



DIVISION OF  
CORPORATION FINANCE

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

February 26, 2018

Michael P. Donaldson  
EOG Resources, Inc.  
michael\_donaldson@eogresources.com

Re: EOG Resources, Inc.  
Incoming letter dated December 20, 2017

Dear Mr. Donaldson:

This letter is in response to your correspondence dated December 20, 2017 and January 12, 2018 concerning the shareholder proposal (the "Proposal") submitted to EOG Resources, Inc. (the "Company") by the Sierra Club Foundation et al. (the "Proponents") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. We also have received correspondence on the Proponents' behalf dated January 8, 2018 and January 17, 2018. Copies of all of the correspondence on which this response is based will be made available on our website at <http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8.shtml>. For your reference, a brief discussion of the Division's informal procedures regarding shareholder proposals is also available at the same website address.

Sincerely,

Matt S. McNair  
Senior Special Counsel

Enclosure

cc: Allan Pearce  
Trillium Asset Management, LLC  
apearce@trilliuminvest.com

February 26, 2018

**Response of the Office of Chief Counsel**  
**Division of Corporation Finance**

Re: EOG Resources, Inc.  
Incoming letter dated December 20, 2017

The Proposal requests that the Company adopt company-wide, quantitative, time-bound targets for reducing greenhouse gas emissions and issue a report discussing its plans and progress towards achieving these targets.

There appears to be some basis for your view that the Company may exclude the Proposal under rule 14a-8(i)(7), as relating to the Company's ordinary business operations. In our view, the Proposal seeks to micromanage the Company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment. Accordingly, we will not recommend enforcement action to the Commission if the Company omits the Proposal from its proxy materials in reliance on rule 14a-8(i)(7). In reaching this position, we have not found it necessary to address the alternative bases for omission upon which the Company relies.

Sincerely,

William Mastrianna  
Attorney-Adviser

**DIVISION OF CORPORATION FINANCE**  
**INFORMAL PROCEDURES REGARDING SHAREHOLDER PROPOSALS**

The Division of Corporation Finance believes that its responsibility with respect to matters arising under Rule 14a-8 [17 CFR 240.14a-8], as with other matters under the proxy rules, is to aid those who must comply with the rule by offering informal advice and suggestions and to determine, initially, whether or not it may be appropriate in a particular matter to recommend enforcement action to the Commission. In connection with a shareholder proposal under Rule 14a-8, the Division's staff considers the information furnished to it by the company in support of its intention to exclude the proposal from the company's proxy materials, as well as any information furnished by the proponent or the proponent's representative.

Although Rule 14a-8(k) does not require any communications from shareholders to the Commission's staff, the staff will always consider information concerning alleged violations of the statutes and rules administered by the Commission, including arguments as to whether or not activities proposed to be taken would violate the statute or rule involved. The receipt by the staff of such information, however, should not be construed as changing the staff's informal procedures and proxy review into a formal or adversarial procedure.

It is important to note that the staff's no-action responses to Rule 14a-8(j) submissions reflect only informal views. The determinations reached in these no-action letters do not and cannot adjudicate the merits of a company's position with respect to the proposal. Only a court such as a U.S. District Court can decide whether a company is obligated to include shareholder proposals in its proxy materials. Accordingly, a discretionary determination not to recommend or take Commission enforcement action does not preclude a proponent, or any shareholder of a company, from pursuing any rights he or she may have against the company in court, should the company's management omit the proposal from the company's proxy materials.

January 17, 2018

VIA email: [shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov)

Office of Chief Counsel  
Division of Corporation Finance  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549

Re: EOG Resources, Inc. – Shareholder proposal submitted by Trillium Asset Management, LLC and Miller/Howard Investments, Inc.

Dear Sir/Madam:

This letter is submitted by Trillium Asset Management on behalf of the Sierra Club Foundation, Plymouth Congregational Church of Seattle, and Francis Don Schreiber as well as co-filer Miller/Howard Investments, Inc. (hereinafter referred to as “Proponents”), who have submitted a shareholder proposal (hereinafter referred to as “the Proposal”) to EOG Resources, Inc. (hereinafter referred to as “EOG” or the “Company”).

This letter is in response to the Supplemental Letter from EOG on January 12, 2018.

The Staff has previously established precedent for denying oil and gas companies’ no-action requests on ordinary business grounds with respect to shareholder proposals on greenhouse gas emissions reductions and reduction targets. For example, in *Apache Corporation* (February 6, 2004) the Staff denied an ordinary business challenge of a proposal which focused on Apache’s efforts to reduce its GHG emissions. Furthermore, in *ONEOK Inc.* (February 25, 2008) where the proposal asked for a report on the feasibility of adopting quantitative GHG emissions reduction goals, the Staff concluded it could not be excluded under 14a-8(i)(7) despite ONEOK’s contention that it pertained to the Company’s ordinary business conduct.

We have also seen GHG emissions reduction shareholder proposals at oil and gas companies voted on numerous times over the years. The following list provides many examples of these proposals. This is not an exhaustive list, rather it demonstrates how common it is for this type of proposal to be voted on by shareholders.

- Chevron Corporation - 2016, 2015
- Marathon Petroleum Corporation - 2016, 2015, 2014
- Exxon Mobil Corporation - 2015, 2014, 2013, 2012, 2011
- Phillips 66 Co. – 2015, 2014

- Valero Energy Corporation - 2015, 2014
- ConocoPhillips Co. - 2014, 2013, 2012, 2011
- HollyFrontier Corporation - 2014
- Marathon Oil Corporation - 2014
- WPX Energy, Inc. - 2014

Bringing this discussion back to the core ask of the proposal (to set company-wide, quantitative, time-bound targets for reducing GHG emissions), the simple fact that the Company has not set such targets means it has not substantially implemented the Proposal. For example, in *Chevron Corp.* (March 4, 2008) the Staff determined Chevron could not exclude a proposal asking it to set GHG reduction targets for its products and operations, despite the fact that Chevron had short-term targets to reduce emissions from its operations. In that case, Chevron had done significantly more to satisfy the demands of the proposal than EOG has done in the case of the Proposal. Therefore, it is clear that this Proposal has not been substantially implemented under the 14a-8 standard.

We respectfully request the Staff agree the Company cannot exclude the Proposal from its proxy materials.

Sincerely,



Allan Pearce  
Shareholder Advocate

cc: Michael Donaldson at [Michael\\_Donaldson@eogresources.com](mailto:Michael_Donaldson@eogresources.com)  
Amos Oekling at [Amos\\_Oelking@eogresources.com](mailto:Amos_Oelking@eogresources.com)



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

**EOG Resources, Inc.**  
P.O. Box 4362  
Houston, Texas 77210-4362

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Houston, Texas 77002  
(713) 651-6260  
Fax (713) 651-6261  
Michael\_Donaldson@eogresources.com

January 12, 2018

**BY ELECTRONIC MAIL (shareholderproposals@sec.gov)**

United States Securities and Exchange Commission  
Division of Corporation Finance  
Office of Chief Counsel  
100 F Street, N.E.  
Washington, D.C. 20549

**Re: EOG Resources, Inc. - Shareholder Proposal Submitted by Trillium Asset Management, LLC and Miller/Howard Investments, Inc.**

Ladies and Gentlemen:

This letter is submitted by EOG Resources, Inc. (“**EOG**”, “**we**”, “**our**” or the “**Company**”) to respond to the letter from Trillium Asset Management, LLC (the “**Proponent**”) to the Staff of the Division of Corporation Finance (the “**Staff**”), dated January 8, 2018 (the “**Response Letter**”), objecting to EOG’s intention to exclude from its 2018 proxy materials the shareholder proposal submitted by the Proponent and its co-filer (the “**Proposal**”). The Proposal requests that the Company set company-wide, quantitative, time-bound targets for reducing greenhouse gas emissions and issue a related report. EOG’s substantive bases for exclusion of the Proposal are set forth in our initial letter (the “**Initial Letter**”) to the Staff, dated December 20, 2017.

The Company is now supplementing the Initial Letter to correct what we believe to be a misconception set forth in the Response Letter. The Proponent argues that the *language* of the Proposal is not so specific and detailed as to be micro-managing the Company’s day-to-day operations. The Company respectfully submits, however, that the Proponent misses the central point of the Company’s position. *Implementing* the Proposal would require EOG’s management to potentially prioritize quantitative emissions reduction targets over a wide variety of factors involved in oil and gas exploration and production operations (such as geologic formation characteristics, operational considerations, rate-of-return economics and the then-current commodity price environment), in each case at the expense of management’s own judgment, at least if such quantitative targets are to be meaningful at all.

Likewise, and as set forth in detail in Section I.B of the Initial Letter, the requested quantitative targets would potentially displace or disrupt management’s judgment regarding,

among other operational factors, the location, timing, and mix of production, which are at the core of EOG's daily business decisions as an exploration and production company. This is the very definition of micro-management.

Alternatively, to the extent the Proposal does not micro-manage the Company, but instead, as the Response Letter claims, gives the Company's management the discretion to implement the Proposal by (i) endeavoring to reduce the Company's emissions (in recognition of the significant social issues of climate change and emissions reductions), (ii) bringing about such reductions and (iii) providing meaningful, related emissions disclosures to its shareholders, then we submit that the Proposal has been substantially implemented, as set forth in Section II of the Initial Letter.

In accordance with Rule 14a-8(j) and Staff Legal Bulletin No. 14D (November 7, 2008), this letter is being e-mailed to [shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov) and a copy of this letter is also being e-mailed and faxed to the Proponent and the co-filer.

We request the Staff's concurrence in our view set forth herein and in the Initial Letter or, alternatively, confirmation that the Staff will not recommend any enforcement action to the Commission if EOG so excludes the Proposal from its 2018 proxy materials.

If you have any questions or desire further information or clarification prior to formally replying to our request, please contact me at (713) 651-6260. In the event the Staff is unable to provide the confirmation requested, we would appreciate the opportunity to arrange a conference call with you concerning these matters prior to the issuance of a Rule 14a-8 response.

When a written response to this letter and the Initial Letter becomes available, please fax such response to me at (713) 651-6261.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Donaldson", with a long horizontal line extending to the right.

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

cc: Kevin A. Ewing  
Bracewell LLP  
2001 M Street NW, Suite 900  
Washington DC 20036

cc: **Proponent:**

Trillium Asset Management, LLC  
721 N.W. Ninth Avenue, Suite 250  
Portland, OR 97209  
Attn: Allan Pearce, Shareholder Advocate  
Phone: (503) 953-8345  
E-mail: [apearce@trilliuminvest.com](mailto:apearce@trilliuminvest.com)  
Fax: (617) 482-6179

With a copy to:

Jonas D. Kron, Senior Vice President and Director of Shareholder Advocacy  
Phone: (503) 894-7551  
E-mail: [jkron@trilliuminvest.com](mailto:jkron@trilliuminvest.com)  
Fax: (617) 482-6179

**Co-Filer:**

Miller/Howard Investments, Inc.  
10 Dixon Avenue  
Woodstock, NY 12498  
Attn: Patricia Karr Seabrook, Shareholder Advocacy Coordinator  
Phone: (845) 679-9166  
E-mail: [esg@mhinvest.com](mailto:esg@mhinvest.com) and [patricia@mhinvest.com](mailto:patricia@mhinvest.com)  
Fax: (845) 679-5862



January 8, 2018

VIA email: [shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov)

Office of Chief Counsel  
Division of Corporation Finance  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549

Re: EOG Resources, Inc. – Shareholder proposal submitted by Trillium Asset Management, LLC and Miller/Howard Investments, Inc.

Dear Sir/Madam:

This letter is submitted by Trillium Asset Management on behalf of the Sierra Club Foundation, Plymouth Congregational Church of Seattle, and Francis Don Schreiber as well as co-filer Miller/Howard Investments, Inc. (hereinafter referred to as “Proponents”), who have submitted a shareholder proposal (hereinafter referred to as “the Proposal”) to EOG Resources, Inc. (hereinafter referred to as “EOG” or the “Company”). This letter is in response to the letter dated December 20, 2017 sent to the Office of Chief Counsel by Michael P. Donaldson, General Counsel and Corporate Secretary of EOG, in which it contends that the Proposal may be excluded from the Company's 2018 proxy statement under Rule 14a-8(i)(7), 14a-8(i)(10), and 14a-8(i)(3).

I have reviewed the Proposal and the Company's letter, and based upon the foregoing, as well as upon a review of Rule 14a-8, it is my opinion that the Proposal must be included in EOG's 2018 proxy statement because the Company has not met the exclusion requirements of the Rule. Therefore, we respectfully request that the Staff not issue the no-action letter sought by the Company.

Pursuant to Staff Legal Bulletin 14D (November 7, 2008) we are filing our response via e-mail in lieu of paper copies and are providing a copy to Michael Donaldson, EOG's General Counsel and Corporate Secretary, at [Michael.Donaldson@eogresources.com](mailto:Michael.Donaldson@eogresources.com) and Amos Oelking, Senior Counsel and Deputy Corporate Secretary, at [Amos.Oelking@eogresources.com](mailto:Amos.Oelking@eogresources.com).

### **Summary**

This is a carefully considered proposal that is not so specific as to be micro-managing the Company, nor is it too vague to be misleading. Proponents believe the Proposal, asking for EOG to adopt company-wide, quantitative, time-bound targets for reducing

greenhouse gas emissions strikes the right balance and if adopted by the Company would provide numerous benefits to shareholders and the Company, while simultaneously addressing the significant social policy issue of climate change.

## **The Proposal**

The Proposal, the full text of which is attached as Attachment A, requests:

Shareholders request EOG Resources, Inc. (EOG) adopt company-wide, quantitative, time-bound targets for reducing greenhouse gas (GHG) emissions and issue a report, at reasonable cost and omitting proprietary information, discussing its plans and progress towards achieving these targets.

The whereas clauses introduce the global imperative to reduce greenhouse gas emissions in order to mitigate the most severe impacts of climate change. These clauses also provide compelling economic and financial arguments for setting GHG emissions reduction targets, explain why this is of particular importance to investors, and highlight the many other businesses that are setting and achieving reduction targets.

## **Analysis**

### **The Proposal does not seek to micro-manage EOG.**

EOG argues that it should be permitted to exclude the Proposal because “the Proposal would require EOG management to subjugate its real-time operational decisions to company-wide, rigid, time-bound quantitative targets” and that management would be “forced to focus on arbitrary emissions targets to the exclusion of the multitude of other factors that would otherwise influence their decisions...”

This is a complete misreading of the Proposal, which can be easily understood by simply reading the Proposal that requests EOG:

adopt company-wide, quantitative, time-bound targets for reducing greenhouse gas (GHG) emissions and issue a report, at reasonable cost and omitting proprietary information, discussing its plans and progress towards achieving these targets.

The discretion provided to management and the board in this language is appropriate and perfectly calibrated to convey investor concerns and perspectives about the merits of GHG targets while leaving it up to the Company to determine what targets to set and how best to implement them.

For this reason, the Company’s citation to *Apple* (December 5, 2016) is misplaced. In *Apple*, the proposal sought a very specific management action - a feasible plan for net

zero greenhouse gas emissions by 2030, when the company already had renewable energy targets in place. In contrast, the Proposal does not specify the target to be set by EOG. The Proposal simply asks the Company to set GHG emissions reduction targets that would align with the Company's approach to this significant social policy issue.

In addition, similar proposals requesting GHG emissions reduction goals have repeatedly withstood ordinary business and micromanagement challenges. In 2015, in response to shareholder proposals at *FirstEnergy Corp.* (March 4, 2015) and *Great Plains Energy* (February 5, 2015), the Staff decided that both companies were unable to exclude proposals asking for carbon dioxide reduction targets. These proposals were remarkably similar to the Proposal, asking for time bound, quantitative, carbon dioxide reduction goals. In its response to FirstEnergy Corp.'s no-action letter, the Commission stated: "In our view, the proposal focuses on reducing greenhouse gas emissions and does not seek to micromanage the company to such a degree that exclusion of the proposal would be appropriate. Accordingly, we do not believe that FirstEnergy may omit the proposal from its proxy materials in reliance on rule 14a-8(i)(7)." The Proponents believe this case to be nearly identical to *FirstEnergy* and *Great Plains Energy*, and respectfully request the Staff concur.<sup>1</sup>

Contrary to the Company's arguments, it is evident that the Proposal does not infringe on management's ability to select an appropriate mix of production methods, production regions, or production mix. Nor does the Proposal mandate what the quantitative targets could or should be, or how they should be set. The Company is free to set and accomplish these goals in whatever manner it chooses to reduce GHG emissions and protect shareholder value. The simple question of whether or not a company should adopt and report on greenhouse gas emissions reduction targets is easily understood by shareholders and does not delve too deeply into the Company's operations.

**The Proposal focuses on a significant social policy issue confronting EOG and is therefore appropriate for shareholder consideration.**

Reducing greenhouse gas emissions and climate change are significant social policy issues that transcend ordinary business operations. EOG clearly recognizes this as a significant issue, stating "We acknowledge that the Proposal touches upon the

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<sup>1</sup> Other prior staff decisions have found that proposals requesting the adoption of quantitative goals for reducing greenhouse gas emissions are not excludable and transcend the day to day business operations of a company's activities. See e.g. *Exxon Mobil Corp* (March 23, 2007) proposal not excludable that called for the adoption of quantitative goals for reducing greenhouse gas emissions; *Centex Corporation* (March 18, 2008) proposal not excludable which sought adoption of quantitative goals for reducing greenhouse gas emissions and report to shareholders; *ONEOK, Inc.* (February 25, 2008) proposal not excludable which sought report on adopting quantitative goals based on emerging technologies to reduce greenhouse gas emissions.

significant social issue of environmental sustainability and climate change.” EOG also recognizes that there is nexus between this issue and the Company’s business by stating “EOG management has long understood our obligation to be a responsible steward of the environment.”

Similarly, the Staff has long recognized climate change and carbon reduction strategies as addressing a significant policy issue that transcends ordinary business matters. See SEC Release 34-40,018 (May 21, 1998); *Devon Energy Corporation* (March 19, 2014) proposal not excludable because it “focused on significant policy issue of climate change”; *Goldman Sachs* (February 7, 2011) proposals focusing on “the significant policy issue of climate change” not excludable as ordinary business.

The Company’s argument is therefore in this regard best understood as a backwards reading of the Rule. As the Commission made clear in 1998:

The policy underlying the ordinary business exclusion rests on two central considerations. The first relates to the subject matter of the proposal. Certain tasks are so fundamental to management’s ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight. Examples include the management of the workforce, such as the hiring, promotion, and termination of employees, decisions on production quality and quantity, and the retention of suppliers. However, proposals relating to such matters but focusing on sufficiently significant social policy issues (e.g., significant discrimination matters) generally would not be considered to be excludable, because the proposals would transcend the day-to-day business matters and raise policy issues so significant that it would be appropriate for a shareholder vote.

Accordingly, the first question is whether or not the proposal relates to the day-to-day matters of the company. If yes, then the question becomes whether the proposal nevertheless focuses on a significant social policy issue.

As the Commission pointed out in 1998, management of a workforce is a day-to-day matter. And we do not doubt that management of oil and gas exploration and production operations is a day-to-day matter of EOG – EOG has made that quite clear as well. However, the Commission explained that discrimination is a significant social policy issue effecting management of the workforce such that a proposal focused on discrimination would be appropriate for a shareholder vote. In the case of EOG and the Proposal, it is also evident that climate change and environmental sustainability are a significant social policy issue such that the Proposal is appropriate for a shareholder vote even though it relates to management of operations.

For these reasons we respectfully request the Staff conclude the Proposal is not excludable under Rule 14a-8(i)(7).

**The Proposal does not relate to the sale of particular products as EOG claims.**

EOG provides two examples that do not relate to the case at hand or support EOG's claim that the Proposal relates to the sale of particular products and services in the ordinary course of its business. The *Dominion Resources, Inc.* (February 22, 2011) proposal requested *Dominion* provide customers with an option to purchase electricity from 100% renewable sources by a certain date. That proposal clearly relates to the products *Dominion* offers, but is very different from the Proposal asking EOG to adopt GHG reduction targets – setting targets does not represent an effort to dictate the sale of a particular product.

Similarly, EOG cites a no-action letter the Staff granted to *FirstEnergy Corp.* on March 8, 2013. However that proposal, which asked for a report on the effect of increasing FirstEnergy's use of renewable energy, was excludable because "it concerned the company's choice of technologies for its operations." The *FirstEnergy* proposal was an example of shareholders delving into the technologies the company could use to produce its products, which again, is very different from the Proposal, which simply asks EOG to set GHG reduction targets and leaves it up to the Company to determine how to do so.

It is clear that these two cases do not apply to the Proposal and are therefore inapposite. We therefore request the Staff to disregard them as irrelevant to its analysis.

**The Company has not set any quantitative, time-bound, company-wide greenhouse gas reduction targets, therefore the essential objective of the Proposal has not been implemented.**

Proponents believe the adoption of GHG reduction targets is important for many reasons as outlined in the Proposal. This includes the possibility of financial and economic benefits, risk mitigation, spurring innovation, as well as enhanced transparency, communication, and accountability. Many of these benefits cannot be attained without forward-looking GHG emissions reduction targets, which is clearly the essential objective of the Proposal.

The Company claims, however, that the essential objective of the Proposal is simply and solely to reduce emissions and because EOG has reduced its GHG intensity and related metrics in the past it has substantially implemented the Proposal. This assertion fails to recognize that the Proposal has a number of objectives as stated above. For example, setting GHG targets provides useful guidance for both investors and company employees about the strategic direction of the company. This facilitates innovation within the company as well as provides shareholders and managers with accountability tools and mechanisms. Just as importantly, targets provide forward looking information whereas existing GHG reductions are backwards looking. For investors, this is useful information who are looking for medium and short term valuation and performance metrics. For these reasons, the Proposal has not been substantially implemented.

The Staff has made similar determinations in the past. In *Dominion Resources, Inc.* (February 11, 2014), the Staff concluded that a proposal requesting the Board of Directors “adopt quantifiable goals...for reducing total greenhouse-gas emissions” was not excludable. *Dominion* argued that it had substantially implemented the proposal because it had adopted an “integrated strategy” regarding greenhouse gas emissions and had goals set for renewable energy targets across its energy portfolio. Further, *Dominion* had adopted a range of measures that would have the effect of decreasing its emissions, including converting coal plants to biomass, retiring others, and installing solar energy and fuel cell facilities. The SEC held that the proposal had not been substantially implemented, noting that the proposal requested “that the board adopt quantitative goals...for reducing total greenhouse-gas emissions from the company’s products and operations and report on its plans to achieve these goals.”

Similarly, in *FirstEnergy Corp.* (March 4, 2015), Staff determined that a proposal asking for specific, quantitative, time based carbon reduction goals could not be excluded, despite *FirstEnergy’s* claims that it had taken “aggressive steps over the past two decades” that reduced its emissions. Because *FirstEnergy* did not have goals to reduce carbon emissions, the Staff determined this proposal could not be excluded.

The Staff made the same determination on a proposal at *CBS Corporation* (March 1, 2016) (adopt time-based, company-wide goals for reducing GHG emissions) where the company claimed it had substantially implemented the proposal by putting “procedures in place to research, evaluate, develop and implement environmental initiatives, including with respect to the reduction of GHG emissions.” Yet in the absence of GHG reduction goals, the Staff determined the proposal could not be excluded.

Despite acknowledging that it has not set any GHG emissions reduction targets, EOG claims this Proposal has been substantially implemented by attempting to interpret the essential objective of this Proposal to be backward looking greenhouse gas emissions reductions rather than the forward looking GHG emissions reduction targets and the accompanying benefits the Proposal is explicitly asking for.

**The Proposal is sufficiently clear to allow stockholders and the Company to understand what is being asked.**

It is not at all clear how the Company can argue the Proposal is too vague, but also argue that it is too detailed and micro-manages (see above). As a general matter, it is clear that the micro-management exclusion and the vagueness exclusion present two poles on the spectrum of permissible proposals. To pass muster, a proposal can be neither too detailed nor too vague. All shareholders who submit proposals must place their proposals within that spectrum; we have been very cognizant of those requirements. In light of the entirety of the facts and circumstances, we believe we have struck a reasoned and appropriate balance, as the Rule demands. The concept of GHG reduction targets is well understood and as demonstrated below and elsewhere in our

response, the Proposal provides management and shareholders sufficient guidance on what the Proposal seeks without delving so far into the details that we find ourselves micro-managing. Therefore, we respectfully request the Staff reject the Company's argument that the Proposal be excluded for being false or misleading.

EOG argues that the Proposal does not include a definition of greenhouse gases or emissions and consequently that stockholders could interpret the Proposal in different ways. The term greenhouse gas emissions is widely used and understood. As has been documented above, the Staff has determined that numerous nearly identical proposals have been allowed to go to a vote, while most, if not all, do not define the term greenhouse gas emissions. In addition, on January 2, 2018 a proposal at AES Corporation was allowed to proceed which asked for "an assessment of the long-term impacts on the company's portfolio consistent with limiting global warming to no more than two degrees Celsius over pre-industrial levels." In that case, the Staff was unable to conclude that the proposal was too vague or indefinite that neither the shareholders voting on the proposal, nor the Company in implementing the proposal, would be able to determine with any reasonable certainty exactly what actions or measures the Proposal requires.

Moreover, the Staff has made it clear that the existence of differing interpretations of terms is not fatal. For example, in *The Kroger Co.* (April 12, 2000) the proposal called for the company to adopt a policy of removing "genetically engineered" products from its private label products, labeling and identifying products that may contain a genetically engineered organism, and reporting to shareholders. The company challenged the proposal arguing that the term "genetically engineered" was the subject of competing definitions. While it was not disputed that there was not a consensus on the meaning of the terms, the Staff rejected the lack of definition argument and concluded that the proposal was permissible.

Similarly, there has not been a requirement that terms be uniformly defined. See *Microsoft Corporation* (September 14, 2000) where the Staff required inclusion of a proposal that requested the board of directors implement and/or increase activity on eleven principles relating to human and labor rights in China. In that case, the company argued "phrases like 'freedom of association' and 'freedom of expression' have been hotly debated in the United States" and therefore the proposal was too vague. See also, *Yahoo!* (April 13, 2007), which survived a challenge on vagueness grounds where the proposal sought "policies to help protect freedom of access to the Internet"; *Cisco Systems, Inc.* (Sep. 19, 2002) (Staff did not accept claim that terms "which allows monitoring," "which acts as a `firewall,'" and "monitoring" were vague); and *Cisco Systems, Inc.* (Aug. 31, 2005) (Staff did not accept claim that term "Human Rights Policy" was too vague).

EOG also argues that the Proposal “fails to provide a meaningful explanation of what EOG would be required to do if the Proposal was approved by its stockholders, because the Proposal is subject to multiple interpretations.” We would suggest that if the Proponents provided the level of detail sought by the Company, such detail would be exhibit A in the Company’s argument that we are seeking to micro-manage its operations. EOG cannot have it both ways – either the proposal is too vague or too detailed – and the fact that it is arguing both indicates that it is neither too vague nor too detailed.

### **Conclusion**

In conclusion, we respectfully request the Staff to inform the Company that Rule 14a-8 requires a denial of the Company’s no-action request. As demonstrated above, the Proposal is not excludable under Rule 14a-8.

Please contact me at (503) 953-8345 or [apearce@trilliuminvest.com](mailto:apearce@trilliuminvest.com) with any questions related to this matter, or if the Staff wishes any further information.

Sincerely,

A handwritten signature in black ink that reads "Allan C Pearce". The signature is written in a cursive, slightly slanted style.

Allan Pearce  
Shareholder Advocate

CC: Patricia Karr Seabrook, Miller/Howard Investments



## Attachment A – The Proposal

### Greenhouse Gas Emissions Reduction Targets

**Resolved:** Shareholders request EOG Resources, Inc. (EOG) adopt company-wide, quantitative, time-bound targets for reducing greenhouse gas (GHG) emissions and issue a report, at reasonable cost and omitting proprietary information, discussing its plans and progress towards achieving these targets.

**Whereas:** The Paris Climate Agreement of 2015, agreed to by 195 countries, established a target to limit global temperature increases to 2-degrees Celsius above pre-industrial levels. To meet the 2-degree goal and mitigate the most severe impacts of climate change, climate scientists estimate it is necessary to reduce global emissions 55 percent by 2050 (relative to 2010 levels), entailing a US reduction target of 80 percent.

According to a 2015 report by Citigroup the costs of failing to address climate change could lead to a \$72 trillion loss to global GDP.

EOG states: “Our safety and environmental management processes are based on a goal setting philosophy. The company sets safety and environmental expectations and provides a framework within which management can achieve safety and environmental goals in a systematic way.” Despite this philosophy, EOG has not established time-bound or quantitative emissions reductions goals.

Motivated by the imperative to reduce emissions, cut costs, and/or achieve the goals of the Paris Agreement, many companies are setting goals:

- Over 300 global businesses have committed to setting GHG emissions reduction targets consistent with the 2-degree goal.
- Hess, Apache, Kinder Morgan, and Southwestern, are among EOG’s peers in the U.S. Oil and Gas sector that have set quantitative, time-bound GHG and/or methane reduction targets.
- The 10 major international oil and gas companies that constitute the Oil and Gas Climate Initiative recently announced their intention to work towards near-zero methane emissions.
- Over half of EOG’s peers in the S&P 500 have set GHG reduction targets.

Setting GHG reduction targets is frequently found to be a sound business strategy. A 2013 report by CDP, WWF, and McKinsey & Company found that companies with GHG reduction targets achieved 9% better return on invested capital than companies without targets.

Setting targets would address a common concern of investors that are increasingly attune to the risks of climate change. State Street Global Advisors recently published disclosure recommendations for oil and gas companies, wherein it states, “We view establishing company-specific GHG emissions targets as one of the most important steps in managing climate risk.”

One of the recommendations of The Task Force on Climate-related Financial Disclosures, whose members include JPMorgan Chase, UBS Asset Management, Generation Investment Management, and BlackRock, is: “Describe the targets used by the organization to manage climate-related risks and opportunities and performance against these targets.”

While EOG has implemented various emissions reduction strategies, proponents believe establishing time-bound, quantitative emissions reduction targets would serve to align new and existing initiatives, spur innovation to drive further emissions reductions, lower costs through enhanced efficiency, mitigate risk, and enhance shareholder value.



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

**EOG Resources, Inc.**  
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December 20, 2017

**BY ELECTRONIC MAIL** ([shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov))

United States Securities and Exchange Commission  
Division of Corporation Finance  
Office of Chief Counsel  
100 F Street, N.E.  
Washington, D.C. 20549

**Re: EOG Resources, Inc. - Shareholder Proposal Submitted by Trillium Asset Management, LLC and Miller/Howard Investments, Inc.**

Ladies and Gentlemen:

This letter is submitted by EOG Resources, Inc. (“**EOG**”, “**we**”, “**our**” or the “**Company**”) pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934 (as amended, the “**Exchange Act**”) to notify the United States Securities and Exchange Commission (the “**Commission**”) of our intention to exclude from our proxy materials for our 2018 annual meeting of stockholders a proposal and supporting statement (the “**Proposal**”) submitted by Trillium Asset Management, LLC (the “**Proponent**”), with Miller/Howard Investments, Inc. as co-filer. We also respectfully request confirmation that the Staff of the Division of Corporation Finance (the “**Staff**”) will not recommend to the Commission that enforcement action be taken if EOG excludes the Proposal from our 2018 proxy materials in reliance on Rule 14a-8(i)(7), Rule 14a-8(i)(10) or Rule 14a-8(i)(3).

Copies of the Proposal, together with related relevant correspondence received from the Proponent and the co-filer, are attached hereto as Exhibit 1.

In accordance with Staff Legal Bulletin No. 14D (November 7, 2008), this letter is being e-mailed to [shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov). In accordance with Rule 14a-8(j) and Staff Legal Bulletin No. 14D (November 7, 2008), a copy of this letter is also being e-mailed and faxed to the Proponent and the co-filer. The e-mail addresses and facsimile numbers for the Proponent and the co-filer are set forth at the end of this letter.

We currently intend to file our definitive 2018 proxy materials with the Commission on or about March 15, 2018. Therefore, in accordance with Rule 14a-8(j), this letter is being filed with the Commission at least 80 calendar days before the date upon which we expect to file our definitive 2018 proxy materials.

## THE PROPOSAL

The Proponent requests the inclusion of the following resolution in EOG's 2018 proxy statement:

**Resolved:** Shareholders request EOG Resources, Inc. (EOG) adopt company-wide, quantitative, time-bound targets for reducing greenhouse gas (GHG) emissions and issue a report, at reasonable cost and omitting proprietary information, discussing its plans and progress towards achieving these targets.

## BASES FOR EXCLUSION

**I. Rule 14a-8(i)(7) – The Proposal may be excluded pursuant to Rule 14a-8(i)(7) because it relates to a management function.**

A. Background.

Under Rule 14a-8(i)(7), a proposal is excludable if it “deals with a matter relating to the company’s ordinary business operations.” In 1998, when the Commission adopted amendments to Rule 14a-8, the Commission explained that two central considerations determine whether a proposal is excludable under Rule 14a-8(i)(7). The first consideration relates to when a proposal concerns tasks “so fundamental to management’s ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight.” The second consideration relates to “the degree to which the proposal seeks to ‘micro-manage’ the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.” *See* SEC Release No. 34-40018 (May 21, 1998).

In Staff Legal Bulletin No. 14E (October 27, 2009), the Staff explained that in the context of social issues, proposals would generally not be excludable in those cases in which a proposal’s underlying subject matter “transcends the day-to-day business matters of the company and raises policy issues so significant that it would be appropriate for a shareholder vote.” In Staff Legal Bulletin No. 14I (November 1, 2017), the Staff further explained that a company’s board of directors is “well situated to analyze, determine and explain whether a particular issue is sufficiently significant because the matter transcends ordinary business and would be appropriate for a shareholder vote.” The Commission has repeatedly allowed exclusion of proposals touching on significant policy issues where the proposals seek to micro-manage the company by specifying in detail the manner in which the company should address the policy issue. *See e.g.* Ford Motor Company (March 2, 2004) (allowing exclusion of a proposal requesting the preparation and publication of a highly detailed report regarding the existence of global warming or cooling); Marriott International Inc. (March 17, 2010) (allowing exclusion of a proposal limiting showerhead flow to no more than 1.6 gallons per minute and requiring mechanical switches to control the level of water flow); and Apple, Inc. (December 5, 2016) (allowing exclusion of a proposal that the company reach a net-zero greenhouse gas emission status by 2030 for all aspects of its business, including major suppliers). Further, the Commission has allowed exclusion of proposals concerning the sale of particular products and services or choice



of operational technologies, even if they touch on a significant policy issue, because deciding which products and services to offer and how to do so is particularly within the management function of a company and requires complex analysis beyond the ability of shareholders as a group. *See e.g.* Dominion Resources, Inc. (February 22, 2011) (allowing exclusion of a proposal requesting that Dominion provide customers with the option to purchase electricity from 100% renewable sources by a certain date) and FirstEnergy Corp. (March 8, 2013) (allowing exclusion of a proposal calling for a report on the effect of increasing the electricity provider's use of renewable energy sources because it concerned the company's choice of technologies for its operations).

B. The Proposal seeks to micro-manage the Company and does not transcend the Company's day-to-day business despite touching on an important social issue.

The Staff has made clear that where a proposal seeks to influence a company's stance on an important social issue – such as environmental responsibility – it will not allow exclusion as an ordinary business matter where the proposal transcends the Company's day-to-day business. The Proposal purports to request action on the important social issue of climate change; however, the Proposal does not transcend the day-to-day business of the Company because its focus on company-wide, rigid, time-bound quantitative targets<sup>1</sup> would impermissibly interfere with complex operating decisions and would micro-manage EOG's response to an important policy issue.

*1. The Proposal seeks to micro-manage the Company.*

EOG's primary business operations are the exploration, development, production and marketing of natural gas (which is predominantly methane), natural gas liquids and crude oil, primarily in major producing basins in North America and some international locations. Because of our diverse range of assets (i.e., leasehold acreage in various producing basins), EOG management must manage a variety of factors on a day-to-day basis, including (i) the appropriate mix of hydrocarbons to produce from each basin and take to market, (ii) any potential greenhouse gas emissions and (iii) compliance with numerous related legal and environmental requirements. To accomplish this, EOG has for years invested in, installed and implemented significant equipment, infrastructure, programs, processes and training to manage emissions of greenhouse gases, particularly methane<sup>2</sup>. EOG management balances these and other factors using expert understanding of the changing commodity price environment, EOG's personnel and operational capabilities, and the varying geological formations from which EOG produces hydrocarbons. Consequently, the Company is able to quickly change operational strategies in

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<sup>1</sup> To the extent the Proposal deals more generally with the reduction of greenhouse gas emissions through environmental responsibility and related disclosure, we submit that it has been substantially implemented as discussed more fully in Section II below.

<sup>2</sup> The term "greenhouse gas emissions" can be used to include several gaseous substances. We understand the Proposal to be focused on the types of greenhouse gases typically emitted through the hydrocarbon extraction process, which for EOG is predominantly methane, though, as noted in Section III below, the term itself presents interpretive issues.

response to internal and external developments. These operational strategies cannot be separated from emissions management because drilling and production levels necessarily affect emissions levels, and emissions levels vary by geologic formation and the type of hydrocarbon produced.

In a no-action letter granted to Apple, Inc. (“*Apple*”) on December 5, 2016, the Commission allowed exclusion of a proposal (the “*Apple Proposal*”) requesting that Apple generate a feasible plan for reaching net-zero greenhouse gas emissions by the year 2030 for all aspects of its business, including major suppliers. Apple acknowledged the social issue inherent in the proposal, noting that Apple devoted significant time and resources to its approach toward climate change and related disclosures, but argued that the Apple Proposal went too far. Specifically, Apple argued that the Apple Proposal would require Apple management to replace its own judgments on all aspects of Apple’s business with a course of action directed solely at meeting an arbitrary target. The Commission allowed exclusion of the Apple Proposal because it delved too deeply into complex matters upon which shareholders as a group would not be in a position to make an informed judgment.

Similar to the Apple Proposal, the Proposal would require EOG management to subjugate its real-time operational decisions to company-wide, rigid, time-bound quantitative targets. Management would be forced to focus on arbitrary emissions targets to the exclusion of the multitude of other factors that would otherwise influence their decisions, such as operational matters, infrastructure availability and development, geologic and well productivity considerations, the commodity price environment and safety.<sup>3</sup> The Proposal would replace the careful balancing of such factors that direct management’s decisions on how much of which product to extract from which formation—complex decisions that are uniquely within the purview of EOG management and upon which shareholders as a group are not in a position to make an informed decision.

*2. The Proposal does not transcend the day-to-day business of the Company despite touching on an important social issue.*

We acknowledge that the Proposal touches upon the significant social issue of environmental sustainability and climate change. EOG management has long understood our obligation to be a responsible steward of the environment and has, in each of the last several years, engaged frequently with the Proponent, the co-filer and other like-minded stockholders to discuss and evaluate the environmental and emissions-related quantitative disclosures and narrative disclosures made by EOG. These engagements have taken the form of conference calls, exchanges of letters and in-person meetings.

As has been detailed on our corporate website for some time, EOG has adopted the policy that the reduction of air emissions throughout our operations is both in the best interest of the

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<sup>3</sup> We note that increased production from a well with low emissions as opposed to other wells may further the Proposal’s target while having a negative long-term impact on operations and geological formations.



environment and a prudent business practice.<sup>4</sup> As is also noted in our website disclosures, it is important to EOG, for operational, environmental and economic reasons, to reduce air emissions from our operations. EOG's objective is to specifically design facilities that minimize emissions and maximize recovery of all vapors. As part of its operating practices, EOG has incorporated, where operationally appropriate, reduced emissions completion systems, intermittent/low-bleed controllers, compressors equipped with emissions control technology and "thief" hatches and vent sealing valves as means of minimizing emissions. EOG also uses thermal/infrared cameras to identify and manage emissions and periodically reviews our programs and processes with a view to reducing, where operationally feasible, the number of potential emissions sources. In addition, as described in more detail in Section II below, EOG calculates and discloses on our corporate website the level of greenhouse gas emissions and methane emissions associated with our operated wells. These emissions are quantified and disclosed in terms of "intensity," i.e., emissions per unit of produced oil and natural gas. Intensity figures provide a meaningful basis for comparing our performance year over year and is an objective measure that shows emissions per unit of annual production.<sup>5</sup>

While the Proposal touches upon an important social issue, it does not transcend EOG's day-to-day operations. EOG's Board of Directors (the "**Board**") has been frequently considering environmental matters for some time. Specifically, the Board receives a detailed written report (and accompanying oral presentation) regarding environmental and safety matters from EOG management each year. This report includes, among other information, a discussion of EOG's environmental performance as well as trends and industry comparisons. EOG management also discusses environmental matters with the Board throughout the year. As a result, EOG's Board regularly discusses with management, and is kept apprised of:

- management's discussions and correspondence with EOG's stockholders regarding environmental issues, including shareholder proposals;
- key regulatory developments regarding environmental matters;
- relevant litigation or regulatory proceedings to which EOG is a party and which involve environmental issues;
- EOG's involvement in trade associations and participation in industry initiatives and programs, in each case relating to environmental matters, such as the recently announced voluntary industry program, sponsored by the American Petroleum Institute (the "**API**") and known as "The Environmental Partnership", by which EOG and 25 other oil and natural gas companies will

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<sup>4</sup> The Company's position on global climate change, including emissions, as well as the quantitative metrics, operational practices and other narrative disclosures described herein can be found on the Company's corporate website at <http://www.eogresources.com/responsibility/climate.html>. A copy of the text of such website disclosures is also attached hereto as Exhibit 2.

<sup>5</sup> These metrics and disclosures are described in more detail in Section II.B below. EOG believes intensity rate disclosures (which are provided on a comparative year-by-year basis) are more meaningful disclosures than a rigid quantitative target of "reducing methane emissions." In fact, EOG's intensity disclosures for the past five (5) years have provided investors with helpful, year-over-year data on emissions intensity as well as meaningful performance indicators for investors.

focus on quantifying efforts to reduce methane emissions from U.S. oil and natural gas operations; and

- EOG's website and other public disclosures (e.g., EOG's disclosures to the Carbon Disclosure Project) regarding environmental matters.

In addition, our Board periodically reviews and assesses our long-term strategic plans and the principal issues and risks that we may face, which include environmental and related regulatory matters. Further, EOG's safety and environmental performance is included in the company-wide performance goals established each year by the Board's Compensation Committee. EOG's performance in respect of these goals is a factor in the determination of our executive officer annual bonuses.

In this instance, the Nominating and Governance Committee (the "*Committee*") of the Board was presented with the Proposal and asked to consider whether EOG should adopt time-bound, quantitative emissions reduction targets as described in the Proposal. The Committee met with key management, including EOG's Vice President, Safety and Environmental. The Committee reviewed and considered the Proposal, the Company's stated position on emissions, the various quantitative metrics for quantifying emissions already calculated and disclosed by the Company and EOG's related narrative disclosures. It also evaluated management's view that, given the Company's diverse portfolio of assets, it is necessary to maintain flexibility to quickly change operational strategies and priorities in response to, among other factors, significant commodity price changes and geological developments. Further, the Committee noted management's view that setting quantitative reduction targets would tend to interfere with EOG's daily management of its business, by requiring management to define arbitrary performance goals unrelated to EOG's existing goals and strategies and unrelated to legal requirements governing EOG's operations. In addition, the Committee considered that emissions targets, in and of themselves, do not take into account the numerous variables of operations, production mix and changes in geographic areas of focus, and that such targets would not further EOG's actual ability to reduce emissions. The Committee also considered EOG's participation in the recently announced voluntary industry program, sponsored by the API (and referenced above), that will focus on quantifying efforts to reduce methane emissions from U.S. oil and natural gas operations.

Based on the foregoing and other considerations that the Committee deemed relevant, the Committee (i) determined, and advised the Board, that the Proposal is not in the best interest of the Company and its stockholders and (ii) recommended to the Board that the Proposal be rejected.

At its December 2017 meeting, the Board received the Committee's advice and recommendation, heard from management, and considered the following factors, among others:

- The challenges inherent in setting meaningful targets given the Company's broad range of assets and geographic operating areas.
- The potential positive and negative impacts of establishing such targets.



- The inflexible nature of emissions targets and management’s need for operational flexibility.
- The potential for performance goals to interfere with EOG’s daily management of its business.
- The fact that establishing emissions targets would not actually improve the Company’s ability to lower emissions.

After further discussion and deliberation, the Board concluded that the Proposal was not in the best interest of the Company and its stockholders and should be rejected.

The Company has and continues to act on the important policy issue touched on by the Proposal through policies and procedures and the disclosure of quantitative metrics and narrative information; however, the Proposal’s specific directive as to how the Company should respond to climate change is not compatible with EOG’s operations. To present the Proposal to stockholders would be to override the complex analysis undertaken by EOG’s management in making operational decisions—an analysis that even a highly sophisticated stockholder would not be equipped to undertake.

C. The Proposal relates to the sale of particular products and services in the ordinary course of EOG’s business.

Proposals concerning the sale of particular products and services are generally excludable, even if they touch on a significant policy issue. In a no-action letter granted to Dominion Resources, Inc. (“*Dominion*”) on February 22, 2011, the Commission allowed exclusion of a proposal (the “*Dominion Proposal*”) requesting that Dominion provide customers with the option to purchase electricity from 100% renewable sources by a certain date. The Dominion Proposal related to the significant policy issue of global warming and climate change, but it did not transcend the day-to-day business matters of the company. The Staff accepted Dominion’s view that the Dominion Proposal sought to impact the fundamental management function of determining the products and services to provide to customers. In a no-action letter granted to FirstEnergy Corp. (“*FirstEnergy*”) on March 8, 2013, the Staff allowed exclusion of a proposal requesting a report on the effect of increasing FirstEnergy’s use of renewable energy sources because it concerned the company’s choice of technologies for its operations. The Staff concurred with FirstEnergy that electricity generation is a complex process that requires management to make complex ‘choice of technologies’ decisions about the appropriate mix of electricity generating units (coal-fired, nuclear, hydroelectric, oil and natural gas and wind capacity) and that such decisions are beyond the realm of a stockholder vote.

The Proposal seeks to impose quantitative emissions reduction targets that conflict with, and encroach on, EOG management’s decisions with respect to the hydrocarbons it produces and sells from different geologic formations, which decisions, as noted above, are based on changing market demand and commodity prices and various other factors and are made consistent with EOG’s goal of prudent and safe operations. The amount of hydrocarbons produced and sold or emitted depends on the types and sources of hydrocarbons that EOG management chooses to produce and sell. Drilling and production levels necessarily affect emissions levels, such that

management's daily decisions regarding production levels cannot be separated from its deliberations on environmental matters. Further, because emissions levels can vary by geologic formation and operating area, management's decision to drill (or not drill) wells in a certain area could result in more (or less) emissions than a decision to drill wells in a different area. Like determining the appropriate mix of electricity packages to sell for Dominion and the appropriate mix of electricity-generating sources for FirstEnergy, it is directly within the management function of an oil and natural gas exploration and production company to determine (i) whether and how much hydrocarbons to drill and produce and (ii) from what geologic formations and operating areas, so as to arrive at the combination of hydrocarbons it believes it can economically produce and sell.

The Proponent notes in its supporting statement (the "***Supporting Statement***") that setting reduction targets is "a sound business strategy" that can result in better returns on invested capital. Thus, the Proposal seeks to impose the Proponent's own belief that company-wide quantitative targets will result in a better financial return for EOG's stockholders than EOG management exercising its professional judgment and expertise to address complex supply/demand factors and other operational factors. As such, the Proposal's attempt to influence which products EOG extracts from which sources delves too deeply into complex operating matters upon which stockholders as a group would not be in a position to make an informed judgment.

For all of the above reasons, the Proposal should be excluded because it deals with a matter relating to the Company's ordinary business operations, does not transcend EOG's day-to-day business matters and concerns the sale of particular products and services.

**II. Rule 14a-8(i)(10) – The Proposal may be excluded pursuant to Rule 14a-8(i)(10) because it has already been substantially implemented.**

A. Background.

The Commission has consistently concluded that a proposal may be excluded when a company has already addressed each element of the proposal; however, companies need not have implemented each element in the precise manner suggested by the proponent (SEC Release No. 34-20091, August 16, 1983). Additionally, the Commission has allowed exclusion of proposals where a specific aspect of the proposal is not implemented, but the proposal has otherwise been substantially achieved. *See e.g.* Duke Energy (February 21, 2012) (the "***Duke Letter***"). Ultimately, the actions taken by the company must have addressed the proposal's "essential objective." *See e.g.* Anheuser-Busch Companies, Inc. (January 17, 2007).

B. The essential objective of the Proposal has already been addressed by EOG management's reduction of greenhouse gas emissions and corresponding public disclosures.

We believe the essential objective of the Proposal is to induce EOG to reduce its greenhouse gas emissions, ostensibly by requiring EOG to disclose and adhere to reduction targets. Yet EOG's greenhouse gas intensity data and other emissions-related metrics presented



on our website demonstrate our efforts and commitment to emissions reductions. Further, EOG's quantitative disclosures and substantial narrative disclosures allow stockholders to review EOG's performance year to year. Although the Company has not implemented rigid, company-wide, quantitative reduction targets, it is the Company's stated policy that the reduction of air emissions is in the best interest of the environment and a prudent business practice. The Commission has allowed exclusion of proposals where a specific aspect of the proposal is not implemented, but the overall objective has already been achieved. *See* the Duke Letter. EOG's policy and achievements in the area of reducing greenhouse gas emissions, coupled with its detailed and meaningful public disclosures, substantially implement both the goal and reporting aspects of the Proposal.

EOG is committed to furthering its position on emissions reduction<sup>6</sup> by measuring emissions in a meaningful way and transparently disclosing emissions metrics to stockholders. We currently disclose quantitative emissions metrics on our corporate website. Specifically, EOG breaks down its quantitative emissions disclosures into the following four "intensity" metrics: (1) a greenhouse gas intensity rate; (2) a fugitive emissions intensity rate; (3) a methane emissions intensity rate; and (4) a flaring intensity rate. EOG began measuring and disclosing these metrics in 2013.

As referenced above, EOG has engaged in regular discussions and correspondence with environmentally-minded stockholders, including the Proponent and the co-filer, and, as a result, has refined its approach to provide intensity rates based on EOG's overall operated U.S. gross production (versus EOG's net working interest portion of gross production). EOG believes providing emissions intensity rates utilizing gross production provides more meaningful measures since greenhouse gas emissions are reported to the United States Environmental Protection Agency ("*EPA*") on a gross production basis as well. Therefore, EOG now calculates and discloses each of the above metrics, for each of the years 2012 through 2016, using gross production as the denominator. EOG also added a fifth emissions metric in 2017, disclosing our methane emissions intensity expressed as a percentage of our natural gas-equivalent gross production for each of the years 2012-2016. Each of these five metrics is more fully described in EOG's climate change-related website disclosures, a copy of which is attached hereto as Exhibit 2.

EOG plans to present the five above-described metrics in a formal sustainability report to stockholders, beginning in 2018. EOG has also gathered greenhouse gas emissions data since 2011 for all facilities subject to the regulatory requirements of the EPA. This data is available to the general public from the EPA. In addition, EOG has reported emissions-related data via its participation in the Carbon Disclosure Project's climate change program for 2014, 2015, 2016 and 2017, and EOG expects to participate in this program in future years as well.

Intensity rates are an appropriate metric for disclosure because they allow comparison of emission reduction performance across periods and across companies. A flat quantity of

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<sup>6</sup> As described in Section I.B.2, EOG has adopted the policy that the reduction of air emissions throughout its operations is both in the best interest of the environment and a prudent business practice.

emissions (or, similarly, a specific quantitative target) would tell only part of the story and could mislead investors. For example, a company could have a low quantity of emissions in a year where their production volumes were low – this would not mean they were effective at reducing emissions; only that they had lower production of hydrocarbons. Flat quantitative metrics and targets would not be useful in comparing differently situated companies operating in different geographic areas producing different hydrocarbons and would not provide investors with a meaningful comparison, either of year-over-year operations of that company or of that company as compared to its peers. Thus, the Company’s current metrics and disclosures implement the objectives of the Proposal more meaningfully than a flat reduction target would.

The Company believes the Proposal’s essential goals of lowered emissions and corresponding disclosure have been implemented. The Duke Letter stands for the proposition that where a proponent requested an independent committee of the board of directors be formed to consider climate change issues, the proposal was substantially implemented by a company’s sustainability report and Form 10-K disclosure even though no committee of independent directors was formed. Similarly, EOG’s existing focus on the reduction of greenhouse gas emissions combined with our measurement and publication of various emission intensity rates and related narrative disclosures implements the essential objective of the Proposal. As noted above, to require rigid quantitative targets, as sought by the Proposal, would be arbitrary at best and misleading at worst.

For all of the above reasons, the Proposal should be excluded because EOG has already implemented the Proposal’s essential objective.

**III. Rule 14a-8(i)(3) – The Proposal may be excluded pursuant to Rule 14a-8(i)(3) because the Proposal would violate the SEC’s proxy rules by constituting a materially false or misleading statement.**

**A. Background.**

The Commission has concluded that a company may exclude a shareholder proposal if the proposal is so vague and indefinite as to be inherently misleading because including misleading language would violate the Commission’s proxy rules. A proposal is vague and indefinite where it fails to define material terms or is otherwise too ambiguous. *See Dell Inc.* (March 30, 2012). The Staff has consistently taken the position that a shareholder proposal is vague and indefinite if “neither the stockholders voting on the proposal, nor the company in implementing the proposal (if adopted), would be able to determine with any reasonable certainty exactly what actions or measures the proposal requires.” SEC Staff Legal Bulletin No. 148 (Sept. 15, 2004).



B. The Proposal fails to provide stockholders or management with a meaningful understanding of what would be required if the Proposal was approved.

The Proposal fails to provide a meaningful explanation of what EOG would be required to do if the Proposal was approved by its stockholders, because the Proposal is subject to multiple interpretations. Stockholders could reasonably come to different conclusions about what the Proposal is meant to accomplish. For example, a stockholder could expect EOG to adopt a flat quantity target that would drastically reduce methane emissions at the expense of profitability based on the Supporting Statement's discussion of climate impact. Such a goal would be quite disappointing to a different stockholder who expected a more modest goal in light of the Supporting Statement's emphasis on reductions being "a sound business strategy." In fact, both interpretations are reasonable when the text of the Proposal is read in light of the Supporting Statement. The Commission has concluded that a proposal could be excluded where it could be interpreted one way if read literally and another way if read together with the supporting statement. *See e.g.* Prudential Financial, Inc. (February 16, 2007).

Moreover, the Proposal does not include a definition of "greenhouse gases" or "emissions." One concerned stockholder could justifiably presume the Proposal only extends to unintentional leakage of methane, while another stockholder could read it to include leakage, venting and flaring of methane and carbon dioxide. In implementing the Proposal, EOG could reasonably assume it extended to leakage and venting of methane to the disappointment of stockholders who thought it extended to methane that is produced and combusted.

To add to the confusing and misleading nature of the Proposal, the Supporting Statement claims that companies that set greenhouse gas reduction targets have enjoyed a "9% better return on invested capital than companies without targets." This statement misleadingly suggests that voting for the Proposal will result in a similar increased return on investment—an almost impossible outcome if the Company were to implement an aggressive flat rate reduction in methane emissions. EOG management cannot be expected to parse the divergent interpretations of the Proposal in such a way that also results in an increased return on investment. This uncertainty would place EOG management in the impractical and distracting position of trying to reconcile these different views, and many stockholders would inevitably feel duped because they were misled by the Proposal.

For all of the above reasons, the Proposal should be excluded as it is so vague and ambiguous as to be materially misleading if included in EOG's proxy materials.

## CONCLUSION

For the reasons set forth above, it is our view that EOG may exclude the Proposal from its definitive 2018 proxy materials pursuant to Rule 14a-8(i)(7), Rule 14a-8(i)(10) and Rule 14a-8(i)(3). We request the Staff's concurrence in our view or, alternatively, confirmation that the Staff will not recommend any enforcement action to the Commission if EOG so excludes the Proposal.

If you have any questions regarding the foregoing, or desire further information or clarification prior to formally replying to our request, please contact me at (713) 651-6260. In the event the Staff is unable to provide the confirmation requested, we would appreciate the opportunity to arrange a conference call with you concerning these matters prior to the issuance of a Rule 14a-8 response.

When a written response to this letter becomes available, please fax the letter to me at (713) 651-6261 or email it to me at [michael\\_donaldson@eogresources.com](mailto:michael_donaldson@eogresources.com).

Sincerely,



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

cc: Kevin A. Ewing  
Bracewell LLP  
2001 M Street NW, Suite 900  
Washington, D.C. 20036

cc: **Proponent:**

Trillium Asset Management, LLC  
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Portland, OR 97209  
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Phone: (503) 953-8345  
E-mail: [apearce@trilliuminvest.com](mailto:apearce@trilliuminvest.com)  
Fax: (617) 482-6179

With a copy to:

Jonas D. Kron, Senior Vice President and Director of Shareholder Advocacy  
Phone: (503) 894-7551  
E-mail: [jkron@trilliuminvest.com](mailto:jkron@trilliuminvest.com)  
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**Co-Filer:**

Miller/Howard Investments, Inc.  
10 Dixon Avenue  
Woodstock, NY 12498  
Attn: Patricia Karr Seabrook, Shareholder Advocacy Coordinator  
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Fax: (845) 679-5862

**Exhibit 1**

**Copies of the Proposal and Relevant Correspondence**





November 13, 2017

Michael Donaldson  
Corporate Secretary  
1111 Bagby, Sky Lobby 2  
Houston, TX  
77002

Dear Mr. Donaldson,

Trillium Asset Management LLC ("Trillium") is an investment firm based in Boston specializing in sustainable and responsible investing. We currently manage over \$2 billion for institutional and individual clients.

Trillium hereby submits the enclosed shareholder proposal with EOG Resources, Inc. (EOG) on behalf of the Sierra Club Foundation, Plymouth Congregational Church of Seattle, and Francis Don Schreiber for inclusion in the Company's 2018 proxy statement in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934 (17 C.F.R. § 240.14a-8). Per Rule 14a-8, the Sierra Club Foundation, Plymouth Congregational Church of Seattle, and Francis Don Schreiber hold more than \$2,000 of EOG common stock, acquired more than one year prior to today's date and held continuously for that time. As evidenced in the attached letters, the Sierra Club Foundation, Plymouth Congregational Church of Seattle, and Francis Don Schreiber will remain invested in this position continuously through the date of the 2018 annual meeting. We will forward verification of each position separately. We will send a representative to the stockholders' meeting to move the shareholder proposal as required by the SEC rules.

We welcome the opportunity to discuss the subject of the enclosed proposal with company representatives.

We are aware that there will likely be co-filers of this proposal.

Please direct any communications to me at (503) 953-8345, or via email at [apearce@trilliuminvest.com](mailto:apearce@trilliuminvest.com).

I would appreciate receiving a confirmation of receipt of this letter via email.

Sincerely,

A handwritten signature in cursive script that reads "Allan C Pearce".

Allan Pearce  
Shareholder Advocate  
Trillium Asset Management, LLC

## Greenhouse Gas Emissions Reduction Targets

**Resolved:** Shareholders request EOG Resources, Inc. (EOG) adopt company-wide, quantitative, time-bound targets for reducing greenhouse gas (GHG) emissions and issue a report, at reasonable cost and omitting proprietary information, discussing its plans and progress towards achieving these targets.

**Whereas:** The Paris Climate Agreement of 2015, agreed to by 195 countries, established a target to limit global temperature increases to 2-degrees Celsius above pre-industrial levels. To meet the 2-degree goal and mitigate the most severe impacts of climate change, climate scientists estimate it is necessary to reduce global emissions 55 percent by 2050 (relative to 2010 levels), entailing a US reduction target of 80 percent.

According to a 2015 report by Citigroup the costs of failing to address climate change could lead to a \$72 trillion loss to global GDP.

EOG states: "Our safety and environmental management processes are based on a goal setting philosophy. The company sets safety and environmental expectations and provides a framework within which management can achieve safety and environmental goals in a systematic way." Despite this philosophy, EOG has not established time-bound or quantitative emissions reductions goals.

Motivated by the imperative to reduce emissions, cut costs, and/or achieve the goals of the Paris Agreement, many companies are setting goals:

- Over 300 global businesses have committed to setting GHG emissions reduction targets consistent with the 2-degree goal.
- Hess, Apache, Kinder Morgan, and Southwestern, are among EOG's peers in the U.S. Oil and Gas sector that have set quantitative, time-bound GHG and/or methane reduction targets.
- The 10 major international oil and gas companies that constitute the Oil and Gas Climate Initiative recently announced their intention to work towards near-zero methane emissions.
- Over half of EOG's peers in the S&P 500 have set GHG reduction targets.

Setting GHG reduction targets is frequently found to be a sound business strategy. A 2013 report by CDP, WWF, and McKinsey & Company found that companies with GHG reduction targets achieved 9% better return on invested capital than companies without targets.

Setting targets would address a common concern of investors that are increasingly attune to the risks of climate change. State Street Global Advisors recently published disclosure recommendations for oil and gas companies, wherein it states, "We view establishing company-specific GHG emissions targets as one of the most important steps in managing climate risk."

One of the recommendations of The Task Force on Climate-related Financial Disclosures, whose members include JPMorgan Chase, UBS Asset Management, Generation Investment Management, and BlackRock, is: "Describe the targets used by the organization to manage climate-related risks and opportunities and performance against these targets."

While EOG has implemented various emissions reduction strategies, proponents believe establishing time-bound, quantitative emissions reduction targets would serve to align new and existing initiatives, spur innovation to drive further emissions reductions, lower costs through enhanced efficiency, mitigate risk, and enhance shareholder value.



November 14, 2017

Michael P. Donaldson  
Exec. Vice President, General Counsel  
and Corporate Secretary  
EOG Resources, Inc.  
1111 Bagby, Sky Lobby 2  
Houston, TX 77002  
Michael\_Donaldson@eogresources.com

**VIA FEDERAL EXPRESS and EMAIL**

Re: Shareholder Proposal Submission

Dear Mr. Donaldson,

On behalf of Lowell G. Miller, CIO and Founder of Miller/Howard Investments, Inc., we write to give notice that pursuant to the 2017 proxy statement of EOG Resources, Inc. and Rule 14a-8 under the Securities Exchange Act of 1934, Miller/Howard Investments, Inc. intends to file the attached proposal at the 2018 annual meeting of shareholders. Lowell Miller is a beneficial owner of more than \$2,000 in market value of EOG Resources, Inc. stock, has continuously held these shares for over one year, and has authorized Miller/Howard Investments, Inc. to file this proposal on his behalf. In addition, Mr. Miller intends to hold the shares through the date on which the annual meeting is held. Verification of stock ownership and authorization from Lowell G. Miller for Miller/Howard Investments, Inc. to file the proposal will be submitted under separate cover.

Miller/Howard Investments, Inc. (Miller/Howard) is an independent, research-driven investment boutique with over twenty-five years of experience managing portfolios for major institutions, mutual funds, and individuals in dividend-focused investment strategies. In addition to financial analysis, we perform rigorous research seeking high-quality companies that are contributing to the economy in meaningful ways and have demonstrated a strong commitment to good governance, the environment, and social responsibility. We are long-term investors in EOG Resources, Inc. (EOG).

We believe that reporting on environmental risk management makes a company more responsive to its shareholders who are seeking information on how the company is navigating regulation, evolving legislation, and increasing public expectations around how corporate behavior impacts the environment.

As you are aware, the Paris Climate Agreement of 2015, agreed to by 195 countries, established a target to limit global temperature increases to 2-degree Celsius above pre-industrial levels. To meet the 2-degree goal and mitigate the most severe impacts of climate change, climate scientists estimate it is necessary to reduce global emissions 55 percent by 2050 (relative to 2010 levels), entailing a U.S. reduction target of 80 percent.

Miller/Howard Investments Inc.  
10 Dixon Avenue  
Woodstock NY 12498

MAIN 845-679-9166  
FAX 845-679-5862  
www.mhinvest.com

Michael P. Donaldson  
EOG Resources, Inc.  
November 14, 2017  
Page 2

Motivated by the imperative to reduce emissions, cut costs, and/or achieve the goals of the Paris Agreement, many companies are setting goals. In fact, over half of EOG's peers in the S&P 500 have set GHG reduction targets.

While EOG has implemented various emissions reduction strategies, proponents believe establishing time-bound, quantitative emissions reduction targets would serve to align new and existing initiatives, spur innovation to drive further emissions reductions, lower costs through enhanced efficiency, mitigate risk, and enhance shareholder value.

Trillium Asset Management, Inc. has agreed to serve as lead filer of this proposal, and we authorize Trillium to withdraw on our behalf if an agreement is reached. We are submitting this proposal as co-filers because we strongly believe it is in the best interests of the company and its shareholders.

Separate from the shareholder proposal, and as you are aware from prior discussions, Miller/Howard is one among many investors looking to increase diversity at the Board and top Leadership levels, and have ranked positive movement in the industry and by individual companies very favorably. The rationale for doing so is straightforward: research shows that companies that embrace gender diversity are better-governed, better-managed and have better long-term growth prospects. This is a win-win proposition for both companies and their shareholders. We are interested in EOG's efforts to increase diversity at its Board and top Leadership levels.

Please contact Trillium for any matters related to this proposal and copy Miller/Howard at [esg@mhinvest.com](mailto:esg@mhinvest.com). Please contact us directly at [esg@mhinvest.com](mailto:esg@mhinvest.com) for any matters related to board gender diversity. We welcome a discussion on each of these important issues.

Sincerely,



Patricia Karr Seabrook  
Shareholder Advocacy Coordinator  
Miller/Howard Investments, Inc.

cc: Jonas Kron, Senior Vice President, Director of Shareholder Advocacy, Trillium Asset Management, LLC; [jkron@trilliuminvest.com](mailto:jkron@trilliuminvest.com)  
Luan Jenifer, Chief Executive Officer, Miller/Howard Investments, Inc.; [luan@mhinvest.com](mailto:luan@mhinvest.com)

## Greenhouse Gas Emissions Reduction Targets

**Resolved:** Shareholders request EOG Resources, Inc. (EOG) adopt company-wide, quantitative, time-bound targets for reducing greenhouse gas (GHG) emissions and issue a report, at reasonable cost and omitting proprietary information, discussing its plans and progress towards achieving these targets.

**Whereas:** The Paris Climate Agreement of 2015, agreed to by 195 countries, established a target to limit global temperature increases to 2-degrees Celsius above pre-industrial levels. To meet the 2-degree goal and mitigate the most severe impacts of climate change, climate scientists estimate it is necessary to reduce global emissions 55 percent by 2050 (relative to 2010 levels), entailing a US reduction target of 80 percent.

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EOG states: "Our safety and environmental management processes are based on a goal setting philosophy. The company sets safety and environmental expectations and provides a framework within which management can achieve safety and environmental goals in a systematic way." Despite this philosophy, EOG has not established time-bound or quantitative emissions reductions goals.

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One of the recommendations of The Task Force on Climate-related Financial Disclosures, whose members include JPMorgan Chase, UBS Asset Management, Generation Investment Management, and BlackRock, is: "Describe the targets used by the organization to manage climate-related risks and opportunities and performance against these targets."

While EOG has implemented various emissions reduction strategies, proponents believe establishing time-bound, quantitative emissions reduction targets would serve to align new and existing initiatives, spur innovation to drive further emissions reductions, lower costs through enhanced efficiency, mitigate risk, and enhance shareholder value.



November 16, 2017

Michael Donaldson  
Corporate Secretary  
1111 Bagby, Sky Lobby 2  
Houston, TX  
77002

Dear Mr. Donaldson,

Trillium hereby submits the enclosed documentation to add Mayberry, LLC and Persephone, LLC to the shareholder proposal filed on November 13, 2017 with EOG Resources, Inc. (EOG) for inclusion in the Company's 2018 proxy statement in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934 (17 C.F.R. § 240.14a-8). This is the same proposal that was filed on behalf of Sierra Club Foundation, Plymouth Congregational Church of Seattle, and Francis Don Schreiber on November 13, 2017.

Per Rule 14a-8, Mayberry, LLC and Persephone, LLC hold more than \$2,000 of EOG common stock, acquired more than one year prior to today's date and held continuously for that time. As evidenced in the attached letters, Mayberry, LLC and Persephone, LLC will remain invested in this position continuously through the date of the 2018 annual meeting. We will forward verification of each position separately.

We will send a representative to the stockholders' meeting to move the shareholder proposal as required by the SEC rules.

We welcome the opportunity to discuss the subject of the enclosed proposal with company representatives.

Please direct any communications to me at (503) 953-8345, or via email at [apearce@trilliuminvest.com](mailto:apearce@trilliuminvest.com).

Sincerely,

A handwritten signature in black ink that reads 'Allan C Pearce'.

Allan Pearce  
Shareholder Advocate  
Trillium Asset Management, LLC

Allan Pearce  
Shareholder Advocate  
Trillium Asset Management, LLC  
721 NW Ninth Ave  
Suite 250  
Portland, OR  
97209

Fax: 617-482-6179

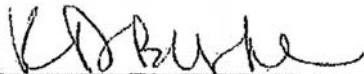
Dear Mr. Pearce:

I hereby authorize Trillium Asset Management, LLC to file a shareholder proposal on behalf of Mayberry, LLC at EOG Resources, Inc. (EOG) on the subject of greenhouse gas emissions reduction targets.

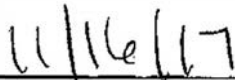
Mayberry, LLC is the beneficial owner of more than \$2,000 of EOG common stock that it has held continuously for more than one year. Mayberry, LLC intends to hold the aforementioned shares of stock continuously through the date of the company's annual meeting in 2018.

I specifically give Trillium Asset Management, LLC full authority to deal, on Mayberry, LLC's behalf, with any and all aspects of the aforementioned shareholder proposal. Mayberry, LLC intends for all communications from the company and its representatives to be directed to Trillium Asset Management, LLC. I understand that Mayberry, LLC's name may appear on the corporation's proxy statement as the filer of the aforementioned resolution.

Sincerely,



\_\_\_\_\_  
SIGNATURE



\_\_\_\_\_  
Date

Allan Pearce  
Shareholder Advocate  
Trillium Asset Management, LLC  
721 NW Ninth Ave  
Suite 250  
Portland, OR  
97209

Fax: 617-482-6179

Dear Mr. Pearce:

I hereby authorize Trillium Asset Management, LLC to file a shareholder proposal on behalf of Persephone, LLC at EOG Resources, Inc. (EOG) on the subject of greenhouse gas emissions reduction targets.

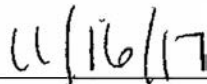
Persephone, LLC is the beneficial owner of more than \$2,000 of EOG common stock that it has held continuously for more than one year. Persephone, LLC intends to hold the aforementioned shares of stock continuously through the date of the company's annual meeting in 2018.

I specifically give Trillium Asset Management, LLC full authority to deal, on Persephone, LLC's behalf, with any and all aspects of the aforementioned shareholder proposal. Persephone, LLC intends for all communications from the company and its representatives to be directed to Trillium Asset Management, LLC. I understand that Persephone, LLC's name may appear on the corporation's proxy statement as the filer of the aforementioned resolution.

Sincerely,



\_\_\_\_\_  
SIGNATURE



\_\_\_\_\_  
Date





November 16, 2017

Michael Donaldson  
Corporate Secretary  
1111 Bagby, Sky Lobby 2  
Houston, TX  
77002

Dear Mr. Donaldson,

As stated in Trillium's Filing Letter of November 13, 2017 and in accordance with the SEC Rules, please find the attached custodial letters from Charles Schwab documenting that Plymouth Congregational Church of Seattle, Francis Don Schreiber, and Sierra Club Foundation each holds sufficient company shares to file a proposal under rule 14a-8. Also, please see the attached authorization letter from the Plymouth Congregational Church of Seattle, Francis Don Schreiber, and Sierra Club Foundation showing the beneficial holder of the shares intends to hold the shares through the date of the company's 2018 Annual Meeting.

Rule 14a-8(f) requires notice of specific deficiencies in our proof of eligibility to submit a proposal. Therefore we request that you notify us if you see any deficiencies in the enclosed documentation

Please direct any communications to me at (503) 953-8345; via mail at Trillium Asset Management, LLC; 721 NW Ninth Ave, Suite 250, Portland, OR 97209; or via e-mail at [apearce@trilliuminvest.com](mailto:apearce@trilliuminvest.com)

Sincerely,

A handwritten signature in cursive script that reads 'Allan C Pearce'.

Allan Pearce  
Shareholder Advocate  
Trillium Asset Management, LLC



**Advisor Services**  
1958 Summit Park Dr  
Orlando, FL 32810

November 15, 2017

RE: Plymouth Congregational Church of Seattle/Acct: [REDACTED] \*\*\*

This letter is to confirm that Charles Schwab & Co. holds as custodian for the above account 641 shares of EOG common stock. These 641 shares have been held in this account continuously for at least one year prior to November 13, 2017.

These shares are held at Depository Trust Company under the nominee name of Charles Schwab and Company.

This letter serves as confirmation that the shares are held by Charles Schwab & Co, Inc.

Sincerely,

A handwritten signature in black ink, appearing to read "Shaun Tracey". The signature is fluid and cursive.

Shaun Tracey

Relationship Specialist

*charles*  
SCHWAB

**Advisor Services**  
1958 Summit Park Dr  
Orlando, FL 32810

November 15, 2017

RE: Francis Don Schreiber/Acct \*\*\*

This letter is to confirm that Charles Schwab & Co. holds as custodian for the above account 31 shares of EOG common stock. These 31 shares have been held in this account continuously for at least one year prior to November 13, 2017.

These shares are held at Depository Trust Company under the nominee name of Charles Schwab and Company.

This letter serves as confirmation that the shares are held by Charles Schwab & Co, Inc.

Sincerely,



Shaun Tracey

Relationship Specialist



**Advisor Services**  
1958 Summit Park Dr  
Orlando, FL 32810

November 15, 2017

RE: The Sierra Club Foundation/Acct \*\*\*

This letter is to confirm that Charles Schwab & Co. holds as custodian for the above account 56 shares of EOG common stock. These 56 shares have been held in this account continuously for at least one year prior to November 13, 2017.

These shares are held at Depository Trust Company under the nominee name of Charles Schwab and Company.

This letter serves as confirmation that the shares are held by Charles Schwab & Co, Inc.

Sincerely,

A handwritten signature in black ink, appearing to read "Shaun Tracey". The signature is fluid and cursive, written over a light blue horizontal line.

Shaun Tracey

Relationship Specialist

Allan Pearce  
Shareholder Advocate  
Trillium Asset Management, LLC  
721 NW Ninth Ave  
Suite 250  
Portland, OR  
97209

Fax: 617-482-6179


Dear Mr. Pearce:

I hereby authorize Trillium Asset Management, LLC to file a shareholder proposal on my behalf at EOG Resources, Inc. (EOG) on the subject of Greenhouse gas emissions reduction targets.

I am the beneficial owner of more than \$2,000 of EOG common stock that I've held continuously for more than one year. I intend to hold the aforementioned shares of stock continuously through the date of the company's annual meeting in 2018.

I specifically give Trillium Asset Management, LLC full authority to deal on my behalf, with any and all aspects of the aforementioned shareholder proposal. I intend for all communications from the company and its representatives to be directed to Trillium Asset Management, LLC. I understand that my name may appear on the corporation's proxy statement as the filer of the aforementioned resolution.

Sincerely,

  
\_\_\_\_\_  
Francis Don Schreiber

11/6/16  
\_\_\_\_\_  
Date



Allan Pearce  
Shareholder Advocate  
Trillium Asset Management, LLC  
721 NW Ninth Ave  
Suite 250  
Portland, OR  
97209

Fax: 617-482-6179

Dear Mr. Pearce:

I hereby authorize Trillium Asset Management, LLC to file a shareholder proposal on behalf of Plymouth Congregational Church of Seattle at EOG Resources, Inc. (EOG) on the subject of greenhouse gas emissions reduction targets.

Plymouth Congregational Church of Seattle is the beneficial owner of more than \$2,000 of EOG common stock that it has held continuously for more than one year. Plymouth Congregational Church of Seattle intends to hold the aforementioned shares of stock continuously through the date of the company's annual meeting in 2018.

I specifically give Trillium Asset Management, LLC full authority to deal, on Plymouth Congregational Church of Seattle's behalf, with any and all aspects of the aforementioned shareholder proposal. Plymouth Congregational Church of Seattle intends for all communications from the company and its representatives to be directed to Trillium Asset Management, LLC. I understand that Plymouth Congregational Church of Seattle's name may appear on the corporation's proxy statement as the filer of the aforementioned resolution.

Sincerely,

Rev. Steven Davis  
Executive Minister  
Plymouth Congregational Church of Seattle

11/7/2017  
Date

Allan Pearce  
Shareholder Advocate  
Trillium Asset Management, LLC  
721 NW Ninth Ave  
Suite 250  
Portland, OR  
97209

Dear Mr. Pearce:

I hereby authorize Trillium Asset Management, LLC to file a shareholder proposal on behalf of Sierra Club Foundation at EOG Resources, Inc. (EOG) on the subject of greenhouse gas emissions reduction targets.

Sierra Club Foundation is the beneficial owner of more than \$2,000 of EOG common stock that it has held continuously for more than one year. Sierra Club Foundation intends to hold the aforementioned shares of stock continuously through the date of the company's annual meeting in 2018.

I specifically give Trillium Asset Management, LLC full authority to deal, on Sierra Club Foundation's behalf, with any and all aspects of the aforementioned shareholder proposal. Sierra Club Foundation intends for all communications from the company and its representatives to be directed to Trillium Asset Management, LLC. I understand that Sierra Club Foundation's name may appear on the corporation's proxy statement as the filer of the aforementioned resolution.

Sincerely,



\_\_\_\_\_  
Virginia W. Quick, Chief Financial Officer  
Sierra Club Foundation

11/13/17

\_\_\_\_\_  
Date





November 17, 2017

Michael P. Donaldson  
Exec. Vice President, General Counsel  
and Corporate Secretary  
EOG Resources, Inc.  
1111 Bagby, Sky Lobby 2  
Houston, TX 77002  
[Michael.Donaldson@eogresources.com](mailto:Michael.Donaldson@eogresources.com)

**VIA FEDERAL EXPRESS and EMAIL**

Dear Mr. Donaldson,

Please find enclosed verification from Charles Schwab of stock ownership for Lowell G. Miller. The shareholder proposal was sent to you via fax and Federal Express under separate cover along with a filing letter dated November 14, 2017.

In addition, I enclose a letter signed by Mr. Miller authorizing Miller/Howard Investments, Inc. to file the shareholder resolution. This letter also states Mr. Miller's intention to hold these shares through the date of EOG Resources, Inc.'s annual meeting in 2018.

Sincerely,

A handwritten signature in black ink, appearing to read "Patricia Seabrook". The signature is fluid and cursive, written over a light blue horizontal line.

Patricia Karr Seabrook  
Shareholder Advocacy Coordinator  
Miller/Howard Investments, Inc.

cc: Luan Jenifer, Chief Operating Officer, Miller/Howard Investments, Inc.; [esg@mhinvest.com](mailto:esg@mhinvest.com)



Advisor Services  
1958 Summit Park Dr  
Orlando, FL 32810

November 17, 2017

Patricia Karr Seabrook  
Shareholder Advocacy Coordinator  
Miller/Howard Investment  
(845)679-9166.

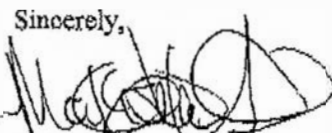
Re: Lowell G Miller  
Schwab One Individual

Account # XXXX- \*\*\*

This letter is to confirm that Charles Schwab & Co. holds as custodian for the above account, shares of EOG Resources, Inc. (EOG) common stock in excess of \$2,000.00. These shares have been held in this account continuously for at least one year prior to November 14, 2017.

These shares are held at Depository Trust Company under the nominee name of Charles Schwab & Company.

This letter serves as confirmation that the shares are held by Charles Schwab & Co. Inc.

Sincerely,  
  
Makisha Evans  
Relationship Specialist  
Schwab Advisor Services

November 14, 2017

Luan Jenifer  
Chief Operating Officer  
Miller/Howard Investments, Inc.  
10 Dixon Avenue  
Woodstock, NY 12498

Dear Ms. Jenifer:

This letter is to confirm that I authorize Miller/Howard Investments, Inc. to file a shareholder resolution on my behalf at EOG Resources, Inc. at the 2018 annual meeting of shareholders.

This letter is to confirm that as of November 14, 2017, I was a record investor holding shares of EOG Resources, Inc. Common Stock. This letter also confirms that I have held these shares continuously in excess of \$2,000 in market value for at least twelve months prior to November 14, 2017, and that I will continue to hold sufficient shares through the date of the annual shareholders' meeting in 2018.

I give Miller/Howard Investments, Inc. the authority to deal on my behalf with any and all aspects of the shareholder resolution, including but not limited to presentation at the annual meeting, and withdrawal of the resolution.

Sincerely,



Lowell G. Miller  
Founder and CIO  
Miller/Howard Investments, Inc.

cc: Miller/Howard Investments: [patricia@mhinvest.com](mailto:patricia@mhinvest.com) and [esg@mhinvest.com](mailto:esg@mhinvest.com)



RECEIVED

NOV 29 2017

EOG RESOURCES, INC.  
LEGAL DEPARTMENT

November 27, 2017

Michael Donaldson  
Corporate Secretary  
1111 Bagby, Sky Lobby 2  
Houston, TX  
77002

Dear Mr. Donaldson,

As stated in Trillium's Filing Letter of November 16, 2017 and in accordance with the SEC Rules, please find the attached custodial letters from Fidelity Family Office Services documenting that Mayberry, LLC and Persephone, LLC each holds sufficient company shares to file a proposal under rule 14a-8. Also, please see the attached authorization letters from Mayberry, LLC and Persephone, LLC showing the beneficial holder of the shares intends to hold the shares through the date of the company's 2018 Annual Meeting.

Rule 14a-8(f) requires notice of specific deficiencies in our proof of eligibility to submit a proposal. Therefore we request that you notify us if you see any deficiencies in the enclosed documentation

Please direct any communications to me at (503) 953-8345; via mail at Trillium Asset Management, LLC; 721 NW Ninth Ave, Suite 250, Portland, OR 97209; or via e-mail at [apearce@trilliuminvest.com](mailto:apearce@trilliuminvest.com)

Sincerely,

A handwritten signature in cursive script that reads 'Allan C Pearce'.

Allan Pearce  
Shareholder Advocate  
Trillium Asset Management, LLC

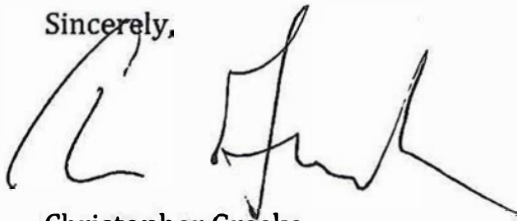
November 20, 2017

Re: Persephone, LLC/Client Account Number \*\*\*

This letter is to confirm that Fidelity Brokerage Services holds as custodian for the above client 490 shares of common stock in EOG Resources, Inc. These 490 shares have been held in this account continuously for at least one year prior to November 16, 2017.

This letter serves as confirmation that the shares are held by Fidelity Brokerage Services.

Sincerely,



Christopher Greeke  
Client Service Manager  
Fidelity Family Office Services



November 20, 2017

Re: Mayberry, LLC/Client Account Number [REDACTED] \*\*\*

This letter is to confirm that Fidelity Brokerage Services holds as custodian for the above client 895 shares of common stock in EOG Resources, Inc. These 895 shares have been held in this account continuously for at least one year prior to November 16, 2017.

This letter serves as confirmation that the shares are held by Fidelity Brokerage Services.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Greeke", written over a white background.

Christopher Greeke  
Client Service Manager  
Fidelity Family Office Services



Allan Pearce  
Shareholder Advocate  
Trillium Asset Management, LLC  
721 NW Ninth Ave  
Suite 250  
Portland, OR  
97209

Fax: 617-482-6179

Dear Mr. Pearce:

I hereby authorize Trillium Asset Management, LLC to file a shareholder proposal on behalf of Persephone, LLC at EOG Resources, Inc. (EOG) on the subject of greenhouse gas emissions reduction targets.

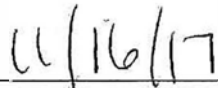
Persephone, LLC is the beneficial owner of more than \$2,000 of EOG common stock that it has held continuously for more than one year. Persephone, LLC intends to hold the aforementioned shares of stock continuously through the date of the company's annual meeting in 2018.

I specifically give Trillium Asset Management, LLC full authority to deal, on Persephone, LLC's behalf, with any and all aspects of the aforementioned shareholder proposal. Persephone, LLC intends for all communications from the company and its representatives to be directed to Trillium Asset Management, LLC. I understand that Persephone, LLC's name may appear on the corporation's proxy statement as the filer of the aforementioned resolution.

Sincerely,



\_\_\_\_\_  
SIGNATURE



\_\_\_\_\_  
Date

Allan Pearce  
Shareholder Advocate  
Trillium Asset Management, LLC  
721 NW Ninth Ave  
Suite 250  
Portland, OR  
97209

Fax: 617-482-6179

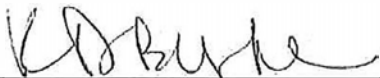
Dear Mr. Pearce:

I hereby authorize Trillium Asset Management, LLC to file a shareholder proposal on behalf of Mayberry, LLC at EOG Resources, Inc. (EOG) on the subject of greenhouse gas emissions reduction targets.

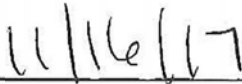
Mayberry, LLC is the beneficial owner of more than \$2,000 of EOG common stock that it has held continuously for more than one year. Mayberry, LLC intends to hold the aforementioned shares of stock continuously through the date of the company's annual meeting in 2018.

I specifically give Trillium Asset Management, LLC full authority to deal, on Mayberry, LLC's behalf, with any and all aspects of the aforementioned shareholder proposal. Mayberry, LLC intends for all communications from the company and its representatives to be directed to Trillium Asset Management, LLC. I understand that Mayberry, LLC's name may appear on the corporation's proxy statement as the filer of the aforementioned resolution.

Sincerely,



SIGNATURE



Date

**Exhibit 2**

**“Global Climate Change” Section  
of  
EOG “Corporate Responsibility” Website Disclosures**  
(<http://www.eogresources.com/responsibility/climate.html>)

## **Global Climate Change**

- EOG's Position on Global Climate Change
- Emissions Reduction and Management; Emissions Reporting
- Leak Detection and Repair Program
- Carbon Disclosure Project Climate Change Program
- Energy Efficiency and Conservation Measures
- Quantitative Indicators Regarding Emissions

### **EOG's Position on Global Climate Change**

EOG supports efforts to understand and address the contribution of human activities to global climate change through the application of sound scientific research and analysis. In addition, the company believes that the reduction of air emissions throughout its operations is both in the best interests of the environment and a prudent business practice. A safety and environmental update that includes climate change issues is presented to the EOG Board of Directors annually.

EOG is aware of the increasing focus of local, state, national and international regulatory bodies on greenhouse gas (GHG) emissions and climate change issues. The company is also aware of legislation proposed by U.S. lawmakers to reduce GHG emissions. EOG will continue to monitor and assess any new policies, legislation or regulations and take appropriate actions.

EOG believes that any new climate change policies must be based on sound scientific and economic considerations, which are fully disclosed to the public, and rely on market forces to efficiently encourage consumer conservation and the development of alternative energy sources. Also, EOG believes that the application and enforcement of climate change policies and regulations should apply appropriately to all sectors of the economy and be uniform at the local, state, national and international levels. Moreover, EOG believes any emissions limits or standards imposed on industry should be based on reliable, available and economically feasible technology.

Based on data published by the U.S. Energy Information Administration, the statistical arm of the U.S. Energy Department, energy-related emissions of carbon dioxide, the GHG that is widely believed to contribute to global warming, have fallen 12 percent between 2005 and 2015. This reduction is due, in large part, to the use of natural gas in electricity generation. Since GHG emissions from the combustion of natural gas are among the lowest of any fossil fuel on a per-unit basis, EOG believes that the increased use of natural gas in preference to other fossil fuels could be a critical component of any climate change policy. EOG is capable of increasing its production of natural gas in response to increases in natural gas demand, where economically feasible.

EOG is a member of the American Exploration & Production Council (AXPC), the American Petroleum Institute (API) and the Independent Petroleum Association of America (IPAA), national trade associations that represent U.S. crude oil and natural gas exploration and production companies. The AXPC, API and IPAA and their member companies have been active in voluntarily reducing methane

emissions and support programs to reduce methane emissions. EOG strives to promote policies through these and other trade associations that are consistent with EOG's position on global climate change.

### **Emissions Reduction and Management; Emissions Reporting**

It is important to EOG, for operational, environmental and economic reasons, to reduce air emissions from its operations. EOG's facilities are specifically designed to minimize emissions and maximize recovery of all vapors. In addition to reducing flaring, EOG has, where operationally appropriate, installed specialized control equipment, such as vapor recovery units and towers, vapor balance systems, high-efficiency combustion devices and multi-stage separator/flare stack systems, to minimize emissions.

EOG has also incorporated into its normal operating practices gathering infrastructure (i.e., pipelines), reduced emissions completion systems (i.e., "green completion" systems), multi-well pads, intermittent/low-bleed controllers, "instrument air" controllers and systems, compressors equipped with emissions control technology, solar-powered chemical pumps and motor valves, "thief" hatches and vent sealing valves as means of minimizing emissions. In addition, as part of its normal operating practices, EOG utilizes thermal/infrared cameras to identify and manage emissions at its facilities and periodically reviews its programs with a view to reducing, where operationally feasible, the number of compressors used.

Also, where operationally feasible, EOG seeks to install electricity infrastructure at its operating locations, to permit the use of electric-powered (versus fuel-powered) equipment. For example, in 2015, EOG installed approximately 60 miles of electricity infrastructure in the Eagle Ford region, which allowed EOG to remove approximately 400 diesel and natural gas generators from its operations.

EOG has a quality assurance/quality control program in place to help maintain compliance with state and federal permits and regulations. EOG has also implemented an Emissions Management System for calculating emissions based on recognized methodologies and accepted engineering practices. This system is being utilized to calculate GHG emissions from the company's operating facilities.

In addition, EOG has taken steps to comply with the New Source Performance Standards and the National Emission Standards for Hazardous Air Pollutants for the crude oil and natural gas sector that were recently implemented by the U.S. Environmental Protection Agency (EPA). These standards are designed to limit emissions of volatile organic compounds (VOCs) and other designated emissions from a variety of sources relating to the completion of natural gas wells and the processing and transportation of natural gas.

Since 2011, EOG has filed reports with the EPA in accordance with the regulatory requirements for facilities with combustion sources greater than 25,000 tons per year (based on emissions data from prior periods). EOG continues to gather data to comply with future reporting requirements. EOG has also gathered GHG emissions data since 2011 for all facilities subject to the EPA's regulatory requirements, and periodically reports that data to the EPA in accordance with regulatory requirements. This data is available to the general public from the EPA.

## **Leak Detection and Repair Program**

EOG has implemented a formal leak detection and repair (LDAR) program which provides EOG's operating areas with guidelines for detecting, repairing and monitoring emissions leaks at EOG facilities. The program consists of the following elements:

- Monitoring of Components – EOG monitors emissions from components such as connectors, pressure relief valves, controllers and tank thief hatches.
- Monitoring Frequency Guidelines – These guidelines, with respect to the frequency with which such components are monitored, take into account activity levels at EOG facilities and other factors that may affect emissions.
- Identification and Repair of Leaks – EOG has developed protocols for (i) the identification and repair of detected leaks and (ii) the re-inspection of repaired components at specified time periods post-repair.
- Infrared Cameras/Thermal Imaging Technology – A substantial part of the monitoring under EOG's LDAR program is conducted through the use of infrared cameras and other thermal imaging technology, operated by qualified, trained personnel.
- Documentation, Review and Retention – EOG's LDAR program also contains guidelines with respect to the maintenance of documentation regarding inspections and the detection and repair of leaks.

The LDAR program is reviewed periodically by EOG and is applicable to all EOG production locations regardless of whether such locations are subject to a state or federally mandated LDAR program.

## **Carbon Disclosure Project Climate Change Program**

Consistent with its commitment to transparency, EOG participated in the Carbon Disclosure Project's climate change program for 2014, 2015, 2016 and 2017, and expects to participate in this program in future years as well. EOG's participation in this program allows investors and the public to better understand the climate change-related aspects of EOG's business. EOG's participation in this program also allows EOG to benchmark its business and operations against that of its peer companies.



## **Energy Efficiency and Conservation Measures**

EOG frequently reviews energy use and efficiency and takes appropriate actions to reduce consumption and improve the energy efficiency of its field operations and, in turn, reduce the emissions from its field operations. Accordingly, EOG has installed in certain of its operating areas dual-fuel compressors, compressors with speed controls and air fuel controllers, resulting in lower fuel usage and lower emissions. Additionally, in support of recent regulatory initiatives, EOG utilizes electric-driven pumps and compressors in certain of its operating areas to lessen the emissions generated in those areas. Moreover, in addition to reducing overall emissions from its field operations, EOG's use of multi-well pads and pipeline gathering systems also conserves fuel by reducing trucking during drilling, completion and transportation operations. In addition, EOG's ongoing efforts to reduce the number of days required to drill wells not only lowers costs for EOG and its stockholders, but also lowers fuel consumption.

EOG's focus on energy efficiency and conservation also extends to its office buildings. For example, the office building housing EOG's Houston, Texas headquarters utilizes LED light fixtures; a variable frequency water pumping system that aids in lowering water consumption; and an energy management system that controls and monitors heating and air conditioning usage in the building. In addition, EOG's office buildings in Houston, Denver and San Antonio have received Leadership in Energy and Environmental Design (LEED) certification. LEED is a "green" building certification program that recognizes best-in-class building strategies and practices.

EOG's Houston, Texas headquarters office building is also ENERGY STAR-certified. ENERGY STAR is a voluntary EPA program that assists businesses and individuals in saving money on energy costs and protecting our climate through superior energy efficiency.

Energy efficiency and conservation were also key considerations in EOG's construction of its office building for its Midland, Texas office. In constructing the building, EOG utilized composite metal panels and sheetrock containing recycled materials; energy-efficient glass and precast concrete; ceiling tiles and carpet containing renewable materials and low VOCs; and paint containing no VOCs.

EOG's various offices also participate in the recycling programs offered by building management.

## **Quantitative Indicators Regarding Emissions**

GHG intensity, which is a standard emissions measurement in a variety of industries, is the level of GHG emissions per unit of economic activity. GHG intensity is typically based on gross domestic product (GDP) when measured at a national (i.e., country) level or on aggregate output or production when measured at an industry or individual company level. GHG intensity and other emissions intensity rates are used (for example, by regulatory bodies such as the EPA) to compare the environmental impact of different fuels or activities and to determine progress in achieving emissions reduction targets.

*Excerpt from EOG Corporate Website*

EOG's GHG intensity rate, based on the greenhouse gas emissions associated with its operated wells, as reported in accordance with the EPA's GHG reporting rules, per thousand barrels of crude oil equivalent of gross production from EOG's U.S. operations was as follows:

	2012	2013	2014	2015	2016
<b>GHG intensity rate</b> (metric tons of CO <sub>2e</sub> (carbon dioxide equivalent) per MBoe of gross production from EOG's U.S. operations during such year)	23	28	25	21	20

EOG also calculates a fugitive emissions intensity rate based on the methane-related fugitive emissions associated with its operated wells, as reported in accordance with the EPA's GHG reporting rules, per thousand barrels of crude oil equivalent of gross production from EOG's U.S. operations. EOG's fugitive emissions intensity rate was as follows:

	2012	2013	2014	2015	2016
<b>Fugitive emissions intensity rate</b> (metric tons of CO <sub>2e</sub> per MBoe of gross production from EOG's U.S. operations during such year)	1.83	1.23	0.97	1.10	0.87

In addition to its fugitive emissions intensity rate, EOG also now calculates a methane emissions intensity rate. This intensity rate is based on the methane emissions associated with EOG's operated wells, as reported in accordance with the EPA's GHG reporting rules, per thousand barrels of crude oil equivalent of gross production from EOG's U.S. operations. EOG's methane emissions intensity rate was as follows:

	2012	2013	2014	2015	2016
<b>Methane emissions intensity rate</b> (metric tons of methane per MBoe of gross production from EOG's U.S. operations during such year)	0.32	0.49	0.42	0.40	0.19

In addition, EOG now calculates its methane emissions intensity expressed as a percentage, based on the methane emissions associated with its operated wells, as reported in accordance with the EPA's GHG reporting rules, per thousand cubic feet of natural gas equivalent (Mcf) of gross production from EOG's U.S. operations. This metric is calculated as a percentage of EOG's total oil and gas production (on a natural gas-equivalents basis, using the ratio of 6.0 thousand cubic feet of natural gas to 1.0 barrel of crude oil, condensate or natural gas liquids), which EOG believes provides a more comprehensive representation of the methane emissions from its operations than would a methane emissions metric calculated as a percentage of natural gas production only. EOG's methane emissions intensity percentage was as follows:

*Excerpt from EOG Corporate Website*

	2012	2013	2014	2015	2016
<b>Methane emissions intensity percentage</b> (percentage of metric tons of methane emissions per thousand cubic feet of natural gas equivalent (Mcf) of gross production from EOG's U.S. operations during such year)	0.28%	0.43%	0.36%	0.35%	0.17%

In addition, EOG calculates a flaring intensity rate based on the flaring emissions associated with its operated wells, as reported in accordance with the EPA's GHG reporting rules, per thousand barrels of crude oil equivalent of gross production from EOG's U.S. operations. Flaring, which is the controlled burning of natural gas, is used to safely combust natural gas during normal operating conditions and during unexpected events in the interest of safety. When crude oil is extracted and produced from wells, natural gas associated with the crude oil is produced as well. The release of natural gas, via flaring, reduces wear and damage to equipment resulting from overpressure, especially during shutdown and restart of operations. Flaring may also be utilized when adequate gathering and processing infrastructure (for example, pipelines) are initially not available to capture such natural gas production and transport it to market. EOG's flaring intensity rate was as follows:

	2012	2013	2014	2015	2016
<b>Flaring intensity rate</b> (metric tons of CO <sub>2e</sub> per MBoe of gross production from EOG's U.S. operations during such year)	3.47	2.92	4.03	1.24	2.29

**All of the above intensity rates are now calculated based on EOG's operated U.S. gross production versus EOG's net working interest portion of its gross production. EOG believes this provides more meaningful and logical intensity metrics, as GHG numbers are reported to the EPA on a gross production basis as well.**

It is also important to EOG, for environmental and economic reasons, to reduce both its flaring and venting of natural gas and the associated emissions, by capturing natural gas at the wellsite. Where operationally appropriate, EOG installs (among other emissions reduction equipment) natural gas gathering pipelines and reduced emissions completion systems (i.e., "green completion" systems), such as closed-loop venting systems and portable (e.g., truck or trailer-mounted) recovery and processing equipment, to separate and recover associated natural gas at the wellhead, so it can be directed to a pipeline and sold.

EOG has installed the following number of aggregate miles of natural gas gathering pipelines in its major U.S. operating areas:

	2012	2013	2014	2015	2016
<b>Miles of natural gas gathering pipelines installed</b>	489.59	222.58	378.53	165.02	47.40

In addition, EOG conducted reduced emissions completions (as defined by applicable EPA regulations for natural gas well completions) (i.e., "green completions") for 100 percent of its U.S. natural gas well completions in 2013, 2015 and 2016. EOG did not complete any natural gas wells in the U.S. during 2014. In addition, EOG conducted reduced emissions completions for its crude oil wells in 2016 as required by EPA regulations.