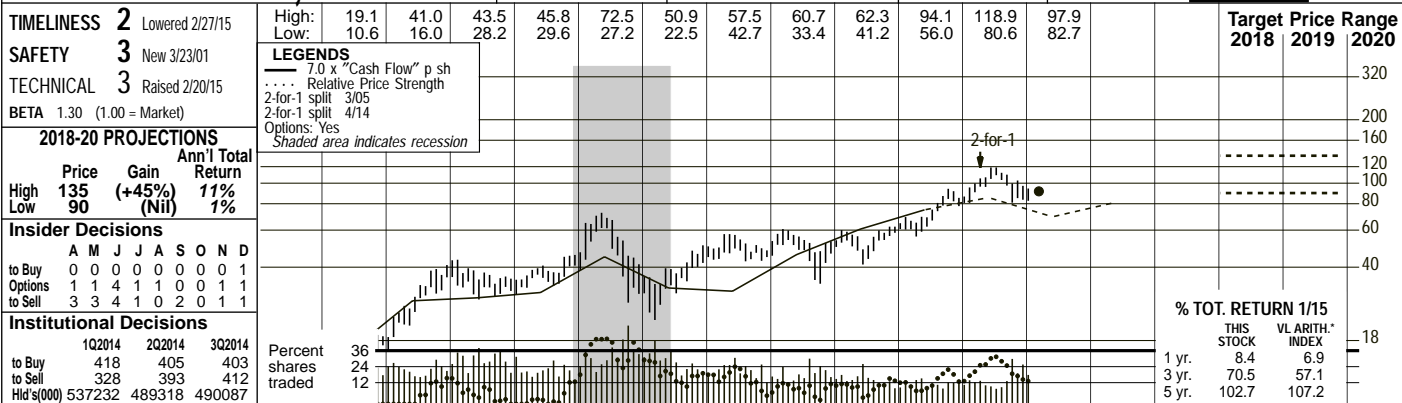


EOG RESOURCES, INC. NYSE:EOG

RECENT PRICE **91.61** P/E RATIO **38.3** (Trailing: 18.5; Median: 17.0) RELATIVE P/E RATIO **2.02** DIV'D YLD **0.8%** **VALUE LINE**



Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	18-20
Price	1.61	3.19	3.33	2.39	3.50	4.77	7.48	7.32	8.31	13.08	7.56	11.44	16.74	20.43	26.47	30.41	27.25	29.90	39.30
Gain	1.31	1.62	1.64	1.05	1.72	2.25	3.96	4.09	4.34	6.42	4.56	4.41	6.55	8.66	10.71	12.23	9.90	11.65	16.60
Return	.34	.81	.80	.20	.92	1.21	2.61	2.42	2.18	3.75	1.50	.59	1.90	2.84	4.11	4.95	2.25	3.50	6.25
Options	.03	.03	.04	.04	.05	.06	.08	.12	.18	.26	.29	.31	.32	.34	.38	.59	.74	.85	1.20
Spending	.81	1.29	2.08	1.56	2.41	2.98	3.56	5.78	7.46	10.41	6.93	11.39	12.92	13.54	12.93	15.02	9.10	11.80	17.85
Book Value	1.97	2.64	3.22	3.32	4.16	5.98	8.71	11.38	14.17	18.06	19.79	20.12	23.49	24.45	28.23	32.26	33.65	36.25	43.75
Common Shs	498.92	467.62	467.62	458.88	498.92	475.71	484.15	487.47	493.05	499.26	505.25	508.45	538.04	543.26	546.17	549.03	550.00	552.00	560.00
P/E Ratio	14.4	9.6	12.3	47.4	11.2	11.8	10.9	14.3	17.1	13.6	24.4	NMF	26.4	19.1	17.8	20.0	20.0	18.0	18.0
Relative P/E	.82	.62	.63	2.59	.64	.62	.58	.77	.91	.82	1.63	NMF	1.66	1.22	1.00	1.05	1.05	1.15	1.15
Dividend Yield	6%	4%	4%	4%	4%	4%	3%	3%	5%	5%	8%	6%	6%	6%	5%	6%	6%	6%	6%

Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	18-20
Sales	3620.2	3570.2	4097.7	6529.2	3819.8	5814.4	9007.2	11096	14456	16693.5	15000	16500	22000	24500	22000	24500	22000	24500	22000
Operating Margin	73.4%	69.6%	67.6%	71.8%	48.7%	50.3%	50.4%	48.1%	52.1%	53.0%	45.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	53.0%
Depreciation	654.3	817.1	1065.5	1326.9	1549.2	1941.9	2516.4	3169.7	3601.0	3997	4200	4500	5800	5800	5800	5800	5800	5800	5800
Net Profit	1271.5	1188.7	1079.7	1876.6	754.5	300.3	1008.5	1535.6	2246.0	2715	1240	1930	3500	3500	3500	3500	3500	3500	3500
Income Tax Rate	35.7%	37.9%	33.8%	49.9%	13.5%	26.4%	47.2%	--	34.6%	41.5%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Net Profit Margin	35.1%	33.3%	26.3%	28.7%	19.8%	5.2%	11.2%	13.8%	15.5%	16.3%	8.3%	11.7%	15.9%	15.9%	15.9%	15.9%	15.9%	15.9%	15.9%
Working Cap'l	391.2	634	1182.2	343.6	493.9	307.4	731.6	665.8	1210.3	2031.7	2200	2450	3000	3000	3000	3000	3000	3000	3000
Long-Term Debt	859.0	635.0	1185.0	1860.0	2760.0	5003.3	5009.2	5905.6	5906.6	5903.4	6200	6500	8000	8000	8000	8000	8000	8000	8000
Shr. Equity	4316.3	5599.7	6990.1	9014.5	9980.0	10232	12641	13285	15418	17713	18500	20000	24500	24500	24500	24500	24500	24500	24500
Return on Total Cap'l	25.1%	19.6%	13.7%	17.7%	6.5%	2.6%	6.5%	8.6%	11.2%	12.0%	5.5%	8.0%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
Return on Shr. Equity	29.5%	21.2%	15.4%	20.8%	7.5%	2.9%	8.0%	11.6%	14.6%	15.3%	6.5%	9.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%
Retained to Com Eq	29.1%	20.3%	14.3%	19.5%	6.1%	1.4%	6.7%	10.2%	13.3%	13.7%	4.5%	7.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
All Div'ds to Net Prof	3%	5%	8%	6%	19%	51%	17%	12%	9%	10%	33%	24%	19%	19%	19%	19%	19%	19%	19%

CAPITAL STRUCTURE as of 12/31/14
 Total Debt \$5909.9 mill. Due in 5 Yrs \$2783 mill.
 LT Debt \$5903.4 mill. LT Interest \$260.0 mill.
 (Total interest coverage: 20.3x) (25% of Cap'l)

Leases, Uncapitalized: Annual Rentals \$102 mill.
Pension Assets-12/14 \$12 mill. **Oblig.** \$14 mill.

Pfd Stock None
Common Stock 548,445,003 shs. as of 2/10/15
MARKET CAP: \$50 billion (Large Cap)

CURRENT POSITION (SMILL.)

	2012	2013	12/31/14
Cash Assets	876.4	1318.2	2087.2
Receivables	1656.6	1658.9	1779.3
Inventory	683.2	563.3	706.6
Other	373.7	531.6	842.9
Current Assets	3589.9	4072.0	5416.0
Accts Payable	2078.9	2254.4	2860.5
Debt Due	406.6	6.6	6.5
Other	438.6	600.7	517.3
Current Liab.	2924.1	2861.7	3384.3

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '11-'13 to '18-'20

Sales	21.5%	17.5%	9.0%
"Cash Flow"	19.5%	12.0%	10.0%
Earnings	16.5%	1.0%	11.5%
Dividends	23.5%	13.5%	19.5%
Book Value	21.5%	12.0%	8.0%

Shares of EOG Resources have traded lower since mid-2014, in conjunction with significant weakness in energy prices. The company reported unfavorable results for the December period. The top line decreased moderately, and share earnings of \$0.79 were no match for the prior-year tally. Strong growth in liquids production volumes was more than offset by the decline in prices. Unfavorable comparisons will probably continue in the coming quarters, and we expect lower sales and a considerable pullback in earnings for EOG for the current year.

Cal-ender	QUARTERLY SALES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2012	2605.0	2607.6	2882.8	3000.8	11096.2
2013	3297.2	3635.5	3826.6	3696.6	14455.9
2014	4227.9	4413.0	4589.1	3463.5	16693.5
2015	3500	3700	3800	4000	15000
2016	4000	4100	4200	4200	16500

Cal-ender	EARNINGS PER SHARE A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2012	.59	.58	.87	.81	2.84
2013	.90	1.05	1.16	1.00	4.11
2014	1.40	1.45	1.31	.79	4.95
2015	.50	.50	.60	.65	2.25
2016	.75	.85	.90	1.00	3.50

Cal-ender	QUARTERLY DIVIDENDS PAID B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2011	.078	.080	.080	.080	.32
2012	.080	.085	.085	.085	.34
2013	.085	.095	.095	.095	.37
2014	.095	.125	.125	.168	.51
2015	.168				

The company has divested the majority of its Canadian assets. EOG sold all of its assets in Manitoba and certain assets in Alberta in two separate transactions late last year. Proceeds from the divestitures totaled about \$410 million. These moves reflect the company's focus on its high-return domestic properties. **EOG has announced a disciplined capital program for this year, given the low-price environment.** The company anticipates capital expenditures of around \$5 billion for 2015, well below the roughly \$8.2 billion invested last year. It also expects to complete roughly 45% fewer wells in the current year. Capital will be allocated mainly to EOG's highest rate-of-return oil assets, such as the Eagle Ford, Delaware Basin, and Bakken plays. We expect little, if any, growth in total crude oil production for 2015. Efforts to minimize investment in domestic dry gas drilling should result in a modest decline in natural gas production. **Finances appear sound.** With an ample cash balance and a fairly low debt-to-equity ratio, the company earns a high rating for Financial Strength. This allows EOG greater flexibility to invest in operations, and provides added comfort during periods of industry weakness. **This stock is timely.** Moreover, we expect a nice rebound in sales and earnings for the company in the coming years, as prices recover. EOG's premier acreage positions and efforts to improve completion methods should result in strong production growth and high returns from its most important assets. But this appears to be largely reflected in the recent quotation, and appreciation potential is subpar. *Michael Napoli, CFA* March 6, 2015