EOG RESOURCES INC
Form DEF 14A
March 29, 2007

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant [x]
Filed by a Party other than the Registrant [_]

Check the appropriate box:
[_] Preliminary Proxy Statement
[_] Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
[x] Definitive Proxy Statement
[_] Definitive Additional Materials
[_] Soliciting Material Under Rule 14a-12

EOG RESOURCES, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):
[x] No fee required.
[_] Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

1) Title of each class of securities to which transaction applies:

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2) Aggregate number of securities to which transaction applies:

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3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the
amount on which the filing fee is calculated and state how it was determined):

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4) Proposed maximum aggregate value of transaction:

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5) Total fee paid:

[_] Fee paid previously with preliminary materials:

[_] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

1) Amount previously paid:

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2) Form, Schedule or Registration Statement No.:

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3) Filing Party:

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4) Date Filed:

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
APRIL 24, 2007

TO THE SHAREHOLDERS:

NOTICE IS HEREBY GIVEN that the annual meeting of shareholders of EOG Resources, Inc. (EOG we us or our) will be held in the Dezavala meeting room of the Doubletree Hotel at Allen Center, 400 Dallas Street, Houston, Texas, at 2:00 p.m. Houston time on Tuesday, April 24, 2007, for the following purposes:

1. To elect eight directors to hold office until the next annual meeting of shareholders and until their respective successors are duly elected and qualified; and

2. To ratify the appointment by the Audit Committee of the Board of Directors of Deloitte & Touche LLP, independent public accountants, as our auditors for the year ending December 31, 2007.

Holders of record of our Common Stock at the close of business on March 1, 2007 will be entitled to notice of and to vote at the meeting or any adjournments thereof.

Shareholders who do not expect to attend the meeting are encouraged to vote via the Internet, vote by phone or vote by returning a signed proxy card.

By Order of the Board of Directors,

PATRICIA L. EDWARDS
Vice President, Human Resources, Administration
& Corporate Secretary

Houston, Texas
March 29, 2007

PROXY STATEMENT

The enclosed form of proxy is solicited by the Board of Directors of EOG Resources, Inc. ("EOG", "we", "us" or "our" to be used at our annual meeting of shareholders to be held in the Dezavala meeting room of the Doubletree Hotel at Allen Center, 400 Dallas Street, Houston, Texas, at 2:00 p.m. Houston time on April 24, 2007 (the Annual Meeting). The current mailing address of our principal executive offices is 333 Clay Street, Suite 4200, Houston, Texas 77002. This proxy statement and the related proxy are to be first sent or given to our shareholders on approximately March 29, 2007. Any shareholder giving a proxy may revoke it at any time provided written notice of the revocation is received by our Vice President, Human Resources, Administration & Corporate Secretary before the proxy is voted; otherwise, if received in time, properly completed proxies will be voted at the Annual Meeting in accordance with the instructions specified on the proxy. Shareholders attending the Annual Meeting may revoke their proxies and vote in person.

Our annual report to shareholders for the year ended December 31, 2006, is being mailed with this proxy statement to all shareholders entitled to vote at the Annual Meeting. However, the annual report to shareholders does not constitute a part of the proxy soliciting materials.

In addition to solicitation by use of the mails, certain of our officers and employees may solicit the return of proxies by telephone, electronic mail, facsimile or personal interview. While we do not currently anticipate using an outside proxy solicitor, should the need arise, we would use Morrow & Co., Inc. The cost of any solicitation of proxies will be borne by us. Arrangements may also be made with brokerage firms and other custodians, nominees and fiduciaries for the forwarding of material to and solicitation of proxies from the beneficial owners of our common stock held of record by such persons. We will reimburse such brokerage firms, custodians, nominees and fiduciaries for reasonable out of pocket expenses incurred by them in connection with any such activities.

VOTING RIGHTS AND PRINCIPAL SHAREHOLDERS

Holders of record at the close of business on March 1, 2007 (Record Date), of EOG Common Stock, par value $.01 per share (Common Stock), will be entitled to one vote per share on all matters submitted to the meeting. On the Record Date, there were outstanding 244,167,683 shares of Common Stock. There are no other voting securities outstanding.

Security Ownership of Certain Beneficial Owners on December 31, 2006

We know of no one who beneficially owns in excess of 5% of our Common Stock except as set forth in the table below:

Name and Address of Beneficial Owner	Number of Shares	Percent of Class
Davis Selected Advisors, L.P. (1) 2949 East Elvira Road, Suite 101 Tucson, AZ 85706	24,215,792	9.95%

Name and Address of Beneficial Owner	Number of Shares	Percent of Class

Capital Research & Management Co. (2) 333 South Hope Street Los Angeles, CA 90071	30,352,900	12.5%
The Growth Fund of America, Inc. (3) 333 South Hope Street Los Angeles, CA 90071	15,810,000	6.5%
FMR Corp. (4) 82 Devonshire Street Boston, MA 02109	16,397,098	6.735%

(1) In its Schedule 13G filed January 11, 2007 with respect to its securities as of December 31, 2006, Davis Selected Advisors, L.P. states that it has sole voting and dispositive power with respect to 24,215,792 shares and shared voting and dispositive power with respect to no shares.

(2) In its Schedule 13G filed February 12, 2007 with respect to its securities as of December 31, 2006, Capital Research & Management Co. (CapRe) states that it has sole voting power as to 6,537,900 shares, shared voting power as to no shares, sole dispositive power with respect to 30,352,900 shares and shared dispositive power with respect to no shares. CapRe also states it is deemed to be the beneficial owner of the 30,352,900 shares as a result of acting as investment adviser to various investment companies and disclaims beneficial ownership of all such shares.

(3) In its Schedule 13G filed jointly with CapRe on February 12, 2007, with respect to its securities as of December 31, 2006, The Growth Fund of America, Inc. (Growth Fund) states that it has sole voting power as to 15,810,000 shares and shared voting power, sole dispositive power and shared dispositive power with respect to no shares. Growth Fund, a mutual fund, is advised by CapRe. The shares reported by Growth Fund are included in the total number of shares reported by CapRe.

(4) In its Schedule 13G filed on February 14, 2007 with respect to its securities as of December 31, 2006, FMR Corp. (FMR) states that it has sole voting power as to 1,490,678 shares, shared voting power as to no shares, sole dispositive power as to 16,397,098 shares and shared dispostive power as to no shares.

Security Ownership of the Board of Directors and Management on January 31, 2007

Title of Class	Name	Shares Beneficially Owned (1)	Options Exercisable by 4-1-07	Phantom Shares (2)	Total Ownership (3)
EOG Resources, Inc. Common Stock	George A. Alcorn	3,300	28,000	0	31,300
	Charles R. Crisp	6,000	21,000	2,345	29,345
	Barry Hunsaker, Jr.	49,950	95,500	18,226	163,676
	Loren M. Leiker	120,941	141,750	36,824	299,515
	Mark G. Papa	536,476	891,250	164,956	1,592,682
	Edmund P. Segner, III	158,658	13,750	44,958	217,366
	William D. Stevens	1,600	21,000	0	22,600
	H. Leighton Steward	41,603	21,000	4,057	66,660

	Donald F. Textor	20,000	0	12,549	32,549
	Gary L. Thomas	213,482	361,750	36,824	612,056
	Frank G. Wisner	0	91,000	12,340	103,340
	All directors and executive officers as a Group (12 in number)	1,171,934	1,694,500	339,780	3,206,214

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(1) Includes shares for which the person directly or indirectly has sole or shared voting and investment power, shares held under the EOG Resources, Inc. Savings Plan (the Savings Plan) for which the participant has sole voting and investment power, and restricted shares held under the EOG Resources, Inc. 1992 Stock Plan (the 1992 Stock Plan) for which the participant has sole voting power and no investment power until such shares vest in accordance with plan provisions.

(2) Includes restricted stock units held under the 1992 Stock Plan for which the participant has no voting or investment power until such units vest and are released as shares in accordance with plan provisions. Also includes shares held in the Phantom Stock Account of the EOG Resources, Inc. 1996 Deferral Plan (the 1996 Deferral Plan) for which the participant has a vested right, but has no voting or investment power until such shares are released in accordance with plan provisions and the participants deferral election.

(3) None of our directors or officers owns or has the right to acquire more than 1% of the outstanding Common Stock.

CORPORATE GOVERNANCE

Board of Directors

Director Independence

The Board of Directors has affirmatively determined that six of our directors, Messrs. Alcorn, Crisp, Stevens, Steward, Textor and Wisner, who together constitute three-fourths of our directors, have no material relationship with EOG and thus meet the criteria for independence required by the New York Stock Exchange (NYSE) and our bylaws. In determining Mr. Wisners independence, the Board of Directors considered the nature and extent of the business relationship between EOG and American International Group Inc., for which Mr. Wisner serves as Vice Chairman External Affairs and found that the business relationship is not material to us. In determining the independence of Mr. Textor, the Board of Directors considered the nature and extent of the business relationship between EOG and The Goldman Sachs Group, L.P., of which Mr. Textor was formerly a partner, and found that the business relationship is not material to us. The independence standards contained in our bylaws are available on our website at *www.eogresources.com* and are attached as Appendix A to this proxy statement. Under our Corporate Governance Guidelines, no director may serve on more than three other public company boards.

Meetings

The Board of Directors held six regularly scheduled meetings during the year ended December 31, 2006. Each director attended at least 75% of the total number of meetings of the Board of Directors and the committees on which the director served. We encourage each director to attend our annual shareholders meeting. Each director attended the 2006 Annual Meeting of Shareholders.

Executive Sessions of Non-Management Directors

The non-management directors held four executive sessions in 2006. Mr. Steward was appointed by the non-management directors as the presiding director for these meetings. Mr. Stevens has been appointed by the non-management directors as the presiding director for executive sessions in 2007.

Committees

The Board of Directors uses working committees with functional responsibility in the more complex recurring areas where disinterested oversight is required. Each committee identified below has a charter, including a printable version, that is available at our website at *www.eogresources.com*. The charters are also available in print upon request.

Nominating Committee

The Nominating Committee, which is composed exclusively of independent directors, is responsible for proposing qualified candidates to fill vacancies on the Board of Directors without regard to race, sex, age, religion or physical disability. Nominees for director should possess personal and professional integrity, have good business judgment, have relevant experience and skills, and be willing and able to commit the necessary time for Board and committee service. The Nominating Committee will also consider whether a nominee has the knowledge, background and experience to serve as an Audit Committee Financial Expert.

Our Corporate Governance Guidelines set forth the following minimum requirements for directors:

- No director shall be eligible to stand for election or re-election after having attained the age of 74, unless approved by the Board of Directors;
- At least 3/5 of our directors must meet the criteria for independence required by the NYSE and our bylaws; and
- No director may serve on more than three other public company boards.

The Nominating Committee uses a variety of methods for identifying and evaluating nominees for director. As an alternative to term limits for directors, the Nominating Committee reviews each director's continuation on the Board of Directors every three years. The Nominating Committee also regularly assesses the appropriate size of the Board, and whether any vacancies on the Board are expected due to retirement or otherwise. In the event that vacancies are anticipated, or otherwise arise, the Nominating Committee will consider various potential candidates for director. Candidates may come to the attention of the Nominating Committee through current Board members, professional search firms, shareholders or other persons. These candidates will be evaluated at regular or special meetings of the Nominating Committee, and may be considered at any point during the year. In evaluating such nominations, the Nominating Committee seeks to achieve a balance of knowledge, experience and capability on the Board. The Nominating Committee will consider nominees recommended by shareholders in accordance with the procedures outlined on page 35 of this Proxy Statement.

The Nominating Committee met three times during the year ended December 31, 2006. The Nominating Committee is currently composed of Messrs. Crisp (Chairman), Alcorn, Stevens, Steward, Textor and Wisner.

Audit Committee

The Audit Committee, which is composed exclusively of independent directors, has been established by the Board of Directors to oversee our accounting and financial reporting processes and the audits of our financial statements. The Board of Directors has determined that we currently do not have an Audit Committee Financial Expert serving on the Audit Committee. The Board of Directors has selected the members of the Audit Committee based on the Board's determination that they are qualified to monitor the performance of management and the independent auditors and to monitor our disclosures so that they fairly present our financial condition and results of operation. In addition, the Audit Committee has the ability on its own and at our expense to retain independent accountants or other consultants whenever it deems appropriate. The Board of Directors believes that this is equivalent to having an Audit Committee Financial Expert on the Audit Committee. The Board of Directors believes it is desirable to nominate as a director a person who would qualify as an Audit Committee Financial Expert, but only if that person also has the other experience, attributes and qualifications that we are then seeking for new members of the Board of Directors. Accordingly, the Nominating Committee has been directed to include in the information that it seeks from potential nominees to the Board of Directors whether that person has the knowledge, background and experience to qualify as an Audit Committee Financial Expert and to consider such qualifications when proposing nominees for the Board of Directors. The Audit Committee has the sole authority to appoint independent public accountants as our auditors and reviews, as deemed appropriate, the scope of the audit, the accounting policies and reporting practices, the system of internal controls, compliance with policies regarding business conduct and other matters. The Audit Committee met six times during the year ended December 31, 2006, and is currently composed of Messrs. Textor (Chairman), Alcorn, Crisp, Stevens, Steward and Wisner.

REPORT OF THE AUDIT COMMITTEE

In connection with our December 31, 2006 financial statements, the Audit Committee (1) reviewed and discussed the audited financial statements with management; (2) discussed with the independent auditors the matters required by Statement on Auditing Standards No. 61, as amended, as adopted by the Public Company Accounting Oversight Board (PCAOB) in Rule 3200T; and (3) received the written disclosures and the letter from the independent auditors required by Independence Standards Board Standard No. 1, as adopted by the PCAOB in Rule 3600T, discussed with the independent auditors the independent auditors independence, and considered whether the provision of non-audit services by our principal auditors is compatible with maintaining auditor independence. Based upon these reviews and discussions, the Audit Committee has recommended to the Board of Directors, and the Board of Directors has approved, that our audited financial statements be included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2006 for filing with the Securities and Exchange Commission.

AUDIT COMMITTEE

Donald F. Textor, Chairman
George A. Alcorn
Charles R. Crisp
William D. Stevens
H. Leighton Steward
Frank G. Wisner

Compensation Committee

The Compensation Committee, which is composed exclusively of independent directors, is responsible for the administration of our stock plans and approval of compensation arrangements for our directors and executive officers. The Compensation Committee met five times during the year ended December 31, 2006, and is currently composed of Messrs. Alcorn (Chairman), Crisp, Stevens, Steward, Textor and Wisner.

Procedures and Processes for Determining Executive and Director Compensation

Please refer to Compensation Discussion and Analysis, Compensation Committee, on page 7 of this Proxy Statement for a discussion of the Compensation Committees procedures and processes for making compensation determinations.

Compensation Committee Interlocks and Insider Participation

None.

COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis required by Item 402 (b) of Regulation S-K of the Securities Exchange Act of 1934, as amended. Based on such review and discussion, the Compensation Committee has recommended to the Board of Directors that the Compensation Discussion and Analysis be included in our Proxy Statement on Schedule 14A relating to the 2007 Annual Meeting of Shareholders.

COMPENSATION COMMITTEE

George A. Alcorn, Chairman
Charles R. Crisp
William D. Stevens
H. Leighton Steward
Donald F. Textor
Frank G. Wisner

Corporate Governance Committee

The Corporate Governance Committee is responsible for developing and recommending applicable corporate governance principles and for oversight of the self-evaluation of the Board of Directors. The Corporate Governance Committee met two times during the year ended December 31, 2006, and is currently composed of Messrs. Wisner (Chairman), Alcorn, Crisp, Stevens, Steward and Textor.

Shareholder Communications with the Board

The Board of Directors has a process in place for shareholders to send communications to the Board. Our shareholders shall submit such communications in writing to our Corporate Secretary, who upon receipt of any communication other than one that is clearly marked Confidential will note the date the communication was received in a log established for that purpose, open the Board communication, make a copy of it for our files, and promptly forward the communication to the director(s) to whom it is directed. Upon receipt of any communication that is clearly marked Confidential, our Corporate Secretary will not open the communication, but will note the date the communication was received in a log established for that purpose, and promptly forward the communication to the director(s) to whom it is addressed. Further information regarding this process can be found on our website at *www.eogresources.com/about/corpgov.html*. Interested parties can communicate directly with the presiding director of the non-management directors, or the non-management directors as a group, using the same procedure outlined above for general shareholder communications with the Board, except any such communication should be addressed to the presiding director, or to the non-management directors as a group, as applicable.

Codes of Ethics and Corporate Governance Guidelines

We have adopted a Code of Ethics for Senior Financial Officers and a Code of Business Conduct and Ethics for all our directors, officers, employees, agents and representatives, as well as Corporate Governance Guidelines. Links to these documents, including printable versions, are available on our website at *www.eogresources.com/about/corpgov.html*. The documents are also available in print upon request. In February 2006, the Board of Directors amended our Corporate Governance Guidelines to provide that any nominee for director who fails to receive a majority vote as required by our Bylaws must promptly tender his or her resignation to the Nominating Committee of the Board of Directors. The Nominating Committee will evaluate the resignation and make a recommendation to the Board of Directors who will then act on the tendered resignation within 90 days following certification of the shareholder vote.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Compensation Committee

Compensation for our executive officers, including our principal executive officer, our principal financial officer and each of our three other most highly compensated executive officers (the Named Officers), is administered by the Compensation Committee of the Board of Directors. The Compensation Committee is an independent committee of the Board and is responsible for reviewing and establishing the compensation of the Chief Executive Officer (CEO) and all other executive officers. The Committee has the sole authority to retain compensation consultants and any other type of legal or accounting adviser it deems appropriate. It is the Committee's general practice not to use a compensation consultant and none was used in reviewing and determining compensation for 2006. The Committee reviews comparative data compiled by our Human Resources department from publicly available information and draws its own conclusions prior to making compensation decisions.

Based on its analysis of comparative data presented and its own conclusions regarding that data, the Committee determines the compensation of our CEO during an executive session of the Committee, at which the CEO is not present. Our CEO makes recommendations regarding the compensation of the other Named Officers to the Committee, which they may discuss in executive session. The final determination as to the compensation of the other Named Officers is made solely by the Committee.

The Committee usually holds at least one meeting each fiscal quarter. At the meeting held in the first quarter, the Committee reviews and discusses our performance report with respect to financial and operational results in the prior year, approves the annual bonus payout, which includes both non-equity incentives and restricted stock/units, for the Named Officers based on the performance report, and sets any criteria to be considered in determining the bonus payout for the next year. At the meeting held in the second quarter, the Committee reviews and recommends any changes to non-employee director compensation. At the third quarter meeting, the Committee reviews comparative data on executive compensation and reviews and approves salary increases and annual stock option/Stock Appreciation Rights (SARs) and/or restricted stock grants for all executive officers, including the Named Officers, and all employees. Throughout the year, as necessary, the Committee approves amendments to our stock plans and benefit plans, reviews and approves employment agreements, reviews and revises stock grant vesting and termination provisions, revises the amount available for grant under our CEO's discretionary pool of stock options/SARs and restricted stock and takes any other action necessary or appropriate.

Objectives of our Compensation Program

The Committee is guided by the following key principles in determining the compensation of our CEO and other Named Officers:

- Competition. The Committee believes that compensation should reflect the competitive marketplace, so we can attract, motivate, and retain top industry talent.
- Accountability for Company Performance. Compensation should be tied in part to financial and operational performance, so that executives are held accountable through their compensation for the performance of the businesses for which they are responsible.
- Accountability for Individual Performance. Compensation should be tied in part to the individual's performance to encourage and reflect individual contributions to our performance.
- Alignment with Shareholder Interests. Compensation should be tied in part to our stock price performance through the grant of stock options/SARs and restricted stock/units, to align executives' interests with those of our shareholders.

The Committee believes that appropriately balanced compensation components contribute to our success and that the best compensation philosophy is to put a substantial portion of the total compensation package at risk, tied to both our financial results and the performance of our common stock. On an annual basis, the Committee reviews a tally sheet setting forth base salary, annual non-equity incentive payments, long-term incentive awards, perquisites and other benefits for our CEO and the other Named Officers as compared to industry peer companies based on current, publicly available data. Companies included in the Committees peer review include Anadarko Petroleum Corporation, Apache Corporation, Chesapeake Energy Corporation, Devon Energy Corporation, Murphy Oil Corporation, Newfield Exploration Company, Noble Energy Inc., Pioneer Natural Resources Company, Pogo Producing Company and XTO Energy Inc. The Committee supports a practice of paying base salaries that approximate the median of the competitive market (adjusted for market capitalization), and annual non-equity incentive payments and long-term incentives which deliver above average compensation if financial results and/or shareholder returns exceed the average achieved by industry peer companies. In setting or approving compensation of the CEO and the other Named Officers, the Committee reviews and considers the allocation of total compensation (among salary, annual non-equity incentive payments, and equity compensation components), and the total theoretical compensation value, including actual realized stock option gains, at our peer companies. The Committee then makes a subjective judgment as to the appropriate allocation of total compensation among the various components in implementing its philosophy described above. Generally, our total compensation package is more heavily weighted toward long-term compensation than our peer companies.

The Committee also believes that it is in the best interest of shareholders for all of our executive officers to maintain a certain level of ownership in EOG. Therefore, stock ownership guidelines have been established ranging from one times base salary for Vice Presidents to up to five times base salary for the CEO. Each Named Officer currently meets the stated ownership guideline. We have no policies in place for hedging the economic risks of stock ownership under these guidelines.

Compensation Program Design

Consistent with the objectives described above, the compensation package of the CEO and the other Named Officers consists primarily of the following elements:

- Base Salary
- Cash Bonus (Non-Equity Incentive)
- Stock Options/SARs
- Restricted Stock Units
- Restricted Stock

A more detailed discussion of each element of compensation is provided below. We do not use any formulas to determine the amount of each element to be paid. Each element of compensation is reviewed individually relative to the objectives of that element. The Committee reviews base salary and non-equity incentives combined and compares this to our peer companies relative to market capitalization. The Committee also compares the Named Officers total realized compensation annually, including stock option gains relative to one-year shareholder returns, to that at our peer companies to confirm that the size of the annual stock option/SAR grants is appropriate. The Committee considers published market analyses and rankings to aid in determining if equity incentives are delivering rewards commensurate with company and stock performance. We currently do not have any policies in place regarding the adjustment or recovery of payments or awards in the event that we were required to restate any of our financial results. We believe that our accounting practices are conservative and we have not been required to restate our financial results at any time since becoming an independent company in 1999, thus the Committee has not deemed any adjustment or recovery policies necessary at this time.

Elements of In-Service Compensation

The following describes the elements of our in-service compensation package and explains why we choose to pay each element and how we determine the amount to be paid.

Base Salary:

- Purpose: Base Salary is used to attract industry talent and to reward individual performance.

- How amount is determined:

n Each Named Officer has entered into an employment agreement with EOG that guarantees a minimum base salary during the term of the agreement. The terms of each Named Officer's employment agreement is described under "Employment Contracts" on page 16 of this Proxy Statement.

n The amount of base salary that is paid above the guaranteed minimum is determined by review of comparable executive salaries at our peer companies adjusted for market capitalization.

n At his request, our CEO's base salary is currently being held flat at $940,000 annually to avoid his salary becoming disproportionate in amount to the rest of our employees. Since our CEO is not receiving annual pay increases, the Committee has authorized us to contribute up to $50,000 annually into the EOG Resources Scholarship Fund, though these contributions are not made on our CEO's behalf or in his name.

Cash Bonus (Non-Equity Incentive):

- Purpose: Annual cash bonuses are paid to reward each individual's contribution to our operational and financial results.

- How amount is determined:

n Each Named Officer has a bonus target specified in his employment agreement that ranges from 60% to 100% of base salary.

n In determining the actual amount to be paid to each individual, the Committee reviews the criteria outlined in our Executive Officer Annual Bonus Plan described below and the amount of annual bonus paid in previous years. Our CEO reviews with the Committee each other Named Officer's performance relative to individual goals set by the respective officer and the CEO.

n Our Executive Officer Annual Bonus Plan was approved by shareholders in 2001. The performance goal necessary for payment of bonuses is the achievement of positive Net Income Available to Common, excluding nonrecurring or extraordinary items, as reported in our year-end earnings release. This performance goal was met in 2006.

n The maximum individual bonus for any calendar year is $2,000,000. The Committee may reduce the bonus payable to an executive officer below the maximum amount based on objective or subjective criteria in its sole discretion. The criteria currently considered by the Committee are the reinvestment rate of return of the capital expenditure program, production volume growth, reserve replacement, finding cost of adding new reserves, stock price performance relative to peer companies and the level of cash flow and net income.

n These criteria are designed to address both our current financial performance and the long-term development. No specific formula is used for weighting these performance criteria. At its first meeting of each year, management presents and the Committee reviews and discusses a performance report detailing our actual financial and operational results from the prior year and how these results compare with the bonus payout criteria set in the prior year. The Committee considers the satisfaction of these criteria in its determination of the annual bonus payout, but it

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has the discretion to weight the satisfaction or lack of satisfaction of the criteria as the Committee deems appropriate. The only criteria that must be achieved for the annual bonus payout is a positive Net Income Available to Common.

n Historically, a percentage, in the Committee's discretion, of the annual bonus payout for each Named Officer is paid in restricted stock units for retention purposes. Beginning in 2007, restricted stock will be used instead of restricted stock units, unless the recipient is impacted by Section 409A of the Internal Revenue Code of 1986, as amended (the Code), as discussed below. For bonuses paid in 2007 for 2006 performance, the Committee approved delivery of 20% of the bonuses paid to the Named Officers in restricted stock/units. The terms of the restricted stock/units are described below.

Stock Options/SARs:

- Purpose: Stock options and/or SARs are granted annually to align the executives interest with those of shareholders and to reward executives when shareholder value is increased.
- How the number of options/SARs is determined:

n We normally grant stock options/SARs to all our employees annually. Stock option/SAR grants to the Named Officers come out of the pool approved for all employees. The size of the pool is determined by reviewing 1) the current options/SARs outstanding as a percentage of total shares outstanding and 2) the number of options/SARs granted per year as a percentage of total shares outstanding versus that at our peer companies.

n The size of the individual grant to each Named Officer is determined by reviewing the value of the grant versus that delivered at peer companies and by reviewing individual performance, level of retention mechanisms currently in place and previous years grants (not including realized gains from those grants). In comparing grants delivered at peer companies, the Committee considers the peers relative shareholder returns to ours and adjusts the level of grants accordingly.

n Under our 1992 Stock Plan, no individual shall be granted SARs totaling more than 100,000 shares in any calendar year. Due to this limitation, our CEO was awarded 100,000 SARs and 100,000 stock options in 2006.

- Terms of options/SARs:

n Under our 1992 Stock Plan, the Committee is authorized to grant awards of stock options, SARs, restricted stock and restricted stock units.

n Our current practice is for stock options granted under the 1992 Stock Plan to vest in 25% increments over four years and have an option price equal to the fair market value of our common stock on the date of grant. Options and SARs granted to our CEO in 2006 vest in 50% increments over 2 years in order to complete the vesting at or prior to his attaining age 62. Generally, grants vest 100% upon death, disability or retirement after age 62. The Committee believes that the accelerated vesting will eliminate any potential motivation for our CEO to retire at age 62 in order to accelerate the vesting of his options/SARs.

n Beginning with grants made in August 2005, stock options are exercisable for seven years, instead of the historical ten years.

n Beginning with the 2006 annual grant, we began using stock-settled SARs instead of traditional non-qualified stock options to lessen the dilutive impact of the grants on shareholders.

n Prospectively, the Committee may utilize the other types of awards available under the 1992 Stock Plan in order to 1) balance the long-term objectives of market competitiveness, motivation and retention, 2) maximize the perceived compensation value to the executive, and 3) minimize the actual cost to EOG, all in the best interest of shareholders.

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n Grant dates for option/SAR grants are set at approximately two weeks from the date of the meeting of the Committee to allow time to allocate the pool of options to each employee. Grants for new hires are made on the first trading day of the month following the date of hire.

Bonus Restricted Stock/Units (Stock Awards):

- Purpose: Restricted stock units that vest 5 years from the date of grant have been granted historically as part of the executive□s annual bonus payout to provide a retention component. The Committee also believes that providing a portion of the annual bonus in restricted stock units puts additional emphasis on our long-term strategy and health and increased focus on improving shareholder value. Restricted stock units have been used, as opposed to restricted stock, to provide a tax deferral mechanism that complies with Section 409A of the Code. Beginning in 2007, restricted stock units will only be used if the executive will reach age 62, our normal retirement age, prior to the grant□s vesting date.
- How the number of shares of restricted stock/units is determined:

n In 2006, 20% of each Named Officer□s annual bonus payout was delivered in restricted stock/units with a premium of up to three times the value of the portion of the annual bonus payout that otherwise would have been delivered in cash.

n The percentage of annual bonus payout to be delivered in restricted stock/units is at the Committee□s sole discretion.

- Terms of restricted stock/units:

n Awards generally vest 5 years from the date of grant.

n Awards are granted under our 1992 Stock Plan described above.

Restricted Stock (Stock Awards):

- Purpose: Restricted Stock is issued periodically as a method of retention and to further align executive and shareholder interests. It also has been issued and may be issued in the future to the Named Officers as an inducement to enter into employment contracts.
- How the number of shares of restricted stock is determined:

n The Committee reviews the marketplace and considers if additional long-term incentives are necessary for retention.

n The Committee also reviews current levels of unvested restricted stock for the Named Officers to ensure that an adequate number of unvested shares remain to maintain the level of long-term incentive.

- Terms of restricted stock:

n Restricted stock is awarded under our 1992 Stock Plan described above. Awards typically vest 5 years from the date of grant.

n Restricted stock units will be used instead of restricted stock if the executive will reach age 62 prior to the grant□s vesting date.

n In accordance with the 1992 Stock plan, shares of non-vested restricted stock are forfeited upon termination of employment for any reason other than death, disability, retirement or involuntary termination. Involuntary termination is defined as termination by us, other than for cause.

Other Compensation/Benefits:

- 1996 Deferral Plan.

n To allow certain key employees, including the Named Officers, to reduce current compensation thereby reducing current taxable income, we maintain the 1996 Deferral Plan under which payment of a percentage of base salary and annual bonus may be deferred to a later specified date.

n The Deferral Plan pays at market mutual fund investment returns based upon participant elections and does not credit above-market or preferential earnings.

n We may make contributions to the 1996 Deferral Plan on behalf of the Named Officers in the event of a reduction in benefits under our Retirement Plans due to either statutory and/or plan earnings limits, or because the executive elects to defer salary into the 1996 Deferral Plan. These contributions are intended to provide the entire contribution amount to the executives Retirement Plans as if there were no statutory or other limitations (the Make Whole Contributions).

- Perquisite Allowances. Each Named Officer receives a perquisite allowance of 3% of his annual base salary to be used for certain enumerated items. The 3% allowance is not grossed up for income taxes. We provide a perquisite allowance rather than pay for perquisites on an individual basis to ensure that each Named Officer receives a similar value and to lessen the administrative burden of documentation for individual items. Named Officers do not have to submit reimbursement requests on these enumerated items and are able to select among various items as they believe appropriate.
- Employee Stock Purchase Plan. Each Named Officer has the opportunity to participate in our Employee Stock Purchase Plan to the same extent as all other employees. This allows employees to purchase our stock at a 15% discount with no commission or fees.
- Medical, Life, Disability and Retirement Plans. Each Named Officer participates in the same benefit plans available to all our employees. We have no executive medical, life or disability plans, nor do we have supplemental retirement benefits for our executives, other than the Make Whole Contributions.
- Matching Gifts. To encourage charitable giving, we will match, up to $60,000 annually, charitable contributions or gifts given by any employee or director. We also match 100% of any contributions made under our company-wide annual United Way campaign. Named Officers participate in this program to the same extent as all other employees.
- Sporting Event Tickets. We provide tickets to local sporting events for use by all employees. Executive officers, including the Named Officers, have first priority over use of these tickets. These items are not included in the taxable income of the employee and there are no gross ups for any taxes.
- Service Awards. Named Officers participate in our service award program to the same extent as all other employees. In 2006, our CEO celebrated 25 years of service and received one weeks pay along with a nominal gift.

Elements of Post-Termination Compensation and Benefits

The elements of our post-termination compensation and benefits and the events that trigger those benefits are discussed under Post-Employment Compensation on page 20 of this Proxy Statement. The Named Officers have individual Change of Control Agreements that provide benefits in addition to the Change of Control Severance Plan that applies to all employees because the Committee believes that the risk of job loss in a change of control is higher among executive officers and the time to secure appropriate substitute employment may be longer. The Committee believes that these change of control benefits are a retention device in a competitive market and intends that our Named Officers be compensated should they be involuntarily terminated after a change in control, should they voluntarily terminate under circumstances that constitute good reason or should

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they terminate for any reason after 6 months following the change of control, which the Committee believes is sufficient time to determine if there is potential for a long-term employment relationship with the acquiring company.

Tax and Accounting Considerations

In setting elements of compensation, the Committee considers the impact of the following tax and accounting provisions:

- Section 162(m). Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code), generally disallows a tax deduction to public companies for compensation over $1 million paid to the CEO and the four other most highly compensated executive officers of a company, as reported in that company's proxy statement. Qualifying performance-based compensation is not subject to the deduction limit if certain requirements are met. Historically, we have structured the key component of our long-term incentives in the form of stock option grants that comply with the statute. Our Executive Officer Annual Bonus Plan, discussed above, also complies with the statute. The Committee is committed to preserving the deductibility of compensation under Section 162(m) whenever practicable, but does grant awards that are non-deductible, such as restricted stock and restricted stock units, when it feels such grants are in our best interest and the best interest of our shareholders.
- Statement of Financial Accounting Standards (SFAS) 123(R). SFAS No. 123(R) issued by the Financial Accounting Standards Board requires a public company to measure the cost of employee services received in exchange for an award of equity instruments based on the grant date fair value of the award. Equity awards we grant are structured to comply with the requirements of SFAS No. 123R to maintain the appropriate equity accounting treatment.
- Section 409A. Section 409A of the Code, as amended, provides that deferrals of compensation under a nonqualified deferred compensation plan for all taxable years are currently includible in gross income to the extent not subject to a substantial risk of forfeiture and not previously included in gross income, unless certain requirements are met. We structure deferred compensation items to be in compliance with Section 409A. We do not currently grant any discounted options to which Section 409A may apply.
- Section 280G and Section 4999. We consider the impact of Section 280G and Section 4999 of the Code in determining our post-termination compensation. We provide reimbursement for any excise tax, interest and penalties incurred if payments or benefits received due to a change of control would be subject to an excise tax under Section 4999 of the Code.

SUMMARY COMPENSATION TABLE

The following table summarizes certain information regarding compensation paid or accrued during fiscal year 2006 to the Named Officers:

Name and Principal Position	Fiscal Year	Salary ($)	Bonus ($) (a)	Stock Awards ($) (b)	Option/SAR Awards ($) (c)	Non-Equity Incentive Plan Compensation ($) (d)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($) (e)	All Other Compensatio ($) (f)
Mark G. Papa Chairman and Chief Executive Officer	2006	$ 940,000		$ 2,180,922	$ 3,173,607	$1,140,000		$ 532,077
Edmund P. Segner, III Senior Executive Vice President and Chief of Staff	2006	$ 491,162		$ 385,724	$ 952,362	$ 500,000		$ 227,384
Loren M. Leiker Senior Executive Vice President, Exploration	2006	$ 482,308		$ 392,143	$ 968,051	$ 600,000		$ 184,131
Gary L. Thomas	2006	$ 482,308		$ 392,143	$ 968,051	$ 600,000		$ 186,003

Senior Executive Vice President, Operations								
Barry Hunsaker, Jr. Senior Vice President and General Counsel	2006	$ 390,462		$ 187,286	$ 415,262	$ 180,000		$ 136,365

(a) Amounts reported in prior years as "Bonus" will now be reported as "Non-Equity Incentive Plan Compensation" since these amounts are intended to serve as an incentive for performance to occur over a specified period.

(b) and (c) See Note 6 to the Consolidated Financial Statements included in EOG's Annual Report on Form 10-K for the year ended December 31, 2006 for all assumptions made in valuation.

(d) The total amount awarded for each of the Named Officers is as follows: Mr. Papa, $1,995,039; Mr. Segner, $812,530; Mr. Leiker, $1,050,028; Mr. Thomas, $1,050,028; and Mr. Hunsaker, $292,540. Of the total amount awarded, the following amount of the bonus payout awarded was delivered in restricted stock/units: Mr. Papa, $855,039; Mr. Segner, $312,530; Mr. Leiker, $450,028; Mr. Thomas, $450,028; and Mr. Hunsaker, $112,540. Since the grant of restricted stock/units was made in 2007, it is not reflected in the above table.

(e) We maintain the 1996 Deferral Plan under which payment of base salary and annual bonus may be deferred to a later specified date. Since the 1996 Deferral Plan does not credit above-market or preferential earnings, no earnings have been reported.

(f) All Other Compensation includes the following:

- Matching contributions under the Savings Plan, our contributions on behalf of each employee to the Money Purchase Pension Plan and our contributions on behalf of each employee to the 1996 Deferral Plan as follows: Mr. Papa, $321,000; Mr. Segner, $128,574; Mr. Leiker, $136,633; Mr. Thomas, $136,633; and Mr. Hunsaker, $86,019.
- Cash perquisite allowances for each of the Named Officers as follows: Mr. Papa, $29,285; Mr. Segner, $14,712; Mr. Leiker, $14,965; Mr. Thomas, $14,965; and Mr. Hunsaker, $11,690.

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- Flex dollars provided by us to be used to pay for medical, dental, employee life and accidental death and dismemberment coverage on a pre-tax basis for each of the Named Officers as follows: Mr. Papa, $8,755; Mr. Segner, $12,024; Mr. Leiker, $8,932; Mr. Thomas, $6,708; and Mr. Hunsaker, $12,024.
- Personal usage of charter aircraft for Mr. Papa in the amount of $54,386 and Mr. Leiker in the amount of $4,565. To determine the incremental cost to us of personal use of charter aircraft, the total number of air miles flown for a trip is calculated based on the number of passengers on each segment of the trip. The number of personal miles flown is then calculated as a percentage of the total air miles flown. This percentage is then multiplied by the actual amount invoiced by the charter company for the trip.
- Use of EOG's sporting event tickets for each of the Named Officers as follows: Mr. Papa, $5,546; Mr. Segner, $2,074; Mr. Leiker, $2,366; Mr. Thomas, $8,096; and Mr. Hunsaker, $3,134.
- Service awards for Mr. Papa who celebrated 25 years of service and received one week's pay worth $18,077 as well as a luggage set valued at $972, and Mr. Hunsaker who celebrated 10 years of service and received binoculars valued at $214.

- Payment for vacation not taken in fiscal year 2005 as follows: Mr. Papa, $18,077; Mr. Leiker, $9,038; and Mr. Thomas, $9,038.
- Reimbursement for EOG requested spouse travel including a gross-up for payment of taxes as follows: Mr. Papa, $3,346; Mr. Leiker, $1,132; and Mr. Hunsaker, $976.
- Charitable matching contributions made by EOG for each of the Named Officers as follows: Mr. Papa, $56,633; Mr. Segner, $60,000; Mr. Thomas, $163; and Mr. Hunsaker, $14,808. Matching contributions for the United Way as follows: Mr. Papa, $16,000; Mr. Segner, $10,000; Mr. Leiker, $6,500; Mr. Thomas, $10,400; and Mr. Hunsaker, $7,500.

GRANTS OF PLAN-BASED AWARDS TABLE

The following table summarizes certain information regarding grants made to each of the Named Officers during the last fiscal year under any plan:

			Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards						
Name	Approval Date (a)	Grant Date (b)	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	All Other Stock Awards; Number of Shares of Stock or Units (#)(c)	All Other Option Awards; Number of Securities Underlying Options (#)(d)	Exercise or Base Price of Option Awards ($/Sh)	Grant Date Fair Value of Stock and Option Awards(e)
Mark G. Papa	2/23/06	3/8/06							14,981			$ 999,982
	9/6/06	9/20/06								200,000	$ 60.99	$ 4,079,020
Edmund P. Segner, III .	2/23/06	3/8/06							5,484			$ 366,057
	9/6/06	9/20/06								55,000	$ 60.99	$ 1,230,279
Loren M. Leiker	2/23/06	3/8/06							6,421			$ 428,602
	9/6/06	9/20/06								65,000	$ 60.99	$ 1,453,966
Gary L. Thomas	2/23/06	3/8/06							6,421			$ 428,602
	9/6/06	9/20/06								65,000	$ 60.99	$ 1,453,966
Barry Hunsaker, Jr.	2/23/06	3/8/06							2,742			$ 183,029
	9/6/06	9/20/06								22,000	$ 60.99	$ 492,111

(a) and (b) Grant dates are set approximately two weeks after the Approval Date to allow time for individual managers to allocate the approved pool to employees. The Committee determines the grant size for each Named Officer on the Approval Date to be granted on the same future grant date as other employees.

(c) All restricted stock units granted in 2006 were in connection with the annual bonus for 2005. The restricted stock units vest five years from date of grant. Upon the date a press release is issued announcing a pending shareholder vote, tender offer, or other transaction which, if approved and consummated, would constitute a change of control as defined in our Amended and Restated Change of Control Severance Plan, all restrictions placed on each share of non-vested restricted stock unit shall lapse. Dividend equivalents accrue from the date of grant and become payable effective with the vesting date of the shares.

(d) Due to the limitation on the number of SARs we are able to grant under our 1992 Stock Plan, Mr. Papa was granted 100,000 SARs and 100,000 stock options. All other Named Officers were granted only SARs in 2006. Stock options/SARs awarded to Mr. Papa vest at the cumulative rate of 50% per year, commencing on the first anniversary of the date of grant. SARs awarded to the other Named Officers vest at the cumulative rate of 25% per year, commencing on the first anniversary of the date of grant. Upon the date a press release is issued announcing a pending shareholder vote, tender offer, or other transaction which, if approved and consummated, would constitute a change of control as defined in our Amended and Restated Change of Control Severance Plan, stock options/SARs shall vest and be fully exercisable.

(e) The grant date present value of each option/SAR grant is estimated using a Hull-White II Simulation Model. The assumptions used for the option/SAR grants awarded to Mr. Papa are a dividend yield of 0.3%, expected volatility of 34.1%, risk-free interest rate of 4.96% and a weighted average expected life of 4.67 years. Based on the Hull-White II Simulation Model, using the above assumptions, the value of options/SARs granted to Mr. Papa on September 20, 2006 is $20.3951 per share. The assumptions used for the SARs awarded to the other Named Officers are a dividend yield of 0.3%, expected volatility of 34.1%, risk-free interest rate of 4.96% and a weighted average expected life of 5.3 years. Based on the Hull-White II Simulation Model, using the above assumptions, the value of SARs granted to the other Named Officers on September 20, 2006 is $22.3687 per share. The actual value, if any, an optionee may realize will depend on the excess of our stock price over the exercise price on the date the option/SAR is exercised. The grant date fair value for the restricted stock units granted March 8, 2006 is $66.75 per share.

Employment Contracts

Each of our Named Officers has entered into an employment agreement with us. The material terms are described below, other than the provisions regarding termination and compensation upon termination, which are described under "Potential Payments Upon Termination or Change of Control" on page 21 of this Proxy Statement.

Mr. Papa, under his employment agreement effective as of June 15, 2005, currently serves as our Chairman of the Board and Chief Executive Officer at a minimum annual salary of $940,000 and a target annual bonus of 100% of his annual base salary. At the discretion of the Compensation Committee, the bonus may be paid in a combination of cash, stock options/SARs or restricted stock/units. The employment agreement expires on May 31, 2009, but will automatically be renewed annually for a one-year term unless we or Mr. Papa provides a 120-day notice of intent not to renew.

Mr. Segner, under his employment agreement effective as of June 15, 2005, currently serves as Senior Executive Vice President and Chief of Staff at a minimum annual salary of $485,000 and a target annual bonus of 100% of his annual base salary. At the discretion of the Compensation Committee, the bonus may be paid in a combination of cash, stock options/SARs or restricted stock/units. The employment agreement expires on May 31, 2009, but will automatically be renewed annually for a one-year term unless we or Mr. Segner provides a 120-day notice of intent not to renew.

Mr. Leiker, under his employment agreement effective as of June 15, 2005, currently serves as Senior Executive Vice President, Exploration at a minimum annual salary of $445,000 and a target annual bonus of 90% of his annual base salary. At the discretion of the Compensation Committee, the bonus may be paid in a combination of cash, stock options/SARs or restricted stock/units. The employment agreement expires on May 31, 2009, but will automatically be renewed annually for a one-year term unless we or Mr. Leiker provides a 120-day notice of intent not to renew.

Mr. Thomas, under his employment agreement effective as of June 15, 2005, currently serves as Senior Executive Vice President, Operations at a minimum annual salary of $445,000 and a target annual bonus of 90% of his annual base salary. At the discretion of the Compensation Committee, the bonus may be paid in a combination of cash, stock options/SARs or restricted stock/units. The employment agreement expires on May 31, 2009, but will automatically be renewed annually for a one-year term unless we or Mr. Thomas provides a 120-day notice of intent not to renew.

Mr. Hunsaker, under his employment agreement effective as of June 15, 2005, serves as Senior Vice President and General Counsel at a minimum annual salary of $366,000 and a target annual bonus of 60% of his annual base salary. At the discretion of the Compensation Committee, the bonus may be paid in a combination of cash, stock options/SARs or restricted stock/units. The employment agreement expires on May 31, 2009, but will automatically be renewed annually for a one-year term unless we or Mr. Hunsaker provides a 120-day notice of intent not to renew.

Each Named Officer's employment agreement contains confidentiality obligations and specifies that all information, ideas, discoveries and inventions developed or acquired by the officer during his employment at EOG are our sole and exclusive property. As part of the consideration for the compensation and benefits payable under the agreement, the agreement provides that the Named Officer shall not compete with the business of EOG for a period that extends until the earlier of (a) the expiration of the term of the employment agreement or b) one year after his employment is terminated, other than as a result of a voluntary termination by the Named Officer. If the Named Officer voluntarily terminates his employment during the term of his employment agreement, then his non-competition obligations extend for one year following the termination.

Material Terms of Plan Based Awards

The vesting schedule of all restricted stock/units and stock options/SARs awarded to the Named Officers is described under footnotes (c) and (d) to the Grants of Plan Based Awards table above. In accordance with the terms of our 1992 Stock Plan, no dividends or other distributions will be paid on unvested shares of restricted stock/units, but the value of any dividends or distributions declared on our common stock will be credited by us for the account of the Named Officer (with no interest) with respect to those unvested shares. When a portion of the restricted stock/units vests, we will deliver the accumulated credits to the respective officer in either cash or the equivalent number of shares of our common stock. Credits for the value of dividends and distributions are forfeited under the same circumstances that the restricted stock/units are forfeited (please refer to "Compensation Discussion and Analysis, Elements of In-Service Compensation, Restricted Stock", on page 11 of this Proxy Statement for a discussion of forfeiture). At no time during 2006 were any outstanding awards repriced or otherwise materially modified. There are no performance based or market based conditions applicable to any of the awards described above.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END TABLE

The following table summarizes certain information regarding unexercised options, unvested stock, and equity incentive plan awards outstanding as of the end of the last fiscal year for each of the Named Officers:

Option Awards	Stock Awards	
Equity Incentive Plan Awards;	Equity Incentive Plan Awards: Number of	Equit Incenti Plan Award Market Payout V

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Unearned Shares, Units or Other Rights That Have Not Vested (#)	of Unear Shares, U or Oth Rights T Have N Veste ($)
Mark G. Papa	250,000	0		$17.68	07/31/2011	355,594(f)	$ 22,206,845		
	360,000	0		$16.83	08/07/2012				
	240,000	60,000(a)		$19.50	08/06/2013				
	0	135,000(b)		$32.45	08/03/2014				
	41,250	123,750(c)		$62.98	08/15/2012				
	0	200,000(d)		$60.99	09/20/2013				
Edmund P. Segner, III	0	20,000(a)		$19.50	08/06/2013	58,124(g)	$ 3,629,844		
	0	45,000(b)		$32.45	08/03/2014				
	13,750	41,250(c)		$62.98	08/15/2012				
	0	55,000(e)		$60.99	09/20/2013				
Loren M. Leiker	20,000	0		$17.68	07/31/2011	56,824(h)	$ 3,548,659		
	48,000	0		$16.83	08/07/2012				
	60,000	20,000(a)		$19.50	08/06/2013				
	0	45,000(b)		$32.45	08/03/2014				
	13,750	41,250(c)		$62.98	08/15/2012				
	0	65,000(e)		$60.99	09/20/2013				
Gary L. Thomas	48,000	0		$16.41	08/08/2010	56,824(h)	$ 3,548,659		
	100,000	0		$17.68	07/31/2011				
	120,000	0		$16.83	08/07/2012				
	80,000	20,000(a)		$19.50	08/06/2013				
	0	45,000(b)		$32.45	08/03/2014				
	13,750	41,250(c)		$62.98	08/15/2012				
	0	65,000(e)		$60.99	09/20/2013				
Barry Hunsaker, Jr.	50,000	0		$16.83	08/07/2012	28,226(i)	$ 1,762,714		
	40,000	10,000(a)		$19.50	08/06/2013				
	0	20,000(b)		$32.45	08/03/2014				
	5,500	16,500(c)		$62.98	08/15/2012				
	0	22,000(e)		$60.99	09/20/2013				

(a) The unexercisable options will vest one hundred percent August 6, 2007.

(b) The unexercisable options will vest fifty percent August 3, 2007 and fifty percent August 3, 2008.

(c) The unexercisable options will vest in one-third increments August 15, 2007, August15, 2008 and August 15, 2009.

(d) The unexercisable options will vest fifty percent September 20, 2007 and fifty percent September 20, 2008.

(e) The unexercisable options will vest in twenty-five percent increments September 20, 2007, September 20, 2008, September 20, 2009 and September 20, 2010.

(f) The unvested shares/units will vest as follows: 30,868 units on February 12, 2007, 16,717 units on February 20, 2007, 30,151 units on February 20, 2008, 200,000 shares on November 6, 2008, 38,020 units on February 24, 2009, 24,857 units on March 11, 2010, and 14,981 units on March 8, 2011. Of the unvested shares/units, 155,594 shares were granted in connection with annual bonuses.

(g) The unvested shares/units will vest as follows: 9,724 units on February 12, 2007, 7,090 units on February 20, 2008, 20,000 shares on November 6, 2008, 10,140 units on February 24, 2009, 5,686 units on March 11, 2010, and 5,484 units on March 8, 2011. Of the unvested shares/units, 38,124 shares were granted in connection with annual bonuses.

(h) The unvested shares/units will vest as follows: 6,946 units on February 12, 2007, 5,374 units on February 20, 2008, 20,000 shares on November 6, 2008, 10,140 units on February 24, 2009, 7,943 units on March 11, 2010, and 6,421 units on March 8, 2011. Of the unvested shares/units, 36,824 shares were granted in connection with annual bonuses.

(i) The unvested shares/units will vest as follows: 4,076 units on February 12, 2007, 3,434 units on February 20, 2008, 10,000 shares on November 6, 2008, 5,070 units on February 24, 2009, 2,904 units on March 11, 2010, and 2,742 units on March 8, 2011. Of the unvested shares/units, 18,226 shares were granted in connection with annual bonuses.

OPTION EXERCISES AND STOCK VESTED TABLE

The following table summarizes certain information regarding exercises of options and SARs and vesting of stock during the last fiscal year for each of the Named Officers:

	Option Awards		Stock Awards	
Name	**Number of Shares Acquired on Exercise (#)**	**Value Realized on Exercise ($)**	**Number of Shares Acquired on Vesting (#)**	**Value Realized on Vesting ($)**
Mark G. Papa	167,500	$ 8,849,148	183,112	$ 13,322,163
Edmund P. Segner, III	66,500	$ 3,124,418	68,588	$ 5,059,217
Loren M. Leiker	22,500	$ 758,913	65,090	$ 4,820,443
Gary L. Thomas	22,500	$ 758,913	65,090	$ 4,820,443
Barry Hunsaker, Jr.	10,000	$ 328,750	33,182	$ 2,453,703

POST-EMPLOYMENT COMPENSATION

We currently have no defined benefit pension plans.

NONQUALIFIED DEFERRED COMPENSATION TABLE

The following table provides certain information with respect to each defined contribution plan that provides for the deferral of compensation on a basis that is not tax qualified.

Name	Executive Contributions in Last Fiscal Year ($)(a)	Registrant Contributions in Last Fiscal Year ($)	Aggregate Earnings in Last Fiscal Year ($)(b)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at Last Fiscal Year End ($)(c)
Mark G. Papa	$ 47,000	$ 238,500	$ 136,157		$ 2,842,753
Edmund P. Segner, III	$ 26,000	$ 102,801	$ (8,524)		$ 2,231,828
Loren M. Leiker	$ 15,000	$ 94,260	$ 223,010		$ 1,672,242
Gary L. Thomas	$ 20,000	$ 94,260	$ 198,752		$ 1,289,898
Barry Hunsaker, Jr.	$ 0	$ 57,584	$ 97,420		$ 874,975

(a) One hundred percent of such amount is reported in the salary column of the summary compensation table.

(b) Amounts included in this column do not include above-market or preferential earnings (of which there were none) and, accordingly, such amount is not included in the Change in Pension Value and Nonqualified Deferred Compensation Earnings column of the Summary Compensation Table.

(c) The amount of the aggregate balance as of December 31, 2006 that has been contributed by the Named Officer and shown as compensation in the Summary Compensation Table in previous years for each of the Named Officers is: Mr. Papa, $861,375; Mr. Segner, $1,144,093; Mr. Leiker, $1,011,875; Mr. Thomas, $784,363; and Mr. Hunsaker, $501,480. The amount of the aggregate balance as of December 31, 2006 that has been contributed by EOG and shown as compensation in the Summary Compensation Table in previous years for each of the Named Officer is: Mr. Papa, $943,501; Mr. Segner, $458,396; Mr. Leiker, $329,887; Mr. Thomas, $355,314; and Mr. Hunsaker, $189,218.

Under our 1996 Deferral Plan, each Named Officer can elect to defer up to 50% of his regular salary and/or up to 100% of the cash portion of his annual bonus payout. Deferral elections are irrevocable and must be made prior to the first day of the calendar year during which the compensation would be earned.

Deferrals are invested into either the Flexible Deferral Account, in which deferrals are treated as if they had been invested into various investment funds as directed by the participant, in which returns vary based on the performance of the funds; or into the Phantom Stock Account, in which deferrals are treated as if they had purchased our common stock, including reinvestment of dividends.

Participants in the deferral plan may elect a lump sum payout or annual installment payouts for up to 15 years following their separation from service, disability, or death. If a participant elected to defer funds into the Phantom Stock Account, distributions will be made in shares of our common stock. A participant may also elect to receive his account balance in a lump sum upon a change of control (as defined in the Deferral Plan).

A participant may receive an in-service distribution in the following ways:

n through a Special Deferral Account, under which distribution of all or a part of a participants account balance can be made over a period of one to five years beginning after the first anniversary of the election; or

n through a hardship distribution, in which the committee responsible for administering the plan (in its sole discretion) grants the participants request for a distribution based on unforeseeable circumstances causing urgent and severe financial hardship for the participant.

Potential Payments Upon Termination or Change of Control

If a Named Officer is terminated other than as a result of a change of control, the terms of his employment agreement described below would govern any payments received. If a change of control occurs and a Named Officer is terminated, the terms of each officers Amended and Restated Change of Control Agreement, along with our Retention Bonus Plan described in Payments Made Upon a Change of Control, Retention Bonus Plan on page 26 of this Proxy Statement, govern any payments received. The tables below reflect the amount of compensation to be paid to each Named Officer in the event of his termination of employment as a result of each of the described circumstances. The amounts shown in the tables below assume that any termination was effective as of December 31, 2006 and are estimates of the amounts which would be paid upon termination. The actual amounts to be paid can only be determined at the time of the officers actual termination.

Payments Made Upon Termination Under Employment Agreements

Each Named Officers employment agreement is generally described in Employment Contracts on page 16 of this Proxy Statement. The following describes payments to be received under the employment agreements in the event of termination of employment for the specified reason. In each case, the officer shall remain entitled to receive any compensation and benefits earned and accrued as of the termination date and as provided in the applicable plan document or grant agreement.

Involuntary Termination

Under each employment agreement, the following constitute an involuntary termination:

n termination at the discretion of the Board of Directors for any reason, other than for cause, prior to the expiration of the term of the agreement;

n termination by the officer as a result of a material breach of the agreement by EOG that remained uncorrected for 30 days.

The following amounts are payable in the event of each officers Involuntary Termination:

1. Mr. Papa. Mr. Papa would receive a severance benefit equal to the greater of a) the salary and annual bonus award he would have received from the date of termination through the end of the term of the employment agreement if his employment had continued or b) two times the sum of his then current annual base salary and his annual bonus award opportunity. He would also receive the value of unvested stock options and stock appreciation rights based on the difference between the average closing price of our common stock on the ten trading days prior to, but not including, the date of termination and the grant price.

2. Mr. Segner. Mr. Segner would receive a severance benefit equal to the greater of a) the salary and annual bonus award he would have received from the date of termination through the end of the term of the employment agreement if his employment had continued or b) two times the sum of his then current annual base salary and his annual bonus award opportunity. He would also receive the value of

unvested stock options and stock appreciation rights based on the difference between the average closing price of our common stock on the ten trading days prior to, but not including, the date of termination and the grant price.

3. Mr. Leiker. Mr. Leiker would receive a severance benefit equal to the greater of a) the salary and annual bonus award he would have received from the date of termination through the end of the term of the employment agreement if his employment had continued or b) the sum of his then current annual base salary and his annual bonus award opportunity.

4. Mr. Thomas. Mr. Thomas would receive a severance benefit equal to the greater of a) the salary and annual bonus award he would have received from the date of termination through the end of the term of the employment agreement if his employment had continued or b) the sum of his then current annual base salary and his annual bonus award opportunity.

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5. Mr. Hunsaker. Mr. Hunsaker would receive a severance benefit equal to the greater of a) the salary and annual bonus award he would have received from the date of termination through the end of the term of the employment agreement if his employment had continued or b) the sum of his then current annual base salary and his annual bonus award opportunity.

Voluntary Termination

Each Named Officer has the right under his employment agreement to terminate the agreement prior to the end of the term for any reason. If the Named Officer chooses to voluntarily terminate his employment, he will be entitled only to salary and any other compensation and benefits earned and payable through the termination date. He will not be entitled to any bonus or other incentive compensation not yet paid as of the termination date.

Cause

If the Named Officer is terminated for cause, as determined by the Board of Directors, he will be entitled only to salary and any other compensation and benefits earned and payable through the termination date. He will not be entitled to any bonus or other incentive compensation not yet paid as of the termination date.

Death or Incapacity

If the Named Officer dies or becomes incapacitate