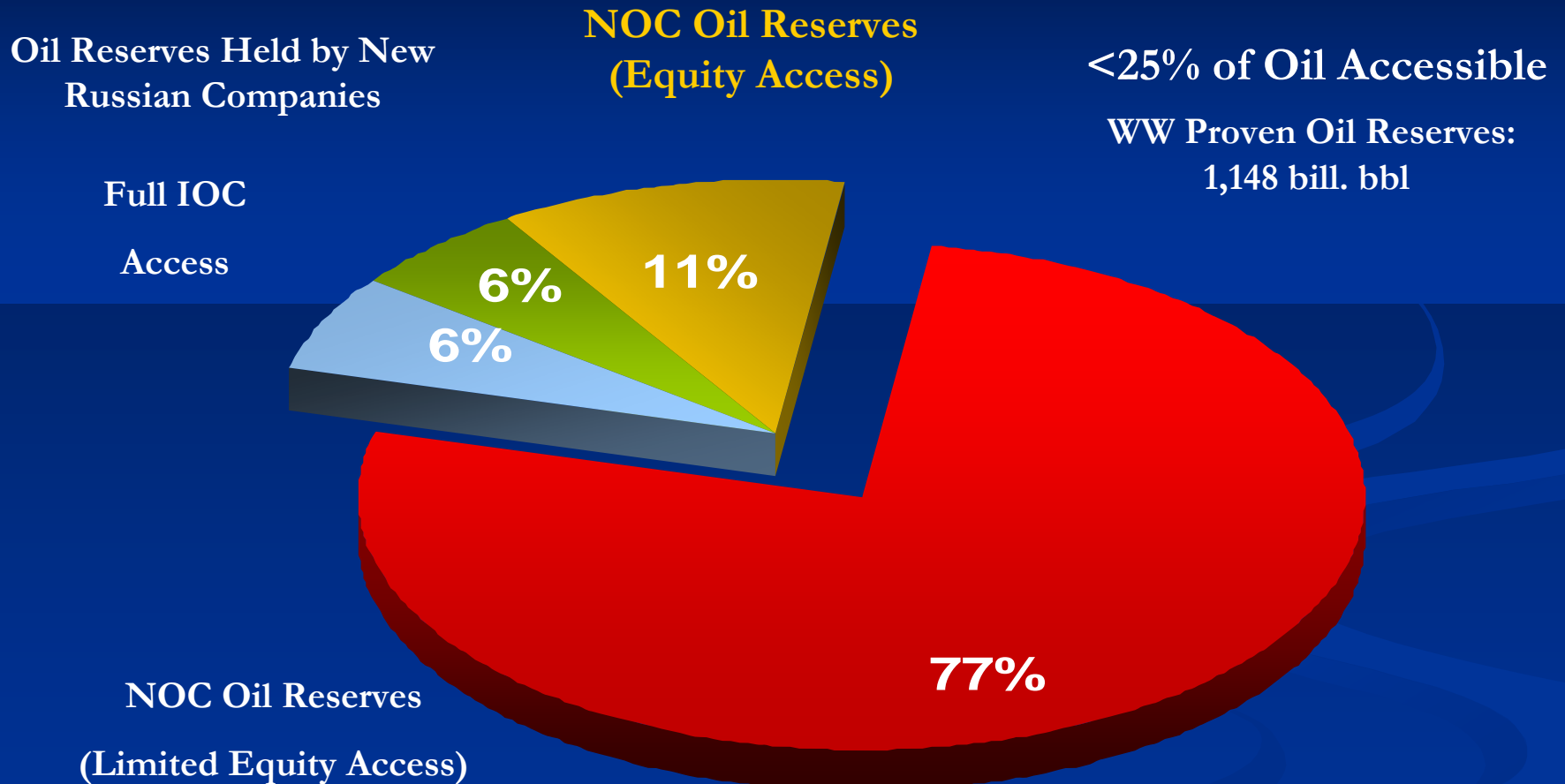


# Access to Resources: National Oil Companies Control the Proven Oil Reserves...



...As a result International Oil Companies are rule takers and price takers; have limited access to oil reserves

# U.S. Drilling Activity

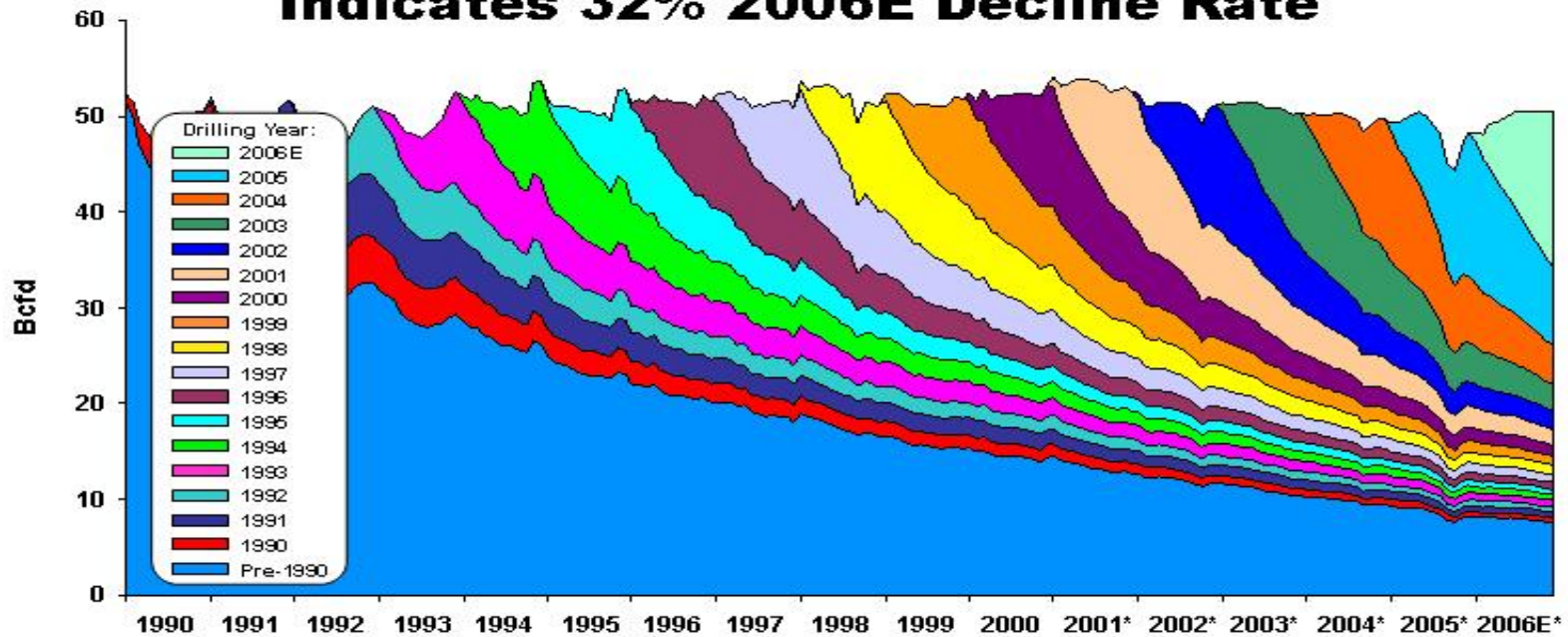
Year	Active Rigs	<u>Total Well Completions</u>		
		Oil	Gas	Dry
1986	964	19,213	8,599	12,799
1996	779	8,760	9,539	5,587
2005	1,383	8,766	27,397	4,644

# U.S. Exploration Activity

Year	Oil	<u>Exploratory Wells Drilled</u>		
		Gas	Dry	% Dry
1986	1,085	797	5,567	75%
1996	496	591	2,246	67%
2005	378	1,212	1,645	51%

# Decline Rates

## US Natural Gas Production History Indicates 32% 2006E Decline Rate



Production Decline Rate of Base:

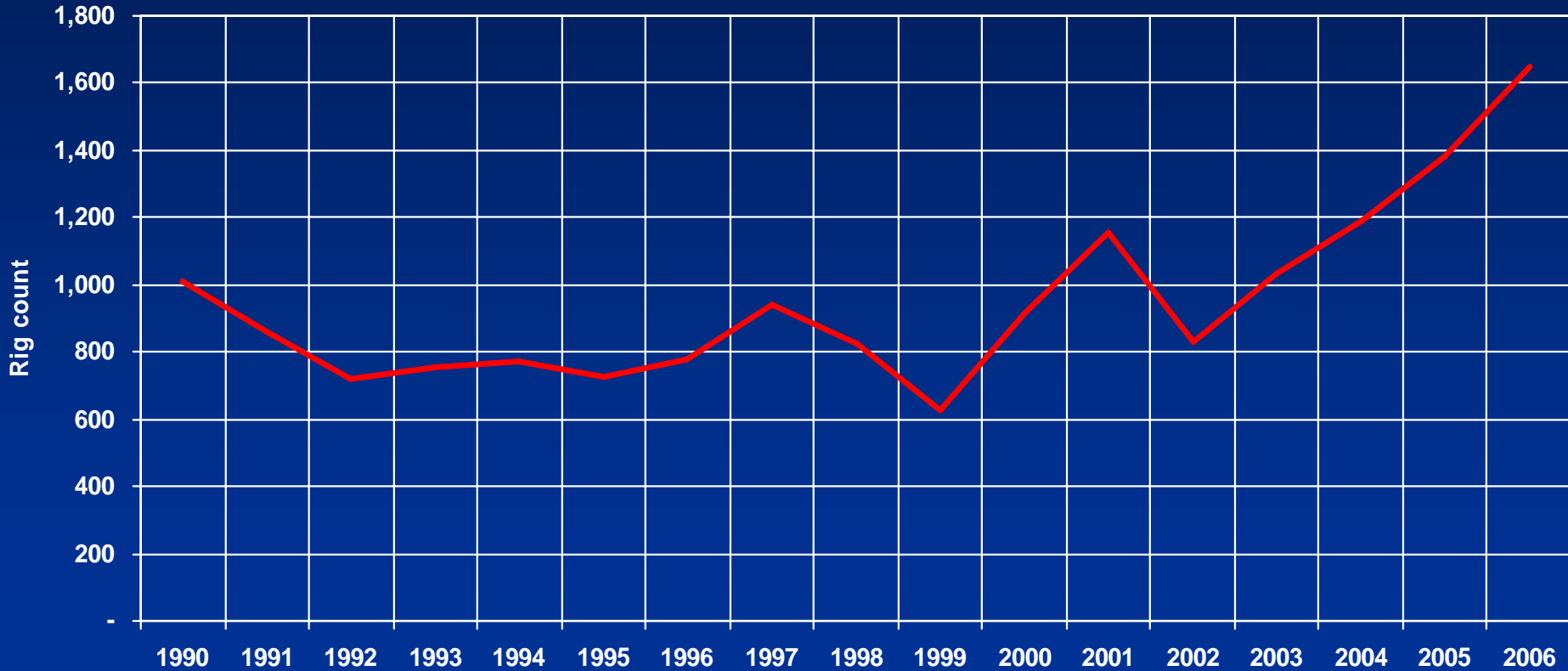
17% 17% 16% 18% 19% 19% 20% 21% 23% 23% 25% 24% 27% 28% 29% 30% 32%

\* Based on EOG surveys  
Utilizes Data Supplied by IHS Energy; Copyright IHS Energy  
Chart Prepared by and Property of EOG Resources, Inc.; Copyright 2007

# Rig Count

## Rotary Rigs in Operation

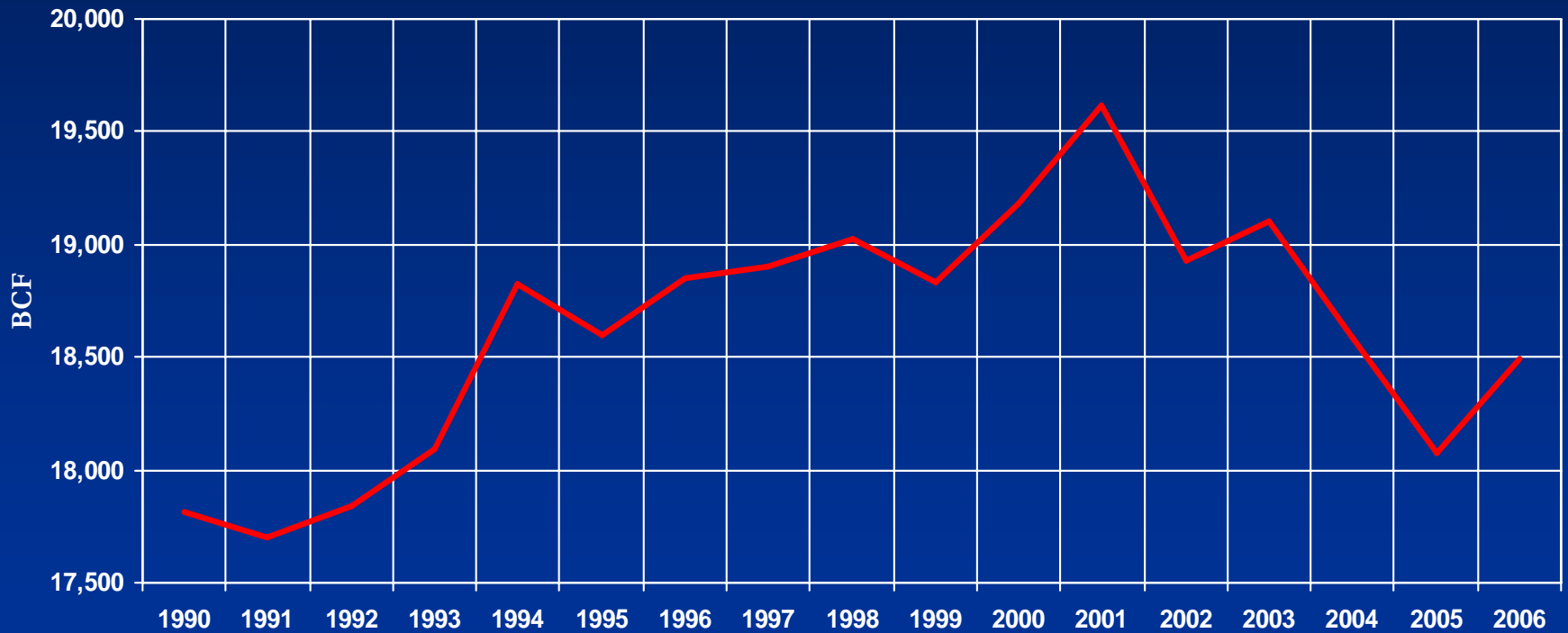
(USA - count)



Source: Baker Hughes

# Production

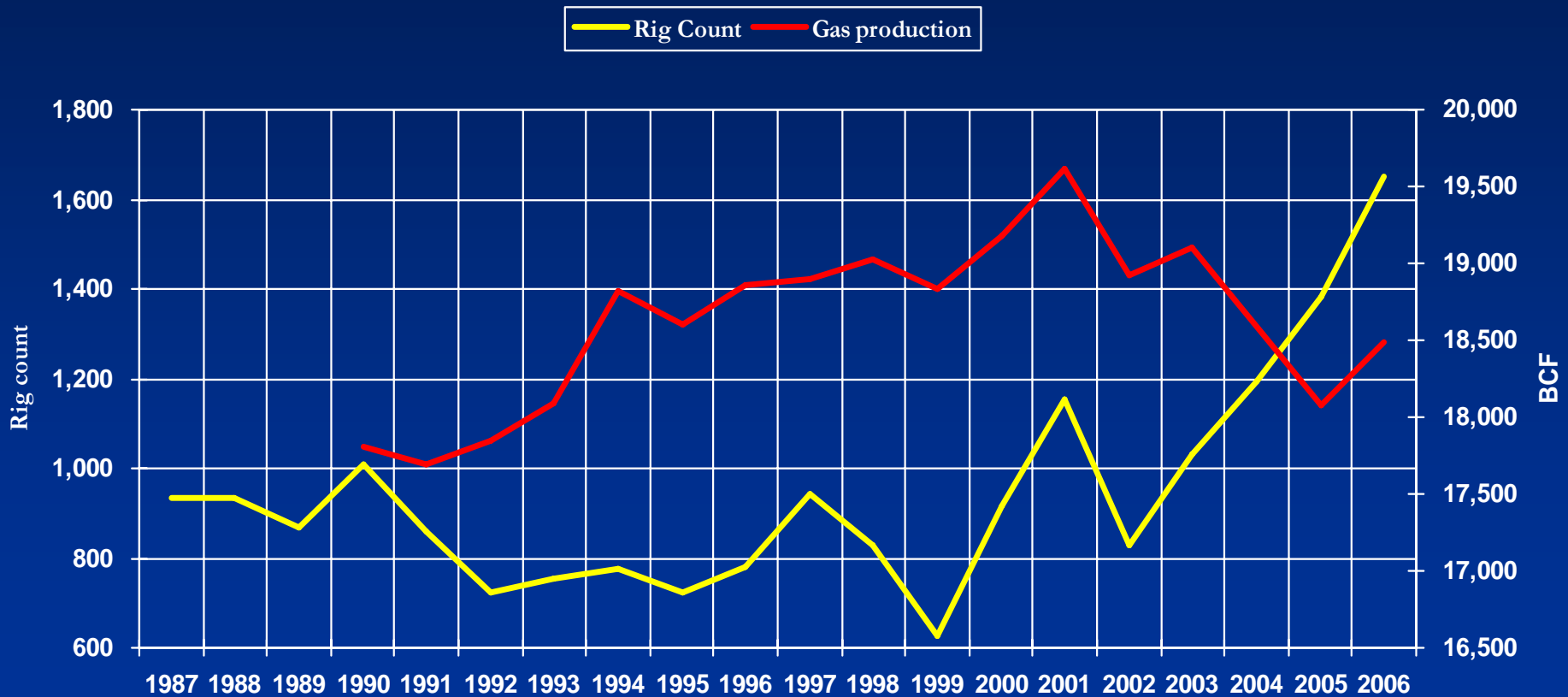
## Dry Natural Gas Production (USA)



Source: EIA

# Rig Count compared to Production

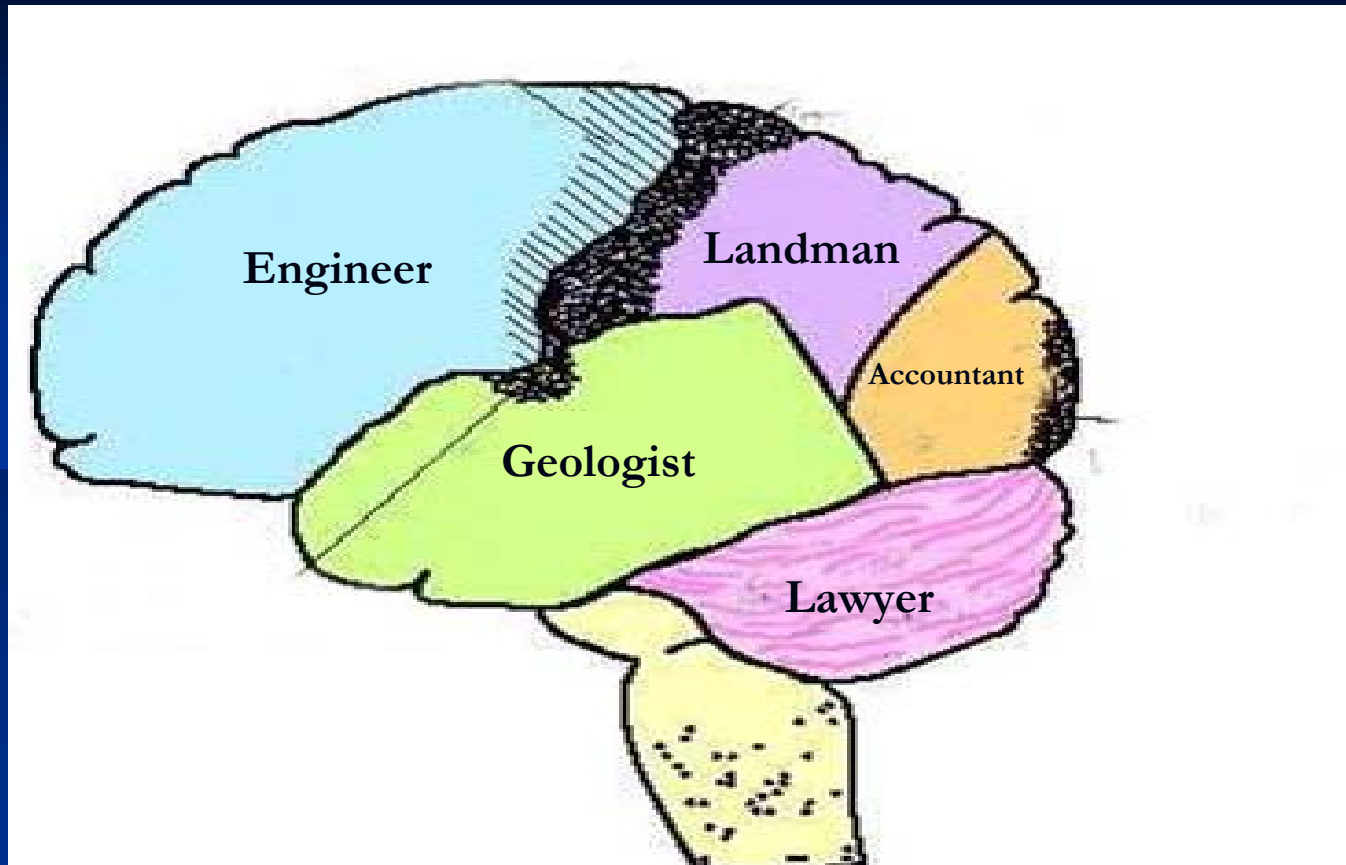
## Rig Count - Gas Production (USA)



Source: EIA & Baker Hughes

# Share of U.S. Domestic Production (%)

Year	Majors	Independents
1990 (est)	55%	45%
1995	53%	47%
2000	43%	57%
2005 (est)	40%	60%



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