share Repurchases on Common Stock Account and Number of Shares Outstanding*

Number of Options Outstanding (shares):	3
Average Time to Maturity (years):	<u>3.30</u>
Expected Annual Number of Options Exercised:	1

Current Average Strike Price:	\$ 79.22
Cost of Equity:	9.04%
Current Stock Price:	\$132.24

Fiscal Years Ending Dec. 31	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Increase in Shares Outstanding:	1	1	1	0						
Average Strike Price:	\$ 79.22	\$ 79.22	\$ 79.22	\$ 79.22	\$ 79.22	\$ 79.22	\$ 79.22	\$ 79.22	\$ 79.22	\$ 79.22
Increase in Common Stock Account:	68	68	68	20	-	-	-	-	-	-
Share Repurchases (\$)	-162	-162	-162	-162	-162	-162	-162	-162	-162	-162
Expected Price of Repurchased Shares:	\$ 132.24	\$ 140.55	\$ 149.38	\$ 158.77	\$ 168.75	\$ 179.36	\$ 190.63	\$ 202.61	\$ 215.35	\$ 228.88
Number of Shares Repurchased:	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Shares Outstanding (beginning of the year)	581	580	580	580	579	578	577	576	576	575
Plus: Shares Issued Through ESOP	1	1	1	0	0	0	0	0	0	0
Less: Shares Repurchased in Treasury	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Shares Outstanding (end of the year)	580	580	580	579	578	577	576	576	575	574

EOG Resources*Valuation of Options Granted under ESOP*

Current Stock Price	\$132.24
Risk Free Rate	4.26%
Current Dividend Yield	2.86%
Annualized St. Dev. of Stock Returns	25.31%

Range of Outstanding Options	Number of Shares	Average Exercise Price	Average Remaining Life (yrs)	B-S Option Price	Value of Options Granted
Range 1	3	79.22	3.30	\$ 53.73	\$ 153
Range 2					
Range 3					
Range 4					
Range 5					
Range 6					
Range 7					
Range 8					
Range 9					
Total	3	\$ 79.22	3.30	\$ 64.76	\$ 153

EOG Resources
Sensitivity Tables

DCF		NOPLAT Growth						
145.95		0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%
Risk Free Rate	5.8%	117.47	119.02	120.77	122.72	124.93	127.45	130.35
	5.3%	123.26	125.11	127.20	129.55	132.24	135.32	138.91
	4.8%	129.66	131.88	134.38	137.24	140.52	144.33	148.81
	4.3%	136.77	139.43	142.47	145.95	150.00	154.75	160.41
	3.8%	144.71	147.94	151.64	155.93	160.96	166.96	174.21
	3.3%	153.66	157.58	162.13	167.47	173.81	181.48	190.93
	2.8%	163.80	168.62	174.27	180.98	189.08	199.05	211.64

DCF		Beta						
145.95		0.81	0.86	0.91	0.96	1.01	1.06	1.11
Equity Risk Premium	3.5%	195.53	189.67	184.17	179.00	174.13	169.54	165.19
	4.0%	182.59	176.81	171.41	166.34	161.59	157.11	152.89
	4.5%	171.34	165.67	160.39	155.44	150.81	146.47	142.38
	5.0%	161.47	155.92	150.76	145.95	141.46	137.24	133.29
	5.5%	152.73	147.31	142.29	137.61	133.25	129.17	125.34
	6.0%	144.94	139.65	134.76	130.22	125.98	122.03	118.33
	6.5%	137.94	132.79	128.03	123.61	119.50	115.67	112.09

DCF		Pre Tax Cost of Debt						
145.95		3.7%	4.2%	4.7%	5.2%	5.7%	6.2%	6.7%
CAPEX	2,093	155.49	155.04	154.59	154.15	153.71	153.27	152.84
	2,343	152.73	152.29	151.85	151.42	150.99	150.56	150.14
	2,593	149.96	149.54	149.11	148.69	148.26	147.85	147.43
	2,843	147.20	146.78	146.37	145.95	145.54	145.13	144.73
	3,093	144.44	144.03	143.62	143.22	142.82	142.42	142.02
	3,343	141.68	141.28	140.88	140.49	140.10	139.71	139.32
	3,593	138.92	138.53	138.14	137.76	137.37	136.99	136.62

DCF		Depreciation per BOE						
145.95		8.70	9.20	9.70	10.20	10.70	11.20	11.70
WACC	7.2%	191.06	188.64	186.21	183.79	181.37	178.95	176.53
	7.7%	175.14	173.06	170.98	168.90	166.82	164.75	162.67
	8.2%	161.73	159.93	158.14	156.34	154.54	152.74	150.94
	8.7%	150.27	148.71	147.15	145.58	144.02	142.46	140.89
	9.2%	140.36	139.00	137.63	136.27	134.90	133.54	132.17
	9.7%	131.70	130.51	129.31	128.11	126.91	125.72	124.52
	10.2%	124.07	123.02	121.96	120.91	119.86	118.80	117.75

DCF		2024 Crude oil Production Growth						
145.95		0.00	0.01	0.02	0.03	0.04	0.05	0.06
2024 Crude Oil Price	61.81	137.63	139.38	141.12	142.86	144.60	146.34	148.08
	66.81	138.64	140.39	142.14	143.89	145.64	147.39	149.14
	71.81	139.64	141.40	143.16	144.92	146.68	148.44	150.20
	76.81	140.64	142.41	144.18	145.95	147.72	149.49	151.27
	81.81	141.64	143.42	145.21	146.99	148.77	150.55	152.33
	86.81	142.65	144.44	146.23	148.02	149.81	151.60	153.39
	91.81	143.65	145.45	147.25	149.05	150.85	152.65	154.45

DDM		Implied Payout Ratio						
124.04		0.49	0.52	0.55	0.58	0.61	0.64	0.67
CV Growth of EPS	1.00%	111.86	113.25	114.63	116.00	117.36	118.71	120.05
	1.50%	113.96	115.43	116.88	118.33	119.76	121.18	122.59
	2.00%	116.36	117.91	119.45	120.98	122.50	124.00	125.50
	2.50%	119.13	120.78	122.42	124.04	125.66	127.26	128.85
	3.00%	122.35	124.12	125.87	127.61	129.34	131.05	132.75
	3.50%	126.15	128.06	129.95	131.82	133.68	135.53	137.36
	4.00%	130.72	132.79	134.84	136.87	138.89	140.90	142.88