OFFICE OF THE ATTORNEY GENERAL
OF THE STATE OF NEW YORK

In the Matter of the **Investigation by Eric T. Schneiderman, Attorney General of the State of New York, of** **EOG RESOURCES, INC.,** **Respondent.**	Assurance No. 14-182

ASSURANCE OF DISCONTINUANCE

On June 17, 2011, the Office of the Attorney General of the State of New York ("OAG") commenced an investigation, pursuant to Article 23-A, Section 352 *et seq.* of the General Business Law of New York (the "Martin Act") and Section 63 of the Executive Law of New York, of EOG Resources, Inc. ("EOG" or the "Company"; together with OAG, "the parties") regarding the adequacy of the Company's disclosures to investors, including in its filings with the Securities and Exchange Commission ("SEC"), concerning natural gas development from unconventional formations. The term "unconventional formations," herein, refers to underground geologic formations or resource deposits that typically require horizontal drilling and hydraulic fracturing to make extraction economically feasible.

The Company explores for, develops, produces and markets crude oil and natural gas. As of December 31, 2013, the Company reported 5,045 billion cubic feet of estimated net proved natural gas reserves, located predominately in the United States, Canada and Trinidad. Approximately 40% of the Company's net proved reserves are natural gas reserves. Development of these natural gas reserves will require hydraulic fracturing and other

development activities, which the OAG recognizes may give rise to certain environmental and financial risks. The Company has engaged in hydraulic fracturing as part of its unconventional shale production operations in the Marcellus Shale formation in Pennsylvania and in other formations in other states.

On June 17, 2011, the OAG issued a subpoena duces tecum to the Company seeking information regarding the Company's disclosure practices. The Company subsequently provided responsive documents to the OAG. On February 24, 2012, February 22, 2013 and February 24, 2014, the Company filed its Forms 10-K for fiscal years 2011, 2012 and 2013, respectively, in which the Company voluntarily provided additional information regarding its natural gas development typically requiring hydraulic fracturing activities.

This Assurance of Discontinuance ("Assurance") sets forth below the commitments agreed to by the OAG and the Company to conclude this investigation;

WHEREAS, the OAG is willing to accept the terms of this Assurance pursuant to New York Executive Law § 63 and to discontinue its civil investigation; and

WHEREAS, the OAG believes that the commitments imposed by this Assurance are prudent and appropriate;

THEREFORE, without asserting, admitting or denying herein any findings, the Company and the OAG have agreed to enter into this Assurance for the purpose of resolving this investigation.

IT IS HEREBY UNDERSTOOD AND AGREED, by and between the undersigned parties, that:

1. **Disclosures to Investors Concerning Natural Gas Development Typically Requiring Hydraulic Fracturing.** The Company shall disclose (or, to the extent applicable, continue to disclose) in its Form 10-K filings:

a. *Analysis of Material Financial Effects from Regulation.* Any financial effects that are material (as defined by applicable federal securities laws, and henceforth referred to as "material") to the Company related to the regulation of natural gas development from unconventional formations, including, to the extent material:

i. Present Law. Identification of any such effects related to legislation or regulations in effect in states in which the Company operates, or will likely operate, including, but not limited to, any costs of compliance that are material. Such legislation or regulations may include, without limitation, state or federal moratoriums, local bans or restrictive ordinances, requirements for disclosure of chemicals used in hydraulic fracturing fluids, or other legal requirements that are material, and

ii. Probable Future Law. Discussion of any such effects from expected trends in legislation or regulations likely to be adopted and an assessment of any such effects.

b. *Analysis of Material Financial Effects from Environmental Impacts of Natural Gas Development Typically Requiring Hydraulic Fracturing.* A description of hydraulic fracturing and its importance to the Company's natural gas development from unconventional formations and any financial effects that are material from the environmental impacts, if any, associated with natural gas development from unconventional formations, specifically, to the extent material:

i. Drinking Water Aquifer Protection. Description of any such effects on drinking water aquifers arising from well construction in unconventional formations, and efforts of the Company to reduce any such effects through, for example, best practices in the industry.

ii. Chemical Use, Handling, and Disclosure. Description of any such effects arising from the use and handling of chemicals in hydraulic fracturing, and efforts of the Company to reduce any such effects through, for example, the development and implementation of best practices in the industry.

iii. Water Use and Wastewater Handling and Disposal. Description of any such effects arising from the use, handling, and disposal of water and wastewater relating to hydraulic fracturing, and efforts of the Company to reduce any such effects through, for example, the development and implementation of best practices in the industry.

iv. Air Emissions. Description of any such effects arising from air emissions related to hydraulic fracturing and efforts of the Company to reduce any such effects through, for example, strategies to achieve compliance with regulations requiring capture of methane and other gases and through the development and implementation of best practices in the industry.

c. *Strategic Analysis of Material Financial Effects Relating to Natural Gas Development Typically Requiring Hydraulic Fracturing*. To the extent regulation, litigation or any environmental impacts of natural gas development from unconventional formations have any material financial effects, the Company shall include:

i. Company management's current perspective with respect to any such effects of such regulation, litigation or environmental impacts;

ii. The Company's strategies and actions to address, reduce, offset, or limit any such effects (such strategies and actions may include, but not be limited to, research, development, testing and use of newer and more environmentally compatible hydraulic fracturing chemicals; evaluating the recycling and reuse of hydraulic fracturing fluids; using protective liners and perimeter barriers to prevent runoff; improving monitoring of the hydraulic fracturing process; and promoting transparency in the disclosure of the fluids used in the hydraulic fracturing process); and

iii. The results of such strategies and actions undertaken to date, and the expected effect of such strategies on the Company's future financial position.

Except as otherwise required by law, in its Form 10-K filings, the Company may identify or reference other public documents or reports, including, but not limited to, annual reports, proxy statements and other submittals to state or federal agencies or non-government organizations relating to material financial effects associated with natural gas development from unconventional formations and hydraulic fracturing.

2. **Other Publicly-Available Information Concerning Natural Gas Development from Unconventional Formations**.

a. The Company recognizes the importance of providing information to the public concerning natural gas development typically requiring hydraulic fracturing, beyond the disclosures required pursuant to Paragraph 1, using publicly accessible

sources such as a corporate website, annual report to shareholders, or data provided to, for example, the FracFocus Chemical Disclosure Registry, and has an existing practice of providing such information. The Company commits to continuing to use and, as appropriate, expanding use of such sources to provide information to the public concerning the Company's natural gas development activities that typically require hydraulic fracturing, including information concerning:

i. Factors considered in well drilling and completion plans and natural gas production processes, such as: minimization of surface disturbance, development of drilling and completion plans based on geological, geophysical and engineering analyses, the placement of casing and cement to protect and isolate drinking water aquifers from the production stream and from hydraulic fracturing fluids in the wellbore, the monitoring of the hydraulic fracturing process via the use of visualization technology, and the reclamation of well sites when production ceases;

ii. Use, handling, disclosure, and availability of environmentally compatible hydraulic fracturing chemicals; the reuse, recycling, treatment, storage, and disposal of hydraulic fracturing fluids; and the disclosure of all chemicals known to and used by or on behalf of the Company in hydraulic fracturing operations, including identification of chemicals by Chemical Abstract Number (CAS) and reporting of chemical use on a well-by-well basis on a publicly available website, excluding information that the

manufacturer or supplier asserts to the Company is protected as trade secret under applicable law;

iii. Water management techniques, such as with respect to water sources, use, conservation, and purification and reuse technologies;

iv. Groundwater and surface water protection, such as spill prevention and contingency planning and the use of protective liners and perimeter barriers; and

v. Air emissions management and reporting.

b. The Company also recognizes the importance of tracking and reporting data relevant to specific environmental, health and safety topics. Beginning with data collected for the 2012 calendar year, and on an annual basis going forward, the Company commits to disclosing on its corporate website, or other source readily accessible to the general public, the following information:

i. The percentage of the Company's hydraulically fractured domestic wells submitted to FracFocus.org;

ii. The percentage of the Company's hydraulically fractured domestic wells submitted to FracFocus.org that include both MSDS information and non-MSDS information available from suppliers, excluding information that the manufacturer or supplier asserts to the Company is protected as trade secret under applicable law;

iii. The percentage of the Company's hydraulically fractured domestic wells that undergo surface casing integrity testing prior to completion;

iv. The percentage of the Company's hydraulically fractured domestic wells where annulus monitoring is conducted to detect pressure changes;

v. The aggregate volume of oil spills greater than 5 barrels spilled from a Company-operated domestic facility during such calendar year, per 1,000 barrels of oil equivalent of the Company's domestic production for such calendar year;

vi. Recordable injury rate from the Company's domestic operations, as the aggregate of Company and contractor incidents during such calendar year; and

vii. Greenhouse gas emissions from the Company's domestic operations for such calendar year, as required to be reported under the EPA's greenhouse gas reporting program, per 1,000 barrels of oil equivalent of the Company's domestic production for such calendar year.

For the avoidance of doubt, making information publicly available pursuant to this Paragraph 2 does not thereby require the information to be disclosed pursuant to Paragraph 1.

3. No representation, inducement, promise, understanding, condition, or warranty not set forth in this Assurance has been made to or relied upon by the Company in agreeing to this Assurance.

4. The Company represents and warrants, through the signatures below, that the terms and conditions of this Assurance are duly approved, and execution of this Assurance is duly authorized. The Company shall not take any action or make any statement denying, directly or indirectly, the propriety of this Assurance. Nothing in this paragraph affects the Company's

(i) testimonial obligations or (ii) right to take legal or factual positions in defense of litigation or other legal proceedings to which the OAG is not a party. This Assurance is not intended for use by any person other than the parties and does not confer upon any such person any rights or remedies, and it is not intended, and should not be construed, as an admission of liability by the Company.

5. This Assurance may not be amended except by an instrument in writing signed on behalf of all the parties to this Assurance.

6. This Assurance shall be binding on and inure to the benefit of the parties to this Assurance, including the Company's officers and directors, and their respective successors and assigns, and no party may assign, delegate, or otherwise transfer any of its rights or obligations under this Assurance without the prior written consent of the other party.

7. In the event that any one or more of the provisions contained in this Assurance shall for any reason be held to be invalid, illegal, or unenforceable in any respect, in the sole discretion of the OAG such invalidity, illegality, or unenforceability shall not affect any other provision of this Assurance.

8. To the extent not already provided under this Assurance, the Company shall, upon request by the OAG, provide to the OAG all documentation and information necessary to verify compliance with this Assurance.

9. Any and all correspondence related to this Assurance must reference AOD # 14-182. All notices, reports, requests, and other communications to any party pursuant to this Assurance shall be in writing and shall be directed as follows:

If to the Company, to:

General Counsel
EOG Resources, Inc.
1111 Bagby, Sky Lobby 2
Houston, Texas 77002
(713) 651-7000

cc:

Thomas F. Kokalas
Bracewell & Giuliani LLP
1251 Avenue of the Americas, 49th Floor
New York, New York 10020
(212) 508-6136

If to the OAG, to:

Andrew J. Gershon
Assistant Attorney General
New York State Office of the Attorney General
120 Broadway, 26th Floor
New York, NY 10271-0332
(212) 416-8474

10. Acceptance of this Assurance by the OAG shall not be deemed approval by the OAG of any of the practices or procedures referenced herein, and the Company shall make no representation to the contrary.

11. The OAG finds the terms contained in this Assurance appropriate and in the public interest. This Assurance shall be governed by the laws of the State of New York without regard to any conflict of laws principles. Nothing contained herein shall be construed as to deprive any person of any private right of action.

12. This Assurance shall constitute the entire agreement of the parties with respect to settlement of the investigation by the OAG referenced herein and is in full satisfaction of any and all potential civil and criminal claims that could have been raised with respect thereto.

13. In the event that the Company reasonably believes that the performance of its disclosure obligations under any provision of this Assurance would conflict with any federal law, regulation, or binding directive that may be enacted or adopted after the date of this Assurance such that compliance with both this Assurance and such provision of federal law, regulation or binding directive would be impossible without violating such law, regulation, or directive, the Company shall notify the OAG and the parties shall meet or confer at their earliest convenience to discuss same, but no later than 120 days from the effective date of such law, regulation or binding directive.

14. This Assurance and the obligations agreed to herein shall terminate two years from the effective date of this Assurance.

15. The OAG and the Company agree that this Assurance may be executed in counterparts, and that the separate execution of the signatures shall not affect their validity. The effective date of this Assurance shall be the date on which the latter signature is executed.

IN WITNESS WHEREOF, this Assurance is executed by the parties hereto on October 1, 2014.

Eric T. Schneiderman
Attorney General of the State of New York

By: Andrew J. Gershon

Andrew J. Gershon, Assistant Attorney General
Environmental Protection Bureau
Karla G. Sanchez, Executive Deputy Attorney General
Economic Justice Division

Dated: October 1, 2014

EOG Resources, Inc.

By: _____

Michael P. Donaldson
Vice President, General Counsel and Corporate Secretary

Dated: October 1, 2014